

DEFINITION

Bapepam-LK (*Badan Pengawas Pasar Modal-Lembaga Keuangan*) : Capital Market Supervisory Board and Financial Institution, as referred to in the Minister of Finance of the Republic of Indonesia No. 184/KMK.01/2010, dated October 11, 2010 on Organization and Administration of the Ministry of Finance

BEI (*Bursa Efek Indonesia*) : Indonesia Stock Exchange, namely stock exchange as referred to in Article 1 paragraph 4 of Law on Capital Market, as the party that organizes and provides a system and/or a means to reconcile sales and purchase of Security transactions of other parties with the aim at trading Securities among them, held by PT Bursa Efek Indonesia, a limited liability company domiciled in Jakarta, where CTRA, CTRS and CTRP shares are listed

Chairman Emeritus : Honorary Commissioner which is a non-structural position given to Mr. DR. Ir. Ciputra

CTRA : PT Ciputra Development Tbk., a limited liability company incorporated according to and under the laws applicable in the Republic of Indonesia and domiciled in South Jakarta

CTRP : PT Ciputra Property Tbk., a limited liability company incorporated according to and under the laws applicable in the Republic of Indonesia and domiciled in South Jakarta

CTRS : PT Ciputra Surya Tbk., a limited liability company incorporated according to and under the laws applicable in the Republic of Indonesia and domiciled in Surabaya

Securities : Negotiable papers, namely acknowledgment of debt securities, commercial papers, shares, bonds, proof of debts, collective investment contractual participation units, futures contracts on securities and any derivative of Securities as referred to in Article 1 paragraph 5 of Law on Capital Market

Entities/Subsidiaries : Subsidiaries of CTRA, CTRS and/or CTRP (as relevant) whose financial statements are consolidated with the Company in accordance with the Statement of Financial Accounting Standards (PSAK) applicable in Indonesia

KSEI : PT Kustodian Sentral Efek Indonesia, a limited liability company incorporated under the laws applicable in the Republic of Indonesia

Menkumham (Menteri : Minister of Justice and Human Rights

Hukum dan Hak Asasi of the Republic of Indonesia
Manusia)

FSA : Financial Services Authority which is an institution that is independent and free of interference by other parties, having functions, duties and authorities to regulate, supervise, inspect and investigate as referred to in Law No. 21 of 2011 concerning the Financial Services Authority ("Law on FSA") where the duties and authorities include financial services regulatory and supervisory activities in the banking sector, capital market, insurance, funds pensions, financial services institutions and other financial institutions. From December 31, 2012, the functions, duties and authorities to regulate and supervise the financial services activities in the Capital Market sector shift from Bapepam-LK to the FSA, or its successors and recipient of rights

and obligations, in accordance with
Article 55 of Law on FSA

Merger : Merger between Merging Companies into
CTRA, which will act as Merged
Companies, which will be implemented
in accordance with the provisions of
laws and regulations applicable in
the Republic of Indonesia, including
Law on Limited Liability Company, Law
on Capital Market, Bapepam-LK No.
IX.G.1., IDX Regulation and
Government Regulation No. 57/2010 and
all the implementing regulation of
the laws

Regulation No. IX.E.1 : Bapepam-LK Regulation No. IX.E.1,
annex to the Chairman of Bapepam-LK
Decision No. KEP-412/BL/2009, dated
November 25, 2009, concerning
Affiliated Transactions and Certain
Transaction Conflicts of Interest

Regulation No. IX.G.1 : Bapepam-LK Regulation No. IX.G.1,
annex to the Chairman of Bapepam-LK

Decision No. Kep-52/PM/1997, dated
December 26, 2007, concerning Merger
or Consolidation of Public Companies
or Issuers' business

Regulation No. I-G : Register Regulation No. I-G on
Business Merger or Consolidation

Regulation No. XI.B.2 : Bapepam-LK Regulation No. XI.B.2,
annex to the Chairman of Bapepam-LK
Decision No. KEP-105/BL/2010, dated
April 13, 2010, concerning Repurchase
of Shares Issued by Issuers or Public
Companies

Merged Companies : A limited liability company which at
the time of Merger becomes effective
and will keep standing as a company
receiving Merger of Merging Company,
which in this case is CTRA

Merging Companies : CTRS and/or CTRP which will merge
into CTRA, depending on the approval
of EGMS of each Merger Participant,
which at the time of Merger becomes

effective and will end due to law

DGT Regulation No. 28/2008 : DGT Regulation No. PER-28/PJ/2008 dated June 19, 2008, concerning Terms and Procedures for Granting Permits to Use Book Value On Transfer of Assets within the Framework of Business Merger, Consolidation or Expansion

Merger Participants : a. CTRA, CTRS and CTRP, collectively;
or
b. CTRA and CTRS, collectively; or
c. CTRA and CTRP, collectively;
where relevant, depending on the approval of EGMS of CTRA, CTRS and CTRP respectively

PMK No. 43/2008 : Minister of Finance Regulation No. 43/PMK.03/2008, dated March 13, 2008, concerning the Use of Book Value On Transfer of Assets within the Framework of Business Merger, Consolidation or Expansion

POJK No. 2/2013 : FSA Regulation No. 2/POJK.04/2013, dated August 26, 2013, concerning Repurchase of Shares Issued By Issuers or Public Companies in the Fluctuating Market Conditions Significantly

POJK No. 32/2014 : FSA Regulation No. 32/POJK.04/2014, dated December 8, 2014, concerning the Planning and Organization of the General Meeting of Shareholders of Public Listed Companies

Pooling of Interest : A method of accounting where the shareholders of merging companies are a unity and relatively remain unchanged at a new accounting entity

Government Regulation No. 27/1998 : Government Regulation No. 27 of 1998 concerning Merger, Consolidation and Acquisition of Limited Liability Company

Government Regulation No. 34/2016 : Government Regulation No. 34 of 2016 concerning Income Tax on Income from Transfer of Rights to Land and/or

Buildings, and Sale and Purchase
Engagement Agreement on Land and/or
Buildings and its amendment

Government Regulation : Government Regulation No. 57 of 2010
No. 57/2010 concerning Merger or Consolidation of
Business Entities and Acquisition of
Shares of Companies that can Result
in the Occurrence of Monopolistic
Practices and Unfair Competition

EGMS : Extraordinary General Meeting of
Shareholders that will be organized
by each of Merger Participants which
inter alia, will approve the plan for
Merger, which will entirely be held
on December 2, 2016 or other date
which is a delay or a change thereof

DGT Circular Letter : DGT Circular Letter No. SE-
No. 29/2015 29/PJ/2015, dated April 13, 2015,
concerning Guidelines on the
Implementation of the Minister of
Finance Regulation No. 43/PMK.03/2008
concerning the Use of Book Value On

Transfer of Assets within the
Framework of Business Merger,
Consolidation or Expansion

SHGB (*Sertifikat Hak Guna Bangunan*) : Certificate of Building Exploitation Permit

SIUP (*Surat Izin Usaha Perdagangan*) : Trade Business Permit

SKDP (*Surat Keterangan Domisili Perusahaan*) : Certificate of Domicile

Scenario 1 : A condition where Merger between CTRA with CTRP and CTRS occurs

Scenario 2 : A condition where Merger only occurs between CTRA and CTRS, while CTRP does not merge into CTRA because it is not approved by EGMS of CTRP

Scenario 3 : A condition where Merger only occurs between CTRA and CTRP, while CTRS does not merge into CTRA because it is not approved by EGMS of CTRS

Law on Anti-Monopoly : Law No. 5 of 1999 concerning

Prohibition of Monopoly Practice and
Unfair Competition

UUKUP : Law No. 28 of 2007 concerning Third
Amendment to Law No. 6 of 1983
concerning General Taxation
Provisions and Procedures

UUPM : Law No. 8 of 1995 concerning Capital
Markets

UUPPH : Law No. 36 of 2008 concerning Fourth
Amendment to Law No. 7 of 1983
concerning Income Tax

UUPPN : Law No. 42 of 2009 concerning Third
Amendment to Law No. 8 of 1983 on
Value Added Tax of Goods and Services
and Sales Tax on Luxury Goods

UUPDRD : Law Number 28 of 2009 concerning
Regional Taxes and Levies

UUPT : Law No. 40 of 2007 concerning Limited
Liability Company

Law No. 13/2003 : Law No. 13 of 2003 concerning
Employment

I. INTRODUCTION

CTRA, CTRS and CTRP intends to merge where CTRS and CTRP will
merge into CTRA and CTRA will be the Merged Company. In the

event that EGMS of one of the Merging Companies does not approve the Merger Draft and in view of the approval of EGMS of CTRA on the Merger Draft, the Merger Draft as contained in this Merger Draft will remain to be carried out between CTRA and one of the Merging Companies that has been approved by EGMS. However in the event that the approval of EGMS of CTRA or EGMS of the entire Merging Companies is not obtained, the Merger will not be conducted.

MERGER DRAFT

PT CIPUTRA SURYA TBK. AND/OR

PT CIPUTRA PROPERTY TBK.

INTO PT CIPUTRA DEVELOPMENT TBK.

Date of Registration of Shareholders : November 9, 2016

Entitled to Attend EGMS

Estimated Effective Date : December 1, 2016

Statement of Merger of EGM CTRA, CTRS and : December 2, 2016

CTRP

Final Date of CTRS and CTRP Shares : December 23, 2016

Trading in Regular Market, Negotiation

Market and Cash Market

Approval of Minister of Justice and Human : December 30, 2016

Rights of the Republic of Indonesia

concerning Deed of Merger

Effective Date of Merger : December 30, 2016

Commencement Date of New Shares Trading : January 3, 2017

in CTRA as a Merged Company



PT CIPUTRA DEVELOPMENT TBK.

Business Fields:

Engaged in the Fields of Construction and Development,
Investment, Services, Industry and Trade

Domiciled in South Jakarta

Head Office:

Ciputra World 1, DBS Bank Tower Lantai 39
Jl. Prof. DR. Satrio Kav. 3-5, Jakarta 12940

Phone: (2-21)2988 5858

Facsimile: (62-21) 2988 8989

Website: www.ciputradevelopment.com



PT CIPUTRA SURYA TBK

Business Fields:

Engaged in the Fields of
Construction, Investment,
Services, Industry and Trade

Domiciled in Surabaya

Head Office:

Office Park # 1, Jalan
CitraLand Utama
CitraLand, Surabaya 60 219
Phone: {62-31) 740 8009
Facsimile: (62-31) 741 4618
Website: www.ciputrasurya.com



PT CIPUTRA PROPERTY TBK

Business Fields:

Engaged in the Fields of
Construction, Investment,
Services, Industry and Trade

Domiciled in South Jakarta

Head Office:

Ciputra World 1, DBS Bank
Tower Lantai 38
Jl. Prof. DR. Satrio Kav. 3-5,
Jakarta 12940
Phone: (62-21) 2988 8898
Facsimile: (62-21) 2988 8899
Website:
www.ciputraproperty.com

BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF MERGER
PARTICIPANTS (AS DEFINED IN THIS MERGER DRAFT), BOTH
INDIVIDUALLY AND COLLECTIVELY, ARE SOLELY RESPONSIBLE FOR THE
ACCURACY OF ALL INFORMATION OR MATERIAL FACTS CONTAINED IN

THIS MERGER DRAFT AND CONFIRM THAT AFTER IMMEDIATE INVESTIGATION, PROVIDED THE KNOWLEDGE OF MERGER PARTICIPANTS, NO RELEVANT UNEXPRESSED INFORMATION OR MATERIAL FACTS CAN CAUSE INFORMATION OR MATERIAL FACT AS DISCLOSED IN THIS MERGER DRAFT TO BECOME UNTRUE AND/OR MISLEADING.

THIS MERGER DRAFT WAS PREPARED TOGETHER BY THE BOARD OF DIRECTORS OF MERGER PARTICIPANTS AFTER THE PROPOSED MERGER DRAFT PREPARED BY EACH DIRECTORS OF MERGER PARTICIPANT WAS APPROVED BY EACH OF THE BOARD OF COMMISSIONERS OF EACH MERGER PARTICIPANT.

THIS MERGER DRAFT HAS BEEN APPROVED BY THE BOARD OF COMMISSIONERS OF EACH MERGER PARTICIPANT, BUT NOT YET OBTAINED AN EFFECTIVE STATEMENT FROM FSA AND NOT APPROVED BY EGMS (AS DEFINED BELOW) OF EACH PARTICIPANT MERGER. THE EGMS OF MERGER PARTICIPANTS WILL BE HELD ON DECEMBER 2, 2016. MERGER WILL BE HELD WHEN EGMS OF ALL MERGER PARTICIPANTS APPROVES THE MERGER PLAN. IN THE EVENT THAT EGMS OF CTRS OR CTRP DISAPPROVES THE MERGER PLAN, THEN, IN VIEW OF THE APPROVAL OF EGMS OF CTRA ON THE MERGER PLAN, THE MERGER DRAFT AS SET FORTH IN THIS MERGER DRAFT WILL REMAIN TO BE EXECUTED BETWEEN CTRA AND ONE OF CTRS OR CTRP. BUT IN THE EVENT THAT THE APPROVAL OF EGMS OF CTRA OR EGMS OF ALL MERGER PARTICIPANTS ARE NOT OBTAINED, A NEW MERGER

DRAFT CAN BE PROPOSED TO FSA 12 (TWELVE) MONTHS AFTER THE DATE OF EGMS.

MERGER DRAFT AS STATED IN THIS MERGER DRAFT IS CONDUCTED WITH REGARD TO THE INTERESTS OF EACH MERGER PARTICIPANT, COMMUNITY AND FAIR COMPETITION IN CONDUCTING BUSINESS, AND THE SATISFACTION OF THE RIGHTS OF SHAREHOLDERS OF THE COMMUNITY AND EMPLOYEES.

IN THE MERGER, SHAREHOLDERS OF THE MERGING COMPANY WILL BE SHAREHOLDERS OF THE MERGING COMPANY ON THE EFFECTIVE DATE OF MERGER. HOWEVER, BY CONSIDERING THAT THE MERGER PARTICIPANTS ARE COMPANIES WHOSE SHARES ARE LISTED IN INDONESIA STOCK EXCHANGE AND IN THE FRAMEWORK OF MERGER, TEMPORARY STOPAGE OF SHARE TRADING (TRADING SUSPENSION) OF MERGER PARTICIPANTS WILL NOT BE CONDUCTED, SO THE SHAREHOLDERS WHO DISAGREE WITH THE MERGER DRAFT MAY SELL THEIR PARTIAL OR ENTIRE SHARES THROUGH SHARE TRADING IN OR OUT OF INDONESIA STOCK EXCHANGE.

IF YOU ARE HAVING DIFFICULTY TO UNDERSTAND THE INFORMATION AS CONTAINED IN THIS MERGER DRAFT OR IN DOUBT TO MAKE DECISION YOU SHOULD CONSULT WITH THE BROKER OF SECURITIES TRADERS, INVESTMENT MANAGERS, LEGAL COUNSELS, PUBLIC ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR.

ON THIS MERGER DRAFT, EACH SHAREHOLDER OF THE MERGER PARTICIPANTS HAS COMMITTED TO APPROVE THE MERGER DRAFT AS SET OUT IN THIS MERGER DRAFT. As FOR THE SHAREHOLDERS CAN BE DESCRIBED AS FOLLOWS: (I) SHAREHOLDERS OF CTRA WHO HAVE COMMITTED ARE THE PT OF THE PIONEER WHOSE SHARE OWNERSHIP REPRESENT 30.63% OF PAID-UP CAPITAL AND ISSUED IN CTRA; (II) SHAREHOLDERS OF CTRS WHO HAVE COMMITTED ARE CTRA WHOSE SHARE OWNERSHIP REPRESENT 62.66% OF PAID-UP CAPITAL AND ISSUED IN CTRS; AND (III) SHAREHOLDERS OF CTRP WHO HAVE COMMITTED ARE CTRA WHOSE SHARE OWNERSHIP REPRESENT 56.30% OF PAID-UP CAPITAL AND ISSUED IN CTRP.

MERGER DRAFT LEADS TO DILUTION RISK TO SHAREHOLDERS OF CTRA. ASSUMING (I) CONVERSION FACTOR OF SHARES OF CTRA IS 2.13x FOR SHARES OF CTRS AND 0.55x FOR SHARES OF CTRP; AND (II) NO SHAREHOLDERS DISAPPROVE THE MERGER PLAN, THE POSSIBILITY OF MAXIMUM DILUTION FOR SHAREHOLDERS OF CTRA IN SCENARIO 1 SCENARIO 2 AND SCENARIO 3 IS RESPECTIVELY 16.9%, 9.5% AND 9.0% (ASSUMED COMPOSITION OF SHAREHOLDERS AS PER SEPTEMBER 30, 2016).

MAIN RISKS RELATED TO MERGER ARE AS FOLLOWS: (I) THE POTENTIAL IMPLICATIONS OF TAXATION TO BE IMPOSED TO THE MERGING COMPANY AND (II) POST-MERGER, THE POSSIBILITY OF SHARE PRICE TO BECOME UNSTABLE AND THE INCREASE IN AVERAGE DAILY TRADING VALUE WHICH

CANNOT BE EXPECTED MAY NOT COME TRUE. THE RISK OF MERGER IS LISTED COMPLETELY IN CHAPTER III IN THIS MERGER DRAFT.

