

**PT MODERNLAND REALTY Tbk
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED
30 JUNE 2016 AND 2015 (UNAUDITED)
AND FOR THE YEARS ENDED
31 DECEMBER 2015, 2014 AND 2013 (AUDITED)

AND

REPORT ON REVIEW OF FINANCIAL INFORMATION

AND

INDEPENDENT AUDITORS' REPORT

**PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED
30 JUNE 2016 AND 2015 (UNAUDITED)
AND FOR THE YEARS ENDED
31 DECEMBER 2015, 2014 AND 2013 (AUDITED)**

C O N T E N T S

Directors' Statement

Report on Review of Financial Information

Independent Auditors' Report

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Consolidated Statements of Changes in Equity	C
Consolidated Statements of Cash Flows	D
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BOARD OF DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY FOR INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIODE ENDED
30 JUNE 2016 DAN 2015 (UNAUDITED)
AND FOR THE YEARS ENDED
31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
PT MODERNLAND REALTY TBK

We, the underdesign below :

1. Name : William Honoris
Office Address : Green Central City, Commercial Area 5th Floor,
Jl. Gajah Mada No.188, Jakarta Barat
Domicilie Address : Modernland BG III/ 29-31 RT.01/RW. 01 Kel.
Cipete - Kec. Pinang, Tangerang
Phone Number : 021 - 29365888
Position : President Director
2. Name : L.H. Freddy Chan
Office Address : Green Central City, Commercial Area 5th Floor,
Jl. Gajah Mada No.188, Jakarta Barat
Domicilie Address : Jl. Sutera Kirana VI/17 RT.02/ RW.007, Kel Pondok
Jagung Timur, Kec. Serpong Utara, Tangerang
Phone Number : 021 - 29365888
Position : Finance Director

Declare that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of the Company and subsidiaries;
2. The consolidated financial statement of the Company and subsidiaries have been prepared and presented in accordance with Indonesian financial accounting standards;
3. a. All information contained in the consolidated financial statements of the Company and subsidiaries have been disclosed in a complete and truthful manner;
c. The consolidated financial statements of the Company and subsidiaries do not contain any incorrect information or material fact, nor do they omit information or material facts;
4. We are responsible for internal control system of the Company and subsidiaries.

We certify the accuracy of this statement.

Jakarta, 5 August 2016



William Honoris
President Director


L.H. Freddy Chan
Finance Director

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Tanubrata Sutanto Fahmi Bambang & Rekan
Certified Public Accountants
License No 622/KM.1/2016

Prudential Tower, 17th Fl
Jl. Jend. Sudirman Kav. 79
Jakarta 12910 - Indonesia

No. : 012/1.M075/ER.1/06.16
Re : Interim Consolidated Financial Information
30 June 2016 and 2015

Report on Review of Interim Financial Information

**The Shareholders, Board of Commissioners and Directors
PT Modernland Realty Tbk
J a k a r t a**

Introduction

We have reviewed the accompanying interim consolidated financial statements of PT Modernland Realty Tbk (the "Company") and its subsidiaries, which comprise the interim consolidated statements of financial position as of 30 June 2016 and 2015, and the interim consolidated statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the six-month periods then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", established by the Indonesian Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of PT Modernland Realty Tbk and its subsidiaries as of 30 June 2016 and 2015, and their consolidated financial performance and cash flows for the six-month periods then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

This report has been prepared for inclusion in the offering documents in connection with the proposed public offering of the debt securities of the Company to be listed on Singapore Exchange.

Kantor Akuntan Publik
TANUBRATA SUTANTO FAHMI BAMBANG & Rekan



Erna, S.E., Ak, CA., CPA
NIAP AP.1044

5 August 2016

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Jakarta 12910 - Indonesia

No. : 007/1.M075/ER.1/12.13-15
Re : **Consolidated Financial Statements**
31 December 2015, 2014 and 2013

Independent Auditors' Report

The Shareholders, Board of Commissioners and Directors
PT Modernland Realty Tbk
J a k a r t a

We have audited the accompanying consolidated financial statements of PT Modernland Realty Tbk (the "Company") and its subsidiaries, which comprise the consolidated statements of financial position as of 31 December 2015, 2014 and 2013, and the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Modernland Realty Tbk and its subsidiaries as of 31 December 2015, 2014 and 2013, and their consolidated financial performance and cash flows for the years then ended, in accordance with Indonesian Financial Accounting Standards.

Other matters

This report has been prepared for inclusion in the offering documents in connection with the proposed public offering of the debt securities of the Company to be listed on Singapore exchange.

Before this report, we have issued an independent auditor's report No: 333/4-M075/FH-3/12.13 dated 20 March 2014, No: 279/5-M075/ER-1/12.14 dated 20 March 2015 and No: 267/6.M075/ER.2/12.15 dated 18 March 2016 on the consolidated financial statements of PT Modernland Realty Tbk and its subsidiaries as of 31 December 2013, 2014 and 2015 and for the years then ended, and expressed an unmodified opinion.

Kantor Akuntan Publik
TANUBRATA SUTANTO FAHMI BAMBANG & Rekan



Erna, S.E., Ak, CA., CPA
NIAP AP.1044

5 August 2016

RDN/yn

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2016 AND 2015 (UNAUDITED)
AND AS OF 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Indonesian Rupiah, unless otherwise stated)

Notes	30 June 2016 (Unaudited)	30 June 2015* (Unaudited)	31 December 2015 (Audited)	31 December 2014* (Audited)	31 December 2013* (Audited)	
A S S E T S						
CURRENT ASSETS						
Cash and cash equivalents	5	202,456,059,111	345,199,847,273	518,620,338,294	582,506,875,704	511,884,602,460
Short-term investments		1,258,000,000	3,731,500,000	1,181,500,000	5,737,500,000	32,095,000,000
Restricted funds	6	41,775,723,400	-	43,722,824,855	-	-
Derivative financial assets	7	51,000,000,000	-	97,125,000,000	-	-
Trade receivables						
Third parties - net of allowance for impairment losses of Rp 22,881,655,053, Rp 21,852,094,240, Rp 22,905,346,166, Rp 21,852,094,240, and Rp 14,947,414,989 on 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013, respectively	8	1,531,121,722,764	1,044,340,841,505	1,485,131,670,267	434,514,586,000	350,863,107,622
Other current financial asset - Other receivables - Third parties		9,975,133,696	18,237,220,214	10,542,091,697	12,263,534,604	14,225,829,607
Non-trade receivables from related parties	32	45,278,878,475	50,094,838,475	45,278,828,475	50,094,838,475	38,169,928,432
Inventories	9	1,049,785,731,781	818,336,547,612	850,914,211,062	924,431,530,063	1,042,753,160,220
Prepaid taxes	18a	37,846,971,295	63,010,451,393	49,338,479,829	30,430,212,389	24,767,031,557
Prepaid expenses and advances		41,461,972,429	38,910,333,779	43,725,326,607	21,436,235,899	22,109,871,605
Total Current Assets		3,011,960,192,951	2,381,861,580,251	3,145,580,271,086	2,061,415,313,134	2,036,868,531,503
NON-CURRENT ASSETS						
Restricted funds	6	438,945,269,796	392,276,996,274	474,340,776,995	385,716,617,283	316,243,932,635
Derivative financial assets	7	200,600,000,000	305,255,000,000	311,050,000,000	85,340,000,000	-
Land for development	10	5,300,266,421,923	4,343,296,260,166	5,483,793,408,636	4,221,021,566,155	4,213,313,690,737
Advances for purchases of land	11	1,332,440,192,493	1,273,719,019,316	1,139,002,143,678	1,182,569,218,341	560,422,435,607
Property, plant and equipment - net of accumulated depreciation of Rp 269,567,002,410, Rp 227,065,559,458, Rp 248,404,099,021, Rp 206,061,102,492, and Rp 166,160,542,925 on 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, respectively	12	1,119,059,646,793	1,124,236,893,946	1,128,136,315,008	1,131,195,797,401	1,142,137,535,535
Goodwill	13	1,141,036,812,530	1,279,112,936,390	1,141,036,812,530	1,279,112,936,390	1,279,112,936,390
Deferred tax assets - Net	18e	363,042,099	291,166,587	255,732,398	218,833,802	133,442,378
Other non-current assets		20,366,691,625	12,844,832,982	19,855,204,898	12,556,644,927	11,827,069,616
Total Non-Current Assets		9,553,078,077,259	8,731,033,105,661	9,697,470,394,143	8,297,731,614,299	7,523,191,042,898
TOTAL ASSETS		12,565,038,270,210	11,112,894,685,912	12,843,050,665,229	10,359,146,927,433	9,560,059,574,401

*As restated (Note 2b)

See accompanying Notes to Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2016 AND 2015 (UNAUDITED)
AND AS OF 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Indonesian Rupiah, unless otherwise stated)

	Notes	30 June 2016 (Unaudited)	30 June 2015* (Unaudited)	31 December 2015 (Audited)	31 December 2014* (Audited)	31 December 2013* (Audited)
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Short-term loans	14					
Bank		150,000,000,000	-	150,000,000,000	-	852,570,036,969
Non-bank		-	-	-	-	28,000,000,000
Trade payables - Third parties	15	106,078,966,202	75,635,107,455	77,795,199,012	58,868,327,399	84,161,273,677
Other current financial liability - Other payables - Third parties		19,514,058,449	69,674,921,357	37,498,099,138	79,841,272,432	41,692,759,635
Deposits from customers - Third parties	16	794,255,299,210	846,628,456,672	1,099,458,306,670	602,657,455,638	786,397,020,144
Accrued expenses	17	886,416,577,568	699,623,471,279	707,443,452,243	527,110,001,193	342,964,430,246
Taxes payable	18b	162,961,681,194	174,938,322,454	215,043,556,795	109,124,498,211	113,790,213,800
Current portion of long-term liabilities:						
Finance lease liabilities		1,907,205,655	3,312,674,978	2,643,746,476	4,276,156,323	4,065,186,995
Refundable membership deposits		14,137,427,070	15,246,745,099	14,180,519,071	15,407,216,146	15,948,614,258
Bonds payable:						
Third parties	20	755,667,774,220	249,417,945,906	784,984,568,815	248,860,624,619	-
Related party	20,32	-	-	-	-	30,575,047,381
Bank loans	21	62,984,571,753	61,389,959,127	61,645,034,859	61,223,570,535	141,758,375,644
Total Current Liabilities		2,953,923,561,321	2,195,867,604,327	3,150,692,483,079	1,707,369,122,496	2,441,922,958,749
NON-CURRENT LIABILITIES						
Employee benefits liability	19	52,228,267,290	43,914,934,930	47,014,031,834	40,535,240,611	34,103,821,038
Deferred tax liabilities - Net	18e	42,648,669,921	480,840,324	44,312,797,627	1,741,811,171	1,254,991,699
Long-term liabilities - net of current portion:						
Finance lease liabilities		264,709,512	2,180,955,591	949,501,932	3,348,787,592	1,926,992,267
Refundable membership deposits		-	-	-	-	271,129,127
Bonds payable - Third parties	20	3,357,231,942,852	3,357,493,190,353	3,445,895,975,065	3,128,667,178,598	2,251,957,288,841
Bank loans	21	80,305,891,201	123,979,456,885	96,729,037,018	154,703,170,781	157,304,566,287
Total Non-Current Liabilities		3,532,679,480,776	3,528,049,378,083	3,634,901,343,476	3,328,996,188,753	2,446,818,789,259
Total Liabilities		6,486,603,042,097	5,723,916,982,410	6,785,593,826,555	5,036,365,311,249	4,888,741,748,008
EQUITY						
Equity attributable to owners of the parent entity						
Share capital						
Authorized - 6,113,691,376 Series A shares with par value of Rp 250 per share and 35,772,617,248 Series B with par value of Rp 125 per share						
Issued and fully paid share capital - 6,113,691,376 Series A shares and 6,419,375,946 Series B shares						
	22	2,330,844,837,094	2,330,844,837,094	2,330,844,837,094	2,330,844,837,094	2,330,844,837,094
Additional paid-in capital	23	(11,794,736,474)	(11,794,736,474)	(11,794,736,474)	(11,794,736,474)	(19,956,418,878)
Equity portion of convertible bonds	20,32	-	-	-	-	8,161,682,404
Exchange differences on translation of financial statements		9,162,447,446	15,730,775,593	14,402,340,726	4,860,256,853	(1,998,670,996)
Difference from transactions with non-controlling interest		(173,891,450)	(5,413,693)	(173,891,450)	(5,413,693)	(5,413,693)
Retained earnings						
Appropriated		4,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
Unappropriated		3,745,895,571,497	3,051,765,512,785	3,721,677,288,778	2,996,410,150,161	2,351,747,129,954
Total equity attributable to owners of the parent entity		6,078,434,228,113	5,389,040,975,305	6,057,455,838,674	5,322,815,093,941	4,671,293,145,885
Non-controlling interest	25	1,000,000	(63,271,803)	1,000,000	(33,477,757)	24,680,508
Total Equity		6,078,435,228,113	5,388,977,703,502	6,057,456,838,674	5,322,781,616,184	4,671,317,826,393
TOTAL LIABILITIES AND EQUITY		12,565,038,270,210	11,112,894,685,912	12,843,050,665,229	10,359,146,927,433	9,560,059,574,401

*As restated (Note 2b)

See accompanying Notes to Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2016 AND 2015 (UNAUDITED)
AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

	Notes	30 June 2016 (Six months) (Unaudited)	30 June 2015* (Six months) (Unaudited)	31 December 2015 (One year) (Audited)	31 December 2014* (One year) (Audited)	31 December 2013* (One year) (Audited)
REVENUES	26					
Net sales		1,061,438,565,609	1,332,972,418,501	2,849,685,595,416	2,725,007,238,904	1,739,441,511,960
Hotel and rental income		26,403,762,352	30,879,092,584	64,639,191,619	67,662,706,675	58,558,216,537
Golf course and club house restaurant		23,748,552,892	22,842,987,688	48,136,115,491	47,101,374,761	45,945,253,437
TOTAL REVENUES		1,111,590,880,853	1,386,694,498,773	2,962,460,902,526	2,839,771,320,340	1,843,944,981,934
COST OF REVENUES	27					
Cost of sales		492,810,522,368	610,805,110,126	1,199,578,892,014	1,153,180,466,145	431,500,667,656
Direct cost of hotel and rental income		24,578,990,579	26,599,391,120	53,093,426,009	54,849,200,761	47,129,954,489
Direct costs of golf course and club house restaurant		18,892,573,726	15,674,783,479	34,014,656,163	31,752,318,831	32,393,350,843
TOTAL COST OF REVENUES		536,282,086,673	653,079,284,725	1,286,686,974,186	1,239,781,985,737	511,023,972,988
GROSS PROFIT		575,308,794,180	733,615,214,048	1,675,773,928,340	1,599,989,334,603	1,332,921,008,946
Selling expenses	28	(38,709,913,151)	(52,062,914,159)	(75,513,021,269)	(66,875,942,936)	(59,528,884,085)
General and administrative expenses	29	(137,805,780,327)	(156,127,373,084)	(342,760,198,853)	(332,417,109,541)	(262,302,607,933)
Gain on previously held equity interest	4	-	-	-	-	1,742,425,014,861
Other operating income	30a	167,580,589,155	236,953,061,493	927,261,930,893	155,267,507,727	19,725,259,170
Other operating expenses	30b	(210,884,219,059)	(252,745,491,819)	(601,656,237,596)	(104,538,555,140)	(109,363,177,194)
Final tax expenses	18c	(53,439,310,938)	(68,928,184,271)	(145,281,148,996)	(135,582,557,921)	(88,022,614,670)
OPERATING INCOME		302,050,159,860	440,704,312,208	1,437,825,252,519	1,115,842,676,792	2,575,853,999,095
Share in net income of associate	4	-	-	-	-	44,353,619,506
Finance income	5	9,649,857,964	10,285,104,811	31,235,320,884	13,850,534,167	19,690,099,237
Finance costs	31	(263,047,590,879)	(226,833,958,105)	(508,951,373,180)	(415,482,595,724)	(179,938,784,676)
INCOME BEFORE INCOME TAX		48,652,426,945	224,155,458,914	960,109,200,223	714,210,615,235	2,459,958,933,162
INCOME TAX EXPENSE						
Current	18d	(22,308,467,022)	(19,766,386,104)	(45,574,442,196)	(7,459,752,250)	(3,095,269,250)
Deferred	18e	(94,604,204)	1,333,303,632	(41,114,562,069)	(455,454,753)	(8,904,064,055)
INCOME TAX EXPENSE - NET		(22,403,071,226)	(18,433,082,472)	(86,689,004,265)	(7,915,207,003)	(11,999,333,305)
NET INCOME FOR THE PERIOD/ YEAR		26,249,355,719	205,722,376,442	873,420,195,958	706,295,408,232	2,447,959,599,857
OTHER COMPREHENSIVE INCOME:						
Item that will not be reclassified to profit or loss						
Actuarial gain on defined benefit pension plan	19	(31,073,000)	-	2,440,388,996	920,763,615	9,471,750,904
Tax relating to items that will not be reclassified	18e	-	-	(196,638,473)	54,026,705	(145,921,340)
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translation of financial statements		(5,239,893,280)	10,870,518,740	9,542,083,873	6,858,927,849	(1,998,670,996)
Total Other Comprehensive (Loss) Income		(5,270,966,280)	10,870,518,740	11,785,834,396	7,833,718,169	7,327,158,568
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/ YEAR		20,978,389,439	216,592,895,182	885,206,030,354	714,129,126,401	2,455,286,758,425

*As restated (Noted 2b)

See accompanying Notes to Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2016 AND 2015 (UNAUDITED)
AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

Notes	30 June 2 0 1 6 (Six months) (Unaudited)	30 June 2 0 1 5* (Six months) (Unaudited)	31 December 2 0 1 5 (One year) (Audited)	31 December 2 0 1 4* (One year) (Audited)	31 December 2 0 1 3* (One year) (Audited)
Total net income attributable to:					
Owners of the parent entity	26,249,355,719	205,752,170,488	873,420,195,958	706,351,898,975	2,448,034,051,374
Non-controlling interest	-	(29,794,046)	-	(56,490,743)	(74,451,517)
T o t a l	<u>26,249,355,719</u>	<u>205,722,376,442</u>	<u>873,420,195,958</u>	<u>706,295,408,232</u>	<u>2,447,959,599,857</u>
Other comprehensive (loss) income attributable to:					
Owners of the parent entity	(5,270,966,280)	10,870,518,740	11,785,834,396	7,835,385,691	7,324,352,540
Non-controlling interest	-	-	-	(1,667,522)	2,806,028
T o t a l	<u>(5,270,966,280)</u>	<u>10,870,518,740</u>	<u>11,785,834,396</u>	<u>7,833,718,169</u>	<u>7,327,158,568</u>
BASIC AND DILUTED EARNINGS PER SHARE	35	2.09	16.42	69.69	56.36
	<u>2.09</u>	<u>16.42</u>	<u>69.69</u>	<u>56.36</u>	<u>195.33</u>

*As restated (Note 2b)

See accompanying Notes to Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2016 AND 2015 (UNAUDITED)
AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

Notes	Equity attributable to owners of the parent entity								
	Share Capital	Additional paid-in capital	Equity portion of convertible bonds	Exchange differences on translation of financial statements	Difference from transactions with non-controlling interest	Retained earnings		Non-controlling interest	Total equity
						Appropriated	Unappropriated		
Balance per 31 December 2012	2,330,844,837,094	(19,956,418,878)	8,161,682,404	-	(6,914,387)	2,500,000,000	(105,609,944,956)	99,026,691	2,216,032,267,968
Change in shareholding	-	-	-	-	1,500,694	-	-	(2,700,694)	(1,200,000)
Total comprehensive income for the year	-	-	-	(1,998,670,996)	-	-	2,457,357,074,910	(71,645,489)	2,455,286,758,425
Balance per 31 December 2013*	2,330,844,837,094	(19,956,418,878)	8,161,682,404	(1,998,670,996)	(5,413,693)	2,500,000,000	2,351,747,129,954	24,680,508	4,671,317,826,393
Payment of convertible bonds	23	-	8,161,682,404	(8,161,682,404)	-	-	-	-	-
Cash dividend	24	-	-	-	-	-	(62,665,336,610)	-	(62,665,336,610)
Total comprehensive income for the year	-	-	-	6,858,927,849	-	-	707,328,356,817	(58,158,265)	714,129,126,401
Balance per 31 December 2014*	2,330,844,837,094	(11,794,736,474)	-	4,860,256,853	(5,413,693)	2,500,000,000	2,996,410,150,161	(33,477,757)	5,322,781,616,184
Cash dividend	24	-	-	-	-	-	(150,396,807,864)	-	(150,396,807,864)
Total comprehensive income for the year	-	-	-	10,870,518,740	-	-	205,752,170,488	(29,794,046)	216,592,895,182
Balance per 30 June 2015*	<u>2,330,844,837,094</u>	<u>(11,794,736,474)</u>	<u>-</u>	<u>15,730,775,593</u>	<u>(5,413,693)</u>	<u>2,500,000,000</u>	<u>3,051,765,512,785</u>	<u>(63,271,803)</u>	<u>5,388,977,703,502</u>
Balance per 31 December 2014*	2,330,844,837,094	(11,794,736,474)	-	4,860,256,853	(5,413,693)	2,500,000,000	2,996,410,150,161	(33,477,757)	5,322,781,616,184
Cash dividend	24	-	-	-	-	-	(150,396,807,864)	-	(150,396,807,864)
Establishment of new subsidiary	-	-	-	-	-	-	-	1,000,000	1,000,000
Change in shareholding	-	-	-	-	(168,477,757)	-	-	33,477,757	(135,000,000)
Total comprehensive income for the year	-	-	-	9,542,083,873	-	-	875,663,946,481	-	885,206,030,354
Balance per 31 December 2015	2,330,844,837,094	(11,794,736,474)	-	14,402,340,726	(173,891,450)	2,500,000,000	3,721,677,288,778	1,000,000	6,057,456,838,674
Appropriation of retained earnings	-	-	-	-	-	2,000,000,000	(2,000,000,000)	-	-
Total comprehensive income for the year	-	-	-	(5,239,893,280)	-	-	26,218,282,719	-	20,978,389,439
Balance per 30 June 2016	<u>2,330,844,837,094</u>	<u>(11,794,736,474)</u>	<u>-</u>	<u>9,162,447,446</u>	<u>(173,891,450)</u>	<u>4,500,000,000</u>	<u>3,745,895,571,497</u>	<u>1,000,000</u>	<u>6,078,435,228,113</u>
*As restated (Note 2b)	Note 22	Note 23	Note 20					Note 25	

See accompanying Notes to Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2016 AND 2015 (UNAUDITED)
AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

	30 June 2016 (Six months) (Unaudited)	30 June 2015 (Six months) (Unaudited)	31 December 2015 (One year) (Audited)	31 December 2014 (One year) (Audited)	31 December 2013 (One year) (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	760,397,820,896	1,020,839,244,302	2,430,427,417,365	2,586,916,211,456	1,595,294,520,372
Payments to/for:					
Contractors, suppliers, land owners and others	(489,656,471,584)	(568,140,434,425)	(1,046,474,929,620)	(1,631,334,372,992)	(1,400,816,288,338)
Salaries and allowances	(66,717,618,160)	(79,722,167,305)	(168,942,841,211)	(146,265,272,441)	(73,186,254,962)
Operating expenses (excluding salaries and allowances)	(217,717,221,879)	(177,672,972,102)	(247,667,985,417)	(259,619,772,660)	(313,366,935,820)
Cash flows (used in) provided by operating activities	(13,693,490,727)	195,303,670,470	967,341,661,117	549,696,793,363	(192,074,958,748)
Payments for interest expense	(255,487,667,397)	(195,294,712,270)	(429,899,386,036)	(312,234,703,159)	(129,784,915,355)
Payments for final tax	(40,036,716,721)	(23,698,204,113)	(131,734,100,356)	(95,801,207,538)	-
Payments for corporate income tax	(24,104,476,757)	(19,161,220,333)	(42,498,041,211)	(7,302,844,164)	(4,724,581,464)
Receipts of interest income	9,649,857,964	10,285,104,811	31,235,320,884	13,850,534,167	19,690,099,237
Net cash flows (used in) provided by operating activities	(323,672,493,638)	(32,565,361,435)	394,445,454,398	148,208,572,669	(306,894,356,330)
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease (increase) in restricted funds	37,342,608,654	(6,560,378,991)	(132,346,984,567)	(69,472,684,648)	(131,724,141,431)
Proceeds from sale of property, plant and equipment	719,340,302	17,441,667	564,441,666	808,950,754	1,092,370,808
Acquisition of property, plant and equipment	(13,529,401,260)	(14,302,336,462)	(40,829,702,813)	(24,529,894,482)	(168,917,985,469)
Payments for acquisitions of new subsidiaries, net of cash acquired (Note 4)	-	-	(721,025,012,143)	-	(2,068,902,808,302)
Additional advances for investment to associates	-	-	-	-	(21,458,989,259)
Receipts (payment) from short-term investment	-	-	-	25,550,000,000	(6,800,000,000)
Net cash flows provided by (used in) investing activities	24,532,547,696	(20,845,273,786)	(893,637,257,857)	(67,643,628,376)	(2,396,711,553,653)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments of bank and non-bank loans	(36,461,000,000)	(31,250,000,000)	(62,500,000,000)	(1,246,321,556,854)	(252,646,773,955)
Payments for finance lease liabilities	(1,421,333,241)	(2,249,585,346)	(4,149,967,508)	(4,278,252,447)	(4,718,931,661)
Receipts of bank loans (Notes 14 and 21)	20,858,000,000	-	153,633,000,000	282,100,000,000	734,527,500,000
Proceeds from issuance of bonds (Note 20)	-	-	750,000,000,000	1,224,693,120,000	1,742,550,000,000
Payments of bonds payable (Note 20)	-	-	(250,000,000,000)	-	-
Payments of cash dividend (Note 24)	-	(150,396,807,864)	(150,396,807,864)	(62,665,336,610)	-
Bond issuance costs	-	-	(10,712,719,910)	(167,764,197,921)	(70,078,847,464)
Receipt from non-controlling interest	-	-	1,000,000	-	-
Payments of convertible bond	-	-	-	(30,575,047,381)	-
Bank loans issuance costs	-	-	-	(3,750,000,000)	-
Net cash flows (used in) provided by financing activities	(17,024,333,241)	(183,896,393,210)	425,874,504,718	(8,561,271,213)	2,149,632,946,920
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(316,164,279,183)	(237,307,028,431)	(73,317,298,741)	72,003,673,080	(553,972,963,063)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	-	-	9,430,761,331	(1,381,399,836)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	518,620,338,294	582,506,875,704	582,506,875,704	511,884,602,460	1,065,857,565,523
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	202,456,059,111	345,199,847,273	518,620,338,294	582,506,875,704	511,884,602,460

See accompanying Notes to Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2016 AND 2015 (UNAUDITED)
AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment of the Company

PT Modernland Realty Tbk (the “Company”) was established based on Notarial deed No. 15 dated 8 August 1983 of Hendra Karyadi, S.H. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-7390.HT.01.01.Th.83 dated 12 November 1983 and was published in the State Gazette of the Republic of Indonesia No. 100 dated 16 December 1983, Supplement No. 1073.

In 2008, the Company’s articles of association was amended based on Notarial deed No. 32 of Wahyu Nurani, S.H., dated 27 June 2008 to conform with Law No. 40 Year 2007 for Limited Liability Companies. The amendment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-69149.AH.01.02.Th.08 dated 24 September 2008 and was published in the State Gazette of the Republic of Indonesia No. 10917 dated 16 August 2010, Supplement No. 65.

The Company’s articles of association have been amended several times. The latest amendment in the Company’s articles of association was made in Notarial deed No. 93 dated 26 June 2015 by F.X. Budi Santoso Isbandi, S.H., Notary in Jakarta, to conform with Regulation of Indonesian Financial Services Authority No. 32/POJK.04/2014 regarding General Meeting of Shareholders of Public Companies and Regulation of Indonesian Financial Services Authority regarding rule on Boards of Directors (“BOD”) and Boards of Commissioners (BOC) of Issuers and Public Companies. The amendment was received by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-AH.01.03-0952063 dated 24 July 2015 and has been registered in the Company Listing under No. AHU-3534442.AH.01.11.Th.2015 dated 24 July 2015. Until the date of completion of the consolidated financial statements the State Gazette of the Republic of Indonesia is still in process.

The Company started its commercial operations in November 1989.

The Company is domiciled at Jalan Matraman Raya No. 12, Kebun Manggis Village, Matraman District, East Jakarta. The Company’s main office is located at Green Central City, Commercial Area 5th Floor, Jalan Gajah Mada No. 188, West Jakarta.

In accordance with Article 3 of the Company’s articles of association, the scope of activities of the Company comprises of, among others, real estate development, investment relating to property, infrastructure, development of industrial area and warehouse, apartment, hotel, office, shopping center, and management and service of golf course, general contractor, installation of heavy lifting, construction of iron and steel, construction of building, road bridges, airport-dock mounting installations and development of residential area. Supporting business activities of Company include, among others, trade import and export, a large local trade, distributors, agents and as representatives of the agencies and trading companies dealing with real estate and business property and leasing services, property management and supporting infrastructure for the Company’s construction. Presently, the Company’s activities include the development and sale of real estate and apartments and operation of golf course, club house restaurant, hotels and leasing services.

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2016 AND 2015 (UNAUDITED)
AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

1. **GENERAL** (Continued)

b. **Projects**

Township Development

Kota Modern - is the Company's first residential township project launched in 1989. Kota Modern is located in the heart of Tangerang City west of Jakarta. Kota Modern is a property development comprising of residential and commercial areas. Kota Modern also has various amenities such as a shopping mall, shophouses, modern market, schools, a hospital, a golf course and a country club.

Jakarta Garden City - is a mixed residential and commercial township located in Cakung, East Jakarta. Jakarta Garden City is a residential township supported by shopping mall, shophouses, entertainment centers, offices, international schools and other facilities.

Residential Development

Modern Hill - is located in Pondok Cabe Village, South of Jakarta. Modern Hill is exclusive developments of middle to high-end single family homes and multi-story residential properties.

Puri Teratai and Puri Mas - To complement Modern Cikande Industrial Estate, the Company built Puri Teratai and Puri Mas as a low cost housing project for people who work in the industrial area.

Modern Park - is a township in East Jakarta, which the Company sold as residential property between 1992 and 1997.

Industrial Town Development

Modern Cikande Industrial Estate I and II - is located in Cikande, Serang, Banten Province, 68 Km away from Jakarta and around 50 Km away from Soekarno-Hatta International Airport. The Company improve raw land with basic infrastructure, sell ready-to-build land lots of a customized size to industrial users, and provide maintenance services to tenants.

Hospitality and Commercial

Novotel Gajah Mada - A four-star hotel operated by the Accor Group under the Novotel brand located in Green Central City.

Padang Golf Modern and Country Club - a golf and country club located within the Company's Kota Modern.

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2016 AND 2015 (UNAUDITED)
AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL (Continued)

c. Public Offerings of The Company's Shares and Other Corporate Actions

On 18 December 1992, the Company offered to the public 22,800,000 shares with par value per share of Rp 1,000 at a market price per share of Rp 4,650, such shares were listed on the Indonesia Stock Exchange on 18 January 1993. Simultaneous with the listing of the aforementioned shares, all the 52,000,000 shares owned by the founding shareholders were also listed.

In 1994, the Company conducted a Limited Rights Issue I Offering through the issuance of "Modernland Mandatory Convertible Bonds at 6% Year 1995 with Pre-emptive Rights" (MCB) amounting to Rp 179,520,000,000 on 4 January 1995. The MCBs were listed on the Indonesia Stock Exchange on 4 January 1995.

On 1 July 1997, the Company changed the par value per share from Rp 1,000 to Rp 500.

On 1 August 1997, the Company issued 118,700,800 bonus shares. On 30 March 1998, the Company issued 308,389,452 bonus shares and stock dividends totaling 157,780,650 shares.

From 1995 to 2003, some MCBs were converted into shares of the Company. By the end of 2003, all of the MCB had been converted into 91,319,861 shares. Consequently, as of 31 December 2004, all of the Company's 825,790,763 shares were listed on the Indonesia Stock Exchange.

In 2005, the Company issued 1,641,054,925 new shares with par value per share of Rp 500, which arose from the conversion of the Company's loan principal. The new shares were listed on the Indonesia Stock Exchange.

In 2008, the Company issued 590,000,000 new shares with par value per share of Rp 500, which arose from the conversion of the Company's convertible bonds principal which were issued through a Capital Increase without Pre-emptive Rights. Consequently, all of the Company's 3,056,845,688 shares were listed on the Indonesia Stock Exchange.

Based on the Effective Statement Letter No. S-13446/BL/2011 dated 15 December 2011 from the Chairman of the Capital Market Supervisory Agency and Financial Institutions Supervisory Agency ("BAPEPAM-LK"), the Company conducted a Limited Public Offering II (PUT II) amounting to 3,209,687,973 Series B shares with par value of Rp 250 per share through the Indonesia Stock Exchange at the offering price of Rp 250 per share.

In January 2012, the Company received proceeds from PUT II amounting to Rp 802,421,993,250.

On 27 September 2013, the Company changed the par value per share of Series A shares from Rp 500 to Rp 250 and Series B shares from Rp 250 to Rp 125.

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
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AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL (Continued)

c. Public Offerings of The Company's Shares and Other Corporate Actions (Continued)

Based on Effective Statement Letter No. S-14327/BL/2012 dated 17 December 2012 issued by the Chairman of BAPEPAM-LK, the Company undertook Public Bonds Offering II Modernland Realty Year 2012 with Fixed Rates. The bonds issued by the Company were Series A bonds with a principal amount of Rp 250,000,000,000, with a fixed interest rate of 10.75% and a term of 3 years and Series B bonds with a principal amount of Rp 250,000,000,000, with a fixed interest rate of 11.00% and a term of 5 years (Note 20). Serie A bonds was paid on December 2015.

Based on the Offering Memorandum dated 13 October 2013, Modernland Overseas Pte. Ltd.(MLO), a company incorporated under the laws of Singapore and a wholly-owned subsidiary of the Company, issued USD 150,000,000 aggregate principal amount of 11.00% guaranteed senior notes due to 2016 (the "Guaranteed Senior Notes due 2016"). The Guaranteed Senior Notes due 2016 will mature on 25 October 2016. Interest will accrue from 25 October 2013 and be paid semiannually in arrears on 25 April and 25 October of each year, commencing on 25 April 2014. In October 2013 approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGXST") for the listing and quotation of the Notes on the SGX-ST. On 14 July 2014, MLO offer to exchange the Guaranteed Senior Notes due 2016 for Marquee Land Pte. Ltd.'s 9.75% Guaranteed Senior Notes due 2019 (the "Guaranteed Senior Notes Due 2019") (Note 20).

Based on the Offering Memorandum dated 29 July 2014, Marquee Land Pte. Ltd. (ML), a company incorporated under the laws of Singapore and a wholly-owned subsidiary of the Company, issued USD 190,830,000 aggregate principal amount of Guaranteed Senior Notes due 2019. Concurrently with the issuance of the Guaranteed Senior Notes due 2019, MLO exchanged USD 92,382,000 Guaranteed Senior Notes due 2016 for ML's Guaranteed Senior Notes due 2019 amounting to USD 92,382,000.

The Guaranteed Senior Notes due 2019 will mature on 5 August 2019. Interest will accrue from 5 August 2014 and be payable semiannually in arrears on 5 February and 5 August of each year, commencing on 5 February 2015. In August 2014 approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Guaranteed Senior Notes due 2019 on the SGX-ST (Note 20).

