

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries

Consolidated Financial Statements
As of 30 September 2014 and 2013 (Unaudited) and
31 December 2013, 2012 and 2011 (Audited)
and for the nine months period ended
30 September 2014 and 2013 (Unaudited)
and the years ended
31 December 2013, 2012 and 2011 (Audited)
with Report on Review of Interim Financial Information
and Independent Auditor's Report

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PT Bekasi Fajar Industrial Estate Tbk

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Directors' Statement

Regarding

The Responsibility for

the Consolidated Financial Statements

As of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011
and for the nine months period ended 30 September 2014 and 2013 and
the years ended 31 December 2013, 2012 and 2011

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries

We, the undersigned :

Name : Hungkang Sutedja
Office Address : Wisma Argo Manunggal Lt. 10
Jl. Jend. Gatot Subroto Kav. 22,
Jakarta
Telephone : 021-2525334
Title : President Director

Name : Yoshihiro Kobi
Office Address : Wisma Argo Manunggal Lt. 10
Jl. Jend. Gatot Subroto Kav. 22,
Jakarta
Telephone : 021-2525334
Title : Director

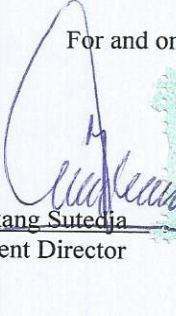
State that :

1. We are responsible for the preparation and presentation consolidated financial statements of PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries;
2. The consolidated financial statements of PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries have been prepared and presented in accordance with Indonesian Financial Accounting Standard;
3. a. All information contained in the consolidated financial statements of PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries has been disclosed in a complete and in truthful manner;
b. The consolidated financial statements of PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries do not contain any incorrect information or material fact, nor do not they omit information or material fact;
4. We are responsible for PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries' internal control system.

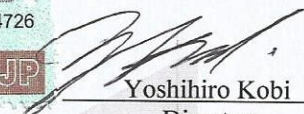
This is our declaration, which has been made truthfully.

Jakarta, 25 November 2014

For and on behalf of the Directors


Hungkang Sutedja
President Director




Yoshihiro Kobi
Director

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No. : PHHAAF-AL/082b/PR/AS/2014

Report on Review of Interim Financial Information

The Shareholders, Board of Commissioners and Directors
PT Bekasi Fajar Industrial Estate Tbk

Introduction

We have reviewed the accompanying interim consolidated financial statements of PT Bekasi Fajar Industrial Estate Tbk ("the Company") and its subsidiaries, which consist of interim consolidated statements of financial position as of 30 September 2014 and 2013 and related interim consolidated statements of comprehensive income, changes in equity and cash flows for the nine month periods then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

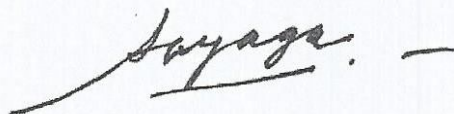
We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity", established by the Indonesian Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries,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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements does not present fairly, in all material respects, the interim consolidated financial position of PT Bekasi Fajar Industrial Estate Tbk and its subsidiaries as of 30 September 2014 and 2013, and their interim consolidated financial performance and interim consolidated cash flows for the nine month periods then ended, in accordance with Indonesian Financial Accounting Standards.

Other Matter

Previously, we have issued report on Review of Interim Financial Information No. PHHAAF-AL/078b/PR/AS/2014 dated 11 November 2014 on Consolidated Financial Statements of PT Bekasi Fajar Industrial Estate Tbk and its Subsidiaries as of and for the nine months period ended 30 September 2014 and 2013. As disclosed on note 40 to the Consolidated Financial Statements, the Company reissues the Consolidated Financial Statements regarding some additional disclosures in the Interim Consolidated Financial Statements as of and for the nine months period ended 30 September 2014.



Drs. Sayaga Prawirasetia

License of Public Accountant No. AP. 0304

Business License No. 1033/KM.1/2009

25 November 2014

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No. : PHHAAF/484b/PR/AS/2014

Independent Auditors' Report

The Shareholders, Board of Commissioners and Directors

PT Bekasi Fajar Industrial Estate Tbk

We have audited the accompanying consolidated financial statements of PT Bekasi Fajar Industrial Estate Tbk ("the Company") and its subsidiaries ("Group"), which comprise the consolidated statements of financial positions as of 31 December 2013, 2012 and 2011 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of PT Bekasi Fajar Industrial Estate Tbk and its Subsidiaries as of 31 December 2013, 2012 and 2011, and their consolidated financial performance and their consolidated cash flows for the years then ended, in conformity with Indonesian Financial Accounting Standards.