THIS MERGER DRAFT IS ISSUED IN JAKARTA ON NOVEMBER 30, 2016

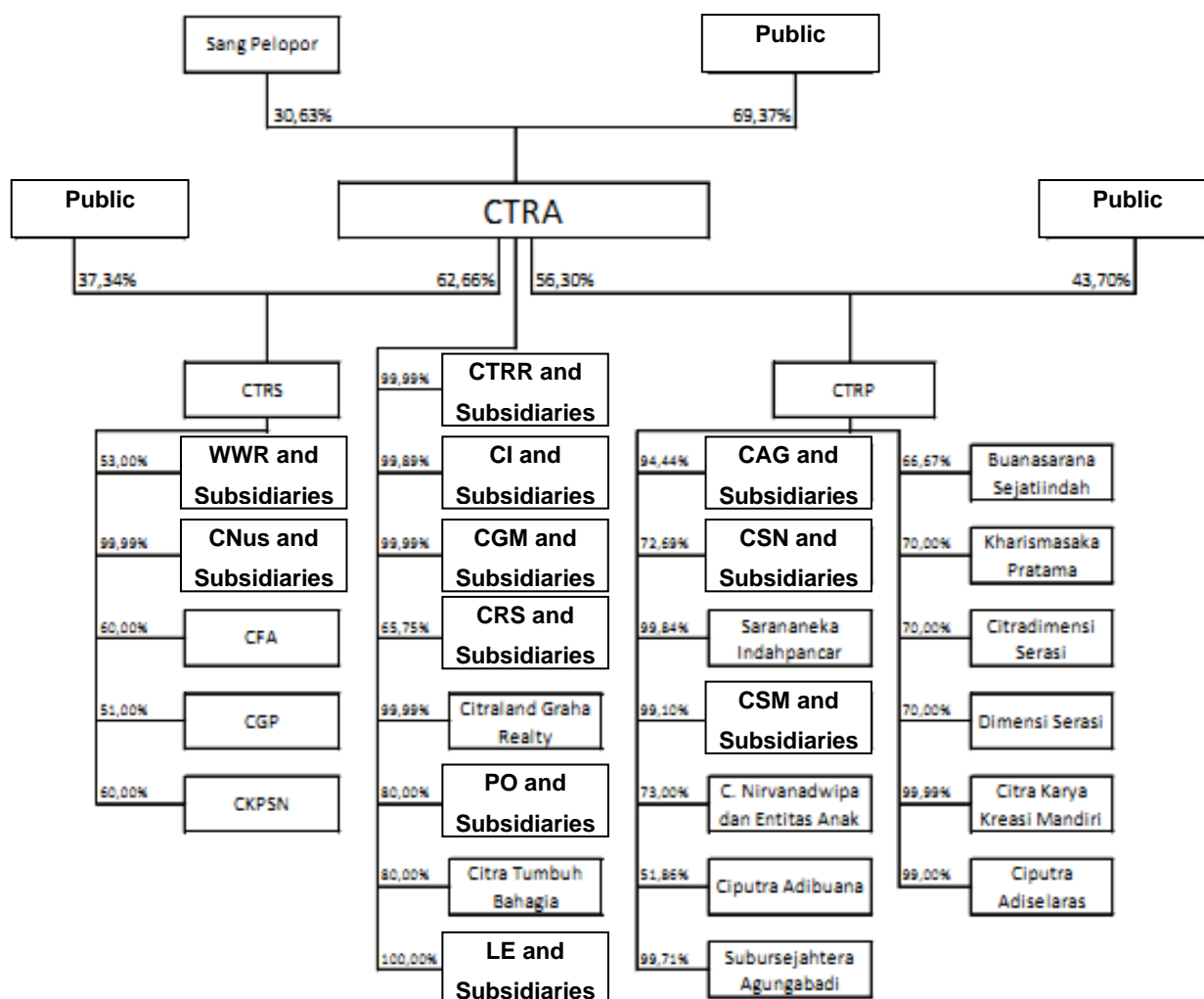
In connection with the Merger, in general the main business activities of CTRA is to establish and run companies and businesses in the fields of construction and development of residence (real estate), flats (apartments), offices, shops, shopping centers, recreation areas and tourist areas and their facilities as stated in the Articles of Association of CTRA which has been run by CTRA on the date of this Merger Draft.

Merger is an Affiliated Transaction as defined in Regulation No. IX.E.1, due to (i) ownership relationship and (ii) management and supervision relationship between Merger Participants, as described below:

Ownership Relationship		
CTRA	CTRS	CTRP
CTRA has ownership of all issued and paid-up in full in CTRS	CTRS with 62.66% of shares issued and paid-up in full in CTRS	Owned by CTRA of all shares issued and paid-up in full in CTRP

CTRA has CTRP with ownership of 56.30% of all shares issued and paid-up in full in in CTRP

The following is a diagram of ownership relationship between Merger Participants and each shareholder of Merger Participants and Subsidiaries of Merger Participants:



Remarks :

				Longfield
WWR	PT WinWin Reatty Centre	CTRR	PT Ciputra Residence	LE Enterprises Ltd.
CNus	PT Ciputra Nusantara	Cl	PT Ciputra Indah	CAG PT Ciputra Adigraha
CFA	PT Cahayafajar Abaditama	CGM	PT Ciputra Graha Prima	CSN PT Ciputra Sentra
CGP	PT Ciputra Graha Prima	CRS	PT Ciputra Graha Mitra	CSM PT Ciputra Semarang
CKPSN	PT Ciputra	KPSN PO	PT Penta Oktoneatama	CNirvanad wipa PT Ciputra Nirvanadwipa

The relationship between the management and supervision of Merger Participants can be seen from the following table:

Management and Supervision Relationship			
Name	CTRA	CTRS	CTRP
DR. Ir. Ciputra	President Commissioner	Chairman Emehtus	Chairman Emehtus
Dian Sumeler	Commissioner	-	Commissioner
Kodradi	Independent Commissioner	-	-
Candra Ciputra	President Director	President Commissioner	President Director
Rina Ciputra	Director	Director	-

Sastrawinata			
Junita	Director	-	-
Ciputra			
Tanan			
Herwandi	Director	-	-
Antonius			
Drs. Tulus	Independent		
Santoso	Director/ Corporate Secretary	-	-
Sandra			
Hendharto	-	Commissioner	-
Henk			
Wangitan	-	Commissioner	-
Harun Hajadi			
	-	President	Director
		Director	
Cakra			
Ciputra	-	Director	President Commissioner
Nanik			
Joeliawati	-	Director/Corporate Secretary	-
Santoso			
Ir. Sutoto			
Yakobus	-	Director	-
Edy Mulyono			
	-	Independent	-
		Director	
Thomas			
	-	-	Independent

Bambang			Commissioner
Ir.			Direktur/Sekret
Artadinata	-	-	aris
Djangkar			Perusahaan
Bing			
Sugiarto	-	-	Director
Chandra			
Gina Tjie	-	-	Director
Sugwantono			Independent
Tanto	-	-	Director

Pursuant to the Merger Draft, the Board of Directors of Merger Participants hereby present this Merger Draft with the aim at providing information to shareholders of each of Merger Participants and other interested parties, regarding the proposal to implement the Merger. This information to shareholders as referred to above is provided in order to obtain approval of EGMS of each Merger Participant.

II. BRIEF DESCRIPTION OF MERGER PARTICIPANTS

1. PT Ciputra Development Tbk

1.1. A Brief History

CTRA was established in the name of PT Citra Habitat Indonesia under the Deed of Establishment No. 22, dated October 22,

1981, made before Hobropoerwanto, Notary in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia based on the Decree No. Y.A.5 / 417/9 dated June 4, 1982 and registered at the District Court of Jakarta on August 7, 1982 No. 2749, and subsequently announced in the Supplement No. 1131, State Gazette of the Republic of Indonesia No. 72 dated September 7, 1982.

In 1994, CTRA made initial public offering of shares amounting to 250,000,000 to public who are then listed on the Jakarta Stock Exchange.

The Articles of Association of CTRA have been amended several times, lastly by the Deed of Meeting Resolution No. 105 dated July 27, 2015, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Jakarta, where the deed has been received and recorded in the database of Legal Entity Administration System based on the Letter of Notice on the amendment to the articles of association No. AHU-AH.01.03-09576000 dated August 19, 2015 in conjunction with the Amendment of Articles of Association No. 171 dated August 31, 2016, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Jakarta, where the deed has been received and recorded in the database of Legal Entity Administration System based on the Letter of Notice on the amendment to the articles of association No. AHU-AH.01.03-0077687 dated September 5, 2016. The composition of CTRA board

was lastly amended by the Deed of Minutes of Extraordinary General Meeting No. 57 dated January 14, 2016, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Central Jakarta, where the deed has been received and recorded in the database of Legal Entity Administration System based on the Letter of Notice on the amendment to the articles of association No. AHU-AH.01.03-0014554 dated February 3, 2016.

1.2. Business Activities

In accordance with article 3 of the last articles of association under the Deed of Meeting Resolution of CTRA No. 105 dated July 27, 2015, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Jakarta, scope of business activities of CTRA is in the fields of Construction and Development, Investment, Services, Industry and Trade.

Commercial Activities

CTRA is a parent company that has Subsidiaries engaged in the fields of development and sales of real estate such as home, house cum shop/home office and warehouse and its supporting facilities; development, sales, management of apartments and office buildings as well as development and management of shopping centers/malls, hotels, golf courses and waterpark.

On the date of this Merger Draft, CTRA is not carrying out any project development and construction.

Permits

To carry out its commercial activities as referred to above, CTRA has material permits in the form of Large SIUP and SKDP.

1.3. Capital Structure and Shareholding

The capital structure and shareholding structure of CTRA is as stated in the Deed No. 129 dated October 19, 2016, made before Buntario Tigris Darmawa Ng, S.H. S.E., M.H., Notary in Central Jakarta, where the deed has been received and recorded in the database of Legal Entity Administration System based on the Letter of Notice on the amendment to the Company Data No. AHU-AH.01.03-0091185 dated October 20, 2016 and registered in the Company Register No. AHU-0124124AH.01.11. of 2016 dated October 20, 2016, are as follows:

Remarks	Nominal Value of Rp250 per share		
	Total Share	Total Nominal	Percentage
Authorized Capital	20,000,000,00	5,000,000,000,00	100.00
	0	0	
Issued and Paid-up Capital	15,425,291,22	3,856,322,805,00	77.13
	0	0	
Total in Portfolio	4,574,708,780	1,143,677,195,00	22.87
		0	

Detailed

Shareholders:

PT Sang Pelopor	4,724,219,353	1,181,054,838,25	30.63
		0	
Public	10,701,017,867	2,675,267,966,75	69.37
	7	0	
Total	15,425,291,223	3,856,322,805,00	100.00

1.4. Board and Supervisory Structure

Based on the Deed of Resolution of CTRA No. 57 dated January 14, 2016, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Jakarta, the Board of Commissioners and Directors of CTRA are as follows:

Board of Commissioners

President Commissioner : DR. Ir. Ciputra

Commissioner : Dian Sumeler

Independent Commissioner : Kodradi

Board of Directors

President Director : Candra Ciputra

Director : Rina Ciputra Sastrawinata

Director : Junita Ciputra

Director : Tanan Herwandi Antonius

Independent Director : Tulus Santoso Brotosiswojo

Human Resources

Based on Employment Report Obligatory of CTRA with Registration No. 317100/228/2015/61000/20/3930/2016 dated October 6, 2016, CTRA has 48 permanent employees and 16 non-permanent employees.

1.5. Land and Building

On the date of this Merger Draft, CTRA owns property in the form of land as follows:

No.	Certificate No.	Date of Issuance	Date of Right Expiry	Area (m²)	Location	Right Holder
1.	SHGB No. 708	March 11, 1991	August 9, 2030	489	Pegadungan Village, Cengkareng	CTRA
2.	SHGB No. 709	March 11, 1991	August 9, 2030	196	Pegadungan Village, Cengkareng	CTRA
3.	SHGB No. 7157	April 29, 1999	August 9, 2030	128	Pegadungan Village, Cengkareng	CTRA

1.6. Debt/Credit Facilities

On the date of this Merger Draft, CTRA does not obtain any debt or credit facility from any party, including but not limited to banks and financial companies.

1.7. Overview of Key Financial Data

The table below is a summary of key financial data of CTRA for a period of 6 (six) months ended on June 30, 2016, and the year ended on December 31, 2015 quoted from Consolidated Financial Statements of CTRA audited by the Public Accounting Firm Purwantono, Sungkoro & Surja, with reasonable unqualified opinion as well as for the year ended on December 31, 2014 and 2013, audited by the Public Accounting Firm Purwantono, Suherman & Surja, with reasonable unqualified opinion:

	30 June		31 December	
	2016	2015	2014	2013
	Rp millions	Rp millions	Rp millions	Rp million s

CONSOLIDATED FINANCIAL

POSITION STATEMENTS

Asset

Fixed Asset	12,545,676	12,022,90	11,094,50	9,751,8
		7	7	24

Non-Fixed Asset	14,736,082	14,235,81	12,444,20	10,493,
		1	8	711
Total Assets	27,281,758	26,258,71	23,538,71	20,245,
		8	5	535

Liabilities and Equities

Short-Term Liability	8,048,499	8,013,555	7,775,706	7,155,1
				95
Long-Term Liability	5,958,648	5,194,942	4,110,572	3,213,6
				37
Total Liabilities	14,007,147	13,208,49	11,886,27	10,368,
		7	8	832

Equities attributable

to:

Parent Entity Owner	8,512,851	8,404,234	7,648,102	6,491,2
				24
Non-controlling Interests	4,761,760	4,645,987	4,004,335	3,385,4
				79
Total Equity	13,274,611	13,050,22	11,652,43	9,876,7
		1	7	03
Total Liabilities and Equity	27,281,758	26,258,71	23,538,71	20,245,
		8	5	535

CONSOLIDATED INCOME AND

OTHER COMPREHENSIVE

INCOME STATEMENTS

Revenues	2.878.643	7.514.286	6.340.242	5.077.0
				62
Gross Profit	1.410.460	3.728.709	3.329.690	2.546.4
				73
Business Profit	643.117	2.414.825	2.247.684	1.650.2
				69
Income Before Tax	472.430	2.164.681	2.147.692	1.708.3
				69
Final and Income Taxes	(133.223)	(425.400)	(353.299)	(296.03
				3)
<i>Effects of proforma</i>				
adjustment - Pre-	—	1.019	201	—
Acquisition Revenue				
Income of Current				1.412.3
Period/Year	339.207	1.740.300	1.794.594	36
Other Comprehensive				
Income/Expense of	(41.282)	13.390	(5.806)	9.368
Current Period/Year				
Other Comprehensive				
Income/Expense of				
Current Period/Year				
Attributable to:				
Parent Entity Owner	207.360	1.296.467	1.318.982	981.304

Non-Controlling	90.565	457.223	469.806	440.400
Interests				
Comprehensive				1.421.7
Income/Expense of	297.925	1.753.690	1.788.788	04
Current Period/Year				
Income per Authorized				
Capital attributable to				
Parent Entity Owner (in	16	84	87	64
full figure)				

1.8 Information on Consolidated Direct Subsidiaries

Details of investments in consolidated direct subsidiaries are as follows:

Consolidated Direct Subsidiaries	Location/Domicile	Major Business Activity	Operating Status	Ownership Percentage	Total Consolidated
CTRP	Jakarta	Real Estate	Active	56,30	9.990.154
CTRS	Surabaya	Real Estate	Active	62,66	6.989.031
PT Ciputra Residence	Tangerang	Real Estate	Active	99,99	6.149.447
PT Ciputra Indah	Bogor	Real Estate	Active	99,89	1.549.846

PT Ciputra Graha Mitra	Jakarta	Real Estate	Active	99,99	1.991.879
PT Ciputra Raya Sejahtera	Jakarta	Health	Non Active	65,75	543.617
PT Citraland Graha Realty	Jakarta	Real Estate	Non Active	99,99	10.069
PT Penta Oktoneatama	Jakarta	Real Estate	Active	80,00	15.575
PT Citra Tumbuh Bahagia	Jakarta	Real Estate	Active	80,00	16.619
Longfield Enterprises Limited	British Virgin Islands	Holding Company	Non Active	100	139.404

1.9. Information on Cases

On the date of this Merger Draft, CTRA is not involved or become a party to civil, criminal, bankruptcy, administrative, industrial relations, taxation and arbitration material cases to judicial institutions related authorized in the entire territory of the Republic Indonesia and never received summons, demands or claims of any party and currently not involved in a legal dispute or any material dispute outside judicial institutions.

2. PT Ciputra Surya Tbk

2.1 A Brief History

CTRS was established in the name of PT Bumi Citrasurya under the Deed of Establishment No. 1 dated March 1, 1989, made before Hobropoerwanto, at that time a Notary in Jakarta, approved by the Minister of Justice of the Republic of Indonesia based on the Decree No. C2-546.HT.01.01.TH'90 dated February 3, 1990, and registered at the District Court of Surabaya No. 192/1990 dated February 21, 1990, and announced in the State Gazette of the Republic of Indonesia No. 86 dated October 26, 1990, Supplement No. 4424.

In 1998, CTRS became a public company without public offering to the public.

The Articles of Association of CTRS have been amended several times, lastly by the Deed of Minutes of Extraordinary Meeting of Shareholders of CTRP No. 101 dated July 27, 2015, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Jakarta, where the deed has been received and recorded in the database of Legal Entity Administration System based on the Letter of Notice on the amendment to the articles of association No. AHU-AH.01.03-0958287 dated August 20, 2015 in conjunction with the Amendment of Articles of Association No. 169 dated August 31, 2016, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Central Jakarta, where the deed has been received and recorded in the database of Legal Entity

Administration System based on the Letter of Notice on the amendment to the articles of association No. AHU-AH.01.03-0077659 dated September 5, 2016.

2.2 Business Activities

In accordance with article 3 of the last articles of association under the Deed of Meeting Resolution of CTRS No. 101 dated July 27, 2015, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Jakarta, the scope of business activities of CTRS is in the fields of Trade, Industry, Investment, Construction, Development and Services.

Commercial Activities

CTRS is a parent company and together with the Subsidiaries develop and sell real estate such as home, house cum shop/home office and warehouse and its supporting facilities; develop, sell and manage apartments and office buildings as well as develop and manage shopping centers/malls, hotels, golf courses and waterpark.

On the date of this Merger Draft, CTRS is not carrying out any project development and construction.

Permits

To carry out its commercial activities as referred to above, CTRA has material permits in the form of Large SIUP and SKDP.

2.3 Capital Structure and Shareholding

The capital structure and shareholding structure based on the Register of Shareholders as per September 30, 2016 issued by PT EDI Indonesia, as Securities Administration Bureau of CTRS, are as follows:

Remarks	Nominal Value of Rp250 per share		
	Total Share	Total Nominal	Percentage
Authorized Capital	7,912,000,000	1,978,000,000,000	100.00
Issued and Paid-up Capital	2,033,199,755	508,299,938,750	25.70
Total in Portfolio	5,878,800,245	1,469,700,061,250	74.30

Detailed Shareholders:

PT Ciputra Development Tbk	1,274,000,398	318,500,099,500	62.66
Public	759,199,357	189,799,839,250	37.34
Total	2,033,199,755	508,299,938,750	100.00

2.4 Board and Supervisory Structure

Based on the Deed of Resolution of CTRS No. 101 dated July 27, 2016, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Jakarta, the Board of Commissioners and Directors of CTRS are as follows:

Board of Commissioners

President Commissioner : Candra Ciputra

Commissioner : Sandra Hendarto

Independent Commissioner : Henk Wangitan

Board of Directors

President Director : Harun Hajadi
Director : Rina Ciputra Sastrawinata
Director : Cakra Ciputra
Director : Nanik Joeliwati Santoso
Director : Ir. Sutoto Yakobus
Independent Director : Edy Mulyono

Human Resources

Based on Employment Report Obligatory of CTRS with Registration No. 6317/183/15/2016 dated October 10, 2016, CTRS has 110 permanent employees and 16 non-permanent employees.

