# PT Ciputra Development Tbk
# and Subsidiaries

## Consolidated Financial Statements
## As of 30 September 2012 (Unaudited) and 31 December 2011,
## 1 January 2011/31 December 2010 (Audited) and
## For the Nine Month Periods Ended 30 September 2012 and 2011 (Unaudited)
## (Indonesian Currency)

**PT CIPUTRA DEVELOPMENT TBK AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**As of 30 September 2012 (Unaudited), 31 December 2011 and**
**1 January 2011/31 December 2010 (Audited)**
**(In Rupiah)**

| | Notes | 30 September 2012 | 31 December 2011 | 1 January 2011/ 31 December 2010 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | 2d,3 | 2,390,733,920,960 | 2,109,129,637,191 | 2,235,938,145,227 |
| Accounts receivable | 2f | | | |
| Trade | | | | |
| (Net of allowance for doubtful accounts amounting Rp 2,410,922,988 as of 30 September 2012, Rp 3,697,782,830 as of 31 December 2011 and Rp 2,720,479,070 as at 1 January 2011) | 5 | 353,771,208,087 | 277,277,894,330 | 179,296,995,188 |
| Others | | | | |
| Third parties | | 133,977,396,058 | 47,538,192,683 | 19,656,022,691 |
| Related parties | 2g,6 | 40,475,382,371 | 17,340,034,020 | 113,362,565,284 |
| Inventories | 2h,2q,7 | 2,836,643,216,305 | 2,675,218,498,778 | 2,154,509,310,604 |
| Prepaid taxes and expenses | | 336,221,029,248 | 240,362,547,268 | 134,451,468,918 |
| **TOTAL CURRENT ASSETS** | | **6,091,822,153,029** | **5,366,866,804,270** | **4,837,214,507,912** |
| **NON-CURRENT ASSETS** | | | | |
| Long-term investments | 2e,4 | 259,476,929,854 | 261,751,937,186 | 136,303,983,463 |
| Advances for purchase of land and others | 8 | 542,942,705,503 | 123,657,580,841 | 82,826,300,607 |
| Land for development | 2h,2q,9 | 2,723,824,487,352 | 2,110,538,328,855 | 1,728,721,812,507 |
| Investment properties | | | | |
| (Net of accumulated depreciation Rp 268,308,380,712 as of 30 September 2012, Rp 229,861,697,009 as of 31 December 2011, and Rp 206,240,317,137 as of 1 January 2011) | 2i,10 | 2,640,954,073,218 | 2,070,096,392,913 | 1,113,015,943,210 |
| Fixed assets | | | | |
| (Net of accumulated depreciation Rp 442,911,836,638 as of 30 September 2012, Rp 405,910,347,661 as of 31 December 2011 and Rp 357,485,567,982 as of 1 January 2011) | 2j,2k,2q,11 | 1,294,267,533,749 | 1,285,603,478,825 | 1,298,860,021,429 |
| Other assets | | | | |
| Restricted funds | 3 | 178,603,259,451 | 283,028,290,667 | 157,563,964,347 |
| Others | | 37,273,764,862 | 23,324,008,759 | 23,835,603,452 |
| **TOTAL NON-CURRENT ASSETS** | | **7,677,342,753,989** | **6,158,000,018,046** | **4,541,127,629,015** |
| **TOTAL ASSETS** | | **13,769,164,907,018** | **11,524,866,822,316** | **9,378,342,136,927** |

The above concolidated financial statements should be read in conjunction with the accompanying notes

## PT CIPUTRA DEVELOPMENT TBK AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
**As of 30 September 2012 (Unaudited), 31 December 2011 and**
**1 January 2011/31 December 2010 (Audited)**
**(In Rupiah)**

| | Notes | 30 September 2012 | 31 December 2011 | 1 January 2011/ 31 December 2010 |
|---|---|---|---|---|
| **LIABILITIES AND EQUITY** | | | | |
| **SHORT-TERM LIABILITIES** | | | | |
| Short-term bank loans | 12 | 62,007,635,721 | 54,131,659,698 | 29,001,529,286 |
| Accounts payable | | | | |
| Trade | | 21,213,760,358 | 27,962,855,820 | 27,157,406,998 |
| Others | | | | |
| Third parties | 13 | 213,734,409,051 | 202,910,554,841 | 121,447,662,724 |
| Related parties | 2g,6 | - | - | 65,182,569,661 |
| Accrued expenses | | 20,392,806,039 | 33,055,188,280 | 26,706,732,763 |
| Taxes payable | 2t,14 | 60,102,059,489 | 52,363,900,875 | 34,184,176,342 |
| Advances from customers | 2p,15 | 3,256,129,467,213 | 2,156,910,491,492 | 1,286,520,961,629 |
| **TOTAL SHORT-TERM LIABILITIES** | | **3,633,580,137,871** | **2,527,334,651,006** | **1,590,201,039,403** |
| **LONG-TERM LIABILITIES** | | | | |
| Long-term bank loans | 12 | 1,244,768,643,525 | 747,807,728,648 | 253,157,547,603 |
| Unearned revenues | 2p,16 | 202,095,992,203 | 156,256,000,216 | 67,961,244,546 |
| Construction cost payable | 17 | 523,093,785,966 | 357,530,626,763 | 140,224,125,943 |
| Deferred tax liabilities | 2t | 36,436,333,085 | 37,002,102,186 | 35,592,266,607 |
| Employee benefits liabilities | 2n,18 | 51,501,524,683 | 51,501,524,683 | 39,062,227,117 |
| **TOTAL LONG-TERM LIABILITIES** | | **2,057,896,279,462** | **1,350,097,982,496** | **535,997,411,816** |
| **TOTAL LIABILITIES** | | **5,691,476,417,333** | **3,877,432,633,502** | **2,126,198,451,219** |
| **EQUITY** | | | | |
| Capital stock | | | | |
| Authorized – 20,000,000,000 shares, at par value of Rp 250 each | | | | |
| Issued and fully paid – 15,165,815,994 shares as of 30 September 2012, 31 December 2011 and 1 January 2011 | 1b,20 | 3,791,453,998,500 | 3,791,453,998,500 | 3,791,453,998,500 |
| Additional paid in capital | 1b | 7,173,979,690 | 7,173,979,690 | 7,173,979,690 |
| Differences arising from changes in equity of Subsidiaries | 2e | 838,253,660,301 | 838,253,660,301 | 898,680,656,210 |
| Difference arising from restructuring transaction of entities under common control | 4 | 14,962,799,656 | 14,962,799,656 | - |
| Difference in value of equity transaction with non-controlling interest | 1c | 13,290,036,031 | 13,290,036,031 | - |
| Differences arising from foreign currency translations | | 1,223,600 | 1,223,600 | 1,223,600 |
| Retained earnings: | | | | |
| Appropriated | | 15,000,000 | 10,000,000 | 5,000,000 |
| Unappropriated | | 696,747,612,466 | 441,544,821,940 | 207,720,839,481 |
| Net equity attributable to owners of the parent | | 5,361,898,310,244 | 5,106,690,519,718 | 4,905,035,697,481 |
| Non-controlling interests | 2b,19 | 2,715,790,179,441 | 2,540,743,669,096 | 2,347,107,988,227 |
| **TOTAL EQUITY** | | **8,077,688,489,685** | **7,647,434,188,814** | **7,252,143,685,708** |
| **TOTAL LIABILITIES AND EQUITY** | | **13,769,164,907,018** | **11,524,866,822,316** | **9,378,342,136,927** |

# PT CIPUTRA DEVELOPMENT TBK AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
**For the Nine Month Periods Ended 30 September 2012 and 2011 (Unaudited)**
**(In Rupiah)**

| | Notes | 30 September 2012 | 30 September 2011 |
|---|---|---|---|
| **REVENUES** | 2p,22 | 2,237,341,966,137 | 1,527,174,552,080 |
| **COST OF SALES AND DIRECT COSTS** | 2p,23 | 1,135,455,600,471 | 816,590,151,488 |
| **GROSS PROFIT** | | **1,101,886,365,666** | **710,584,400,592** |
| General and administrative expenses | 2p,24 | (342,621,088,086) | (263,552,628,138) |
| Selling expenses | 2p,24 | (140,672,819,714) | (97,879,225,360) |
| Gain (loss) on sale of investments – net | | (484,000,000) | 247,455,085 |
| Gain (loss) on foreign exchange – net | | 4,597,270,145 | (1,338,271,733) |
| Others – net | | 12,372,335,328 | 46,045,542,372 |
| **PROFIT FROM OPERATIONS** | | 635,078,063,339 | 394,107,272,818 |
| Interest income | | 65,071,449,911 | 73,556,929,118 |
| Finance costs | 12 | (40,945,860,472) | (3,226,024,520) |
| Equity in net income of Associated Companies | | 1,629,912,729 | 710,791,232 |
| **INCOME BEFORE INCOME TAX** | | 660,833,565,507 | 465,148,968,648 |
| **INCOME TAX BENEFIT (EXPENSE)** | 2t,14 | | |
| Current - final | | (113,086,466,756) | (82,038,986,121) |
| Current - non final | | (12,683,129,777) | (7,421,342,369) |
| Deferred | | 1,251,870,798 | 619,984,524 |
| Total income tax expense – net | | (124,517,725,735) | (88,840,343,966) |
| **NET PROFIT FOR THE PERIOD** | | **536,315,839,772** | **376,308,624,682** |
| **OTHER COMPREHENSIVE INCOME** | | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **536,315,839,772** | **376,308,624,682** |
| **Net profit for the for the period attributable to:** | | | |
| Owners of the parent | | 361,368,502,484 | 229,848,382,611 |
| Non-controlling interests | 2b,19 | 174,947,337,288 | 146,460,242,071 |
| | | **536,315,839,772** | **376,308,624,682** |
| **Total comprehensive income for the period attributable to:** | | | |
| Owners of the parent | | 361,368,502,484 | 229,848,382,611 |
| Non-controlling interests | 2b,19 | 174,947,337,288 | 146,460,242,071 |
| | | **536,315,839,772** | **376,308,624,682** |
| Basic earnings per share attributable to owners of the parent | 2v, 25 | **23.8** | **15.2** |

The above consolidated financial statements should be read in conjunction with the accompanying notes

**PT CIPUTRA DEVELOPMENT TBK DAN SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**For the Nine Month Periods Ended 30 September 2012 and 2011 (Unaudited)**
**(In Rupiah)**

| | | Equity attributable to owners of the parent | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Retained earnings | | | | |
| | Notes | Capital stock | Additional paid in capital | Differences arising from changes in equity of Subsidiaries | Difference arising from restructuring transaction of entities under common control | Difference arising from foreign currency translations | Difference in value of equity transactions with non-controlling interest | Appropriated | Unappropriated | Total | Non-controlling interests | Equity – Net |
| Balance as of 1 January 2011 | | 3,791,453,998,500 | 7,173,979,690 | 898,680,656,210 | - | 1,223,600 | - | 5,000,000 | 207,720,839,481 | 4,905,035,697,481 | 2,347,107,988,227 | 7,252,143,685,708 |
| Appopriation of retained earnings | 21 | - | - | - | - | - | - | 5,000,000 | (5,000,000 ) | - | - | - |
| Total comprehensive income for the period | | - | - | - | - | - | - | - | 229,848,382,611 | 229,848,382,611 | 146,460,242,071 | 376,308,624,682 |
| Dividend | 21 | - | - | - | - | - | - | - | (90,994,895,964 ) | (90,994,895,964 ) | - | (90,994,895,964 ) |
| Other change in non-controlling interests | | - | - | - | - | - | - | - | - | - | (101,398,236,730 ) | (101,398,236,730 ) |
| **Balance as at 30 September 2011** | | **3,791,453,998,500** | **7,173,979,690** | **898,680,656,210** | **-** | **1,223,600** | **-** | **10,000,000** | **346,569,326,128** | **5,043,889,184,128** | **2,392,169,993,568** | **7,436,059,177,696** |
| Balance as of 1 January 2012 | | 3,791,453,998,500 | 7,173,979,690 | 838,253,660,301 | 14,962,799,656 | 1,223,600 | 13,290,036,031 | 10,000,000 | 441,544,821,940 | 5,106,690,519,718 | 2,540,743,669,096 | 7,647,434,188,814 |
| Appopriation of retained earnings | 21 | - | - | - | - | - | - | 5,000,000 | (5,000,000) | - | - | - |
| Total comprehensive income for the period | | - | - | - | - | - | - | - | 361,368,502,484 | 361,368,502,484 | 174,947,337,288 | 536,315,839,772 |
| Dividend | 21 | - | - | - | - | - | - | - | (106,160,711,958 ) | (106,160,711,958 ) | - | (106,160,711,958 ) |
| Other change in non-controlling interests | | - | - | - | - | - | - | - | - | - | 99,173,057 | 99,173,057 |
| **Balance as at 30 September 2012** | | **3,791,453,998,500** | **7,173,979,690** | **838,253,660,301** | **14,962,799,656** | **1,223,600** | **13,290,036,031** | **15,000,000** | **696,747,612,466** | **5,361,898,310,244** | **2,715,790,179,441** | **8,077,688,489,685** |

The above consolidated financial statements should be read in conjunction with the accompanying notes

**PT CIPUTRA DEVELOPMENT TBK AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**For the Nine Month Periods Ended 30 September 2012 and 2011 (Unaudited)**
**(In Rupiah)**

| | 30 September 2012 | 30 September 2011 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Cash receipts from customers | 3,305,907,620,090 | 2,042,843,898,716 |
| Cash paid for contractors, suppliers and others | (1,129,691,730,645) | (1,160,701,557,210) |
| Cash paid for: | | |
| Salaries and allowances | (203,752,622,158) | (151,090,741,277) |
| Other operating expenses | (367,708,067,923) | (284,043,217,822) |
| Net cash flows from operations | 1,604,755,199,364 | 447,008,382,407 |
| Interest income from investments | 65,071,449,911 | 74,257,328,159 |
| Payment of: | | |
| Income and other taxes | (191,857,617,642) | (168,119,493,506) |
| Interest and other financial charges | (40,945,860,472) | (3,226,024,520) |
| Redemption of restricted funds | 104,425,031,216 | 70,666,371,027 |
| Related parties - net | (18,717,905,233) | (62,155,095,660) |
| Net cash flows from operating activities | 1,522,730,297,144 | 358,431,467,907 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Decrease (Increase) in investments - net | 1,791,007,331 | (800,453,234) |
| Increase in fixed assets and investment properties - net | (579,521,735,230) | (557,247,063,340) |
| Purchase and development of land | (1,032,571,283,159) | (376,727,300,048) |
| Net cash flows from investing activities | (1,610,302,011,058) | (934,774,816,622) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds of loans from banks | 1,010,137,698,258 | 209,112,203,645 |
| Repayment of loans from banks | (505,300,807,358) | (14,267,568,462) |
| Payments of dividends by the Company | (106,160,711,958) | (90,994,895,964) |
| Payments of dividends by the Subsidiaries | (38,531,076,882) | (28,485,709,150) |
| Net cash flows from financing activities | 360,145,102,060 | 75,364,030,069 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | **272,573,388,146** | **(500,979,318,646)** |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD** | **2,109,129,637,191** | **2,235,938,145,227** |
| **EFFECTS OF FOREIGN CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS** | **9,030,895,623** | **(3,315,795,592)** |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | **2,390,733,920,960** | **1,731,643,030,989** |
| Cash and cash equivalents at the end of period consist of: | | |
| Cash on hand | 29,701,292,991 | 7,081,132,031 |
| Cash in banks | 669,620,358,185 | 399,086,937,454 |
| Time deposits | 1,691,412,269,784 | 1,325,474,961,504 |
| **Total** | **2,390,733,920,960** | **1,731,643,030,989** |

The above consolidated financial statements should be read in conjunction with the accompanying notes

(In Rupiah)

## 1. GENERAL

### a. The Company's Establishment

PT Ciputra Development Tbk (the Company) was established on 22 October 1981 based on Notarial Deed No. 22 of Hobropoerwanto, SH. The deed of establishment was approved by the Minister of Justice in its Official Letter No. Y.A.5/417/9 dated 4 June 1982 and was published in the State Gazette No. 72, Supplement No. 1131 dated 7 September 1982.

The Company's Articles of Association has been amended for several times, the latest was based on the minutes of Extraordinary Stockholders General Meeting which was notarized under the deed No. 348 dated 20 May 2010 of Buntario Tigris Darmawa Ng, SH, SE, MH, that the shareholders approved the split in par value of its capital stock from Rp 500 to Rp 250 per share. This amendment was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its decission letter No.AHU-0040026.AH.01.09 dated 26 May 2010.

According to Article 3 of the Company's Articles of Association, the Company's scope of activities comprises the development and sale of housing (real estate), apartments, office spaces, shopping centers, recreational places, and their facilities, and provision of services related to the design, development and maintenance of housing facilities, including but not limited to golf courses, family clubs, restaurants and other recreation centers and their facilities.

The Company's head office is located at Jl. Prof. Dr. Satrio Kav. 6, Jakarta. Its real estate projects, namely Perumahan Citra 1, 2 and 5, are located in Kalideres, Jakarta.

The Company started its commercial operations in 1984.

PT Sang Pelopor is the controlling parent company of the Company and Subsidiaries.

### b. The Company's public offerings

Based on Notarial Deed No. 493 dated 12 October 1993 of Poerbaningsih Adi Warsito, SH., the Company changed its legal status from a Limited Liability Company to a Public Company, increased its authorized capital stock and registered its issued shares of stock for trading on the Jakarta Stock Exchange (merged with Surabaya Stock Exchange to become the Indonesia Stock Exchange). This amendment was published in Supplement No. 493 dated 25 January 1994 of the State Gazette No. 7.