Based on Effective Statement Letter No. S-285/D.04/2015 dated 25 June 2015 issued by the Board of Commissioners of Indonesia Financial Services Authority, the Company undertook Modernland Realty Year 2015 Continuing Public Offering Phase I with Fixed Interest Rate. The bonds issued by the Company were Series A bonds with a principal amount of Rp 600,000,000,000, with a fixed interest rate of 12% and a term of 3 (three) years and the Series B bonds with a principal amount of Rp 150,000,000,000, with a fixed interest rate of 12,50% and a term of 5 (five) years. Interest from Series A and Series B bonds will be paid quarterly. Series A bonds will mature on July 2018 and Series B bonds will mature on July 2020.

PT MODERNLAND REALTY Tbk AND ITS SUBSIDIARIES
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AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL (Continued)

d. Subsidiaries

The Company together with its subsidiaries will be herein after referred as the “Group”. The principal activities of the subsidiaries are as follows:

Subsidiaries	Main product or activity	Domicile	Start of commercial operations	Percentage ownership (%)					Total assets before elimination (in million Rupiah)				
				30 Jun 2016	30 Jun 2015	31 Dec 2015	31 Dec 2014	31 Dec 2013	30 Jun 2016	30 Jun 2015	31 Dec 2015	31 Dec 2014	31 Dec 2013
Direct Ownership													
PT Mitra Sindo Sukses (MSS)	Real estate	Jakarta	2008	100.00	100.00	100.00	100.00	100.00	1,832,601	1,190,050	1,832,726	1,399,046	1,253,107
PT Mitra Sindo Makmur (MSM)	Real estate	Jakarta	2008	100.00	100.00	100.00	100.00	100.00	371,849	347,196	353,209	314,636	299,111
PT Modern Industrial Estat (MIE)	Real estate	Banten	2008	100.00	100.00	100.00	100.00	100.00	3,787,657	2,211,928	3,533,814	1,551,365	1,181,559
PT Modern Panel Indonesia (MPI)	Manufacture	Tangerang	2011	100.00	99.18	100.00	99.18	99.18	59,247	59,247	57,173	56,199	59,922
PT Mitra Mutiara Makmur (MMM)	Hotel	Jakarta	2011	100.00	99.00	100.00	99.00	99.00	49,663	49,663	50,272	28,504	51,817
PT Modern Graha Lestari (MGL)	Holding	Jakarta	2012	100.00	100.00	100.00	100.00	100.00	945,305	838,309	888,759	723,711	713,301
Modernland Overseas Pte. Ltd. (MLO)	Holding	Singapore	2013	100.00	100.00	100.00	100.00	100.00	840,987	835,698	876,282	774,784	1,907,198
PT Modern Mitra Pratama (MMP)	Service	Jakarta	-	100.00	99.96	100.00	99.96	-	2,500	2,500	2,500	2,500	-
Marquee Land Pte. Ltd. (ML)	Holding	Singapore	2014	100.00	100.00	100.00	100.00	-	2,735,474	2,714,199	2,848,238	2,518,534	-
PT Modern Mitrakarya Serasi (MMS)	Real estate	Banten	-	99.92	-	99.92	-	-	1,354	-	1,356	-	-
Indirect Ownership through MIE													
PT The New Asia Industrial Estate (NA)	Real estate	Banten	2007	100.00	100.00	100.00	100.00	100.00	1,054,712	706,076	832,502	462,732	376,582
PT Bekasi Development (BD)	Real estate	Bekasi	2013	100.00	100.00	100.00	100.00	100.00	208,344	191,957	202,641	167,856	137,822
PT Mega Agung Nusantara (MAN)	Real estate	Bekasi	2014	100.00	-	100.00	-	-	495,418	-	496,511	-	-
PT Alismi Kencana (AKC)	Real estate	Jakarta	-	100.00	100.00	100.00	-	-	2,000	2,000	2,001	-	-
PT Selaras Bangun Multijaya (SBM)	Real estate	Bekasi	-	100.00	100.00	100.00	-	-	250	250	251	-	-
Indirect Ownership through MAN													
PT Mega Agung Liong Nusantara (MALN)	Real estate	Bekasi	-	100.00	-	100.00	-	-	4,972	-	3	-	-
Indirect Ownership through MMM													
PT Modern Asia Hotel (MAH)	Hotel	Jakarta	-	100.00	100.00	100.00	100.00	100.00	27,763	26,450	26,415	25,465	25,000
Indirect Ownership through MGL													
PT Pertiwi Development (PD)	Real estate	Bekasi	2013	100.00	100.00	100.00	100.00	100.00	197,002	164,058	195,877	157,622	125,782
PT Bagasasi Inti Pratama (BIP)	Real estate	Bekasi	2013	100.00	100.00	100.00	100.00	100.00	692,263	628,959	692,143	565,903	400,170
PT Golden Surya Makmur (GSM)	Real estate	Serang	2011	100.00	99.97	100.00	99.97	99.97	39,347	28,634	30,359	29,541	33,693
PT Terus Maju Perkasa (TMP)	Real estate	Jakarta	2012	100.00	100.00	100.00	100.00	100.00	18,025	16,405	17,093	15,977	15,627
Indirect Ownership through MLO													
Mland Singapore Pte. Ltd. (MLS)	Holding	Singapore	2013	100.00	100.00	100.00	100.00	100.00	1,493,103	1,399,461	1,559,271	1,296,383	1,909,175
Indirect Ownership through ML													
Castleland Singapore Pte. Ltd. (CLS)	Holding	Singapore	2014	100.00	100.00	100.00	100.00	-	2,701,313	2,672,966	2,812,482	2,469,137	-

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1. **GENERAL** (Continued)

d. **Subsidiaries** (Continued)

PT Mitra Sindo Sukses (MSS) and PT Mitra Sindo Makmur (MSM)

Based on the conditional share sale agreement dated 24 July 2013, the Company purchased 3,610,290 shares of MSS from Le-Vision Pte. Ltd., a third party, and 1,224,000 shares of MSM from Castlehigh Pte. Ltd., a third party, representing 51.00% of the total outstanding shares of MSS and MSM, respectively.

Based on Notarial deed No. 51 dated 22 November 2013, by FX Budi Santoso Isbandi, S.H., Notary in Jakarta, the Company transferred 70,790 shares of MSS to Mland Singapore Pte. Ltd., with value amounted to Rp 100,000 per shares.

Based on Notarial deed No. 53 dated 22 November 2013, by FX Budi Santoso Isbandi, S.H., Notary in Jakarta, the Company transferred 24,000 shares of MSM to Mland Singapore Pte. Ltd., with value amounted to Rp 100,000 per shares.

From the above purchase transaction of outstanding shares of MSS and MSM, the Company obtained control of MSS and MSM such that the Company's ownership became 100%. The above transactions also resulted to a goodwill which was recorded under "Goodwill" account in the consolidated statements of financial position (Notes 4 and 13).

PT Modern Industrial Estat (MIE)

Based on Decision Letter of the Shareholders of MIE No. 6 dated 15 January 2013 made by Ny. Sastryani Josoprawiro S.H., MIE's shares owned by NA has been sold to MPI, so that MPI's ownership in MIE become 0.001%, and MIE's authorized shares become Rp 600,000,000,000 and issued and fully paid shares become Rp 416,000,000,000. The additional issued shares amounting to Rp 300,000,000,000 was fully paid by the Company, so that share ownership of the Company in MIE become 100.00%.

Based on Notarial deed No. 27 dated 19 April 2013 made by Notary Ny. Sastryani Josoprawiro, S.H., all 119,999 shares of PT The New Asia Industrial Estate owned by the Company was transferred to MIE.

Based on Notarial deed No. 29 dated 19 April 2013 made by Notary Ny. Sastryani Josoprawiro, S.H., MIE approved the amendment of Article 1 of the articles of association changing MIE's name from PT Prisma Inti Semesta to PT Modern Industrial Estat.

Based on Notarial deed No. 1 dated 6 December 2015 made by Notary R.M Indiarso Budioso, S.H., all of MIE's shares owned by MPI has been sold to MMS, so that MMS's ownership in MIE become 0.00%, and MIE's authorized shares become Rp 3,700,000,000,000 and issued and fully paid shares become Rp 927,700,000,000. The additional issued shares amounting to Rp 511,700,000,000 was fully paid by the Company, so that share ownership of the Company in MIE become 100.00%.

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1. **GENERAL** (Continued)

d. **Subsidiaries** (Continued)

PT The New Asia Industrial Estate (NA)

Based on Notarial deed No. 39 dated 25 April 2013 made by Notary Ny. Sastriany Josoprawiro, S.H., sales of all investments in shares owned by the Company to MIE amounting to 119,999 shares were approved.

Based on Notarial deed No. 40 dated 25 April 2013 made by Notary Ny. Sastriany Josoprawiro, S.H., regarding the sale and purchase of shares, the Company has submitted all of its shares totalling 119,999 existing shares in NA to MIE with par value of Rp 1,000,000. The value of the selling price amounted to Rp 119,999,000,000.

Based on Notarial deed No. 16 dated 8 December 2015 made by Notary R.M Indiarito Budioso, S.H., all of NA's shares owned by MPI has been sold to MMS, so that MMS's ownership in NA become 0.00%.

PT Bekasi Development (BD)

Based on Notarial deed No. 19 dated 7 February 2013 by Notary H. Aristiawan Dwi Putranto, S.H., M.Kn., MGL and MPI purchased shares of BD, amounting to 24,999 shares and 1 share, respectively, such that the ownership of MGL and MPI became 100.00% and 0.00%, respectively.

Based on Notarial deed No. 51 dated 21 June 2013 made by Notary Ny. Sastriany Josoprawiro, S.H., BD increased its capital shares from Rp 5,000,000,000 divided into 50,000 shares to Rp 500,000,000,000 divided into 5,000,000 shares with par value of Rp 100,000 for each share and increased its issued and fully paid shares from Rp 2,500,000,000 divided into 25,000 shares to Rp 125,000,000,000 divided into 1,250,000 shares, all of the shares were subscribed by MGL so the ownership of MGL over BD amounted to 1,249,999 shares with value amounted to Rp 124,999,900,000.

Based on Notarial deed No. 38 dated 29 October 2013 made by Notary Ny. Sastriany Josoprawiro, S.H., regarding the sale and purchase of shares, MGL has sold all of its shares totalling 1,249,999 existing shares in BD to MIE with par value of Rp 124,999,900,000. The value of the selling price amounted to Rp 124,999,900,000.

Based on Notarial deed No. 17 dated 22 August 2014 made by Notary Ny. Sastriany Josoprawiro, S.H., BD increased its issued and fully paid shares from Rp 125,000,000,000 divided into 1,250,000 shares to Rp 150,000,000,000 divided into 1,500,000 shares, all of the shares were subscribed by MIE so the ownership of MIE over BD amounted to 1,499,999 shares with value amounted to Rp 149,999,900,000.

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1. **GENERAL** (Continued)

d. **Subsidiaries** (Continued)

PT Bekasi Development (BD) (Continued)

Based on Notarial deed No. 25 dated 17 December 2015 made by Notary R.M Indiarito Budioso, S.H., all of BD's shares owned by MPI has been sold to MMS, so that MMS's ownership in BD become 0.00%, and BD's authorized shares become Rp 500,000,000,000 and issued and fully paid shares become Rp 198,502,600,000. The additional issued shares amounting to Rp 48,502,600,000 was fully paid by MIE, so that share ownership of MIE in BD become 100.00%.

PT Mega Agung Nusantara (MAN)

Based on the share sale and purchase agreement as notarized under Notarial deed No. 1 of R.M Indiarito Budioso S.H., dated 1 December 2015, MSS purchased 149,840 shares of MAN from PT Indosubur Prima Nusa, a third party, representing 30.00% of the total outstanding shares of MAN.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 4 of R.M Indiarito Budioso S.H., dated 4 December 2015, MIE purchased 349,625 shares of MAN from PT Indosubur Prima Nusa, a third party, representing 70.00% of the total outstanding shares of MAN. Further details are disclosed in Note 4.

PT Mega Agung Liong Nusantara (MALN)

Based on the share sale and purchase agreement as notarized under Notarial deed No. 4 of Lily Waty Tjahjadi S.H., dated 7 December 2015, MMS purchased 100 shares of MALN from PT Indosubur Prima Nusa, a third party, representing 1.00% of the total outstanding shares of MALN.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 22 of Lily Waty Tjahjadi S.H., dated 21 December 2015, MAN purchased 9,901 shares of MALN from PT Indosubur Prima Nusa, a third party, representing 99.00% of the total outstanding shares of MALN. Further details are disclosed in Note 4.

PT Alismi Kencana (AKC)

Based on Notarial deed No. 19 of Ny. Sastriany Josoprawiro, S.H., dated 11 March 2015, Nurhadi, a third party, transferred shares of AKC to MIE amounting to 1,000 shares with par value of Rp 1,000,000 per share, such that the ownership of MIE became 50.00%.

Based on Notarial deed No. 04a of Ny. Sastriany Josoprawiro, S.H., dated 2 April 2015, Sahidin, a third party, transferred shares of AKC to MPI amounting to 1,000 shares with par value of Rp 1,000,000 per share, such that the ownership of MPI became 50.00%.

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1. **GENERAL** (Continued)

d. **Subsidiaries** (Continued)

PT Alismi Kencana (AKC) (Continued)

Based on the share sale and purchase agreement as notarized under Notarial deed No. 6 of Lily Waty Tjahjadi S.H., dated 7 December 2015, MIE purchased 999 shares of AKC from MPI, representing 49.95% of the total outstanding shares of AKC, so that share ownership of MIE in AKC become 99,95%.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 7 of Lily Waty Tjahjadi S.H., dated 7 December 2015, MMS purchased 1 share of AKC from MPI, representing 0.05% of the total outstanding shares of AKC.

PT Selaras Bangun Multijaya (SBM)

Based on Notarial deed No. 6 of Ny. Sastryany Josoprawiro, S.H., dated 8 April 2015, MIE established SBM, which will be engaged in construction, trading, printing, transportation, industrial, workshop, agriculture and service through an investment in 249 shares with a nominal value of Rp 1,000,000 per share or a total of Rp 249,000,000, representing 99.60% ownership in SBM. MPI subscribed for 1 share in SBM amounting to Rp 1,000,000, representing 0.40% ownership in SBM.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 9 of Lily Waty Tjahjadi S.H., dated 7 December 2015, MMS purchased 1 share of SBM from MPI, representing 0.40% of the total outstanding shares of SBM.

PT Modern Panel Indonesia (MPI)

Based on the share sale and purchase agreement as notarized under Notarial deed No. 34 of R.M Indiarso Budioso, S.H., dated 30 December 2015, MMS purchased 1 share of MPI from Luntungan Honoris, a related party, so that share ownership of MMS in MPI become 0.01%.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 35 of R.M Indiarso Budioso, S.H., dated 30 December 2015, the Company purchased 134 shares of MPI from Luntungan Honoris, a related party, so that share ownership of the Company in MPI become 99.99%.

PT Mitra Mutiara Makmur (MMM)

Based on the share sale and purchase agreement as notarized under Notarial deed No. 14 of R.M Indiarso Budioso, S.H., dated 8 December 2015, MMS purchased 1 share of MMM from MPI so that share ownership of MMS in MMM become 0.02%.

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1. **GENERAL** (Continued)

d. **Subsidiaries** (Continued)

PT Mitra Mutiara Makmur (MMM) (Continued)

Based on the share sale and purchase agreement as notarized under Notarial deed No. 15 of R.M Indiarso Budioso, S.H., dated 8 December 2015, the Company purchased 39 shares of MMM from MPI so that share ownership of the Company in MMM become 99.98%.

PT Modern Asia Hotel (MAH)

Based on Notarial deed No. 44 of H. Aristiawan Dwi Putranto, S.H. M.Kn., dated 13 September 2013, MAH: (1) change name from PT Moderen Asia Hotel to PT Modern Asia Hotel; (2) the addition the company's purpose and objectives in article 3 paragraph 2; and (3) increase the authorized capital stock to Rp 100,000,000,000 consisting of 100,000,000 shares. Issued and fully paid shares increased from Rp 250,000,000 to Rp 25,000,000,000 such that the Company owned Rp 24,999,000,000 and MIE owned Rp 1,000,000.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 9 of R.M Indiarso Budioso, S.H., dated 7 December 2015, MMS purchased 1 share of MAH from MIE, so that share ownership of MMS in MAH become 0.00%.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 10 of R.M Indiarso Budioso, S.H., dated 7 December 2015, the Company purchased 999 shares of MAH from MIE, so that share ownership of the Company in MAH become 100.00%.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 37 of R.M Indiarso Budioso, S.H., dated 30 December 2015, MMM purchased 24,999,999 shares of MAH from the Company, so that share ownership of MMM in MAH become 100.00%.

PT Modern Graha Lestari (MGL)

Based on Notarial deed No. 28 dated 19 April 2013 made by Notary Ny. Sastryani Josoprawiro, S.H., MGL increased its capital shares from Rp 1,000,000,000 divided into 1,000,000 shares to Rp 450,000,000,000 divided into 450,000,000 shares with par value of Rp 1,000 for each share and increased its issued and fully paid shares from Rp 250,000,000 divided into 250,000 shares to Rp 450,000,000,000 divided into 450,000,000 shares, all of the shares were subscribed by the Company so the ownership of the Company over MGL amounted to 449,999,999 shares with value amounted to Rp 449,999,999,000.

Based on Notarial deed No. 20 dated 22 August 2014 made by Notary Ny. Sastryani Josoprawiro, S.H., MGL increased its issued and fully paid shares from Rp 450,000,000,000 divided into 450,000,000 shares to Rp 695,000,000,000 divided into 695,000,000 shares, all of the shares is taken over by the Company so the ownership of the Company over MGL amounted to 694,999,999 shares with value amounted to Rp 694,999,999,000.

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1. **GENERAL** (Continued)

d. **Subsidiaries** (Continued)

PT Modern Graha Lestari (MGL) (Continued)

Based on Notarial deed No. 27 dated 28 December 2015 made by Notary R.M Indiarso Budioso, S.H., all of MGL's shares owned by MPI has been sold to MMS, so that MMS's ownership in MGL become 0.00%, and MGL's authorized shares become Rp 1,500,000,000,000 and issued and fully paid shares become Rp 888,318,353,000. The additional issued shares amounting to Rp 193,318,353,000 was fully paid by the Company, so that share ownership of the Company in MGL become 100.00%.

PT Pertiwi Development (PD)

Based on Notarial deed No. 15 dated 7 February 2013 by Notary H. Aristiawan Dwi Putranto, S.H., M.Kn., MGL and MPI purchased shares of PD, amounting to 24,999 shares and 1 share, respectively, such that the ownership of MGL became 100.00%.

Based on Notarial deed No. 49 dated 21 June 2013 made by Notary Ny. Sastriany Josoprawiro, S.H., PD increased its capital shares from Rp 5,000,000,000 divided into 50,000 shares to Rp 200,000,000,000 divided into 2,000,000 shares with par value of Rp 100,000 for each share and increased issued and fully paid shares from Rp 2,500,000,000 divided to 25,000 shares to Rp 100,000,000,000 divided into 1,000,000 shares, all of the shares is taken over by MGL so the ownership of MGL over PD amounted to 999,999 shares with value amounted to Rp 99,999,900,000.

Based on Notarial deed No. 19 dated 22 August 2014 made by Notary Ny. Sastriany Josoprawiro, S.H., PD increased its authorized shares from Rp 200,000,000,000 divided into 2,000,000 shares to Rp 500,000,000,000 divided to 5,000,000 shares and issued and fully paid shares from Rp 100,000,000,000 divided to 1,000,000 shares to Rp 135,000,000,000 divided into 1,350,000 shares, all of the shares is taken over by MGL so the ownership of MGL over PD amounted to 1,349,999 shares with value amounted to Rp1,349,999,900,000.

Based on Notarial deed No. 23 dated 17 December 2015 made by Notary R.M Indiarso Budioso, S.H., all of PD's shares owned by MPI has been sold to MMS, so that MMS's ownership in PD become 0.00%, and PD's authorized shares become Rp 500,000,000,000 and issued and fully paid shares become Rp 193,755,000,000. The additional issued shares amounting to Rp 58,755,000,000 was fully paid by MGL, so that share ownership of MGL in PD become 100.00%.

PT Bagasasi Inti Pratama (BIP)

Based on Notarial deed No. 2 dated 1 April 2013 made by Notary H. Aristiawan Dwi Putranto, S.H., M.Kn., MGL and MPI purchased shares of BIP, amounting to 999 shares and 1 share, respectively, such that the ownership of MGL and MPI became 99.99% and 0.01%, respectively.

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1. G E N E R A L (Continued)

d. Subsidiaries (Continued)

PT Bagasasi Inti Pratama (BIP) (Continued)

Based on Notarial deed No. 50 dated 21 June 2013 made by Notary Ny. Sastriany Josoprawiro, S.H., BIP increased its capital shares from Rp 2,000,000,000 divided into 2,000 shares to Rp 800,000,000,000 divided into 800,000 shares with par value of Rp 1,000,000 for each share and increased issued and fully paid shares from Rp 1,000,000,000 divided to 1,000 shares to Rp 200,000,000,000 divided into 200,000 shares, all of the shares is taken over by MGL so the ownership of MGL over BIP amounted to 1,999,999 shares with value amounted to Rp 199,999,000,000.

Based on Notarial deed No. 18 dated 22 August 2014 made by Notary Ny. Sastriany Josoprawiro, S.H., BIP increased authorized shares from Rp 800,000,000,000 divided into 800,000 to Rp 1,000,000,000,000 divided into 1,000,000 shares and issued and paid shares from Rp 200,000,000,000 divided into 200,000 shares to Rp 435,000,000,000 divided into 435,000 shares, all of the shares is taken over by MGL so the ownership of MGL over BIP amounted to 434,999 shares with value amounted to Rp 434,999,000,000.

Based on Notarial deed No. 21 dated 17 December 2015 made by Notary R.M Indiarito Budioso, S.H., all of BIP's shares owned by MPI has been sold to MMS, so that MMS's ownership in BIP become 0.00%, and BIP's authorized shares become Rp 1,500,000,000,000 and issued and fully paid shares become Rp 690,785,000,000. The additional issued shares amounting to Rp 255,785,000,000 was fully paid by MGL, so that share ownership of MGL in BIP become 100.00%.

PT Golden Surya Makmur (GSM)

Based on Notarial deed No. 24 dated 21 August 2015 made by Notary Ny. Sastriany Josoprawiro S.H., GSM increased authorized shares to Rp 1,570,000,000 and issued and fully paid shares to Rp 1,570,000,000. The additional issued shares amounting to Rp 1,270,000,000 was fully paid by the Company, so that share ownership of the Company in GSM become 99.99%.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 7 of R.M Indiarito Budioso, S.H., dated 7 December 2015, MMS purchased 1 share of GSM from MPI so that share ownership of MMS in GSM become 0.01%.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 17 of R.M Indiarito Budioso, S.H., dated 16 February 2016, MGL purchased 15,699 shares of GSM from the Company so that share ownership of MGL in GSM become 99.99%.

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1. G E N E R A L (Continued)

d. Subsidiaries (Continued)

PT Terus Maju Perkasa (TMP)

Based on Notarial deed No. 27 dated 15 December 2014 made by Notary Ny. Sastriany Josoprawiro, S.H., TMP increased its authorized shares from Rp 10,000,000,000 divided into 100,000 shares to Rp 15,000,000,000 divided into 150,000 shares and increased issued and fully paid shares from Rp 3,000,000,000 divided into 30,000 shares to Rp 9,200,000,000 divided into 92,000 shares, all of the shares is taken over by the Company so the ownership of the Company over TMP become 100.00%.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 7 of R.M Indiarito Budioso, S.H., dated 7 December 2015, MMS purchased 1 share of TMP from MPI so that share ownership of MMS in TMP become 0.00%.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 15 of R.M Indiarito Budioso, S.H., dated 16 February 2016, MGL purchased 91,999 shares of TMP from the Company so that share ownership of MGL in TMP become 100.00%.

Modernland Overseas Pte. Ltd. (MLO)

Based on memorandum and articles of association with registration No. 201314695N dated 31 May 2013, the Company established Modernland Overseas Pte. Ltd. (MLO), which has full capacity to carry on or undertake any bussiness or activity and to act or enter into any transaction, through an investment in 1,000 shares with a nominal value of SGD 1 per share or a total of SGD 1,000, representing 100.00% ownership in MLO.

Based on share subscription agreement dated 5 August 2014, MLO agrees to issue and the Company agrees to subscribe an aggregate of 6,541,890 shares at an issue price of USD 1 in cash making an aggregate issue price of USD 6,541,890.

MLand Singapore Pte. Ltd. (MLS)

Based on memorandum and articles of association with registration No. 201314703N dated 31 May 2013, MLO established MLand Singapore Pte. Ltd. (MLS), which has full capacity to carry on or undertake any bussiness or activity and to act or enter into any transaction, through an investment in 1,000 shares with a nominal value of SGD 1 per share with a nominal value of SGD 1,000 representing 100.00% ownership in MLS.

Based on share subscription agreement dated 25 October 2013, MLS agrees to issue and MLO agrees to subscribe an aggregate of 75,000,000 shares at an issue price of USD 1.00 in cash making an aggregate issue price of USD 75,000,000.

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1. G E N E R A L (Continued)

d. Subsidiaries (Continued)

PT Modern Mitra Pratama (MMP)

Based on Notarial deed No. 9 of Ny. Sastriany Josoprawiro, S.H., dated 11 February 2014, the Company established MMP, which will be engaged in services, through an investment in 2,499 shares with a nominal value of Rp 1,000,000 per share or a total of Rp 2,499,000,000, representing 99.96% ownership in MMP. MPI subscribed for 1 share in MMP amounting to Rp 1,000,000, representing 0.04% ownership in MMP.

Marquee Land Pte. Ltd. (ML)

Based on memorandum and articles of ML with registration No. 201420328K dated 11 July 2014, the Company established ML, which has full capacity to carry on or undertake any business or activity and to act or enter into any transaction, through an investment in 1,000 shares with a nominal value of USD 1 per share or a total of USD 1,000, representing 100.00% ownership in ML.

Castleland Singapore Pte. Ltd (CLS)

Based on memorandum and articles of CLS with registration No. 201420432M dated 11 July 2014, ML established CLS, which has full capacity to carry on or undertake any business or activity and to act or enter into any transaction, through an investment in 1,000 shares with a nominal value of USD 1 per share with a nominal value of USD 1,000 representing 100.00% ownership in CLS.

Based on share subscription agreement dated 5 August 2014, CLS agrees to issue and ML agrees to subscribe an aggregate of 95,418,013 shares at an issue price of USD 1 in cash making an aggregate issue price of USD 95,418,013.

PT Modern Mitrakarya Serasi (MMS)

Based on Notarial deed No. 6 of Audrey Tedja S.H.,M.Kn., dated 31 July 2015, the Company established MMS, which will be engaged in development and investment, through an investment in 1,249 shares with a nominal value of Rp 1,000,000 per share or a total of Rp 1,249,000,000, representing 99.92% ownership in MMS. William Honoris subscribed for 1 share in MMS amounting to Rp 1,000,000, representing 0.08% ownership in MMS.

e. Boards of Commissioners and Directors, Audit Committee, and Employees

The members of the Company's Boards of Commissioners and Directors are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
<u>Board of Commissioners</u>					
President Commissioner	: Luntungan Honoris	Luntungan Honoris	Luntungan Honoris	Luntungan Honoris	Luntungan Honoris
Commissioner	: Oscar Jaro Tavera	Oscar Jaro Tavera	Oscar Jaro Tavera	Oscar Jaro Tavera	Oscar Jaro Tavera
Commissioner	: Edwyn Lim	Edwyn Lim	Edwyn Lim	Edwyn Lim	Edwyn Lim
Independent Commissioner	: Nita Tanawidjaja	Nita Tanawijaya	Nita Tanawijaya	Nita Tanawijaya	Nita Tanawijaya
Independent Commissioner	: Iwan Suryawijaya	Iwan Suryawijaya	Iwan Suryawijaya	Iwan Suryawijaya	Iwan Suryawijaya

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1. GENERAL (Continued)

e. Boards of Commissioners and Directors, Audit Committee, and Employees (Continued)

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Board of Directors					
President Director	: William Honoris	William Honoris	William Honoris	William Honoris	William Honoris
Director	: Andy Kesuma Natanael	Andy Kesuma Natanael	Andy Kesuma Natanael	Andy Kesuma Natanael	Andy Kesuma Natanael
Director	: L.H. Freddy Chan	L.H. Freddy Chan	L.H. Freddy Chan	L.H. Freddy Chan	L.H. Freddy Chan
Director	: Dharma Mitra Sigamani	Dharma Mitra Sigamani	Dharma Mitra Sigamani	Dharma Mitra Sigamani	Dharma Mitra Sigamani

The members of the Audit Committee are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Chairman	: Nita Tanawidjaja	Iwan Suryawijaya	Nita Tanawidjaja	Iwan Suryawijaya	Iwan Suryawijaya
Member	: Hari Hartoyo	Johan Ruus	Hari Hartoyo	Johan Ruus	Johan Ruus
Member	: Bernard Saleh	Surat Triyana	Bernard Saleh	Surat Triyana	Surat Triyana

The members of the Nomination and Remuneration Committee are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Chairman	: Iwan Suryawijaya	-	Iwan Suryawijaya	-	-
Member	: Luntungan Honoris	-	Luntungan Honoris	-	-
Member	: Edwyn Lim	-	Edwyn Lim	-	-

Based on Company Letter No. 021/MLR-DIR/XI/2015 dated 16 November 2015, the Company appointed Cuncun M. Wijaya Wibowo as its Corporate Secretary.

Based on Company Letter No. 012/MLR-DIRUT/XII/2015, dated 28 December 2015, the Company appointed Mohammad Mansur as Head of Internal Audit.

As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, the Company and subsidiaries have 1,154 and 1,136, 1,157, 1,088 and 953 permanent employees, respectively (Unaudited).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which are comprised 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 and Established Guidelines on Financial Statements Presentation and Disclosure issued by the Capital Market and Financial Institutions Supervisory Board (BAPEPAM-LK) for public-listed companies.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Basis of Preparation of the Consolidated Financial Statements (Continued)

The consolidated financial statements have been prepared using the accrual basis, and the measurement basis used is historical cost concept, except for certain accounts which are measured on the bases described in the relevant notes herein.

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

The reporting currency used in the consolidated financial statements is the Indonesian Rupiah (Rp), which is also the Company's functional currency.

b. Changes in Accounting Policies

Accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the revised PSAK and ISAK and new PSAK that became effective on or after 1 January 2016. Changes to the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective PSAK and ISAK.

Adoption of Revised PSAK and ISAK

Standard and improvements to standards effective for periods beginning on or after 1 January 2016, with early application permitted as are follows:

- PSAK No. 5 (Annual Improvement 2015), "Operating Segments",
- PSAK No. 7 (Annual Improvement 2015), "Related Party Disclosures",
- PSAK No. 13 (Annual Improvement 2015), "Investment Property",
- PSAK No. 16 (Annual Improvement 2015), "Property, Plant and Equipment",
- PSAK No. 19 (Annual Improvement 2015), "Intangible Assets",
- PSAK No. 22 (Annual Improvement 2015), "Business Combination",
- PSAK No. 25 (Annual Improvement 2015), "Accounting Policies, Changes in Accounting Estimates and Errors",
- PSAK No. 53 (Annual Improvement 2015), "Share-based Payments", and
- PSAK No. 68 (Annual Improvement 2015), "Fair Value Measurement".

Amendments to standards and interpretation which are effective for periods beginning on or after 1 January 2016, with retrospective application are as follows:

- PSAK No. 4, "Separate Financial Statements" about Equity Method in Separate Financial Statements,
- PSAK No. 15, "Investment in Associates and Joint Venture" about Investment Entities: Applying the Consolidation Exception,
- PSAK No. 24, "Employee Benefits" about Defined Benefit Plans: Employee Contributions,

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Changes in Accounting Policies (Continued)

Adoption of Revised PSAK and ISAK (Continued)

- PSAK No. 65, “Consolidated Financial Statements” about Investment Entities: Applying the Consolidation Exception,
- PSAK No. 67, “Disclosures of Interest in Other Entities” about Investment Entities: Applying the Consolidation Exception, and
- ISAK No. 30, “Levies”.

The amendments to standards effective for periods beginning on or after 1 January 2016, with amendments to be applied prospectively are as follows:

- PSAK No. 16, “Property, Plant and Equipment” about Clarification of Acceptable Methods of Depreciation and Amortization,
- PSAK No. 19, “Intangible Asset” about Clarification of Acceptable Methods of Depreciation and Amortization, and
- PSAK No. 66, “Joint Arrangements” about Accounting for Acquisitions of Interests in Joint Operation.

The adoption of the revised PSAK and ISAK and new PSAK did not have a significant impact on the consolidated financial statements of the Group.

Adoption of Revised PSAK and ISAK In 2015 that Require Restatement of Previous Financial Statements

In 2015, the Company applied, for the first time, certain standards and amendments that require restatement of previous financial statements and additional disclosures in the Group’s financial statements. These include PSAK No. 65, “Consolidated Financial Statements”, PSAK No. 68, “Fair Value Measurement”, PSAK No. 1 (Revised 2013), “Presentation of Financial Statements”, PSAK No. 24 (Revised 2013), “Employee Benefits” and PSAK No. 46 (Revised 2014), “Income Tax”.

Several other amendments apply for the first time in 2015. However, these did not have impact to the consolidated financial statements of the Group.

The nature and the impact of each new standard and amendment are described below:

- PSAK No. 1 (Revised 2013), “Presentation of Financial Statements”, The amendments to PSAK No. 1 introduced a grouping of items presented in other comprehensive income. Items that will be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. PSAK No. 1 (Revised 2013) also provides an option to change title from “Statements of Comprehensive Income” to “Statements of Profit or Loss and Other Comprehensive Income”. The Group chose to use the latter. The amendments affect presentation only and have no impact on the Group’s financial position or performance.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Changes in Accounting Policies (Continued)

Adoption of Revised PSAK and ISAK In 2015 that Require Restatement of Previous Financial Statements (Continued)

- PSAK No. 24 (Revised 2013), “Employee Benefits”, Amendments to PSAK No. 24 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk.

Upon adoption of the Revised PSAK No. 24, the Group changed its accounting policy to recognize all actuarial gains and losses in other comprehensive income and all past service costs in profit or loss in the period they occur.

The Revised PSAK No. 24 also amended the definition of short-term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee’s entitlement to the benefits. In addition, the Revised PSAK No. 24 modifies the timing of recognition for termination benefits. The modification requires the termination benefits to be recognized at the earlier of when the offer cannot be withdrawn or when the related restructuring costs are recognized.