2.5. Land and Building

a. On the date of this Merger Draft, CTRA owns property in the form of land as follows:

No.	Certifica te No.	Date of Issuance	Date of Right	Area (m²)	Remai ning	Location	Right Holder
1.	SHGB No. 12	May 15, 1994	February 28, 2024	126,49 1	825	Lakarsantri Village,	CTRS
2.	SHGB No. 22	November 21, 1996	October 28, 2026	12.754 417	120 162	Lakarsantri Village,	CTRS
3.	SHGB No. 76	December 23, 1997	December 17, 2027			Lakarsantri Village,	CTRS

No.	Certificate No.	Date of Issuance	Date of Right	Area (m ²)	Remaining	Location	Right Holder
4.	SHGB No. 80	December 23, 1997	December 17, 2017	361	120	Lakarsantri Village,	CTRS
5.	SHGB No. 748	December 23, 2010	December 20, 2040	9.382	257	Made Village, Sambikerep	CTRS
6.	SHGB No. 819	March 14, 2011	December 20, 2040	7.366	1.984	Jeruk Village, Lakarsantri	CTRS
7.	SHGB No. 1071	August 5, 1999	October 28, 2026	54.434	97	Made Village, Sambikerep	CTRS
8.	SHGB No. 2051	February 5, 2008	September 12,	9.062	257	Lakarsantri Village,	CTRS
9.	SHGB No. 2054	May 2, 2008	January 8, 2038	5.452	599	Lakarsantri Village,	CTRS
10.	SHGB No. 2846	September 9,	July 13, 2045	977	342	Lakarsantri Village,	CTRS
11.	SHGB No. 3521	September 27,	February 8, 2016	2.170	86	Jeruk Village, Lakarsantri	CTRS

b. At the date of this Merger Draft, CTRS control property such as land as follows:

No.	Certificate	Area (m ²)	Location	Registered in	Remarks
1.	SHGB No. 1	400	Jeruk Village,	PT Bumi Indah	Controlled under the Deed of Transfer and
2.	SHGB No. 21	100	Jeruk Village,	BIPT	Controlled under the Deed of Transfer and

No.	Certificate	Area (m ²)	Location	Registered in	Remarks
3.	SHGB No. 325	100	Jeruk Village,	BIPT	Controlled under the Deed of Transfer and
4.	SHGB No. 27	180	Made Village, Lakarsantri District,	PT Tamansurya	Controlled under the Deed of Land Development Cooperation
5.	SHGB No. 1350	528	Surabaya Made Village, Lakarsantri District,	Citrahi TCSH	Agreement, in Controlled under the Deed of Land Development Cooperation
6.	SHGB No. 1351	200	Surabaya Made Village, Lakarsantri District,	TCSH	Agreement, in Controlled under the Deed of Land Development Cooperation
7.	SHGB No. 5099	249	Surabaya Made Village, Sambikarep District,	TCSH	Agreement, in Controlled under the Deed of Land Development Cooperation
8.	SHGB No. 5361	404	Surabaya Made Village, Lakarsantri District,	TCSH	Agreement, in Controlled under the Deed of Land Development Cooperation
9.	SHGB No. 2693	216	Surabaya Sambikarep Village, Lakarsantri District,	TCSH	Agreement, in Controlled under the Deed of Land Development Cooperation

No.	Certificate	Area (m ²)	Location	Registered in	Remarks
10.	SHGB No. 2694	100	Sambikarep Village, Lakarsantri District,	TCSH	Controlled under the Deed of Land Development Cooperation Agreement, in
11.	SHGB No. 6559	72	Sambikarep Village, Lakarsantri District,	TCSH	Controlled under the Deed of Land Development Cooperation Agreement, in
12.	SHGB No. 7343	372	Sambikarep Village, Lakarsantri District,	TCSH	Controlled under the Deed of Land Development Cooperation Agreement, in
13.	SHGB No. 7385	100	Sambikarep Village, Lakarsantri District,	TCSH	Controlled under the Deed of Land Development Cooperation Agreement, in
14.	SHGB No. 7445	144	Sambikarep Village, Lakarsantri District,	TCSH	Controlled under the Deed of Land Development Cooperation Agreement, in
15.	SHGB No. 7475	225	Sambikarep Village, Lakarsantri District,	TCSH	Controlled under the Deed of Land Development Cooperation Agreement, in

No.	Certificate	Area (m ²)	Location	Registered in	Remarks
16.	SHGB	200	Made Village, Lakarsantri District, Surabaya	PT Suburhij au Jaya Makmur	Controlled under the Deed of Land Development Cooperation Agreement, in
17.	SHGB	219	Made Village, Lakarsantri	PT Ciputra	-

2.6 Debt/Credit Facilities

On the date of this Merger Draft, CTRS does not obtain any debt or credit facility from any party, including but not limited to banks and financial companies.

2.7 Overview of Key Financial Data

The table below is a summary of key financial data of CTRS for a period of 6 (six) months ended on June 30, 2016, and the year ended on December 31, 2015 quoted from Consolidated Financial Statements of CTRS audited by the Public Accounting Firm Purwantono, Sungkoro & Surja, with reasonable unqualified opinion as well as for the year ended on December 31, 2014 and 2013, audited by the Public Accounting Firm Purwantono, Suherman & Surja, with reasonable unqualified opinion:

	30 June		31 December	
	2016	2015	2014	2013
	Rp	Rp	Rp	Rp
	millions	millions	millions	millions
<u>CONSOLIDATED FINANCIAL</u>				
<u>POSITION STATEMENTS</u>				
Asset				
Fixed Asset	3,872,826	3,900,432	3,254,114	3,276,921
Non-Fixed Asset	3,116,205	3,080,505	2,867,700	2,493,695
Total Assets	6,989,031	6,980,937	6,121,814	5,770,616
Liabilities and Equities				
Short-Term Liability	2,826,992	2,912,729	2,666,270	2,826,340
Long-Term Liability	393,786	415,675	444,042	454,877
Total Liabilities	3,220,778	3,328,404	3,110,312	3,281,217
Equities attributable to:				
Parent Entity Owner	3,236,667	3,152,719	2,621,134	2,218,594

Non-controlling				
Interests	531,586	499,814	390,368	270,805
				2,489,39
Total Equity	3,768,253	3,652,533	3,011,502	9
				5,770,61
Total Liabilities and Equity	6,989,031	6,980,937	6,121,814	6

CONSOLIDATED INCOME AND

OTHER COMPREHENSIVE

INCOME STATEMENTS

Revenues	896,332	1,909,463	1,713,276	1,261,56
				3
Gross Profit	412,152	992,784	868,407	657,907
Business Profit	219,203	720,736	619,307	456,075
Income Before Tax	235,467	759,094	676,006	488,183
Final and Income Taxes	(46,890)	(98,982)	(91,607)	(75,374)
Income of Current	188,576	660,112	584,399	412,809
Period/Year				
Other Comprehensive				
Income/Expense of	(7,473)	(616)	(1,352)	2,717
Current Period/Year				
Comprehensive				
IncomeExpense of Current				
Period/Year Attributable				
to:				

Parent Entity Owner	143,082	596,393	521,272	402,139
Non-Controlling Interests	38,021	63,103	61,775	13,387
Total Comprehensive Income of Current Period/Year	181,103	659,496	583,047	415,526
Income per Authorized Capital attributable to	75	298	261	199

2.8 Information on Consolidated Direct Subsidiaries

Details of investments in consolidated direct subsidiaries are as follows:

Consolidated Direct Subsidiaries	Location/Dom icile	Major Business Activity	Operat ing Status	Owners hip Percen	Total Consolida ted
PT Ciputra Nusantara	Jakarta	Real Estate	Active	99.99	3,610,536
PT Win-Win Realty Centre	Surabaya	Real Estate	Active	53.00	1,527,988
PT Cahayafajar Abaditama	Surabaya	Real Estate	Active	60.00	139,965
PT Ciputra Graha Prima	Surabaya	Real Estate	Active	51.00	61,503
PT Ciputra KPSN	Jakarta	Real	Active	60.00	1,720

Estate

2.9 Information on Cases

On the date of this Merger Draft, CTRS is not involved or become a party to civil, criminal, bankruptcy, administrative, industrial relations, taxation and arbitration material cases to judicial institutions related authorized in the entire territory of the Republic Indonesia and never received summons, demands or claims of any party and currently not involved in a legal dispute or any material dispute outside judicial institutions.

3. PT Ciputra Property Tbk.

3.1 A Brief History

CTRP was first established in the name of PT Citraland Property under the Deed of Establishment No. 119 dated December 22, 1994, as amended by Deed of Amendment No. 27 sated February 3, 1995, both made before Rahmah Arie Soetardjo, S.H., Notary in Jakarta, which has been approved by the Minister of Justice of the Republic of Indonesia based on the Decree No. C2-2447.HT.01.01.TH.95 dated February 16, 1995, and registered at the register of registration in the Registrar's Office of District Court of Central Jakarta under No. 602/1995 dated April 7, 1995 and announced in the State Gazette of the Republic of Indonesia No. 8 dated January 28, 2000, Supplement No. 471.

In 1994, CTRP made initial public offering of shares amounting to 3,010,000,000 to public who are then listed on the Jakarta Stock Exchange.

The Articles of Association of CTRP have been amended several times, lastly by the Deed of Meeting Resolution of CTRP No. 103 dated July 27, 2015, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Central Jakarta, where the deed has been received and recorded in the database of Legal Entity Administration System based on the Letter of Notice on the amendment to the articles of association No. AHU-AH.01.03-0957597 dated August 19, 2015 in conjunction with the Amendment of Articles of Association No. 170 dated August 31, 2016, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Central Jakarta, where the deed has been received and recorded in the database of Legal Entity Administration System based on the Letter of Notice on the amendment to the articles of association No. AHU-AH.01.03-0077670 dated September 5, 2016.

3.2 Business Activities

In accordance with article 3 of the last articles of association under the Deed of Meeting Resolution of CTRP No. 105 dated July 27, 2015, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Jakarta, the scope of business

activities of CTRP is in the fields of Construction and Development, Investment, Services, Industry and Trade.

Commercial Activities

CTRP is a parent company and together with the Subsidiaries develop and sell real estate such as home, house cum shop/home office and warehouse and its supporting facilities; develop, sell and manage apartments and office buildings as well as develop and manage shopping centers/malls, hotels, golf courses and waterpark.

On the date of this Merger Plan, CTRP is not carrying out any project development and construction.

Permits

To carry out its commercial activities as referred to above, CTRP has material permits in the form of Large SIUP and SKDP.

3.3 Capital Structure and Shareholding

The capital structure and shareholding structure under the Register of Shareholders as per September 30, 2016 issued by PT EDI Indonesia, as the Securities Administration Bureau of CTRP, are as follows:

Remarks	Nominal Value of Rp250 per share	
	Total Share	Total Nominal Percentage
Authorized Capital	12,000,000,000	100.00
	0	,000
Issued and Paid-up	6,315,623,997	52.14

Capital		,250	
		1,421,094,000	
Total in Portfolio	5,684,376,003	,750	47.86
<hr/>			
Detailed Shareholders:			
PT Ciputra	888,944,893,0		
Development Tbk	3,555,779,572	00	56.30
Public	640,001,081,2		
	2,560,004,325	50	40.53
<hr/>			
Treasury Shares	49,960,025,00		
	199,840,100	0	3.16
<hr/>			
Total	6,315,623,997	1,578,905,999	100.00
<hr/>			

On November 8, 2016, CTRP has transferred to PT Sucorinvest Inti Investama treasury shares owned by CTRP that have been held by CTRP for 3 (three) years. The transfer of the treasury shares was made to carry out obligations of CTRP under the provisions of Number 4 letters d and e of Regulation No. XI.B.2 and Article 12 of POJK No. 2/2013 in conjunction with the Circular of FSA No. 22/ SEOJK.04/2015 dated August 21, 2015 concerning Other Conditions as the Market Conditions Fluctuating Significantly in the Repurchase of Shares Issued by Issuers or Public Companies. The transfer of treasury shares to PT Sucorinvest Inti Investama was conducted by CTRP at a price of Rp765 (seven hundred and sixty five Rupiah). The transfer price is determined by taking into account and complying with the

provisions as provided in Number 4 letters b point 4) letter a Bapepam-LK Regulation No. XI.B.2 and Article 13 of POJK No. 2/2013, where the transfer price is not lower than the average price of repurchase of share of CTRP and (i) not lower than the closing price of daily trading of CTRP shares in the Indonesia Stock Exchange one day before the date of the sale of shares; or (ii) the average price of the closing price of daily trading in the Indonesia Stock Exchange over the last 90 days before the date of sale of shares by CTRP whichever is higher.

3.4 Management and Supervision

Based on the Deed of Meeting Resolution of CTRP No. 103 dated July 27, 2015, made before Buntario Tigris Darmawa Ng, S.H., S.E., M.H., Notary in Jakarta, the Board of Commissioners and Directors of CTRP are as follows:

Board of Commissioners

President Commissioner : Cakra Ciputra
Commissioner : Dian Sumeler
Independent Commissioner : Thomas Bambang

Board of Directors

President Director : Candra Ciputra
Director : Harun Hajadi
Director : Gina Tjie

Director : Ir. Artadinata Djangkar

Director : Bing Sugiarto Chandra

Independent Director : Sugwantono Tanto

Human Resources

On the date of this Merger Draft, CTRP has 5 employees.

3.5 Land and Building

On the date of this Merger Draft, CTRP does not own and control property in the form of land.

3.6 Debt/Credit Facilities

On the date of this Merger Draft, except on Medium Term Notes issued by CTRP based on Trust Deed dated January 19, 2015, CTRP does not obtain any debt or credit facility from any party, including but not limited to banks and financial companies.

3.7 Overview of Key Financial Data

The table below is a summary of key financial data of CTRP for a period of 6 (six) months ended on June 30, 2016, and the year ended on December 31, 2015 quoted from Consolidated Financial Statements of CTRA audited by the Public Accounting Firm Purwantono, Sungkoro & Surja, with reasonable unqualified opinion as well as for the year ended on December 31, 2014 and

2013, audited by the Public Accounting Firm Purwantono,
Suherman & Surja, with reasonable unqualified opinion:

	30 June		31 December	
	2016	2015	2014	2013
	Rp	Rp	Rp	Rp
	millions	millions	millions	millions
<u>CONSOLIDATED FINANCIAL</u>				
<u>POSITION STATEMENTS</u>				
Asset				
Fixed Asset	2,070,001	2,110,950	2,233,168	1,814,417
Non-Fixed Asset	7,920,153	7,713,132	6,628,169	5,839,464
Total Assets	9,990,154	9,824,082	8,861,337	7,653,881
Liabilities and Equities				
Short-Term Liability	1,568,841	1,674,674	1,635,579	1,336,513
Long-Term Liability	3,202,640	2,913,238	2,345,012	1,744,533
Total Liabilities	4,771,481	4,587,912	3,980,591	3,081,046

Equities attributable

to:

Parent Entity Owner	4,589,112	4,606,452	4,313,814	4,051,111
				1
Non-controlling Interests	629,561	629,718	566,932	521,724
Total Equity	5,218,673	5,236,170	4,880,746	4,572,835
Total Liabilities and Equity	9,990,154	9,824,082	8,861,337	7,653,881

CONSOLIDATED INCOME AND

OTHER COMPREHENSIVE

INCOME STATEMENTS

Revenues	870,671	2,459,676	1,662,475	1,447,737
Gross Profit	383,045	1,130,753	956,587	770,880
Business Profit	213,401	757,016	678,270	519,678
Income Before Tax	71,568	496,774	508,307	533,793
Final and Income Taxes	(32,083)	(147,052)	(109,272)	(91,669)
Income of Current Period/Year	39,485	349,722	399,035	442,124
Other Comprehensive Income/Expense of Current Period/Year	(21,384)	14,769	(2,435)	-

Comprehensive

Income/Expense of

Current Period/Year

Attributable to:

Parent Entity Owner	15,925	342,631	392,112	421,585
Non-Controlling Interests	2,176	21,860	4,488	20,539
Total Comprehensive Income/Expense of Current Period/Year	18,101	364,491	396,600	442,124
Income per Authorized Capital attributable to Parent Entity Owner (in full figure)	3	54	65	70

3.8 Information on Consolidated Direct Subsidiaries

Details of investments in consolidated direct subsidiaries are as follows:

Consolidated Direct Subsidiaries	Location/ Domicile	Major Business Activity	Operat ing Status	Owners hip Percen	Total Consolida ted
PT Ciputra Adigraha	Jakarta	Real Estate	Active	94.44	4,749,186
PT Ciputra Sentra	Jakarta	Real Estate	Active	72.69	1,391,523

PT Sarananeka	Jakarta	Real	Active	99.84	1,664,237
Indahpancar		Estate			
PT Ciputra	Semarang	Real	Active	99.10	1,061,728
Semarang		Estate			
PT Ciputra	Jakarta	Real	Non	73.00	917,926
Nirvanadwipa		Estate	Active		
PT Ciputra	Jakarta	Real	Non	51.86	372,077
Adibuana		Estate	Active		
PT Subursejahtera	Jakarta	Real	Non	99.71	175,074
Agungabadi		Estate	Active		
PT Buanasarana	Jakarta	Real	Non	66.67	84,433
Sejatiindah		Estate	Active		
PT Kharismasaka	Jakarta	Real	Non	70.00	81,534
Pratama		Estate	Active		
PT Citradimensi	Jakarta	Real	Non	70.00	81,534
Serasi		Estate	Active		
PT Dimensi Serasi	Jakarta	Real	Non	70.00	18,807
		Estate	Active		
PT Citra Karya	Jakarta	Real	Non	99.99	100
Kreasi Mandiri		Estate	Active		
PT Ciputra	Jakarta	Real	Non	99.00	100
Adiselaras		Estate	Active		

3.9 Information on Cases

On the date of this Merger Plan, CTRA is not involved or become a party to civil, criminal, bankruptcy, administrative,

industrial relations, taxation and arbitration material cases to judicial institutions related authorized in the entire territory of the Republic Indonesia and never received summons, demands or claims of any party and currently not involved in a legal dispute or any material dispute outside judicial institutions.