Based on the letter No. S-298/PM/1994 dated 18 February 1994 of the Capital Market and Financial Institution Supervisory Agency (BAPEPAM-LK), declared the Company's Registration Statement on its Initial Public Offering of shares was declared effective. On 28 March 1994, the Company listed 250,000,000 shares out of its issued and fully paid shares with nominal value of Rp 1,000 per share in the Jakarta Stock Exchange. The chronology of public offerings and other capital stock activities following the initial public offering is as follows:

| Corporate Action | Listing Date | Share Amount | Cummulative Number of shares | Nominal Amount (Rp) |
|---|---|---|---|---|
| Initial Public Offering (IPO) [1] | 28 March 1994 | 250,000,000 | 250,000,000 | 250,000,000,000 |
| Stock split [2] | 06 August 1996 | 250,000,000 | 500,000,000 | 250,000,000,000 |
| Limited Public Offering I [3] | 08 October 1996 | 250,000,000 | 750,000,000 | 375,000,000,000 |
| Bonus shares [4] | 04 December 2000 | 862,500,000 | 1,612,500,000 | 806,250,000,000 |
| Issuance shares without pre-emptive rights [5] | 29 March 2006 | 2,307,276,912 | 3,919,776,912 | 1,959,888,456,000 |
| Limited Public Offering II [6] | 12 December 2006 | 2,449,860,570 | 6,369,637,482 | 3,184,818,741,000 |
| Exercise of Warrants Series I [7] | June – December 2007 | 170,959,193 | 6,540,596,675 | 3,270,298,337,500 |
| Exercise of Warrants Series I [7] | January–December 2008 | 16,152,240 | 6,556,748,915 | 3,278,374,457,500 |
| Exercise of Warrants Series I [7] | January – Desember 2009 | 1,026,159,082 | 7,582,907,997 | 3,791,453,998,500 |
| Stock split [8] | 18 June 2010 | 7,582,907,997 | 15,165,815,994 | 3,791,453,998,500 |
| Total shares | | | 15,165,815,994 | 3,791,453,998,500 |

1) Initial Public Offering totaling 50,000,000 shares (with par value Rp 1,000 per share) at the price of Rp 5,200 per share. The issued shares as well as founder's 200,000,000 shares were registered at PT. Bursa Efek Jakarta on 28 March 1994.
2) Stock split, change the par value of share from Rp 1,000 to Rp 500.
3) Existing shareholders of 2 shares entitled for 1 pre-emptive rights to buy 1 new share (par value Rp 500) at Rp 1,400 per share.
4) Existing shareholders of 20 shares entitled to 23 bonus shares.
5) Related to debt settlement amounting USD 181.2 million.
6) Existing shareholders of 8 shares entitled to 5 pre-emptive rights to buy 5 new shares (par value Rp 500) at Rp 500 per share.
7) Shareholders of 2 shares from Limited Public Offering II entitled to 1 warrant to buy 1 new share at par value, Rp 500 per share.
8) Stock split, change the par value of share from Rp 500 to Rp 250.

## c. The Structure of Subsidiaries

The consolidated financial statements include the accounts of the Company and the following Subsidiaries, which majority, directly and indirectly, owned by the Company, as follows:

| Subsidiaries | Principle Activities (a) | Start of Commercial Operations | Domicile | Percentage of Ownership (%) 2012 | 2011 | Total Assets 30 September 2012 (in thousand Rp) |
|---|---|---|---|---|---|---|
| PT Ciputra Residence and Subsidiaries (a) | 1 | 1994 | Tangerang | 99.99 | 99.99 | 2,229,276,511 |
| PT Citraland Graha Realty (b) | - | - | Jakarta | 99.99 | 99.99 | 10,030,237 |
| PT Ciputra Graha Mitra and Subsidiaries (a) | 1 | 2007 | Jakarta | 99.99 | 99.99 | 834,676,232 |
| PT Ciputra Indah and Subsidiaries (a) | 1 | 1996 | Bogor | 99.89 | 99.89 | 949,229,458 |
| PT Citra Tumbuh Bahagia (b) | 1 | 1993 | Jakarta | 80.00 | 80.00 | 9,777,822 |
| PT Penta Oktoeneatama and Subsidiary (b) | 1 | 1993 | Jakarta | 80.00 | 80.00 | 17,078,567 |
| PT Ciputra Property Tbk and Subsidiaries (a) | 3 | 1993 | Jakarta | 57.93 | 56.14 | 5,378,748,395 |
| PT Ciputra Surya Tbk and Subsidiaries (a) | 1,4 | 1993 | Surabaya | 62.66 | 62.66 | 4,152,288,736 |
| PT Ciputra Raya Sejahtera and Subsidiaries (b) | 2,5 | 2011 | Jakarta | 99.99 | 99.99 | 112,094,673 |
| Longfield Enterprises Limited and Subsidiaries (b) | 2 | - | BVI | 100.00 | 100.00 | 98,645,813 |

Description
a. 1. Developing and selling real estate.
2. Financing activities of subsidiaries.
3. Developing and managing shopping centers, hotels and other commercial properties.
4. Developing and operating golf course and club house.
5. Developing and managing hospitals and related businesses in the health sector.
b. In development stage as at 30 September 2012.

**PT Ciputra Property Tbk**
From May to December 2010, the Company acquired additional 174,249,000 PT Ciputra Property Tbk ("CP")'s shares with the total price of Rp 68,206,496,016 (including commissions and other expenses which are directly attributable to this transaction). As a result of this transaction, the Company's ownership in CP was increased from 3,139,999,996 shares (51.89%) to 3,365,437,996 shares (54.72%). The net assets value of the acquired non-controlling interest at the time of the transaction amounted to Rp 92,795,833,203. The related excess of the underlying net assets value over the cost of the investments in relation to the acquisition amounting to Rp 24,589,337,187 was allocated to the carrying value CP's non-monetary assets.

From January to September 2011, the Company purchased 87,439,000 CP shares with the total price of Rp 35,901,302,500. As a result of this transasction, the Company's ownership in CP increased from 3,365,437,996 shares (54.72%) to 3,452,876,996 shares (56.14%). The net assets value of the acquired non-controlling interest at the time of the transaction amounted to Rp 49,461,181,687. The related excess of the underlying net assets value over the cost of the investment in relation to the acquisition amounting to Rp 13,559,879,187, was allocated to the carrying value of CP's non-monetary assets.

In December 2011, CP repurchased 189,836,500 shares, equivalent to 3.09% of its total issued and paid-up capital, with total purchase price of Rp 91,973,532,700. The said repurchased shares are recorded as treasury stock under the equity of CP. As a result of this transaction, the Company's ownership in CP increased to 57.93%. This change has been recorded under "Differences arising from changes in equity of Subsidiaries".

**PT Ciputra Adigraha (CAG/ a Subsidiary of CP)**
Based on a conditional sale and purchase agreement dated 1 July 2009, between CP and Natsteel Properties Pte. Ltd. (NSL), CP agreed to buy 19,000,000 shares of PT Ciputra Adigraha (CAG) owned by NSL for USD 7,600,000 conducted over 2 tranches. In tranche 1, CP and NSL conducted the exchange of 9,500,000 shares for USD 3,800,000 within 30 days of the Share Transfer Deed's preparation on 28 July 2009. In tranche 2, another batch of 9,500,000 shares are exchanged for USD 3,800,000, this transaction may be completed within 4 years of the completion of tranche 1. The net assets value of the non-controlling interest acquired in tranche 1 amounted to Rp 17,386,845,714. The excess underlying net

assets value over the acquisition cost of Rp 37,981,000,000 (USD 3,800,000) was allocated to the acquired non-monetary assets of on behalf CAG.

Based on the Debt Conversion Agreement with CAG dated 1 July 2009, CAG's debt to CP amounting to Rp 266,000,000,000 was converted into 66,500,000 new shares of CAG.

Based on Notarial Deed No. 174 covering the minutes of CAG's Shareholders' General Meeting and Share Transfer Deed No. 175 of Buntario Tigris, SH, dated 28 July 2009 state CAG's stockholders' agreement to the sale and transfer of 9,500,000 shares originally owned by NSL to CP as well as to the increase of authorized capital and paid-in capital as a result of CAG's debt to equity conversion discussed above.

In August 2010, CP acquired additional 9,500,000 shares of CAG at USD 3,800,000 (equivalent to Rp 39.048.710.878) from NSL as a procurement tranche 2, which increased CP's ownership in CAG to become 98.33%.

**PT Ciputra Bukit Bandung (CBB/ a Subsidiary of CGM)**
Based on Notarial Deed No. 54 of Buntario Tigris Darmawa Ng, SH, dated 15 January 2010, the Company and PT Ciputra Graha Mitra (CGM), a Subsidiary, had invested 1 share or Rp 1,000 (0.01%) and 249,999 shares or Rp 249,999,000 (99.99%) respectively in CBB. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-05707.AH.01.01.Tahun 2010 dated 2 February 2010.

**PT Ciputra Langgeng Mitra (CLM/ a Subsidiary of CGM)**
Based on Notarial Deed No. 92 of Buntario Tigris Darmawa Ng, SH, dated 22 January 2010, the Company and CGM had invested 1 share or Rp 1,000 (0.01%) and 999,999 shares or Rp 999,999,000 (99.99%) respectively in CLM. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-06338 AH.01.01.Tahun 2010 dated 5 February 2010.

**PT Ciputra Karya Mandiri (CKM/ a Subsidiary of CGM)**
Based on Notarial Deed No. 93 of Buntario Tigris Darmawa Ng, SH, dated 22 January 2010, the Company and CGM had invested 1 share or Rp 1,000 (0.01%) and 999,999 shares or Rp 999,999,000 (99.99%) respectively in CKM. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-09765 AH.01.01.Tahun 2010 dated 23 February 2010.

**PT Ciputra Optima Mitra (COM/ a Subsidiary of CGM)**
Based on Notarial Deed No. 94 of Buntario Tigris Darmawa Ng, SH, dated 22 January 2010, the Company and CGM had invested 1 share or Rp 1,000 (0.01%) and 999,999 shares or Rp 999,999,000 (99.99%) respectively in COM. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-06405AH.01.01.Tahun 2010 dated 8 February 2010.

**PT Ciputra Jaya Mandiri (CJM/ a Subsidiary of CGM)**
Based on Notarial Deed No. 95 of Buntario Tigris Darmawa Ng, SH, dated 22 January 2010, the Company and CGM had invested 1 share or Rp 1,000 (0.01%) and 999,999 shares or Rp 999,999,000 (99.99%) respectively in CJM. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-06336.AH.01.01. Tahun 2010 dated 5 February 2010.

**PT Ciputra Intan Mitra (CIM/ a Subsidiary of CGM)**
Based on Notarial Deed No. 96 of Buntario Tigris Darmawa Ng, SH, dated 22 January 2010, the Company and CGM had invested 1 share or Rp 1,000 (0.01%) and 999,999 shares or Rp 999,999,000 (99.99%) respectively in CIM. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-06335.AH.01.01. Tahun 2010 dated 5 February 2010.

**PT Ciputra Harmoni Mitra (CHM/ a Subsidiary of CGM)**
Based on Notarial Deed No. 97 of Buntario Tigris Darmawa Ng, SH, dated 22 January 2010, the Company and CGM had invested 1 share or Rp 1,000 (0.01%) and 999,999 shares or Rp 999,999,000 (99.99%) respectively in CHM. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-06333.AH.01.01. Tahun 2010 dated 5 February 2010.

**PT Ciputra Symphony (C.Sym/ a Subsidiary of CI)**
Based on Notarial Deed No. 85 of Buntario Tigris Darmawa Ng, SH, dated 16 April 2010, PT Ciputra Indah (CI), a Subsidiary, had invested 22,880,000 shares or Rp 22,880,000,000 (52%) in C.Sym. The deed has been approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decree No. AHU-26941.AH.01.02 Tahun 2010 dated 26 May 2010.

**PT Ciputra Raya Sejahtera (CRS) (formerly PT Ciputra Medika Utama (CMU))**
On 30 April 2010, based on Notarial Deed No. 181 of Buntario Tigris Darmawa Ng, SH., S.E., M.H., CMU changed its name to CRS.

**PT Citra Grand Khatulistiwa (CGK/ a Subsidiary of CI)**
Based on Notarial Deed No. 227 of Buntario Tigris Darmawa Ng, SH, dated 29 June 2010, CI had invested 49,000 shares or Rp 49,000,000 (98%) in CGK. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-365253.AH.01.01 Tahun 2010 dated 21 July 2010.

Based on Notarial Deed of Sales and Purchase of Shares No. 615 dated 29 March 2012 of Buntario Tigris Darmawa Ng, SH, CI had sold its ownership in CGK to CS.

Based on Notarial Deed of Sales and Purchase of Shares No.27 dated 05 June 2012 of Buntario Tigris Darmawa Ng, SH, CS had sold its ownership in CGK, therefore, no shares of CGK owned by CS.

**Longfield Enterprises Limited**
Based on establishment certificate No. 1595463 dated 15 July 2010, the Company had invested in Long Field Enterprises Limited located in British Virgin Islands, 26,600 shares or USD 26,600 (100%).

**PT Ciputra Kirana Dewata (CKD/ a Subsidiary of CS)**
Based on Notarial Deed No. 45 of Buntario Tigris Darmawa Ng, SH, dated 9 August 2010, CS and PT Galaxy Alam Semesta (GAS), had invested 49,500 shares or Rp 49,500,000 (99%) and 500 shares or Rp 500,000 (1%) respectively in CKD. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU 50073.AH.01.01. Tahun 2010 dated 25 October 2010.

**PT Ciputra Abdi Persada (CAP/ a Subsidiary of CS)**
Based on Notarial Deed No. 46 of Buntario Tigris Darmawa Ng, SH, dated 9 August 2010, CS and GAS had invested 49,500 shares or Rp 49,500,000 (99%) and 500 shares or Rp 500,000 (1%) respectively in CAP. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-46988.AH.01.01. Tahun 2010 dated 5 October 2010.

**PT Ciputra Nusa Mitra (CNM / a Subsidiary of CGM)**
Based on Notarial Deed No. 117 of Buntario Tigris Darmawa Ng, SH, dated 14 March 2011, the Company and CGM had invested 25 shares or Rp 25,000 (0.01%) and 249,975 shares or Rp 249,975,000 (99.99%) respectively in CNM. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-17598.AH.01.01. Tahun 2011 dated 7 April 2011.

**PT Ciputra Utama Mitra (CUM/ a Subsidiary of CGM)**
Based on Notarial Deed No. 118 of Buntario Tigris Darmawa Ng, SH, dated 14 March 2011, the Company and CGM had invested 25 shares or Rp 25,000 (0.01%) and 249,975 shares or Rp 249,975,000 (99.99%) respectively in CUM. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-17685.AH.01.01. Tahun 2011 dated 7 April 2011.

**PT Ciputra Prima Mitra (CPM / a Subsidiary of CGM)**
Based on Notarial Deed No. 119 of Buntario Tigris Darmawa Ng, SH, dated 14 March 2011, the Company and CGM had invested 25 shares or Rp 25,000 (0.01%) and 249,975 shares or Rp 249,975,000 (99.99%) respectively in CPM. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-18371.AH.01.01. Tahun 2011 dated 11 April 2011.

**PT Ciputra Victory Mitra (CVM / a Subsidiary of CGM)**
Based on Notarial Deed No. 120 of Buntario Tigris Darmawa Ng, SH, dated 14 March 2011, the Company and CGM had invested 25 shares or Rp 25,000 (0.01%) and 249,975 shares or Rp 249,975,000 (99.99%) respectively in CVM. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-17442.AH.01.01.Tahun 2011 dated 6 April 2011.

**PT Ciputra Realty Mitra (C.Realm / a Subsidiary of CGM)**
Based on Notarial Deed No. 121 of Buntario Tigris Darmawa Ng, SH, dated 14 March 2011, the Company and CGM had invested 25 shares or Rp 25,000 (0.01%) and 249,975 shares or Rp 249,975,000 (99.99%) respectively in C.Realm. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-17115.AH.01.01. Tahun 2011 dated 5 April 2011.

**PT Ciputra Tangguh Mandiri (CTM/ a Subsidiary of CGM)**
Based on Notarial Deed No. 122 of Buntario Tigris Darmawa Ng, SH, dated 14 March 2011, the Company and CGM had invested 25 shares or Rp 25,000 (0.01%) and 249,975 shares or Rp 249,975,000 (99.99%) respectively in CTM. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-17083.AH.01.01. Tahun 2011 dated 5 April 2011.

**PT Ciputra Orient Mitra (C.Orm/ a Subsidiary of CGM)**
Based on Notarial Deed No. 123 of Buntario Tigris Darmawa Ng, SH, dated 14 March 2011, the Company and CGM had invested 25 shares or Rp 25,000 (0.01%) and 249,975 shares or Rp 249,975,000 (99.99%) respectively in C.Orm. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-17823.AH.01.01. Tahun 2011 dated 8 April 2011.

**PT Ciputra Sukses Property (CSP/ a Subsidiary of CGM)**
Based on Notarial Deed No. 124 of Buntario Tigris Darmawa Ng, SH, dated 14 March 2011, the Company and CGM had invested 25 shares or Rp 25,000 (0.01%) and 249,975 shares or Rp 249,975,000 (99.99%) respectively in CSP. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-17862.AH.01.01. Tahun 2011 dated 8 April 2011.

**PT Ciputra Adibuana (CAB/ a Subsidiary of CP)**
Based on Notarial Deed No. 141 of Buntario Tigris Darmawa Ng, SH, dated 15 March 2011, CP had invested 24,750 shares or Rp 24,750,000 (99%) in CAB. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-15452.AH.01.01.Tahun 2011 dated 25 March 2011.

**PT Ciputra Royalemeriti (C.Rmr/ a Subsidiary of CP)**
Based on Notarial Deed No. 238 of Buntario Tigris Darmawa Ng, SH, dated 25 April 2011, CP had invested 99,000 shares or Rp 99,000,000 (99%) in C.Rmr. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-26484.AH.01.01.Tahun 2011 dated 25 May 2011.