The amended standard have significant impact on the recognition of retirement benefits. The Group obtained the services of an external actuary to compute the impact to the financial statements upon adoption of the standard. The effects are detailed below:

<u>Consolidated Statements of Financial Position</u>	<u>30 June 2015</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
Increase (decrease) in:			
Deferred tax assets	7,532,700 (	39,439,529)(	32,176,944)
Employee benefits liability	246,103,310	898,304,100	4,453,192,330
Deferred tax liabilities	(81,296,687,136)(	155,916,164)(	102,703,296)
Retained earnings	17,881,116,388 (	783,818,007)(	4,385,963,769)
Non-controlling interest	128,794,139 (	1,990,541)	3,297,791
 <u>Consolidated Statements of Profit or Loss and Other Comprehensive Income</u>			
Increase (decrease) in:			
Direct cost of hotel and rental income	1,319,650	13,668,664 (	140,350,799)
General and administrative expense	(5,231,505,868)(	2,647,793,279)	756,460,538
Deferred tax expense	(46,972,229)	8,076,423	3,110,760,682
Other comprehensive income	(21,471,037,480)	974,790,320	9,325,829,564
Non-controlling interest	(259,992)	1,307,250 (	3,297,791)

The adoption did not have significant impact on the consolidated statements of cash flows and on the earnings per share computation.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Changes in Accounting Policies (Continued)

Adoption of Revised PSAK and ISAK In 2015 that Require Restatement of Previous Financial Statements (Continued)

- PSAK No. 46 (Revised 2014), “Income Tax”, The amendmend clarifies that PSAK No. 46 applies to accounting for income taxes which is taxes based on taxable profit. Thus all references to final tax within the superseded version of PSAK No. 46 (Revised 2010) have been removed.

The Group reclassified final taxes included under current income tax expense. The effects are detailed below:

<u>Consolidated Statements of Profit or Loss and Other Comprehensive Income</u>	<u>30 June 2015</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
Increase (decrease) in:			
Final tax expense	68,928,184,271	135,582,557,921	88,022,614,670
Current income tax expense	(68,928,184,271)(	135,582,557,921)(	88,022,614,670)

Revised PSAK and New PSAK Issued but not yet effective

Amendments to standard and interpretation effective for periods beginning on or after 1 January 2017, with early application permitted are amendments to PSAK No. 1, “Presentation of Financial Statements” about Disclosure Initiative and ISAK No. 31, “Scope Interpretation of PSAK No. 13: Investment Property”.

Standard and amendment to standard effective for periods beginning on or after 1 January 2018, with early application permitted are PSAK No. 69, “Agriculture” and amendments to PSAK No. 16, “Property, Plant and Equipment” about Agriculture: Bearer Plants.

As of the date of issuance of the financial statements, management is still evaluating the impact of the standards and interpretations on the financial statements.

Postponement

Financial Accounting Standards Board of The Indonesian Institute of Accountants decided to postpone the effectiveness of ISAK No. 21 “Real Estate Construction Agreement” and PPSAK No. 7 “Withdrawal of PSAK No. 44 - Accounting for Real Estate Development Activities paragraph 08 (b)”, which was previously effective for the period beginning at and or after 1 January 2013. As of the date of these consolidated financial statements, the postponement is still in effect.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Principles of Consolidation

The consolidated financial statements include the accounts of the Parent Company and all the subsidiaries mentioned in Note 1d. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

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

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

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. Subsidiaries are fully consolidated from the date control is transferred to the Group and cease to be consolidated from the date control is transferred out of the Group. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statements of 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 are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests 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.

In case of loss of control over a subsidiary, the Group:

- 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 in consolidated statements of comprehensive income; and,
- reclassifies the parent's share of components previously recognized in comprehensive income to consolidated statements of comprehensive income or retained earnings, as appropriate.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Principles of Consolidation (Continued)

Changes in the parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in consolidated statements of comprehensive income.

Non-controlling interest ("NCI") represents the portion of the profit or loss and net assets of the subsidiary attributable to equity interests that are not owned directly or indirectly by the Company, which is presented in the consolidated statements of comprehensive income and under the equity section of the consolidated statements of financial position, respectively, separately from the corresponding portion attributable to the equity holders of the parent company.

d. Business Combination

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are directly expensed in the consolidated statements of comprehensive income.

If the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized as a gain from a bargain purchase in the consolidated statements of comprehensive income. Prior to recognizing the gain from the bargain purchase, the Company reassesses whether it has correctly identified all of the assets acquired and liabilities taken over and recognizes any additional assets or liabilities that may be identified in the reassessment. The Company further reviews the procedures used to measure the amount required to be recognized at the acquisition date for all of the following:

- a. identifiable assets acquired and liabilities taken over;
- b. non-controlling interests of the acquired party, if any;
- c. for business combinations achieved in stages, the acquirer's previously held equity interests in the acquired party, and
- d. consideration transferred.

The purpose of the review is to ensure that the remeasurement accurately reflects all the information available at the acquisition date.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Business Combination (Continued)

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PSAK No. 55 (Revised 2014) either in consolidated statements of comprehensive income or as other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

In a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

At acquisition date, goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date, to each of the Group's Cash-Generating Units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those CGUs.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

e. Restructuring of Entities Under Common Control

Restructuring transaction between entities under common control does not result in a change of the economic substance of the ownership of assets, liabilities, shares or other instruments of ownership which are exchanged.

Transfers of assets, liabilities, shares, and/or other ownership instruments among companies under common control do not result in gains or losses for the Company or individual entity in the same group.

The assets, liabilities, shares or other instruments of ownership transferred are recorded at book values as a business combination using the pooling-of-interests method.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Restructuring of Entities Under Common Control (Continued)

In applying the pooling-of-interests method, the components of the consolidated financial statements for the period during which the restructuring occurred and for other years presented, must be presented in such a manner as if the companies were combined from the beginning of the earliest consolidated financial statements period presented.

The excess of cost over the net book value of each business combination transaction with under common control entities is recorded as “Additional paid-in capital” and presented as part of the equity section.

f. Financial Assets and Liabilities and Equity Instruments

Group recognized financial assets or financial liabilities in consolidated statements of financial position, when and only when, the Group become party to contractual provision of the financial instrument.

i. Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge.

1) Financial assets measured at fair value through profit or loss

Group determine the classification of its financial assets at initial recognition, and when allowed, reevaluates the classification of such financial assets at each year-end.

This category includes financial assets “held for trading” and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated at fair value through consolidated statements of profit or loss and other comprehensive income at inception are those that are managed, and their performance evaluated on a fair value basis, in accordance with a documented investment strategy. Derivatives are also categorized as held for trading, unless they are designated as effective hedges. Financial assets, at fair value through profit or loss are measured at fair value, and any fair value changes are recognized in consolidated statements of profit or loss and other comprehensive income.

The Group financial assets measured at fair value through profit or loss include derivative financial assets.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial Assets and Liabilities and Equity Instruments (Continued)

i. Financial Assets (Continued)

2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. After initial recognition, such financial assets are recorded at amortized cost using the effective interest rate method, which is the method used for calculating the amortized cost of a financial asset or financial liability (or group of financial assets or financial liabilities) and for allocating interest income or expense interest in future periods. Recognized gains and losses related to the consolidated statements of profit or loss and other comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The Group loans and receivables include cash and cash equivalents, short-term investments, restricted funds, trade receivables, other receivables and non-trade receivables from related parties.

3) Held-to-maturity investment

Financial assets "held-to-maturity" are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold the investment to maturity.

Held-to-maturity investments are measured at amortized cost using the effective interest rate method, less any impairment losses. Gains and losses are recognized in consolidated statements of profit or loss and other comprehensive income when the held-to-maturity investments are derecognized or impaired, as well as through the amortization process.

The Group has no held-to-maturity investments as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013.

4) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets designated as available-for-sale or not classified in the two previous categories. After initial measurement, available-for-sale 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 will be reclassified to consolidated statements of profit or loss and other comprehensive income as a reclassification adjustment.

The Group has no available-for-sale financial assets or derivatives designated as effective hedging instruments as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial Assets and Liabilities and Equity Instruments (Continued)

ii. Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities are classified as financial liabilities measured at fair value through profit or loss and other financial liabilities. The Group determines the classification of financial liabilities at initial recognition.

Equity Instruments

An equity instrument is any contract that gives the right to the residual assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group will be recorded at the amounts received, after deducting direct issuance costs.

An instrument is an equity instrument if, and only if, both conditions (i) and (ii) below are met:

- (i) The instrument does not have a contractual liabilities:
 - (a) To deliver cash or another financial asset to another entity; or
 - (b) To exchange financial assets or financial liabilities with another entity under conditions that are not profitable for issuers.
- (ii) If the instrument will or may be settled by the issuer which has an equity instrument, an instrument that:
 - (a) non-derivatives that have no contractual liabilities to the issuer to deliver a variable number of owner's equity instruments; or
 - (b) derivatives that will be completed by the issuer only in exchange for some cash or another financial asset for a number of owner's equity instruments. For this purpose, the instrument does not include the issuer's equity instruments that are under contract for the future receipt or delivery of issuer's equity instruments.

Compound financial instruments, such as convertible bonds or similar instruments convertible into a number of common shares by the holder, are classified separately as financial liabilities and equity in accordance with the substance of the contractual agreement. On the date of issuance of a compound financial instrument, the fair value of the liability component is estimated using market interest rates applicable to similar non-convertible instruments. This amount is recorded as a liability on the basis of amortized cost using the effective interest rate method until the conversion or execution on the maturity date of the instrument. The equity component is determined by deducting the liability component from the fair value of the compound financial instrument taken as a whole. This amount is recognized and included in equity, net of income tax effects, and not recomputed.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial Assets and Liabilities and Equity Instruments (Continued)

ii. Financial Liabilities and Equity Instruments (Continued)

The Group's equity instruments include common shares and the equity portion of convertible bonds.

Financial Liabilities

(1) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities measured at fair value through profit or loss include the financial liabilities held for trading and liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of resale in the near future. Derivative liabilities are also classified as held for trading unless the derivatives are designated as effective hedging instruments. Financial assets and financial liabilities at fair value through profit or loss are recorded in the consolidated statements of financial position at fair value with gains or losses recognized in the consolidated statements of profit or loss and other comprehensive income.

The Group has no financial liabilities measured at fair value through profit or loss as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013.

(2) Other Financial Liabilities

This category pertains to financial liabilities that are not held for trading or designated as fair value through profit or loss upon the inception of the liability. This includes liabilities arising from operations or loans and borrowings.

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. On the consolidated statements of financial position date, accrued interest is recorded separately from the principal involved in the current liabilities. Gains and losses are recognized in consolidated statements of comprehensive income when the liability is derecognized, as well as through the amortization using the effective interest rate method.

The Group has other financial liabilities consisting of short-term loans, trade payables, other payables, non-trade payables to related parties, accrued expenses, finance lease liabilities, refundable membership deposits, bank loans and bonds payable.

iii. Recognition

At initial recognition, financial assets or liabilities are measured at fair value, except for financial assets and liabilities measured at fair value through profit or loss, plus or minus the transaction costs that are directly attributable to the acquisition of financial assets or issuance of financial liabilities. The subsequent measurement of financial assets and liabilities depends on the classification of financial assets and liabilities.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial Assets and Liabilities and Equity Instruments (Continued)

iv. Fair Value

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 or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

Disclosures of the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in measuring fair value. Fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than market quotations included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial Assets and Liabilities and Equity Instruments (Continued)

iv. Fair Value (Continued)

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market. Where the Group has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, Group has elected to use the measurement exception to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities) and the income approach (i.e., converting future amounts to a single current amount).

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy.

For the purpose of the 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.

v. Amortized Cost Measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortization using the effective interest rate method, calculated from the difference between initial amount and maturity amount, minus any reduction for impairment.

vi. Impairment of Financial Assets

At each consolidated statements of financial position date, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events occurring subsequent to initial recognition of the asset (loss events), and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial Assets and Liabilities and Equity Instruments (Continued)

vi. Impairment of Financial Assets (Continued)

If the Group determines that no objective evidence of impairment of financial assets exists individually for an individually-assessed financial assets, regardless of whether the financial asset is significant or not, those financial assets will be assessed collectively in a group of financial assets that have similar credit risk characteristics. Assets that are individually assessed and for impairment or 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 at the beginning of the financial assets. The carrying amount of the asset is presented by deducting the allowance for impairment losses and the impairment loss is recognized in the consolidated statements of comprehensive income.

Future cash flows of a group of financial asset 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.

vii. Derecognition

The Group derecognizes financial assets when the contractual rights of the cash flows arising from the financial assets expire or the Group transfers all rights to receive contractual cash flows of financial assets in a transaction where the Group has transferred substantially all the risks and rewards of ownership of financial assets. Any rights or obligations on the transferred financial assets that arise or are still owned by the Group are recognized as assets or liabilities separately.

The Group derecognizes financial liabilities when the obligation specified in the contract is released, canceled or expires.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of financial assets, the Group derecognizes the assets if they do not retain control over the assets. The rights and obligations retained in the transfer are recognized separately as assets and liabilities as appropriate.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial Assets and Liabilities and Equity Instruments (Continued)

viii. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if and only if there is a currently legal right to offset the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented at gross amounts in the consolidated statements of financial position.

ix. Derivative Financial Instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- a. its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');
- b. it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- c. it is settled at a future date.

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks arising from US dollar (USD)-denominated loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statements of profit or loss and other comprehensive income under "Mark-to-market gain (loss) on forward contracts" account, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income. The Group has opted not to designate its derivative transactions under hedge accounting. The fair values of freestanding forward currency transactions are calculated by reference to Bank Indonesia published "Jakarta Interbank Spot Dollar Rate" (JISDOR) per cut-off date.

Derivative instruments are classified as current or non-current based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows). When the Group will hold a derivative as an economic hedge and does not apply hedge accounting for a period beyond 12 months after the reporting date, the derivative is classified as non-current.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Cash and Cash Equivalents

Cash and cash equivalents consists of all unrestricted cash on hand and in banks and investments with maturities of three (3) months or less from the date of placement and not pledged as collateral to loans nor restricted in use.

Cash in bank and time deposits that are restricted in use are classified as restricted funds.

h. Restricted Funds

Restricted funds represent liquidation of fund from customers for home loan (KPR) that cannot be used by the Company and cash in banks which are pledged for loans.

i. Receivables

Trade and non-trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, if the impact of discounting is significant, less any provision for impairment.

Collectibility of trade and non-trade receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognized in consolidated statements of profit or loss and other comprehensive income within "Provision for allowance for impairment".

j. Transactions with Related Parties

The Group disclose related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of a parent, and also applies to individual financial statements.

Parties considered to be related to the Group are those persons or entities related to the entity preparing financial statements (referred to as reporting entity), as follow:

- (1) A person or family member has a relationship with a reporting entity if that person:
 - (a) has control or joint control over the reporting entity;
 - (b) has significant influence over the reporting entity; or
 - (c) key management personnel of the reporting entity or of the parent of the reporting entity.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Transactions with Related Parties (Continued)

- (2) An entity is related to the reporting entity if it meets one of the following:
- (a) The entity and the reporting entity are members of the same business group (i.e. a parent, subsidiaries, and entities associated with the next subsidiaries of another entity);
 - (b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a business group, which the other entity is a member);
 - (c) both entities are joint ventures of the same third party;
 - (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) the entity has a post-employment benefits plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related entities to the reporting entity;
 - (f) entities controlled or jointly controlled by a person identified in paragraph 1.
 - (g) person identified in subparagraph (1) (a) has significant influence over the entity or the key management personnel of the entity (or the entity's parent entity).
 - (h) the entity, or any member of a group of which it is a part, provides key management personal services to the reporting entity or to the parent of the reporting entity.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

All significant transactions and balances with related parties are disclosed in the notes to consolidated financial statements.

k. Inventories

Inventories of land available-for-sale, residential and shophouses under construction, apartment units, houses available-for-sale and inventories at the restaurant of the club house (food, beverage and others) are stated at the lower of cost or net realizable value.

The cost of completed residential and shophouses, residential and shop houses under construction and apartment units includes all construction costs and the cost of land.

The cost of land includes the acquisition cost, costs of land improvements and development including interest expense and foreign exchange differences on loans used to finance the land acquisition, development and improvement prior to the completion stage. The cost of land development including the land used for roads and amenities and other non-saleable areas is allocated based on the saleable area of the project.

The cost of inventories at the restaurant of the club house includes the acquisition cost and other costs incurred until the inventories are ready to be used. Cost is determined using the weighted-average method.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Inventories (Continued)

Cost of sales of land is determined based on acquisition cost of the land plus other estimated expenditures for its improvement and development. The cost of sales of residential house under construction is determined based on actual cost plus other estimated expenditures to complete the work.

The elements of cost, 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. 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/revenues, if any, which are generally attributed to the real estate development activities must be allocated to ongoing and future projects.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. The decline in value of inventories is determined to write-down the carrying amount of the inventories to the fair value of the inventories and is recognized as a loss in consolidated statements of profit or loss and other comprehensive income for the year.

l. Land for Development

Land owned for future development is stated at the lower of cost or net realizable value and its cost will be transferred to the inventory account upon the start of the land development and the construction of the facilities thereon.

m. Property, Plant and Equipment

Property, plant and equipment initially are recognized at acquisition cost including acquisition cost and directly attributable costs to bring property, plant and equipment to the desired location and condition and ready to used and the estimated present value of any future unavoidable costs of dismantling and removing items.

After initial recognition, property, plant and equipment, except land, is recognized at cost less accumulated depreciation and accumulated impairment losses.

The costs after initial acquisition are recognized as part of the carrying value or as a separate asset if it is probable that future economic benefits associated with the asset will flow to the Group, and the cost of the asset can be measured reliably. The cost of repairs and maintenance is charged to the consolidated statements of profit or loss and other comprehensive income as incurred.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Property, Plant and Equipment (Continued)

Depreciation of property, plant and equipment is computed using the straight-line method, over the estimated useful lives of the assets as follows:

	<u>Years</u>
Golf course	20
Buildings and infrastructures	10 - 20
Golf and club house equipments	5
Transportation equipments	5 - 8
Furnitures and office equipments	4 - 10
Project equipments	4 - 15

The asset residual values, useful lives and depreciation method are reviewed at each year-end and adjusted prospectively, if necessary.

Land is stated at cost and is not depreciated. Any other certain costs in connection with the acquisition or renewal of land rights are deferred and amortized over the term of the land rights or the useful lives of the land, whichever is shorter.

When an indication of impairment exists, the carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount (Note 2n).

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains 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 consolidated statements of profit or loss and other comprehensive income.

Constructions-in-progress are stated at cost. The accumulated costs will be reclassified to the appropriate "Property, plant and equipment" account when the construction is completed and the property, plant and equipment is ready for its intended use.

n. Impairment of Non-Financial Assets

At the end of each reporting period, the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists or impairment testing for an asset (i.e., an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination) is required, the Group makes an estimate of the asset's recoverable amount.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Impairment of Non-Financial Assets (Continued)

An individual asset's recoverable amount is determined by the higher between the fair value asset or cash generating unit ("CGU") less costs of disposal and its value in use, unless the asset does not generate cash inflows that are largely independent of those from assets or Group of other 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. Impairment losses are recognized immediately in profit or loss.

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. If no such transactions can be identified, the Group use an appropriate valuation model to determine the fair value of the assets. These calculations are corroborated by multiple valuation or other available fair value indicators.

In determining fair value less costs of disposal, recent market transactions are taken into account, if available. Impairment losses of continuing operations, if any, are recognized in the consolidated statements of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the entity estimates the 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 exceed 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. Share Capital

Share capital is measured at par value for all shares issued. When the Company issues more than one class of shares, a separate account is maintained for each class of shares and the number of shares issued.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Share Capital (Continued)

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account in the consolidated statements of financial position. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to the "Additional paid-in capital" account in the consolidated statements of financial position.

p. Dividends

Dividends are recognised when they become legally payable. In the case of dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the General Meeting of Shareholders.

q. Revenue and Expenses Recognition

The Group recognizes revenue from real estate using the full accrual method. Based on this method, the revenue from real estate sales is recognized if all the following conditions are met:

1. For the sale of residential houses, shop houses and other types of buildings, and land where a building will be built by the seller:
 - a. A sale is consummated;
 - b. Selling price will be collectible; is if the amount paid by buyers are sufficient, i.e has reached at least 20% of the agreed sale price and the amount is not refundable by the buyers;
 - c. The seller's receivable is not subject to future subordination against other loans which will be obtained by the buyer; and
 - d. The seller has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and does not have a substantial continuing involvement with the property.
2. For the sale of land where a building will be built by the buyer without the involvement of the seller (retail land sales),
 - a. Total payments received from the buyer have reached 20% of the agreed sale price and this amount is not refundable to the buyer;
 - b. Selling price will be collectible;

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Revenue and Expenses Recognition (Continued)

- c. The seller's receivable is not subject to future subordination against other loans which will be obtained by the buyer;
 - d. The process of land development has been completed so that the seller is not obliged to develop the lots sold, such as obligation to construct amenities or obligation to build other facilities applicable to the lots sold as provided in the agreement between the seller and the buyer or regulated by law;
 - e. The sale consists only of the lots of land, without any involvement of the seller in the construction of the building on the lots sold.
3. Sales of apartment units are recognized using the percentage of completion method if all of the following criteria are met:
- a. The construction process has gone through the initial stages, that is, the building foundation has been completed and all of the requirements to commence construction have been fulfilled;
 - b. Total payments by the buyer of land is at least 20% of the agreed sales prices and that amount is not refundable to the buyer;
 - c. The amount of the revenue and the cost of the building unit can be reliably estimated.

If one or more of the criteria mentioned are not fulfilled, the payment received from the buyer shall be recognized under "Deposits from customers" account in the consolidated statements of financial position until all the criteria are fulfilled.

Hotel room income is recognized based on room occupancy while other hotel income are recognized when the goods are delivered or the services are rendered to the customers.

The membership registration fees for golf and club house are recognized as income upon receipt. Rental and membership fees are recognized as income over the period of rental or membership. Revenues from restaurant operations are recognized when the goods are delivered or when the services have been rendered.

Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

The cost of sales of the land sold consists of the acquisition cost and other expenditures relating to its development. The cost of residential houses sold includes the construction costs incurred.

Expenses are recognized when incurred (accrual basis).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r. Foreign Currency Transactions and Translations

Transactions involving foreign currencies are recorded at the rates prevailing at the time the transactions are made. At the consolidated statements of financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted to Rupiah to reflect Bank Indonesia's middle rate on the said date. Any resulting gains or losses are credited or charged to the consolidated statements of profit or loss and other comprehensive income for the current year.

Foreign exchange gains and losses are credited or charged to operations for the year, except for capitalized foreign exchange losses.

The exchange rates used to translate the monetary assets and liabilities denominated in foreign currencies are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
American Dollar (USD) 1/Rupiah	13,180	13,332	13,795	12,440	12,189
Singapore Dollar (SGD) 1/Rupiah	9,771	9,895	9,751	9,422	9,623

The book of accounts of certain subsidiaries are maintained in currency other than Rupiah. For presentation purposes of the consolidated financial statements, assets and liabilities of the subsidiaries at consolidated statements of financial position date are translated into Rupiah using the exchange rates at consolidated financial position date, while statements of revenues and expenses are translated at the average rates of exchange for the period. Resulting translation adjustments are shown as part of equity as "Foreign currency translation reserve".

s. Taxes

Final Tax

Final tax expense related to income subject to final tax is recognized in proportion to total income recognized during the current period/ year for accounting purposes and recorded as part of operating expenses. The differences between the final tax paid and the amount charged as final tax expense is recognized as prepaid tax or tax payable.

Income Tax Expense

The tax expense comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

s. Taxes (Continued)

Income Tax Expense (Continued)

i. Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the end of each reporting period date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognized as a component of income tax expense in profit or loss.

ii. Deferred Tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statements of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable entity, or
- different entities which intend either to settle current tax assets and liabilities on net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

s. Taxes (Continued)

Value-Added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT, except where the VAT incurred on a purchase of assets or services are not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Other Taxation Matters

Amendments to taxation obligations are recorded when a Tax Assessment Letter is received or, if appealed against, when the results of the appeal are determined.

t. Employee Benefits Liability

Defined Benefit Plan

The Group recognized an unfunded employee benefits liability in accordance with Labor Law No. 13/2003 dated 25 March 2003 (the "Law").

The net pension liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The provision is estimated based on actuarial calculations prepared by an independent firm of actuaries using the "Projected Unit of Credit" method.

Net pension cost comprises the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in profit or loss. Past service costs are recognized at the earlier of the date when the plan amendment or curtailment occurs and when the Group recognises related restructuring cost or termination benefits.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Employee Benefits Liability (Continued)

Defined Benefit Plan (Continued)

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling excluding net interest on defined benefit liability are recognized in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other Long-Term Benefits

The Group also provides other long-term rewards in the form of long leave and long leave allowances.

The provision is estimated based on actuarial calculations prepared by an independent firm of actuaries using the "Projected Unit of Credit" method. Current service costs including past service cost and actuarial gain or loss are charged directly to statements of profit or loss of the current year.

u. Operating Segment

An operating segment is a distinguishable component of the Group that is engaged either providing certain products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Operating 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. Operating segments are determined before balances and transactions between the Group are eliminated as a part of the consolidation process.

v. Earnings per Share

Basic earnings per share is computed by dividing the net profit attributable to owners of the parent by the weighted average number of shares outstanding during the period/year after considering the effect of the stock split.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

v. Earnings per Share (Continued)

Diluted earnings per share is calculated by dividing the net income attributable to equity holders of the parent company by the weighted-average number of shares outstanding during the period/year after considering the effect of stock split plus the weighted-average number of shares that would be issued on conversion of convertible bonds into ordinary shares.

w. Provision and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate, that reflects current market assessment of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increased due to the passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

x. Events After the Reporting Period

Events after the reporting period that provide evidence of conditions that existed at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Judgments

The following judgments are made by management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements:

Uncertain Tax Exposure

In certain circumstances, the Group may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

In determining the amount to be recognized in respect of an uncertain tax liability, the Group applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK No. 57, "Provisions, Contingent Liabilities and Contingent Assets". The Group makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

Income Taxes

Significant judgment is involved in interpreting the complex tax regulation which lead to the uncertainty in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business.

The revenue of the Group is subject to both final and non-final income tax. Determining the amount of revenue subject to final and non-final tax as well as expenses relating to the revenue from final and non-final income tax requires judgments and estimates.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Estimates and Assumptions (Continued)

Fair Value of Financial Instruments

The Group determines the fair value of financial instruments that are not quoted, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

The methods and assumptions used to estimate the fair value of financial assets and liabilities are discussed in Note 37.

Purchase Price Allocation in Business Combination

The Group classified or designated the identifiable assets acquired and liabilities assumed as necessary to apply other PSAks subsequently. The Group made those classifications or designations on the basis of the contractual terms, economic conditions, its operating or accounting policies and other pertinent conditions as they exist at the acquisition date. The Group also measured the identifiable assets acquired and the liabilities assumed at their acquisition date fair values. Purchase method also requires the Group to use extensive accounting estimates and judgments to allocate the purchase price to the fair market value of the acquiree's identifiable assets, liabilities and contingent liabilities at acquisition date. Further details are disclosed in Note 4.

Allowance for Impairment of Trade Receivables

The Group evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Group uses judgment, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce its receivable amounts that the Group expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of trade receivables.

The carrying amount of the Group's trade receivables net of allowance as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 amounted to Rp 1,531,121,722,764 and Rp 1,044,340,841,505 and Rp 1,485,131,670,267, Rp 434,514,586,000 and Rp 350,863,107,622, respectively. Further details are presented in Note 8.

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3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Estimates and Assumptions (Continued)

Allowance for Inventory Obsolescence

The Group provides allowance for inventories whenever the net realizable value of the inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The allowance account is reviewed to reflect the accurate valuation in the financial records. The carrying amount of inventories of the Group as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 amounted to Rp 1,049,785,731,781 and Rp 818,336,547,612, Rp 850,914,211,062, Rp 924,431,530,063 and Rp 1,042,753,160,220, respectively. Further details are disclosed in Note 9.

The management is of the opinion that there are no allowance for inventory obsolescence to be recognized as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013.

Depreciation of Property, Plant and Equipment

The costs of property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 4 to 20 years. These are common life expectancies applied in the industries where the Group conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

The net carrying amount of the Group's property, plant and equipment as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 amounted to Rp 1,119,059,646,793 and Rp 1,124,236,893,946 and Rp 1,128,136,315,008, Rp 1,131,195,797,401 and Rp 1,142,137,535,535, respectively. Further details are disclosed in Note 12.

Impairment of Non-Financial Assets, other than Goodwill

The Group assess whether there are any indications of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. This requires an estimation of the value in use of the cash generating-units. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also choose a suitable discount rate in order to calculate the present value of those cash flows. In cases where the value in use cannot be reliably estimated, the recoverable amount is based on the fair value less cost to sell.

The management is of the opinion that there should be no impairment for non-financial assets that should be recognized as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013.

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3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Estimates and Assumptions (Continued)

Impairment of Goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The carrying value of Goodwill as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 amounted to Rp 1,141,036,812,530 and Rp 1,279,112,936,390 and Rp 1,141,036,812,530, Rp 1,279,112,936,390 and Rp 1,279,112,936,390, respectively. Further details are disclosed in Note 13.

Employee Benefits

The determination of the Group employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group assumptions are recognized immediately in consolidated statements of comprehensive income as and when they occur. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group actual experiences or significant changes in the Group assumptions may materially affect its liability for employee benefits and net employee benefits expense.

The carrying amount of the Group estimated liabilities for employee benefits as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 amounted to Rp 52,228,267,290 and Rp 43,914,934,930, Rp 47,014,031,834, Rp 40,535,240,611 and Rp 34,103,821,038, respectively. Further details are disclosed in Note 19.

4. BUSINESS COMBINATION

PT Mega Agung Nusantara (MAN)

Based on the share sale and purchase agreement as notarized under Notarial deed No. 4 of R.M Indiarto Budioso S.H., dated 4 December 2015, MIE purchased 349,625 shares of MAN from PT Indosubur Prima Nusa, a third party, representing 70.00% of the total outstanding shares of MAN.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 1 of R.M Indiarto Budioso S.H., dated 1 December 2015, MSS purchased 149,840 shares of MAN from PT Indosubur Prima Nusa, a third party, representing 30.00% of the total outstanding shares of MAN.

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4. BUSINESS COMBINATION (Continued)

PT Mega Agung Nusantara (MAN) (Continued)

MAN is a company incorporated in Indonesia and engaged in real estate business. MAN is developing industrial estate in Bekasi, West Java. The Group acquired MAN for the purpose of expanding its business in Bekasi.

From the above purchase transactions of outstanding shares of MAN from the previous shareholders, as previously stated above, the Group obtained control of MAN with 100.00% ownership.

The following table shows the book value and fair value of the identifiable assets and liabilities acquired at acquisition date:

Statements of Financial Position Items	Book Value	Fair Value
A s s e t s		
Cash on hand and in banks	22,074,987,857	22,074,987,857
Land for development	464,827,227,138	1,246,737,000,000
Prepaid tax	596,037,050	596,037,050
Other assets	8,912,507,000	8,912,507,000
Total Assets	496,410,759,045	1,278,320,531,907
Liabilities		
Accrued expenses	75,000,000	75,000,000
Taxes payable	2,840,000	2,840,000
Total Liabilities	77,840,000	77,840,000

The above transactions resulted to a gain arising from a bargain purchase amounting to Rp 547,242,691,907 which was recorded as part of other operating income, with the following details:

Acquisition cost	(731,000,000,000)
Allocation of acquisition cost:	
Total assets	1,278,320,531,907
Total liabilities	(77,840,000)
Gain from a bargain purchase (Note 30a)	547,242,691,907

The Group acquired MAN at a lower price as compared to the fair value of net assets received as a result of the bargaining power exercised by the Group by acquiring larger quantities of land or by acquiring the whole business as compared to the seller developing the land and selling it to various customers. In addition, the parcel of land owned by MAN was not yet fully developed and requires additional cost and considerable amount of time to be available for sale to customers.

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4. BUSINESS COMBINATION (Continued)

PT Mega Agung Nusantara (MAN) (Continued)

The cash outflows related to the acquisition is as follows:

Cash outflows arising from acquisition of MAN	731,000,000,000
Cash on hand and in banks of MAN	(22,074,987,857)
Net cash outflows from acquisition of MAN	708,925,012,143

PT Mega Agung Liong Nusantara (MALN)

Based on the share sale and purchase agreement as notarized under Notarial deed No. 4 of Lily Waty Tjahjadi S.H., dated 7 December 2015, MMS purchased 100 shares of MALN from PT Indosubur Prima Nusa, a third party, representing 1.00% of the total outstanding shares of MALN.

Based on the share sale and purchase agreement as notarized under Notarial deed No. 22 of Lily Waty Tjahjadi S.H., dated 21 December 2015, MAN purchased 9,901 shares of MALN from PT Indosubur Prima Nusa, a third party, representing 99.00% of the total outstanding shares of MALN.

MALN is company incorporated in Indonesia and engaged in property business.

From the above purchase transactions of outstanding shares of MALN from the previous shareholders, as previously stated above, the Group obtained control of MALN such that the Group's ownership became 100.00%.

The following table shows the book value and fair value of the identifiable assets and liabilities of MALN acquired at acquisition date:

Statements of Financial Position Items	Book Value	Fair Value
A s s e t		
Property, plant and equipment	3,427,083	3,427,083

The above transactions resulted to a goodwill amounting to Rp 12,096,572,917 which was recorded under "Goodwill" account in the consolidated statements of financial position.

Consideration transferred	12,100,000,000
Fair value of net assets	(3,427,083)
Goodwill (Note 13)	12,096,572,917

The goodwill comprises the value of expected synergies arising from the acquisition.

The cash outflows related to the acquisition of MALN amounted to Rp 12,100,000,000.

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4. BUSINESS COMBINATION (Continued)

PT Mitra Sindo Sukses (MSS) and PT Mitra Sindo Makmur (MSM)

Based on Notarial deed No. 4 of Notary Mala Mukti S.H., dated 12 April 2005, the Company invested in shares of PT Mitra Sindo Sukses (MSS) with percentage of ownership of 49%, and which has received approval from the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. C-15966.HT.01.01.Th.2005 dated 9 June 2005.

Based on Notarial deed No. 3 of Mala Mukti S.H., dated 12 April 2005, the Company invested in shares of PT Mitra Sindo Makmur (MSM) with percentage of ownership of 49%, and which has received approval from the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. C-28539.HT.01.01.Th.2005 dated 17 October 2005.

Based on the conditional share sale agreement dated 24 July 2013, the Company purchased 3,610,290 shares of MSS from Le-Vision Pte. Ltd., a third party, and 1,224,000 shares of MSM from Castlehigh Pte. Ltd., a third party, representing 51.00% of the total outstanding shares of MSS and MSM.

MSS and MSM are companies incorporated in Indonesia and engaged in real estate business. MSS and MSM are developing a township project “Jakarta Garden City” in Cakung area, East Jakarta.

From the above purchase transaction of outstanding shares of MSS and MSM from the previous shareholders, as previously stated above, the Company obtained control of MSS and MSM such that the Company’s ownership became 100%.

The following table shows the book value and fair value of the identifiable assets and liabilities of MSS and MSM acquired at acquisition date:

Statements of Financial Position Items	Book Value	Fair Value
A s s e t s		
Cash and cash equivalents	203,998,202,439	203,998,202,439
Short-term investments	25,550,000,000	25,550,000,000
Trade receivables	697,779,151	697,779,151
Other receivables	32,689,234,332	32,689,234,332
Inventories	281,580,237,042	620,531,648,284
Prepaid taxes	24,139,812,899	24,139,812,899
Restricted funds	97,778,422,122	97,778,422,122
Land for development	599,359,807,363	1,942,220,980,904
Property, plant and equipment	82,659,521,069	580,262,188,476
Advances for purchase of land	178,127,448,473	178,127,448,473
Other assets	946,243,576	946,243,576
Total Assets	1,527,526,708,466	3,706,941,960,656

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4. BUSINESS COMBINATION (Continued)

PT Mitra Sindo Sukses (MSS) and PT Mitra Sindo Makmur (MSM) (Continued)

Statements of Financial Position Items	Book Value	Fair Value
Trade payables	34,191,058,207	34,191,058,207
Other payables	34,847,169,618	34,847,169,618
Taxes payable	2,466,194,109	2,466,194,109
Deposit from customers	365,972,666,231	365,972,666,231
Accrued expenses	43,983,404,346	43,983,404,346
Advances received	44,136,428,887	44,136,428,887
Estimated liability for employee benefits	1,702,510,505	1,702,510,505
Total Liabilities	527,299,431,903	527,299,431,903

The above transactions resulted to a goodwill amounting to Rp 1,277,026,119,759 which was recorded under "Goodwill" account in the consolidated statements of financial position.