III. MERGER

1. Information on Merger

Merger Participants planned to conduct Merger, whereby the Merging Company will merge into CTRA, which will be the Merged Company.

Merger will be conducted using the Pooling of Interest method according to the Financial Accounting Standards and in accordance with the applicable regulations in Indonesia, including in the field of Taxation and Capital Markets. The merger will be conducted based on Consolidated Financial Statements of each Merger Participant as of June 30, 2016. The Consolidated Financial Statements of each Merger Participant has been audited by a public accounting firm as follows:

- a. Consolidated Financial Statements of CTRA as of June 30, 2016 and for the period of 6 (six) months which ended on that date and as of December 31, 2015 and for the year

ended on that date, which have been audited by the Public Accounting Firm Purwantono, Sungkoro & Surja, an independent public accountant appointed by CTRA, based on Audit Standards established by the Indonesian Institute of Public Accountants, as contained in the statements as of November 21, 2016, with the reasonable unqualified opinion.

Consolidated Financial Statements of CTRA as of December 31, 2014 and 2013 and for the years ended on those dates, which have been audited by the Public Accounting Firm Purwantono, Suherman & Surja, an independent public accountant appointed by CTRA, based on Audit standards established by the Indonesian Institute of Public Accountants, as contained in the statements as of as of March 23, 2015 and March 24, 2014, with the reasonable unqualified opinion.

- b. Consolidated Financial Statements of CTRS as of June 30, 2016 and for the period of 6 (six) months which ended on that date and as of December 31, 2015 and for the year ended on that date, which have been audited by the Public Accounting Firm Purwantono, Sungkoro & Surja, an independent public accountant appointed by CTRS, based on Audit Standards established by the Indonesian Institute of Public Accountants, as contained in the statements as of

November 21, 2016, with the reasonable unqualified opinion.

Consolidated Financial Statements of CTRS as of December 31, 2014 and 2013 and for the years ended on those dates, which have been audited by the Public Accounting Firm Purwantono, Suherman & Surja, an independent public accountant appointed by CTRS, based on Audit standards established by the Indonesian Institute of Public Accountants, as contained in the statements as of March 23, 2015 and March 24, 2014, with the reasonable unqualified opinion.

- c. Consolidated Financial Statements of as of June 30, 2016 and for the period of 6 (six) months which ended on that date and as of December 31, 2015 and for the year ended on that date, which have been audited by the Public Accounting Firm Purwantono, Sungkoro & Surja, an independent public accountant appointed by CTRP, based on Audit Standards established by the Indonesian Institute of Public Accountants, as contained in the statements as of November 21, 2016, with the reasonable unqualified opinion.

Consolidated Financial Statements of CTRP as of December 31, 2014 and 2013 and for the years ended on those dates,

which have been audited by the Public Accounting Firm Purwantono, Suherman & Surja, an independent public accountant appointed by CTRP, based on Audit standards established by the Indonesian Institute of Public Accountants, as contained in the statements as of March 23, 2015 and March 24, 2014, with the reasonable unqualified opinion.

In accordance with Article 122 of Law on Company, as a result of Merger, the Merging Company will end by law without any prior liquidation and all assets and liabilities of the Merging Company is assigned, by law, to CTRA acting as the Merged Company, unless otherwise provided by legislation applicable and for the following matters:

- a. Cooperation related to Taman Dayu Project, conducted under the Deed of Cooperation Agreement No. 126 dated December 22, 2004, made before Aulia Taufani, S.H., Notary in Jakarta, by and between CTRS and PT Taman Dayu, in connection with the construction and sale of Taman Dayu Project. In connection with the transfer of rights and obligations of CTRS to PT Ciputra Kirana Dewata, based on the agreement, the transfer requires approval of PT Taman Dayu, and CTRS has obtained approval for the transfer of agreement based on Letter No. 152/CLD/TD/XI/2016 dated November 9, 2016, issued by PT Taman Dayu; and

b. Cooperation related to Centrepont Reclamation of Indonesia Makassar Project, conducted under the Deed of Cooperation Agreement No. 28 dated June 24, 2014, made before Recky Francky Limpele, S.H., Notary in Central Jakarta, by and between CTRS and PT Yasmin Bumi Asri, i in connection with the construction and sale of Centrepont Reclamation of Indonesia Makassar Project. In connection with the transfer of rights and obligations of CTRS to PT Ciputra Nusantara, based on the agreement, the transfer requires approval of PT Yasmin Bumi Asri, and CTRS has obtained approval for the transfer of agreement based on Letter No. 01/OGL/XI/2016 dated November 1, 2016, issued by PT Yasmin Bumi Asri.

As has been previously mentioned, CTRS wanted to transfer the debts of CTRS obtained from PT Bank ICBC Indonesia and PT Bank Mandiri (Persero) Tbk to PT Ciputra Nusantara. As a follow-up to this, it is conveyed that the transfer was not made by CTRS. Over the debts in question, CTRS has paid in full all its amount of debt, both made on November 14, 2016.

The merger as referred to in this Merger Draft will be conducted as well by making amendments to the Articles of Association of CTRA, which occurred inter alia, related to amendment to capital structure of CTRA, due to the expense of new shares by CTRA

to shareholders of CTRS and shareholders of CTRP as their share conversion into shares of CTRA as the Merged Company. In accordance with Article 23 paragraph (1) of Law on Company, the amendment to the Articles of Association as referred to above is the amendment to the Articles of Association requiring the approval of the Minister of Justice and Human Rights, and thus the Merger is effective from the issuance date of the approval of amendments to the Articles of Association of CTRA by the Minister of Justice. The merger itself, either conducted by Scenario 1, Scenario 2 or Scenario 3, will not result in the amendment to the controller of CTRA, wherein the controller CTRA, which is the Merged Company is PT Sang Pelopor.

In connection with the Merger, the Board of Directors of Merger Participants have conducted Merging the feasibility assessment and made periodic review of, inter alia, on:

- a. Business conditions and development of business output of each Merger Participant by taking into account financial statements of each Merger Participant for the bookkeeping period ended on June 30, 2016;
- b. Results of analysis of independent parties on the fairness of the proposed Merging Company into the Merged Company, including the fairness of the value of shares and fixed assets of the Merger Participants and legal aspects of Merger;

- c. Methods and procedures for shares conversion to be used, supported by the statement of the independent parties;
- d. Methods to settle obligations of Merger Participants with third parties;
- e. Methods to settle employee status of Merger Participants;
- f. Methods to settle rights of shareholders who disagree with the Merger; and
- g. Management analysis to the condition of the Merged Company

Based on the results of review of the aspects mentioned above in conducting assessments of Merger, each Director of Merger Participants has prepared a Proposed Merged Plan and then jointly prepare this Merger Draft.

2. Background, Purposes and Risks of Merger

2.1. Background of Merger

a. Liquidity limited on the shares of CTRS and CTRP

Trading shares of CTRS and CTRP over the last 12 months to October 21, 2016 has low liquidity, namely with the Average daily trading value of around Rp3.0 billion and Rp6.4 billion. This Merger will be a place for the shareholders of CTRS and CTRP to exchange their shares with the shares of CTRA, which is more liquid with an average daily trading value of around Rp24.1 billion¹ in the same period.

b. Allocated capital between CTRA, CTRS and CTRP

This Merger is expected to improve the allocated capital process among the three companies operating in the same field of property business. The independent structure of the three companies now can be concluded as not ideal due to limits to allocate capital on different projects among the three companies. Through the Merger, the entire financing needs can be allocated from one source of funding of the Merged Company.

c. Complex organizational structures at CTRA, CTRS and CTRP

This Merger will support strategies to improve the efficiency of the three companies engaged in the same field of property business. The Merged Company will acquire benefits of a simpler company structure which leads to an increase in operational and financial flexibility to acquire growth opportunities in Indonesia. Reducing the complexity of an organization also has potential to increase the focus on the level of operation, improve competitiveness and bring synergies to the operation of the Merged Company.

2.2 Purposes of Merger

- a. Being one of the largest integrated property companies in Indonesia and improving the efficiency of the organizational structure and operation of CTRA**

This Merger will support strategies to improve efficiency in terms of the structure of the Merged Company, eliminate duplication of "registered development company" and "registered company of asset owner" existing today. The Merged Company will acquire benefits of simpler company structure that leads to an increase in operational and financial flexibility to acquire growth opportunities in Indonesia. Reducing the complexity of an organization also has potential to increase the focus on the level of operation, improve competitiveness and bring synergies to the operation of the Merged Company.

The merger will also strengthen the Merged Company's position as one of the Merged Companies as one of the top level real estate companies in Indonesia which has a capability of developing property and managing assets. The Merged Company will have a broad scope geographically consisting of 33 cities in Indonesia, with a total land area of 6,250 hectares to be developed and as a portfolio of 76 properties covering different types of properties (inter alia, residential areas, commercial offices, shopping malls, recreation parks, business park, warehouses, hospitals and golf courses).

b. A mutually beneficial situation for CTRA, CTRS and CTRP

Merger provides an opportunity for the shareholders of CTRS and CTRP to exchange their shares with shares in CTRA with a merger ratio amounting to 2,13x for CTRS and

0,55x for CTRP. The shareholders of CTRS and CTRP, through direct ownership in CTRA, will be able to participate in the growth of different business activity segments from the Merged Company.

This transaction is expected to immediately increase the value of shares of the shareholders of CTRA. Under the provisions of Merger, and assuming

- (i) the merger is completed on December 30, 2016
- (ii) the merger ratio is 2,13x for CTRS and to 0,55x for CTRP and all shares of CTRP and CTRS are converted into shares of CTRA; and
- (iii) assuming three different scenarios, where Scenario 1, merger occurred between CTRA, CTRP and CTRS, Scenario 2 merger occurred between CTRA and CTRS, along with Scenario 3 merger occurred between CTRA and CTRP

then there is a possibility of change in the value of shares of the shareholders of CTRA in accordance with the consolidated financial information as follows:

- (i) CTRA Equity attributable to owners of the parent entity for 2016 is expected to increase by Rp3,215,650 million or 37.77% in Scenario 1, or can increase by Rp1,240,269 million or 14.22% in Scenario 2, or can increase by Rp2,007,074 million or by 23.58% in Scenario 3.

(ii) Earnings Per Share of CTRA for 2016 is estimated to increase by Rp1, or 6.25% in Scenario 1, increase by Rp1, or 6.25% in Scenario 2 or decrease by Rp1, or - 6.25% in Scenario 3.

c. Establishment of companies consolidated under one entity can improve interest from the investor community

(i) With the increased scale of the company, the Merged Company will be a benchmark of the real estate sector in Indonesia and will therefore increase interest of the investor community, especially from foreign investors who are looking for opportunities to invest in strong in real estate companies Indonesia. This increased interest may lead to increased rating of the Merged Company.

(ii) After the merger, CTRA as the Merged Company will have greater market capitalization. This can result in the increase in the possible entry of the Merged Company in the index of MSCI Indonesia which can lead to an increased interest in the shares of the Merged Company. The increase in interest is expected to increase the average daily trading value.

d. The Merged Company will have a better diversification to acquire benefits from the trend of demographic and economic growth of Indonesia, as and have a better business resilience to economic cycles.

The merger will lead to the diversification of cash flows of each type of property owned by the Merged Company. Each CTRS and CTRP also are Companies that run their core business and provide income to the Merged Company, and with full access to the revenue generated (by eliminating minority interests representing the minor shareholders in CTRS and CTRP) will bring benefits to the Merged Company as follows:

(i) CTRS

Having a business and Subsidiaries and projects of joint operations with great land inventory for development purposes, located in Surabaya, Makassar and Medan, the cities that are centers of growth in Indonesia outside Jakarta. The development areas in those cities are expected to be a significant contributor to increase the sale by considering the potential increased demand for real estate because the city continues to develop economically.

(ii) CTRP

Adding a portfolio to malls, hotels, apartments and commercial complex of high quality with a sustainable income flow. Properties such as malls and offices have a high average occupancy rate, namely 98.9% and 99.0% as mentioned in the Annual Report of 2015. Furthermore, CTRP has land for the development of commercial

properties in strategic locations in business districts of Jakarta and Bali.

The Companies of Merger Participants believe that the Merged Company will acquire benefits from positive trends in the Indonesian economy in the long term:

- (i) According to the Central Statistics Agency, Indonesia's GDP is expected to grow by 5.2% per year in 3 (three) years.
- (ii) The demand for residential properties is expected to increase, driven by the increase in personal net income of IDR 7,635.6 trillion in 2015 up to IDR 21,110.1 trillion in 2025 (with an implied annual growth of 10.7%), and 64.2% of the Indonesian population in the age of 15-59 years (productive age) in 2025. Most of these developments are expected to take place in Jakarta and Surabaya is the second largest city in Indonesia.

e. Harmony can potentially result from the increase in scale/integration of combination of these three businesses

The Merged Company is also more likely to achieve harmony (as defined below) in the future obtained from the increased scale and integration of the three businesses.

- (i) Operational harmony. The Merged Company will be able to achieve operational harmony through the increased efficiency of departments and functions that can be

coupled between the three companies, including back-office, information technology, human resources, environmental health and safety. Moreover, by no longer recorded CTRS and CTRP, it will cut the cost of registration, obligations and other related costs.

(ii) Sharing of knowledge and best practices between the three companies of Merger Participants. By running their each business over the years, the three Merged Companies have developed expertise in different fields which can be distributed to the Merged Company. For example, CTRA which has long been established and has the most experience among the other companies of Merger Participants in developing projects in prime locations in Indonesia; CTRS has built capacity and experience in developing urban areas and large-scale residential areas in Surabaya and surrounding areas; and CTRP has been involved in the development and operation of commercial properties and mixed buildings with sustainable income.

(iii) Establishment of an integrated entity with optimal cash flow to facilitate more efficient allocated capital to the projects. The combination will cause the entire project to be supervised by a single entity and not spread over three separate entities with different shareholders. This will lead to a more efficient allocated capital from the Merged Company, in a way

that optimizes the balance between sustainable project development and project revenues that have different revenues and cash flow characteristics. The project development generally have a faster cash acquisition while projects with sustainable revenues require significant capital investments in advance and sustainable revenue will be obtained in a longer period of time.

(iv) Increased financial strength and flexibility. The Merged Company will have financial balance sheets that are stronger financially with sufficient debt capacity to support future growth opportunities, both organically and through potential acquisitions. Upon completion of this transaction, the Merged Company is estimated to have interest bearing debt to equity attributable to parent equity owner amounting to around 0,43x in Scenario 1 or 0,52x in Scenario 2 or 0.48x in Scenario 3. The Merged Company will also have more flexibility where the Merged Company will be able to take advantage of the equity value attributable to the larger parent owner to maximize funding costs and take advantage of growth opportunities, namely by optimizing the benefits with the risks that have been adjusted and increase the profits of the shareholders.

2.3 Risks of Merger

a. The possibility of not achieving efficiency through operational harmony expected from the Merger in the short term

Although in this Merger the Merging Companies are Subsidiaries and under the control of CTRA which will be the Merged Company, given the differences in the work culture of each Merger Participant then there are risks that the efficiencies to be achieved through operational harmony cannot be achieved optimally in the short term. The Merger Participants are aware of these risks and on the date of this Merger Draft, the Merger Participants are preparing plans to be able to immediately implement the operational harmony after the Merger is conducted.

As for the operational harmony plan will include several things, inter alia, as follows:

- Internal rules of each Merger Participant; and
- Implementation of a system related to reporting, investor relations and other implementation of governance

b. The risks of dilution on the percentage of shareholding of each Merger Participant

Merger will be implemented by increasing paid-up and issued capital by the Merged Company, the increase in paid-up and issued capital which is done as a result of

the conversion of shares owned by shareholders of the Merging Company into the shareholders of the Merged Company. With the increase in issued and paid-up capital of the Merged Company, then the shareholders of each CTRA, CTRP and CTRS have risks of dilution on their percentage of shareholding in the Merged Company.

Assuming (i) conversion factor of shares of CTRA is 2.13x for shares of CTRS and 0.55x for shares of CTRP; and (ii) no shareholders disapprove the merger plan, the possibility of maximum dilution for shareholders of CTRA in scenario 1 scenario 2 and scenario 3 is respectively as follows:

Scenario	Percentage of Dilution*)
	CTRA
Scenario 1	16.9%
Scenario 2	9.5%
Scenario 3	9.0%

*) Assuming the composition of shareholders as of September 30, 2016

c. Potential implications of taxation to be imposed to the Merged Company

In carrying out the Merger, the Merged Company has sought an advice of professional advisers, including in the field of taxation in connection with to the tax implications

arising from the implementation of the Merger. Nonetheless, there are risks that the calculation of the Company Advisor to the field of taxation does not conform to the calculation of tax authorities.

d. Risks related to economic and market conditions

The level of economy in Indonesia is still affected by the global economic crisis that occurred in 2008. Global financial markets have experienced, and may continue to experience, significant turbulence that comes from a lack of liquidity in the credit markets and sub-prime residential mortgage of the United States since 2008, which has led to liquidity problems and bankruptcy of many institutions and the issuance of government bailout packages for banks and other institutions. In addition, in 2010, the financial crisis in Europe, triggered by large budget deficits and increased direct and contingent state debt in Greece, Ireland, Italy, Portugal and Spain, which led to concerns about the ability of European countries to continue to meet their debt obligations. These conditions impacted on financial markets and resulted in high and unstable bond yields on state bonds in different European countries. In 2010, the financial crisis occurred in Europe, triggered by high deficits of funding and increased direct or indirect state debts. Several European countries continue to experience various levels of financial stress and yield bond issued by the governments

of Greece, Ireland, Italy, Portugal and Spain continued to increase and remain unstable. Although aid packages have been given to Greece, Ireland, Italy and Portugal, assisted with the establishment of financial stability program together with the European Union - International Monetary Fund in May 2010, and also the policy of the European Union to overcome various financial challenges, the uncertainty of the results of the EU financial support program and concerns over state finances are still looming. In recent years, global events like Greek exit from the Eurozone Monetary Union in 2015 and Britain's referendum on exit of the European Union in 2016 has caused volatility in the global economy.