**PT Ciputra Asanagratia (C.Agr/ a Subsidiary of CP) (formerly PT Astanagratia))**
Based on Notarial Deed No. 239 of Buntario Tigris Darmawa Ng, SH, dated 25 April 2011, CP had invested 99,000 shares or Rp 99,000,000 (99%) in C.Agr. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-25501.AH.01.01.Tahun 2011 dated 20 May 2011.

Based on Notarial Deed No. 241 of Buntario Tigris Darmawa Ng, SH, dated 19 March 2012, PT Ciputra Astanagratia changed its name to PT Ciputra Asanagratia. This Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia in its Decree No. AHU-31609.AH.01.02.Tahun 2012 dated 12 June 2012.

**PT Ciputra Bangun Selaras (CBS/ a Subsidiary of CS)**
Based on Notarial Deed No. 60 of Buntario Tigris Darmawa Ng, SH, dated 9 May 2011, CS and GAS had invested 24,999 shares or Rp 24,999,000 (99.99%) and 1 share or Rp 1,000 (0.01%), respectively in CBS. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-26806.AH.01.01.Tahun 2011 dated 27 May 2011.

**PT Ciputra Nusantara (C.Nus/ a Subsidiary of CS)**
Based on Notarial Deed No. 133 of Buntario Tigris Darmawa Ng, SH, dated 16 May 2011, the Company and CS had invested 1 share or Rp 1,000 (0.01%) and 999,999 shares or Rp 999,999,000 (99.99%), respectively in C.Nus. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-30730.AH.01.01.Tahun 2011 dated 20 June 2011.

**PT Ciputra Witanagiri (CWTG/ a Subsidiary of CP)**
Based on Notarial Deed No. 60 of Buntario Tigris Darmawa Ng, SH, dated 31 May 2011, CP had invested 99,000 shares or Rp 99,000,000 (99%) in CWTG. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-29042.AH.01.01.Tahun 2011 dated 9 June 2011.

**PT Ciputra Astinamuria (C.Asm/ a Subsidiary of CP)**
Based on Notarial Deed No. 268 of Buntario Tigris Darmawa Ng, SH, dated 31 May 2011, CP had invested 99,000 shares or Rp 99,000,000 (99%) in C.Asm. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-29105.AH.01.01.Tahun 2011 dated 9 June 2011.

**PT Ciputra Abadi Karya (CABK/ a Subsidiary of CI)**
Based on Notarial Deed No. 187 of Buntario Tigris Darmawa Ng, SH, dated 24 June 2011, CI and GAS had invested 249,999 shares or Rp 249,999,000 (99.99%) and 1 share or Rp 1,000 (0.01%), respectively in CABK. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-38842.AH.01.01.Tahun 2011 dated 2 August 2011.

**PT Ciputra Hospitality (CHOS/ a Subsidiary of CP)**
Based on Notarial Deed No. 165 of Buntario Tigris Darmawa Ng, SH, dated 19 July 2011, CP had invested 99,000 shares or Rp 99,000,000 (99%) in CHOS. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-40324.AH.01.01.Tahun 2011 dated 9 August 2011.

**PT Ciputra Adiselaras (CADS/ a Subsidiary of CP)**
Based on Notarial Deed No. 134 of Buntario Tigris Darmawa Ng, SH, dated 15 August 2011, CP and GAS had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CADS. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-44658.AH.01.01. Tahun 2011 dated 13 September 2011.

**PT Ciputra Niyantalestari (CNL/ a Subsidiary of CP)**
Based on Notarial Deed No. 193 of Buntario Tigris Darmawa Ng, SH, dated 19 August 2011, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CNL. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-47269.AH.01.01.Tahun 2011 dated 28 September 2011.

**PT Ciputra Ayutapradana (CAYU/ a Subsidiary of CP)**
Based on Notarial Deed No. 194 of Buntario Tigris Darmawa Ng, SH, dated 19 August 2011, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CAYU. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-48108.AH.01.01. Tahun 2011 dated 4 October 2011.

**PT Ciputra Puriashaya (CPURI/ a Subsidiary of CP)**
Based on Notarial Deed No. 195 of Buntario Tigris Darmawa Ng, SH, dated 19 August 2011, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CPURI. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-46725.AH.01.01.Tahun 2011 dated 26 September 2011.

**PT Ciputra Bentara Asri (CBA/ a Subsidiary of CS)**
Based on Notarial Deed No. 233 of Buntario Tigris Darmawa Ng, SH, dated 25 November 2011, CS and C.Nus had invested 249,999 shares or Rp 249,999,000 (99.99%) and 1 share or Rp 1,000 (0.01%), respectively in CBA. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No AHU-02142.AH.01.01.Tahun 2012 dated 13 January 2012.

Based on Minutes of Extraordinary Stockholder General Meeting on 23 July 2012 and stated on Notarial Deed No. 157 of Buntario Tigris Darmawa Ng, SH, SE, MH, CBA has increased its authorized and paid-up capital from 250,000 shares or Rp 250,000,000 to become 1,000,000 shares or Rp 1,000,000,000, and C.Nus has sold its ownership to the third parties. Based on those Deed, the ownership of CS in CBA to become 870,000 shares or Rp 870,000,000 (87%). The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-49030.AH.01.02.Tahun 2012 dated 17 September 2012.

**PT Ciputra Nirvanadwipa (CNVD/ a Subsidiary of CP)**
Based on Notarial Deed No. 49 of Buntario Tigris Darmawa Ng, SH, dated 7 March 2012, CP had invested 62,493,750 shares or Rp 62,493,750,000 (99.99%) in CNVD. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-15892.AH.01.01.Tahun 2012 dated 27 March 2012.

**PT Ciputra Asihbatara (CABT/ a Subsidiary of CP)**
Based on Notarial Deed No. 78 dated of Buntario Tigris Darmawa Ng. SH, 20 February 2012, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CABT. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-14644.AH.01.01.Tahun 2012 dated 20 March 2012.

**PT Ciputra Mitra Tunas (CMTS/ a Subsidiary of CGM)**
Based on Notarial Deed No. 66 of Buntario Tigris Darmawa Ng, SH, dated 7 June 2012, CGM and CD had invested 249,999 shares or Rp 249,999,000 (99.9996%) and 1 share or Rp 1,000 (0.0004%), respectively in CMTS. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-34526.AH.01.01.Tahun 2012 dated 26 June 2012

**PT Ciputra Padmasari (CPMS/ a Subsidiary of CP)**
Based on Notarial Deed No. 77 of Buntario Tigris Darmawa Ng, SH, dated 20 February 2012, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CPMS. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-24578.AH.01.01.Tahun 2012 dated 8 May 2012.

**PT Ciputra Padangsiring (CPDS/ a Subsidiary of CP)**
Based on Notarial Deed No. 79 of Buntario Tigris Darmawa Ng, SH, dated 20 February 2012, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CPDS. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-30669.AH.01.01.Tahun 2012 dated 6 June 2012.

**PT Ciputra Wangsaraya (CWANG/ a Subsidiary of CP)**
Based on Notarial Deed No. 80 of Buntario Tigris Darmawa Ng, SH, dated 20 February 2012, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CWANG. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-29809.AH.01.01.Tahun 2012 dated 4 June 2012.

**PT Ciputra Diengbuana (CDIENG/ a Subsidiary of CP)**
Based on Notarial Deed No. 81 of Buntario Tigris Darmawa Ng, SH, dated 20 February 2012, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CDIENG. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-24580.AH.01.01.Tahun 2012 dated 8 May 2012.

**PT Ciputra Sadhabahana (CSDB/ a Subsidiary of CP)**
Based on Notarial Deed No. 82 of Buntario Tigris Darmawa Ng, SH, dated 20 February 2012, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CSDB. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-26042.AH.01.01.Tahun 2012 dated 15 May 2012.

**PT Ciputra Sempadaloka (CSL/ a Subsidiary of CP)**
Based on Notarial Deed No. 83 dated of Buntario Tigris Darmawa Ng, SH, 23 February 2012, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CSL. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-24747.AH.01.01.Tahun 2012 dated 8 May 2012.

**PT Ciputra Acalapati (CAL / a Subsidiary of CP)**
Based on Notarial Deed No. 84 of Buntario Tigris Darmawa Ng, SH, dated 20 February 2012, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CAL. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-26043.AH.01.01.Tahun 2012 dated 15 May 2012.

**PT Ciputra Bimasatya (CBMS / a Subsidiary of CP)**
Based on Notarial Deed No. 85 of Buntario Tigris Darmawa Ng, SH, dated 20 February 2012, CHOS and CP had invested 99,000 shares or Rp 99,000,000 (99%) and 1,000 shares or Rp 1,000,000 (1%), respectively in CBMS. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-29981.AH.01.01.Tahun 2012 dated 5 June 2012.

(In Rupiah)

**PT. Citra Properti Jaya (CPJ/ a Subsidiary of CR)**
Based on Notarial Deed No. 65 of Buntario Tigris Darmawa Ng, SH, dated 7 June 2012, CR and CMP had invested 1,000 shares or Rp 1,000,000 (0.1%) and 999,000 shares or Rp 999,000,000 (99.9%), respectively in CPJ. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-37773.AH.01.01.Tahun 2012 dated 13 June 2012.

**PT. Pancaran Karya Citra (PKC/ a Subsidiary of CP)**
Based on Notarial Deed No. 51 of Yenny Sari Kusuma, SH, the substitute of Buntario Tigris Darmawa Ng, SH, dated 5 July 2012, CP and CAG had invested 1 share or Rp 1,000 (0.00002%) and 4,999,999 shares or Rp 4,999,999,000 (99.9998%), respectively in PKC. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-43988.AH.01.01.Tahun 2012 dated 13 August 2012.

**PT. Geloramatraraya Samudera (GMRS/ a Subsidiary of PT Citra Mitra Properti (CMP))**
Based on Notarial Deed No. 53 of Buntario Tigris Darmawa Ng, SH, dated 6 July 2012, GMRS has increased its authorized and paid-up capital from Rp 409,900,000 to become Rp 683,500,000, thus the ownership of CMP in GMRS to become 50%. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-41276.AH.01.02.Tahun 2012 dated 31 July 2012.

**d. Commissioners, Directors and Employees**

The composition of the Company's Boards of Commissioners and Directors as of 30 September 2012 and 31 December 2011 are as follows:

| | 30 September 2012 | 31 Desember 2011 |
|---|---|---|
| President Commisioner | : DR. Ir. Ciputra | DR. Ir. Ciputra |
| Commissioners | : Bayan Akochi (Alm) | Bayan Akochi |
| | Dian Sumeler | Dian Sumeler |
| Independent Commissioners | : DR. Cosmas Batubara | DR. Cosmas Batubara |
| | DR. Widigdo Sukarman MPA, MBA | Henk Wangitan |
| | | DR. Widigdo Sukarman MPA, MBA |
| Direktur Utama | : Candra Ciputra | Candra Ciputra |
| Direktur | : Budiarsa Sastrawinata | Budiarsa Sastrawinata |
| | Rina Ciputra Sastrawinata | Rina Ciputra Sastrawinata |
| | Harun Hajadi | Harun Hajadi |
| | Junita Ciputra | Junita Ciputra |
| | Cakra Ciputra | Cakra Ciputra |
| | Tulus Santoso Brotosiswojo | Tulus Santoso Brotosiswojo |
| | Tanan Herwandi Antonius | Tanan Herwandi Antonius |
| | | Veimeirawaty Kusnadi |

The composition of the Company's Audit Committee as of 30 September 2012 and 31 December 2011 are as follows:

| | 30 September 2012 | 31 Desember 2011 |
|---|---|---|
| Ketua | : DR. Widigdo Sukarman MPA, MBA | DR. Cosmas Batubara |
| Anggota | : Henk Wangitan | Lany Wihardjo |
| | Melina Indrawati Sutandi | Thomas Bambang |

As of 30 September 2012 and 31 December 2011, the Company and Subsidiaries (collectively referred to as the "Group") employed a total of 1.803 dan 1.683 employees.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. The Basis of Measurement and Presentation of Consolidated Financial Statements

The following consolidated financial statements are presented in accordance with generally accepted accounting principles in Indonesia, which consist of, among others. Statement of Financial Accounting Standards (SFAS) established by the Indonesian Institute of Accountants, Capital Market Supervisory Board (Bapepam) Regulation No. VIII.G.7 (revised 2000) concerning “The Guidelines for Presentation of Financial Statements” and Guidelines for Presentation and Disclosure of Financial Statements for Publicly Listed Companies Engaged in Real Estate Industry in accordance with circular letter of Head of Bapepam No. SE-02/PM/2002 dated 27 December 2002 and decision letter from Head of Bapepam No. KEP-346/BL/2011 concerning submission of periodic financial reports of listed companies.

The basis of measurement and presentation of the consolidated financial statements is historical cost, except for: investments in certain securities, which are stated at fair value; inventories and land for development, which are stated at the lower of cost and net realizable value; and investment in shares of stock, which are accounted for under the equity method. Financial statements are prepared using accrual method, except for statements of cash flows.

The consolidated financial statements are prepared in accordance to SFAS No. 1 (Revised 2009), “Presentation of Financial Statements”.

SFAS No. 1 (Revised 2009) regulates the presentation of financial statements; its objective and components, fair presentation, materiality and aggregation, offsetting, distinction between current and non-current assets and liabilities, comparative information and consistency, and introduces new disclosures, such as key estimations and judgments, capital management, other comprehensive income, departures from accounting standards and statement of compliance.

Based on Revocation of SFAS (PPSAK) No. 7 year 2011, the partial revocation of SFAS No. 44 "Accounting for Real Estate Development Activities" effective from 1 January 2012, the consolidated statements of financial position presented based on group current and non-current assets or liabilities.

The consolidated statements of cash flows are prepared using direct method, where cash flows are classified into operating, investing and financing activities.

The reporting currency used in the preparation of these consolidated financial statements is Indonesian Rupiah.

### b. Principles of Consolidation

The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the Subsidiaries.

Effective January 1, 2011, the Group retrospectively adopts most regulations stated on SFAS No. 4 (Revised 2009), “Consolidated and Separate Financial Statements”. Items applied prospectively were: (i) losses made by subsidiaries resulting in a deficit non-controlling interests (NCI) balance; (ii) loss of control over subsidiaries; (iii) change in the ownership interest of subsidiaries that does not result in a loss of control; (iv) potential voting rights in determining rights for control; (v) consolidation of subsidiaries subject to long-term restriction.

SFAS No. 4 (Revised 2009) outlines the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent, and the accounting for investments in Subsidiaries, jointly controlled entities and associated entities when separate financial statements are presented as additional information.

The consolidated financial statements include Group accounts mentioned in Note 1.c, in which the Company owns more than 50% share ownership, either directly or indirectly.

All material intercompany accounts and transactions, including unrealized gains or losses, if any, are eliminated to reflect the financial position and operation results of the Group as one business entity.

Subsidiaries are fully consolidated from the date of acquisitions, when the Company obtains control, and continue to be consolidated until the date such control ceases. Control is obtained when the Company owns, more than half of the voting power of an entity either directly or indirectly through subsidiaries. Control is also obtained when the Company owns half or less of the voting power of an entity provided it has:

(In Rupiah)

(a) power over more than half of the voting rights received from agreement with other investors;
(b) power to govern the financial and operating policies of the entity under a statute or an agreement;
(c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
(d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

**c. Translation Adjustments of Foreign Entities**

Transactions in foreign currency are recorded at the rates of exchange prevailing at the time the transactions are made. At statements of financial position date, monetary assets and liabilities denominated in foreign currencies are translated to Rupiah using the Bank Indonesia middle rate, for statements of comprehensive income the average rate is used in that period.

| | |
|---|---|
| Statements of financial position accounts | - Middle rate at statements of financial position date (30 September 2012: USD 1 = Rp 9,588, EUR 1 = Rp 12,407, AUD 1 = Rp 10,038, SGD 1 = Rp 7,826, CNY 1 = Rp 1,512; 31 December 2011: USD 1 = Rp 9,068 , EUR 1 = Rp 11,739, AUD 1 = Rp 9,203, SGD 1 = Rp 6,974, CNY 1 = Rp 1,439) |
| Statements of comprehensive income accounts | - Average rate during the year (30 September 2012: USD 1 = Rp 9,348, EUR 1 = Rp 12,019, AUD 1 = Rp 9,691; 30 September 2011: USD 1 = Rp 8,690, EUR 1 = 12,297, AUD 1 = Rp 9,066) |

**d. Cash Equivalents**

Cash equivalents consist of time deposits and Bank Indonesia Bonds maturing within 3 months of its placement date that is not collateralized.

**e. Investments**

Effective January 1, 2010, marketable securities are stated and classifed in accordance with SFAS No. 50 (Revised 2006) and SFAS No. 55 (Revised 2006).

Investments in shares of stock of entities wherein the Group does not have significant influence are accounted for in accordance with SFAS No. 55 (Revised 2006).

Effective January 1, 2011, the Group applies SFAS No. 15 (Revised 2009), “Investments in Associated Companies”. SFAS No. 15 (Revised 2009) prescribes the accounting for investments in associated companies in relation to the determination of: materiality, applicable accounting method, impairment policy and disclosure on separate financial statements. This SFAS is applied retrospectively, its adoption has no significant impact on the consolidated financial statements.

The Group’s investment in its associated company is accounted for using the equity method. An associated company is an entity in which the Group has significant influence. Under the equity method, the cost of investment is increased or decreased by the Group’s share in net earnings or losses of, and dividends received from, the investee since the date of acquisition.

The financial statements of associated companies are prepared in the same reporting period as the Group.

**f. Allowance for Doubtful Accounts**

Allowance for doubtful accounts is provided based on a review of the condition of each debtor at the end of each reporting period. The outstanding receivables are written-off against the respective allowance for doubtful accounts or directly from the account at the time management believes that these receivables are determined to be uncollectible.

**g. Transaction and Balances with Related Parties**

The Company have transactions with related parties, Definitions of related parties the Company uses is stated on SFAS No. 7 concerning "Related Party Disclosure".

All transactions with related parties whether or not conducted at terms and conditions similar to those with third parties are disclosed in the financial statements.