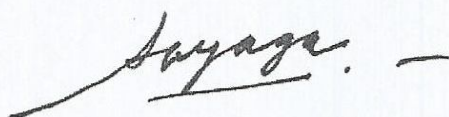
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Other matters

Previously, we have issued report Independent Auditor's Report No. PHHAAF/472b/PR/AS/2014 dated 11 November 2014 on Consolidated Financial Statements of PT Bekasi Fajar Industrial Estate Tbk and its Subsidiaries as of and the years ended 31 December 2013, 2012 and 2011, Independent Auditors' Report No. PHHAAF/197/PR/AS/2014 dated 26 March 2014 and Independent Auditors' Report No. PHHAAF/170/PR/AS/2013 dated 18 March 2013 on the consolidated financial statements of PT Bekasi Fajar Industrial Estate Tbk and its Subsidiaries as of and for the year ended 31 December 2013 and as of and for the years ended 31 December 2012 and 2011, respectively, and expressed an unqualified opinion.



Drs. Sayaga Prawirasetia
License of Public Accountant No. AP. 0304
Business License No. 1033/KM.1/2009

25 November 2014

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries**Consolidated Statements of Financial Position**

As of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011

(In thousands of Rupiah, except otherwise stated)

		30 September		31 December		
	Notes	2014 (Unaudited)	2013 (Unaudited)	2013 (Audited)	2012 (Audited)	2011 (Audited)
Assets						
Current assets						
Cash and cash equivalents	3e,3f,3g,5	338,875,891	420,127,462	547,674,620	582,657,322	60,060,378
Trade receivables - net of provision for impairment Rp 354,400 as of 30 September 2014, Rp 345,236 as of 30 September 2013, Rp 354,048 as of 31 December 2013, Rp 315,512 as of 31 December 2012 and Rp 890,125 as of 31 December 2011	3d,3e,3f,3h,6	82,972,813	190,590,565	80,236,613	8,721,984	9,602,928
Other receivables	3f,3h	923,731	2,613,648	582,775	502,263	808,110
Inventories	3i,7	343,137,815	362,613,223	324,206,370	271,475,192	301,950,737
Prepaid taxes	8a	46,805,830	93,959,230	74,116,975	10,769,995	17,598,912
Prepaid expenses		1,435,830	225,305	414,676	196,801	1,679,012
Advance payment	9	371,091,820	159,139,227	174,955,909	61,762,246	20,056,699
Other assets		-	81,000	81,000	81,000	291,773
Total current assets		1,185,243,730	1,229,349,660	1,202,268,938	936,166,803	412,048,549
Noncurrent assets						
Inventories	3i,7	2,121,403,778	2,089,038,592	2,075,787,835	1,273,316,291	1,147,756,590
Investment in jointly controlled entities	3j,10	118,003,862	-	-	-	-
Investment properties	3k,11	78,210,509	-	-	-	-
Fixed assets - net of accumulated depreciation Rp 30,681,784 as of 30 September 2014, Rp 25,301,728 as of 30 September 2013, Rp 26,382,633 as of 31 December 2013, Rp 21,796,523 as of 31 December 2012 and Rp 19,031,623 as of 31 December 2011	3l,12	77,807,225	77,491,063	76,614,209	75,972,891	74,026,555
Deferred charges - shares issuance	13	-	-	-	-	5,055,750
Due from related parties	3d,3f,3h,14	4,400,000	5,600,000	5,300,000	-	5,000,000
Other assets		305,300	301,300	301,300	301,300	57,979
Total noncurrent assets		2,400,130,674	2,172,430,955	2,158,003,344	1,349,590,482	1,231,896,874
Total assets		3,585,374,404	3,401,780,615	3,360,272,282	2,285,757,285	1,643,945,423

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

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Consolidated Statements of Financial Position (continued)
As of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011

(In thousands of Rupiah, except otherwise stated)

		30 September		31 December		
	Notes	2014 (Unaudited)	2013 (Unaudited)	2013 (Audited)	2012 (Audited)	2011 (Audited)
Liabilities and equity						
Currents liabilities						
Trade payables	3d,3e,3f,15	46,086,082	282,685,716	70,973,952	4,933,753	57,099,968
Other payables	3d,3e,3f,16	41,435,006	143,002,366	83,297,021	3,137,039	11,894,044
Tax payables	8b	19,047,496	22,903,311	51,217,362	13,987,104	5,379,740
Accrued expenses	3f,17	3,678,029	5,148,861	1,403,172	36,302,306	4,674,200
Sales advances	3d,18	194,334,214	163,350,062	118,608,248	215,158,590	395,931,766
Bank loan and financial institution - due in one year	3e,3f,19	270,119,004	145,183,118	149,044,381	67,522,334	77,087,094
Total current liabilities		574,699,831	762,273,434	474,544,136	341,041,126	552,066,812
Noncurrents liabilities						
Bank loan and financial institution	3e,3f,19	255,608,465	413,842,323	392,506,432	159,685,221	173,822,180
Security deposits	3f	1,834,768	2,015,637	1,709,564	1,840,140	1,548,677
Employee benefits obligation	3o,21	8,928,794	7,502,318	7,779,122	6,166,785	4,877,923
Due to related parties	3d,3f,20,31	6,913,441	6,913,441	6,913,441	6,913,441	16,763,176
Total noncurrent liabilities		273,285,468	430,273,719	408,908,559	174,605,587	197,011,956
Total liabilities		847,985,299	1,192,547,153	883,452,695	515,646,713	749,078,768
Equity						
Equity attributable to owners of the parent company						
Share capital - nominal value Rp 100 per share Authorized - 28,000,000,000 shares Issued and fully paid 9,645,437,300 shares (30 September 2014), 9,629,044,750 shares (30 September 2013 and 31 December 2013), 9,361,707,250 shares (31 December 2012) 7,000,000,000 shares (31 December 2011)	22	964,543,730	962,904,475	962,904,475	936,170,725	700,000,000
Other paid in capital : Shares premium - net Difference in value of restructuring transactions with entities under common control	23	197,074,000	195,434,745	195,434,745	168,700,995	-
	2,3c	958,690	958,690	958,690	958,690	958,690
Retained earnings : Appropriated Unappropriated	26	164,598,993 1,408,583,054	164,598,993 885,058,822	164,598,993 1,151,588,125	- 664,135,002	- 193,852,166
Total equity attributable to owners of the parent		2,735,758,467	2,208,955,725	2,475,485,028	1,769,965,412	894,810,856
Noncontrolling interests	24	1,630,638	277,737	1,334,559	145,160	55,799
Total equity		2,737,389,105	2,209,233,462	2,476,819,587	1,770,110,572	894,866,655
Total liabilities and equity		3,585,374,404	3,401,780,615	3,360,272,282	2,285,757,285	1,643,945,423