Historically, the Merger Participants generate revenues with their operations in Indonesia and we anticipate that in the future the Merged Company will keep the sustainability of earnings from Indonesia. These can be categorized as risks of a particular state that could provide a material effect on our business, results of operations, cash flows and financial conditions, including:

- political, social and economic instability;
- exchange rate volatility;
- acts of war, terrorism and civil conflict;

- changes in regulations, tax and legal structures;
- cost and availability of adequate insurance coverage;
- challenges and delays in obtaining and extending licenses, permits and authorization;
- arbitration and inconsistent government action; and
- shortcomings in the areas of transport, energy and other infrastructure

The current global economic situation may continue to deteriorate or have a greater impact on Indonesia and the business of the Merged Company. Any matters mentioned above can provide materials and adverse influence to the business, financial condition, results of operations and business prospects of the Merged Company.

e. Post-merger, share price may be unstable and increase in the average daily trading value or "ADTV" which may be expected to be realized

There is no guarantee that the trading price of shares will not be traded on the price level which is significantly below the closing price of trading on October 21, 2016. The trading price of shares may be dependent on several factors, including:

- Prospects of business and investment of the Merged Company and retail real estate market in Indonesia

- The difference between financial and operating output of the Merged Company with expectations or estimates of investors and analysts
- Changes in the recommendation and analyst projections
- Changes in general economy, market conditions or political conditions
- Market value of assets of the Merged Company
- Attractiveness of shares compared to other shares or debt securities, including the securities which is not included in the real estate sector
- Market share and liquidity of capital markets in Indonesia
- Changes in the regulatory system, including tax systems, in the future
- Foreign exchange rate; and
- Fluctuation in the broad market, including the weakening of equity markets and increase rate of interest

Due to the above factors and other factors, the shares can be traded on the price level that is higher or lower than the closing price on October 21, 2016. No assurance can be given to ensure the Merged Company can achieve higher value of ADTV.

3. Analysis of Management to the Merged Company Conditions

The purposes and objectives of the Merged Company management are to continue the same business activities. There are no purposes to: (1) introduce a fundamental change in CTRS and CTRP business activities, or (2) dismiss employees of CTRS and CTRP.

The management of the Merger Participants expects operational consolidation as a result Merger that can optimize operational efficiency and synergies. This Merger will strengthen the purposes of the management to streamline the organizational structure of the Merged Company due to creating a single entity to "registered development company" and "Company of registered asset owner". The Merged Company will acquire benefits of a clearer structure and give investors a balanced investment plan between sustainable income from property investment income and income from project development. Reduction in the complexity of organization also potentially increases the focus on the level of operations and improve competitiveness. This helps the Merged Company have better endurance to face economic cycle, and at the same time, a more streamlined organizational structure will be better equipped to identify business opportunities in line with the economic growth level or new sector trends.

This merger will provide flexibility to the Merged Company too access and allocate capital more efficiently for the projects, where the Merged Company can direct resources to different

types of properties thus increasing the shareholder yields. This is a significant competitive advantage, considering the property development requires substantial capital investment. The combination of increased financial flexibility and business scale will support the company to get a good business opportunity in the existing and new markets. With the results of Merger where the business becomes larger and more diversified, then the management of the Merged Company will be better prepared to catch the real estate business opportunities ahead as the positive projection on the economy of Indonesia. At macro level, this Merger will also contribute positively to the development of Property business in Indonesia.

4. Brief Information on Each Merger Scenario

4.1. Scenario 1

Merger through Scenario 1 occurs in case all the Merger Participants are approved by their respective General Meeting of Shareholders. Thus, in this Scenario, CTRS and CTRP then merge into CTRA.

A brief description of each of the Merged Company is outlined in Chapter II - Brief Description about the Merger Participants.

4.1.1. Conversion of Shares Ratio

Shareholders of CTRS, when the Merger becomes effective, will receive 2.13 shares in the Merged Company for every 1 share of CTRS they have before the Merger is effective.

Shareholders of CTRP when the Merger becomes effective, will receive 0.55 shares in the Merged Company for every 1 share of CTRS they have before the Merger is effective.

Share Conversion Factor is determined after considering the Audit Report on Fairness of Shares of Merger Participants conducted by independent parties in this Merger. Independent Auditors, namely KJPP Rengganis, Hamid & Partners; KJPP Suwendho Rinaldi & Partners; and KJPP Martokoesoemo, Prasetyo & Partners to each CTRA, CTRS and CTRP has given a fairness opinion that the share conversion factor is reasonable for shareholders of Merger Participants.

The Shares Conversion Factor above is applicable to Scenario 1, Scenario 2 and Scenario 3 (as applicable), including the shares of CTRS and CTRP owned by CTRA on the date of this Merger Draft and will be entirely converted into shares of the Merged Company in Scenario 1, Scenario 2 and Scenario 3 (as applicable).

Assuming that the composition of shareholders on the Merger Date, namely the date of approval of the Minister of Justice on the Deed of Merger is equal to the composition of shareholders as of September 30, 2016 the shareholding structure in the Merged Company if after applying the

conversion ratio, in the number of shares and in the percentage of the Merged Company are as follows:

Shareholders of Merged Company	Total Shares	Ownership (%)
PT Sang Pelopor	4,724,219,35	25,45
Public	3	
- Ex shereholders of CTRA	10,701,071,8	57,66
	67	
- Ex shereholders of CTRS	1,617,094,63	8,71
	0	
- Ex shereholders of CTRP	1,517,914,43	8,18
	4	
Total	18,560,300,2	100,00
	84	

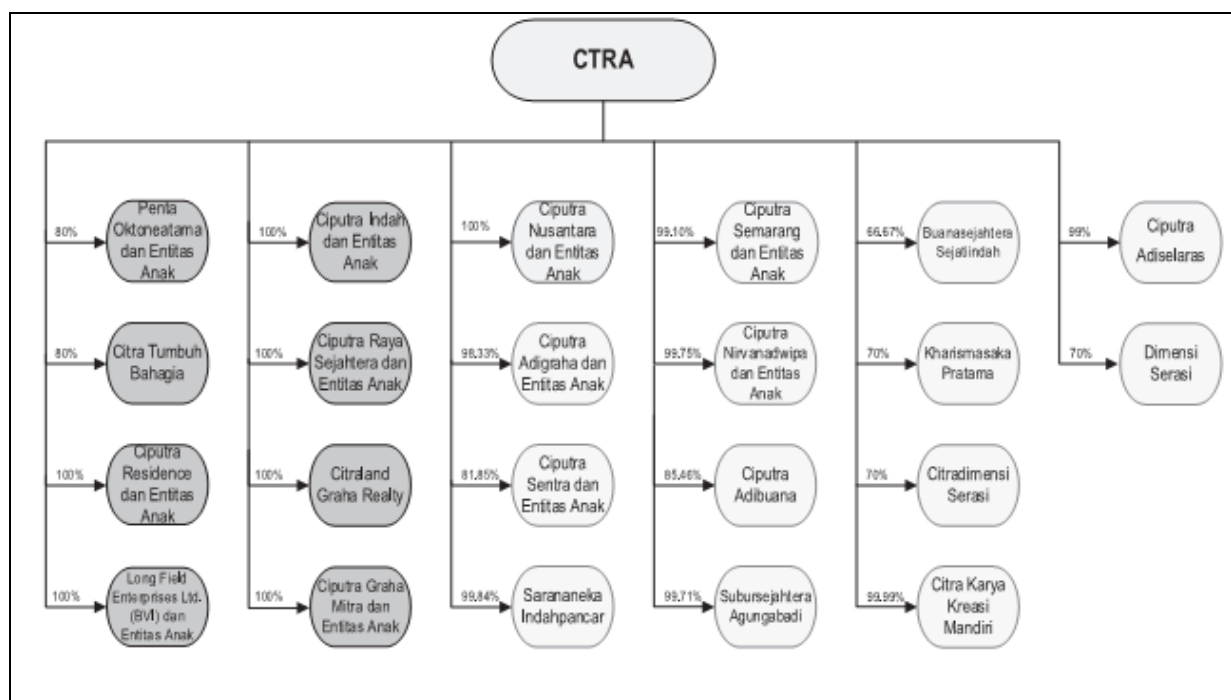
4.1.2. Merged Company of CTRA, CTRS, and CTRP

AFTER MERGER

SCENARIO 1

CTRA MERGES WITH CTRS AND CTRP

CTRA



4.1.3 The composition of Boards and Supervisors of the Merged Company

In determining the composition of boards and supervisors, the Merged Company has taken into account the efficiency of the number of boards and supervisors as well as the duties and responsibilities of each board and supervisor by considering the amount of project development of the Merged and diversified Company, both geographically and market segmentation as well as respective business lines of the Merger Participants.

Board of Commissioners of Merged Company has duties and responsibility for carrying out supervisory functions to the policy and the course of management of the Merged Company in

general as well as providing advice to the Board of Directors of the Merged Company.

The Board of Directors consists of President Director and Independent Directors, as well as 10 (ten) Directors whom each have duties and responsibilities to manage the development and operations of a number of projects. By considering the total projects of the Merged Company amounting to 76 (seventy six) projects spreading across Indonesia and considering business expansion in the future, the number of members of the Board of Directors of the Merged Company is deemed efficient and effective.

Once the Merger is effective, the composition of the Board of Commissioners and Directors of the Merged Company are as follows:

Board of Commissioners

President Commissioner : DR. Ir. Ciputra
Commissioner : Dian Sumeler
Commissioner : Rina Ciputra Sastrawinata
Commissioner : Junita Ciputra
Commissioner : Sandra Hendharto
Independent Commissioner : Kodradi
Independent Commissioner : Henk Wangitan
Independent Commissioner : Thomas Bambang

Board of Directors

President Director : Candra Ciputra
Director : Cakra Ciputra
Director : Budiarsa Sastrawinata
Director : Harun Hajadi
Director : Ir. Agussurja Widjaja
Director : Marius Ignatius Meiko Handoyo
Lukmantara
Director : Nanik Joeliawati Santoso
Director : Ir. Sutoto Yakobus
Director : Artadinata Djangkar
Director : Bing Sugiarto Chandra
Director : Tanan Herwandi Antonius
Independent Director : Tulus Santoso Brotosiswojo

As a public company, the Merged Company for Scenario 1 is required to have an Audit Committee, Internal Audit Unit and Corporate Secretary. Once the Merger is effective for Scenario 1, the Audit Committee, the Internal Audit Unit and the Corporate Secretary are as follows:

Corporate Secretary

Pursuant to the Merger, the Merged Company after the Merger is effective for Scenario 1 will still appoint Drs. Tulus Santoso who currently still serves as the Corporate Secretary of CTRA, for the term of office from the stipulation date of decision until the closing date of the Annual General Meeting of Shareholders of 2017, under the Board of Directors of CTRA

Decision No. 342/CKC-TS/ca/V/12/Perseroan concerning the Appointment as the Corporate Company on May 23, 2012. The appointment of Corporate Secretary of CTRA complies with the FSA Regulation No. 35/POJK.04/2014 concerning the Corporate Secretary of Issuer or Public Company.

Audit Committee

Pursuant to the Merger, the Merged Company after the Merger is effective for Scenario 1 will still be held by:

Chairman of Audit Committee : Kodradi

Member : Henk Wangitan

Member : Lany Wihardjo

The names mentioned above are currently serving as members of the Audit Committee of CTRA, where the appointment under the the Board of Commissioners of CTRA Decision dated January 15, 2016 concerning Changes in the composition of Audit Committee, CTRA has established an Audit Committee as referred to in the FSA Regulation No. 55/POJK.04/2015 concerning Establishment and Guidelines for the Work Implementation of Audit Committee. The term of office of the Audit Committee is from the date of decision is made by the General Meeting of Shareholders of CTRA in 2017. CTRA also has an Audit Committee Charter, dated August 1, 2013 stipulated by the Board of Commissioners of CTRA.

Internal Audit

Pursuant to the Merger Plan, the Merged Company after the Merger is effective for Scenario 1 will still appoint held by

Fajar Halim, who is currently the Head of Internal Audit Department of CTRA and will still use Internal Audit Charter of CTRA dated December 4, 2009 stipulated by the Board of Directors and approved by the Board of Commissioners of CTRA on December 4, 2009. Based on the Decision No. 083/SK-JAB/CD/XII/2009 on appointment as Head of Unit dated December 4, 2009 signed by the President Director of CTRA and approved by the Board of Commissioners of CTRA. That the preparation of internal audit charter and the appointment of the head of internal audit of CTRA do not conflict with the FSA Regulation No. 56/POJK.04/2015 concerning the Establishment and Guidelines for the Preparation of the Internal Audit Charter.

4.1.4 Overview of Consolidated Financial Statements Proforma of Merged Company and Analysis and Discussion by Management

If Merger was conducted on June 30, 2016, the overview of Consolidated Financial Statements Proforma of Merged Company on June 30, 2016, which have been prepared in accordance with generally accepted accounting principles in Indonesia and reviewed by the Public Accounting Firm Purwantono, Sungkoro & Surja, are as follows:

PROFORM (in Rp)	Before Merger	After Merger
CONSOLIDATED POSITION OF FINANCIAL STATEMENTS AS OF JUNE 30,		
Asset		
Fixed Asset	12,545,676	12,698,554

Non-Fixed Asset	14,736,082	14,736,082
Total Assets	27,281,758	27,434,636

Liabilities and Equities

Short-Term Liability	8,048,499	8,048,499
Long-Term Liability	5,958,648	5,958,648
Total Liabilities	14,007,147	14,007,147

Equities attributable to:

Parent Entity Owner	8,512,851	11,728,501
Non-controlling Interests	4,761,760	1,698,988
Total Equity	13,274,611	13,427,489
Total Liabilities and Equity	27,281,758	27,434,636

CONSOLIDATED INCOME AND OTHER COMPREHENSIVE INCOME STATEMENTS

FOR THE PERIOD OF 6 MONTHS ENDED ON JUNE 30, 2016

Revenues	2,878,643	2,878,643
Gross Profit	1,410,460	1,410,460
Business Profit	643,117	643,117
Income Before Tax	472,430	472,430
Income of Current Period		
Attributable to:		
Parent Entity Owner	237,981	309,685
Non-Controlling	101,226	29,522

Interests

Total Income of Current Period/Year	339,207	339,207
----------------------------------------	---------	---------

Comprehensive Income of
Current Period/Year

Attributable to:

Parent Entity Owner	207,360	267,472
Non-Controlling Interests	90,565	30,453

Total Comprehensive Income of Current Period	297,925	297,925
-------------------------------------------------	---------	---------

Income per Authorized

Capital attributable to Parent Entity Owner (in full figure)	16	17
--------------------------------------------------------------------	----	----

Note that Proforma as of June 30, 2016 has not reflected direct benefits of this merger. The benefits of the Merger such as increased synergies and efficiencies will begin to feel after the Merger becomes effective.

The management of the Merger Participants believes that after the Merger, the Merged Company will be more solid. Merger will be very beneficial in the long term.

4.2. Scenario 2

Merger through Scenario 2 occurs in case CTRS merges into CTRA while CTRP does not merge because they are not approved by the General Meeting of Shareholders of CTRP. Thus, in this scenario, CTRS merges into CTRA while CTRP keeps standing as a subsidiary of CTRA.

A brief description of each of the Merged Company is outlined in Chapter II - Brief Description about the Merger Participants.

4.2.1 Conversion of Shares Ratio

Shareholders of CTRS, when the Merger becomes effective, will receive 2.13 shares in the Merged Company for every 1 share of CTRS they have before the Merger is effective.

Share Conversion Factor is determined after considering the Audit Report on Fairness of Shares of Merger Participants conducted by independent parties in this Merger. Independent Auditors, namely KJPP Rengganis, Hamid & Partners; KJPP Suwendho Rinaldi & Partners; and KJPP Martokoesoemo, Prasetyo & Partners to each CTRA, CTRS and CTRP has given a fairness opinion that the share conversion factor is reasonable for shareholders of Merger Participants.

Assuming that the composition of shareholders on the Merger Date, namely the date of approval of the Minister of Justice on the Deed of Merger is equal to the composition of shareholders as of September 30, 2016 the shareholding structure in the Merged Company if after applying the

conversion ratio, in the number of shares and in the percentage of the Merged Company are as follows:

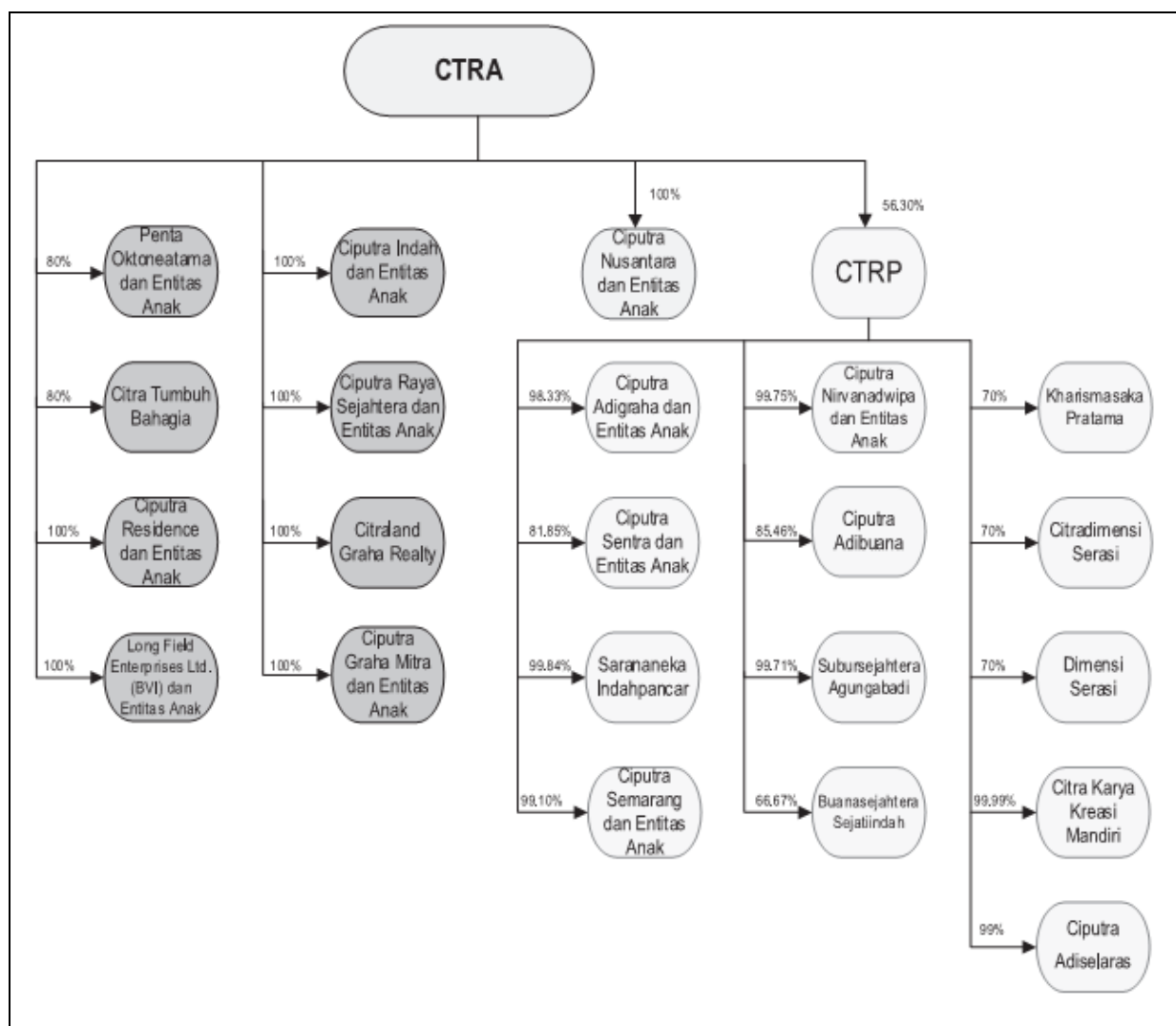
Shareholders of Merged Company	Total Shares	Ownership (%)
PT Sang Pelopor	4,724,219,35	27.72
Public	3	
- Ex shereholders of CTRA	10,701,071,8	62.79
- Ex shereholders of CTRS	1,617,094,63	9.49
Total	17,042,385,8	100.00
	50	

4.2.2. Merged Company of CTRA, CTRS, and CTRP

AFTER MERGER

SCENARIO 2

CTRA MERGES WITH CTRS



4.2.3 The composition of Boards and Supervisors of the Merged Company

In determining the composition of boards and supervisors, the Merged Company has taken into account the efficiency of the number of boards and supervisors as well as the duties and responsibilities of each board and supervisor by considering the amount of project development of the Merged and diversified Company, both geographically and market segmentation as well as respective business lines of the Merger Participants.