**h. Inventories and Land for Development**

Inventories of land, properties under construction as well as completed are stated at the lower of cost and net realizable value. Cost is determined using average method. Expenditures relating to land development and improvement including interests and foreign exchange losses on loans obtained to finance the acquisition, development and improvement of the land incurred prior to the completion stage are capitalized as part of the cost of the land.

Inventories of the hotel and restaurant (foods, beverages and others) are stated at the lower of cost or net realizable value. The cost is determined using the first-in, first-out method (FIFO).

Land owned by the Group for future development is classified as "Land for Development". For residential property project, upon the commencement of development and construction of infrastructure, this account is reclassified to inventories. For commercial property project, upon the completion of development and construction of infrastructure, this account either remains as part of inventories, or is reclassified to fixed assets, whichever is more appropriate.

**i. Investment Property**

Investment property is property owned by the owner or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for the administrative purposes or sale in the ordinary course of business.

Investment property is carried at cost less its accumulated and any accumulated impairment losses on the assets (cost model). Depreciation is computed by using the straight-lie method based on the estimated usefule lives of the investment property for 50 years, Land are not amortized.

**j. Fixed Assets**

Fixed assets, except landrights, are stated at cost less accumulated depreciation. Land rights are stated at cost and not amortized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets which are as follows:

| | | |
|---|---|---|
| Buildings | : | 20 – 50 years |
| Golf course | : | 20 years |
| Furniture and fixtures | : | 5 years |
| Transportation equipment | : | 5 - 8 years |
| Project and golf equipment | : | 5 years |
| Medical equipment | : | 8 years |

The cost of repair and maintenance is charged to operations as incurred; significant renewals and improvements are capitalized. When assets are retired or otherwise disposed of, their costs and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statements of comprehensive income for the period.

**k. Construction in Progress**

Construction in progress is presented under property and equipment and stated at cost. The expenditures, including the borrowing cost, to finance the development and construction of the projects are capitalized as part of the cost of the construction in progress. Upon substantial completion of the projects and when the assets are ready for their intended use, the accumulated costs will be transferred to the appropriate property accounts.

**l. Deferred Charges**

Advertising expenses incurred before the opening of a project are deferred and are being amortized over 5 years using the straight-line method, whereas billboard advertisement expenses are amortized over 1-3 years using the straight-line method.

**m. Reserve for Replacement of Hotel and Club House Operating Equipment**

Reserve for replacement of hotel and clubhouse's operating equipments are determined based on the estimated replacement value of the lost or damaged items. The replacement cost of the lost or damaged items is recorded as a deduction to the reserve accounts.

**n. Employee Benefits**

Short-term employees' benefits are recognized at undiscounted amounts when employees have rendered their service to the Company during an accounting period.

Post employees' benefits are recognized at measurable amounts using a discounted rate basis, when an employee has rendered service to the Company during an accounting period. Liabilities and expenses are measured using actuarial techniques including constructive obligation arising from the Company's informal practices. In computing the liabilities, the benefits should be discounted by using projected unit credit method.

Termination benefits are recognized when, and only when, the Company has commitments to either:
a. terminate an employee or group of employees before the normal retirement date; or
b. provide termination benefits for employees who received offerings to have voluntary resignation.

**o. Impairment of Assets Value**

The Group evaluate indications for events or changes in circumstances potentially causing the inability to recover assets' full carrying amount at each reporting date. Should such indications be found, the Group is required to determine the estimated recoverable value of all theirs assets and recognize the impairment in assets value as a loss in the consolidated statements of comprehensive income.

**p. Revenues and Expense Recognition**

The Group recognize revenues from real estate sales using full accrual method. The revenue from real estate sales will be recognized in full if all the following conditions are met:
- Sale of residential houses, shop houses and other types of buildings, and sales of land wherein the house or building will be built by the seller. The conditions that should be met consist of:
  a. The sale is consummated;
  b. The collectibility of the sales price is reasonably assured;
  c. The receivable from the sale is not subject to future subordination against other loans which will be obtained by the buyer; and
  d. The seller has transferred to the buyer the usual risks and rewards of ownership through a transaction representing a sale in substance and the seller does not have a substantial continuing involvement with the property.

- Sale of land wherein the building will be built by the buyer without the involvement of the seller (retail land sales). The conditions that should be met consist of:
  a. The payments received from the buyer have reached 20% of the agreed selling price and this amount is non-refundable;
  b. The collectibility of the sales price is reasonably assured;
  c. The receivable from the sale is not subject to future subordination against other loans which will be obtained by the buyer;
  d. The process of land development has been completed that the seller is not obliged to develop the lots sold or to construct amenities or other facilities applicable to the lots sold as provided in the agreement between the seller and the buyer or regulated by law; and
  e. The sale consists only of lots of land, without any involvement of the seller in the construction of the buildings on the lots sold.

- Sale of condominiums, apartments, office buildings, shopping centers, other buildings of the similar type and time sharing ownership units are recognized using the percentage of completion method once all of the following criteria are satisfied:
  a. The construction process has already commenced, that is the building foundation has been completed and all of the requirements to commence construction have been fulfilled;
  b. Total payments by the buyer is at least 20% of the agreed sale price and that amount is not refundable; and
  c. The amount of revenue and the cost of the property can be reliably estimated.

If a real estate sale fails to meet all of the above conditions, revenue recognition is deferred and sale is recognized as a deposit until all of the conditions are fulfilled.

The cost of the land sold is determined based on its acquisition cost of the land plus other expenditures relating to its development. The cost of residential houses sold includes all the construction costs incurred.

Rental fees by the shopping center tenants, except for anchor tenants, are paid 1 to 5 years in advance, and are recorded under “Unearned Revenues”. These rentals rates are being amortized and recorded as revenues on a monthly basis. Lease rentals by anchor tenants are paid on a monthly basis and the related revenues earned from these rentals are likewise recognized on a monthly basis.

Lease rentals of golf villa units are recognized as revenues based on the respective rental periods of the golf villa units.

The membership registration fees for golf and clubhouse are recognized as revenues upon receipt. Periodical membership due for golf and clubhouse received in advance are presented under “Unearned Revenues” account and amortized as revenues based on the periods benefited.

Expenses are recognized when incurred (accrual basis).

**q. Borrowing Cost**

Interests and foreign exchange losses incurred on loans obtained to finance the acquisition, improvement and development of the land are capitalized as part of the cost of the inventories of land and land for development for real estate, and capitalized as part of the cost of property and equipment and construction in progress for shopping centers and hotels. Upon the substantial completion of all activities related to the development of the land or the construction of the facilities and the related property is ready for its intended use, the capitalization of interests and foreign exchange losses ceases.

Based on PPSAK No. 7 year 2011 outlining the partial revocation of SFAS No. 44 "Accounting for Real Estate Development Activities" effective from 1 January 2012, the borrowing cost incurred for the purchase of land and real estate development can not be capitalized as part of land acquisition cost and the land for development.

**r. Joint Ventures**

In accordance to SFAS No. 12, “Financial Reporting of Interests in Jointly Controlled Operations and Assets”, a venturer’s participation in Jointly Controlled Operation is recorded on its financial statements through: the assets it controls, the liabilities and the expenses it incurs and its share of income.

A venturer’s participation in Jointly Controlled Entity is accounted using the proportionate consolidation method.

**s. Foreign Currency Transactions and Balances**

Transactions involving foreign currencies are recorded in Rupiah using exchange rates prevailing at the time of transactions. At statements of financial position date, monetary assets and liabilities in foreign currencies are translated to Rupiah using the Bank Indonesia middle exchange rate for export bills (30 September 2012: USD 1 = Rp 9,588, EUR 1 = Rp 12,407, AUD 1 = Rp 10,038, SGD 1 = Rp 7,826, CNY 1 = Rp 1,512; 31 December 2011: USD 1 = Rp 9,068, EUR 1 = Rp 11,739, AUD 1 = Rp 9,203, SGD 1 = Rp 6,974, CNY 1 = Rp 1,439).

### t. Income Tax

All temporary differences arising between the tax bases of assets and liabilities and their carrying value for financial reporting purposes are recognized as deferred tax. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets relating to the fiscal losses carried forward are recognized to the extent that future taxable profit will be available against it. Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the results of the appeal are determined.

Current tax is recognized based on taxable income for the year, in accordance with the current tax regulations.

On 4 November 2009, the Goverment issued new Regulation No. 71 year 2009 concerning Income tax over transfer of ownership of land and/or building. This regulation stated that revenue from transfer of ownnership of land and/or building are subject to final income tax. This regulation is effective from 1 January 2010.

For revenues subject to final income tax, such as rental income from golf villa units and shopping centers, there are no temporary difference between commercial and tax reporting. If the carrying value of assets and liabilities related to the final income tax between commercial and tax reporting is different, it is not recognized as deferred tax assets or liabilities. Expense for tax purpose is recognized proportionally with the income of the current period.

### u. Financial instruments

Effective 1 January 2010, the Group adopted SFAS No, 50 (Revised 2006), “Financial Instruments: Presentation and Disclosures”, and SFAS No, 55 (Revised 2006), “Financial Instruments: Recognition and Measurement”, which superseded SFAS No, 50, “Accounting for Investments in Certain Securities”, and SFAS No,55 (Revised 1999), “Accounting for Derivative Instruments and Hedging Activities” (see notes 29),
SFAS No, 50 (Revised 2006) prescribes the requirements for the presentation of financial instruments and information that should be disclosed in the financial statements, whereas SFAS No, 55 (Revised 2006) prescribes the principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This Standard provides for the definitions and characteristics of a derivative, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others.

The cumulative effect from the adoption of the above revised SFASs amounting Rp 101,017,428, is incorporated in retained earnings at 1 January 2010.

**Financial assets**

<u>Initial recognition</u>

Financial assets within the scope of SFAS No. 55 (Revised 2006) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge.

On 1 January 2010, the Group did not have financial assets other than financial assets at fair value through statements of comprehensive income and loans and receivables. The Group determined the classification of their financial assets at initial recognition and, where allowed and appropriate, re-evaluated the classification of those assets at each financial period end.

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- **Financial assets at fair value through statements of comprehensive income**
  Financial assets at fair value through statements of comprehensive income include financial assets held for trading and financial assets designated upon initial recognition at fair value through statement of comprehensive income.

  Derivative assets are classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through statements of comprehensive income are carried in the consolidated statements of financial position at fair value with gains or losses recognized in the consolidated statements of comprehensive income.

- **Loans and receivables**
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are carried at amortized cost using the effective interest rate method, and gains and losses are recognized in the consolidated statements of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

  The Group has cash and cash equivalents, restricted time deposits, trade receivables, other receivables, due from related parties and other assets - restricted fund in this category.

- **Available-For-Sale (“AFS”) financial assets**
  AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the two preceding categories. After initial measurement, AFS financial assets, are measured at fair value with unrealized gains or losses recognized in the stockholder’s equity until the investment is derecognized. At that time, the cumulative gain or loss previously recognized in the stockholder’s equity shall be reclassified to statements of comprehensive income as a reclassification adjustment.

  The Group have investments in shares of stock that do not have readily determinable fair value in which the ownership interest is less than 20%. These investments are carried at cost.

Derecognition of financial assets

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

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

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

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

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

Impairment of financial assets

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

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

- Financial assets carried at amortized cost
  For loans and receivables carried at amortized cost, the Group first assess whether objective evidence of impairment exists individually significant, or collectively for financial assets that are not individually significant. If the Group determine that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and the group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment of impairment.

  If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a "loans and receivables" financial asset has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

  The carrying amount of the asset is reduced through providing allowances and the amount of the loss is recognized in the consolidated statements of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Group.

  If in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced (reversed) by adjusting the allowance account. The recovery should not lead to the carrying amount of the asset exceeding its amotized cost that would have been determined had no impairment loss been recognized for the asset at the reversal date. The amount of reversal is recognized in the consolidated statements of comprehensive income. If a future write-off is later recovered, the recovery is also recognized in the consolidated statements of comprehensive income.

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

**Financial liabilities**

Initial recognition

Financial liabilities within the scope of SFAS No. 55 (Revised 2006) are classified as financial liabilities at fair value through statements of comprehensive income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determine the classification of their financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value. For loans and borrowings, this value include directly attributable transaction costs.

The Group's financial liabilities include bank loans, trade payables, other payables, accrued expenses, payables to related parties and construction cost payable.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

- Financial liabilities at fair value through statements of comprehensive income
  Financial liabilities at fair value through statements of comprehensive income include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through statements of comprehensive income.

  Financial liabilities are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivative liabilities are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognized in the consolidated statements of comprehensive income.

- Loans and borrowings
  After initial recognition, interest-bearing loans and borrowings are subsequently measured at cost using effective interest rate method. At statements of financial position date, accrued interests are recorded separately from the respective principal loans as part of current liabilities. Gains and losses are recognized in the consolidated statements of comprehensive income when the liabilities are derecognized as well as through the amortization process using the effective interest rate method.

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

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

**Derivative financial instruments**

The Group enter into and engage in foreign currency swap contracts, if considered necessary for the purpose of managing the foreign exchange exposures emanating from the Group's loans in foreign currencies. These derivative financial instruments are not designated in a qualifying hedge relationship and are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Any gains or losses arising from changes in fair value of derivatives during the year that do not qualify for hedge accounting are taken directly to statements of comprehensive income.

Derivative assets and liabilities are presented under current assets and current liabilities, respectively. Embedded derivative is presented with the host contract on the consolidated statements of financial position which represents and appropriate presentation of overall future cash flows for the instrument taken as a whole.

Net changes in fair value of derivative instruments and settlement of derivative instruments are charged or credited to current operations and presented as part of "Gains (Loss) on Foreign Exchange" in the consolidated statements of comprehensive income.

**Amortized cost of financial instruments**

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

**Offsetting of financial instruments**

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

**Fair value of financial instruments**

The fair value of financial instruments that are actively traded in organized financial markets is determined by quoted market bid prices at the close of business at the end of the reporting year. For financial instruments where there is no active market, fair value is determined using valuation techniques permitted by SFAS No. 55 (Revised 2006). Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

**v. Earning per Share**

In accordance with SFAS No. 56, "Earnings per Share", basic earnings per share is calculated by dividing net income for the year by the weighted-average number of shares outstanding during the year after considering the effects of exercise of warrants.

In the event that occurred without any change in the number of shares accompanied by changes in cash flows or other assets or liabilities, the changes are considered as if it had happened in the early period of financial statements presentation.

**w. Use of Estimates**

The preparation of the consolidated financial statements is conformity with generally accepted accounting principles requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could be different from these estimates.

**x. Segment Information**

Effective January 1, 2011, the Group applied SFAS No. 5 (Revised 2009), "Operating Segments", SFAS No. 5 (Revised 2009) requires disclosures that will enable users of financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates. The adoption of SFAS No. 5 (Revised 2009) has no significant impact on the consolidated financial statements.

A segment is a distinguishable component of the Group that is engaged in providing certain products (business segment), which component is subject to risks and rewards that are different from those of other segments.

(In Rupiah)

## 3. CASH AND CASH EQUIVALENTS

This account consists of:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Cash on hand | | |
| Rupiah | 29,475,515,371 | 7,069,560,668 |
| US Dollar (2012: USD 19,550; 2011: USD13,751) | 187,445,400 | 124,694,068 |
| Others | 38,332,220 | 35,536,060 |
| Total cash on hand | 29,701,292,991 | 7,229,790,796 |
| Cash in banks | | |
| Rupiah | | |
| PT Bank Central Asia Tbk | 260,470,403,981 | 215,824,860,663 |
| PT Bank Mandiri (Persero) Tbk | 189,670,749,263 | 86,506,855,520 |
| PT Bank OCBC NISP Tbk | 42,842,140,487 | 47,854,702,851 |
| PT Bank Internasional Indonesia Tbk | 14,470,892,742 | 10,860,586,171 |
| PT Bank Pan Indonesia Tbk | 11,577,752,572 | 11,047,407,722 |
| PT Bank Bukopin Tbk | 10,489,328,341 | 4,230,103,144 |
| PT Bank Negara Indonesia (Persero) Tbk | 10,016,156,574 | 6,214,664,134 |
| PT Bank Commonwealth | 9,764,235,084 | 10,300,369,186 |
| PT Bank Danamon Indonesia Tbk | 9,531,413,522 | 19,845,732,264 |
| PT Bank Ekonomi Raharja Tbk | 7,191,066,494 | 93,878,924 |
| Others (each bellow Rp 5 billion) | 23,802,062,099 | 29,284,722,116 |
| Sub-total | 589,826,201,159 | 442,063,882,695 |
| US Dollar | | |
| PT Bank Danamon Indonesia Tbk (2012: USD 7,341,371) | 70,389,065,915 | - |
| Others (2012: USD 980,923; 2011: USD 1,289,769) | 9,405,091,111 | 11,695,631,387 |
| Sub-total | 79,794,157,026 | 11,695,631,387 |
| Total Cash in banks | 669,620,358,185 | 453,759,514,082 |
| Time deposits | | |
| Rupiah | | |
| PT Bank Mandiri (Persero) Tbk | 301,120,498,077 | 357,834,397,824 |
| PT Bank Bukopin Tbk | 241,050,000,000 | 254,150,000,000 |
| PT Bank Internasional Indonesia Tbk | 144,081,977,427 | 100,348,353,326 |
| PT Bank UOB Buana | 111,900,000,000 | 20,000,000,000 |
| PT Bank Pan Indonesia Tbk | 98,560,161,822 | 98,550,537,571 |
| PT Bank Negara Indonesia (Persero) Tbk | 84,364,475,501 | 10,550,084,522 |
| PT Bank Danamon Indonesia Tbk | 73,835,476,314 | 35,416,315,258 |
| PT Bank Rakyat Indonesia | 67,112,155,376 | 65,905,715,948 |
| PT Bank Permata Tbk | 56,882,214,648 | 33,966,081,361 |
| PT Bank CIMB Niaga Tbk | 53,000,000,000 | 51,000,000,000 |
| PT Bank Syariah Muamalat Indonesia Tbk | 48,150,000,000 | 31,300,000,000 |
| PT Bank OCBC NISP Tbk | 48,000,000,000 | 23,617,627,937 |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk | 45,000,000,000 | 35,000,000,000 |
| PT Bank Nusantara Parahyangan Tbk | 45,000,000,000 | 30,000,000,000 |
| PT Bank DBS Indonesia | 38,000,000,000 | - |
| PT Bank Tabungan Negara (Persero) | 37,500,000,000 | 67,800,000,000 |
| PT Bank ICBC Indonesia | 26,000,000,000 | 37,500,000,000 |
| PT Bank Commonwealth | 19,024,725,593 | 161,711,962,365 |
| PT Bank Central Asia Tbk | 17,721,492,085 | 37,265,047,599 |
| PT Bank Victoria International Tbk | 14,000,000,000 | 4,000,000,000 |
| PT Bank Mega Tbk | 12,000,000,000 | 78,245,503,244 |