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

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Consolidated Statements of Comprehensive Income
For the nine months period ended 30 September 2014 and 2013
and the years ended 31 December 2013, 2012 and 2011

(In thousands of Rupiah, except otherwise stated)

	Notes	30 September		31 December		
		2014 (Unaudited)	2013 (Unaudited)	2013 (Audited)	2012 (Audited)	2011 (Audited)
Revenue	3d,3n,27	496,470,582	781,501,373	1,323,915,723	965,113,275	475,956,741
Cost of revenue	3d,3n,28	(127,105,395)	(181,388,206)	(378,213,505)	(395,343,948)	(282,101,696)
Gross profit		369,365,187	600,113,167	945,702,218	569,769,327	193,855,045
Operating expenses	29					
Selling expenses		(4,460,956)	(665,733)	(1,410,284)	(1,418,359)	(2,008,185)
General and administrative expenses		(48,919,380)	(46,652,567)	(61,348,253)	(41,376,801)	(34,125,302)
Operating expenses		(53,380,336)	(47,318,300)	(62,758,537)	(42,795,160)	(36,133,487)
Income from operations		315,984,851	552,794,867	882,943,681	526,974,167	157,721,558
Other income (expenses)						
Interest income from current account		1,326,630	2,571,663	3,034,767	2,795,329	788,774
Interest income from deposit		1,268,950	933,946	1,148,923	1,323,386	258,508
Rent income		5,514,780	1,953,165	2,708,274	4,067,237	3,573,705
Foreign exchange - net		2,080,299	(23,294,102)	(38,065,179)	4,836,791	1,923,082
Gain on sale of fixed assets	12	-	-	90,487	449,599	-
Gain (loss) on sale of investments		-	-	-	-	(19,854)
Share of profit from investments in jointly controlled entities		703,862	-	-	-	-
Others		3,495,770	5,354,258	5,666,152	576,033	8,515,340
Credit provision		(600,000)	(202,045)	(202,334)	-	(50,000)
Bank administration expenses		(613,625)	(174,749)	(237,041)	(221,871)	(143,036)
Tax penalty		-	-	(11,638,757)	-	-
Financing margin expenses		(21,670,544)	(18,080,846)	(27,130,147)	(17,449,932)	(20,005,456)
Interest expenses	3q	(2,160,155)	(5,394,488)	(6,783,114)	(5,813,167)	(10,002,573)
Provision for impairment of receivable		-	-	-	-	(31,834)
Total other income (expenses) - net		(10,654,033)	(36,333,198)	(71,407,969)	(9,436,595)	(15,193,344)
Income before tax expense		305,330,818	516,461,669	811,535,712	517,537,572	142,528,214
Tax expenses	3p,8c					
Current tax						
Final		(23,151,469)	(37,689,232)	(64,237,658)	(47,018,133)	(22,668,709)
Nonfinal		(2,933,540)	(1,544,832)	(2,484,324)	(162,242)	(284,845)
Deferred tax		-	-	-	-	-
Total tax expense		(26,085,009)	(39,234,064)	(66,721,982)	(47,180,375)	(22,953,554)
Net income for the period		279,245,809	477,227,605	744,813,730	470,357,197	119,574,660
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		279,245,809	477,227,605	744,813,730	470,357,197	119,574,660

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

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Consolidated Statements of Comprehensive Income (continued)
For the nine months period ended 30 September 2014 and 2013
and the years ended 31 December 2013, 2012 and 2011

(In thousands of Rupiah, except otherwise stated)