Consideration transferred	2,272,901,010,741
Fair value of the acquirer's previously held equity interest	<u>2,183,767,637,771</u>
Acquisition cost	4,456,668,648,512
Fair value of net assets	(<u>3,179,642,528,753</u>)
Goodwill (Note 13)	<u>1,277,026,119,759</u>

The goodwill comprises the value of expected synergies arising from the acquisition.

The above transactions also resulted to a gain on previously held equity interest amounting to Rp 1,742,425,014,861 which was recorded in "Gain on previously held equity interest" account in the consolidated statements of comprehensive income for the year ended 31 December 2013.

Fair value of the acquirer's previously held equity interest	2,183,767,637,771
Carrying value of investment as of acquisition date	(498,859,541,224)
Deferred income from intercompany sales	<u>57,516,918,314</u>
Gain on previously held equity interest	<u>1,742,425,014,861</u>

The cash outflows related to the acquisition is as follows:

Cash outflows arising from acquisition of MSS and MSM	2,272,901,010,741
Cash and cash equivalents of MSS and MSM	(<u>203,998,202,439</u>)
Net cash outflows from acquisition of MSS and MSM	<u>2,068,902,808,302</u>

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4. BUSINESS COMBINATION (Continued)

PT Mitra Sindo Sukses (MSS) and PT Mitra Sindo Makmur (MSM) (Continued)

From the date of acquisition, MSS and MSM had contributed Rp 27,698,098,344 of revenue and Rp 11,272,622,047 to the consolidated income before income tax of the Company for the year ended 31 December 2013. If the combination had taken place at the beginning of the year, consolidated revenue from continuing operation would have been Rp 2,173,888,611,043 and consolidated net income would have been Rp 2,542,204,061,115 for the year ended 31 December 2013.

The Company acquired the remaining advances for investment of Le-Vision Pte. Ltd. and Castlehigh Pte. Ltd. to MSS and MSM amounting to Rp 1,500,528 and Rp 21,457,488,731, respectively. Advances for investments were eliminated to reflect the consolidated statements of financial position of the Group as one business entity.

The Company accounted for the investment in associate until 30 November 2013 under equity method. Equity in net income of associate amounted to Rp 44,353,619,506 for the year ended 31 December 2013.

5. CASH AND CASH EQUIVALENTS

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Cash on hand	1,048,668,733	677,699,276	764,255,580	1,045,202,656	14,183,279,196
Cash in Banks					
In Rupiah					
PT Bank CIMB Niaga Tbk	52,391,947,452	18,409,908,517	29,670,640,097	72,469,617,985	16,332,119,555
PT Bank Central Asia Tbk	33,782,819,073	68,811,541,699	66,040,289,610	99,866,349,176	107,115,631,925
PT Bank Negara Indonesia (Persero) Tbk	32,216,987,563	44,311,666,855	36,195,041,466	51,864,317,665	18,976,379,912
PT Bank Tabungan Negara (Persero) Tbk	10,572,454,386	12,442,948,612	13,512,230,782	18,818,350,225	15,441,754,476
PT Bank Mandiri (Persero) Tbk	9,722,778,059	6,229,038,365	9,903,816,427	4,861,544,363	9,930,247,360
PT Bank UOB Indonesia	8,703,367,165	7,257,222,708	8,677,039,839	4,826,615,736	18,692,987,378
PT Bank Rakyat Indonesia (Persero) Tbk	6,283,113,751	9,455,069,714	9,529,738,408	6,716,776,601	3,937,434,543
PT Bank Maybank Indonesia Tbk	5,506,219,943	12,476,087,471	1,328,837,834	10,344,106,524	306,789,334
PT Bank Danamon Indonesia Tbk	5,381,132,379	4,209,195,747	2,100,362,708	3,398,255,686	496,188,045
PT Bank Panin Tbk	5,165,499,124	35,384,343	4,215,764,638	39,795,007	37,758,962
PT Bank ICBC Indonesia Tbk	4,656,724,197	4,519,593,283	4,573,868,280	4,466,254,218	5,146,330,954
PT Bank Bukopin Tbk	4,150,316,016	103,778,278	104,002,472	103,330,662	98,035,045
PT Bank OCBC NISP Tbk	3,435,525,172	3,301,170,965	4,997,582,335	7,916,544,713	4,304,906,030
PT Bank Permata Tbk	2,962,782,734	19,106,003,586	12,020,303,362	3,047,005,223	2,605,617,798
Brought forward	184,931,667,014	210,668,610,143	202,869,518,258	288,738,863,784	203,422,181,317

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5. CASH AND CASH EQUIVALENTS (Continued)

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
In Rupiah					
Carried forward	184,931,667,014	210,668,610,143	202,869,518,258	288,738,863,784	203,422,181,317
PT Bank Artha Graha Internasional Tbk	2,303,504,580	5,303,937,580	5,303,751,580	5,304,123,580	2,943,824,598
PT Bank DKI	739,597,892	737,239,348	738,489,359	735,330,611	730,969,032
PT Bank Nationalnobu Tbk	380,879,311	378,280,069	379,649,625	376,924,273	374,220,603
PT Bank QNB Indonesia Tbk	326,854,577	1,026,812,313	5,337,896,124	274,385,384	408,473
Standard Chartered Bank	248,254,347	1,801,385,854	10,407,054,830	43,664,429,702	11,799,988,000
PT Bank Mega Tbk	226,995,444	225,051,098	225,993,314	224,075,476	222,283,678
PT Bank Sinarmas Tbk	71,159,920	3,051,810,348	3,063,360,684	3,035,175,974	18,267,473,779
PT Bank Muamalat Indonesia Tbk	63,391,374	62,501,374	62,501,374	62,501,373	866,386,118
Others (each below Rp 100 million)	132,929,424	133,399,696	147,543,846	133,884,170	148,672,061
In Singapore Dollar					
PT Bank UOB Indonesia	3,747,159,021	3,614,520,740	3,740,254,977	3,615,102,265	3,754,437,680
PT Bank Central Asia Tbk	5,253,530	6,861,487	6,179,233	7,494,174	8,719,974
In US Dollar					
PT Bank UOB Indonesia	2,199,686,191	2,074,278,610	2,301,534,349	1,059,516,732	1,034,018,954
PT Bank ICBC Indonesia Tbk	1,724,855,738	8,900,522,255	12,839,952,561	7,715,600,970	6,094,500
PT Bank Negara Indonesia Tbk	1,404,432,303	6,850,782	239,566,396,256	106,089,813	-
PT Bank Mandiri (Persero) Tbk	1,010,270,712	954,282,155	1,057,825,431	954,667,954	936,162,250
PT Bank Standard Chartered	247,901,195	2,161,547,436	2,337,395,141	6,605,226,690	26,509,561,370
The Bank of New York Mellon	85,722,720	86,705,995	89,722,680	56,649,770	12,673,391
PT Bank Maybank Indonesia Tbk	34,466,236	304,414,485	469,391,843	248,749,369	315,793,006
PT Bank QNB Indonesia Tbk	11,466,610	11,623,914	12,415,500	11,834,250	-
PT Bank OCBC NISP Tbk	10,942,239	11,512,315	11,462,541	11,149,474	11,756,435
PT Bank CIMB Niaga Tbk	-	-	100,779,510	-	-
Sub-total	<u>199,907,390,378</u>	<u>241,522,147,997</u>	<u>491,069,069,016</u>	<u>362,941,775,788</u>	<u>271,365,625,219</u>
Time deposits					
In Rupiah					
PT Bank CIMB Niaga Tbk	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	4,897,860,138
PT Bank Negara Indonesia (Persero) Tbk	-	101,500,000,000	25,287,013,698	216,500,000,000	-
PT Bank Permata Tbk	-	-	-	-	170,000,000,000
PT Bank Tabungan Negara (Persero) Tbk	-	-	-	-	50,000,000,000
PT Bank OCBC NISP Tbk	-	-	-	519,897,260	1,037,837,907
PT Bank UOB Indonesia	-	-	-	-	400,000,000
Sub-total	<u>1,500,000,000</u>	<u>103,000,000,000</u>	<u>26,787,013,698</u>	<u>218,519,897,260</u>	<u>226,335,698,045</u>
T o t a l	<u>202,456,059,111</u>	<u>345,199,847,273</u>	<u>518,620,338,294</u>	<u>582,506,875,704</u>	<u>511,884,602,460</u>

Interest rate of time deposits are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Rupiah	9.00%	7.50% - 9.85%	5.50% - 7.50%	6.85% - 10.50%	7.00% - 9.50%

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5. CASH AND CASH EQUIVALENTS (Continued)

Interest income earned from cash and cash equivalents, short-term investments and restricted funds amounted to Rp 9,649,857,964 and Rp 10,285,104,811, Rp 31,235,320,884, Rp 13,850,534,167, and Rp 19,690,099,237 for the six-months period ended 30 June 2016 and 2015 and for the years ended 31 December 2015, 2014 and 2013, respectively.

6. RESTRICTED FUNDS

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Current Asset					
In US Dollar					
The Bank of New York Mellon	41,775,723,400	-	43,722,824,855	-	-
Non-Current Assets					
In Rupiah					
PT Bank CIMB Niaga Tbk	84,769,955,107	38,579,877,268	122,306,852,585	39,348,827,272	32,037,030,856
PT Bank Permata Tbk	47,488,696,383	50,184,384,001	49,267,138,031	62,892,964,114	64,595,979,926
PT Bank OCBC NISP Tbk	43,252,207,798	15,072,225,693	36,413,757,703	14,523,782,878	16,224,026,720
PT Bank UOB Indonesia	29,342,857,872	22,217,158,910	31,029,831,183	21,870,276,218	24,649,790,157
PT Bank Panin Indonesia Tbk	23,378,893,492	25,551,373,276	27,380,412,247	24,408,571,273	20,908,638,274
PT Bank Maybank Indonesia Tbk	20,168,561,320	14,688,031,573	19,353,387,682	14,688,031,573	16,521,782,363
PT Bank Danamon Indonesia Tbk	18,678,814,719	18,678,814,719	18,678,814,719	18,678,814,719	18,606,638,976
PT Bank Rakyat Indonesia (Persero) Tbk	13,172,079,180	4,268,761,402	6,959,225,544	1,460,017,600	730,008,800
PT Bank Negara Indonesia (Persero) Tbk	11,359,306,905	12,455,555,425	13,240,610,905	10,168,214,905	5,781,549,059
PT Bank Mandiri (Persero) Tbk	10,269,074,338	10,214,901,002	9,074,440,258	10,259,394,591	9,049,430,168
PT Bank Tabungan Negara (Persero) Tbk	5,586,521,410	7,288,769,373	4,918,267,620	7,929,953,756	5,044,611,927
PT Bank Artha Graha Internasional Tbk	5,286,632,674	5,304,123,660	5,286,632,674	2,237,296,796	-
PT Bank ICBC Indonesia Tbk	1,696,338,000	467,208,000	467,208,000	467,208,000	-
PT Bank Mega Tbk	696,400,000	696,400,000	696,400,000	696,400,000	561,500,000
PT Bank BNI Syariah	604,203,258	-	604,328,259	604,702,399	603,455,984
PT Bank DKI	329,095,000	329,095,000	329,095,000	329,095,000	369,095,000
PT Bank Central Asia Tbk	252,580,000	-	-	-	-
PT Bank Modern Tbk (Suspended)	-	5,310,288,690	-	5,310,288,690	5,310,288,690
In US Dollar					
The Bank of New York Mellon	122,613,052,340	166,280,316,972	128,334,374,585	155,153,066,189	100,560,394,425
Sub-total	438,945,269,796	397,587,284,964	474,340,776,995	391,026,905,973	321,554,221,325
T o t a l	480,720,993,196	397,587,284,964	518,063,601,850	391,026,905,973	321,554,221,325
Less allowance for losses	-	(5,310,288,690)	-	(5,310,288,690)	(5,310,288,690)
N e t	480,720,993,196	392,276,996,274	518,063,601,850	385,716,617,283	316,243,932,635

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6. RESTRICTED FUNDS (Continued)

The Company established an Interest Reserve Account in Singapore with The Bank of New York Mellon, Singapore Branch. Funds deposited in the Interest Reserve Account should be maintained in USD and the Company shall at all times maintain an amount equal to one semi-annual interest payment in the Interest Reserve Account with respect to the outstanding Notes. Funds remaining on deposit in the Interest Reserve Account on the maturity date of the Notes will be applied to the payment of interest on the Notes, and any remaining balance shall be applied to the payment of premium and additional amounts, if any, due on the Notes (Note 20).

The Company's funds placed in PT Bank Modern Tbk ("Bank Modern"), is not withdrawable for an indeterminate period of time due to the suspension of Bank Modern's operation. Since 2004, the Company provided an allowance for impairment loss for the full amount of the funds amounting to Rp 5,310,288,690.

In 2015, based on minutes of meeting of Board of Directors dated 17 November 2015, Management decided to write-off restricted funds balance in PT Bank Modern Tbk.

The Group's other funds as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 represents liquidation of KPR fund from customers that are not available for use by the Group.

7. DERIVATIVE FINANCIAL ASSETS

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Derivative not designated as hedging instruments:					
Non-deliverable currency forward contracts	251,600,000,000	305,255,000,000	408,175,000,000	85,340,000,000	-
Less current portion	51,000,000,000	-	97,125,000,000	-	-
Non-current portion	<u>200,600,000,000</u>	<u>305,255,000,000</u>	<u>311,050,000,000</u>	<u>85,340,000,000</u>	<u>-</u>

Net change in fair value amounted to Rp (156,575,000,000) and Rp 219,915,000,000, Rp 322,835,000,000, Rp 85,340,000,000 and nil for the six months period ended 30 June 2016 and 2015, and for the years ended 31 December 2015, 2014 and 2013, respectively, which is presented under "Mark-to-market (loss) gain on forward contracts" (Notes 30a and 30b).

The derivative asset is classified under current and non-current assets. Classification between current and non-current depends on the remaining maturity of the derivative contracts and their contractual cash flows.

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7. DERIVATIVE FINANCIAL ASSETS (Continued)

In 2015 and 2014, the Group enters into various non-deliverable currency forward contracts to manage the Group's foreign currency risk arising from its USD denominated loans. The aggregate notional amount of the currency forward contracts amounted to USD 435.0 million and USD 245.0 million, USD 435.0 million, USD 245.0 million and nil as of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, respectively. The currency forward contracts will mature in 2016 and 2019.

Derivatives not designated as hedging instruments are calculated by reference to certain interbank market rate based on traded IDR/USD spot foreign exchange transaction published by Bank of Indonesia. The net fair value of this outstanding currency forward contract amounted to Rp 251,600,000,000 and Rp 305,255,000,000, Rp 408,175,000,000, Rp 85,340,000,000 and nil as of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, respectively.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated statements of financial position.

Other information relating to derivative assets are as follows:

Type of Contract	Settlement Schedule	Counterparties
Non-deliverable currency forward contracts	May 2014 - October 2016	UBS AG, London Branch
Non-deliverable currency forward contracts	August 2014 - August 2019	Deutsche Bank AG, Singapore Branch
Non-deliverable currency forward contracts	August 2014 - August 2019	Standard Chartered Bank, Singapore Branch
Non-deliverable currency forward contracts	August 2015 - August 2019	Deutsche Bank AG, Singapore Branch
Non-deliverable currency forward contracts	August 2015 - August 2019	Deutsche Bank AG, Singapore Branch

8. TRADE RECEIVABLES

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Third parties					
In Rupiah					
Sales of land	1,455,815,697,711	1,020,831,840,564	1,434,383,848,218	414,436,796,173	321,192,367,956
Sales of residential houses and shophouses	48,877,944,644	29,121,125,728	25,561,856,135	23,717,556,675	25,797,775,630
Sales of apartment units	7,351,673,969	7,986,510,118	7,481,898,736	8,313,633,956	13,099,471,119
Others	10,454,037,182	8,253,459,335	9,105,389,033	9,898,693,436	5,720,907,906
Brought forward	1,522,499,353,506	1,066,192,935,745	1,476,532,992,122	456,366,680,240	365,810,522,611

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8. TRADE RECEIVABLES (Continued)

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Third parties (Continued)					
Carried forward	1,522,499,353,506	1,066,192,935,745	1,476,532,992,122	456,366,680,240	365,810,522,611
In US Dollar					
Sales of land	31,504,024,311	-	31,504,024,311	-	-
T o t a l	1,554,003,377,817	1,066,192,935,745	1,508,037,016,433	456,366,680,240	365,810,522,611
Less allowance for impairment loss	(22,881,655,053)	(21,852,094,240)	(22,905,346,166)	(21,852,094,240)	(14,947,414,989)
N e t	1,531,121,722,764	1,044,340,841,505	1,485,131,670,267	434,514,586,000	350,863,107,622

The details of the ages of trade receivables are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Not yet due	1,482,668,490,725	997,724,986,281	1,447,029,683,306	386,793,862,897	248,042,999,983
Overdue:					
1 - 30 days	1,847,246,784	17,077,959,462	4,829,161,826	21,875,264,670	16,371,707,474
31 - 60 days	951,822,386	1,006,736,208	2,011,516,769	3,082,533,233	8,942,809,045
61 - 90 days	2,363,265,078	1,490,280,164	1,694,356,218	2,329,552,561	15,201,614,917
More than 90 days	43,290,897,791	27,040,879,390	29,566,952,148	20,433,372,639	62,303,976,203
Past due and impaired	22,881,655,053	21,852,094,240	22,905,346,166	21,852,094,240	14,947,414,989
T o t a l	1,554,003,377,817	1,066,192,935,745	1,508,037,016,433	456,366,680,240	365,810,522,611

The movements in the allowance for impairment loss are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Beginning balance	22,905,346,166	21,852,094,240	21,852,094,240	14,947,414,989	14,312,038,674
Changes in the current period/ year:					
Acquisition of MSS and MSM	-	-	-	-	645,168,226
Impairment loss during the period/year (Note 30b)	-	-	1,318,804,684	8,274,657,566	2,291,676,966
Reversal of allowance (Note 30a)	(23,691,113)	-	(265,552,758)	(1,284,741,250)	(2,301,468,877)
Write-off of allowance	-	-	-	(85,237,065)	-
Ending balance	22,881,655,053	21,852,094,240	22,905,346,166	21,852,094,240	14,947,414,989

Based on management's evaluation in determining whether the balance of trade receivables are impaired as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 whether made individually or collectively, management believes that the allowance for impairment losses is sufficient to cover possible losses from uncollectible receivables.

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9. INVENTORIES

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Land available-for-sale	308,764,417,413	705,650,623,454	339,338,296,867	738,432,437,283	645,298,950,636
Residential and shophouses under construction	582,883,815,796	77,882,200,614	318,550,798,206	152,364,673,352	347,024,823,592
Houses available-for-sale	134,333,150,862	4,268,759,840	169,730,774,368	6,363,141,112	18,801,130,000
Apartment units	16,709,061,439	18,274,479,904	17,652,433,307	19,494,875,662	26,991,541,948
Food, beverage and others	7,095,286,271	12,260,483,800	5,641,908,314	7,776,402,654	4,636,714,044
Total	1,049,785,731,781	818,336,547,612	850,914,211,062	924,431,530,063	1,042,753,160,220

The movement in inventories is as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Beginning inventory	850,914,211,062	924,431,530,063	924,431,530,063	1,042,753,160,220	438,397,558,308
Acquisition MSS and MSM	-	-	-	-	620,531,648,284
Additions during the year	695,695,066,331	509,329,712,507	1,135,864,177,353	1,046,237,519,760	427,933,765,187
Inventory available-for-sale	1,546,609,277,393	1,433,761,242,570	2,060,295,707,416	2,088,990,679,980	1,486,862,971,779
Cost of good sold	(496,823,545,612)	(615,424,694,958)	(1,209,381,496,354)	(1,164,559,149,917)	(444,109,811,559)
Ending inventory	<u>1,049,785,731,781</u>	<u>818,336,547,612</u>	<u>850,914,211,062</u>	<u>924,431,530,063</u>	<u>1,042,753,160,220</u>

Land available for sale covering an area of 644,384 m², 427,238 m², 740,347 m², 504,647 m² and 435,319 m² as of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, respectively, already have HGB certificates under name of the Group. The Group's land available for sale are located in Tangerang, Cakung and Cikande.

As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013 total construction contracts for residential houses and shophouses amounted to Rp 501,794,474,397 and Rp 186,728,956,519, Rp 479,685,881,534, Rp 154,895,469,227 and Rp 80,079,205,089, respectively, with percentage completion of residential houses and shophouses at 39%-100% and 48%-100%, 20%-100%, 30%-100% and 50%-100%, respectively, of total contract amount. Residential house and shophouse projects are expected to be completed in 2016. The Group does not face significant barriers in the completion of residential houses and shophouses under construction.

Unsold inventories insured with PT Lippo General Insurance amounted to USD 22,738,000 as of 30 June 2016, PT Asuransi Allianz Utama Indonesia amounted to USD 22,738,000 as of 30 June 2015, 31 December 2015 and 2014, and with PT Zurich Insurance Indonesia amounted to USD 22,738,000 as of 31 December 2013, respectively. Management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, there was no write-off of damaged or obsolete inventory.

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9. INVENTORIES (Continued)

For the six months period ended 30 June 2016 and 2015 and for the years ended 31 December 2015, 2014 and 2013, interest expenses capitalized to inventories account amounted to Rp 9,552,762,601 and nil, Rp 7,968,750,000, nil and nil, respectively.

As of 30 June 2016, residential houses amounting to Rp 20,000,088,178 were pledged as collateral for the loan obtained from PT Bank Tabungan Negara (Persero) Tbk (Note 21).

10. LAND FOR DEVELOPMENT

Land for development is land owned by the Group for future development located in Tangerang, Cakung, Bekasi and Cikande with an area of approximately 16,478,504 m² as of 30 June 2016, 12,282,376 m² as of 30 June 2015, 17,697,142 m² as of 31 December 2015, 13,066,148 m² and 11,649,728 m² as of 31 Desember 2014 and 2013. As of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 about 2,063,469 m² and 2,089,021 m², 6,591,298 m², 2,096,330 m² and 456,759 m², respectively, of the total land for development already have girik with waivers of rights or HGB in the name of the Group. Land for development is used as collateral for bonds payable and bank loan (Notes 14, 20 and 21).

The balance of land for development as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 amounted to Rp 5,300,266,421,923 and Rp 4,343,296,260,166, Rp 5,483,793,408,636, Rp 4,221,021,566,155, and Rp 4,213,313,690,737, respectively.

Refer to Note 34 for legal cases which are currently involving the Group.

11. ADVANCES FOR PURCHASES OF LAND

In order to expand its land banks, the Group is continuing to acquire land surrounding the Group's land bank (Tangerang, Cakung, Bekasi and Cikande). The Group has provided advance payments to the land owners through several agents, third parties. The total advances are reported as "Advances for purchases of land" in the consolidated statements of financial position. The balance of the advances as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 amounted to Rp 1,332,440,192,493 and Rp 1,273,719,019,316 and Rp 1,139,002,143,678, Rp 1,182,569,218,341 and Rp 560,422,435,607, respectively. Such advances for purchase of land will be reclassified to "Land for development" account, when the purchase price of the land has been fully paid and the waiver of rights has been received by the Group.

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12. PROPERTY, PLANT AND EQUIPMENT

	30 June 2016					Ending balance
	Beginning balance	Additions due to acquisition	Additions	Deductions	Reclassification	
Acquisition cost						
Direct ownership						
Land	657,305,281,998	-	-	-	-	657,305,281,998
Golf courses	33,742,683,310	-	-	-	-	33,742,683,310
Buildings and infrastructures	510,833,166,360	-	5,359,336,988	-	-	516,192,503,348
Golf and club house equipments	17,195,217,625	-	1,369,028,789	(1,379,135,197)	-	17,185,111,217
Transportation equipments	35,484,062,563	-	1,970,284,250	-	-	37,454,346,813
Furnitures and office equipments	42,554,791,141	-	2,844,509,456	(64,030,889)	-	45,335,269,708
Project equipments	49,271,313,701	-	-	-	-	49,271,313,701
Sub-total	1,346,386,516,698	-	11,543,159,483	(1,443,166,086)	-	1,356,486,510,095
Construction-in-progress						
Buildings and infrastructures	19,868,512,495	-	1,986,241,777	-	-	21,854,754,272
Finance lease						
Golf and club house equipments	526,896,000	-	-	-	-	526,896,000
Transportation equipments	9,758,488,836	-	-	-	-	9,758,488,836
Sub-total	10,285,384,836	-	-	-	-	10,285,384,836
T o t a l	1,376,540,414,029	-	13,529,401,260	(1,443,166,086)	-	1,388,626,649,203
Accumulated depreciation						
Direct ownership						
Golf courses	33,688,295,828	-	19,022,094	-	-	33,707,317,922
Buildings and infrastructures	130,679,707,204	-	11,906,475,654	-	-	142,586,182,858
Golf and club house equipments	14,613,939,672	-	1,450,796,565	(1,364,099,573)	-	14,700,636,664
Transportation equipments	20,099,217,385	-	1,948,468,103	-	-	22,047,685,488
Furnitures and office equipments	29,289,525,682	-	4,219,247,364	(58,890,889)	-	33,449,882,157
Project equipments	16,741,677,764	-	1,905,861,616	-	-	18,647,539,380
Sub-total	245,112,363,535	-	21,449,871,396	(1,422,990,462)	-	265,139,244,469
Finance lease						
Golf and club house equipments	161,990,888	-	73,944,000	-	-	235,934,888
Transportation equipments	3,129,744,598	-	1,062,078,455	-	-	4,191,823,053
Sub-total	3,291,735,486	-	1,136,022,455	-	-	4,427,757,941
T o t a l	248,404,099,021	-	22,585,893,851	(1,422,990,462)	-	269,567,002,410
Net book value	1,128,136,315,008					1,119,059,646,793

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	30 June 2015					Ending balance
	Beginning balance	Additions due to acquisition	Additions	Deductions	Reclassification	
Acquisition cost						
Direct ownership						
Land	653,953,681,998	-	-	-	-	653,953,681,998
Golf courses	33,742,683,310	-	-	-	-	33,742,683,310
Buildings and infrastructures	510,137,403,359	-	447,636,001	-	-	510,585,039,360
Golf and club house equipments	17,481,714,323	-	554,433,685	(297,244,172)	423,540,988	18,162,444,824
Transportation equipments	18,340,909,871	-	4,597,734,473	(71,610,779)	756,650,000	23,623,683,565
Furnitures and office equipments	34,784,376,521	-	2,724,259,235	(6,200,000)	423,540,988	37,078,894,768
Project equipments	48,173,299,101	-	1,014,097,850	-	-	49,187,396,951
Sub-total	<u>1,316,614,068,483</u>	<u>-</u>	<u>9,338,161,244</u>	<u>(375,054,951)</u>	<u>756,650,000</u>	<u>1,326,333,824,776</u>
Construction-in-progress						
Buildings and infrastructures	4,473,663,938	-	4,932,447,218	-	-	9,406,111,156
Finance lease						
Golf and club house equipments	816,484,500	-	-	-	-	816,484,500
Transportation equipments	15,352,682,972	-	150,000,000	-	(756,650,000)	14,746,032,972
Sub-total	<u>16,169,167,472</u>	<u>-</u>	<u>150,000,000</u>	<u>-</u>	<u>(756,650,000)</u>	<u>15,562,517,472</u>
T o t a l	<u>1,337,256,899,893</u>	<u>-</u>	<u>14,420,608,462</u>	<u>(375,054,951)</u>	<u>-</u>	<u>1,351,302,453,404</u>
Accumulated depreciation						
Direct ownership						
Golf courses	33,414,077,421	-	163,380,936	-	-	33,577,458,357
Buildings and infrastructures	105,660,507,963	-	12,904,642,562	-	-	118,565,150,525
Golf and club house equipments	14,780,937,965	-	510,227,016	(297,244,172)	323,728,216	15,317,649,025
Transportation equipments	14,936,530,353	-	595,201,659	(71,610,779)	572,061,903	16,032,183,136
Furnitures and office equipments	20,442,694,658	-	3,456,604,190	(258,333)	323,728,216	23,575,312,299
Project equipments	12,561,628,124	-	2,067,896,773	-	-	14,629,524,897
Sub-total	<u>201,796,376,484</u>	<u>-</u>	<u>19,697,953,136</u>	<u>(369,113,284)</u>	<u>572,061,903</u>	<u>221,697,278,239</u>
Finance lease						
Golf and club house equipments	263,260,042	-	198,901,906	-	-	462,161,948
Transportation equipments	4,001,465,966	-	1,476,715,208	-	(572,061,903)	4,906,119,271
Sub-total	<u>4,264,726,008</u>	<u>-</u>	<u>1,675,617,114</u>	<u>-</u>	<u>(572,061,903)</u>	<u>5,368,281,219</u>
T o t a l	<u>206,061,102,492</u>	<u>-</u>	<u>21,373,570,250</u>	<u>(369,113,284)</u>	<u>-</u>	<u>227,065,559,458</u>
Net book value	<u>1,131,195,797,401</u>					<u>1,124,236,893,946</u>

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	31 December 2015					Ending balance
	Beginning balance	Additions due to acquisition	Additions	Deductions	Reclassification	
Acquisition cost						
Direct ownership						
Land	653,953,681,998	-	3,351,600,000	-	-	657,305,281,998
Golf courses	33,742,683,310	-	-	-	-	33,742,683,310
Buildings and infrastructures	510,137,403,359	-	1,147,636,001	(451,873,000)	-	510,833,166,360
Golf and club house equipments	17,481,714,323	-	1,126,497,310	(673,849,171)	(739,144,837)	17,195,217,625
Transportation equipments	18,340,909,871	-	12,451,134,335	(1,052,175,779)	5,744,194,136	35,484,062,563
Furnitures and office equipments	34,784,376,521	609,932,273	6,129,748,010	(96,495,000)	1,127,229,337	42,554,791,141
Project equipments	48,173,299,101	-	1,098,014,600	-	-	49,271,313,701
Sub-total	<u>1,316,614,068,483</u>	<u>609,932,273</u>	<u>25,304,630,256</u>	<u>(2,274,392,950)</u>	<u>6,132,278,636</u>	<u>1,346,386,516,698</u>
Construction-in-progress						
Buildings and infrastructures	4,473,663,938	-	15,394,848,557	-	-	19,868,512,495
Finance lease						
Golf and club house equipments	816,484,500	-	98,496,000	-	(388,084,500)	526,896,000
Transportation equipments	15,352,682,972	-	150,000,000	-	(5,744,194,136)	9,758,488,836
Sub-total	<u>16,169,167,472</u>	<u>-</u>	<u>248,496,000</u>	<u>-</u>	<u>(6,132,278,636)</u>	<u>10,285,384,836</u>
T o t a l	<u>1,337,256,899,893</u>	<u>609,932,273</u>	<u>40,947,974,813</u>	<u>(2,274,392,950)</u>	<u>-</u>	<u>1,376,540,414,029</u>
Accumulated depreciation						
Direct ownership						
Golf courses	33,414,077,421	-	274,218,407	-	-	33,688,295,828
Buildings and infrastructures	105,660,507,963	-	25,250,001,258	(230,802,017)	-	130,679,707,204
Golf and club house equipments	14,780,937,965	-	1,224,277,856	(673,849,171)	(717,426,978)	14,613,939,672
Transportation equipments	14,936,530,353	-	1,932,630,684	(502,725,779)	3,732,782,127	20,099,217,385
Furnitures and office equipments	20,442,694,658	606,505,190	7,348,885,411	(90,553,333)	981,993,756	29,289,525,682
Project equipments	12,561,628,124	-	4,180,049,640	-	-	16,741,677,764
Sub-total	<u>201,796,376,484</u>	<u>606,505,190</u>	<u>40,210,063,256</u>	<u>(1,497,930,300)</u>	<u>3,997,348,905</u>	<u>245,112,363,535</u>
Finance lease						
Golf and club house equipments	263,260,042	-	163,297,624	-	(264,566,778)	161,990,888
Transportation equipments	4,001,465,966	-	2,861,060,759	-	(3,732,782,127)	3,129,744,598
Sub-total	<u>4,264,726,008</u>	<u>-</u>	<u>3,024,358,383</u>	<u>-</u>	<u>(3,997,348,905)</u>	<u>3,291,735,486</u>
T o t a l	<u>206,061,102,492</u>	<u>606,505,190</u>	<u>43,234,421,639</u>	<u>(1,497,930,300)</u>	<u>-</u>	<u>248,404,099,021</u>
Net book value	<u>1,131,195,797,401</u>					<u>1,128,136,315,008</u>

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	31 December 2014					Ending balance
	Beginning balance	Additions due to acquisition	Additions	Deductions	Reclassification	
Acquisition cost						
Direct ownership						
Land	653,953,681,998	-	-	-	-	653,953,681,998
Golf courses	33,742,683,310	-	-	-	-	33,742,683,310
Buildings and infrastructures	486,796,904,611	-	10,433,331,080	-	12,907,167,668	510,137,403,359
Golf and club house equipments	4,588,267,033	-	1,066,436,146	(18,390,549)	11,845,401,693	17,481,714,323
Transportation equipments	12,247,381,026	-	1,248,317,773	(1,000,309,792)	5,845,520,864	18,340,909,871
Furnitures and office equipments	41,730,497,085	-	4,307,317,312	(334,416,183)	(10,919,021,693)	34,784,376,521
Project equipments	46,189,792,394	-	2,112,480,332	(128,973,625)	-	48,173,299,101
Sub-total	<u>1,279,249,207,457</u>	<u>-</u>	<u>19,167,882,643</u>	<u>(1,482,090,149)</u>	<u>19,679,068,532</u>	<u>1,316,614,068,483</u>
Construction-in-progress						
Buildings and infrastructures	12,521,012,667	-	4,859,818,939	-	(12,907,167,668)	4,473,663,938
Finance lease						
Golf and club house equipments	1,314,464,500	-	428,400,000	-	(926,380,000)	816,484,500
Transportation equipments	15,213,393,836	-	5,984,810,000	-	(5,845,520,864)	15,352,682,972
Sub-total	<u>16,527,858,336</u>	<u>-</u>	<u>6,413,210,000</u>	<u>-</u>	<u>(6,771,900,864)</u>	<u>16,169,167,472</u>
T o t a l	<u>1,308,298,078,460</u>	<u>-</u>	<u>30,440,911,582</u>	<u>(1,482,090,149)</u>	<u>-</u>	<u>1,337,256,899,893</u>
Accumulated depreciation						
Direct ownership						
Golf courses	32,571,723,507	-	842,353,914	-	-	33,414,077,421
Buildings and infrastructures	79,824,802,543	-	25,835,705,420	-	-	105,660,507,963
Golf and club house equipments	3,816,204,625	-	534,879,664	(18,390,549)	10,448,244,225	14,780,937,965
Transportation equipments	11,834,178,617	-	195,483,149	(1,000,309,792)	3,907,178,379	14,936,530,353
Furnitures and office equipments	23,968,265,811	-	6,334,657,261	(80,894,854)	(9,779,333,560)	20,442,694,658
Project equipments	8,658,299,792	-	3,935,571,732	(32,243,400)	-	12,561,628,124
Sub-total	<u>160,673,474,895</u>	<u>-</u>	<u>37,678,651,140</u>	<u>(1,131,838,595)</u>	<u>4,576,089,044</u>	<u>201,796,376,484</u>
Finance lease						
Golf and club house equipments	609,468,821	-	322,701,886	-	(668,910,665)	263,260,042
Transportation equipments	4,877,599,209	-	3,031,045,136	-	(3,907,178,379)	4,001,465,966
Sub-total	<u>5,487,068,030</u>	<u>-</u>	<u>3,353,747,022</u>	<u>-</u>	<u>(4,576,089,044)</u>	<u>4,264,726,008</u>
T o t a l	<u>166,160,542,925</u>	<u>-</u>	<u>41,032,398,162</u>	<u>(1,131,838,595)</u>	<u>-</u>	<u>206,061,102,492</u>
Net book value	<u>1,142,137,535,535</u>					<u>1,131,195,797,401</u>

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	31 December 2013					Ending balance
	Beginning balance	Additions due to acquisition	Additions	Deductions	Reclassification	
Acquisition cost						
Direct ownership						
Land	111,703,681,998	542,250,000,000	-	-	-	653,953,681,998
Golf courses	33,742,683,310	-	-	-	-	33,742,683,310
Buildings and infrastructures	287,610,259,249	50,373,668,805	148,812,976,557	-	-	486,796,904,611
Golf and club house equipments	1,960,550,439	-	215,987,105	-	2,411,729,489	4,588,267,033
Transportation equipments	7,372,446,130	745,000,000	78,128,146	(3,255,693,250)	7,307,500,000	12,247,381,026
Furnitures and office equipments	29,786,567,675	4,747,964,756	7,230,102,329	(34,137,675)	-	41,730,497,085
Project equipments	40,483,031,789	-	9,789,419,830	-	(4,082,659,225)	46,189,792,394
Sub-total	512,659,220,590	598,116,633,561	166,126,613,967	(3,289,830,925)	5,636,570,264	1,279,249,207,457
Construction-in-progress						
Buildings and infrastructures	9,729,641,165	-	2,791,371,502	-	-	12,521,012,667
Finance lease						
Golf and club house equipments	1,769,958,900	-	185,276,000	-	(640,770,400)	1,314,464,500
Transportation equipments	17,348,670,864	-	2,860,522,836	-	(4,995,799,864)	15,213,393,836
Sub-total	19,118,629,764	-	3,045,798,836	-	(5,636,570,264)	16,527,858,336
T o t a l	541,507,491,519	598,116,633,561	171,963,784,305	(3,289,830,925)	-	1,308,298,078,460
Accumulated depreciation						
Direct ownership						
Golf courses	30,919,842,670	-	1,651,880,837	-	-	32,571,723,507
Buildings and infrastructures	48,113,702,919	13,323,668,803	18,387,430,821	-	-	79,824,802,543
Golf and club house equipments	1,370,650,494	-	292,496,768	-	2,153,057,363	3,816,204,625
Transportation equipments	6,949,515,882	503,500,029	159,680,880	(3,255,693,250)	7,477,175,076	11,834,178,617
Furnitures and office equipments	14,851,974,837	4,027,276,253	5,174,478,780	(34,137,675)	(51,326,384)	23,968,265,811
Project equipments	6,919,445,125	-	3,251,141,630	-	(1,512,286,963)	8,658,299,792
Sub-total	109,125,131,927	17,854,445,085	28,917,109,716	(3,289,830,925)	8,066,619,092	160,673,474,895
Finance lease						
Golf and club house equipments	936,663,601	-	313,575,620	-	(640,770,400)	609,468,821
Transportation equipments	10,142,653,191	-	2,160,794,710	-	(7,425,848,692)	4,877,599,209
Sub-total	11,079,316,792	-	2,474,370,330	-	(8,066,619,092)	5,487,068,030
T o t a l	120,204,448,719	17,854,445,085	31,391,480,046	(3,289,830,925)	-	166,160,542,925
Net book value	421,303,042,800					1,142,137,535,535

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation was charged to the consolidated statements of comprehensive income as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Cost of sales and direct costs (Note 27)	16,617,522,959	16,502,880,860	32,845,107,881	32,797,596,692	25,213,708,320
Selling expenses	8,841,293	-	-	-	-
General and administrative expenses (Note 29)	5,959,529,599	4,870,689,390	10,389,313,758	8,234,801,470	6,177,771,726
T o t a l	<u>22,585,893,851</u>	<u>21,373,570,250</u>	<u>43,234,421,639</u>	<u>41,032,398,162</u>	<u>31,391,480,046</u>

Land covering approximately 85 hectares held under Hak Guna Bangunan (HGB) under the Company's name and which will expire between 2016 to 2029 and are extendable/renewable.