(In Rupiah)

| | 30 September 2012 | 31 Desember 2011 |
|---|---|---|
| PT Bank Mayapada Internasional Tbk | 9,259,655,877 | - |
| PT Bank Tabungan Pensiunan Nasional | 6,000,000,000 | - |
| PT Bank ICB Bumiputera Tbk | 5,000,000,000 | - |
| Others (each bellow Rp 5 billion) | 2,100,000,000 | 36,000,000,000 |
| Sub-total | 1,604,662,832,720 | 1,570,161,626,955 |
| US Dollar | | |
| PT Bank Syariah Muamalat Indonesia Tbk (2012: USD 2,914,366; 2011: USD 2,872,182) | 27,942,940,537 | 26,044,948,462 |
| PT Bank Mandiri (Persero) Tbk (2012: USD 1,925,511; 2011: USD 424,231) | 18,461,797,742 | 3,846,922,446 |
| PT ICBC Indonesia (2012: USD 1,030,996; 2011: USD 1,132,165) | 9,885,193,771 | 10,266,470,678 |
| PT Bank Internasional Indonesia Tbk (2012: USD 994,280; 2011: USD 2,466,352) | 9,533,161,146 | 22,364,881,207 |
| PT Bank DBS Indonesia (2012: USD 550,000) | 5,273,400,000 | - |
| Others (2012: USD 1,233,722; 2011: USD 1,305,651) | 11,828,929,509 | 11,839,645,453 |
| Sub-total | 82,925,422,705 | 74,362,868,246 |
| Euro | | |
| Others (2012: EUR 308,214; 2011: EUR 308,020) | 3,824,014,359 | 3,615,837,112 |
| Total Time deposits | 1,691,412,269,784 | 1,648,140,332,313 |
| **Total** | **2,390,733,920,960** | **2,109,129,637,191** |
| Interest Rate: | | |
| Time deposits | | |
| Rupiah | 2.00% - 9.00% | 4.25% - 9.25% |
| US Dollar | 0.50% - 3.25% | 0.25% - 3.25% |
| Euro | 0.10% | 0.10% |

As at 30 September 2012 and 31 December 2011, Subsidiaries have cash kept in escrow accounts in several banks amounting Rp 178,603,259,451 and Rp 283,028,290,667 respectively and presented as “Restricted Fund” account in the statements of financial position.

## 4. LONG-TERM INVESTMENTS

This account consists of:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Investment in shares of stock | 249,335,929,854 | 247,706,017,125 |
| Investment in securities – trading: | | |
| Bonds of Republic of Indonesia | 10,141,000,000 | 10,625,000,000 |
| Mutual funds | - | 1,205,668,230 |
| Time deposits - long-term | - | 2,215,251,831 |
| **Total** | **259,476,929,854** | **261,751,937,186** |

(In Rupiah)

The details of investment in shares of stocks are as follows:

| | | 30 September 2012 | | |
|---|---|---|---|---|
| **Company** | **% Ownership** | **Cost** | **Accumulated Profit (Loss) of Associated Companies** | **Total (Rp)** |
| PT Ciputra Liang Court (CLC) | 39.94 | 116,981,085,323 | 9,681,274,509 | 126,662,359,832 |
| International City Development Pte., Ltd. | 7.43 | 122,673,570,022 | - | 122,673,570,022 |
| | | **239,654,655,345** | **9,681,274,509** | **249,335,929,854** |

| | | 31 December 2011 | | |
|---|---|---|---|---|
| **Company** | **% Ownership** | **Cost** | **Accumulated Profit (Loss) of Associated Companies** | **Total (Rp)** |
| PT Ciputra Liang Court | 39.94 | 116,981,085,323 | 8,051,361,780 | 125,032,447,103 |
| International City Development Pte., Ltd. | 7.43 | 122,673,570,022 | - | 122,673,570,022 |
| | | **239,654,655,345** | **8,051,361,780** | **247,706,017,125** |

Investment in shares of CLC represents investment of 8.76% (105 shares) owned by PT Dimensi Serasi (a Subsidiary of PT Ciputra Property Tbk (CP)), and 33.81% (405 shares) owned by CP, so that the ownership (direct and indirect) become 39.94%.

On 30 September 2009, CR (a Subsidiary) invested in shares representing 47.5% each of Ridge Capital Enterprises Ltd., (BVI) (“Ridge”) and Deaumont Investment Ltd,, (BVI) (“Deaumont”), with initial investment of USD 2,375 each. Both of these companies will perform as Special Purpose Vehicles (SPV) to develop an Integrated New Township covering an area of ±313 hectares of land located in Shenyang, Liaoning Province, China.

On 22 December 2009, CR transferred its shareholdings in Ridge and Deaumont to the Company.

On 5 January 2010, Deaumont and Ridge’s authorized capital and fully paid increased from 5,000 shares to become 10,000 shares. The Company adds deposits of USD 950 to each company, so that the ownership of the Company on the Ridge and Deaumont becomes 33.25%.

On 6 August 2010, the authorized and paid-in capital of Ridge and Deaumont were each increased to USD 50,000. The Company has direct investment of USD 3,325 or 6.65% and indirect investment of USD 13,300 or 26.6% through Longfield Enterprises Limited, a Subsidiary, so an effective percentage of ownership in each of Ridge and Deaumont of 33.25%.

In November 2011, the Company and New Strength, together with the other shareholders of Ridge and Deaumont, entered into a restructuring agreements with International City Development Pte,, Ltd, (ICD), an entity under common control. Based on the restructuring agreement, the shareholders of Ridge and Deaumont agreed to sell all their shares ownership in and transfer their receivables from Ridge and Deaumont to ICD, in exchange for new shares ownership in ICD.

Based on those agreements, the Company and New Strength each obtained 1.49% and 5.94% shares ownership in ICD, respectively, thus the total effective percentage of ownership in ICD is 7.43%.

(In Rupiah)

The above-mentioned transactions with ICD represent restructuring transactions of entities under common control in accordance with SFAS No. 38 (Revised 2004), "Accounting for Restructuring of Entities under Common Control". The resulting difference arising from the restructuring transactions is as follows:

| | |
|---|---|
| Net book value of 7.43% shares ownership in ICD shares acquired from restructuring transaction | 122,673,570,022 |
| Net book value of 33.25% shares ownership in Ridge and Deaumont shares and receivables from Ridge and Deaumont assigned through restructuring transaction | (107,710,770,366 ) |
| **Difference** | **14,962,799,656** |

The difference amounting to Rp 14,962,799,656 was credited to "Difference Arising from Restructuring Transaction of Entities under Common Control", which is presented under the equity section of the consolidated statements of financial position.

Investments in securities - trading is the placement of mutual funds and bonds of Republic of Indonesia.

Time deposits consists of:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| PT Bank Danamon Indonesia Tbk | - | 2,000,000,000 |
| PT Bank Central Asia Tbk | - | 215,251,831 |

## 5. ACCOUNTS RECEIVABLE

This account represents receivables of the third parties arising from:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Sales of land and residential houses | 341,342,102,611 | 270,800,557,114 |
| Revenues from hotels | 9,144,401,935 | 6,699,678,361 |
| Revenues from shopping centers | 2,189,849,417 | 1,520,707,921 |
| Golf membership dues, restaurant, club houses, and lease rentals of golf villa units and others | 3,505,777,112 | 1,954,733,764 |
| Sub-total | 356,182,131,075 | 280,975,677,160 |
| Less: Allowance for doubtful accounts | (2,410,922,988) | (3,697,782,830) |
| **Total - Net** | **353,771,208,087** | **277,277,894,330** |

Accounts receivable owned by certain Subsidiaries are pledged as collateral for the bank loans as of 30 September 2012 and 31 December 2011 respectively (see note 12).

The Group's management believes that the allowance for doubtful accounts provided is adequate to cover possible losses on uncollectible accounts.

(In Rupiah)

## 6. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

In the normal course of business, the Group engaged in financial transactions with related parties, wherein such transactions consist of expense charging and non-interest bearing cash borrowings which have no fixed repayment dates.

| | Relationship | 30 September 2012 | 31 December 2011 |
|---|---|---|---|
| **Due from Related Parties** | | | |
| Citra Mendalo Prima KSO | Joint Venture | 15,157,847,861 | - |
| Ridge Capital Enterprises Ltd | Entity under common control | 8,172,037,534 | 8,172,037,534 |
| PT Citraloka Bumi Bengawan | Other related parties | 5,191,848,750 | 5,000,000,000 |
| PT Apratima Sejahtera | Other related parties | 5,000,000,000 | 1,113,129 |
| JO Citra Arsigriya | Joint Venture | 4,417,443,103 | 195,201,060 |
| PT Putraindah Jasabangun | Other related parties | 2,536,205,123 | 2,535,130,123 |
| Others | Other related parties | - | 1,436,552,174 |
| **Total** | | **40,475,382,371** | **17,340,034,020** |

The percentage of due from related parties to total assets is 0.29% and 0.14% as of 30 September 2012 and 31 December 2011 respectively.

## 7. INVENTORIES

Inventories consist of:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Land lots | 1,835,281,897,518 | 2,035,879,804,974 |
| Residential houses and shop-houses under construction | 993,865,313,121 | 633,760,096,358 |
| Foods and beverages and others | 7,496,005,666 | 5,578,597,446 |
| **Total** | **2,836,643,216,305** | **2,675,218,498,778** |

The movements of land lots are as follows:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Beginning balance | 2,035,879,804,974 | 1,820,393,454,404 |
| Additions (deduction) | | |
| Purchase/ development | 19,074,424,078 | 437,136,318,462 |
| Reclassification from land for development | 5,097,099,694 | 24,070,385,278 |
| Joint ventures | 54,989,692,131 | 27,050,935,357 |
| Charged to cost of sales | (279,759,123,359) | (272,771,288,527) |
| **Ending balance** | **1,835,281,897,518** | **2,035,879,804,974** |

The movements of building and apartement under construction and completed are as follows:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Begining balance of building and apartement under construction | 633,760,096,358 | 329,600,039,679 |
| Development costs | 1,000,214,515,149 | 901,326,477,395 |
| Charged to cost of sales | (640,109,298,386) | (597,166,420,716) |
| **Ending balance of building and apartement under construction** | **993,865,313,121** | **633,760,096,358** |

Building and apartment inventories are covered by insurance against fire and other risks with a coverage amounting Rp 168,098,060,297 as of 30 September 2012. The Group's management is of the opinion that the above coverage is adequate to cover possible losses arising from such risks.

(In Rupiah)

As of 31 December 2011, apartement under construction is pledged as collateral for the loans of PT Win Win Realty Centre, a Subsidiary of CS, from PT Bank Mega Tbk (see Note 12).

The Group's management believe that there are no changes in circumstances that indicate material impairment of inventories as of 30 September 2012 and 31 December 2011.

## 8. ADVANCES FOR PURCHASE OF LAND AND OTHERS

This account consists of:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Purchase of land | 516,688,403,597 | 109,757,265,779 |
| Others | 26,254,301,906 | 13,900,315,062 |
| **Total** | **542,942,705,503** | **123,657,580,841** |

## 9. LAND FOR DEVELOPMENT

This account represents land area covering approximately 1,576 and 1,183 hectares as of 30 September 2012 and 31 December 2011 respectively owned by the Group for future development.

As of 31 December 2011, land for development owned by certain Subsidiaries are pledged as collateral for their respective loans payable (see Note 12).

The Group's management believes that there are no changes in circumstances that indicate material impairment in land for development as of 30 September 2012 and 31 December 2011.

## 10. INVESTMENT PROPERTIES

The details of investment properties are as follows:

| | 30 September 2012 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Deductions | Reclassification | Ending Balance |
| Cost | | | | | |
| Land rights | 263,560,772,993 | - | - | - | 263,560,772,993 |
| Building | 1,089,616,142,699 | 50,487,060,247 | 1,780,296,748 | 3,135,753,302 | 1,141,458,659,500 |
| Contruction in progress | | | | | |
| Building | 946,781,174,230 | 419,390,739,359 | - | 138,071,107,848 | 1,504,243,021,437 |
| Total | **2,299,958,089,922** | **469,877,799,606** | **1,780,296,748** | **141,206,861,150** | **2,909,262,453,930** |
| Accumulated Depreciation | | | | | |
| Building | 229,861,697,009 | 34,968,667,442 | - | 3,478,016,261 | 268,308,380,712 |
| Total | **229,861,697,009** | **34,968,667,442** | **-** | **3,478,016,261** | **268,308,380,712** |
| Net Book Value | **2,070,096,392,913** | | | | **2,640,954,073,218** |

(In Rupiah)

| | 31 December 2011 | | | | |
|---|---|---|---|---|---|
| | **Beginning Balance** | **Additions** | **Deductions** | **Reclassification** | **Ending Balance** |
| Cost | | | | | |
| Land rights | 178,257,167,213 | 637,943,730 | - | 84,665,662,050 | 263,560,772,993 |
| Building | 578,577,036,737 | 6,566,515,790 | - | 504,472,590,172 | 1,089,616,142,699 |
| Contruction in progress | | | | | |
| Building | 562,422,056,397 | 384,359,117,833 | - | - | 946,781,174,230 |
| Total | **1,319,256,260,347** | **391,563,577,353** | **-** | **589,138,252,222** | **2,299,958,089,922** |
| Accumulated Depreciation | | | | | |
| Building | 206,240,317,137 | 23,621,379,872 | - | - | 229,861,697,009 |
| Total | **206,240,317,137** | **23,621,379,872** | **-** | **-** | **229,861,697,009** |
| Net Book Value | **1,113,015,943,210** | | | | **2,070,096,392,913** |

Investment properties mainly represents investment in land and shopping center building owned by PT Ciputra Sentra (CSN), PT Ciputra Semarang (CSM), PT Ciputra Adigraha (CAG) and PT Win Win Realty (WWR). CSN, CSM and CAG are Subsidiaries of PT Ciputra Property Tbk (CP), located in Jakarta and Semarang, while WWR is a Subsidiary of PT Ciputra Surya Tbk (CS), located in Surabaya. These investment properties are rented to the third parties. The rental income is recorded under revenues from shopping centers in consolidated statements of comprehensive income.

In 30 September 2012, construction in progress, mostly represents the accumulated costs of constructing a superblock shopping center, office and service apartment project owned by CAG, wherein the percentage of completion is approximately 59,49%.

As of 30 September 2012, investment properties are covered by insurance under a blanket policy with fixed assets (see note 11). The Group's management believes that the insured amount is adequate to cover possible losses for such risks.

The fair value of the investment properties as of 31 December 2011 amounted to Rp1.49 trillion, which was determined by independent appraisers KJPP Rengganis, Hamid & Partners.