	Notes	30 September		31 December		
		2014 (Unaudited)	2013 (Unaudited)	2013 (Audited)	2012 (Audited)	2011 (Audited)
Net income for the period attributable to :						
Owners of the parent		278,949,730	477,095,028	743,624,331	470,282,836	119,568,829
Noncontrolling interest	24	<u>296,079</u>	<u>132,577</u>	<u>1,189,399</u>	<u>74,361</u>	<u>5,831</u>
		<u>279,245,809</u>	<u>477,227,605</u>	<u>744,813,730</u>	<u>470,357,197</u>	<u>119,574,660</u>
Comprehensive income attributable to :						
Owners of the parent		278,949,730	477,095,028	743,624,331	470,282,836	119,568,829
Noncontrolling interest	24	<u>296,079</u>	<u>132,577</u>	<u>1,189,399</u>	<u>74,361</u>	<u>5,831</u>
		<u>279,245,809</u>	<u>477,227,605</u>	<u>744,813,730</u>	<u>470,357,197</u>	<u>119,574,660</u>
Earnings per share :						
Basic earnings per share (Rupiah in full amount)	3r,30	28.96	50.04	77.80	56.38	50.63
Diluted earnings per share (Rupiah in full amount)	3r,30	28.96	49.97	77.69	55.01	18.18

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

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Consolidated Statements of Changes in Equity

For the nine months period ended 30 September 2014 and 2013
and the years ended 31 December 2013, 2012 and 2011

(In thousands of Rupiah, except otherwise stated)

	Notes	Atributable to owners of the parent company						Noncontrolling interests in net assets of Subsidiaries	Total equity		
		Share capital	Additional paid-in capital		Retained earnings	Total					
			Share premium - net	Proforma capital arising from restructuring of entities under common control			Difference in value of restructuring transactions with entities under common control			Appropriated	Unappropriated
Balance 1 January 2011		70,000,000	467,271,000	88,791,153	-	-	213,436,041	839,498,194	14,801	839,512,995	
Net income for the year		-	-	-	-	-	119,568,829	119,568,829	5,831	119,574,660	
Proforma income from restructuring of entities under common control	2	-	-	1,152,704	-	-	(1,152,704)	-	-	-	
Dividend distributed	3t,25	-	-	-	-	-	(138,000,000)	(138,000,000)	-	(138,000,000)	
Changes of proforma capital		-	-	(88,985,167)	-	-	-	(88,985,167)	35,167	(88,950,000)	
Additional of other paid in capital		-	162,729,000	-	-	-	-	162,729,000	-	162,729,000	
Transferred from other paid in capital into share capital	22,23	630,000,000	(630,000,000)	-	-	-	-	-	-	-	
Reverse on proforma capital	2	-	-	(958,690)	958,690	-	-	-	-	-	
Balance 31 December 2011 (Audited)		700,000,000	-	-	958,690	-	193,852,166	894,810,856	55,799	894,866,655	
Net income for the year		-	-	-	-	-	470,282,836	470,282,836	74,361	470,357,197	
Receive from shares issued	22,23	176,500,000	109,030,270	-	-	-	-	285,530,270	-	285,530,270	
Conversion warrant serie 1 to share capital	22,23	59,670,725	59,670,725	-	-	-	-	119,341,450	-	119,341,450	
Paid in capital by noncontrolling interest in Subsidiary	24	-	-	-	-	-	-	-	15,000	15,000	
Balance 31 December 2012		936,170,725	168,700,995	-	958,690	-	664,135,002	1,769,965,412	145,160	1,770,110,572	
Reserve fund	26	-	-	-	-	164,598,993	(164,598,993)	-	-	-	
Net income for the year		-	-	-	-	-	743,624,331	743,624,331	1,189,399	744,813,730	
Conversion warrant serie 1 to share capital	22,23	26,733,750	26,733,750	-	-	-	-	53,467,500	-	53,467,500	
Devidend distribution	25	-	-	-	-	-	(91,572,215)	(91,572,215)	-	(91,572,215)	
Balance 31 December 2013 (Audited)		962,904,475	195,434,745	-	958,690	164,598,993	1,151,588,125	2,475,485,028	1,334,559	2,476,819,587	

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

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Consolidated Statements of Changes in Equity (continued)
For the nine months period ended 30 September 2014 and 2013
and the years ended 31 December 2013, 2012 and 2011

(In thousands of Rupiah, except otherwise stated)