Board of Commissioners of Merged Company has duties and responsibility for carrying out supervisory functions to the policy and the course of management of the Merged Company in general as well as providing advice to the Board of Directors of the Merged Company.

The Board of Directors consists of President Director and Independent Directors, as well as 10 (ten) Directors whom each have duties and responsibilities to manage the development and operations of a number of projects. By considering the total projects of the Merged Company amounting to 64 (sixty four) projects spreading across Indonesia and considering business expansion in the future, the number of members of the Board of Directors of the Merged Company is deemed efficient and effective.

Once the Merger is effective, the composition of the Board of Commissioners and Directors of the Merged Company are as follows:

Board of Commissioners

President Commissioner : DR. Ir. Ciputra
Commissioner : Dian Sumeler
Commissioner : Rina Ciputra Sastrawinata
Commissioner : Junita Ciputra
Commissioner : Sandra Hendharto
Independent Commissioner : Kodradi
Independent Commissioner : Henk Wangitan

Independent Commissioner : Thomas Bambang

Board of Directors

President Director : Candra Ciputra
Director : Cakra Ciputra
Director : Budiarsa Sastrawinata
Director : Harun Hajadi
Director : Ir. Agussurja Widjaja
Director : Marius Ignatius Meiko Handoyo
Lukmantara
Director : Nanik Joeliawati Santoso
Director : Ir. Sutoto Yakobus
Director : Artadinata Djangkar
Director : Bing Sugiarto Chandra
Director : Tanan Herwandi Antonius
Independent Director : Tulus Santoso Brotosiswojo

As a public company, the Merged Company for Scenario 2 is required to have an Audit Committee, Internal Audit Unit and Corporate Secretary. Once the Merger is effective for Scenario 2, the Audit Committee, the Internal Audit Unit and the Corporate Secretary are as follows:

Corporate Secretary

Pursuant to the Merger, the Merged Company after the Merger is effective for Scenario 2 will still appoint Drs. Tulus Santoso who currently still serves as the Corporate Secretary of CTRA,

for the term of office from the stipulation date of decision until the closing date of the Annual General Meeting of Shareholders of 2017, under the Board of Directors of CTRA Decision No. 342/CKC-TS/ca/V/12/Perseroan concerning the Appointment as the Corporate Company on May 23, 2012. The appointment of Corporate Secretary of CTRA complies with the FSA Regulation No. 35/POJK.04/2014 concerning the Corporate Secretary of Issuer or Public Company.

Audit Committee

Pursuant to the Merger, the Merged Company after the Merger is effective for Scenario 2 will still be held by:

Chairman of Audit Committee : Kodradi

Member : Henk Wangitan

Member : Lany Wihardjo

The names mentioned above are currently serving as members of the Audit Committee of CTRA, where the appointment under the the Board of Commissioners of CTRA Decision dated January 15, 2016 concerning Changes in the composition of Audit Committee, CTRA has established an Audit Committee as referred to in the FSA Regulation No. 55/POJK.04/2015 concerning Establishment and Guidelines for the Work Implementation of Audit Committee. The term of office of the Audit Committee is from the date of decision is made by the General Meeting of Shareholders of CTRA in 2017. CTRA also has an Audit Committee Charter, dated August 1, 2013 stipulated by the Board of Commissioners of CTRA.

Internal Audit

Pursuant to the Merger Plan, the Merged Company after the Merger is effective for Scenario 2 will still appoint held by Fajar Halim, who is currently the Head of Internal Audit Department of CTRA and will still use Internal Audit Charter of CTRA dated December 4, 2009 stipulated by the Board of Directors and approved by the Board of Commissioners of CTRA on December 4, 2009. Based on the Decision No. 083/SK-JAB/CD/XII/2009 on appointment as Head of Unit dated December 4, 2009 signed by the Presidnet Director of CTRA and approved by the Board of Commissioners of CTRA. That the preparation of internal audit charter and the appointment of the head of internal audit of CTRA do not conflict with the FSA Regulation No. 56/POJK.04/2015 concerning the Establishment and Guidelines for the Preparation of the Internal Audit Charter.

4.2.4 Overview of Consolidated Financial Statements Proforma of Merged Company and Analysis and Discussion by Management

If Merger was conducted on June 30, 2016, the overview of Consolidated Financial Statements Proforma of Merged Company on June 30, 2016, which have been prepared in accordance with generally accepted accounting principles in Indonesia and reviewed by the Public Accounting Firm Purwantono, Sungkoro & Surja, are as follows:

PROFORM (in Rp)	Before Merger	After Merger
CONSOLIDATED POSITION OF FINANCIAL STATEMENTS AS OF JUNE 30,		
Asset		
Fixed Asset	12,545,676	12,698,554
Non-Fixed Asset	14,736,082	14,736,082
Total Assets	27,281,758	27,434,636
Liabilities and Equities		
Short-Term Liability	8,048,499	8,048,499
Long-Term Liability	5,958,648	5,958,648
Total Liabilities	14,007,147	14,007,147
Equities attributable to:		
Parent Entity Owner	8,512,851	9,723,120
Non-controlling Interests	4,761,760	3,704,369
Total Equity	13,274,611	13,427,489
Total Liabilities and Equity	27,281,758	27,434,636

**CONSOLIDATED INCOME AND OTHER COMPREHENSIVE INCOME STATEMENTS
FOR THE PERIOD OF 6 MONTHS ENDED ON JUNE 30, 2016**

Revenues	2,878,643	2,878,643
Gross Profit	1,410,460	1,410,460
Business Profit	643,117	643,117
Income Before Tax	472,430	472,430

Income of Current Period

Attributable to:

Parent Entity Owner	237,981	294,048
Non-Controlling Interests	101,226	45,159
Total Income of Current Period/Year	339,207	339,207

Comprehensive Income of Current Period/Year

Attributable to:

Parent Entity Owner	207,360	260,787
Non-Controlling Interests	90,565	37,318
Total Comprehensive Income of Current Period	297,925	297,925

Income per Authorized

Capital attributable to

Parent Entity Owner (in

full figure)

16	17
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Note that Proforma as of June 30, 2016 has not reflected direct benefits of this merger. The benefits of the Merger such as increased synergies and efficiencies will begin to feel after the Merger becomes effective.

The management of the Merger Participants believes that after the Merger, the Merged Company will be more solid. Merger will be very beneficial in the long term.

4.3 Scenario 3

Merger through Scenario 3 occurs in case CTRP merges into CTRA while CTRS does not merge because they are not approved by the General Meeting of Shareholders of CTRS. Thus, in this scenario, CTRP merges into CTRA while CTRP keeps standing as a subsidiary of CTRA.

A brief description of each of the Merged Company is outlined in Chapter II - Brief Description about the Merger Participants.

4.3.1 Conversion of Shares Ratio

Shareholders of CTRP, when the Merger becomes effective, will receive 0.55 shares in the Merged Company for every 1 share of CTRP they have before the Merger is effective.

Share Conversion Factor is determined after considering the Audit Report on Fairness of Shares of Merger Participants conducted by independent parties in this Merger. Independent Auditors, namely KJPP Rengganis, Hamid & Partners; KJPP Suwendho Rinaldi & Partners; and KJPP Martokoesoemo, Prasetyo & Partners to each CTRA, CTRS and CTRP has given a fairness opinion that the share conversion factor is reasonable for shareholders of Merger Participants.

Assuming that the composition of shareholders on the Merger Date, namely the date of approval of the Minister of Justice on the Deed of Merger is equal to the composition of shareholders as of September 30, 2016 the shareholding structure in the Merged Company if after applying the conversion ratio, in the number of shares and in the percentage of the Merged Company are as follows:

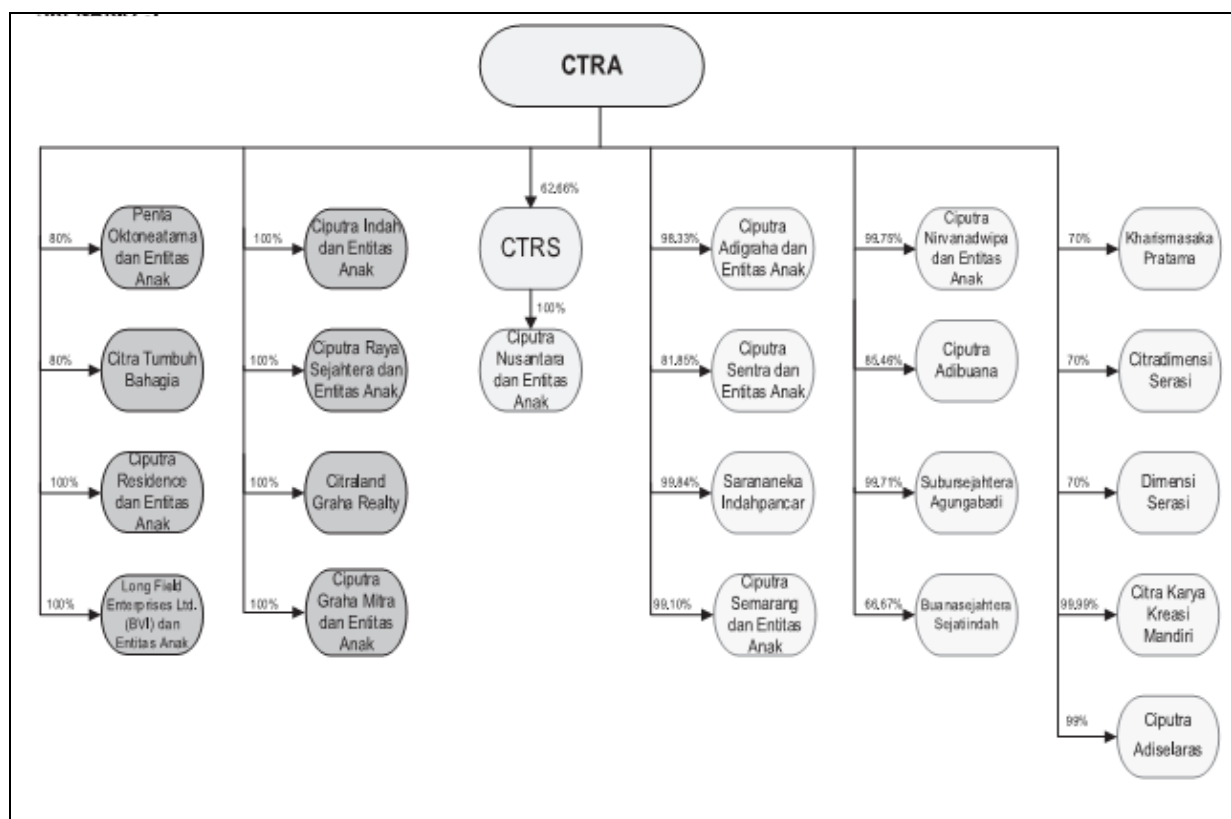
Shareholders of Merged Company	Total Shares	Ownership (%)
PT Sang Pelopor	4,724,219,35	27.88
Public	3	
- Ex shereholders of CTRA	10,701,071,8	63.16
- Ex shereholders of CTRP	1,517,914,43	8.96
Total	16,943,205,6	100.00
	54	

4.3.3 Merged Company of CTRA and CTRP

AFTER MERGER

SCENARIO 3

CTRA MERGES WITH CTRP



4.3.3 The composition of Boards and Supervisors of the Merged Company

In determining the composition of boards and supervisors, the Merged Company has taken into account the efficiency of the number of boards and supervisors as well as the duties and responsibilities of each board and supervisor by considering the amount of project development of the Merged and diversified Company, both geographically and market segmentation as well as respective business lines of the Merger Participants.

Board of Commissioners of Merged Company has duties and responsibility for carrying out supervisory functions to the policy and the course of management of the Merged Company in

general as well as providing advice to the Board of Directors of the Merged Company.

The Board of Directors consists of President Director and Independent Directors, as well as 10 (ten) Directors whom each have duties and responsibilities to manage the development and operations of a number of projects. By considering the total projects of the Merged Company amounting to 56 (fifty six) projects spreading across Indonesia and considering business expansion in the future, the number of members of the Board of Directors of the Merged Company is deemed efficient and effective.

Once the Merger is effective, the composition of the Board of Commissioners and Directors of the Merged Company are as follows:

Board of Commissioners

President Commissioner : DR. Ir. Ciputra
Commissioner : Dian Sumeler
Commissioner : Rina Ciputra Sastrawinata
Commissioner : Junita Ciputra
Commissioner : Sandra Hendharto
Independent Commissioner : Kodradi
Independent Commissioner : Henk Wangitan
Independent Commissioner : Thomas Bambang

Board of Directors

President Director : Candra Ciputra
Director : Cakra Ciputra
Director : Budiarsa Sastrawinata
Director : Harun Hajadi
Director : Ir. Agussurja Widjaja
Director : Marius Ignatius Meiko Handoyo
Lukmantara
Director : Nanik Joeliawati Santoso
Director : Ir. Sutoto Yakobus
Director : Artadinata Djangkar
Director : Bing Sugiarto Chandra
Director : Tanan Herwandi Antonius
Independent Director : Tulus Santoso Brotosiswojo

As a public company, the Merged Company for Scenario 3 is required to have an Audit Committee, Internal Audit Unit and Corporate Secretary. Once the Merger is effective for Scenario 3, the Audit Committee, the Internal Audit Unit and the Corporate Secretary are as follows:

Corporate Secretary

Pursuant to the Merger, the Merged Company after the Merger is effective for Scenario 3 will still appoint Drs. Tulus Santoso who currently still serves as the Corporate Secretary of CTRA, for the term of office from the stipulation date of decision until the closing date of the Annual General Meeting of Shareholders of 2017, under the Board of Directors of CTRA

Decision No. 342/CKC-TS/ca/V/12/Perseroan concerning the Appointment as the Corporate Company on May 23, 2012. The appointment of Corporate Secretary of CTRA complies with the FSA Regulation No. 35/POJK.04/2014 concerning the Corporate Secretary of Issuer or Public Company.

Audit Committee

Pursuant to the Merger, the Merged Company after the Merger is effective for Scenario 3 will still be held by:

Chairman of Audit Committee : Kodradi

Member : Henk Wangitan

Member : Lany Wihardjo

The names mentioned above are currently serving as members of the Audit Committee of CTRA, where the appointment under the the Board of Commissioners of CTRA Decision dated January 15, 2016 concerning Changes in the composition of Audit Committee, CTRA has established an Audit Committee as referred to in the FSA Regulation No. 55/POJK.04/2015 concerning Establishment and Guidelines for the Work Implementation of Audit Committee. The term of office of the Audit Committee is from the date of decision is made by the General Meeting of Shareholders of CTRA in 2017. CTRA also has an Audit Committee Charter, dated August 1, 2013 stipulated by the Board of Commissioners of CTRA.

Internal Audit

Pursuant to the Merger Plan, the Merged Company after the Merger is effective for Scenario 3 will still appoint held by Fajar Halim, who is currently the Head of Internal Audit Department of CTRA and will still use Internal Audit Charter of CTRA dated December 4, 2009 stipulated by the Board of Directors and approved by the Board of Commissioners of CTRA on December 4, 2009. Based on the Decision No. 083/SK-JAB/CD/XII/2009 on appointment as Head of Unit dated December 4, 2009 signed by the President Director of CTRA and approved by the Board of Commissioners of CTRA. That the preparation of internal audit charter and the appointment of the head of internal audit of CTRA do not conflict with the FSA Regulation No. 56/POJK.04/2015 concerning the Establishment and Guidelines for the Preparation of the Internal Audit Charter.

4.3.4 Overview of Consolidated Financial Statements Proforma of Merged Company and Analysis and Discussion by Management

If Merger was conducted on June 30, 2016, the overview of Consolidated Financial Statements Proforma of Merged Company on June 30, 2016, which have been prepared in accordance with generally accepted accounting principles in Indonesia and reviewed by the Public Accounting Firm Purwantono, Sungkoro & Surja, are as follows:

PROFORM (in Rp)	Before Merger	After Merger
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CONSOLIDATED POSITION OF FINANCIAL STATEMENTS AS OF JUNE 30,

Asset

Fixed Asset	12,545,676	12,698,554
Non-Fixed Asset	14,736,082	14,736,082
Total Assets	27,281,758	27,434,636

Liabilities and Equities

Short-Term Liability	8,048,499	8,048,499
Long-Term Liability	5,958,648	5,958,648
Total Liabilities	14,007,147	14,007,147

Equities attributable to:

Parent Entity Owner	8,512,851	10,519,925
Non-controlling Interests	4,761,760	2,907,564
Total Equity	13,274,611	13,427,489
Total Liabilities and Equity	27,281,758	27,434,636

CONSOLIDATED INCOME AND OTHER COMPREHENSIVE INCOME STATEMENTS

FOR THE PERIOD OF 6 MONTHS ENDED ON JUNE 30, 2016

Revenues	2,878,643	2,878,643
Gross Profit	1,410,460	1,410,460
Business Profit	643,117	643,117
Income Before Tax	472,430	472,430
Income of Current Period		

Attributable to:

Parent Entity Owner	237,981	253,618
Non-Controlling Interests	101,226	85,589
Total Income of Current Period/Year	339,207	339,207

Comprehensive Income of
Current Period/Year

Attributable to:

Parent Entity Owner	207,360	214,046
Non-Controlling Interests	90,565	83,879
Total Comprehensive Income of Current Period	297,925	297,925

Income per Authorized

Capital attributable to
Parent Entity Owner (in
full figure)

16	15
----	----

Note that Proforma as of June 30, 2016 has not reflected direct benefits of this merger. The benefits of the Merger such as increased synergies and efficiencies will begin to feel after the Merger becomes effective.