(In Rupiah)

## 11. FIXED ASSETS

The details of fixed assets are as follows:

| | 30 September 2012 | | | | |
|---|---|---|---|---|---|
| | **Beginning Balance** | **Additions** | **Deductions** | **Reclassification** | **Ending Balance** |
| Cost | | | | | |
| Direct ownership | | | | | |
| Land rights | 274,740,841,519 | 4,947,631,630 | 1,908,469,000 | - | 277,780,004,149 |
| Buildings | 673,190,574,659 | 13,259,806,489 | 16,692,293,257 | 17,981,493,132 | 687,739,581,023 |
| Golf course | 51,973,611,452 | 1,251,488,799 | - | - | 53,225,100,251 |
| Furniture and fixtures | 259,370,386,632 | 46,474,377,335 | 13,505,108,537 | (2,059,370,348 ) | 290,280,285,082 |
| Vehicles | 14,329,830,667 | 2,371,020,908 | 769,177,545 | (125,166,305 ) | 15,806,507,725 |
| Project and golf equipment | 11,352,998,650 | 2,014,469,005 | 89,568,217 | 2,206,241,239 | 15,484,140,677 |
| Medical equipment | 15,521,464,980 | 1,512,459,051 | - | - | 17,033,924,031 |
| | **1,300,479,708,559** | **71,831,253,217** | **32,964,616,556** | **18,003,197,718** | **1,357,349,542,938** |
| Construction in progress | | | | | |
| Buildings | 391,034,117,927 | 159,129,894,208 | 19,886,246,580 | (150,447,938,106) | 379,829,827,449 |
| Total | **1,691,513,826,486** | **230,961,147,425** | **52,850,863,136** | **(132,444,740,388 )** | **1,737,179,370,387** |
| Accumulated Depreciation | | | | | |
| Direct ownership | | | | | |
| Buildings | 210,483,846,704 | 21,184,082,079 | 335,413,411 | (1,496,197,866 ) | 229,836,317,506 |
| Golf course | 34,407,616,590 | 1,982,190,534 | - | - | 36,389,807,124 |
| Furniture and fixtures | 143,655,385,905 | 23,042,396,492 | 9,257,327,797 | (3,393,756,471 ) | 154,046,698,129 |
| Vehicles | 10,144,061,969 | 995,057,124 | 760,726,555 | (2,166,725,637 ) | 8,211,666,901 |
| Project and golf equipment | 7,027,477,264 | 545,299,195 | 89,568,217 | 5,240,327,975 | 12,723,536,217 |
| Medical equipment | 191,959,229 | 1,511,851,532 | - | - | 1,703,810,761 |
| Total | **405,910,347,661** | **49,260,876,956** | **10,443,035,980** | **(1,816,351,999 )** | **442,911,836,638** |
| Net Book Value | **1,285,603,478,825** | | | | **1,294,267,533,749** |

| | 31 December 2011 | | | | |
|---|---|---|---|---|---|
| | **Begining Balance** | **Additions** | **Deductions** | **Reclassification** | **Ending Balance** |
| Cost | | | | | |
| Direct ownership | | | | | |
| Land rights | 352,706,706,682 | 6,435,386,730 | - | (84,401,251,893 ) | 274,740,841,519 |
| Buildings | 498,529,687,357 | 45,830,687,663 | 2,497,148,032 | 131,327,347,671 | 673,190,574,659 |
| Golf course | 45,870,047,757 | 6,103,563,695 | - | - | 51,973,611,452 |
| Furniture and fixtures | 191,958,108,813 | 70,404,588,392 | 7,366,097,547 | 4,373,786,974 | 259,370,386,632 |
| Vehicles | 9,686,248,233 | 5,199,203,011 | 626,264,224 | 70,643,647 | 14,329,830,667 |
| Project and golf equipment | 10,992,400,672 | 447,495,791 | 61,420,540 | (25,477,273 ) | 11,352,998,650 |
| Medical equipment | - | 15,521,464,980 | - | - | 15,521,464,980 |
| | **1,109,743,199,514** | **149,942,390,262** | **10,550,930,343** | **51,345,049,126** | **1,300,479,708,559** |
| Construction in progress | | | | | |
| Buildings | 546,602,389,897 | 495,644,087,014 | 4,263,293,750 | (646,949,065,234) | 391,034,117,927 |
| Total | **1,656,345,589,411** | **645,586,477,276** | **14,814,224,093** | **(595,604,016,108 )** | **1,691,513,826,486** |
| Accumulated Depreciation | | | | | |
| Direct ownership | | | | | |
| Buildings | 186,381,051,825 | 24,791,005,589 | 688,210,710 | - | 210,483,846,704 |
| Golf course | 31,952,663,307 | 2,454,953,283 | - | - | 34,407,616,590 |
| Furniture and fixtures | 122,991,460,942 | 24,349,475,881 | 3,685,550,918 | - | 143,655,385,905 |
| Vehicles | 6,490,517,710 | 1,126,355,023 | 589,395,469 | 3,116,584,705 | 10,144,061,969 |
| Project and golf equipment | 9,669,874,198 | 535,608,311 | 61,420,540 | (3,116,584,705 ) | 7,027,477,264 |
| Medical equipment | - | 191,959,229 | - | - | 191,959,229 |
| Total | **357,485,567,982** | **53,449,357,316** | **5,024,577,637** | **-** | **405,910,347,661** |
| Net Book Value | **1,298,860,021,429** | | | | **1,285,603,478,825** |

(In Rupiah)

Construction in progress mainly represents the accumulated development cost of constructing a hotel project owned by PT Ciputra Adigraha (CAG), a Subsidiary of PT Ciputra Property Tbk, with percentage of completion is approximately 47.41% as of 30 September 2012.

Depreciation expenses charged to statements of comprehensive income for nine months ended 30 September 2012 and 2011 are Rp 48,004,596,000 and Rp 32,289,653,274 respectively (recorded in direct costs and general administrative expenses).

As of 30 September 2012, fixed assets such as land rights and buildings owned by certain Subsidiaries are pledged as collateral for their respective loans payable (see Note 12).

Fixed assets and investment properties, except land and golf course, are covered by insurance against fire, flood and other risks under blanket policies for Rp 9,647,477,223,187 as of 30 September 2012. The Group's management believes that the insured amount is adequate to cover possible losses from such risks.

The Group's management believes that there is no changes in circumstances that indicate impairment in the value of fixed assets as of 30 September 2012 and 31 December 2011.

## 12. BANK LOANS

This account represents loans obtained from:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| PT Bank Mandiri (Persero) Tbk | 841,378,021,804 | 304,173,341,007 |
| PT Bank Central Asia Tbk | 420,212,304,372 | - |
| PT Bank DKI | 45,185,953,070 | 13,209,807,221 |
| PT Bank Mega Tbk | - | 484,556,240,118 |
| **Total** | **1,306,776,279,246** | **801,939,388,346** |

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Short-term | | |
| PT Bank Mandiri (Persero) Tbk | 59,356,975,184 | 13,203,981,562 |
| PT Bank DKI | 2,438,356,165 | - |
| PT Bank Central Asia Tbk | 212,304,372 | - |
| PT Bank Mega Tbk | - | 40,927,678,136 |
| Total short-term bank loans | 62,007,635,721 | 54,131,659,698 |
| Long-term | | |
| PT Bank Mandiri (Persero) Tbk | 782,021,046,620 | 747,807,728,648 |
| PT Bank Central Asia Tbk | 420,000,000,000 | - |
| PT Bank DKI | 42,747,596,905 | - |
| Total long-term bank loans | 1,244,768,643,525 | 747,807,728,648 |
| **Total** | **1,306,776,279,246** | **801,939,388,346** |

**Syndication Loans - PT Ciputra Adigraha (CAG)**
On 14 December 2011, CAG obtained syndicated credit facilities from Mandiri and Bank DKI consisting of:

- Investment Credit (KI) with a maximum amount of Rp 1,630,000,000,000
- KI interest during construction (IDC) with a maximum amount of Rp 195,000,000,000

The credit facilities are used to finance the development of CiputraWorld Jakarta project and are available until 2019. The outstanding balance of the loans as of 30 September 2012 amounting to Rp 815,518,643,525.

The loans bore interest at a floating rate with effective interest rate in 2011 of 10.50%. Grace period of these facilities is from December 2011 until June 2012 wherein, during the grace period, 70% of the interest expense will be charged to the KI IDC facilities and the other 30% will come from self-financing. CAG will pay the loan in quarterly installments starting on the third quarter of 2013 up to the fourth quarter of 2019. There were no installments paid during 2011.

The loans are collateralized by fixed assets and land of CiputraWorld Jakarta project consisting of mall, office tower, hotel and service apartment (managed by CAG, excluding apartments sold) and equipment; the escrow account; and CAG shares with minimum pledged amount of Rp 646,190,597,000 (see Note 10 and 11).

**PT Bank Centra Asia Tbk (BCA) – PT Win-Win Realty (WWR)**

On 9 May 2012, WWR obtained an investment credit facility from BCA with principal amount not exceeding of Rp 472,525,000,000. The facility will be used for repayment of shareholders funds which is used for repayment bank loans in Bank Mega. Based on Credit Agreement No. 42 dated 9 May 2012, this loan term of for 120 months (including grace period of 12 months) with an interest rate of the highest one month deposit plus 4.5%. This loan is secured by land and building in Mall Ciputra World Surabaya with SHGB No. 655 and fiduciary of account receivable from rental of shopping centre amounted of Rp 20,000,000,000.

The outstanding balance of the loans as of 30 September 2012 amounting to Rp 420,000,000,000.

**PT Bank Mandiri (Persero) Tbk - PT Citra Raya Medika (CRM)**

On 1 July 2011, CRM obtained an investment credit facility from PT Bank Mandiri (Persero) Tbk with a maximum amount of Rp 50,000,000,000 used to finance the development of Ciputra Hospital located in CitraRaya Tangerang. The loan bore interest at the annual rate of 10.50% in 2011. The loan is payable in quarterly installments starting from 2013 until 2018. This loan secured by land and building of Ciputra Hospital covering 12,220 sqm which is located in Jalan Raya Boulevard Blok V 00/08, sector 3.4, sub-district Mekar Bakti, Pecenonang district, Tangerang.

The outstanding balance as of 30 September 2012 amounted to Rp 50,000,000,000.

**PT Bank Mandiri (Persero) Tbk - PT Ciputra Residence (CR)**

On 4 June 2010, CR obtained investment credit facility from Mandiri with a maximum amount of Rp 36,000,000,000 used to finance a theme park and food centre project at Citra Raya Tangerang, and the development of the infrastructure of Citra Garden Jakarta residential project and waterpark at Citra Grand Palembang. The loan bears interest at annual rates ranging from 10.00% to 10.50% in 2011 and 2010. The loan is due on 3 November 2013, including grace period of 1 year. The principal is paid quarterly starting from 2011 until 2013.

This loan is collateralized by land under the name of CR and CPG, a Subsidiary of CR, with an area of 12,754 sqm and carrying value of Rp 9,049,706,129.

The outstanding balance of the loans as of 30 September 2012 is Rp 21,000,000,000.

**PT Bank Mandiri (Persero) Tbk - PT Ciputra Surya Tbk (CS)**

On 29 April 2010, CS obtained a working capital credit facility from PT Bank Mandiri (Persero) Tbk (Mandiri), with maximum amount of Rp 100,000,000,000 which is used to finance the project of CitraLand, UC Apartment, Bukit Palma, Citra Harmoni and others. This loan is payable in installments up to April 2012 (as extended from April 2011) and bears interest at the annual rate of 11%. This loan is collateralized by land and buildings covering 73,330 sqm and Ciputra Waterpark Surabaya (see notes 11).

The outstanding balance of the loans as of 30 September 2012 is Rp 45,331,349.

**PT Bank Mega Tbk - PT Win-Win Realty (WWR)**

On 29 February 2008, WWR obtained time loan and interest during construction credit facilities from Bank Mega with maximum credit limits of Rp 389,970,000,000 and Rp 55,030,000,000, respectively, which are used to finance the CiputraWorld Surabaya project. On 28 July 2010, the credit limit for the interest during construction facility was increased to Rp 88,255,000,000. The loans from these facilities bore interest at the annual rate of 13.5% in 2011 and at rates ranging from 13.5% to 14% in 2010 and early 2011 the facilities are available until 31 December 2020, including a grace period of 2 years. The loans are collateralized by land and buildings under construction, and mall and land for development and receivables, if any. Any additional receivables will be used as collateral for the loans.

On 12 February 2010, PT Pancaran Suara Citra (PSC), a Subsidiary of WWR, obtained time loan facility amounting to Rp 31,000,000,000 and interest during construction facility amounting to Rp 2,000,000,000 from Bank Mega which is used to finance Independent Power Producer investment. This loan bears an annual interest of 13.5%, which has to be paid monthly on the 25th day. The facility is available until 19 December 2016, including grace period of 14 months. This loan is secured by certain furniture and fixture amounting to Rp 35 billion, which is cross collateral with the WWR's collateral provided to Bank Mega.

(In Rupiah)

On 30 April 2012, the bank loan had been fully paid by WWR.

## 13. OTHER ACCOUNTS PAYABLE – THIRD PARTIES

This account consists of:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Deposits from tenants | 71,235,794,250 | 43,080,947,784 |
| Shareholders loans of Subsidiaries | 46,759,928,971 | 7,050,000,000 |
| Others | 95,738,685,830 | 152,779,607,057 |
| **Total** | **213,734,409,051** | **202,910,554,841** |

## 14, TAXES PAYABLE

Taxes payable consists of:

| | 30 September 2012 | 31 December 2011 |
|---|---|---|
| Estimated income tax payable of Subsidiaries | 1,762,311,458 | 2,191,622,576 |
| Other income taxes payable | | |
| Article 4(2) | 5,740,706,884 | 5,966,920,371 |
| Article 21 | 1,169,432,387 | 4,692,118,486 |
| Article 23 | 1,626,207,478 | 923,087,910 |
| Article 25/ 29 | - | 660,070,268 |
| Article 26 | 1,119,612,690 | 1,200,080,225 |
| Value-added tax | 16,642,501,190 | 13,408,394,164 |
| Development tax I (PB I) | 1,556,505,340 | 1,469,258,891 |
| Final tax | 29,989,627,516 | 21,807,948,376 |
| Other taxes | 495,154,546 | 44,399,608 |
| **Total** | **60,102,059,489** | **52,363,900,875** |

A reconciliation between income before income tax, as shown in the consolidated statements of comprehensive income, with estimated taxable loss of the Company for 30 September 2012 and 30 September 2011 is as follows:

| | 30 September 2012 | 30 September 2011 |
|---|---|---|
| Income before income tax per consolidated statements of comprehensive income | 660,833,565,507 | 465,266,351,185 |
| Income of Subsidiaries before income tax | (295,188,200,441) | (247,812,613,036) |
| Income before income tax of the Company | 365,645,365,066 | 217,453,738,149 |
| Permanent differences: | | |
| Salaries and allowance | 3,165,636,836 | 2,748,408,688 |
| Equity in net income of Subsidiaries and associated company | (393,210,785,862) | (241,392,564,985) |
| Income already subjected to final taxes | (1,931,727,508) | (2,540,941,733) |
| Estimated taxable loss of the Company | **(26,331,511,468)** | (**23,731,359,881**) |

| | 30 September 2012 | 30 September 2011 |
|---|---|---|
| Total of uncompensated tax losses past period: | | |
| 2006 - Revised Annual Tax Return | - | (261,279,208,328) |
| 2007 - Tax Examination | (3,807,484,322) | (3,807,484,322) |
| 2008 | - | - |
| 2009 | (21,970,163,994) | (21,970,163,994) |
| 2010 - Tax Examination | 5,530,248,416 | (5,866,186,326) |
| 2011 | (6,798,806,776) | - |
| **Accumulated tax losses** | **(53,377,718,144)** | **(316,654,402,851)** |

The Company does not provide allowance for current income tax in 2012 and 2011 because the Company still records the accumulated tax losses.

## 15. ADVANCES FROM CUSTOMERS

This account represents deposits received from customers for sale of land and residential houses, and for legal process of the certificate of ownership. All of advances are denominated in Rupiah.

## 16. UNEARNED REVENUES

This account represents rental income from shopping centers paid in advance from third parties. All of rental revenues are denominated in Rupiah.

## 17. CONSTRUCTION COST PAYABLE

This account represents estimated liabilities to the contractors and suppliers for the remaining costs to complete the land, residential houses and shop-houses sold.

## 18. ESTIMATED LIABILITIES OF EMPLOYEE BENEFITS

This account represents estimated liabilities based on Labor Law No.13 year 2003 dated 25 March 2003, which has been calculated by PT Dayamandiri Dharmakonsilindo, an independent actuary.

## 19. NON-CONTROLLING INTERESTS

This account represents the rights of minority shareholders in the consolidated equity, including the net income or loss from the subsidiaries.

## 20. CAPITAL STOCK

The stockholders and their respective ownerships as of 30 September 2012 and 31 December 2011 are as follows:

| | 30 September 2012 | | |
|---|---|---|---|
| **Stockholders** | **Number of Shares Issued and Fully Paid** | **Percentage of Ownership** | **Amount (Rp)** |
| PT Sang Pelopor | 4,644,750,000 | 30.63 | 1,161,187,500,000 |
| Credit Suisse Singapore | 1,230,705,976 | 8.12 | 307,676,494,000 |
| Bayan Akochi * | 30,793,000 | 0.20 | 7,698,250,000 |
| Public (each below 5%) | 9,259,567,018 | 61.05 | 2,314,891,754,500 |
| **Total** | **15,165,815,994** | **100.00** | **3,791,453,998,500** |

(In Rupiah)

| | 31 December 2011 | | |
|---|---|---|---|
| **Stockholders** | **Number of Shares Issued and Fully Paid** | **Percentage of Ownership** | **Amount (Rp)** |
| PT Sang Pelopor | 4,644,750,000 | 30.63 | 1,161,187,500,000 |
| Credit Suisse Singapore | 1,225,225,976 | 8.08 | 306,306,494,000 |
| Bayan Akochi * | 30,793,000 | 0.20 | 7,698,250,000 |
| Public (each below 5%) | 9,265,047,018 | 61.09 | 2,316,261,754,500 |
| **Total** | **15,165,815,994** | **100.00** | **3,791,453,998,500** |

*The Company's Commissioner

## 21. DIVIDEND DISTRIBUTION AND APPROPRIATED RETAINED EARNINGS

Based on Annual Stockholder General Meeting on 22 May 2012 and stated on Notarial Deed No. 282 of Buntario Tigris Darmawa Ng, SH, SE, MH at the same date, decided to allocate net income of the Company for year ended 2011 as follows:
(i) Amounted Rp 5,000,000 as appropriated retained earnings; and
(ii) Distribute dividend to stockholder amounted Rp 106,160,711,958 for 15,165,815,994 shares or Rp 7 per share.

Based on Annual Stockholder General Meeting on 24 May 2011 and stated on Notarial Deed No. 189 of Buntario Tigris Darmawa Ng, SH, SE, MH at the same date, decided to allocate net income of the Company for year ended 2010 as follows:
(i) Amounted Rp 5,000,000 as appropriated retained earnings; and
(ii) Distribute dividend to stockholder amounted Rp 90,994,895,964 for 15,165,815,994 shares or Rp 6 per share.

In accordance with Article 70 of the Indonesian Corporation Law No. 40 of 2007, the Company must allocate a certain portion of its annual net income for the establishment of a reserve to an amount equivalent to 20% of its issued capital stock.

Based on Deed of BARUPST No. 315 dated 18 May 2010, the stockholders approved to appropriate retained earnings for reserve fund amounting to Rp 5,000,000.