	Notes	Atributable to owners of the parent company				Total	Noncontrolling interests in net assets of Subsidiaries	Total equity	
		Share capital	Additional paid-in capital		Retained earnings				
			Share premium - net	Difference in value of restructuring transactions with entities under common control	Appropriated				Unappropriated
Balance 1 January 2013		936,170,725	168,700,995	958,690	-	664,135,002	1,769,965,412	145,160	1,770,110,572
Reserve fund	26	-	-	-	164,598,993	(164,598,993)	-	-	-
Net income for the period		-	-	-	-	477,095,028	477,095,028	132,577	477,227,605
Devidend distribution	25	-	-	-	-	(91,572,215)	(91,572,215)	-	(91,572,215)
Conversion warrant serie 1 to share capital	22,23	26,733,750	26,733,750	-	-	-	53,467,500	-	53,467,500
Balance 30 September 2013 (Unaudited)		962,904,475	195,434,745	958,690	164,598,993	885,058,822	2,208,955,725	277,737	2,209,233,462
Balance 1 January 2014		962,904,475	195,434,745	958,690	164,598,993	1,151,588,125	2,475,485,028	1,334,559	2,476,819,587
Net income for the period		-	-	-	-	278,949,730	278,949,730	296,079	279,245,809
Devidend distribution	25	-	-	-	-	(21,954,801)	(21,954,801)	-	(21,954,801)
Conversion warrant serie 1 to share capital	22,23	1,639,255	1,639,255	-	-	-	3,278,510	-	3,278,510
Balance 30 September 2014 (Unaudited)		964,543,730	197,074,000	958,690	164,598,993	1,408,583,054	2,735,758,467	1,630,638	2,737,389,105

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

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries**Consolidated Statements of Cash Flows**

For the nine months period ended 30 September 2014 and 2013
and the years ended 31 December 2013, 2012 and 2011

(In thousands of Rupiah, except otherwise stated)

Notes	30 September		31 December		
	2014	2013	2013	2012	2011
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Cash flows from operating activities					
Cash received from customer	511,823,612	671,661,030	1,236,025,548	774,655,757	764,406,934
Cash payment to :					
Directors and employees	(29,272,392)	(24,004,649)	(32,469,456)	(19,078,744)	(10,813,459)
Contractor, supplier and operational	<u>(163,924,093)</u>	<u>(85,714,648)</u>	<u>(357,977,539)</u>	<u>(104,661,057)</u>	<u>(125,840,883)</u>
Cash from operations	318,627,127	561,941,733	845,578,553	650,915,956	627,752,592
Interest received	2,595,580	3,505,609	4,183,690	4,118,715	1,047,281
Payment of interest	(24,683,242)	(23,813,783)	(33,570,764)	(23,324,593)	(29,669,932)
Payment of tax	(33,070,498)	(22,943,369)	(60,895,346)	(38,810,983)	(40,285,486)
Received from/(payment to) noncustomer - net	<u>784,588</u>	<u>(1,894,008)</u>	<u>(221,450)</u>	<u>(2,443,359)</u>	<u>(9,755,795)</u>
Net cash from operating activities	<u>264,253,555</u>	<u>516,796,182</u>	<u>755,074,683</u>	<u>590,455,736</u>	<u>549,088,660</u>
Cash flow from investing activities					
Additional of investments	2	-	-	-	(4,950,000)
Additional of investments in jointly controlled entities	10	(117,300,000)	-	-	-
Payment of advance for land purchased	9	(251,532,802)	(892,072,721)	(449,813,662)	(556,660,307)
Payment of advance for fixed assets purchased	9	(32,614)	(602,730)	(532,318)	(338,412)
Additional investment properties	11	(63,667,562)	-	-	-
Acquisition on fixed assets	12	(5,492,167)	(5,428,868)	(5,816,061)	(3,001,311)
Proceed from sales of fixed assets		-	97,050	574,500	-
Proceed from sales of investment		-	-	-	250,000
Net cash used for investing activities	<u>(438,025,145)</u>	<u>(897,698,828)</u>	<u>(976,376,153)</u>	<u>(455,587,542)</u>	<u>(564,700,030)</u>
Cash flows from financing activities					
Additional of bank loan and financial institution	19	128,384,408	351,296,275	60,000,000	176,203,021
Payment of bank loan and financial institution	19	(145,635,256)	(89,218,774)	(82,213,719)	(128,550,851)
Net proceed from increase in paid in capital	22,23	3,278,510	53,467,500	409,927,469	162,729,000
Receiving (additional) of due from related parties		-	-	5,000,000	(50,697,148)
Additional from (payment of) due to related parties	31	900,000	(5,600,000)	(5,000,000)	30,000,000
Paid in capital by noncontrolling interest in subsidiary		-	-	15,000	-
Dividend payment	25	<u>(21,954,801)</u>	<u>(91,572,215)</u>	<u>(91,572,215)</u>	<u>(138,000,000)</u>
Net cash from financing activities		<u>(35,027,139)</u>	<u>218,372,786</u>	<u>387,728,750</u>	<u>51,684,021</u>

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

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Consolidated Statements of Cash Flows (continued)
For the nine months period ended 30 September 2014 and 2013
and the years ended 31 December 2013, 2012 and 2011

(In thousands of Rupiah, except otherwise stated)