Property, plant and equipment were insured with PT Lippo General Insurance against losses from fire and other risks under blanket policies for approximately Rp 868,379,956,884 and USD 22,738,000, as of 30 June 2016. PT Zurich Insurance Indonesia and PT Asuransi Allianz Utama Indonesia against losses from fire and other risks under blanket policies for approximately Rp 441,372,659,740 and USD 22,738,000 and Rp 4,520,000,000, respectively, as of 30 June 2015. PT Asuransi Allianz Utama Indonesia against losses from fire and other risks under blanket policies for approximately Rp 596,323,517,607 and USD 22,738,000, as of 31 December 2015. PT Asuransi Allianz Utama Indonesia against losses from fire and other risks under blanket policies for approximately Rp 441,372,659,740 and USD 22,738,000 and Rp 4,520,000,000, respectively, as of 31 December 2014. PT Zurich Insurance Indonesia, a third party, against losses from fire and other risks under blanket policies for approximately Rp 63,856,207,627 and USD 22,738,000, as of 31 December 2013. Management is of the opinion that the policies are adequate to cover possible losses from such risks.

Based on the evaluation of the Group's management, there is no impairment in the value of the Company's assets as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013, since there are no events or changes in circumstances that indicate that the carrying amount of property, plant and equipment may not be fully recoverable.

13. GOODWILL

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Beginning balance	1,141,036,812,530	1,279,112,936,390	1,279,112,936,390	1,279,112,936,390	1,279,112,936,390
Changes during the year:					
Additions (Note 4)	-	-	12,096,572,917	-	-
Impairment (Note 30b)	-	-	(150,172,696,777)	-	-
Ending balance	<u>1,141,036,812,530</u>	<u>1,279,112,936,390</u>	<u>1,141,036,812,530</u>	<u>1,279,112,936,390</u>	<u>1,279,112,936,390</u>

The Group performs impairment testing of goodwill on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value-in-use of the cash-generating unit to which the goodwill is allocated. Value-in-use is determined by making an estimate of the expected future cash flows from the cash-generating units and applies a discount rate to calculate the present value of these cash flows.

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13. GOODWILL (Continued)

Goodwill acquired through business combination has been allocated to one cash-generating units which is also the operating entity acquired through business combination and to which the goodwill relates. The recoverable amount of the goodwill has been determined based on value-in-use calculation using cash flows projections covering until all saleable land are sold out. The calculation of value-in-use for the Company's goodwill is sensitive to revenue growth rates and discount rates. Revenue growth rates estimates are based on values achieved in previous years and also takes into account anticipated increase from various market initiatives. Discount rate reflects the current market assessment of the risk specific to each cash-generating units. The discount rate is based on the average percentage of the weighted average cost of capital for the industry. This rate is further adjusted to reflect the market assessment of any risk specific to the cash-generating units for which future estimates of cash flows have not been adjusted.

The carrying amount of goodwill is allocated to the cash generating units as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
PT Mitra Sindo Sukses (Note 4)	570,344,990,601	718,430,870,747	570,344,990,601	718,430,870,747	718,430,870,747
PT Mitra Sindo Makmur (Note 4)	558,595,249,012	558,595,249,012	558,595,249,012	558,595,249,012	558,595,249,012
PT Mega Agung Liong Nusantara (Note 4)	12,096,572,917	-	12,096,572,917	-	-
PT Golden Surya Makmur	-	2,079,127,743	-	2,079,127,743	2,079,127,743
PT Terus Maju Perkasa	-	7,688,888	-	7,688,888	7,688,888
Total	<u>1,141,036,812,530</u>	<u>1,279,112,936,390</u>	<u>1,141,036,812,530</u>	<u>1,279,112,936,390</u>	<u>1,279,112,936,390</u>

The recoverable amount, carrying amount and related impairment of cash-generating units that hold a significant proportion of the Group's overall goodwill balance are as follows:

	31 December 2015		
	Recoverable amount	Carrying amount	Impairment
PT Mitra Sindo Sukses	2,670,000,000,000	2,818,085,880,146	148,085,880,146
PT Mitra Sindo Makmur	1,720,000,000,000	791,493,370,772	-
Total			<u>148,085,880,146</u>
	31 December 2014		
	Recoverable amount	Carrying amount	Impairment
PT Mitra Sindo Sukses	2,610,000,000,000	2,588,533,148,309	-
PT Mitra Sindo Makmur	1,940,000,000,000	707,125,362,299	-
Total			<u>-</u>

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13. GOODWILL (Continued)

	31 December 2013		
	Recoverable amount	Carrying amount	Impairment
PT Mitra Sindo Sukses	2,610,000,000,000	2,588,533,148,309	-
PT Mitra Sindo Makmur	1,940,000,000,000	707,125,362,299	-
T o t a l			-

In 2015, the Group incur additional impairment loss amounting to Rp 2,086,816,631 which pertains to impairment of goodwill allocated to other cash-generating units.

Discount rates applied to cash flows projections are as follows:

	30 June 2016	30 June 2015	31 Desember 2015	31 Desember 2014	31 Desember 2013
PT Mitra Sindo Sukses	-	-	15.25%	14.79%	-
PT Mitra Sindo Makmur	-	-	15.25%	14.68%	-

During 2015, MSS and MSM (operating units located in Cakung and included in real estate and apartment segment) sold several parcels of land to various customers. Since cash flow projections are directly related to the total remaining salable area of land, this had an adverse impact on the projected value-in-use of MSS and MSM and consequently resulted in an impairment to goodwill.

14. SHORT-TERM BANK LOAN

	30 June 2016	30 June 2015	31 Desember 2015	31 Desember 2014	31 Desember 2013
B a n k					
In US Dollar					
Standard Chartered Bank	-	-	-	-	518,032,500,000
In Rupiah					
PT Bank QNB Indonesia Tbk	150,000,000,000	-	150,000,000,000	-	-
PT Bank Permata Tbk	-	-	-	-	170,000,000,000
PT Bank Negara Indonesia (Persero) Tbk	-	-	-	-	111,345,881,852
PT Bank Sinarmas Tbk	-	-	-	-	33,191,655,117
PT Bank ICBC Indonesia Tbk	-	-	-	-	20,000,000,000
Sub-total	150,000,000,000	-	150,000,000,000	-	852,570,036,969
Non-bank					
In Rupiah					
PT Sinarmas Sekuritas	-	-	-	-	28,000,000,000
T o t a l	150,000,000,000	-	150,000,000,000	-	880,570,036,969

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14. **SHORT-TERM BANK LOAN (Continued)**

The Company

PT Bank QNB Indonesia Tbk

On 13 May 2015, the Company entered a credit facility "Demand Loan" agreement with PT Bank QNB Indonesia Tbk with total maximum amount of Rp 150,000,000,000. This credit facility bears interest rate of 12.50% per annum, payable every 3 months, and will mature on 13 May 2017 and until the date of consolidated financial statements, the facility is still in the process of renewal. This credit facility was used to finance the construction, infrastructures, landscaping and other preliminary costs, and payment to the contractor or vendor related with Jakarta Garden City project.

This credit facility is secured by several parcels of land with an area of 1,279,037 m² owned by the Company located in Cakung, Jakarta (Note 10).

Standard Chartered Bank

On 15 November 2013, the Company obtained a Credit Facility from Standard Chartered Bank amounting to USD 45,000,000. This loan was used for funding the acquisition of MSS and MSM. This loan facility bears annual interest rate of 3 months LIBOR plus 5.00% per annum. This loan has a term of 1 year and may be extended.

The Company repaid this facility in August 2014.

PT Bank Permata Tbk

On 23 July 2013, the Company obtained a Revolving Loan Facility from PT Bank Permata Tbk amounting to Rp 170,000,000,000. This loan was used for the Company's working capital requirements. This loan facility bears annual interest rate of 1% per annum above interest rate of time deposit in the name of PT Modern Industrial Estat. This loan has a term of 1 year and may be extended.

The Company repaid this facility in May 2014.

PT Bank Negara Indonesia (Persero) Tbk

In 2009, the Company obtained a Construction Working Capital Loan from PT Bank Negara Indonesia (Persero) Tbk with total maximum amount of Rp 30,000,000,000. This loan was used for development of Navarra, Bavaria and Green Park cluster residences. This loan facility bears annual interest at rate of 11.75% per annum and is secured by several parcels of land with an area of 21,311 m² owned by the Company located in Tangerang, Banten (Note 9). This loan has a term of 1 year and may be extended.

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14. SHORT-TERM BANK LOAN (Continued)

The Company (Continued)

PT Bank Negara Indonesia (Persero) Tbk (Continued)

In 7 March 2014, the Company obtained additional Loans from PT Bank Negara Indonesia (Persero) Tbk with total maximum amount become Rp 55,000,000,000. This loan will mature on 12 November 2014.

The Company repaid this facility in August 2014.

PT Bank Sinarmas Tbk and PT Sinarmas Sekuritas

Based on Notarial deed No. 34 of Ayni Suwarni Herry, S.H., dated 23 March 2007, the Company obtained a "Demand Loan Revolving" loan facility from PT Bank Sinarmas Tbk amounting to Rp 30,000,000,000. The loan facility bears interest at 14% per annum. This loan together with other loans obtained from PT Bank Sinarmas Tbk are secured by land with an area of 346,125 m² in 2013 (Note 9). Based on letter No. SKL.630/2012/CM/CR-KGCU dated 28 December 2012, PT Bank Sinarmas Tbk notified the Company that the Demand Loan I credit facility has been transferred to PT Sinarmas Sekuritas. Terms and conditions of the credit facilities did not change and continue to refer to the signed credit agreement. This loan will due on 27 June 2015 based on the letter dated 11 August 2014 No. OL.129/2014/CM/CR-AO/TH.

Based on the Deed of Agreement Credit Suplessie No. 38 dated 25 August 2011, the Company obtained an extension of the previous credit facilities and additional facilities "Demand Loan II" amounting to Rp 40,000,000,000, which will mature on 27 August 2014 based on letter No. SKL.512/2013/CM/CR-KCU. This loan facility bears interest at 13%-17% per annum.

The Company repaid this facility in August 2014.

PT Bank ICBC Indonesia Tbk

Based on Notarial deed No. 57 dated 11 April 2012, made before Notary Mellyani Noor Shandra, S.H., the Company obtained a loan facility on demand (PTD 2) non-revolving with a total maximum amount of Rp 20,000,000,000. This loan bears interest at 12%-13.75% per annum, and was used to finance the construction cost of the Green Central project. The loan is secured by a parcel of land (Note 9) and a personal guarantee from Luntungan Honoris, Commissioner of the Company. This loan will mature on 11 April 2013 and was extended to 11 April 2015 based on Amendment of Credit Agreement No. 040/ICBC-TCT/PTD 2/IV/2013/P2.

The Company repaid this facility in August 2014.

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14. SHORT-TERM BANK LOAN (Continued)

PT Modern Panel Indonesia (MPI)

PT Bank Negara Indonesia (Persero) Tbk

On 16 November 2010, MPI obtained a credit facility with total maximum amount of Rp 12,000,000,000. This facility is used for working capital of the Block Emmedue panel construction material industry and bears annual interest rate of 11.75% per annum. This loan is secured by several parcels of residential houses and land (Note 9). This loan has a term of 1 year and may be extended.

The working capital loan agreement has been amended several times. Based on the letter No. BKM/2.1/025/R on 7 March 2014, this loan will mature on 12 November 2014.

MPI repaid this facility in August 2014.

PT Modern Industrial Estat (MIE)

PT Bank Negara Indonesia (Persero) Tbk

On 28 June 2012, MIE obtained a working capital credit facility with total maximum amount of Rp 75,000,000,000. The loan was used for working capital, trade receivable financing loan to the buyer receiving the industrial park land and bears interest at 11.75% per annum. This loan has maturity period of one year and may be extended.

The working capital loan agreement has been amended several times. Based on the letter No. BKM/PK/2012.027 on 13 March 2014, this loan will mature on 12 November 2014.

MIE repaid this facility in August 2014.

15. TRADE PAYABLES - THIRD PARTIES

The Group's trade payables mainly pertains to contractor payables and purchase of goods and services from suppliers.

As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013 all trade payables are denominated in Indonesian Rupiah.

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15. TRADE PAYABLES - THIRD PARTIES (Continued)

The details of the ages of the trade payables are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Not yet due	96,206,179,625	30,065,536,236	30,110,650,750	18,036,202,890	6,384,852,086
Overdue					
1-30 days	4,528,299,506	7,157,160,628	6,858,244,988	16,095,433,240	42,123,989,523
31-60 days	1,278,504,212	9,904,918,423	10,190,810,950	6,009,322,779	8,889,392,220
61-90 days	1,260,878,424	12,302,252,384	13,366,074,313	7,916,826,594	10,824,282,789
More than 90 days	2,805,104,435	16,205,239,784	17,269,418,011	10,810,541,896	15,938,757,059
T o t a l	<u>106,078,966,202</u>	<u>75,635,107,455</u>	<u>77,795,199,012</u>	<u>58,868,327,399</u>	<u>84,161,273,677</u>

16. DEPOSITS FROM CUSTOMERS - THIRD PARTIES

Deposits from customers are payments received from customers that are not yet recognized as sale. Deposit from customers will be applied to trade receivables when all the criteria for recognition of sale are fulfilled.

As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, all deposits from customers are denominated in Indonesian Rupiah.

17. ACCRUED EXPENSES

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Third parties					
Project development work with contractors	723,767,929,214	550,010,995,466	503,708,258,772	391,012,293,546	278,549,971,885
Interest expenses	117,545,628,776	118,874,986,663	147,048,111,873	110,251,316,926	42,352,133,037
Forward contract fees	34,080,185,000	20,481,285,000	37,360,078,833	18,068,630,748	-
Others	11,022,834,578	10,256,204,150	19,327,002,765	7,777,759,973	22,062,325,324
T o t a l	<u>886,416,577,568</u>	<u>699,623,471,279</u>	<u>707,443,452,243</u>	<u>527,110,001,193</u>	<u>342,964,430,246</u>

Accrued expenses for project development work with contractors mainly pertains to provision for expenses incurred by reference to the stage of completion of the construction contracts that are not yet billed as of the reporting dates. This accrued expenses are normally settled throughout the financial year.

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18. TAXATION**a. Prepaid taxes**

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Income Tax Article 4 (2)	30,776,977,618	37,848,944,468	47,764,361,715	24,261,649,384	18,688,574,121
Income Tax Article 21	6,878,862	-	18,761,366	6,500,166	-
Income Tax Article 23	900,000,000	460,806,625	-	-	-
Income Tax Article 25	1,841,837,003	214,156,017	-	-	-
Value-Added Tax	4,321,277,812	24,486,544,283	1,555,356,748	6,162,062,839	6,078,457,436
T o t a l	37,846,971,295	63,010,451,393	49,338,479,829	30,430,212,389	24,767,031,557

b. Taxes Payable

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Income Taxes					
Income Tax Article 4 (2)	75,030,369,263	69,923,242,637	78,547,041,389	41,497,280,418	72,517,152,285
Income Tax Article 21	1,618,861,345	975,710,564	2,145,158,883	1,039,976,245	1,106,262,589
Income Tax Article 23	2,378,038,116	8,016,966,419	676,376,961	931,509,874	131,072,178
Income Tax Article 25	470,514,002	250,418,888	523,441,100	215,950,033	173,797,642
Income Tax Article 26	-	9,353,403,208	-	273,291,146	273,291,147
Income Tax Article 29	2,210,602,646	1,092,738,221	3,290,951,223	522,041,305	407,285,610
Sub-total	81,708,385,372	89,612,479,937	85,182,969,556	44,480,049,021	74,608,861,451
Other Taxes					
Value-Added Tax	76,296,181,252	74,597,398,493	125,974,076,963	60,780,364,869	35,257,081,499
Tax on Land and Building	4,434,820,623	10,102,530,697	3,177,026,393	3,177,026,393	3,177,026,393
Hotel Sales and Service					
Tax	392,721,389	469,717,440	486,707,042	525,886,319	523,095,699
Development Tax	129,572,558	156,195,887	222,776,841	161,171,609	224,148,758
Sub-total	81,253,295,822	85,325,842,517	129,860,587,239	64,644,449,190	39,181,352,349
T o t a l	162,961,681,194	174,938,322,454	215,043,556,795	109,124,498,211	113,790,213,800

The Company

In 2015, the Company received an Assessment Letter on Tax Underpayment (“SKPKB”) and Tax Collection Letter (“STP”) for 2015, 2014, 2013, 2012, 2011 and 2010 tax audits. The details of SKPKB and STP received by the Company are as follows:

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18. TAXATION (Continued)

b. Taxes Payable (Continued)

The Company (Continued)

Tax Assessment Number	Taxes	Periods	Total	Year of payment
STP No. 00003/109/10/415/14	Income Tax Article 21	January - December 2010	1,803,634	2 0 1 4
SKPKB No. 00007/240/11/054/14	Income Tax Article 4(2)	January - December 2011	14,193,393,563	2 0 1 4
SKPKB No. 00049/207/11/054/14	Value-Added Tax	January - December 2011	152,733,932	2 0 1 4
SKPKB No. 00007/201/11/054/14	Income Tax Article 21	January - December 2011	71,384,208	2 0 1 4
SKPKB No. 00007/206/11/054/14	Income Tax Article 29	January - December 2011	1,680,854,500	2 0 1 4
STP No. 00025/107/11/054/14	Value-Added Tax	January - December 2011	15,621,994	2 0 1 4
SKPKB No. 00011/240/12/054/14	Income Tax Article 4(2)	January - December 2012	24,820,059,508	2 0 1 4
SKPKB No. 00184/207/12/054/14	Value-Added Tax	January - December 2012	3,110,009,594	2 0 1 4
SKPKB No. 00012/206/12/054/14	Income Tax Article 29	January - December 2012	1,690,270,767	2 0 1 4
STP No. 00105/107/12/054/14	Value-Added Tax	January - December 2012	17,128,251	2 0 1 4
STP No. 00001/109/04/415/14	Income Tax Article 21	December 2004	7,355,596	2 0 1 5
STP No. 00001/107/09/054/15	Value-Added Tax	December 2009	128,083,093	2 0 1 5
STP No. 00002/107/09/054/15	Value-Added Tax	December 2009	784,974,456	2 0 1 5
STP No. 00007/109/11/054/15	Corporate Income Tax	January - December 2011	16,808,545	2 0 1 5
STP No. 00011/109/12/054/15	Value-Added Tax	January - December 2012	31,100,095	2 0 1 5
STP No. 00001/104/13/054/15	Income Tax Article 26	November 2013	489,365,993	2 0 1 5
STP No. 00046/104/13/415/14	Income Tax Article 4(2)	November 2013	212,736,276	2 0 1 5
STP No. 00001/140/13/415/15	Income Tax Article 4(2)	December 2013	545,603,353	2 0 1 5
STP No. 00016/104/14/054/15	Income Tax Article 26	April 2014	942,975,000	2 0 1 5
STP No. 00012/103/14/415/15	Income Tax Article 23	October 2014	10,800,000	2 0 1 5
STP No. 00017/104/14/054/15	Income Tax Article 26	November 2014	283,804,224	2 0 1 5
STP No. 00020/140/14/415/15	Income Tax Article 4(2)	December 2014	1,934,996	2 0 1 5
STP No. 00013/103/14/415/15	Income Tax Article 23	December 2014	84,140	2 0 1 5
STP No. 00035/101/15/415/15	Income Tax Article 21	January 2015	10,267,425	2 0 1 5
STP No. 00008/103/15/415/15	Income Tax Article 23	January 2015	147,627	2 0 1 5

PT Mitra Sindo Sukses (MSS)

In 2015, MSS received an Assessment Letter on Tax Underpayment ("SKPKB") and Tax Collection Letter ("STP") for 2012, 2011 and 2010 tax audits. The details of SKPKB and STP received by MSS are as follows:

Tax Assessment Number	Taxes	Periods	Total	Year of payment
SKPKB No. 00003/240/10/059/15	Income Tax Article 4(2)	January - December 2010	101,504,409	2 0 1 5
SKPKB No. 00006/201/10/059/15	Income Tax Article 21	January - December 2010	104,669,133	2 0 1 5
SKPKB No. 00003/203/10/059/15	Income Tax Article 23	January - December 2010	93,517,826	2 0 1 5
SKPKB No. 00007/206/10/059/15	Income Tax Article 29	2 0 1 0	54,025,920	2 0 1 5
SKPKB No. 00008/207/10/059/15	Value-Added Tax	January - December 2010	194,705,186	2 0 1 5
STP No. 00023/107/10/059/15	Value-Added Tax	January - December 2010	26,311,512	2 0 1 5

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18. TAXATION (Continued)

b. Taxes Payable (Continued)

PT Mitra Sindo Sukses (MSS) (Continued)

<u>Tax Assessment Number</u>	<u>Taxes</u>	<u>Periods</u>	<u>Total</u>	<u>Year of payment</u>
SKPKB No. 00020/240/11/059/15	Income Tax Article 4(2)	January - December 2011	64,270,113	2 0 1 5
STP No. 00004/140/11/059/15	Income Tax Article 4(2)	January - December 2011	40,025,852	2 0 1 5
SKPKB No. 00014/201/11/059/15	Income Tax Article 21	January - December 2011	520,855,710	2 0 1 5
SKPKB No. 00007/204/11/059/15	Income Tax Article 26	January - December 2011	951,302,338	2 0 1 5
SKPKB No. 00014/206/11/059/15	Income Tax Article 29	2 0 1 1	405,299,730	2 0 1 5
SKPKB No. 00087/207/11/059/15	Value-Added Tax	January - December 2011	474,695,520	2 0 1 5
STP No. 00065/107/11/059/15	Value-Added Tax	January - December 2011	64,057,130	2 0 1 5
SKPKB No. 00018/240/12/059/15	Income Tax Article 4(2)	January - December 2012	131,538,496	2 0 1 5
SKPKB No. 00016/201/12/059/15	Income Tax Article 21	January - December 2012	480,615,614	2 0 1 5
SKPKB No. 00017/206/12/059/15	Income Tax Article 29	2 0 1 2	504,838,608	2 0 1 5
SKPKB No. 00089/207/12/059/15	Value-Added Tax	January - December 2012	388,019,021	2 0 1 5
STP No. 00079/107/12/059/15	Value-Added Tax	January - December 2012	524,350,043	2 0 1 5

c. Final Tax Expenses

	<u>30 June 2 0 1 6</u>	<u>30 June 2 0 1 5</u>	<u>31 December 2 0 1 5</u>	<u>31 December 2 0 1 4</u>	<u>31 December 2 0 1 3</u>
Final tax					
The Company	23,999,887,925	9,385,542,392	36,303,556,643	60,152,768,010	65,247,724,577
Subsidiaries	29,439,423,013	59,542,641,879	108,977,592,353	75,429,789,911	22,774,890,093
Total	<u>53,439,310,938</u>	<u>68,928,184,271</u>	<u>145,281,148,996</u>	<u>135,582,557,921</u>	<u>88,022,614,670</u>

d. Fiscal Computation

A reconciliation between consolidated income before income tax as shown in the consolidated statements of profit or loss and other comprehensive income and estimated taxable income and the calculation of current tax expense for the six-months periods ended 30 June 2016 and 2015 and for the years ended 31 December 2015, 2014 and 2013, are as follows:

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18. TAXATION (Continued)

d. Fiscal Computation (Continued)

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Consolidated income before income tax	48,652,426,945	224,155,458,914	960,109,200,223	714,210,615,235	2,459,958,933,162
Income of subsidiaries before income tax	(285,440,240,975)	(227,293,158,732)	(948,443,505,571)	(472,624,905,433)	(1,958,988,555,190)
(Loss) income before income tax expense of Company	(236,787,814,030)	(3,137,699,818)	11,665,694,652	241,585,709,802	500,970,377,972
Add (deduct):					
Income subject to final tax:					
Real estate sales	(465,617,225,074)	(167,778,501,271)	(691,965,465,959)	(1,183,406,211,633)	(1,268,944,006,337)
Rental income	(8,535,731,207)	(11,028,527,096)	(22,532,565,290)	(19,793,995,963)	(18,209,889,129)
Finance income	(6,071,084,191)	(2,421,303,448)	(49,165,935,497)	(15,914,613,030)	(19,720,193,653)
Expenses related to income subject to final tax	724,681,681,377	458,908,988,968	785,122,335,539	999,028,299,455	872,764,336,274
Income subject to non-final tax, before fiscal correction	7,669,826,875	274,542,957,335	33,124,063,445	21,499,188,631	66,860,625,127
Add (deduct):					
Non-deductible expense	75,054,081	63,687,470	111,948,614	119,517,265	40,019,040
Others	-	(260,370,000,000)	-	-	(57,421,037,336)
Estimated taxable income					
The Company	7,744,880,956	14,236,644,805	33,236,012,059	21,618,705,896	9,479,606,831
Subsidiaries	181,916,287,720	-	149,061,756,783	7,254,334,000	2,901,470,000
Tax expense for the current period/year					
The Company	1,936,220,000	3,559,161,000	8,309,003,000	5,646,168,750	2,369,901,750
Subsidiaries	20,372,247,022	16,207,225,104	37,265,439,196	1,813,583,500	725,367,500
Current income tax expense	22,308,467,022	19,766,386,104	45,574,442,196	7,459,752,250	3,095,269,250
Less prepayments of income taxes:					
The Company	4,678,057,003	2,818,495,280	7,002,101,940	5,561,319,045	2,045,441,403
Subsidiary	19,373,492,656	15,855,152,603	35,281,389,033	1,376,391,900	642,542,237
Total prepayments of income taxes	24,051,549,659	18,673,647,883	42,283,490,973	6,937,710,945	2,687,983,640

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18. TAXATION (Continued)

d. Fiscal Computation (Continued)

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Estimated income tax payable					
Beginning balance					
The Company	-	-	-	-	-
Subsidiaries	1,268,395,070	-	-	-	-
Addition					
The Company	-	740,665,720	1,306,901,060	84,849,705	324,460,347
Subsidiaries	998,754,366	352,072,501	1,984,050,163	437,191,600	82,825,263
Effect on changes in foreign exchange	(56,546,790)	-	-	-	-
Ending balance					
The Company	-	740,665,720	1,306,901,060	84,849,705	324,460,347
Subsidiaries	2,210,602,646	352,072,501	1,984,050,163	437,191,600	82,825,263
Ending balance	<u>2,210,602,646</u>	<u>1,092,738,221</u>	<u>3,290,951,223</u>	<u>522,041,305</u>	<u>407,285,610</u>

e. Deferred Tax Assets (Liabilities)

	31 December 2015	Credited to the other comprehensive income	Credited to statements of profit or loss	Exchange differences on translation of financial statements	30 June 2016
Deferred tax assets:					
Subsidiaries					
Provision for employee benefits	509,919,456	-	146,499,375	-	656,418,831
Allowance for impairment loss	28,422,778	-	(5,922,778)	-	22,500,000
Sub-total	<u>538,342,234</u>	<u>-</u>	<u>140,576,597</u>	<u>-</u>	<u>678,918,831</u>
Deferred tax liabilities:					
Subsidiaries					
Interest income	(41,856,982,130)	-	-	1,866,041,611	(39,990,940,519)
Depreciation of property, plant and equipment	(2,738,425,333)	-	(235,180,801)	-	(2,973,606,134)
Sub-total	<u>(44,595,407,463)</u>	<u>-</u>	<u>(235,180,801)</u>	<u>1,866,041,611</u>	<u>(42,964,546,653)</u>
Deferred tax liabilities - Net	<u>(44,057,065,229)</u>	<u>-</u>	<u>(94,604,204)</u>	<u>1,866,041,611</u>	<u>(42,285,627,822)</u>

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18. TAXATION (Continued)

e. Deferred Tax Assets (Liabilities) (Continued)

	31 December 2014	Credited to the other comprehensive income	Credited to statements of profit or loss	Exchange differences on translation of financial statements	30 June 2015
Deferred tax assets:					
Subsidiaries					
Provision for employee benefits	579,129,007	-	94,651,824	-	673,780,831
Allowance for impairment loss	-	-	-	-	-
Sub-total	579,129,007	-	94,651,824	-	673,780,831
Deferred tax liabilities:					
Subsidiaries					
Interest income	-	-	1,521,336,172		1,521,336,172
Depreciation of property, plant and equipment	(2,102,106,376)	-	(282,684,364)	-	(2,384,790,740)
Sub-total	(2,102,106,376)	-	1,238,651,808	-	(863,454,568)
Deferred tax liabilities - Net	(1,522,977,369)	-	1,333,303,632	-	(189,673,737)
	31 December 2014	Credited to the other comprehensive income	Credited to statements of profit or loss	Exchange differences on translation of financial statements	31 December 2015
Deferred tax assets:					
Subsidiaries					
Provision for employee benefits	579,129,007	(196,638,473)	127,428,922	-	509,919,456
Allowance for impairment loss	-	-	28,422,778	-	28,422,778
Sub-total	579,129,007	(196,638,473)	155,851,700	-	538,342,234
Deferred tax liabilities:					
Subsidiaries					
Interest income	-	-	(40,634,094,812)	(1,222,887,318)	(41,856,982,130)
Depreciation of property, plant and equipment	(2,102,106,376)	-	(636,318,957)	-	(2,738,425,333)
Sub-total	(2,102,106,376)	-	(41,270,413,769)	(1,222,887,318)	(44,595,407,463)
Deferred tax liabilities - Net	(1,522,977,369)	(196,638,473)	(41,114,562,069)	(1,222,887,318)	(44,057,065,229)

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18. TAXATION (Continued)

e. Deferred Tax Assets (Liabilities) (Continued)

	31 December 2 0 1 3	Credited to the other comprehensive income	Credited to statements of profit or loss	Exchange differences on translation of financial statements	31 December 2 0 1 4
Deferred tax assets:					
<u>Subsidiaries</u>					
Provision for employee benefits	378,247,951	54,026,705	146,854,351	-	579,129,007
Allowance for impairment loss	21,309,266	-	(21,309,266)	-	-
Sub-total	399,557,217	54,026,705	125,545,085	-	579,129,007
Deferred tax liabilities:					
<u>Subsidiaries</u>					
Depreciation of property, plant and equipment	(1,521,106,538)	-	(580,999,838)	-	(2,102,106,376)
Deferred tax liabilities - Net	(1,121,549,321)	54,026,705	(455,454,753)	-	(1,522,977,369)
	31 December 2 0 1 2	Credited to the other comprehensive income	Credited to statements of profit or loss	Exchange differences on translation of financial statements	31 December 2 0 1 3
Deferred tax assets:					
<u>The Company</u>					
Provision for employee benefits	8,620,001,676	-	(8,620,001,676)	-	-
Depreciation of property, plant and equipment	292,300,109	-	(292,300,109)	-	-
<u>Subsidiaries</u>					
Provision for employee benefits	392,408,639	(145,921,340)	131,760,652	-	378,247,951
Allowance for impairment loss	-	-	21,309,266	-	21,309,266
Sub-total	9,304,710,424	(145,921,340)	(8,759,231,867)	-	399,557,217
Deferred tax liabilities:					
<u>The Company</u>					
Depreciation of property, plant and equipment	(231,490,531)	-	231,490,531	-	-
Finance leases	(1,602,986,086)	-	1,602,986,086	-	-
<u>Subsidiaries</u>					
Depreciation of property, plant and equipment	458,202,267	-	(1,979,308,805)	-	(1,521,106,538)
Sub-total	(1,376,274,350)	-	(144,832,188)	-	(1,521,106,538)
Deferred tax liabilities - Net	7,928,436,074	(145,921,340)	(8,904,064,055)	-	(1,121,549,321)

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18. TAXATION (Continued)

e. Deferred Tax Assets (Liabilities) (Continued)

Deferred tax is calculated based on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the tax bases of assets and liabilities.