## 22. REVENUES

| This account consists of: | **30 September 2012** | **30 September 2011** |
|---|---|---|
| Net sales | | |
| Land lots | 218,627,603,414 | 104,618,161,025 |
| Residential and shop-houses | | |
| Building | 841,622,860,401 | 497,914,992,543 |
| Land | 517,688,007,727 | 320,443,895,736 |
| Apartements | 218,279,912,673 | 312,148,896,570 |
| **Sub-total** | **1,796,218,384,215** | **1,235,125,945,874** |
| Operating revenues | | |
| Shopping centers | 272,988,849,905 | 168,380,187,022 |
| Hotels | 100,794,609,315 | 89,087,962,176 |
| Golf course | 28,178,054,190 | 24,167,990,345 |
| Others | 39,162,068,512 | 10,412,466,663 |
| **Sub-total** | **441,123,581,922** | **292,048,606,206** |
| **Total** | **2,237,341,966,137** | **1,527,174,552,080** |

(In Rupiah)

## 23. COST OF SALES AND DIRECT COSTS

This account consists of:

| | 30 September 2012 | 30 September 2011 |
|---|---|---|
| Cost of sales | | |
| Land lots | 46,742,162,141 | 30,282,979,214 |
| Residential and shop-houses | | |
| Building | 542,389,771,218 | 336,725,182,542 |
| Land | 233,016,961,218 | 147,174,219,009 |
| Apartements | 97,719,527,168 | 175,010,485,709 |
| **Sub-total** | **919,868,421,745** | **689,192,866,474** |
| Direct costs | | |
| Shopping centers | 126,973,427,162 | 60,080,506,834 |
| Hotels | 42,651,631,066 | 39,822,728,178 |
| Golf course | 16,177,697,207 | 18,455,806,338 |
| Others | 29,784,423,291 | 9,038,243,664 |
| **Sub-total** | **215,587,178,726** | **127,397,285,014** |
| **Total** | **1,135,455,600,471** | **816,590,151,488** |

## 24. OPERATING EXPENSES

Operating expenses consist of:

| | 30 September 2012 | 30 September 2011 |
|---|---|---|
| Selling | | |
| Advertising and promotions | 83,888,625,537 | 54,636,655,677 |
| Sales commissions | 40,849,032,304 | 20,510,482,268 |
| Others | 15,935,161,873 | 22,732,087,415 |
| **Sub-total** | **140,672,819,714** | **97,879,225,360** |
| General and administrative | | |
| Salaries and allowances | 203,752,622,158 | 160,518,827,323 |
| Depreciation | 30,842,826,051 | 22,192,762,002 |
| Traveling expenses | 9,051,974,354 | 7,032,605,504 |
| Household | 8,050,806,757 | 4,581,697,775 |
| Professional fees | 7,792,779,630 | 2,104,966,184 |
| Management fee | 6,694,567,352 | 5,134,035,470 |
| Water and electricity | 5,679,249,286 | 5,274,024,353 |
| Postage and telecommunication | 5,158,674,019 | 4,334,946,568 |
| Vehicle | 4,900,441,452 | 3,756,880,668 |
| Maintenance | 3,921,265,026 | 2,460,890,435 |
| Donation and entertainment | 3,873,305,324 | 5,999,403,120 |
| Printing and stationary | 3,434,046,825 | 2,532,201,706 |
| Recruitment and training | 2,963,633,757 | 1,758,184,258 |
| Insurance | 2,422,441,354 | 1,705,569,938 |
| Others | 44,082,454,741 | 34,165,632,834 |
| **Sub-total** | **342,621,088,086** | **263,552,628,138** |
| **Total** | **483,293,907,800** | **361,431,853,498** |

## 25. BASIC EARNINGS PER SHARE

The computation of basic earnings per share as of 30 September 2012 and 2011 is as follows:

**Basic earnings per share**

| | 30 September 2012 | 30 September 2011 |
|---|---|---|
| Net income attributable to owners of the parent (In Rupiah) | 361,368,502,484 | 229,848,382,611 |
| Number of outstanding shares for the period | 15,165,815,994 | 15,165,815,994 |
| Earnings per share attributable to owners of the parent (In Rupiah) | **23.8** | **15.2** |

## 26. SIGNIFICANT AGREEMENTS

a. Based on a joint operation agreement dated 9 February 2007 between PT Bumiindah Permaiterang (BIPT), a Subsidiary of PT Ciputra Surya Tbk, and Perum Perumnas (Perumnas), both parties agreed to engage in construction and sales of 65 units of residential houses on land of approximately 26,183 sqm located at Lakarsantri, Surabaya. This agreement is valid up to 9 February 2011. The minimum amount will be received by Perumnas is 15.855% of minimum selling price.

b. PT Ciputra Sentra (CSN) and PT Ciputra Semarang (CSM), the Subsidiaries of PT Ciputra Property Tbk, entered into management and promotion agreements with Swiss Pacific B,V, (Swiss), the Netherlands, and Club and Hotel International Management Company B.V, (CHIC), the Netherlands. As compensation, CSN and CSM agreed to pay CHIC, a fixed and incentive hotel management coordination fee equivalent to 0.5% of the gross revenues and 1.5% of the gross operating profit, respectively. In addition, CSN and CSM also agreed to pay Swiss a fixed and incentive hotel marketing and service coordination fee equivalent to 2.5% of the gross revenues and 6% of the gross operating profit, respectively.

c. Based on Cooperation Agreement on Taman Dayu Project Development which is notarized under Deed No. 126 dated 25 November 2004 of Aulia Taufani, S.H., CS agreed to enter into a cooperation agreement with PT Taman Dayu (Taman Dayu) for Project Optimalization or joint operation. CS has the responsibility to control and execute management functions including operational, marketing and project finance. Meanwhile, Taman Dayu provided the land for development. The revenue sharing was approved based on a percentage of sales price of the land and building.

d. Based on Notarial Deed of Cooperative Agreement of Land Development No. 7 dated 4 April 2007 of Ferdinand Bustani, SH, PT Ciputra Graha Mitra (CGM), a Subsidiary, and PT Bangun Pratama Kaltim Abadi (BPKA) entered into a cooperative agreement of land development located at Jl. D.I. Panjaitan, Samarinda with total land area of approximately ± 33 Ha. Based on agreement, CGM has the obligation to develop and sell the land and project building, while BPKA has obligation to provide land for development. The revenue sharing was agreed based on certain percentage of sales price of land and building.

e. Based on Cooperative Agreement of Land Development No. 76 dated 22 August 2005 of PT Cita Citra Lestari (CCL), a Subsidiary of CGM and PT Graha Elok Asrijaya (GEA) have entered into a cooperative agreement of land development on Jl, Ahmad Yani, Banjarmasin with total land area of approximately ± 87,105 sqm. Based on this agreement, CCL has obligation to develop and sell the land and project building, and GEA provides land for development. The revenue sharing was agreed based on certain percentage of sales of price land and building.

f. Based on Cooperative Agreement of Land Development No. 245 dated 30 November 2007 of PT Ciputra Bangun Mitra (CBM), a Subsidiary of CGM and PT PutraBalikpapan Adiperkasa (PBAP), have entered into a cooperative agreement of land development on Jl, MT, Haryono, Komplek Bukit Damai Indah, Balikpapan with total land area of approximately ± 206,035 sqm. Based on this agreement, CBM has obligation to develop and sell the land and project building, and PBAP provides land for development. The revenue sharing was agreed based on certain percentage of sales of price land and building.

g. On 26 February 2008, CAG, a Subsidiary of CP, signed the apartment management agreement and the technical assistant agreement in kavling 3-5 of the CiputraWorld Jakarta project with PT Ascott International Management Indonesia (AIMI). CAG has agreed to pay management fee 3% of total revenues plus 8% from gross operating profit. The agreement has become effective on 1 July 2012 or other agreed date. On 9 February 2010, both parties have signed an addendum to the agreement wherein the effective date is changed to 1 July 2013.

h. On 29 April 2008, CAG signed in the hotel management agreement and the technical assistant agreement in lot 3-5 of CiputraWorld Jakarta project with PT Raffles Hotels and Resorts Management and Raffles International Limited (Raffles), wherein CAG has agreed to pay 0,5% from total revenues. The agreement has become effective on 29 April 2008 and will be terminated after 25 years from opening date on 1 November 2011 or other date that should be agreed by both parties.

i. On 29 April 2008, CAG entered into a residential license agreement with Raffles and Perhimpunan Penghuni Premium Residence CiputraWorld Jakarta, wherein Raffles agreed to grant a license to CAG to use the licensed marks of Raffles. CAG has agreed to pay 1% from gross revenue as compensation. The agreement has become effective since 29 April 2008 and will be terminated until all units have been sold-out or the next five years after the execution of this agreement.

j. On 29 April 2008, CAG entered into a hotel license agreement with Raffles, wherein Raffles agreed to grant a license to CAG to use the license marks of Raffles. CAG has agreed to pay 1% from gross revenue as compensation. The agreement has become effective since the agreement date and will be terminated after 25 years from opening date of the hotel on 1 November 2011 or other date that will be agreed upon by the parties.

k. On 29 April 2008, CAG entered into a residential sales marketing advisory agreement with Raffles, wherein Raffles agreed to provide sales, marketing and general administrative advisory services to CAG and support for residential sales. CAG has agreed to pay 3% of gross revenues if the gross revenues achieve USD 3,000 per sqm or 2,75% of gross revenue if such gross revenues exceed than USD 3,000 per sqm. The agreement has become effective on 29 April 2008.

l. Based on Cooperation Agreement Deed between PT Citra Mitra Property (CMP), a Subsidiary of CR, and PT Cipta Arsigriya (CASr) dated 29 June 2007, of Buntario Tigris Darmawa NG, SH, SE, MH, notary, both parties were agreed to form Joint Operation namely Citra Arsigriya JO (CA). CA was formed in conformity with land development agreement in Talang Kelapa sub-district, Sukarami district, Palembang with total land area of 1,560,768 sqm. Based on the agreement, CMP, among others, have obligation to run and sell the project's land lots and building, whereas CASr provide land for development. Revenue sharing was agreed based on certain percentage of profit from joint operation.

m. Based on Cooperative Agreement of Land Development No. 28 dated 28 July 2008 of PT Ciputra Fajar Mitra (CFM), a Subsidiary of CGM and PT Graha Celebes Realty (GCR), entered into a cooperative agreement of land development on Jl. Herstaning Baru (II), Makassar, with total land area of approximately ± 33 hectares. Based on this agreement, CFM has obligation to develop and sell the land and project building, and GCR provides land for development. The revenue sharing was agreed based on certain percentage of sales of price land and building.

n. Based on a Cooperation Agreement on Land Development dated 31 August 2009 between CFM, a Subsidiary of CGM, and PT Sinar Galesong Pratama (SGP), the parties agreed to develop land at Jl, Herstaning Baru (II), Makassar, with total land area of approximately ± 14,4 hectares. Under this agreement, CFM has the obligation to, among others, develop and sell the land and project building, while SGP provides the land for development. The revenue sharing was agreed based on certain percentage of the sales price of the land and building.

o. On 15 April 2009, CP and PT Ascott International Management Indonesia entered into the first amendment of Consulting Services Agreement, whereby CP agreed to render consulting services including administration and general management services. CP is entitled to receive a monthly retainer fee as compensation, equivalent to 1,275% of total revenues and 3,4% of gross operating profit. This agreement has become effective on 15 April 2009.

p. Based on the Joint Operation Agreement which is notarized under Deed No, 14, dated 4 September 2009 of Wahyudi Suyanto, S.H., CS agreed to cooperate with PT Bumi Sidoarjo Permai (BSP) regarding the development of a residential area and the related facilities on a land property with an area of approximately

19,158 sqm located at Sidoarjo and owned by BSP. The profit sharing was agreed based on certain percentages.

q. On 17 May 2010, CAG signed Construction Contract for the CiputraWorld Project with JO Jakon Tata NRC. JO Jakon Tata NRC agreed to provide construction services for the project that will be handled by CAG. The term of the contract consist of construction stage for 34 months commencing on 1 June 2010 until 31 March 2013.

r. On 11 August 2010, PT Ciputra Balai Property (CBP), a Subsidiary of CP, signed a joint venture land development agreement with PT Dipo Service. Both parties agreed to conduct joint operation (Profit Sharing) to develop PT Dipo Service's 7,000 sqm land, to be a commercial area consisting of Home Offices (Rukan) and an office building (the unit), the following related infrastructure. All costs of construction and development projects will be born by the CBP. Proceeds from sale of units, after full payment buyer is achieved 20% and after the cut with applicable taxes, will first be used to repay the contributions of the parties on a pro rate basis. If there are profits, its will distributed to all parties with a ratio of 50%: 50%. The agreement has become effective since the signing date until the end of 2014 and all unit has been sold.

s. PT Ciputra Surabaya Padang Golf (CSPG), a Subsidiary of CS, entered into Management Agreement with Swiss-Pacific Limited (Swiss Pacific) dated 20 December 2007. The period of this Agreement is 10 years since 1 January 2008. The fees under this Agreement are as follows:
   - Monthly Base Services Fee of 0,5%, net of any taxes, of the Inflated Base Gross Revenue (IBGR).
   - Quarterly Base Services Fee of 5%, net of any taxes, of the revenue above the IBGR.
   - Incentive Management Fees of 7,5% of the total gross operational profit.
   - Monthly Sales and Marketing Contribution Fee of 0,25%, net of any taxes, of total gross revenue.

   This agreement was terminated at the end of September 2010.

t. On 29 April 2008, CAG entered into Technical Agreement with Raffles, wherein Raffles agreed to provide technical consultancy services to CAG and other services with regard to the conceptualizing, planning and furnishing of hotel and residencies. CAG has agreed to pay consultancy fee amounting to USD 250,000 plus an aggregate amount at the rate of USD 800 for each hotel room or residence. CAG also has agreed to pay purchasing fee equal to 5% of the gross amount of operating and equipment supplies purchased. The agreement became effective on 29 April 2008.

u. On 29 April 2008, CAG entered into Hotel Sales and Marketing Consultancy Services Agreement with Raffles, wherein Raffles agreed to provide hotel sales and marketing consultancy services. CAG has agreed to pay 1.5% of gross revenue. This agreement became effective on 29 April 2008 and will be terminated after 25 years from the opening date of the hotel on 1 November 2011 or other date that will be agreed upon by the parties.

v. On 25 June 2008, CAG signed a construction management services contract for the CiputraWorld Project with PT Jaya CM. PT Jaya CM agreed to provide construction management services for the project that will be held by CAG. The term of the contract is divided into construction stage for 43 months commencing on 1 July 2008 until 31 January 2012, and the maintenance stage for 12 months from 1 February 2012 until 31 January 2013. The construction management consulting service fee for this project is Rp 15,950,000,000. On 1 December 2009, CAG signed an addendum to the agreement. The addendum amended the term of the contract, which extended the construction stage to 54 months starting from 1 July 2008 until 31 December 2012 and the maintenance stage of 12 month starting from 1 January 2013 until 31 December 2013, and reducing the construction management consulting service fee to Rp 15,021,600,000.

w. On 29 April 2008, CAG entered into hotel advisory service agreement with Raffles, wherein Raffles has agreed to provide supervision and direction of the hotel and CAG has agreed to pay basic advisory fee of 1.5% of total revenues of the hotel and incentive fee based on the following percentages of gross operating profit:
   i. if the achieved gross operating profit percentage is between 0% and 25%, the incentive fee shall be 7% of the total gross operating profit,
   ii. if the achieved gross operating profit percentage is between 25,1% and 40%, the incentive fee shall be 8% of the total gross operating profit,
   iii. if the achieved gross operating profit percentage is more than 40%, the incentive fee shall be 9% of the total gross operating profit.

   The agreement has become effective since 29 April 2008 and will be terminated after 25 years from opening date on 1 November 2011 or other date that should be agreed by both parties.

x. On 24 June and 30 November 2010, CAG signed a purchase agreement with PT Hamasa Steel Center with a contract value of Rp 55,532,500,000, which ends on 31 March 2011.

y. On 26 March and 27 November 2010, CAG signed steel bar purchase agreement with PT Jakarta Cakratunggal Steel Mills with a contract value of Rp 48,256,250,000, which ends on 31 July 2011.

z. On 2010, WWR, a Subsidiary of CS, has entered into Construction Contract Agreement with certain contractors, such as PT Jaya Teknik Indonesia, PT Multigraha Alumindo, PT Dynami Perkasa Indonesia, PT Greatech Artanindo, PT Manunggal Sejati Utama, PT Multigraha Alumindo, PT Mulia Bangun Anugerah, PT Venus Ceramica Indonesia, and PT Superhelindo Jaya for the construction of CiputraWorld mall and apartments.

aa. Based on the Joint Operation Agreement which is notarized in the Deed No, 15 dated 3 September 2009, of Buntario Tigris Darmawa Ng, S.H., S.E., M.H., PT Ciputra Inti Pratama (CIP), a Subsidiary of CS, agreed to cooperate with PT Sunindo Property Jaya (SPJ) regarding the development of a residential area and other facilities on land located in Semarang with an area of approximately 15 ha owned by SPJ. The profit sharing was agreed based on certain percentages. This agreement is valid until all of the land lots and buildings in this project are fully sold.

bb. Based on the Joint Operation Agreement which is notarized in the Deed No. 237 dated 27 October 2010, of Buntario Tigris Darmawa Ng, S.H., S.E., M.H., PT Ciputra Kirana Dewata (CKD), a Subsidiary of CS, agreed to cooperate with PT Karya Makmur (KM) regarding the development of a residential area and other facilities on a land property located in Denpasar, Bali with an area of approximately 181,284 sqm and waterpark owned by KM. The revenue sharing was agreed based on certain percentages of the sales price of the land and building. This agreement is valid for 10 years from the date the other facilities are started.

cc. Based on the Joint Operation Agreement which is notarized in the Deed No. 47 dated 7 October 2010, of Buntario Tigris Darmawa Ng, S.H., S.E., M.H., PT Ciputra Abdi Persada (CAP), a subsidiary of CS, agreed to cooperate with PT Graha Pelita Indah (GPI) regarding the development of a residential area and other facilities on land property located in Kendari with an area of approximately 15,1 ha owned by GPI. The revenue sharing was agreed based on certain percentage of the sales price of the land and building. This agreement is valid until all of the land lots and buildings in this project are fully sold.