	Notes	30 September		31 December		
		2014 (Unaudited)	2013 (Unaudited)	2013 (Audited)	2012 (Audited)	2011 (Audited)
Net increase/(decrease) in cash and cash equivalents		(208,798,729)	(162,529,860)	(34,982,702)	522,596,944	36,072,651
Cash and cash equivalents at beginning of the period	5	<u>547,674,620</u>	<u>582,657,322</u>	<u>582,657,322</u>	<u>60,060,378</u>	<u>23,987,727</u>
Cash and cash equivalents at end of the period	5	<u>338,875,891</u>	<u>420,127,462</u>	<u>547,674,620</u>	<u>582,657,322</u>	<u>60,060,378</u>
Supplementary disclosure :						
Transaction which not affect to the cash mainly :						
Additional of advance for land purchased by transferred amount due from related parties	31	-	-	-	-	148,802,135
Overbooking inventories to investment properties	11	14,542,947	-	-	-	-
Overbooking advance for land purchased to inventories	7,9	55,429,505	795,298,470	857,850,671	408,523,675	715,512,201
Additional of investment by transferred amount due from related parties	31	-	-	-	-	84,000,000
Overbooking of other paid in capital into share capital	22,23	-	-	-	-	630,000,000
Transfer due from related parties to amount due to related parties	31	-	-	-	-	4,949,084
Transfer from trade receivable to due to related parties	20	-	-	-	4,849,735	12,309,621
Capitalization of accrued interest expense to bank loan		-	-	-	-	475,921

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

1. General

a. The Company's establishment

PT Bekasi Fajar Industrial Estate Tbk ("the Company") was established based on Notarial Deed No. 199 dated 24 August 1989 and has been changed by Notarial deed No. 7 dated 4 December 1989 by Winanto Wiryomartani, SH., Notary in Jakarta and was approved by Minister Justice of Republic Indonesia in decree No. C2-886 HT.01.01TH 90 dated 21 February 1990 and announced in Supplement No. 2730 of State Gazette of Republic of Indonesia No. 62 dated 3 August 1990. The Company's articles of association has been amended several times, the latest amendment was to conform with Law No. 40 Year 2007 about Liability Company in accordance with the Deed of Minutes of Meeting No. 40 dated 27 May 2008 of Mrs. Erly Soehandjojo, SH., Notary in Jakarta and obtained approval from the Minister of Justice and Human Rights Republic of Indonesia in Decree No. AHU 45329.AH.01.02.Tahun 2008 dated 28 July 2008 and was published in State Gazette of Republic of Indonesia No. 82 Supplement No. 28853 dated 12 October 2010.

Based on Notarial Deed No. 24 dated 12 September 2011 of Aulia Taufani, SH., in lieu of Sutjipto, S.H., M.Kn., Notary in Jakarta, Company been changed the Company's status from Domestic Investment Company to be come Foreign Investment Company (PMA) and it was approved by the Investment Coordinating Board with the Decree No. 59/PPM/V/PMA/2011 dated 13 September 2011.

Based on Notarial Deed of Minute of Meeting of Shareholder No. 49 dated 9 December 2011 by Dr. Misahardi Wilamarta SH. MH. M.Kn. LL.M. the shareholder has agreed :

- a) The changes of par value of share from Rp 1,000 (Rupiah in full amount) per share to become Rp 100 (Rupiah in full amount) per share.
- b) To increase authorized capital from Rp 700,000,000 consist of 700,000,000 shares with par value Rp 1,000 (Rupiah in full amount) to become Rp 2,800,000,000 consist of 28,000,000,000 share with par value Rp 100 (Rupiah in full amount).
- c) Initial Public Offering through by issuance of the new shares from the Company's unissued shares as many as 1,800,000,000 shares.
- d) To issue warrants as many as 900,000,000 warrants. Warrant Series I in which one warrant can be converted into one share after the IPO.
- e) The change Company's status from the Limited Company become Public Listed Company.
- f) The change of Company's name formerly known as PT Bekasi Fajar Industrial Estate become PT Bekasi Fajar Industrial Estate Tbk.
- g) The change of the articles of association to comply with BAPEPAM & LK Rule No. IX.J.1.
- h) To appoint the Board of Directors and Board of Commissioners.

The Notarial Deed has been approved by the Minister of Justice and Human Rights Republic of Indonesia with Decree No. AHU-62997.AH.01.02 Year 2011 dated 20 December 2011.

The Company's Aims and Objectives

In accordance with Article 3 of the Articles of Association the Company, aims, objectives and business activities are to perform business in the industrial estate, and to achieve the aims and objectives mentioned above, the Company is able to conduct business activities as follows :

- a. to plan, to build, and to develop an industrial estate including the acquisition and development of land, infrastructure, and other industrial facilities;
- b. to own and to maintain the entire industrial estate mentioned above;
- c. to provide all the supporting facilities for the establishment of a factory building in the industrial estate;
- d. to develop the industrial estate including the release of land rights, cut and fill, mapping, performing measurement, extraction and landfill, the expanding land on the beach (reclamation), performing installation of electrical, water, gas and telecommunication facilities, and all contributing factors relating to the construction of an area;
- e. to sell the developed land such as the lot plotting including the buildings constructed on it.