The management of the Merger Participants believes that after the Merger, the Merged Company will be more solid. Merger will be very beneficial in the long term.

5. Merged Company

In this Merger, immediately after the effective entry into force of the Merger, the Merging Company will merge into CTRA, where all activities, business activities, business operations, assets, liabilities, bills and employees of the Merging Company by law are assigned to CTRA, for CTRS and CTRP employees will be assigned to CTRA as the Merged Company or Subsidiary of CTRA. Furthermore, the Merging Company will end by law without liquidation conducted in advance so that remains standing is CTRA.

Then, with reference to each possible scenario as described in Sub-chapter 4 above, and noting that in all the three scenarios CTRA is a Merged Company, more information on the Merged Company is as follows:

5.1. Vision and Mission

The Merged Company's vision is to develop the property group strive on excellence and innovation and provide a better life for their communities and welfare and prosperity for all stakeholders. The Merged Company's mission is to be the leading company in real estate business by trying to do the best, be professional and profitable, thus becoming the first choice of consumers and workplaces that are most interesting and challenging for employees, most profitable investment for

shareholders and making a significant contribution to the state.

5.2. Business Operations and Strategy

The Merged Company conducts business activities as a parent company that has Subsidiaries, engaged in the development and sale of real estate in the form of houses, house cum shop/home office and warehouse and its supporting facilities; development, sales, management of apartments and office buildings as well as development and management of shopping centers/malls, hotels, golf courses and waterpark.

The business strategy of the Merged Company will remain to focus on the field of real estate business, continue to work to develop diversification, both geographically, market segmentation and revenue-based business lines and property unit sales.

5.3. Domicile

In this Merger, the name and domicile of the Merged Company are as follows:

PT CIPUTRA DEVELOPMENT Tbk.

Head Office:

Ciputra World 1, DBS Bank Tower Lantai 39

Jl. Prof. DR. Satrio Kav. 3-5, Jakarta 12940

Phone: (62-21) 2988 5858

Facsimile: (62-21) 2988 8989

Email: investor@ciputra.com

Website: www.ciputradevelopment.com

5.4. Amendments to the Articles of Association

In connection with the Merger, CTRA as the Merged Company will make amendment to the articles of association.

6. Procedure for Conversion of Shares and Dilution Effect to Shareholder

Once the Merger is implemented, the ownership of the shareholders of Merger Participants in CTRA as the Merged Company will be diluted and partially will increase in proportion to their percentage of ownership in each Merger Participant as a result of the conversion of shares in accordance with share conversion factors as described below calculated based on the fair market value of shares of CTRA, CTRP and CTRS, respectively as follows:

- CTRA amounting to Rp2,955 per share, determined using assets and markets approaches, based on the independent auditor report from KJPP Rengganis, Hamid & Partners No. RHR00R2P11160197 dated November 21, 2016;
- CTRS amounting to Rp6,277 per share, determined using assets and market approach, based on the independent auditor report

from KJPP Rengganis, Hamid & Partner No. 161121.001/SRR/LP-B/CTRS/OR dated November 21, 2016; and
- CTRP amounting to Rp1,622 per share, determined using assets and market approach, based on the independent auditor report from KJPP Rengganis, Hamid & Partner No. APP-B/KJPP-MPR/2016/XI/21/001 dated November 21, 2016.

Based on Proforma Financial Statements per June 30, 2016, the number of shares to be issued for each scenario is as follows:

Scenario	CTRS	CTRP
Scenario 1	1,617,094,630	1,517,914,434
Scenario 2	1,617,094,630	-
Scenario 3	-	1,517,914,434

Having regard to the above matters, the percentage of ownership of the shareholders of Merger Participants will be diluted in proportion to the magnitude of their respective ownership based on the percentage of dilution in each Scenario 1, Scenario 2 and Scenario 3 as disclosed on page 32 of this Merger Draft. The share conversion factor of each shareholder of CTRS and CTRP is as follows:

Pemegang Saham	Faktor Konversi Saham
CTRS	1 : 2.13
CTRP	1 : 0.55

**7. Brief Description on the Results of Audit of Public Audit
Service Office concerning the Merger Plan**

7.1. KJPP Rengganis, Hamid & Partners

The Company has appointed an Independent Party of Public Audit Service Office Rengganis, Hamid & Partners ("KJPP RHR") as an Independent Auditor to provide a fairness opinion on the Business Merger Plan of CTRP and CTRS into CTRA ("**Transaction Plan**").

Summary of Report and Opinion of the Independent Party

Here is the summary of the Independent Audit Reports report as stated in Fairness Opinion No. RHR00R2P11160198 dated November 21, 2016

a. Parties to the Transaction

The parties involved in the Transaction Plan are CTRA, CTRP and CTRS.

b. Objects of Fairness Opinion

The objects of the Transaction Plan in this Fairness Revenue are a business merger plan of CTRS and CTRP into CTRA.

c. Purposes of Fairness Opinion

The purposes and objectives of the Fairness Opinion is to provide a fairness opinion on the Transaction Plan in connection with the disclosure of information to the public.

Transaction Plan is classified to an affiliated transaction as provided in Regulation No. IX.E.1.

d. Date of Fairness Opinion

Date of fairness opinion (cut-off date) is June 30, 2016 based on the audited financial statement of CTRA.

e. Assumptions and Limitations of Auditor

This Fairness Opinion is conducted with the following limitations:

- Due diligence on the financial statements is not conducted and review on information in the financial report is only conducted for the purpose of audit;
- Impact of tax Analysis for the related parties of the Transaction Plan;
- Feasibility study on the merger plan;

Based on an analysis to the Proposed Plan, KJPP RHR has some assumptions as follows:

- KJPP-RHR assumes that the Transaction Plan is executed as explained by the Company Management
- KJPP-RHR also assumes that there are no significant changes in assumptions used in the preparation of this Fairness Opinion since the issuance of Fairness Opinion until the effective date of the Transaction Plan
- This opinion should be viewed as a single entity and that the use of the majority of this analysis and the information without considering the entire information and analysis can cause a misleading view on the process

underlying that opinion. The preparation of this opinion is a complex process and may not be possible through incomplete analysis.

- This opinion is based on the general conditions of finance, monetary, regulatory and market conditions existing today. Changes in certain conditions beyond the control of the Company and related parties will be able to give unpredictable impact and can affect the Fairness Opinion.
- KJPP-RHR is not obliged to update the Fairness Opinion if there are significant events that occur after the audit date (subsequent events), but will only disclose the information in the report.
- This report is not intended to make recommendations to the shareholders of Company to approve or disapprove the Transaction.

f. Approach and Analysis of Fairness

Analysis of fairness to the Company Transaction Plan is assessed through multiple aspects of analysis as methodologies used including:

- Analysis of the Transaction Plan
- Qualitative analysis, namely an analysis to parties involved in the Transaction Plan and its relation, as well as analysis of the benefits and risks of Merger

- Quantitative analysis, in the form of historical analysis of financial statements, analysis of financial performance without and with the Merger and the Merger of the analysis of Merger impact on the finance of CTRA as an entity resulting from the merger
- Analysis of fairness of share conversion ratio

g. Fairness Opinion on Transactions

Based on the analysis of fairness of the Transaction Plan conducted include the analysis of transactions, analysis of qualitative and quantitative, analysis of fairness on transaction value and analysis of relevant factors, we found that the entire Transaction Plan is fair.

7.2. KJPP Suwendho Rinaldy & Partners

CTRS has appointed the Public Audit Service Office Suwendho Rinaldy & Partners ("**KJPP SRR**") as an Independent Auditor to provide a fairness opinion on the Merger.

The identity of the Independent Auditor in full is as follows:

Name : Public Audit Service Office Suwendho Rinaldy & Partners

Business permit No. : 2.09.0059

Office Address : Rasuna Office Park WO 01-02, Epicentrum
Jalan H.R. Rasuna Said - Kuningan, Jakarta

Phone : 6221 8370 8026, 6221 797 0913

Fax. : 6221 3519 544

E-mail : ocky@srr.co.id

Summary of Fairness opinion of Independent Auditor on Merger

KJPP SRR as official KJPP based on the Ministry of Finance No. 1056/KM.1/2009 dated August 20, 2009 registered as a Capital Market Supporting Profession in Bapepam-LK with Certificate of Registration (STTD) of the Capital Market Supporting Profession in Bapepam-LK No. 02/BL/STTD-P/AB/2006 dated May 31, 2006 (Property and Business Auditor), management of CTRS has been appointed as an independent auditor to provide a fairness opinion on the Merger.

Here is the summary of the Independent Audit Reports report as stated in Fairness Opinion No. 161121.002/SRR/LP-F/CTRS/OR dated 21 November 2016

a. Parties to the Transaction

The parties involved in the Transaction Plan are CTRA, CTRP and CTRS.

b. Objects of Fairness Opinion

The objects of the Fairness Opinion are merger conducted by CTRA, CTRS and CTRP.

c. Purposes of Fairness Opinion

The purposes and objectives of the Fairness Opinion is to provide a description concerning the Merger to meet the Regulation No. IX.E.1.

d. Assumptions and Limitations of Auditor

- Fairness Opinion is a report that is non-disclaimer opinion
- KJPP SRR has conducted a review on the documents used in the preparation process of Fairness Opinion
- Data and information obtained from trustworthy sources for its accuracy
- Analysis in the preparation of fairness opinion is carried out using financial projection adjusted reflecting the fairness of financial projections made by the management of CTRS with fiduciary duty
- KJPP SRR is responsible for the implementation and preparation of the fairness opinion and financial projection fairness
- Fairness Opinion is a report open to the public unless there is confidential information, which may affect the Company's operations
- KJPP SRR is responsible for the fairness opinion and the conclusion of fairness opinion
- KJPP SRR has obtained information on the terms and provisions in the agreements related to the Merger of CTRS

e. Approaches and Procedures for Fairness Opinion

In evaluating the fairness of Merger, KJPP SRR has made (a) qualitative analysis, namely analysis to parties involved in the transactions and its relations, industry analysis,

and analysis of the benefits and risks of Merger; and (b) quantitative analysis, in the form of historical analysis of CTRS financial statements, financial performance analysis of CTRS without and with the Merger and analysis of the impact of Merger to the CTRS finance.

f. Conclusion

Based on the analysis of the fairness on the Merger as described in the analysis of fairness opinion above, KJPP SRR found that the Merger is fair.

7.3. Public Audit Services Office of Martokoesoemo Prasetyo & Partners

The Company has appointed an Independent Party of Public Audit Service Office Martokoesoemo Prasetyo & Partners ("**KJPP MPR**") as an Independent Auditor to provide a fairness opinion on the Business Merger Plan of CTRP into CTRA.

The identity of the Independent Auditor in full is as follows:

Name : Public Audit Service Office Martokoesoemo
Prasetyo & Partners

Business permit No. : 2.09.0070

Office Address : Jalan Hang Lekir II No. 12, Kebayoran
Baru, Jakarta

Phone : 6221 7279 7276

Fax. : 6221 7279 4905

E-mail : anggun@mpr.co.id

Website : www.mpr.co.id

***Summary of Fairness Opinion of Independent Auditor on Business
Merger Plan of CTRP into CTRA***

As Regulation No. IX.E.1, related to the Transaction Plan conducted by PT Ciputra Property Tbk ("**CTRP**"), CTRA has asked an Independent Auditor Consultant, Public Auditor Services Office Martokoesoemo, Prasetyo & Partners ("**KJPP-MPR**"), an independent auditor registered in the FSA, to provide a Fairness Opinion on Transactions, as presented in the Report of Fairness Opinion No. APP-B/KJPP-MPR/2016/XI/21/002 dated November 21, 2016. The Transaction Plan of CTRP in this definition is the merger plan of CTRP into CTRA as the parent company of the owner of 56.30% of shareholding in CTRP (hereinafter referred to as the "**Transaction Plan**"), then the transaction Plan is indicated as an affiliated transaction, so it is in accordance with Regulation No. IX.E.1, needed a Fairness Opinion by an Independent Auditor registered in the Capital Markets of FSA.

a. Audit Objects

The meaning of Transaction Plan Objects in the Fairness Opinion on Audit Date, in accordance with information and confirmation of management, is a business merger of CTRP into CTRA, where simultaneously business merger of CTRS into CTRA will also be conducted.

b. Nature of Transaction Plan

Under the provisions of FSA, the nature of the Transaction Plan is an Affiliated Transaction and Conflicts of Interest

on Certain Transactions, as set out in Regulation No. IX.E.1.

c. Affiliated Transactions and Conflicts of Interest

CTRP of Management stated that the Transaction Plan to be conducted is categorized as an affiliate transaction.

The following is an explanation of the Transaction Plan that contains elements of Affiliates:

- CTRA is the shareholder of CTRP of 56.30% categorizing them as an Affiliated Transaction;
- The names are similar in the composition of the management board between CTRA and CTRP, so it has met the criteria as an affiliated relationship between CTRA and CTRP, as set out in Regulation No. IX.E.1.

d. Date of Audit

Appropriate letter of assignment and management confirmation on the CTRP Transaction Plan, the analysis of the Transaction fairness uses the Audit Date (cut-off date) of June 30, 2016 and on schedule of the realization of Transaction Plan, then the Report on this Fairness Opinion will be issued on November 21, 2016.

This report on fairness Opinion will only be used for the benefit of CTRP in order report to FSA and in accordance with the management confirmation, no issuance of Report on Fairness Opinion by

other Public Audit Service Offices (KJPP) for the same Audit Objects and Audit Date.

e. Purposes of Audit

The purposes of this fairness is to deliver a fairness opinion on the CTRP Transaction Plan, in accordance with the provisions in Regulation No. IX.E.1.

f. Assumptions and Limitations of Auditor

KJPP MPR has limitations that it cannot conduct the following activities:

- Due diligence on the financial statements of CTRP and its Subsidiaries, however, only a limited due diligence by checking in accordance with the purposes of assignment, including a clarification to the validity of documents, asset ownership as well as the possibility of claims or off-balance sheet in the financial statements of CTRP or its Subsidiaries
- Audit to Fixed Assets owned by CTRP and its Subsidiaries;
- Analysis of impact of tax on parties related to the Transaction Plan;
- Feasibility Study on Business and Finance

Based on the analysis of the Transaction Plan, KJPP MPR has some assumptions as follows:

- That the Company has provided all information related to the Transaction Plan and none of the information is given to KJPP MPR or

information is hidden with the aim at misleading for particular interests of CTRP related to the Transaction Plan;

- The assumption in the long-term business plan has to consider the prudential principles, therefore steady growth may be a reflection of the Company's next plan;
- That the management has believed and followed the relevant provisions of FSA applicable related to the Transaction Plan;
- That there are no significant changes to the general conditions and macroeconomic of Indonesia which may affect the changes in the general assumptions used in particular in the quantitative analysis;
- That no changes in the regulation in industry that can significantly affect the assumption in the Company's long-term plan;
- That all information and data provided by the Company Management is true.

g. Audit Methodology for the Transaction Plan

Analysis on the fairness of the Transaction Plan includes several aspects as methodology for the preparation of report on fairness opinion including:

- Analysis to the Proposed Transaction, which includes identification and relationship between parties to a transaction, agreements and terms agreed in the

transaction and assessment to risks and benefits of the transaction to be conducted;

- Qualitative and quantitative analysis, which includes the history of the company and the nature of business activities, industrial and environmental analysis, analysis of operations and prospects of the company, reasons for transaction, gains and losses on qualitative transactions will be done. Quantitative analysis also includes assessing the historical performance, cash flow audit, financial projections audit, financial ratio analysis and financial statement analysis prior to the transaction and proforma of financial statements after the transaction is conducted. In the quantitative analysis, incremental analysis is also conducted as contributing added value to the company as a result of the transaction to be conducted, including the impact on the company's financial projections and sensitivity analysis to measure the advantages and disadvantages of the transaction to be conducted;
- Analysis to the transaction value, which includes a comparison between the planned transaction value and the results of audit on the transactions to be conducted and analysis to ensure that the planned transaction value gives added value of the transaction after it is conducted;

- Analysis of the relevant factors, such as the analysis of the relevant costs and revenues, relevant non-financial information, procedures for decision-making by the company in determining the plan and the transaction value.

h. Conclusion

Based on the consideration of qualitative and quantitative analysis of the Transaction Plan, analysis to the fairness of transactions value and the relevant factors in providing a fairness opinion on the Transaction Plan, then we can conclude that the Transaction Plan is fair.

8. Brief Description on the Public Accounting Firm Opinion on Methods and Procedures for Share Conversion

The methods and procedures for share conversion above have been reviewed by Purwantono, Sungkoro & Surja based on the procedures agreed upon with the management with the results of procedures application that it is not found any materials facts that led to the proposed share conversion need to be adjusted.

9. Shares of Merged Company

All shares of the Merged Company issued will be listed on the Indonesia Stock Exchange. Share trading of the Merged Company will be conducted electronically (scripless trading), with regard to the rules in the Indonesia Stock Exchange. Setting the implementation of share conversion and in the

implementation of electronics recording will be announced after the Merger Date.

Each share of the Merged Company resulting from the share conversion of the Merger Participants will be rounded up. Meanwhile, odd lot shares due to the Merger, the Merged Company will not apply special treatment and the odd lot shares can still be traded in the Indonesia Stock Exchange in accordance with the provisions of legislation applicable.