dd. On 31 May 2011, CAG has signed a lease agreement with PT Lotte Shopping Plaza Indonesia (LSPI). CAG agreed to give the operational of shopping centre to LSPI with an area 77,351 sqm which is located in Mall CiputraWorld Jakarta to LSPI for 20 (twenty) years with 180 days of grace period. Base leasing rate is Rp185,000/sqm2 per month excluding VAT.

ee. On 13 October 2011, PT Sarananeka Indahpancar (SNIP), a Subsidiary of CP, entered into a development consulting services agreement with Starwood Development Consulting Services Pte, Ltd, (Starwood), wherein SNIP has agreed to pay $ 300,000 as service fee. The agreement has become effective since 13 October 2011.

ff. On 13 October 2011, SNIP entered into a system license and technical assistance agreement with Starwood wherein Starwood is willing to grant a license to SNIP to operate the hotel using Starwood's brand name based on the applied system. SNIP has agreed to pay 5% of gross room revenue and 3% technical assistance fee of gross operating revenue. The agreement has become effective on 13 October 2011.

gg. On 13 October 2011, SNIP entered a centralized services agreement with W International Hotel Management, Inc., wherein SNIP will get the benefits of centralized service from W International Hotel management. SNIP has agreed to pay monthly or quarterly centralized service charge. The agreement has become effective on 13 October 2011.

hh. On 13 October 2011, SNIP entered into an operating services agreement with PT Indo-Pacific Sheraton, wherein PT Indo-Pacific Sheraton is willing to supervise, direct, and control the operations of the Hotel on behalf of SNIP. SNIP has agreed to pay monthly Operating Services Fee based on the Gross Operating Profit (GOP). The agreement has become effective on 13 October 2011.

ii. On 13 October 2011, SNIP entered into hotel operating services term sheets with Starwood, wherein Starwood will provide technical assistance and supervise, direct and control the operations of the Hotel through definitive agreement. SNIP has agreed to pay to Starwood a Pre-Opening Support Fee amounting to USD 60,000. The agreement has become effective on 13 October 2011.

jj. On 6 September 2007, CAG signed a construction cost consultancy services agreement for the CiputraWorld Jakarta project with PT Reynolds Partnership. PT Reynolds Partnership agreed to provide construction cost consultancy services for that project. The consultant fee for this project is Rp 6,000,000,000. On 5 October 2009, both parties signed an addendum to the agreement, increasing the consultant fee to Rp 8,250,000,000.

kk. Based on an apartment management service agreement dated 20 December 2010, WWR appointed PT Procon Indonesia to provide consultation and management services to The Via & The Vue Apartments, which consist of setting-up service from January up to March 2011 and apartment management service from 1 April 2011 up to 31 March 2014. The setting-up service fee is Rp 150 million and monthly apartment management service fee is Rp 50 million, Rp 55,5 million and Rp 61,55 million for the first, second and third years, respectively.

ll. Based on a software supporting agreement for Property Asset Management System (PAMS) dated 20 December 2010, WWR appointed PT Procon Indonesia to provide software usage service including its supporting services in order to support the operations of The Via & The Vue Apartments from 1 April 2011 up to 30 March 2014. The monthly software usage fee is Rp 5 million. Based on an amendment dated 28 September 2011, the agreement period was changed to 1 December 2011 up to 30 November 2014.

mm. Based on a joint operation agreement which is notarized under deed No. 237 dated 28 November 2011 of Buntario Tigris Darmawa Ng, S.H., S.E., M.H., CS agreed to cooperate with Chandra Tanubrata regarding the development of residential area and other facilities on land located at Palu with an area of approximately 167,634 sqm owned by Chandra Tanubrata. The revenue sharing was agreed to be based on certain percentage of the sales price of the land and building. This agreement is valid until all of the land lots and buildings in this project are sold.

nn. Based on the joint operation agreement which is notarized under deed No. 2 dated 13 April 2011 of Tan Bian Tjong, S.H., CIP agreed to cooperate with PT Karya Utama Bumi (KUB) regarding the development of residential area and its facilities on land with an area of approximately 582,685 sqm located at Semarang owned by KUB. The revenue sharing was agreed to be based on certain percentage of the sales price of the land and building. This agreement is valid until all of the land lots and buildings in this project are sold.

oo. Based on a cooperation agreement dated 10 May 2010 between CAM, a Subsidiary of CGM, and PT Niaga Guna Kencana (NGK), the parties agreed to invest in the development, marketing and management of land located at Jl. Insinyur Haji Juanda, Jambi with total area of approximately ± 35 hectares. The agreement will last until 9 years or when some of the project lots and buildings are sold, whichever occurs first. CAM is obliged to pay 0,75% royalty and 2% management fee to NGK from the net sales amount.

pp. Based on a cooperation agreement dated 3 May 2010 between CBB, a Subsidiary of CGM, and PT Dam Utamasakti Prima (DUP), the parties agreed to develop land at Cimbuleuit, West Java, with total area of approximately ± 105 hectares. Under this agreement, CBB has the obligation to, among others, fund the land development independently and provide technical advisory, while DUP provides the land for development. The agreement will last until all the project lots and buildings are sold. The revenue sharing was agreed based on 60:40 proportion, except for certain commercial land with no building with minimum area of 5,000 m2 which is based on 70:30 proportion.

qq. Based on a cooperation agreement dated 27 January 2010 among CGM and Mr, Rudyanto and Mr, Budi Purnomo, the parties agreed to develop land located at Jl. Sipelem, Tegal, Central Java with total area of approximately ± 10 hectares. The revenue sharing was agreed based on a certain percentage of the sales price of the land and building.

rr. Based on a cooperation agreement dated 19 April 2010 among CLM, a Subsidiary of CGM, and Tan Haristanto, Liarawati Soegiharto, Rudyanto and Budi Purnomo, the parties agreed to develop land located at Jl, Kusuma Bangsa, Pekalongan, Central Java, with total area of approximately ± 9 hectares to build residential area and other form of properties to be sold to the public. The agreement will last until the project lots and buildings are sold. The revenue sharing was agreed based on a certain percentage of the sales price of the land and building.

ss. Based on the apartment management service agreement dated 1 April 2010, CS appointed PT Procon Indonesia to provide consultation and management service for UC Apartment, which consists of setting up service from 1 September up to 30 November 2010 and apartment management service from 1 December 2010 up to 30 November 2013. The setting up service fee is Rp 150 million and monthly apartment management service fee is Rp 45 million, Rp 50 million and Rp 61 million for first, second and third year, respectively.

(In Rupiah)

tt. On 1 August 2007, CP entered into a trademark and utilization agreement with PT Ciputra Corpora (CC), an affiliate, the registered holder of the "Ciputra" trademark and brand intellectual property rights. Based on this agreement, CP and its Subsidiaries are permitted to use the "Ciputra" trademark and logo for their development projects and Corporate activities without any obligation to pay royalty fees to CC. This agreement shall commence with effect from the time CC obtains regulatory approval in connection with the intellectual property rights until the written termination notice from CC and CP.

uu. On 9 March 2012, the CAG, a Subsidiary of CP, and PT. DBS Indonesia has signed Act of Standard Condition Of Lease number: 9, whereby CAG agreed to provide office space area with a total area of 10,959 sqm (ten thousand nine hundred fifty nine square meters). This agreement valid for a period of 10 years, which is effective on the date of 1 December 2012 and will expire on 1 December 2022, with priority given to an extension.

## 27. RECLASSIFICATION OF ACCOUNTS AND RESTATEMENT

Certain accounts in the financial statements of 2011 have reclassified to conform with the presentation of financial statements in 2012, details of these reclassifications are as follows

| | Before Reclassification | Reclassification | After Reclassification |
|---|---|---|---|
| **Consolidated statements of financial position** | | | |
| Investment properties | 971,707,755,409 | 1,098,388,637,504 | 2,070,096,392,913 |
| Fixed assets | 2,383,992,116,329 | (1,098,388,637,504) | 1,285,603,478,825 |
| **Consolidated statements of comprehensive income** | | | |
| Gain (loss) on sale of investments – net | 370,199,041 | (122,743,956) | 247,455,085 |
| Gain (loss) on foreign exchange | (1,335,026,533) | (3,245,200) | (1,338,271,733) |
| Equity in net income of an associate companies | 702,184,613 | 8,606,619 | 710,791,232 |
| **Statements of other comprehensive income** | | | |
| Difference arising from foreign currency translation | 5,361,419 | (5,361,419) | - |
| Gain (loss) on available for sale financial assets | (122,743,956) | 122,743,956 | - |
| **Consolidated statements of changes in equity** | | | |
| Retained earnings unappropriated | 346,449,811,122 | 119,515,006 | 346,569,326,128 |
| Difference arising from available for sale financial assets | 167,983,757 | (167,983,757) | - |
| Difference arising from foreign currency translation | 2,810,530 | (1,586,930) | 1,223,600 |
| Non-controlling interest | 2,392,119,937,887 | 50,055,681 | 2,392,169,993,568 |

## 28. SEGMENT INFORMATION

Business segment information is as follows (in thousand of Rupiah):

| | 30 September 2012 | | | |
|---|---|---|---|---|
| | **Real Estate** | **Rental** | **Others** | **Consolidation** |
| Revenues | 1,796,218,384 | 373,783,459 | 67,340,123 | 2,237,341,966 |
| Cost of sales and direct costs | 919,868,422 | 169,625,058 | 45,962,121 | 1,135,455,601 |
| **Gross profit** | **876,349,962** | **204,158,401** | **21,378,002** | **1,101,886,365** |
| General and administrative expenses | (229,960,442) | (77,258,525) | (35,402,121) | (342,621,088) |
| Selling expenses | (121,636,338) | (17,531,414) | (1,505,067) | (140,672,819) |
| Loss on sale of investments – net | (484,000) | - | - | (484,000) |
| Gain on foreign exchange – net | 3,354,009 | 1,229,114 | 14,146 | 4,597,269 |
| Others – net | 19,586,751 | (5,678,252) | (1,536,163) | 12,372,336 |
| **Profit from operations** | **547,209,942** | **104,919,324** | **(17,051,203)** | **635,078,063** |
| Interest income | 43,889,146 | 21,046,604 | 135,699 | 65,071,449 |
| Finance costs | (11,827,447) | (28,425,693) | (692,720) | (40,945,860) |
| Equity in net income of an Associated Company | - | - | 1,629,913 | 1,629,913 |
| **Income before income tax** | **579,271,641** | **97,540,235** | **(15,978,311)** | **660,833,565** |
| Income tax benefit (expense) | (89,431,270) | (33,772,329) | (1,314,126) | (124,517,725) |
| **Net profit (loss) for the period** | **489,840,371** | **63,767,906** | **(17,292,437)** | **536,315,840** |
| Other comprehensive income | - | - | - | - |
| **Total comprehensive income for the period** | **489,840,371** | **63,767,906** | **(17,292,437)** | **536,315,840** |
| Comprehensive income attributable to owners of the parent | 339,264,744 | 35,104,187 | (13,000,429) | 361,368,502 |
| **Other information** | | | | |
| Asset | 9,730,835,225 | 3,774,871,051 | 263,458,631 | 13,769,164,907 |
| Liablilities | 4,369,164,218 | 1,219,100,213 | 103,211,986 | 5,691,476,417 |

| | 30 September 2011 | | | |
|---|---|---|---|---|
| | **Real Estate** | **Rental** | **Others** | **Consolidation** |
| Revenues | 1,235,125,946 | 257,468,149 | 34,580,457 | 1,527,174,552 |
| Cost of sales and direct costs | 689,192,866 | 99,903,235 | 27,494,050 | 816,590,151 |
| **Gross profit** | **545,933,080** | **157,564,914** | **7,086,407** | **710,584,401** |
| General and administrative expenses | (189,845,471) | (61,601,276) | (12,105,881) | (263,552,628) |
| Selling expenses | (86,121,302) | (10,903,133) | (854,791) | (97,879,226) |
| Gain (loss) on sale of investments – net | 370,199 | (122,744) | - | 247,455 |
| Gain (loss) on foreign exchange – net | (1,823,444) | 421,775 | 63,398 | (1,338,271) |
| Others – net | 41,644,630 | 4,146,742 | 254,170 | 46,045,542 |
| **Profit from operations** | **310,157,692** | **89,506,278** | **(5,556,697)** | **394,107,273** |
| Interest income | 28,839,019 | 44,574,421 | 143,489 | 73,556,929 |
| Finance costs | 687,585 | (2,130,878) | (1,782,731) | (3,226,024) |
| Equity in net income of an Associated Company | - | - | 710,791 | 710,791 |
| **Income before income tax** | **339,684,296** | **131,949,821** | **(6,485,148)** | **465,148,969** |
| Income tax benefit (expense) | (65,291,279) | (22,544,571) | (1,004,494) | (88,840,344) |
| **Net profit (loss) for the period** | **274,393,017** | **109,405,250** | **(7,489,642)** | **376,308,625** |
| Other comprehensive income | - | - | - | - |
| **Total comprehensive income for the period** | **274,393,017** | **109,405,250** | **(7,489,642)** | **376,308,625** |
| Comprehensive income attributable to owners of the parent | 185,725,906 | 48,088,920 | (3,966,443) | 229,848,383 |
| **Informasi Lainnya** | | | | |
| Asset | 5,844,772,978 | 4,281,877,559 | 231,975,300 | 10,358,625,837 |
| Liablilities | 1,986,578,399 | 770,921,763 | 165,066,497 | 2,922,566,659 |

(In Rupiah)

## 29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets out the classifications and carrying values, which approximate the estimated fair values, of the Group's financial instruments as of of 30 September 2012:

| | Carrying Amount | Fair Value |
|---|---|---|
| **Financial Assets** | | |
| Loans and receivables | | |
| Cash and cash equivalents | 2,390,733,920,960 | 2,390,733,920,960 |
| Trade receivables | 353,771,208,087 | 353,771,208,087 |
| Other receivables - third parties | 133,977,396,058 | 133,977,396,058 |
| Other receivables - related parties | 40,475,382,371 | 40,475,382,371 |
| Other assets - restricted funds | 178,603,259,451 | 178,603,259,451 |
| | 3,097,561,166,927 | 3,097,561,166,927 |
| Financial assets at fair value through statements of comprehensive income | | |
| Investments - trading securities and mutual funds | 259,476,929,854 | 259,476,929,854 |
| **Total** | **3,357,038,096,781** | **3,357,038,096,781** |
| **Financial Liabilities** | | |
| Loans and borrowings | | |
| Bank loans | 1,306,776,279,246 | 1,306,776,279,246 |
| Trade payables to third parties | 21,213,760,358 | 21,213,760,358 |
| Other payables – third parties | 213,734,409,051 | 213,734,409,051 |
| Accrued expenses | 20,392,806,039 | 20,392,806,039 |
| Construction cost payable | 523,093,785,966 | 523,093,785,966 |
| **Total** | **2,085,211,040,660** | **2,085,211,040,660** |

Financial instruments presented in the consolidated statements of financial position are at fair value, otherwise, they are presented at carrying amounts as either these are reasonable approximations of fair values or their fair values cannot be reliably measured. Further explanations are provided in the following paragraphs.

**Financial instruments carried at fair value or amortized cost**

Investments in trading securities and mutual funds are carried at fair value using the quotes prices published in the active market.

Trade receivables and deposits from tenants are carried at amortized cost using the effective interest rate method ("IER"), and the discount rates used are the current market housing loans and incremental lending rates for similar types of lending.

**Financial instruments with carrying amounts that approximate their fair values**

Management has determined that the carrying amounts of cash and cash equivalents, time deposits, due from related parties, restricted funds, trade payables to third parties, other payables, accrued expenses and construction cost payable reasonably approximate their fair values because they are mostly short-term in nature.

The carrying amounts of loans from banks with floating interest rates approximate their fair values as they are re-priced frequently.

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### RISK MANAGEMENT

The principal financial liabilities of the Group consist of loans from banks, trade and other payables, accrued expenses and construction cost payable. The main purpose of these financial liabilities is to raise funds for the operations of the Group. The Group also have various financial assets such as trade receivables, time deposits, and cash and cash equivalents, which arise directly from their operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The importance of managing these risks has significantly increased in light of the considerable change and volatility in both Indonesian and international financial markets. The Company's Board of Directors reviews and approves the policies for managing these risks which are summarized below.

**a. Interest rate risk**

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to the risk of changes in market interest rates relating primarily to its loans from banks with floating interest rates.

The Group manages its interest rate risk by being prudent in entering into bank credit facilities and maintaining its leverage at a fair level to be in line with its cash flows.

**b. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to exchange rate fluctuations results primarily from cash and cash equivalents and their net investments in foreign associated companies.

**c. Credit risk**

Credit risk is the risk that one party of financial instruments will fail to discharge its obligation and will incur a financial loss to the other party. The Group is exposed to credit risk from its operating activities (primarily for trade receivable) and from its financing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by trading only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

Customers who purchase the product with installment scheme, are bond by legal clauses and collaterazing the product purchased. In addition, receivable balances are monitored on an ongoing basis to reduce the exposure to bad debts. The maximum exposure to the credit risk is represented by the carrying amounts as shown in note 5. The Group has no concentration of credit risk as their accounts receivable relate to large number of ultimate customers.

Credit risk from balances with banks and financial institutions is managed by placing investments of surplus funds only with banks and financial institutions with high credit ratings. The maximum exposure is equal to the carrying amount as disclosed in notes 3 and 4.

**d. Liquidity risk**

Liquidity risk is defined as the risk when the cash flow position of the Group indicates that the short-term revenue is not enough to cover the short-term expenditure.

The Group's liquidity requirements have historically arisen from the need to finance investments and capital expenditures related to the expansion of the business. The Group's business requires substantial capital to construct new projects and to fund operations.

In the management of liquidity risk, the Group monitor and maintain a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group also regularly evaluate the projected and actual cash flows, including their long-term loan maturity profiles, and continuously assess conditions in the financial markets to maintain flexibility in funding by keeping committed credit facilities available. These activities may include bank loans.

## 31. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of the Group is responsible for the preparation of the consolidated financial statements completed on 31 October 2012.