19. EMPLOYEE BENEFITS LIABILITY

The Group provides benefits for employees who reach the retirement age of 55 year based on the provisions of Labor Law No. 13/2003 dated 25 March 2003. The benefits are unfunded.

The calculation of employee benefits liability as of 30 June 2016 and 2015 is based on management and the calculation of employee benefits liability as of 31 December 2015 and 2014 is based on calculations performed by an independent actuary, PT Padma Radya Aktuaria, according to its report dated on 29 January 2016 and 20 February 2015, respectively.

a. Net Employee Benefits Expense

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Current service cost	3,571,977,796	2,207,773,017	6,372,541,593	5,489,312,365	4,928,674,877
Interest cost	1,611,184,660	1,171,921,302	3,228,627,142	3,042,456,086	1,872,783,092
Past service cost	-	-	(39,468,908)	(798,048,279)	379,839,227
Actuarial loss (gain)	-	-	148,491,957	(116,151,671)	90,433,827
Net employee benefits expense	5,183,162,456	3,379,694,319	9,710,191,784	7,617,568,501	7,271,731,023

Actuarial loss which were charged to consolidated statements of profit or loss and other comprehensive income are caused by changes in the following factors:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014
Experience adjustment	-	-	163,842,251	(120,305,205)
Change in financial assumptions	-	-	(15,350,294)	4,153,534
Net employee benefits expense	-	-	148,491,957	(116,151,671)

b. Employee Benefits Liability

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Present value of benefit obligation	52,228,267,290	43,914,934,930	47,014,031,834	40,535,240,611	34,103,821,038

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19. EMPLOYEE BENEFITS LIABILITY (Continued)

b. Employee Benefits Liability (Continued)

Movements in the employee benefits liability are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Beginning balance	47,014,031,834	40,535,240,611	40,535,240,611	34,103,821,038	36,049,641,254
Adjustments	-	-	-	2,077,571	-
Addition due to acquisition of new subsidiary	-	-	-	-	1,702,510,505
Net employee benefits expense	5,183,162,456	3,379,694,319	9,710,191,784	7,617,568,501	7,271,731,023
Benefit payment	-	-	(791,011,565)	(267,462,884)	(1,376,832,023)
Actuarial gain	31,073,000	-	(2,440,388,996)	(920,763,615)	(9,543,229,721)
Ending balance	<u>52,228,267,290</u>	<u>43,914,934,930</u>	<u>47,014,031,834</u>	<u>40,535,240,611</u>	<u>34,103,821,038</u>

Actuarial (loss) gain which were charged to other comprehensive income are caused by changes in the following factors:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014
Change in financial assumptions	31,073,000	-	655,703,146	259,563,507
Experience adjustment	-	-	(213,615,579)	-
Change in demographic assumptions	-	-	(2,882,476,563)	(1,180,327,122)
Actuarial loss (gain)	<u>31,073,000</u>	<u>-</u>	<u>(2,440,388,996)</u>	<u>(920,763,615)</u>

The principal assumptions used in determining employee benefits liability are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Discount rates	9.00% p.a.	8.25% p.a.	9.00% p.a.	8.25% p.a.	8.5% p.a.
Annual salary increase	10% p.a.	10% p.a.	10% p.a.	10% p.a.	10% p.a.
Retirement age	55	55	55	55	55
Turnover rates	5% p.a.	5% p.a.	0-5% p.a.	0-5% p.a.	0-10% p.a.
Mortality rates	100% TMI3	100% TMI3	100% TMI3	100% TMI3	Indonesia - III (2011)
Disability rates	5% TMI3	5% TMI3	5% TMI3	5% TMI3	0.02% p.a.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the present value of the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

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19. EMPLOYEE BENEFITS LIABILITY (Continued)**b. Employee Benefits Liability (Continued)**

	31 December 2015	31 December 2014
Discount rates:		
Increase by 1%	43,290,874,033	41,694,635,301
Decrease by 1%	50,374,088,467	49,000,918,435
Annual salary increase:		
Increase by 1%	50,530,812,260	44,943,926,270
Decrease by 1%	43,092,001,762	37,828,224,131

Shown below is the maturity analysis of the undiscounted benefit payments as of 31 December 2015 and 2014:

	31 December 2015	31 December 2014
Within the next 12 months	7,819,569,276	2,993,293,579
Between 2 and 5 years	17,016,615,278	18,829,815,886
Between 5 and 10 years	32,351,275,097	22,676,104,797

The average duration of the defined benefit obligation as of 31 December 2015 is between 8.79 to 12.87 years.

20. BONDS PAYABLE

	30 June 2016		
	Principal	Unamortized debt issue cost	Balance
Third parties			
In US Dollar			
Guaranteed Senior Note due 2016	759,405,240,000 (	3,737,465,780)	755,667,774,220
Guaranteed Senior Note due 2019	2,515,139,400,000 (	148,869,922,025)	2,366,269,477,975
In Rupiah			
Modernland Realty Year 2015 Continuing Public Offering Payable Phase I			
Series A	600,000,000,000 (	6,102,900,154)	593,897,099,846
Series B	150,000,000,000 (	1,821,084,090)	148,178,915,910
Modernland Realty Year 2012 Bonds Payable			
Series B	250,000,000,000 (	1,113,550,879)	248,886,449,121
T o t a l	4,274,544,640,000 (	161,644,922,928)	4,112,899,717,072
Current portion of long-term bonds payable:			
Guaranteed Senior Note due 2016	759,405,240,000 (	3,737,465,780)	755,667,774,220
Long-term bonds payable - net of current portion	3,515,139,400,000 (157,907,457,148)	3,357,231,942,852

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20. BONDS PAYABLE (Continued)

	30 June 2015		
	Principal	Unamortized debt issue cost	Balance
Third parties			
In US Dollar			
Guaranteed Senior Note due 2016	768,163,176,000 (	14,956,877,496)	753,206,298,504
Guaranteed Senior Note due 2019	2,544,145,560,000 (	188,095,953,515)	2,356,049,606,485
In Rupiah			
Modernland Realty Year 2012 Bonds Payable			
Series A	250,000,000,000 (	582,054,094)	249,417,945,906
Series B	250,000,000,000 (	1,762,714,636)	248,237,285,364
T o t a l	3,812,308,736,000 (	205,397,599,741)	3,606,911,136,259
<u>Current portion of long-term bonds payable:</u>			
Modernland Realty Year 2012 Bonds Payable			
Series A	250,000,000,000 (	582,054,094)	249,417,945,906
Long-term bonds payable - net of current portion	3,562,308,736,000 (	204,815,545,647)	3,357,493,190,353
	31 December 2015		
	Principal	Unamortized debt issue cost	Balance
Third parties			
In US Dollar			
Guaranteed Senior Note due 2016	794,840,310,000 (	9,855,741,185)	784,984,568,815
Guaranteed Senior Note due 2019	2,632,499,850,000 (	175,782,078,101)	2,456,717,771,899
In Rupiah			
Modernland Realty Year 2015 Continuing Public Offering			
Payable Phase I			
Series A	600,000,000,000 (	7,387,813,607)	592,612,186,393
Series B	150,000,000,000 (	1,988,613,789)	148,011,386,211
Modernland Realty Year 2012 Bonds Payable			
Series B	250,000,000,000 (	1,445,369,438)	248,554,630,562
T o t a l	4,427,340,160,000 (	196,459,616,120)	4,230,880,543,880
<u>Current portion of long-term bonds payable:</u>			
Guaranteed Senior Note due 2016	794,840,310,000 (	9,855,741,185)	784,984,568,815
Long-term bonds payable - net of current portion	3,632,499,850,000 (186,603,874,935)	3,445,895,975,065

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20. BONDS PAYABLE (Continued)

	31 December 2014		
	Principal	Unamortized debt issue cost	Balance
Third parties			
In US Dollar			
Guaranteed Senior Note due 2016	716,767,920,000	(18,669,983,955)	698,097,936,045
Guaranteed Senior Note due 2019	2,373,925,200,000	(191,296,497,205)	2,182,628,702,795
In Rupiah			
Modernland Realty Year 2012 Continuing Public Offering Payable Phase I			
Series A	250,000,000,000	(1,139,375,381)	248,860,624,619
Series B	250,000,000,000	(2,059,460,242)	247,940,539,758
T o t a l	<u>3,590,693,120,000</u>	<u>(213,165,316,783)</u>	<u>3,377,527,803,217</u>
<u>Current portion of long-term bonds payable:</u>			
Modernland Realty Year 2012 Continuing Public Offering Payable Phase I Series A	250,000,000,000	(1,139,375,381)	248,860,624,619
Long-term bonds payable - net of current portion	<u>3,340,693,120,000</u>	<u>(212,025,941,402)</u>	<u>3,128,667,178,598</u>
	31 December 2013		
	Principal	Unamortized debt issue cost	Balance
Third parties			
In US Dollar			
Guaranteed Senior Note due 2016	1,828,350,000,000	(71,612,634,746)	1,756,737,365,254
In Rupiah			
Modernland Realty Year 2015 Continuing Public Offering Payable Phase I			
Series A	250,000,000,000	(2,171,434,267)	247,828,565,733
Series B	250,000,000,000	(2,608,642,146)	247,391,357,854
Related parties (Note 32)			
In Rupiah			
Convertible bonds			
AA Land Pte. Ltd Singapore	30,575,047,381	-	30,575,047,381
T o t a l	<u>2,358,925,047,381</u>	<u>(76,392,711,159)</u>	<u>2,282,532,336,222</u>
<u>Current portion of long-term bonds payable:</u>			
Convertible bonds			
AA Land Pte. Ltd Singapore	30,575,047,381	-	30,575,047,381
Long-term bonds payable - net of current portion	<u>2,328,350,000,000</u>	<u>(76,392,711,159)</u>	<u>2,251,957,288,841</u>

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20. BONDS PAYABLE (Continued)

Guaranteed Senior Notes due 2016

Modernland Overseas Pte. Ltd. (MLO), a company incorporated under the laws of Singapore and a wholly-owned subsidiary of the Company, issued USD 150,000,000 aggregate principal amount of 11.00% Guaranteed Senior Notes due 2016 (the "Guaranteed Senior Notes due 2016"). The Notes will mature on 25 October 2016. The Notes will bear interest from and including 25 October 2013 at the rate of 11.00% per annum, paid every 25 April and 25 October of each year, commencing 25 April 2014.

Approval-in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of USD 200,000 for so long as the Notes are listed on the SGX-ST.

Prior to the Original Issue Date, MLO will establish an Interest Reserve Account in Singapore with The Bank of New York Mellon, Singapore Branch. On the Escrow Placement Date, the Issuer will deposit into the Interest Reserve Account an amount in cash equal to the amount of one (1) semi-annual interest payment under the Notes. Funds remaining on deposit in the Interest Reserve Account on the maturity date of the Notes will be applied to the payment of interest on the Notes, and any remaining balance shall be applied to the payment of premium and additional amounts, if any, due on the Notes. As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013 the Interest Reserve Account is recorded under "Restricted funds" account in the consolidated statements of financial position amounting to USD 3,169,630 or Rp 41,775,723,400, USD 3,169,308 or Rp 42,253,214,258, USD 3,169,148 or Rp 43,722,824,855, USD 3,169,148 or Rp 39,424,206,469, and USD 8,250,094 or Rp 100,560,394,425, respectively (Note 6).

The Company, Modernland Overseas Pte. Ltd. and subsidiaries, and each of the other subsidiaries of the Company as of the the original issue date (the Company and Restricted Subsidiaries) guaranteed the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes.

The proceeds of the loan was used to purchase the remaining 51% of total outstanding shares of MSS and MSM.

The Notes is secured on a first priority basis (subject to permitted liens) by a lien on the collateral which shall initially consist of:

- i. charges by the Company of the capital stock of MLO and by the Issuer of the capital stock of MLand;
- ii. a charge over all of MLO's rights in the Interest Reserve Account; and
- iii. an assignment by MLand of all its interest in and rights under the intercompany loan.

On 14 July 2014, MLO offered to exchange the Guaranteed Senior Notes due 2016 for Marquee Land Pte. Ltd.'s Guaranteed Senior Notes due 2019. MLO exchanged a total of USD 92,382,000 Guaranteed Senior Notes due 2016 for USD 92,382,000 of ML's Guaranteed Senior Notes due 2019.

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20. BONDS PAYABLE (Continued)

Guaranteed Senior Notes due 2016 (Continued)

The Guaranteed Senior Notes due 2016 is denominated in USD. As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, the total balance of the Notes amounted to USD 57,334,429, USD 56,496,122, USD 56,903,557, USD 56,117,197 and USD 144,124,815, respectively, net of borrowing cost amounting to USD 283,571, USD 1,121,878, USD 714,443, USD 1,500,803 and USD 5,875,185, respectively.

Guaranteed Senior Notes due 2019

Marquee Land Pte. Ltd. (ML), a company incorporated under the laws of Singapore and a wholly-owned subsidiary of the Company, issued USD 190,830,000 aggregate principal amount of 9.75% guaranteed senior notes due 2019 (the "Guaranteed Senior Notes due 2019"). The Notes will mature on 5 August 2019. The Notes bear interest from and including 5 August 2014 at the rate of 9.75% per annum, payment every 5 February and 5 August of each year, commencing 5 February 2015.

Approval-in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of USD 200,000 for so long as the Notes are listed on the SGX-ST.

Prior to the Original Issue Date, ML established an Interest Reserve Account in Singapore with The Bank of New York Mellon, Singapore Branch. On the Escrow Placement Date, the Issuer deposited into the Interest Reserve Account an amount in cash equal to the amount of one (1) semi-annual interest payment under the Notes.

Funds remaining on deposit in the Interest Reserve Account on the maturity date of the Notes will be applied to the payment of interest on the Notes, and any remaining balance shall be applied to the payment of premium and additional amounts, if any, due on the Notes. As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, the Interest Reserve Account is recorded under "Restricted funds" account in the consolidated statements of financial position amounting to USD 9,302,963 or Rp 122,613,052,340, USD 9,302,963 or Rp 124,027,102,714, USD 9,302,963 or Rp 128,334,374,585, USD 9,302,963 or Rp 115,728,859,720 and nil, respectively (Note 6).

The Company, Marquee Land Pte. Ltd. and subsidiaries, and each of the other subsidiaries of the Company as of the the original issue date (the Company and Restricted Subsidiaries) guaranteed the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes.

The proceeds of the loan was used to fund (i) the payment of premium, early exchange fees and consent fees (among others) to exchanging and consenting holders of the Guranteed Senior Notes due 2016; (ii) the repayment of certain indebtedness; and (iii) the remainder for working capital and other general corporate purposes.

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20. **BONDS PAYABLE** (Continued)

Guaranteed Senior Notes due 2019 (Continued)

The Notes is secured on a first priority basis (subject to permitted liens) by a lien on the collateral which shall initially consist of:

- i. charges by the Company of the capital stock of ML and by the Issuer of the capital stock of CLS;
- ii. a charge over all of ML's rights in the Interest Reserve Account; and
- iii. an assignment by CLS of all its interest in and rights under the intercompany loan.

The Guaranteed Senior Notes due 2019 is denominated in USD. As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, the total balance of the Notes amounted to USD 179,534,862 and USD 176,721,936, USD 178,087,551, USD 175,452,468 and nil, net of borrowing cost amounting to USD 11,295,138, USD 14,108,607, USD 12,742,449, USD 15,377,532 and nil, respectively.

The Bank of New York Mellon is the trustee of the Guaranteed Senior Notes due 2016 appointed under the 2016 Indenture and the trustee of the New Notes appointed under the indenture governing the Guaranteed Senior Notes due 2019.

The Guaranteed Senior Notes due 2016 and Guaranteed Senior Notes due 2019 also limit the ability of the The Company and Restricted Subsidiaries to, among other things:

- incur additional indebtedness and issue preferred stock;
- make investments or other specified Restricted Payments;
- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends and transfer assets or make inter-company loans;
- issue or sell Capital Stock of Restricted Subsidiaries;
- issue guarantees by Restricted Subsidiaries;
- enter into transactions with equity holders or affiliates;
- create any Lien;
- enter into Sale and Leaseback Transactions;
- sell assets;
- engage in different business activities; and
- effect a consolidation or merger.

These covenants stated above are subject to a number of important qualifications and exceptions.

Pursuant to the agreement, Group is required to maintain Fixed Charge Coverage Ratio of not less than 2.5 : 1.0 and Consolidated Debt to EBITDA Ratio of not greater than 3.5 : 1.0. Computation should be made based on the definitions provided in the agreement.

The Group has complied with all the above covenants.

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20. BONDS PAYABLE (Continued)

Modernland Realty Year 2015 Bonds Payable with Fixed Interest Rate

In accordance with the Effectivity of Registration Statement Letter No. S-285/D.04/2015 dated 25 June 2015 issued by the Board of Commissioners of Financial Services Authority, the Company undertook Public Offering of Modernland Realty Year 2015 Continuing Bonds I Phase I with Fixed Interest Rate. The bonds issued by the Company were Series A bonds with a principal amount of Rp 600,000,000,000, with a fixed interest rate of 12% and a term of 3 (three) years and Series B bonds with a principal amount of Rp 150,000,000,000, with a fixed interest rate of 12.50% and a term of 5 (five) years. Interest from Series A and Series B bonds will be paid quarterly. Series A bonds will mature on July 2018 and Series B bonds will mature on July 2020.

In connection with the issuance of the bonds, the Company signed Notarial Deed of the Modernland Realty Year 2015 Continuing Bonds I Phase I Trustee Agreement No. 50 dated 15 April 2015 with PT Bank Permata Tbk, which was amended by the Deed of Addendum I and Restatement of the Modernland Realty Year 2015 Continuing Bonds I Phase I Trustee Agreement No. 38 dated 18 June 2015, both made in the presence of F.X. Budi Santoso Isbandi, S.H., Notary in Jakarta.

Based on Notarial Deed of the Modernland Realty Year 2015 Continuing Bonds I Phase I Underwriting Agreement No. 49 dated 15 April 2015 which was amended by the Deed of Addendum I and restatement of Deed of the Modernland Realty Year 2015 Continuing Bonds I Phase I Underwriting Agreement No.37 dated 18 June 2015, both made by F.X. Budi Santoso Isbandi, S.H., the Company appointed PT CIMB Securities Indonesia, PT Mandiri Sekuritas and PT RHB OSK Securities Indonesia as executor of the offering and Underwriters in Modernland Realty Year 2015 Continuing Bonds I Phase I with full commitment amounting to Rp 750,000,000,000.

Based on deed of Payment Agent Agreement for Modernland Realty Year 2015 Continuing Bonds I Phase I No. 52 dated 15 April 2015 which was amended by the Deed of Addendum I Payment Agent Agreement for Modernland Realty Year 2015 Continuing Bonds I Phase I No. 52 dated 22 June 2015, both made by F.X. Budi Santoso Isbandi, S.H., the Company appointed PT Kustodian Sentral Efek Indonesia (KSEI) as its payment agent obliged to assist in carrying out the payment of bonds interest and bonds principal amounts to bondholders. On the same date, the Company registered the bonds with KSEI based on Registration Agreement Number: SP-0015/PO/ KSEI/0415.

The above Series A and B bonds payable are accounted for and presented in the consolidated statements of financial position at amortized cost using the effective interest rates of 12.58% and 12.89%, respectively.

The setting up of the guarantee through the mortgages of 2 plots of land registered in the name of PT Mitra Sindo Sukses, as subsidiaries of the Company to guarantee the outstanding bonds, will be made by signing the Deed of first class Mortgages that shall be made no later than 10 (ten) business days after the date of issuance. Details of plots of land used as mortgages are as follows:

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20. BONDS PAYABLE (Continued)

Modernland Realty Year 2015 Bonds Payable with Fixed Interest Rate (Continued)

1. Right to Build Certificate No. 1890/Cakung, total area 42,061 m², with a collateral value of Rp 386,961,000,000.
2. Right to Build Certificate No. 2456/Cakung, total area 91,270 m², with a collateral value of Rp 784,922,000,000.

Both land are located at Jakarta Garden City, Jalan Raya Cakung Cilincing, Cakung, East Jakarta, including all items established, grown and placed on the land (Note 10).

The proceeds of the public bonds offering above, net of issuance costs, will be used for the settlement of Modernland Realty Year 2012 Bonds with fixed interest rate Series A bonds, which will mature on 27 December 2015 and the remaining will be use by the Company, directly or indirectly by the subsidiaries, to develop real estate business in Jabodetabek area, which include acquisition of land for development. The Company's business development indirectly through subsidiaries will be conducted in the form of investment.

Based on Letter No. 523/PEF-Dir/IV/2015 dated 6 April 2015 from PT Pemeringkat Efek Indonesia (Pefindo), the above bonds received a rating of idA (Single A).

The Company guarantees to the Trustee that the collaterals provided:

1. Are not pledged as collateral to ensure other debt;
2. Are not the object of claims and lawsuits by other parties stating that the party has rights over the collateral;
3. Will not be transferred, assigned and/or charged in any way whatsoever without the prior written consent of the Trustee;

Pursuant to the agreement, the Group is required to maintain Debt to Equity Ratio of not greater than 1.5 : 1.0 and EBITDA to Interest Ratio of not less than 1.5 : 1.0. Computation should be made based on the definitions provided in the agreement.

The Group has complied will all the above covenants.

Modernland Realty Year 2012 Bonds Payable with Fixed Interest Rate

In accordance with the Effectivity of Registration Statement Letter No. S-14327/BL/2012 dated 17 December 2012 issued by the Chairman of BAPEPAM-LK, the Company undertook Public Bonds Offering II Modernland Realty Year 2012 with Fixed Interest Rates. The bonds issued by the Company were Series A bonds with a principal amount of Rp 250,000,000,000, with a fixed interest rate of 10.75% and a term of 3 (three) years and the Series B bonds with a principal amount of Rp 250,000,000,000, with a fixed interest rate of 11% and a term of 5 (five) years. Interest from Series A and Series B bonds will be paid quarterly. Series A bonds will mature on December 2015 and Series B bonds will mature on December 2017.

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20. **BONDS PAYABLE** (Continued)

Modernland Realty Year 2012 Bonds Payable with Fixed Interest Rate (Continued)

In connection with the issuance of the bonds, the Company signed Modernland Realty Year 2012 Bonds II Trustee Agreement No. 50 dated 22 October 2012 with PT Bank Permata Tbk, which was amended by the Deed of Addendum/ Amendment I of the Modernland Realty Bonds II Year 2012 Trustee Agreement No. 42 dated 19 November 2012, and the Deed of Addendum/ Amendment II of the Modernland Realty Year 2012 Bonds II Trustee Agreement No. 37 dated 11 December 2012, all made in the presence of F.X. Budi Santoso Isbandi, S.H., Notary in Jakarta.

Based on Bonds II Underwriting Agreement as notarized under deed No. 53 of F.X. Budi Santoso Isbandi, S.H., dated 22 October 2012, the Company appointed PT Minna Padi Investama Tbk as the executor of the offering and Underwriters in Public Bonds Offering II with full commitment amounting to Rp 500,000,000,000.

Based on Payment Agent Agreement for Bonds II as notarized under deed No. 52 dated 22 October 2012 and Addendum/ Amendment I Payment Agent Agreement for Modernland Realty Year 2012 Bonds II with Fixed Interest Rate No. 40 dated 11 December 2012 of F.X. Budi Santoso Isbandi, S.H., the Company appointed PT Kustodian Sentral Efek Indonesia (KSEI) as its payment agent obliged to assist in carrying out the payment of bonds interest and bonds principal amounts to bondholders. On the same date, the Company registered the Bonds with KSEI based on Registration Agreement Number: SP-0059/PO/KSEI/1012.

The above Series A and B bonds payable are accounted for and presented in the consolidated statements of financial position at amortized cost using the effective interest rates of 11.24% and 11.33%, respectively.

The setting up of the guarantee through the mortgages of several plots of land registered in the name of the Company and/ or subsidiaries to guarantee the outstanding bonds will be made in 2 (two) phases, namely:

Phase One:

The signing of the Deed of Mortgages shall be made no later than 10 (ten) business days after the date of issuance, with a collateral value of Rp 103,092,000,000 against a total land area of 401,508 m² in the name of NA, subsidiary, located in Serang (Note 10), including all items established, grown and placed on the land, and

Phase Two:

Phase 2 will be undertaken no later than the third year after the date of issuance amounting to the owed amount, over land in the name of the Company with an area of 333,656 m² located in Cakung (Note 10) as stated in the Notary's Statement/ PPAT processing the land rights which are still "girik" if the value of the plots of land with an area covering 401,508 m² in the name of NA, a subsidiary, located in Serang (Note 10), including everything established, grown and placed on the land, which has been pledged in Phase One, is not sufficient to guarantee the payment of the bonds principal due.

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20. **BONDS PAYABLE** (Continued)

Modernland Realty Year 2012 Bonds Payable with Fixed Interest Rate (Continued)

The proceeds of the public bonds offering above, net of issuance costs, will be used for the Company's working capital and for increasing the Company's investments in MIE and NA, subsidiaries, which in turn will be used for working capital purposes, including the purchase of land and infrastructure.

Based on Letter No. 1611/PEF-Dir/IX/2012 dated 3 October 2012 from PT Pemeringkat Efek Indonesia (Pefindo), the above bonds received a rating of idA- (Single A Minus).

The Company guarantees to the Trustee that the collaterals provided:

1. Are not pledged as collateral to ensure other debt;
2. Are not the object of claims and lawsuits by other parties stating that the party has rights over the collateral;
3. Will not be transferred, assigned and/or charged in any way whatsoever without the prior written consent of the Trustee.

Pursuant to the agreement, Group is required to maintain Debt to Equity Ratio of not greater than 1.5 : 1.0 and EBITDA to Interest Ratio of not less than 1.5 : 1.0. Computation should be made based on the definitions provided in the agreement.

The Group has complied with all the above covenants.

In 2015, the Company has fully paid Series A Bonds amounting to Rp 250,000,000,000.

Convertible Bonds

AA Land Pte. Ltd., Singapore

This account represents zero-coupon bonds convertible into 100 shares with par value of Rp 1,000,000,000 for bonds and held by AA Land Pte Ltd., Singapore (AA Land), which arose from the conversion of interest and penalty payables as of 31 December 2004 amounting to Rp 394,975,047,381. The conversion was made based on the Restructuring Agreement on 12 January 2005 which was provided by Law Firm Wang Tan & Molly Lim LLC.

The zero-coupon convertible bonds were issued on 9 May 2005 and will mature after eight (8) years from the issuance date. These bonds are unsecured. These convertible bonds were issued with certain conditions, among others, as follows:

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20. **BONDS PAYABLE** (Continued)

Convertible Bonds (Continued)

AA Land Pte. Ltd., Singapore (Continued)

- (i) On the third year after the issuance date, the bondholder shall have the options to:
 - Redeem up to 25% of the principal amount of the bonds subject to the giving of two (2) months notice to the Company of such intention of redeem; or
 - Convert the bonds into shares.
- (ii) During the period of the bonds, the Company has rights to settle the bonds partially or fully.
- (iii) On maturity date, the remaining unpaid bonds are exchangeable with certain new shares issued by the Company with par value of Rp 500 per share.

The issuance of these zero-coupon convertible bonds was approved at the Shareholders' Extraordinary General Meeting dated 11 February 2005 which was covered by Notarial deed No. 63 made before Aulia Taufani, S.H., replacing Sutjipto, S.H.

Based on Notarial deed No. 32 of Wahyu Nuraini, S.H., dated 27 June 2008, the Company issued new shares totaling 590,000,000 shares with par value of Rp 500 per share, which arose from the conversion of the Company's convertible bonds amounting to Rp 295,000,000,000 which were issued through a Capital Increase without Pre-emptive Rights.

On 1 January 2010, the Group adopted PSAK No. 55 (Revised 2006) and restated the beginning balance of the convertible bonds by Rp 26,687,271,318 to discount the beginning balance of the convertible bonds to the present value of the future cash outflows using the effective interest rate of a financial instrument with similar credit risk and other characteristics. The value attributable to the conversion feature is presented as "Equity portion of convertible bonds" in the consolidated statements of financial position.

In November 2011 and June 2011, the Company partially paid convertible bonds amounting to Rp 57,000,000,000 and Rp 12,400,000,000, respectively, to AA Land Pte. Ltd., Singapore pursuant to a request for partial payment of the convertible bonds addressed to the Company. These payments are assessed through estimated future cash flows. The above changes in estimate resulted in a decrease in the balance of the equity element of bonds amounting to Rp 18,525,588,914.

In 11 November 2013, the Company and AA Land entered into a restructuring agreement to extend the payment date of the convertible bonds to 2014.

The Company repaid the convertible bonds in August 2014. The payment decrease the balance of the equity element of the bonds amounting to Rp 8,161,682,404 (Note 23).

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21. LONG-TERM BANK LOANS

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
In Rupiah					
PT Bank QNB Indonesia Tbk	124,010,462,954	185,369,416,012	154,741,071,877	215,926,741,316	-
PT Bank Tabungan Negara (Persero) Tbk	15,280,000,000	-	3,633,000,000	-	29,310,840,702
PT Bank Bukopin Tbk	4,000,000,000	-	-	-	-
PT Bank ICBC Indonesia Tbk	-	-	-	-	121,683,764,904
PT Bank Artha Graha International Tbk	-	-	-	-	63,955,826,050
PT Bank Muamalat Indonesia Tbk	-	-	-	-	59,627,395,861
PT Bank Sinarmas Tbk	-	-	-	-	18,175,114,414
PT Bank Negara Indonesia (Persero) Tbk	-	-	-	-	6,310,000,000
T o t a l	143,290,462,954	185,369,416,012	158,374,071,877	215,926,741,316	299,062,941,931
Less current Portion	<u>62,984,571,753</u>	<u>61,389,959,127</u>	<u>61,645,034,859</u>	<u>61,223,570,535</u>	<u>141,758,375,644</u>
Long-term portion	<u>80,305,891,201</u>	<u>123,979,456,885</u>	<u>96,729,037,018</u>	<u>154,703,170,781</u>	<u>157,304,566,287</u>

The Company**PT Bank QNB Indonesia Tbk**

On 19 May 2014, the Company obtained a credit facility “Amortized Credit Facility” from PT Bank QNB Indonesia Tbk with a maximum amount of Rp 250,000,000,000.

This loan was used for:

- a. Until Rp 235,000,000,000 is used as refinancing loan from PT Bank Permata Tbk amounting to Rp 170,000,000,000 and PT Bank Muamalat Tbk amounting to Rp 65,000,000,000; and
- b. Until Rp 15,000,000,000 is used as general capital expenditures.

This credit facility bears annual interest rate of JIBOR 3 months plus 5.0% per annum and are secured by several parcels of land with a total area of 1,271,477 m² owned by the Company located in Cakung, Jakarta (Note 10). This loan has a term of 4 years.

PT Bank ICBC Indonesia Tbk

Based on Addendum of Credit Agreement No. 29 dated 31 August 2010 by Osrirnarni Cesman, S.H., Notary in Jakarta, the Company obtained an additional fixed loan facility in the form of Fixed Installment Loans 3 (PTI-3) amounting to Rp 20,000,000,000. This loan was used as working capital of the Company and will mature in August 2013. The Company repaid this facility in August 2013.

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21. **LONG-TERM BANK LOANS** (Continued)

The Company (Continued)

PT Bank ICBC Indonesia Tbk (Continued)

Based on Notarial deed No. 279 of Doctor Irawan Soerodjo dated 27 June 2011, the Company obtained additional credit facilities in the form of Fixed Installment Loans (PTI-4) with a maximum loan amount of Rp 21,000,000,000. This loan was used as working capital of the Company and bears interest at 12.00%-13.75% per annum and is valid until 21 September 2014.

The Company repaid this facility in August 2014.

Based on the loan agreement No. 55 dated 11 April 2012, as notarized by Notary Mellyani Noor Shandra, S.H., the Company obtained additional facilities in the form of Fixed Installment Loans 5 (PTI-5) with a maximum loan amount of Rp 90,000,000,000. This loan was used to acquire debt on behalf of PT Bumi Perkasa Permai to the PT Bank CIMB Niaga Tbk. This loan bears interest at 12.00%-13.75% per annum and a term of 60 months or will mature on 11 April 2017.

The Company repaid this facility in August 2014.

Based on loan agreement deed No. 56 dated 11 April 2012, as notarized by Notary Mellyani Noor Shandra, S.H., the Company obtained an additional facility in the form of Fixed Loans on demand (PTD 1) non-revolving credit facility with a maximum amount of Rp 70,000,000,000. These loans are used to finance the development of the Green Central project. This loan bears interest at 12.00%-13.75% per annum and a term of 36 months or will mature on 11 April 2015.

The Company repaid this facility in August 2014.

PT Bank Artha Graha Internasional Tbk

Based on Notarial deed No. 38 of Myra Yuwono, S.H., dated 27 August 2010, the Company obtained a loan facility for working capital "Fixed Loan I" from PT Bank Artha Graha Internasional Tbk amounting to Rp 70,000,000,000 with a term of 5 years. The loan bears interest of 13.0%-14.5% per annum.

The Company repaid this facility in August 2014.

Furthermore, based on the Credit Agreement Amendment No. 26 dated 24 February 2011 as notarized under the deed of Notary Myra Yuwono, S.H., PT Bank Artha Graha Internasional Tbk agreed to an increase in the loan facility "Fixed Loan II" amounting to Rp 35,000,000,000. These loans were used for additional working capital and bear interest of 13.0%-14.5% per annum.

The Company repaid this facility in August 2014.

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21. LONG-TERM BANK LOANS (Continued)

The Company (Continued)

PT Bank Muamalat Indonesia Tbk

Based on Letter of Approval on Principle of Financing on behalf of PT Modernland Realty Tbk No. 396/OL/ 301/XII/12 dated 7 December 2012, the Company has made additions for working capital requirements and takeover of debt/ working capital financing from PT Bank UOB Indonesia to PT Bank Muamalat Indonesia Tbk, with a maximum funding limit of Rp 75,000,000,000. This loan will mature on 26 December 2015 and bears interest at 11% per annum.

The Company repaid this facility in May 2014.

PT Bank Tabungan Negara (Persero) Tbk

The Company's long-term loan facility from PT Bank Tabungan Negara (Persero) Tbk represents loans previously classified as short-term. Since 7 October 2010, the loan facility has been extended until 26 October 2014, and thus classified as long-term bank loans.

The Company obtained several facilities as follows:

- (a) Working Capital Construction (KYG)-Non-Revolving with a maximum amount of Rp 70,000,000,000. This loan facility bears interest at 13.0%-13.5% per annum. The Company repaid this facility in August 2014.
- (b) Working Capital Construction (KYG)-Revolving with maximum amount of Rp 43,000,000,000. This loan facility bears interest at 13.0% - 13.5% per annum. The Company repaid this facility in October 2013.