10. Procedure for Merger

10.1. In Term of Law

This merger is conducted with regards to the provisions applicable in Indonesia, inter alia:

a. Provisions on Limited Liability:

- Law on Company; and
- Government Regulation No. 27/1998.

b. Provisions on Capital Market:

- Law on Capital Market;
- Regulation No. IX.E.1;
- Regulation No. IX.G.1;
- POJK No. 32/2014; and
- Regulation No. I-G.

c. Provisions on Competition:

- Law on Anti-Monopoly; and
- Government Regulation No. 57/2010.

d. Provisions on Taxation:

- UUKUP;
 - UUPPH;
 - UUPPN;
 - UUPDRD;
 - Government Regulation No. 34/2010;
 - PMK No. 43/2008;
 - DGT REGULATION No. 28/2008; and
 - SE DGT No. -29/2015
- e. Provision on employment as stipulated in Law No. 13/2003.
- f. Provisions in the articles of association of each Merger Participant.

The merger will be effective on the Merger Date.

10.2 In Term of Accounting

This merger is conducted by using the Pooling of Interest method in accordance with the Statement of Financial Accounting Standards No. 38, "Business Combinations of Entities Under Common Control".

11. Independent Parties

In accordance with Regulation No. IX.E.1, Regulation No. IX.G.1 and Government Regulation No. 27/1998, has appointed independent parties to study the feasibility and fairness of the Merger either in terms of commercial, legal and other aspects. The parties appointed are as follows:

- a. Makes & Partners Law Firm, an independent legal counsel that provides legal opinions regarding some legal aspects of merger, especially in relation to the provision of Regulation IX.G.1;
- b. Credit Suisse (Singapore) Limited, as a financial advisor on the Merger.
- c. KAP Purwantono, Sungkoro & Surja, an independent party that:
 - provides an opinion on the presentation fairness of the financial statements of CTRA;
 - provides an opinion on the presentation fairness of the financial statements of CTRP;
 - provides an opinion on the presentation fairness of the financial statements of CTRS;
 - conducts reviews on the consolidated financial statements pro forma of the Merged Company
 - performs an implementation of the agreed procedures in connection with the methods and procedures for share conversion
- d. KJPP Rengganis, Hamid & Partners, an independent party providing audit on the fairness of CTRA share values as well as the fairness of the Share Conversion Factor
- e. KJPP Suwendho Rinaldy & Partners, an independent party providing audit on the fairness of CTRS share

values as well as the fairness of the Share Conversion Factor

- f. KJPP Martokoesoemo, Prasetyo & Partners, an independent party providing audit on the fairness of CTRP share values as well as the fairness of the Share Conversion Factor
- g. PT Falcon Solusi Cakrawala, an independent party providing inputs on taxation aspects related to the implementation of Merger;
- h. Notary Office of BuntarioTigris Darmawa Ng, S.H., as a notary that makes documents in connection with the Merger.

In this case, the independent parties mentioned above state that there is no affiliation with the Merger Participants as defined in the Law on Capital Market.

12. Settlement of Employee Status and Members of the Board of Directors and Board of Commissioners

In principle, this Merger does not result in employment relationship termination of employees of Merger Participants in each Scenario 1, Scenario 2 and Scenario 3. Thus, the employment relationship of all employees of Merging Company will be transferred to CTRA as the Merged Company or any Subsidiaries of CTRA, with the provisions agreed upon by the Merger Participants, including but not limited to that in the framework of efficiency and effectiveness and increasing work

discipline, the management of the Merged Company is entitled to make all adjustments considered necessary in connection with the employment structure.

The Merger Participants agree to cooperate and take necessary actions in connection with matters related to employment, including the settlement of labor issues arising in connection with the Merger, in accordance with the provisions of laws on employment applicable.

13. Settlement of Shareholders' Rights who Disagree with the Merger

Referring to Article 62 paragraph (1) of Law on Company, each shareholder is entitled to ask the Merger Participants that their shares to be repurchased at a reasonable price if the shareholders in question disapprove the actions of each Merger Participant (namely, Merger) which are detrimental to the shareholders or respective Merger Participant (as relevant). With reference to the fairness opinion on the Merger Plan stating that the transaction is fair, and therefore the Merger Participants believe that the Merger Action is a corporate action that is not potential to harm the shareholders.

Furthermore, given that the Merger Participants are public companies whose shares are registered and traded in the Indonesia Stock Exchange, the shareholders who do not agree with the Merger plan may sell part or all of their shares either through trading inside or outside the Indonesia Stock Exchange.

Especially for the sale of shares to the shareholders of CTRS and CTRP who disagree with the Merger Plan can be made up to December 23, 2016 which is the last trading date of CTRS and CTRP, either in the regular market, negotiation market and cash market.

14. Settlement of Rights and Obligations to Third Parties

The Merger Participants have conducted assessment in the implementation of this Merger after identifying the parties which have agreements with each Company as well as the rights and obligations arising under the agreements and/or documents which have a valid legal basis.

According to Article 127 paragraph (4) of Law on Company if until November 16, 2016 there are no written objections filed by the creditor in question, then the creditor is considered approve the Merger plan. The Merged Company will take over from the Merging Company all the rights and obligations of the Merging Company to creditors, except the rights and obligations of CTRS to (a) Taman Dayu project, based on Development Cooperation Agreement of Taman Dayu Project made and signed by PT Taman Dayu, which will be transferred to PT Ciputra Kirana Dewata; and (b) Centrepoint Reclamation of Indonesia Makassar Project, based on the Deed of Land Reclamation Development Operation Cooperation Agreement of Centre Point of Indonesia, Makassar made and signed with PT Yasmin Bumi Asri, which will be transferred to PT Ciputra Nusantara. As for each transfer plan above has been notified

to the parties where CTRS bind itself previously and has obtained the approval of the parties in question.

15. Estimated Implementation of Merger

This merger can only be conducted if:

- a. Has received an effective statement from the FSA
- b. Has been approved by shareholders at EGMS as follows:
 - EGMS by CTRA, CTRS and CTRP; or
 - EGMS by CTRA and CTRS; or
 - EGMS by CTRA and CTRP
- c. Deed of Merger is signed by the Merger Participants
- d. Approval of the Minister of Justice on amendment in the framework of the implementation of Merger.

The schedule below is a provisional schedule or an estimate on the Merger wherein the schedule is also adjusted to the implementation of electronic recording (scripless trading).

No.	Activities	Date
1.	Notice of EGMS agenda to the FSA	October 18, 2016
2.	Approval of the Board of Commissioners of CTRA, CTRS and CTRP on the merger draft	October 21, 2016
3.	Submission of a statement which contains the business merger draft along with complete document submitted to the FSA	October 24, 2016
4.	The announcement of a summary of the merger draft to the public in 2 (two) daily	October 24, 2016

No.	Activities	Date
	newspapers and to employees	
5.	Providing a circular letter on the merger draft to shareholders	October 24, 2016
6.	Announcement ads on EGMS in daily newspapers	October 24, 2016
7.	Filing an application for registration of additional shares to the Indonesia Stock Exchange and notice to the Indonesia Stock Exchange concerning possible the delisting of the shares of CTRS and CTRP from the register of shares listed in the Indonesia Stock Exchange as a result of the business merger	October 24, 2016
8.	Announcement of material information in connection with the business merger in the Indonesia Stock Exchange	October 25, 2016
9.	Announcement by the Indonesia Stock Exchange on the possible delisting of the shares from the register of shares listed in the Indonesia Stock Exchange as a result of the business merger	October 26, 2016
10.	Receipt of approval of the listing principles of additional shares of CTRA from the Indonesia Stock Exchange	November 3, 2016

No.	Activities	Date
11.	Final registration date of the list of shareholders entitled to attend EGMS	November 9, 2016
12.	Summons ads of EGMS in daily newspapers	November 10, 2016
13.	Deadline for submission of objections by creditors	November 16, 2016
14.	Announcement of Additional Information on the Draft Merger	November 30, 2016
15.	Statement of business merger declared effective by the FSA	December 1, 2016
16.	1st EGMS	December 2, 2016
17.	Announcement ads on minutes of the 1st EGMS	December 6, 2016
18.	Summon of 2nd EGMS*)	December 8, 2016
19.	2nd EGMS*)	December 16, 2016
20.	Announcement ads of the minutes of 2nd EGMS*)	December 20, 2016
21.	Signing of the deed of merger and Deed of Resolution of EGMS of CTRA	December 23, 2016
22.	Approval of the Minister of Justice and Human Rights on the deed of merger	December 30, 2016

No.	Activities	Date
23.	Last date of CTRS and CTRP shares trading in the regular market, negotiation market and cash market	December 23, 2016
24.	Date of submission of application for approval of the Deed of Merger to the Minister of Justice and Human Rights	December 29, 2016
25.	Date to determine shareholders of CTRS and CTRP entitled to new shares in CTRA	December 30, 2016
26.	Delisting of shares of CTRS and CTRP	January 3, 2017
27.	Distribution of shares resulting from the merger	January 3, 2017
28.	Commencement date of trading of new shares in CTRA as a Merged Company	January 3, 2017
29.	Deadline for announcement of the CTRA Directors on the results of Merger in 1 (one) or more daily newspapers	January 30, 2017

**) This can be done if the 1st EGM of one of the Merger Participants does not reach quorum*

16. Taxation Treatment on the Business Merger Plan

16.1. Corporate Income Tax

On March 13, 2008, the Minister of Finance of the Republic of Indonesia issued PMK No. 43/2008 which supercedes KMK No. 422/KMK.04/1998, dated September 9, 1998, concerning the use

of book value on the transfer of property in the context of a merger, consolidation or business expansion. Article 1, paragraph 1 of PMK No. 43/2008 stipulates that Taxpayer conducting business merger can use the book value on the transfer of property (book value in question is fiscal book value).

The definition of "business merger" as referred to in Article 1, paragraph 3 of PMK No. 43/2008 is a merger of two or more taxpayers whose capitals are divided for shares by way of maintaining the existence of one of the business entities that does not have remaining losses or have remaining smaller loss. Article 1, paragraph 4 of DGT Regulation No. 28/2008 stipulates that the remaining loss in question is the remaining fiscal and commercial losses.

Furthermore, Article 2 of PMK No. 43/2008 stipulates that to obtain approval from the Director General of Taxation (DGT) for the use of book value on the transfer of property, the taxpayers must meet the following requirements:

- a. Apply to the Director General of Taxes by enclosing reasons and purposes of business merger and expansion
- b. Settle all tax debt of each business entity involved, and
- c. Meet the requirements of business purpose test

Article 3 of PMK No. 43/2008 stipulates that taxpayers merging using the book value may not compensate for the loss/remaining

losses from the taxpayers which merge themselves/ Taxpayers are consolidated.

Article 7 of PMK No. 43/2008 states that the fulfillment of requirements as referred to in Article 2 is regulated by the DGT. In connection with this, the DGT issued DGT Regulation No. 28/2008 that is further provided in the DGT Circular Letter No. SE-45/PJ/2008 as lastly amended by (s.t.d.d.) of the DGT Circular Letter No. 29/2015. Related regulations of taxation include:

- a. Financial Statements of taxpayers who are the transferor of property and the transferee of property must be audited by a public accountant, especially for the year of the transfer of property
- b. The application for permit to the Regional Office of DGT to use the book value on the transfer of property in the framework of business merger or expansion should be submitted within 6 (six) months after the effective date of the merger
- c. To meet the business purpose test:
 - (i) Business merger and expansion aim at creating strong business synergies and strengthen the capital structure and are not conducted for tax evasion;
 - (ii) Business activities of taxpayers who transfer the property are still running on with the effective date of the merger;

(iii) Business activities of taxpayers who transfer property before the merger occurs remain to be continued by the taxpayers who receive the transfer of property for a minimum of 5 (five) years after the effective date of the merger;

(iv) Business activities of taxpayers who receive the property in the framework of merger remains to be continued for a minimum of 5 (five) years after the effective date of the merger;

(v) The property owned by the taxpayers who receive the property after the business merger of expansion is not transferable by taxpayers who receive property at least 2 (two) years after the effective date of the merger.

d. Tax audit will be conducted to Taxpayers who conduct merger, for fiscal year of the merger

e. If after the merger audit is conducted to the taxpayers who transfer the property related to taxation years prior to the year of merger, tax assessment letter on the results of audit and collection action and/or restitution are issued in the name and TIN of the taxpayers who transfer the property of qq name and TIN of Taxpayers who receive the property.

Based on the above tax regulations can be concluded as follows:

1. CTRA, CTRS and CTRP can apply and obtain approval from the DGT to use the book value on the transfer of property in the framework of Merger provided as all requirements as set forth in PMK No. 43/2008, DGT Regulation No. DJP No. 28/2008 and DGT Circular Letter No. 29/2015 are fulfilled.
2. If the application for the use of the book value in the framewrok of the Merger is approved by DGT, then there will be no implication of corporate income tax and/or income tax of TB (Article 4, paragraph 2) shall be final (apart from the matters presented below) related to gains (capital gain) arising from the transfer of property from the business entity tranferring the property to the business entity receiving the transfer of property

16.2. Income Tax on Transfer of Rights to Land and/or Building (Income Tax of TB)

Article 6 letter e of Government Regulation No. 34/2016, the business entity transferring the property in the form of Land and/or Buildings in the framework of merger stipulated by the Minister of Finance to use the book value is exempted from any obligation of payment or tax collection (Income Tax of TB).

Furthermore, based on the elucidation of Article 7 of Government Regulation No. 34/2016, on exemption of the imposition of Income Tax of TB, the Ministry of Agricultural and Spatial Plan/National Land Agency does not need to ask for the completeness in the form of Tax Payment (SSP) or prints

out of other administrative means equated with SSP, but must be evidenced by the Statement of Dispensation (SKB) issued by the DGT.

16.3. Customs on Acquisition of Rights to Land and Building (BPHTB)

Article 85 paragraph (2) (b) number (10) of UUPDRD stipulates that Customs on Acquisition of Rights to Land and Building (BPHTB) imposed on one of them includes the transfer of rights due to business merger.

Article 87 paragraph (2) (k) and Article 88 paragraph (1) of UUPDRD state that Tax Object Acquisition Value in the case of business merger is the market value and the rate of BPHTB set at a maximum of 5% (five percent).

Under the provisions of Article 183 of UUPDRD, the Implementation of reductions, waivers and exemption of BPHTB will then be regulated by the Regional Regulation (Perda).

16.4. Value Added Tax (VAT)

Article 1A paragraph (2) letter (d) of UUPPN stipulates that the transfer of Taxable Goods in the framework of Merger is not subject to VAT on the condition that the parties who are the transferor and the transferee are taxable entrepreneurs.

16.5. Elimination of TIN and Revocation of PKP

CTRS and CTRP as the Merging Companies, as a result of the Merger, will be ended by law with or without prior liquidation, and required to submit a request for TIN (Taxpayer Identification Number) removal and Revocation of PKP (Taxable Entrepreneur) to the Tax Office (KPP) where the Taxpayers are Registered.

In accordance with Article 2 (6) and (8) of UUKUP in conjunction with Article 11 of DGT Decision No. KEP-161/PJ/2001, dated February 21, 2001, as amended by Article 9, Article 13 paragraph s(6) and (7) (b) and Article 21 of DGT Regulation No. PER-20/PJ/2013, dated May 30, 2013, the tax authorities will conduct tax audits to CTRS and CTRP in the framework of giving approval for the removal of TIN and revocation of PKP and each must be completed within a period of 12 (twelve) months and 6 (six) months from the date of receipt of the application in full.

Article 13 paragraph (8) and Article 25 paragraphs (3) and (4) of the DGT Regulation No. PER-20/PJ/2013, dated May 30, 2013, state that if the period of 12 (twelve) months (for removal of TIN) and 6 (six) months (for rocation of PKP) has been exceeded and KPP does not issue a Decision on Removal of Tin and Revocation of PKP within a maximum of 1 (one) month after the period ends.

IV. TERMS OF MERGER AND VOTING

By considering the provisions of legislation applicable in Indonesia, this Merger, inter alia, will be conducted with the following requirements:

1. Approval of shareholders of the Merged Company based on EGMS held by each Merger Participant.
 - a. Merger as referred to in the Merger Plan is an affiliate transaction as referred to in Regulation No. IX.E.1 due to (i) ownership relationship, and (ii) management relationship
 - b. Thus, the approval of this Merger approval must be sought from EGMS of CTRA, CTRS and CTRP attended by shareholders representing at least 3/4 of the total shares with valid voting rights and approved by at least 3/4 of the total votes. However, if the provisions of quorum cannot be achieved, the 2nd EGMS will be held to obtain approval on this Merger that shall be attended by shareholders representing at least 2/3 of the total shares with valid voting rights and approved by at least 2/3 of the votes.
2. Effective statement of the FSA on the Statement of Merger
3. Signing of the Deed of Merger by the Merger Participants
4. Approval for the Amendment to the Articles of Association of the Merged Company by the Minister of Justice and Human Rights.
5. Approval of third parties including but not limited to approval of third party required by applicable legislation

or required by an agreement or contract or arrangement made by the Merger Participants with third parties including but not limited to the approval of holders of notes on notes issued by CTRP.

6. Approval or permits of the authorities, including the Directorate General of Taxation

In view of matters mentioned above, the implementation of Merger depends on inter alia the terms and agreements of third party as mentioned above. In connection with this, there is uncertainty that this Merger will be implemented.

Based on assessments conducted, the Merger Participants have prepared the Merger Draft and the Merger Draft has been approved by the respective Commissioner of each company, and will deliver a statement of Merger to the FSA on October 24, 2016.

V. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The shareholders of Merger Participants registered in the Register of Shareholders on November 9, 2016 at 16.00 of Western Indonesian Time are entitled to attend EGMS to be held on December 2, 2016.

For those shareholders who cannot attend the EGMS itself can give power to other parties, by filling out a Power of Attorney form provided and return it to the representative office of each Merger Participant, as soon as possible so that the Power of Attorney has been accepted back no later than 3 (three) business days before the EGM is held.

The submission of the Power of Attorney form will not limit the shareholders to attend the EGMS and give their own votes if desired.

The decision in the EGMS of CTRA, CTRS and CTRP can be made if each EGMS is attended by shareholders representing at least 3/4 of the total shares with valid voting rights and approved by at least 3/4 of the votes present. However, if the terms of quorum cannot be reached, it 2nd EGMS will be held where it is scheduled to be held on December 16, 2016 and to obtain approval of this Merger the 2nd EGMS shall be attended by shareholders representing at least 2/3 of the total shares with valid voting rights and approved by at least 2/3 of the votes present.

VI. ADDITIONAL INFORMATION

For shareholders who require further information regarding this Merger, please feel free to contact:

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Further informed that the shareholders are provided with Circular Letter containing more complete information on the Merger plan at the address above.

Thus this Merger Draft is delivered to meet the provisions of legislation applicable.

For and on behalf of

PT Ciputra Development Tbk.

PT Ciputra Surya Tbk.

PT Ciputra Property Tbk.