1. General (continued)

a. The Company's establishment (continued)

The Company domiciled at MM 2100 Industrial Estate, District Desa Gandasari West Cikarang / 17520 with a representative office at Wisma Argo Manunggal 10th Floor, Jl. Jend. Gatot Subroto Kav. 22 – Jakarta Selatan / 12930 and owned industrial and the land for development in the Cikarang Barat District, Bekasi Regency West Java Province.

Subsidiaries domiciled at Bekasi.

The Company's operations are to develop and to manage of industrial estates and properties including with all supporting facilities and infrastructure and the Company commercially operated since 1989.

b. Parent and Ultimate Parent Company

The Company is a subsidiary of PT Argo Manunggal Land Development ("AMLD"). It's ultimate parent company is Argo Manunggal Group property division, and the controlling Group are the family of The Ning King.

c. Boards of commissioners and directors, audit committee and employees

Based on Notarial Deed No. 59 dated 30 April 2014 of Jose Dima Satria, SH. M.Kn., the shareholder has agreed to the change of Board of Directors and to reappoint Board of Commissioners and Board of Director. Board of Commissioner and Board of Director of the Company as of 30 September 2014 as follow :

Board of Commissioners

President Commissioner (concurrently Independent Commissioner)	: Witjaksono Abadiman Sidharta
Commissioner	: Hendra Lesmana
Commissioner	: Hartono

Board of Directors

President Director	: Hungkang Sutedja
Director	: Yoshihiro Kobi
Director	: Daishi Asano

Based on Notarial Deed No. 12 dated 21 August 2013 of Jose Dima Satria, SH. M.Kn., the shareholder has agreed to the change of Board of Directors and to reappoint Board of Commissioners and Board of Director. Board of Commissioner and Board of Director of the Company as of 31 December 2013 and 30 September 2013 as follow :

Board of Commissioners

President Commissioner (concurrently Independent Commissioner)	: Witjaksono Abadiman Sidharta
Commissioner	: Hendra Lesmana
Commissioner	: Hartono

Board of Directors

President Director	: Hungkang Sutedja
Director	: Yoshihiro Kobi
Director	: Daishi Asano
Unaffiliated Director	: Wilson Effendy

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

1. General (continued)

c. Boards of commissioners and directors, audit committee and employees (continued)

Based on Notarial Deed of Minute of Meeting of Shareholder No. 49 dated 9 December 2011 by Dr. Misahardi Wilamarta SH. MH. M.Kn. LL.M., the composition of the board as of 31 December 2012 is as follows:

President Director	: Hungkang Sutedja
Director	: Hendra Kurniawan
Unaffiliated Director	: Wilson Effendy
Commissioner (concurrently Independent Commissioner)	: Witjaksono Abadiman Sidharta
Commissioner	: Hendra Lesmana
Commissioner	: Hartono SH. MH.

Based on the Notarial Deed of Minutes of Shareholders Meeting No. 9 dated 5 September 2007 and No. 36 dated 24 August 2009 and Deed of Minutes of Meeting No. 76 dated 22 August 2011, the composition of the board is as follows :

Board of Commissioners

President Commissioner	: Agus Eliadarius
Commissioner	: Hendra Lesmana

Board of Directors

President Director	: Hungkang Sutedja
Director	: Harjanto Tirtohadiguno

Based on the letter from the Company to the Financial Services Authority and Indonesia Stock Exchange dated 18 March 2014 that Wilson Effendy, independent Director of the Company, submitted resignation from his position effectively start from 17 April 2014. Based on Notarial Deed No. 59 dated 30 April 2014, Shareholders agreed to resignation of Wilson Effendy and appointed Yoshihiro Kobi as new independent Director.

Remuneration provided to board of commissioners of the Company and subsidiaries amounting to Rp 2,283,097, Rp 1,672,203, Rp 2,350,219, Rp 1,280,643 and Rp 270,000, respectively, for the nine months period ended 30 September 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

Remuneration provided to board of directors of the Company and subsidiaries amounting to Rp 5,658,764, Rp 5,343,134, Rp 7,600,545, Rp 3,929,223 and Rp 690,000, respectively, for the nine months period ended 30 September 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

The Company and Subsidiaries owned 156, 142, 146, 112 and 82 employees as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011, respectively (not audited).

Based on the Company's letter No. 73/BOD/BFIE/XII/2011 dated 22 December 2011, the Company has appointed Krishna Daswara as Corporate Secretary.

Based on the Decree of the Board of Commissioners on 29 December 2011 the Company has appointed Jimmy Atmaja as Chairman of the Internal Audit Unit.