PT Bank Sinarmas Tbk

Based on Suplessie Credit Agreement No. 38 dated 25 August 2011, the Company obtained an extension of the "Term Loan" credit facility amounting to Rp 30,000,000,000. The loan bears interest at the rate of 13.00%-15.00% per annum and will mature in 2015. As of 31 December 2012, the Company has used the entire amount allowed under this facility.

The Company repaid this facility in August 2014.

PT Terus Maju Perkasa (TMP)

PT Bank Tabungan Negara (Persero) Tbk

On 2 July 2015, TMP obtained a non-revolving credit facility construction (KYG) from PT Bank Tabungan Negara (Persero) Tbk for the construction of 134 unit in Bukit Cibadak Indah. This credit facility bears interest rate of 13.00% per annum and will mature on 2 July 2017.

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21. **LONG-TERM BANK LOANS** (Continued)

PT Terus Maju Perkasa (TMP) (Continued)

PT Bank Tabungan Negara (Persero) Tbk (Continued)

This credit facility is secured by residential houses in Bukit Cibadak Indah which is financed by PT Bank Tabungan Negara (Persero) Tbk (Note 9).

PT Golden Surya Makmur (GSM)

PT Bank Tabungan Negara (Persero) Tbk

On 11 March 2016, GSM obtained a non-revolving credit facility construction (KYG) from PT Bank Tabungan Negara (Persero) Tbk for the construction of 223 unit in Puri Kencana. This credit facility bears interest rate of 13.00% per annum and will mature on 11 March 2018.

This credit facility is secured by residential houses in Puri Kencana which is financed by PT Bank Tabungan Negara (Persero) Tbk (Note 9).

PT Modern Industrial Estat (MIE)

PT Bank Bukopin Tbk

On 20 June 2016, MIE obtained investment credit facility from PT Bank Bukopin Tbk for the purchase of 10 units of foton dump truck. This credit facility bears interest rate of 13.50% per annum and will mature on 20 June 2019 with a timeframe of 3 years.

MIE will be charged 5% more as a penalty if MIE failed to pay the interest and there will be an upfront fee of 1.5% from the maximum credit facility, payable immediately after the agreement is signed.

PT Modern Panel Indonesia (MPI)

PT Bank Negara Indonesia (Persero) Tbk

Based on Credit Agreement dated 6 June 2012 No. BKM/PK/2012.012, MPI obtained a Working Capital Loan (WCL) - Aflopend with maximum amount of Rp 7,000,000,000. The loan was used for working capital for the Emmedue Block panel construction and bears interest at 11.5% per annum. The loan will mature on 5 June 2016.

MPI repaid this facility in August 2014.

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22. SHARE CAPITAL

The Company's issued and fully paid shares based on series of shares are as follows:

	Total shares (Shares)	Par value	T o t a l
Series A	6,113,691,376	250	1,528,422,844,000
Series B	6,419,375,946	125	802,421,993,094
T o t a l	12,533,067,322		2,330,844,837,094

Series A and B shares have the same rights and are equal in every respect, including voting rights in the General Meeting of Shareholders and the right to dividends.

The composition of the Company's shareholders are as follows:

<u>Shareholders</u>	30 June 2016		
	Number of shares issued and fully paid	Percentage of ownership	T o t a l
Webster Heights Holdings Pte. Ltd.	1,446,100,000	11.54%	271,143,750,000
Woodside Global Ventures Inc.	1,400,000,000	11.17%	175,000,000,000
AA Land Pte Ltd., Singapore	1,204,388,014	9.61%	225,822,752,625
Greenbelt Capital Pte Ltd.	690,568,400	5.51%	86,321,050,000
Public (less than 5% ownership interest each)	7,792,010,908	62.17%	1,572,557,284,469
T o t a l	12,533,067,322	100.00%	2,330,844,837,094

<u>Shareholders</u>	30 June 2015		
	Number of shares issued and fully paid	Percentage of ownership	T o t a l
AA Land Pte. Ltd., Singapore	3,609,988,014	28.80%	622,213,858,000
PT Bumi Perkasa Permai	627,163,767	5.00%	78,395,470,875
Public (less than 5% ownership interest each)	8,295,915,541	66.20%	1,630,235,508,219
T o t a l	12,533,067,322	100.00%	2,330,844,837,094

<u>Shareholders</u>	31 December 2015		
	Number of shares issued and fully paid	Percentage of ownership	T o t a l
AA Land Pte. Ltd., Singapore	2,015,888,014	16.08%	323,320,108,000
Webster Heights Holdings Pte. Ltd.	1,446,100,000	11.54%	271,143,750,000
PT Bumi Perkasa Permai	804,836,492	6.42%	100,604,561,500
Public (less than 5% ownership interest each)	8,266,242,816	65.96%	1,635,776,417,594
T o t a l	12,533,067,322	100.00%	2,330,844,837,094

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22. SHARE CAPITAL (Continued)

	31 December 2014		
	Number of shares issued and fully paid	Percentage of ownership	T o t a l
Shareholders			
AA Land Pte. Ltd., Singapore	3,609,988,014	28.80%	622,213,858,000
PT Bumi Perkasa Permai	896,836,492	7.16%	112,104,561,500
Public (less than 5% ownership interest each)	8,026,242,816	64.04%	1,596,526,417,594
T o t a l	<u>12,533,067,322</u>	<u>100.00%</u>	<u>2,330,844,837,094</u>
	31 December 2013		
	Number of shares issued and fully paid	Percentage of ownership	T o t a l
Shareholders			
AA Land Pte. Ltd., Singapore	3,728,527,914	29.75%	637,031,345,500
PT Bumi Perkasa Permai	896,836,492	7.16%	112,104,561,500
Pblic (less than 5% ownership interest each)	7,907,702,916	63.09%	1,581,708,930,094
T o t a l	<u>12,533,067,322</u>	<u>100.00%</u>	<u>2,330,844,837,094</u>

At the Annual Shareholder's General Meeting of the Company dated 17 June 2016, the shareholders have approved to increase their appropriated retained earnings by Rp 2,000,000,000 to guarantee growth performance sustainability of the Company. The balance of the appropriated retained earnings after the increase amounts to Rp 4,500,000,000.

23. ADDITIONAL PAID-IN CAPITAL

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Difference arising from restructuring transaction of entities under common control	16,260,579,631	16,260,579,631	16,260,579,631	16,260,579,631	16,260,579,631
Equity portion of convertible bonds (Note 20)	(8,161,682,404)	(8,161,682,404)	(8,161,682,404)	(8,161,682,404)	-
Share issuance costs on initial public offering	3,695,839,247	3,695,839,247	3,695,839,247	3,695,839,247	3,695,839,247
T o t a l	<u>11,794,736,474</u>	<u>11,794,736,474</u>	<u>11,794,736,474</u>	<u>11,794,736,474</u>	<u>19,956,418,878</u>

Effective 1 January 2013, the "Differences Arising From Restructuring Transaction of Entities Under Common Control" was presented as part of the Group's "Additional paid-in capital" account in equity. Furthermore, there is no longer any requirement to recycle such equity balance to consolidated statements of profit or loss and other comprehensive income in the future.

In August 2014, the Company paid its convertible bonds resulting to reclassification of equity portion of convertible bonds to additional paid-in capital amounting to Rp 8,161,682,404.

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24. DIVIDEND

Based on General Meeting of Shareholders dated 29 May 2015, the Company declared a cash dividend of Rp 12 per share totaling Rp 150,396,807,864 to all shareholders of record as of 11 June 2015. The Company has paid the cash dividend in June 2015.

Based on General Meeting of Shareholders dated 5 June 2014, the Company declared a cash dividend of Rp 5 per share totalling Rp 62,665,336,610 to all shareholders of record as of 1 September 2014. The Company has paid the cash dividend in September 2014.

25. NON-CONTROLLING INTEREST

Non-controlling interests in net assets of subsidiaries represent the share of minority shareholders in the net assets of subsidiaries that are not wholly owned by the Company.

Details of non-controlling interests in the equity and share of results of consolidated subsidiaries are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
PT Modern Mitrakarya Serasi	1,000,000	-	1,000,000	-	-
PT Modern Panel Indonesia	-	(62,659,127)	-	(33,098,448)	25,000,088
PT Mitra Mutiara Makmur	-	(612,676)	-	(379,309)	(319,580)
T o t a l	<u>1,000,000</u>	<u>(63,271,803)</u>	<u>1,000,000</u>	<u>(33,477,757)</u>	<u>(24,680,508)</u>

26. REVENUES

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
L a n d	365,402,534,545	1,143,282,921,151	2,472,984,088,163	1,738,962,337,702	1,487,804,556,665
Residential houses and shophouses	691,848,471,038	184,631,468,914	366,550,761,008	965,786,849,794	218,063,337,843
EPS and Wiremesh	3,254,116,717	3,284,433,827	7,591,759,225	11,519,697,132	7,034,998,400
Apartment Units	933,443,309	1,773,594,609	2,558,987,020	8,738,354,276	26,538,619,052
Net sales	<u>1,061,438,565,609</u>	<u>1,332,972,418,501</u>	<u>2,849,685,595,416</u>	<u>2,725,007,238,904</u>	<u>1,739,441,511,960</u>
Hotel and rental income	<u>26,403,762,352</u>	<u>30,879,092,584</u>	<u>64,639,191,619</u>	<u>67,662,706,675</u>	<u>58,558,216,537</u>
Golf course					
Membership fees	4,727,930,423	4,059,118,807	11,117,562,389	10,518,037,412	7,148,536,586
Green fees	3,615,109,097	5,411,899,720	8,286,321,556	8,119,404,107	10,704,192,927
Club House Restaurant	6,368,885,333	5,558,123,784	12,883,689,545	13,711,180,531	13,311,660,161
Others	9,036,628,039	7,813,845,377	15,848,542,001	14,752,752,711	14,780,863,763
Golf course and club house restaurant	<u>23,748,552,892</u>	<u>22,842,987,688</u>	<u>48,136,115,491</u>	<u>47,101,374,761</u>	<u>45,945,253,437</u>
T o t a l	<u>1,111,590,880,853</u>	<u>1,386,694,498,773</u>	<u>2,962,460,902,526</u>	<u>2,839,771,320,340</u>	<u>1,843,944,981,934</u>

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26. REVENUES (Continued)

The details of buyers involving more than 10% of the Group's sales are as follows:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
PT Swabajaindo Ciptasemesta Sejahtera	245,454,545,455	-	-	-	-
PT Aeon Mall Indonesia	-	-	644,889,013,375	-	-
PT Tangerang Matra Real Estate	-	125,090,000,000	600,000,000,000	721,580,000,000	1,000,042,000,000
PT Central Agromina	-	530,627,334,787	530,627,334,787	-	-
PT Charoen Phokpand Indonesia Tbk	-	-	-	650,553,470,000	-
T o t a l	<u>245,454,545,455</u>	<u>655,717,334,787</u>	<u>1,775,516,348,162</u>	<u>1,372,133,470,000</u>	<u>1,000,042,000,000</u>

27. COST OF REVENUES

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
L a n d	119,121,458,553	494,830,438,422	956,104,771,201	609,510,465,720	291,702,490,508
Residential houses and shophouses	369,691,449,299	111,526,239,282	234,565,638,409	526,106,048,229	110,863,382,142
EPS and Wiremesh	3,054,242,627	3,228,036,664	7,066,040,070	10,067,285,910	6,908,134,056
Apartment units	943,371,889	1,220,395,758	1,842,442,334	7,496,666,286	22,026,660,950
Cost of sales	<u>492,810,522,368</u>	<u>610,805,110,126</u>	<u>1,199,578,892,014</u>	<u>1,153,180,466,145</u>	<u>431,500,667,656</u>
Depreciation expense (Note 12)	14,090,260,952	13,844,761,762	27,533,415,296	27,266,671,889	19,736,287,753
Food and beverage	3,602,706,938	4,368,651,169	8,819,031,611	10,793,378,981	11,570,956,669
Utilities, maintenance and management fees	3,543,448,325	3,741,471,699	7,885,363,768	9,408,716,253	9,458,174,352
Rooms	3,218,535,277	3,401,918,872	6,892,793,522	6,292,516,102	5,933,955,456
Others	124,039,087	1,242,587,618	1,962,821,812	1,087,917,536	430,580,259
Direct cost of hotel and rental income	<u>24,578,990,579</u>	<u>26,599,391,120</u>	<u>53,093,426,009</u>	<u>54,849,200,761</u>	<u>47,129,954,489</u>
Golf course :					
Salaries and allowance	6,202,038,175	4,891,612,466	9,184,678,963	9,109,142,364	8,483,077,550
Depreciation expenses (Note 12)	940,838,474	1,071,695,565	2,138,847,525	2,358,079,743	2,685,160,413
Others	4,701,883,670	3,152,224,709	7,473,861,701	5,812,034,724	6,382,148,994
Sub-total	<u>11,844,760,319</u>	<u>9,115,532,740</u>	<u>18,797,388,189</u>	<u>17,279,256,831</u>	<u>17,550,386,957</u>
Club house restaurant:					
Salaries and allowances	2,289,649,579	2,870,671,988	6,098,395,181	6,541,284,213	6,325,297,564
Foods and beverages	1,996,739,837	1,838,676,845	4,156,417,789	3,758,149,851	3,758,899,088
Others	2,761,423,991	1,849,901,906	4,962,455,004	4,173,627,936	4,758,767,234
Sub-total	<u>7,047,813,407</u>	<u>6,559,250,739</u>	<u>15,217,267,974</u>	<u>14,473,062,000</u>	<u>14,842,963,886</u>
Direct costs of golf course and club house restaurant	<u>18,892,573,726</u>	<u>15,674,783,479</u>	<u>34,014,656,163</u>	<u>31,752,318,831</u>	<u>32,393,350,843</u>
T o t a l	<u>536,282,086,673</u>	<u>653,079,284,725</u>	<u>1,286,686,974,186</u>	<u>1,239,781,985,737</u>	<u>511,023,972,988</u>

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27. COST OF REVENUES (Continued)

EPS and wiremesh include depreciation expenses amounting to Rp 1,586,423,533 and Rp 1,586,423,533, Rp 3,172,845,060, Rp 3,172,845,060 and Rp 2,792,260,154 for the six-months periods ended 30 June 2016 and 2015 and for the years ended 31 December 2015, 2014 and 2013, respectively (Note 12).

There is no purchases from suppliers involving more than 10% from total consolidated cost of revenues.

28. SELLING EXPENSES

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Advertising and promotion	18,279,759,365	35,332,601,901	42,519,310,299	29,813,988,616	11,981,381,078
Sales commissions	8,912,252,089	4,770,041,135	9,323,755,055	14,850,796,735	14,857,677,591
Salaries and employees benefits	8,566,524,454	7,619,133,055	16,093,051,326	14,942,865,670	15,501,400,356
Others	2,951,377,243	4,341,138,068	7,576,904,589	7,268,291,915	17,188,425,060
Total	<u>38,709,913,151</u>	<u>52,062,914,159</u>	<u>75,513,021,269</u>	<u>66,875,942,936</u>	<u>59,528,884,085</u>

29. GENERAL AND ADMINISTRATIVE EXPENSES

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Salaries, wages and employee benefits	55,646,979,039	72,562,664,621	154,669,335,021	128,789,927,714	76,136,823,409
Taxes and licenses	16,482,831,640	26,233,381,976	67,875,473,660	59,969,112,333	38,261,959,286
Security expenses	12,040,990,078	8,412,407,143	19,578,288,566	17,906,767,634	9,282,795,683
Repairs and maintenance	9,730,458,012	7,687,952,073	17,440,601,348	22,778,544,994	13,142,850,206
Consultant fees	9,114,685,710	8,924,890,782	18,901,817,359	39,274,958,788	55,342,425,291
Donation, entertainment and representation	7,351,874,670	7,967,632,296	15,731,940,499	12,644,449,089	17,062,272,083
Depreciation expenses (Note 12)	5,959,529,599	4,870,689,390	10,389,313,758	8,234,801,470	6,177,771,726
Electricity, water, postage and telecommunication	2,926,064,988	2,970,727,067	6,309,372,238	5,722,184,443	3,781,654,633
Shipping fees	2,312,967,453	1,997,784,849	4,205,891,158	3,535,033,656	3,465,588,109
Others	16,239,399,138	14,499,242,887	27,658,165,246	33,561,329,420	39,648,467,507
Total	<u>137,805,780,327</u>	<u>156,127,373,084</u>	<u>342,760,198,853</u>	<u>332,417,109,541</u>	<u>262,302,607,933</u>

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30. OTHER OPERATING INCOME AND EXPENSES

a. Other Operating Income

	30 June 2 0 1 6	30 June 2 0 1 5	31 December 2 0 1 5	31 December 2 0 1 4	31 December 2 0 1 3
Gain on foreign exchange	142,174,210,760	-	-	-	-
Gain on sale of property, plant and equipment	699,164,677	11,500,000	-	458,699,200	1,092,370,808
Reversal of allowance for impairment of trade receivables (Note 8)	23,691,113	-	265,552,758	1,284,741,250	2,301,468,877
Mark-to-market gain on forward contracts (Note 7)	-	219,915,000,000	322,835,000,000	85,340,000,000	-
Gain on bargain purchase (Note 4)	-	-	547,242,691,907	-	-
Reversal of accrual and liability	-	-	14,520,845,410	36,645,732,471	-
Others	24,683,522,605	17,026,561,493	42,397,840,818	31,538,334,806	16,331,419,485
T o t a l	167,580,589,155	236,953,061,493	927,261,930,893	155,267,507,727	19,725,259,170

Other income include the Group's income from other services offered to customers which include membership fees, maintenance fees, water charges and electricity charges.

b. Other Operating Expenses

	30 June 2 0 1 6	30 June 2 0 1 5	31 December 2 0 1 5	31 December 2 0 1 4	31 December 2 0 1 3
Mark-to-market loss on forward contracts (Note 7)	156,575,000,000	-	-	-	-
Forward contract fees	46,940,310,500	32,436,756,000	79,369,726,476	29,741,275,556	-
Loss on mark-to-market from short-term investment	119,000,000	-	4,556,000,000	807,500,000	-
Loss on foreign exchange	-	209,636,213,009	337,803,416,794	48,294,773,567	98,846,147,357
Impairment of goodwill (Note 13)	-	-	150,172,696,777	-	-
Loss from relocation of customers	-	-	8,390,636,099	-	-
Provision for allowance for impairment of trade receivables (Note 8)	-	-	1,318,804,684	8,274,657,566	2,291,676,966
Others	7,249,908,559	10,672,522,810	20,044,956,766	17,420,348,451	8,225,352,871
T o t a l	210,884,219,059	252,745,491,819	601,656,237,596	104,538,555,140	109,363,177,194

Other expenses include the Group's expenses for other services offered to customers which include membership fees, maintenance fees, water charges and electricity charges.

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31. FINANCE COSTS

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Bonds payable (Note 20)	252,281,175,110	211,017,806,782	474,864,811,933	334,634,625,132	94,792,288,123
Bank loans (Note 14 and 21)	10,550,052,139	15,350,552,300	33,285,161,311	79,890,718,959	84,431,144,015
Finance lease payables	216,363,630	465,599,023	801,399,936	957,251,633	715,352,538
T o t a l	263,047,590,879	226,833,958,105	508,951,373,180	415,482,595,724	179,938,784,676

32. ACCOUNT BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions between the Group, which is the Company's related party, have been eliminated in the consolidated financial statements and are not presented in this note. Details of transactions between the Group and other related parties are presented below.

The relationship and nature of account balances or transactions with related parties are described as follows:

No.	Related parties	Nature of Relationship	Nature of Transaction
1.	PT Modern Griya Reksa (MGR)	Entities which have the same key management personnel with the Company	Non-trade receivables from related parties
2.	PT Potensi Sukses Bersama (PSB)	Entities which have the same key management personnel with the Company	Non-trade receivables from related parties
3.	Luntungan Honoris	President Commissioner of the Company	Non-trade receivables from related parties
4.	AA Land Pte. Ltd	Shareholder	Convertible bonds

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

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Non-trade receivables from related parties					
PT Modern Griya Reksa	45,278,878,475	45,278,838,475	45,278,828,475	45,278,838,475	33,078,828,432
PT Potensi Sukses Bersama	-	4,816,000,000	-	4,816,000,000	4,816,000,000
Luntungan honoris	-	-	-	-	275,100,000
T o t a l	45,278,878,475	50,094,838,475	45,278,828,475	50,094,838,475	38,169,928,432
Percentage from total assets	0.36%	0.45%	0.35%	0.48%	0.40%
Convertible bonds					
AA Land Pte. Ltd	-	-	-	-	30,575,047,381
Percentage from total liabilities	-	-	-	-	0.63%

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32. ACCOUNT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

Details of the types of transactions with related parties exceeding Rp 1,000,000,000 as of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013 are as follows:

The Group's receivable from MGR pertains to payment of tax made by the Company in behalf of MGR. The receivable is non-interest bearing, without collateral and will be due based on the lender's discretion (demandable).

The Group's receivable from PSB pertains to financial transactions with related parties, such as advances for working capital which is non-interest bearing, without collateral and will be due based on the lender's discretion (demandable).

As of 30 June 2016 and 2015, 31 December 2015, 2014 and 2013, the Group management believes that all amounts due from related parties are collectible and no provision for losses is necessary. All account balances and transactions with related parties are disclosed in the consolidated financial statements.

The amount of gross compensation for key management (including members of the Boards of Commissioners and Directors) of the Company are as follows:

	<u>30 June 2016</u>	<u>30 June 2015</u>	<u>31 December 2015</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
<u>Board of Commissioners</u>					
Short-term employee benefits	<u>4,341,306,348</u>	<u>4,352,898,294</u>	<u>11,501,441,475</u>	<u>10,422,655,563</u>	<u>6,837,363,321</u>
<u>Board of Directors</u>					
Short-term employee benefits	<u>6,063,531,072</u>	<u>6,063,081,936</u>	<u>16,076,438,176</u>	<u>13,224,462,798</u>	<u>7,546,187,799</u>

33. OPERATING SEGMENTS

The Group classified its business activity based on project location and products and services. Each project has revenue from customers that can be attributed directly per project site and per products and services, and each has an influence in terms of making decisions.

There were no significant transactions between segments. Inter-segment revenues are eliminated upon consolidation. The Group segment information is as follows:

The information on operating segments of the Group based on project location is as follows:

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33. OPERATING SEGMENTS (Continued)

	30 June 2016						T o t a l
	Tangerang	Pondok Cabe	Cakung	Serang	Gajah Mada	Elimination	
Revenues	37,585,950,748	6,818,277,272	679,695,970,875	351,420,107,626	42,098,911,780	(6,028,337,448)	1,111,590,880,853
Segment results	(4,499,950,547)	(1,124,069,522)	204,159,533,639	220,290,391,423	(86,952,568,225)	(29,823,176,908)	302,050,159,860
Finance costs							(263,047,590,879)
Finance income							9,649,857,964
Income before income tax							48,652,426,945
Income tax expense							(22,403,071,226)
Net Income							<u>26,249,355,719</u>
Assets and Liabilities							
Segment assets	3,431,717,885,234	195,732,560,828	2,394,396,219,113	3,823,869,419,582	4,271,696,089,271	(2,731,620,729,742)	11,385,791,444,286
Unallocated group assets							1,179,246,825,924
Total Assets							<u>12,565,038,270,210</u>
Segment liabilities	308,743,087,066	8,342,144,525	831,866,034,521	568,630,862,810	9,193,418,401,779	(4,630,007,839,719)	6,280,992,690,982
Unallocated group liabilities							205,610,351,115
Total Liabilities							<u>6,486,603,042,097</u>
Other Segment Information							
Capital expenditure	3,550,429,857	15,800,000	2,534,770,615	2,596,034,909	4,832,365,879	-	13,529,401,260
Depreciation	2,360,211,775	43,292,607	4,748,124,333	4,015,244,185	12,726,990,078	(1,307,969,127)	22,585,893,851

The information on operating segments of the Group based on products and services is as follows:

	30 June 2016				
	Real Estate and Apartment	Golf course and Club House	Hotel	Elimination	Total
Revenues	1,070,837,659,835	23,748,552,892	23,033,005,574	(6,028,337,448)	1,111,590,880,853
A s s e t s					
Segment assets	13,972,864,534,738	95,695,682,619	48,851,956,671	(2,731,620,729,742)	11,385,791,444,286
Unallocated group assets					1,179,246,825,924
Total Assets					<u>12,565,038,270,210</u>
Other Segment Information					
Capital expenditure	9,382,556,243	3,526,524,857	620,320,160	-	13,529,401,260

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33. OPERATING SEGMENTS (Continued)

The information on operating segments of the Group based on project location is as follows:

	30 June 2015						T o t a l
	Tangerang	Pondok Cabe	Cakung	Serang	Gajah Mada	Elimination	
Revenues	<u>166,980,858,980</u>	<u>23,640,629,980</u>	<u>161,081,156,992</u>	<u>1,005,457,718,613</u>	<u>35,534,134,208</u>	<u>(6,000,000,000)</u>	<u>1,386,694,498,773</u>
Segment results	<u>102,840,682,029</u>	<u>6,673,322,155</u>	<u>(10,512,666,969)</u>	<u>454,548,747,993</u>	<u>184,933,173,086</u>	<u>(297,778,946,086)</u>	<u>440,704,312,208</u>
Finance costs							<u>(226,833,958,105)</u>
Finance income							<u>10,285,104,811</u>
Income before income tax							<u>224,155,458,914</u>
Income tax expense							<u>(18,433,082,472)</u>
Net Income							<u><u>205,722,376,442</u></u>
Assets and Liabilities							
Segment assets	<u>2,883,203,993,470</u>	<u>210,930,626,079</u>	<u>1,974,180,138,055</u>	<u>2,314,861,371,752</u>	<u>4,479,254,576,543</u>	<u>(2,091,950,574,357)</u>	<u>9,770,480,131,542</u>
Unallocated group assets							<u>1,342,414,554,370</u>
Total Assets							<u><u>11,112,894,685,912</u></u>
Segment liabilities	<u>173,934,948,453</u>	<u>23,767,750,777</u>	<u>904,783,399,267</u>	<u>616,098,206,631</u>	<u>7,931,674,261,988</u>	<u>(4,101,760,747,483)</u>	<u>5,548,497,819,633</u>
Unallocated group liabilities							<u>175,419,162,777</u>
Total Liabilities							<u><u>5,723,916,982,410</u></u>
Other Segment Information							
Capital expenditure	<u>636,706,774</u>	<u>75,690,909</u>	<u>3,927,238,741</u>	<u>7,886,303,944</u>	<u>1,776,396,094</u>	<u>-</u>	<u>14,302,336,462</u>
Depreciation	<u>2,801,473,145</u>	<u>57,191,520</u>	<u>619,191,785</u>	<u>2,943,051,177</u>	<u>13,644,693,496</u>	<u>1,307,969,127</u>	<u>21,373,570,250</u>

The information on operating segments of the Group based on products and services is as follows:

	30 June 2015				
	Real Estate and Apartment	Golf course and Club House	Hotel	Elimination	Total
Revenues	<u>1,345,345,903,973</u>	<u>22,842,987,688</u>	<u>24,505,607,112</u>	<u>(6,000,000,000)</u>	<u>1,386,694,498,773</u>
Assets					
Segment assets	<u>11,745,295,167,423</u>	<u>94,213,990,246</u>	<u>22,921,548,230</u>	<u>(2,091,950,574,357)</u>	<u>9,770,480,131,542</u>
Unallocated group assets					<u>1,342,414,554,370</u>
Total Assets					<u><u>11,112,894,685,912</u></u>
Other Segment Information					
Capital expenditure	<u>12,926,040,838</u>	<u>736,523,674</u>	<u>639,771,950</u>	<u>-</u>	<u>14,302,336,462</u>

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33. OPERATING SEGMENTS (Continued)

The information on operating segments of the Group based on project location is as follows:

	31 December 2015						T o t a l
	Tangerang	Pondok Cabe	Cakung	Serang	Gajah Mada	Elimination	
Revenues	696,237,998,005	52,473,779,073	966,904,346,750	1,193,310,175,831	65,685,057,755	(12,150,454,888)	2,962,460,902,526
Segment results	493,794,808,945	15,822,181,833	449,658,923,166	940,983,658,293	83,008,571,643	(545,442,891,361)	1,437,825,252,519
Finance costs							(508,951,373,180)
Finance income							31,235,320,884
Income before income tax							960,109,200,223
Income tax expense							(86,689,004,265)
Net Income							<u>873,420,195,958</u>
Assets and Liabilities							
Segment assets	3,222,855,551,749	201,208,469,394	2,389,385,372,384	3,625,575,251,227	4,718,542,898,063	(2,505,147,902,345)	11,652,419,640,472
Unallocated group assets							1,190,631,024,757
Total Assets							<u>12,843,050,665,229</u>
Segment liabilities	86,932,704,583	7,869,150,589	1,091,799,948,166	570,955,934,502	9,211,493,888,893	(4,442,814,154,600)	6,526,237,472,133
Unallocated group liabilities							259,356,354,422
Total Liabilities							<u>6,785,593,826,555</u>
Other Segment Information							
Capital expenditure	1,375,293,524	77,640,909	5,960,664,289	29,523,748,053	3,892,356,038	-	40,829,702,813
Depreciation	5,047,172,248	104,188,106	6,452,417,600	6,785,039,680	27,461,542,259	(2,615,938,254)	43,234,421,639

The information on operating segments of the Group based on products and services is as follows:

	31 December 2015				Total
	Real Estate and Apartment	Golf course and Club House	Hotel	Elimination	
Revenues	2,874,712,553,829	48,136,115,491	51,762,688,094	(12,150,454,888)	2,962,460,902,526
Assets					
Segment assets	14,013,534,431,775	94,016,599,684	50,016,511,357	(2,505,147,902,344)	11,652,419,640,472
Unallocated group assets					1,190,631,024,757
Total Assets					<u>12,843,050,665,229</u>
Other Segment Information					
Capital expenditure	37,987,186,083	1,443,434,424	1,399,082,306	-	40,829,702,813

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33. OPERATING SEGMENTS (Continued)

The information on operating segments of the Group based on project location is as follows:

	31 December 2014						T o t a l
	Tangerang	Pondok Cabe	Cakung	Serang	Gajah Mada	Elimination	
Revenues	1,185,605,260,573	48,226,144,002	642,298,232,139	901,648,438,950	73,993,244,676	(12,000,000,000)	2,839,771,320,340
Segment results	828,880,660,969	13,750,786,190	267,302,843,243	344,401,144,997	(281,880,418,463)	(56,612,340,144)	1,115,842,676,792
Finance costs							(415,482,595,724)
Finance income							13,850,534,167
Income before income tax							714,210,615,235
Income tax expense							(7,915,207,003)
Net Income							706,295,408,232
Assets and Liabilities							
Segment assets	2,669,394,958,620	212,196,905,052	2,007,255,844,438	1,652,188,468,806	4,252,721,239,416	(465,259,535,090)	10,328,497,881,242
Unallocated group assets							30,649,046,191
Total Assets							10,359,146,927,433
Segment liabilities	54,998,519,326	37,433,445,929	649,609,582,352	479,247,413,664	7,566,247,497,506	(3,862,037,456,910)	4,925,499,001,867
Unallocated group liabilities							110,866,309,382
Total Liabilities							5,036,365,311,249
Other Segment Information							
Capital expenditure	2,438,974,543	83,235,500	559,651,364	6,703,780,405	14,744,252,670	-	24,529,894,482
Depreciation	5,755,322,635	95,398,913	4,726,709,428	5,483,995,496	26,500,281,618	(1,529,309,928)	41,032,398,162

The information on operating segments of the Group based on products and services is as follows:

	31 December 2014				T o t a l
	Real Estate and Apartment	Golf course and Club House	Hotel	Elimination	
Revenues	2,747,146,878,685	47,101,374,761	57,523,066,894	(12,000,000,000)	2,839,771,320,340
A s s e t s					
Segment assets	10,672,283,420,879	93,227,952,750	28,246,042,703	(465,259,535,090)	10,328,497,881,242
Unallocated group assets					30,649,046,191
Total Assets					10,359,146,927,433
Other Segment Information					
Capital expenditure	16,761,268,363	4,168,172,013	3,600,454,106	-	24,529,894,482

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33. OPERATING SEGMENTS (Continued)

The information on operating segments of the Group based on project location is as follows:

	31 December 2013						T o t a l
	Tangerang	Pondok Cabe	Cakung	Serang	Gajah Mada	Elimination	
Revenues	<u>1,232,056,848,406</u>	<u>82,856,351,367</u>	<u>27,698,098,344</u>	<u>443,055,689,600</u>	<u>71,164,861,741</u>	<u>(12,886,867,524)</u>	<u>1,843,944,981,934</u>
Segment results	<u>718,787,571,902</u>	<u>28,991,145,210</u>	<u>6,869,692,550</u>	<u>214,737,305,254</u>	<u>(136,009,428,565)</u>	<u>1,742,477,712,744</u>	<u>2,575,853,999,095</u>
Finance costs							<u>(179,938,784,676)</u>
Finance income							<u>19,690,099,237</u>
Share in net income of associates							<u>44,353,619,506</u>
Income before income tax							<u>2,459,958,933,162</u>
Income tax expense							<u>(11,999,333,305)</u>
Net Income							<u><u>2,447,959,599,857</u></u>
Assets and Liabilities							
Segment assets	<u>2,202,246,565,367</u>	<u>195,248,685,059</u>	<u>1,528,928,203,949</u>	<u>1,289,891,833,400</u>	<u>3,402,575,482,830</u>	<u>(362,844,606,529)</u>	<u>8,256,046,164,076</u>
Unallocated group assets							<u>1,304,013,410,325</u>
Total Assets							<u><u>9,560,059,574,401</u></u>
Segment liabilities	<u>525,370,441,663</u>	<u>32,918,329,895</u>	<u>480,669,503,522</u>	<u>516,275,328,054</u>	<u>5,630,351,513,835</u>	<u>(2,411,888,574,460)</u>	<u>4,773,696,542,509</u>
Unallocated group liabilities							<u>115,045,205,499</u>
Total Liabilities							<u><u>4,888,741,748,008</u></u>
Other Segment Information							
Capital expenditure	<u>1,593,193,429</u>	<u>21,553,750</u>	<u>-</u>	<u>11,865,516,561</u>	<u>155,437,721,729</u>	<u>-</u>	<u>168,917,985,469</u>
Depreciation	<u>8,771,597,665</u>	<u>99,510,160</u>	<u>487,504,993</u>	<u>1,213,815,144</u>	<u>21,250,336,436</u>	<u>(431,284,352)</u>	<u>31,391,480,046</u>

The information on operating segments of the Group based on products and services is as follows:

	31 December 2013				Total
	Real Estate and Apartment	Golf course and Club House	Hotel	Elimination	
Revenues	<u>1,757,907,683,410</u>	<u>45,945,253,437</u>	<u>52,978,912,611</u>	<u>(12,886,867,524)</u>	<u>1,843,944,981,934</u>
A s s e t s					
Segment assets	<u>8,498,832,022,651</u>	<u>93,375,495,774</u>	<u>26,683,252,181</u>	<u>(362,844,606,530)</u>	<u>8,256,046,164,076</u>
Unallocated group assets					<u>1,304,013,410,325</u>
Total Assets					<u><u>9,560,059,574,401</u></u>
Other Segment Information					
Capital expenditure	<u>162,575,673,109</u>	<u>843,569,455</u>	<u>5,498,742,905</u>	<u>-</u>	<u>168,917,985,469</u>

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33. OPERATING SEGMENTS (Continued)

Finance income and costs, and share in net income of associates are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment.

34. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

The Company's significant agreements, commitment and contingencies are as follows:

- a. The Company entered into a Build, Operate and Transfer Agreement with PT Artamitra Usahamulia (AU) wherein AU will construct and operate the Modernland sports and recreation facilities on approximately 2.4 hectares of land located in Tangerang owned by the Company for twenty (20) years starting from 1 July 1995. The cost of the land under this agreement amounting to Rp 3,599,610,620 is presented in the consolidated statements of financial position as part of "Other non-current assets".
- b. Under the agreement dated 10 September 2008 regarding the commitment to carry out business activities in the field of hospitality, PT Bumi Perkasa Permai ("BPP"), acting as the owner, entered into a cooperation with PT AAPC Indonesia (Accor), as operator, for Hotel NOVOTEL Gajah Mada with the requirement of payment of a specific portion of the gross income received by the hotel. Subsequently, on 22 November 2012, an amendment to the agreement was made whereby BPP agreed to assign its rights and obligations to the Company. The Company subsequently appointed MMM, a subsidiary, as its agent to exercise all rights and obligations with respect to the operations of the hotel in accordance with the principal agreement.
- c. Based on Land Purchase Agreement dated 5 December 2013, MSM, a subsidiary, will purchase 424,704 m² of land located in Cakung, East Jakarta owned by PT Modern Griya Reksa, a related party, amounting to Rp 155,234,600,000. Payment will be made in September 2018.
- d. The Company is a defendant in court case No. 430 covering claims over 5,670 m² of land located at Cakung, East Jakarta. Estimation of potential loss in this case amounted to Rp 8,505,000,000. The Company won based on the decision of the Supreme Court. Against the decision, a third-party appealed which is still in process as of the completion date of the consolidated financial statements.

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34. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (Continued)

- e. The Company and PT Mitra Sindo Sukses are defendants in a court case No. 357 covering claims over 7,775 m² of land located at Cakung, East Jakarta. Estimation of potential loss in this case amounted to Rp 11,662,500,000. The District Court decided N.O. (Niet Ontvankelijk Verklaard), no one won. Neither the Company nor the plaintiff appealed to the High Court and Court of Appeal issued a decision N.O. (Niet Ontvankelijk verklaard), no one won. The Company has filed an appeal against the decision of the appeal to the Supreme Court which is still in process as of the completion date of the consolidated financial statements.
- f. The Company is a defendant in court case No. 21 covering claims over 280 hectares of land located at Cakung, East Jakarta. The plaintiff is claiming for Rp 518,000,000,000. In this case, the Company won based on the decision of the District Court. The plaintiff filed an appeal on this decision to the High Court in Jakarta, with the decision N.O. (Niet Ontvankelijk Verklaard), because the plaintiff's status is not clear/obscure libel. With this result, the third party appealed against the decision and the case is currently filed in the Civil Secretariat of the East Jakarta District Court to be sent to the Supreme Court which is still in process as of the completion date of the consolidated financial statements.
- g. The Company is undergoing a lawsuit with case No. 45/Pdt.G/2012/PN.TNG, where the Company was sued over disputed ownership rights to land with an area of 2,200 m². Estimation of potential loss in this case amounted to Rp 5,470,000,000. Banten High Court gave decision against this case with Decision No. 44/PDT/2013/PT.BTN dated 1 July 2013 which upheld the ruling of Tangerang District Court. Until the completion date of the consolidated financial statements, the case still in process in Supreme Court because the plaintiff appealed against the decision.
- h. The Company is undergoing a lawsuit in case No. 414/PDT.G/2014/PN.TNG, where the Company was sued over a dispute on Claims Assignment and Transfer of Land and buildings located in Block AG7 No. 47, Housing Kota Modern, Tangerang with a land area of 180 m² and 177 m² of building area. Estimation of potential loss in this case amounted to Rp 215,419,800. On this case, the Tangerang District Court has given a decision dated August 23, 2015 decision that the content is "Plaintiff's Claim Unacceptable (Niet Onvankelijke verklaard)". As of the date of the consolidated financial statements, the case is being examined in the Banten High Court because the plaintiff has made an appeal.
- i. MIE, a subsidiary, is undergoing a lawsuit in case No. 47/PDT/2015/PT.BTN, where MIE was sued over disputed ownership rights to land with an area of 5,812 m². Estimation of potential loss in this case amounted to Rp 1,162,000,000. On this case, Serang District Court has given a decision dated 4 February 2015 the contents of the decision is "Plaintiff's Claim Unacceptable (Niet Onvankelijke verklaard)" and the Banten High Court to decide the verdict Strengthens Serang District Court on 7 July 2015. As of the date of the consolidated financial statements, the case is being examined in the Supreme Court because the plaintiff appealed against the decision.

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34. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (Continued)

- j. NA, a subsidiary, is undergoing a lawsuit in case No. 516/PDT/2014/PT.JKT.UT, where NA was sued over disputed ownership rights to land with sertificate number HGB 177/Nambo Udik. Estimation of potential loss in this case amounted to Rp 8,763,082,900. On this case, North Jakarta District Court decided Lawsuit Granted majority on 7 September 2015. As of the date of the consolidated financial statements, the case is being examined at the Jakarta High Court because NA appealed against the decision.

35. EARNINGS PER SHARE

The following is a reconciliation of the numerator factors and the divisor used in calculating basic and diluted earnings per share:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Net income attributable to owners of the parent company	26,249,355,719	205,752,170,488	873,420,195,958	706,351,898,975	2,448,034,051,374
Weighted-average number of shares outstanding	12,533,067,322	12,533,067,322	12,533,067,322	12,533,067,322	12,533,067,322
Basic and diluted earnings per share	2.09	16.42	69.69	56.36	195.33

36. FINANCIAL RISK MANAGEMENT

The Group's financial risk management policies aim to identify and analyze the financial risks faced by the Group, set appropriate risk limits and controls, and oversee compliance with the limits established.

The Board of Directors has overall responsibility for setting and overseeing risk management framework. Board of Directors has set a financial function that is responsible for developing and monitoring the Group's risk management policy. While the internal audit function has the responsibility to monitor compliance with risk management policies and procedures and to review the adequacy of risk management framework related to the risks faced by the Group to provide its report to the Board of Directors.

The most significant financial risks to which the Group is exposed are described below.

a. Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Due to the Group's operating activities, the Group is exposed to the potential credit-related losses that may occur as a result of an individual, counterparty or issuer being unable or unwilling to honor its contractual obligations.

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36. FINANCIAL RISK MANAGEMENT (Continued)

a. Credit Risk (Continued)

The Group exposure to credit risk arise primarily from managing trade receivables. The Group monitors receivables so that these are collected in a timely manner and also conduct reviews of individual customer accounts on a regular basis to assess the potential for uncollectibility.

In managing the timely collection of receivables, the Group monitors these intensively by sending invoices on a timely basis to the customers based on Standard Operational Procedures (SOP) that have been set. The Group charges penalties to customers for late payment.

The Group's exposure to credit risk on its financial assets arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

	<u>30 June 2 0 1 6</u>	<u>30 June 2 0 1 5</u>	<u>31 Desember 2 0 1 5</u>	<u>31 Desember 2 0 1 4</u>	<u>31 Desember 2 0 1 3</u>
Financial assets measured at fair value through profit or loss:					
Derivative financial assets	251,600,000,000	305,255,000,000	408,175,000,000	85,340,000,000	-
Loans and receivables:					
Cash and cash equivalents*	201,407,390,378	344,522,147,997	517,856,082,714	581,461,673,048	497,701,323,264
Short term investment	1,258,000,000	3,731,500,000	1,181,500,000	5,737,500,000	32,095,000,000
Trade receivables	1,554,003,377,817	1,066,192,935,745	1,508,037,016,433	456,366,680,240	365,810,522,611
Other receivables	9,975,133,696	18,237,220,214	10,542,091,697	12,263,534,604	14,225,829,607
Non-trade receivables from related parties	45,278,878,475	50,094,838,475	45,278,828,475	50,094,838,475	38,169,928,432
Restricted funds	480,720,993,196	397,587,284,964	518,063,601,850	391,026,905,973	321,554,221,325
T o t a l	<u>2,544,243,773,562</u>	<u>2,185,620,927,395</u>	<u>3,009,134,121,169</u>	<u>1,582,291,132,340</u>	<u>1,269,556,825,239</u>

*Excluding cash on hand amounting to Rp 1,048,668,733 and Rp 677,699,276, Rp 764,255,580, Rp 1,045,202,656 and Rp 14,183,279,196 as of 30 June 2016 and 2015, 31 Desember 2015, 2014 and 2013, respectively.

There are no significant concentrations of credit risk within the Group.

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36. FINANCIAL RISK MANAGEMENT (Continued)

a. Credit Risk (Continued)

	31 December 2013					Past due and impaired	T o t a l
	Neither past due nor impaired	Past due but not impaired					
		<30 Days	31-60 Days	61-90 Days	>90Days		
Loans and receivables:							
Cash and cash equivalents	497,701,323,264	-	-	-	-	-	497,701,323,264
Short term investments	32,095,000,000	-	-	-	-	-	32,095,000,000
Trade receivables	248,042,999,983	16,371,707,474	8,942,809,045	15,201,614,917	62,303,976,203	14,947,414,989	365,810,522,611
Other receivables	14,225,829,607	-	-	-	-	-	14,225,829,607
Non-trade receivables from related parties	38,169,928,432	-	-	-	-	-	38,169,928,432
Restricted funds	316,243,932,635	-	-	-	-	5,310,288,690	321,554,221,325
T o t a l	1,146,479,013,921	16,371,707,474	8,942,809,045	15,201,614,917	62,303,976,203	20,257,703,679	1,269,556,825,239

The following table show the credit quality of the Group's financial assets that are neither past due nor impaired:

30 June 2016	Neither past due nor impaired		T o t a l
	High grade	Standard grade	
Financial assets measured at fair value through profit of loss			
Derivative financial assets	251,600,000,000	-	251,600,000,000
Loans and receivables			
Cash and cash equivalents	201,407,390,378	-	201,407,390,378
Short-term investments	1,258,000,000	-	1,258,000,000
Trade receivables	-	1,482,668,490,725	1,482,668,490,725
Other receivables	-	9,975,133,696	9,975,133,696
Non-trade receivables from related parties	-	45,278,878,475	45,278,878,475
Restricted funds	480,720,993,196	-	480,720,993,196
T o t a l	934,986,383,574	1,537,922,502,896	2,472,908,886,470

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36. FINANCIAL RISK MANAGEMENT (Continued)

a. Credit Risk (Continued)

<u>30 June 2015</u>	Neither past due nor impaired		
	High grade	Standard grade	T o t a l
Financial assets measured at fair value through profit of loss			
Derivative financial assets	305,255,000,000	-	305,255,000,000
Loans and receivables			
Cash and cash equivalents	344,522,147,997	-	344,522,147,997
Short-term investments	3,731,500,000	-	3,731,500,000
Trade receivables	-	997,724,986,281	997,724,986,281
Other receivables	-	18,237,220,214	18,237,220,214
Non-trade receivables from related parties	-	50,094,838,475	50,094,838,475
Restricted funds	392,276,996,274	-	392,276,996,274
T o t a l	1,045,785,644,271	1,066,057,044,970	2,111,842,689,241
<u>31December 2015</u>	Neither past due nor impaired		
	High grade	Standard grade	T o t a l
Financial assets measured at fair value through profit of loss			
Derivative financial assets	408,175,000,000	-	408,175,000,000
Loans and receivables			
Cash and cash equivalents	517,856,082,714	-	517,856,082,714
Short-term investments	1,181,500,000	-	1,181,500,000
Trade receivables	-	1,447,029,683,306	1,447,029,683,306
Other receivables	-	10,542,091,697	10,542,091,697
Non-trade receivables from related parties	-	45,278,828,475	45,278,828,475
Restricted funds	518,063,601,850	-	518,063,601,850
T o t a l	1,445,276,184,564	1,502,850,603,478	2,948,126,788,042
<u>31December 2014</u>	Neither past due nor impaired		
	High grade	Standard grade	T o t a l
Financial assets measured at fair value through profit of loss			
Derivative financial assets	85,340,000,000	-	85,340,000,000
Loans and receivables			
Cash and cash equivalents	581,461,673,048	-	581,461,673,048
Short-term investments	5,737,500,000	-	5,737,500,000
Trade receivables	-	386,793,862,897	386,793,862,897
Other receivables	-	12,263,534,604	12,263,534,604
Non-trade receivables from related parties	-	50,094,838,475	50,094,838,475
Restricted funds	385,716,617,283	-	385,716,617,283
T o t a l	1,058,255,790,331	449,152,235,976	1,507,408,026,307

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36. FINANCIAL RISK MANAGEMENT (Continued)

a. Credit Risk (Continued)

<u>31 December 2013</u>	<u>Neither past due nor impaired</u>		
	<u>High grade</u>	<u>Standard grade</u>	<u>T o t a l</u>
Loans and receivables			
Cash and cash equivalents	497,701,323,264	-	497,701,323,264
Short-term investments	32,095,000,000	-	32,095,000,000
Trade receivables	-	248,042,999,983	248,042,999,983
Other receivables	-	14,225,829,607	14,225,829,607
Non-trade receivables from related parties	-	38,169,928,432	38,169,928,432
Restricted funds	316,243,932,635	-	316,243,932,635
T o t a l	<u>846,040,255,899</u>	<u>300,438,758,022</u>	<u>1,146,479,013,921</u>

The Group has assessed the credit quality of its derivative financial assets, cash and cash equivalents, short-term investments and restricted fund as high grade since these are deposited in/or transacted with reputable banks which have low probability of insolvency.

The Groups other financial assets are categorized based on the Group's collection experience with the counterparties. Definitions of the ratings being used by the Group to evaluate credit risk of its counterparties are as follows:

- (1) High grade - settlements are obtained from the counterparty following the terms of the contracts without much collection effort.
- (2) Standard grade - some reminder follow-ups are performed to obtain settlements from the counterparty.

b. Liquidity Risk

Liquidity risk arises when the Group encounters difficulty in realizing its assets or otherwise raising funds to meet commitments associated with its financial liabilities.

The Group's exposure to liquidity risk arise primarily from the placement of funds in excess of those used to support the business activities of the Group. The Group manages liquidity risk by maintaining sufficient cash flows and bank facilities and continuously monitoring projected cash flows and availability of funds. The Group also implements prudent liquidity risk management to maintain sufficient cash balances arising from revenue collection, places the excess cash in low risk financial instruments that provide adequate returns, and pay close attention to the reputation and credibility of financial institutions.

The Group applies liquidity risk management by establishing sufficient cash balances from collection of customers' receivables or other sources.

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36. FINANCIAL RISK MANAGEMENT (Continued)

b. Liquidity Risk (Continued)

The table below summarizes the maturity schedule of the Group's financial liabilities based on undiscounted contractual payments as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013:

<u>30 June 2016</u>	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>T o t a l</u>
Trade payables	106,078,966,202	-	-	106,078,966,202
Other payables	19,514,058,449	-	-	19,514,058,449
Accrued expenses	886,416,577,568	-	-	886,416,577,568
Bonds payable*	1,164,648,619,700	1,524,577,183,000	2,815,877,445,750	5,505,103,248,450
Bank loans*	247,803,563,140	69,406,688,188	1,633,250,688	318,843,502,016
Finance lease liabilities*	1,907,205,655	264,709,512	-	2,171,915,167
Refundable membership deposits	14,137,427,070	-	-	14,137,427,070
T o t a l	2,440,506,417,784	1,594,248,580,700	2,817,510,696,438	6,852,265,694,922

* Including interest expenses

<u>30 June 2015</u>	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>T o t a l</u>
Trade payables	75,635,107,455	-	-	75,635,107,455
Other payables	69,674,921,357	-	-	69,674,921,357
Accrued expenses	699,623,471,279	-	-	699,623,471,279
Bonds payable*	623,489,641,460	1,085,966,342,780	3,428,031,040,250	5,137,487,024,490
Bank loans*	84,308,593,750	75,701,171,875	67,146,484,375	227,156,250,000
Finance lease liabilities*	3,873,879,744	2,232,221,296	117,789,000	6,223,890,040
Refundable membership deposits	15,246,745,099	-	-	15,246,745,099
T o t a l	1,571,852,360,144	1,163,899,735,951	3,495,295,313,625	6,231,047,409,720

* Including interest expenses

<u>31 December 2015</u>	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>T o t a l</u>
Trade payables	77,795,199,012	-	-	77,795,199,012
Other payables	37,498,099,138	-	-	37,498,099,138
Accrued expenses	707,443,452,243	-	-	707,443,452,243
Bonds payable*	1,257,191,479,475	1,554,337,470,750	3,071,981,085,375	5,883,510,035,600
Bank loans*	240,638,020,833	104,824,218,750	-	345,462,239,583
Finance lease liabilities*	2,995,557,744	992,149,424	-	3,987,707,168
Refundable membership deposits	14,180,519,071	-	-	14,180,519,071
T o t a l	2,337,742,327,516	1,660,153,838,924	3,071,981,085,375	7,069,877,251,815

* Including interest expenses

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36. FINANCIAL RISK MANAGEMENT (Continued)

b. Liquidity Risk (Continued)

<u>31 December 2014</u>	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>T o t a l</u>
Trade payables	58,868,327,399	-	-	58,868,327,399
Other payables	79,841,272,432	-	-	79,841,272,432
Accrued expenses	527,110,001,193	-	-	527,110,001,193
Bonds payable*	614,677,178,200	1,054,570,098,200	3,345,798,321,000	5,015,045,597,400
Bank loans*	88,521,484,375	80,019,531,250	103,910,156,250	272,451,171,875
Finance lease liabilities*	4,826,008,492	2,591,820,520	659,081,400	8,076,910,412
Refundable membership deposits	15,407,216,146	-	-	15,407,216,146
T o t a l	1,389,251,488,237	1,137,181,449,970	3,450,367,558,650	5,976,800,496,857

* Including interest expenses

<u>31 December 2013</u>	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>T o t a l</u>
Trade payables	84,161,273,677	-	-	84,161,273,677
Other payables	41,692,759,635	-	-	41,692,759,635
Accrued expenses	342,964,430,246	-	-	342,964,430,246
Bonds payable*	255,493,500,000	505,493,500,000	2,334,468,500,000	3,095,455,500,000
Bank and non-bank loans*	1,131,485,732,670	138,636,890,877	34,622,405,591	1,304,745,029,138
Finance lease liabilities*	4,407,482,208	1,859,774,000	160,140,000	6,427,396,208
Refundable membership deposits	15,948,614,258	271,129,127	-	16,219,743,385
T o t a l	1,876,153,792,694	646,261,294,004	2,369,251,045,591	4,891,666,132,289

* Including interest expenses

c. Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group foreign currency risk arises from the loan received by the Company in foreign currency. Foreign exchange risks on the US dollar are managed through constant monitoring of the political and economic environment. The Company also enters into currency forward contracts to manage its currency risk.

The Group has assets and liabilities denominated in foreign currencies as follows (in full amounts, except Rupiah equivalent):

	<u>30 June 2016</u>	
	<u>U S D</u>	<u>Equivalent</u>
<u>A s s e t s</u>		
Cash and cash equivalents	510,603	6,729,743,944
Trade receivables	2,390,290	31,504,024,311
Restricted funds	12,472,593	164,388,775,740
Total Aset	15,373,486	202,622,543,995

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36. FINANCIAL RISK MANAGEMENT (Continued)

c. Foreign Exchange Risk (Continued)

	30 June 2016	
	U S D	Equivalent
Liabilities		
Accrued expense	(8,741,684)	(115,215,388,530)
Bonds payable	(236,869,291)	(3,121,937,252,195)
Total Liabilities	(245,610,975)	(3,237,152,640,725)
Liabilities - Net	(230,237,489)	(3,034,530,096,730)
	30 June 2015	
	U S D	Equivalent
Assets		
Cash and cash equivalents	1,088,489	14,511,737,947
Restricted funds	12,472,271	166,280,316,972
Total Aset	13,560,760	180,792,054,919
Liabilities		
Accrued expense	(10,281,026)	(137,066,631,966)
Bonds payable	(233,217,515)	(3,109,255,904,989)
Total Liabilities	(243,498,541)	(3,246,322,536,955)
Liabilities - Net	(229,937,781)	(3,065,530,482,036)
	31 December 2015	
	U S D	Equivalent
Assets		
Cash and cash equivalents	18,759,469	258,786,875,812
Trade receivables	2,283,728	31,504,024,311
Restricted funds	12,472,111	172,057,199,440
Total Aset	33,515,308	462,348,099,563
Liabilities		
Accrued expense	(8,741,682)	(120,591,506,639)
Bonds payable	(234,991,108)	(3,241,702,340,714)
Total Liabilities	(243,732,790)	(3,362,293,847,353)
Liabilities - Net	(210,217,482)	(2,899,945,747,790)

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36. FINANCIAL RISK MANAGEMENT (Continued)

c. Foreign Exchange Risk (Continued)

	31 December 2014	
	U S D	Equivalent
<u>Assets</u>		
Cash and cash equivalents	1,348,029	16,769,485,022
Restricted funds	12,472,111	155,153,066,189
Prepaid expenses	3,178	39,534,320
Total Aset	13,823,318	171,962,085,531
<u>Liabilities</u>		
Accrued expense	(8,707,698)	(108,323,766,230)
Bonds payable	(231,569,666)	(2,880,726,638,840)
Total Liabilities	(240,277,364)	(2,989,050,405,070)
Liabilities - Net	(226,454,046)	(2,817,088,319,539)
	31 December 2013	
	U S D	Equivalent
<u>Assets</u>		
Cash and cash equivalents	2,364,924	28,826,059,906
Restricted funds	8,250,094	100,560,394,425
Total Aset	10,615,018	129,386,454,331
<u>Liabilities</u>		
Short term bank loan	(42,500,000)	(518,032,500,000)
Other payables	(7,899)	(96,279,900)
Accrued expense	(3,275,049)	(39,919,569,214)
Bonds payable	(144,124,815)	(1,756,737,365,254)
Total Liabilities	(189,907,763)	(2,314,785,714,368)
Liabilities - Net	(179,292,745)	(2,185,399,260,037)

The table below shows the sensitivity to a reasonably possible change in foreign exchange rates, assuming all other variables are fixed, to the income before income taxes and equity of the Group as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013:

The effect on profit before tax already includes the impact of derivatives outstanding as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013.

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
<u>Strengthened by 5%</u>					
Net income before tax	31,888,270,391 (91,136,524,102)	4,804,991,791	81,835,583,388 (109,081,805,119)		
Equity	31,888,270,391 (91,136,524,102)	4,804,991,791	81,835,583,388 (109,081,805,119)		

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36. FINANCIAL RISK MANAGEMENT (Continued)

c. Foreign Exchange Risk (Continued)

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
Weakened by 5%					
Net income before tax	(9,658,270,391)	(26,455,475,898)	(29,891,241,791)	140,854,416,612	109,081,805,119
Equity	(9,658,270,391)	(26,455,475,898)	(29,891,241,791)	140,854,416,612	109,081,805,119

The change in currency rate is based on the Group's best estimate of expected change considering historical trends. There is no other impact on the Group's equity other than those already affecting the income before income tax.

d. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt with floating interest rates. Floating rate financial instruments are subject to cash flow interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013, with all other variables held constant. The Group's income before tax is affected through the impact on floating rate loans as follows:

Increase/Decrease in Interest Rates	Effect on Income Before Tax				
	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
+10%	(1,674,141,250)	(2,531,250,000)	(2,089,004,470)	(2,953,125,000)	(4,107,829,961)
-10%	1,674,141,250	2,531,250,000	2,089,004,470	2,953,125,000	4,107,829,961

The assumed movement in basis points for interest rate sensitivity analysis is based on the historical observable market environment. There is no other impact on the Group's equity other than those already affecting the income before income tax.

e. Capital Management

The main objective of the Group capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments with respect to changes in economic conditions and the characteristics of its business risks. In order to maintain and adjust its capital structure, the Group may adjust the amount of dividend payments to shareholders or return capital structure. No changes have been made in the objectives, policies and processes as they have been applied in previous years.

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36. FINANCIAL RISK MANAGEMENT (Continued)

e. Capital Management (Continued)

The Group monitors capital using the gearing ratio, which is net debt divided by total net debt and equity attributable to owners of the parent entity. Net debt is composed of short-term loans, long-term bank loans, bonds payable and finance lease liability net of cash and cash equivalents, short-term investments and restricted funds. The Group ensures compliance with minimum gearing ratio as required by the creditors.

Gearing ratio as of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013 are as follows:

	<u>30 June 2016</u>	<u>30 June 2015</u>	<u>31 December 2015</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
Short-term loans	150,000,000,000	-	150,000,000,000	-	880,570,036,969
Current portion of long-term liabilities:					
Bonds payable	755,667,774,220	249,417,945,906	784,984,568,815	248,860,624,619	30,575,047,381
Bank loans	62,984,571,753	61,389,959,127	61,645,034,859	61,223,570,535	141,758,375,644
Finance lease liabilities	1,907,205,655	3,312,674,978	2,643,746,476	4,276,156,323	4,065,186,995
Long-term liabilities - net of current portion:					
Bonds payable	3,357,231,942,852	3,357,493,190,353	3,445,895,975,065	3,128,667,178,598	2,251,957,288,841
Bank loans	80,305,891,201	123,979,456,885	96,729,037,018	154,703,170,781	157,304,566,287
Finance lease liabilities	264,709,512	2,180,955,591	949,501,932	3,348,787,592	1,926,992,267
Sub-total	<u>4,408,362,095,193</u>	<u>3,797,774,182,840</u>	<u>4,542,847,864,165</u>	<u>3,601,079,488,448</u>	<u>3,468,157,494,384</u>
L e s s:					
Cash and cash equivalents	(202,456,059,111)	(345,199,847,273)	(518,620,338,294)	(582,506,875,704)	(511,884,602,460)
Short-term investments	(1,258,000,000)	(3,731,500,000)	(1,181,500,000)	(5,737,500,000)	(32,095,000,000)
Restricted funds	(480,720,993,196)	(392,276,996,274)	(518,063,601,850)	(385,716,617,283)	(316,243,932,635)
Sub-total	<u>(684,435,052,307)</u>	<u>(741,208,343,547)</u>	<u>(1,037,865,440,144)</u>	<u>(973,960,992,987)</u>	<u>(860,223,535,095)</u>
Net debt	3,723,927,042,886	3,056,565,839,293	3,504,982,424,021	2,627,118,495,461	2,607,933,959,289
Total equity attributable to owners of the parent entity	<u>6,078,434,228,113</u>	<u>5,389,040,975,305</u>	<u>6,057,455,838,674</u>	<u>5,322,815,093,941</u>	<u>4,671,293,145,885</u>
Net debt and total equity	<u>9,802,361,270,999</u>	<u>8,445,606,814,598</u>	<u>9,562,438,262,695</u>	<u>7,949,933,589,402</u>	<u>7,279,227,105,174</u>
Gearing ratio	<u>37.99%</u>	<u>36.19%</u>	<u>36.65%</u>	<u>33.05%</u>	<u>35.83%</u>

No changes have been made in the objectives, policies and processes as they have been applied in previous years.

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37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying values of financial instruments of the Group:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
A S S E T S					
<u>Financial assets measured at fair value through profit or loss</u>					
Derivative financial assets	251,600,000,000	305,255,000,000	408,175,000,000	85,340,000,000	-
<u>Loans and receivables</u>					
Cash and cash equivalent	202,456,059,111	345,199,847,273	518,620,338,294	582,506,875,704	511,884,602,460
Short-term investments	1,258,000,000	3,731,500,000	1,181,500,000	5,737,500,000	32,095,000,000
Restricted funds	480,720,993,196	392,276,996,274	518,063,601,850	385,716,617,283	316,243,932,635
Trade receivables	1,531,121,722,764	1,044,340,841,505	1,485,131,670,267	434,514,586,000	350,863,107,622
Other receivables	9,975,133,696	18,237,220,214	10,542,091,697	12,263,534,604	14,225,829,607
Non-trade receivables from related parties	45,278,878,475	50,094,838,475	45,278,828,475	50,094,838,475	38,169,928,432
T o t a l	<u>2,522,410,787,242</u>	<u>2,159,136,243,741</u>	<u>2,986,993,030,583</u>	<u>1,556,173,952,066</u>	<u>1,263,482,400,756</u>
LIABILITIES					
<u>Other financial liabilities</u>					
Short-term loans	150,000,000,000	-	150,000,000,000	-	880,570,036,969
Trade payables	106,078,966,202	75,635,107,455	77,795,199,012	58,868,327,399	84,161,273,677
Other payables	19,514,058,449	69,674,921,357	37,498,099,138	79,841,272,432	41,692,759,635
Accrued expenses	886,416,577,568	699,623,471,279	707,443,452,243	527,110,001,193	342,964,430,246
Bonds payable	4,112,899,717,072	3,606,911,136,259	4,230,880,543,880	3,377,527,803,217	2,282,532,336,222
Bank loans	143,290,462,954	185,369,416,012	158,374,071,877	215,926,741,316	299,062,941,931
Finance lease liabilities	2,171,915,167	5,493,630,569	3,593,248,408	7,624,943,915	5,992,179,262
Refundable membership deposits	14,137,427,070	15,246,745,099	14,180,519,071	15,407,216,146	16,219,743,385
T o t a l	<u>5,434,509,124,482</u>	<u>4,657,954,428,030</u>	<u>5,379,765,133,629</u>	<u>4,282,306,305,618</u>	<u>3,953,195,701,327</u>

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37. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following table presents the fair values of financial instruments of the Group:

	30 June 2016	30 June 2015	31 December 2015	31 December 2014	31 December 2013
A S S E T S					
Financial assets measured at fair value through profit or loss					
Derivative financial assets	251,600,000,000	305,255,000,000	408,175,000,000	85,340,000,000	-
Loans and receivables					
Cash and cash equivalent	202,456,059,111	345,199,847,273	518,620,338,294	582,506,875,704	511,884,602,460
Short-term investments	1,258,000,000	3,731,500,000	1,181,500,000	5,737,500,000	32,095,000,000
Restricted funds	480,720,993,196	392,276,996,274	518,063,601,850	385,716,617,283	316,243,932,635
Trade receivables	1,531,121,722,764	1,044,340,841,505	1,485,131,670,267	434,514,586,000	350,863,107,622
Other receivables	9,975,133,696	18,237,220,214	10,542,091,697	12,263,534,604	14,225,829,607
Non-trade receivables from related parties	45,278,878,475	50,094,838,475	45,278,828,475	50,094,838,475	38,169,928,432
T o t a l	<u>2,522,410,787,242</u>	<u>2,159,136,243,741</u>	<u>2,986,993,030,583</u>	<u>1,556,173,952,066</u>	<u>1,263,482,400,756</u>
LIABILITIES					
Other financial liabilities					
Short-term loans	150,000,000,000	-	150,000,000,000	-	880,570,036,969
Trade payables	106,078,966,202	75,635,107,455	77,795,199,012	58,868,327,399	84,161,273,677
Other payables	19,514,058,449	69,674,921,357	37,498,099,138	79,841,272,432	41,692,759,635
Accrued expenses	886,416,577,568	699,623,471,279	707,443,452,243	527,110,001,193	342,964,430,246
Bonds payable	4,357,717,207,997	3,904,587,145,923	4,055,729,404,337	3,364,110,945,182	2,562,614,315,590
Bank loans	143,290,462,954	185,369,416,012	158,374,071,877	215,926,741,316	299,062,941,931
Finance lease liabilities	2,018,341,451	5,631,769,315	3,610,533,627	7,282,522,286	5,876,367,028
Refundable membership deposits	14,137,427,070	14,221,383,359	14,180,519,071	14,388,509,662	15,195,046,240
T o t a l	<u>5,679,173,041,691</u>	<u>4,954,743,214,700</u>	<u>5,204,631,279,305</u>	<u>4,267,528,319,470</u>	<u>4,232,137,171,316</u>

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

1. Cash and cash equivalents, short-term investments, restricted funds, trade receivables, other receivables, non-trade receivables from related parties, short-term loans, trade payables, other payable, accrued expenses and refundable membership deposits approximate their carrying values due to their short-term nature.
2. The fair values of finance lease liabilities are estimated by discounting future cash flows.
3. The fair value of listed bonds payable are determined by reference to quoted market prices.

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37. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

4. The carrying amount of long-term bank loan approximate their fair values due to the use of floating interest rates for the mentioned instruments, in which the interest rate is always adjusted to market.
5. Derivative not designated as hedging instruments are calculated by reference to certain interbank market rate based on traded IDR/USD spot foreign exchange transaction published by Bank of Indonesia.

Financial instruments measured at fair value are as follows:

<u>30 June 2016</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
A S S E T S				
<u>Financial assets measured at fair value through profit or loss</u>				
Derivative financial assets	251,600,000,000	251,600,000,000	-	-
LIABILITIES				
<u>Other financial liabilities</u>				
Bonds payable	4,357,717,207,997	4,357,717,207,997	-	-
Finance lease liabilities	2,018,341,451	-	-	2,018,341,451
T o t a l	<u>4,359,735,549,448</u>	<u>4,357,717,207,997</u>	-	<u>2,018,341,451</u>
<u>30 June 2015</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
A S S E T S				
<u>Financial assets measured at fair value through profit or loss</u>				
Derivative financial assets	305,255,000,000	305,255,000,000	-	-
LIABILITIES				
<u>Other financial liabilities</u>				
Bonds payable	3,904,587,145,923	3,904,587,145,923	-	-
Finance lease liabilities	5,631,769,315	-	-	5,631,769,315
T o t a l	<u>3,910,218,915,238</u>	<u>3,904,587,145,923</u>	-	<u>5,631,769,315</u>

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37. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

<u>31 December 2015</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
A S S E T S				
<u>Financial assets measured at fair value through profit or loss</u>				
Derivative financial assets	408,175,000,000	408,175,000,000	-	-
LIABILITIES				
<u>Other financial liabilities</u>				
Bonds payable	4,055,729,404,337	4,055,729,404,337	-	-
Finance lease liabilities	3,610,533,627	-	-	3,610,533,627
T o t a l	<u>4,059,339,937,964</u>	<u>4,055,729,404,337</u>	<u>-</u>	<u>3,610,533,627</u>
<u>31 December 2014</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
A S S E T S				
<u>Financial assets measured at fair value through profit or loss</u>				
Derivative financial assets	85,340,000,000	85,340,000,000	-	-
LIABILITIES				
<u>Other financial liabilities</u>				
Bonds payable	3,364,110,945,182	3,364,110,945,182	-	-
Finance lease liabilities	7,282,522,286	-	-	7,282,522,286
T o t a l	<u>3,371,393,467,468</u>	<u>3,364,110,945,182</u>	<u>-</u>	<u>7,282,522,286</u>
<u>31 December 2013</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
A S S E T S				
<u>Financial assets measured at fair value through profit or loss</u>				
Derivative financial assets	-	-	-	-
LIABILITIES				
<u>Other financial liabilities</u>				
Bonds payable	2,562,614,315,590	2,562,614,315,590	-	-
Finance lease liabilities	5,876,367,028	-	-	5,876,367,028
T o t a l	<u>2,568,490,682,618</u>	<u>2,562,614,315,590</u>	<u>-</u>	<u>5,876,367,028</u>

As of 30 June 2016 and 2015 and 31 December 2015, 2014 and 2013. There were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

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38. EVENTS AFTER THE REPORTING PERIOD

On 29 July 2016, the Company obtained credit facilities from Standard Chartered Bank amounting to USD 12,000,000 bearing interest of 4% + USD LIBOR per annum and with a term of six months of up to 31 January 2017. The purpose of this loan is to partially finance the development of Jakarta Garden City.

39. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group management is responsible for the preparation and presentation of the consolidated financial statements which were completed and authorized for issuance by the Company's Directors on 5 August 2016.