Based on the decree of the Board Commissioners on 5 October 2012 No. 001/A.KA/X/2012, the Company has appointed member of the Company's Audit Committee as follows:

Chairman	: Witjaksono Abadiman Sidharta
Member	: Drs. Herbudianto, Ak
Member	: Fernandus Chamsi

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

1. General (continued)

d. The structure of the Company and Subsidiaries

<u>Subsidiaries name</u>	<u>Main activities</u>	<u>Domicile</u>	<u>Years of commencing operations</u>
Direct owned Subsidiary :			
PT Bekasi Matra Industrial Estate	Industrial estate	Cikarang Barat, Bekasi	2010
Indirect owned Subsidiary :			
Through PT Bekasi Matra Industrial Estate :			
PT Bekasi Surya Pratama	Industrial estate	Cikarang Barat, Bekasi	2012

<u>Subsidiaries name</u>	<u>Percentage of ownership (%)</u>				
	<u>30 September</u>		<u>31 December</u>		
	<u>2014</u>	<u>2013</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Direct owned Subsidiary :					
PT Bekasi Matra Industrial Estate	99.99	99.99	99.99	99.98	99.98
Indirect owned Subsidiary :					
Through PT Bekasi Matra Industrial Estate :					
PT Bekasi Surya Pratama	99.50	99.50	99.50	99.50	-

<u>Subsidiaries name</u>	<u>Total assets</u>				
	<u>30 September</u>		<u>31 December</u>		
	<u>2014</u>	<u>2013</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Direct owned Subsidiary :					
PT Bekasi Matra Industrial Estate and Subsidiary	1,959,054,303	1,784,954,393	1,959,349,648	1,239,902,005	786.569,315
Indirect owned Subsidiary :					
Through PT Bekasi Matra Industrial Estate :					
PT Bekasi Surya Pratama	348,312,983	490,151,920	355,914,123	310,707,815	-

Direct ownership

On 30 September 2014 and 2013, 31 December 2013, 2012 and 2011, the Company has subsidiary with the ownership entity directly to the PT Bekasi Matra Industrial Estate.

Based on the Notarial Deed No. 52 dated 29 January 2013 of H. Teddy Anwar, S.H., notarial in Jakarta, it was approved an increase in the authorized capital of PT Bekasi Matra Industrial Estate (the Subsidiary) from Rp 300,000,000 to Rp 525,000,000 and has been issued and fully paid. After these increasing, the Company owned 524,950,000 shares or 99.99% from outstanding shares.

The above amendment was approved by the Minister of Justice and Human Rights Republic of Indonesia on 21 March 2013 with its Decree No. AHU-14706.AH.01.02.Tahun 2013.

The significant accounting policies in preparing the Subsidiary's financial statements in accordance with the significant accounting policies parent entity.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

1. General (continued)

d. The structure of the Company and Subsidiaries (continued)

Indirect ownership

Subsidiary - PT Bekasi Matra Industrial Estate - owned 99.50% of direct ownership in PT Bekasi Surya Pratama ("BSP"). BSP was established based on notarial deed of Jose Dima Satria S.H., M.Kn number 26 dated 27 August 2012 which was approved by Minister of Justice and Human Rights of the Republic of Indonesia number: AHU-45857.AH.01.01. Tahun 2012 dated 29 August 2012.

The significant accounting policies in preparing the Subsidiary's financial statements in accordance with the significant accounting policies parent entity.

e. Initial Public Offering

Based on the Underwriting Agreement No. 43 dated 26 January 2012, the Company appointed PT Ciptadana Securities as lead underwriter.

On 22 March 2012, the Company submitted Additional Information / The Changes of the Initial Public Offering Statements with the letter No. 46/BOD/BFIE/III/12 for its public offering of 1,765,000,000 shares to the public at price of Rp 170 (Rupiah in full amount) per share and 882,500,000 warrants which can be converted into new shares starting 10 October 2012 until 10 April 2014, where one warrant can be converted into one new share at the price of Rp 200 (Rupiah in full amount) per share.

On 29 March 2012, the Company obtained the effective notice from the Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) in his letter No. S-3777/BL/2012 for its public offering. On 3 April 2012, the listing of the Company's shares has been approved by Indonesia Stock Exchange in its letter No. S-02413/BEI.PPJ/04-2012.

On 10 April 2012, the Company's share was officially listed in Indonesia Stock Exchange with code "BEST".

f. The preparation and publication of the consolidated financial statements

The directors of the Company and Subsidiaries (together mentioned as the "Group") are responsible for preparation and presentation of the consolidated financial statements which have been finalized and approved for issuance on 25 November 2014.

2. Restructuring of entities under common control

The Company conducted restructuring transactions, based on Sale and Purchase Agreement of PT Bekasi Matra Industrial Estate ("BMIE") dated 9 September 2011 and the Notarial Deed of Acquisition Shares No. 21 dated 26 September 2011, Notary Andalia Farida, SH. M.Hk., Notary in Jakarta and Minutes of the Extraordinary General Shareholders Meeting of BMIE No. 20 dated 26 September 2011, the Company purchased 4,950,000 shares with a nominal value of Rp 4,950,000 which is 99% of the shares from PT Intimanunggal Multi Development (the Company's shareholders), with details the number of shares details, the acquisition cost and proportionate of the Subsidiary's net assets book value at the time of acquisition is as follows:

	<u>Total shares</u>	<u>Acquisition cost</u>	<u>Portion of share on book value of net assets</u>	<u>Difference in value of restructuring transaction of entities under common control</u>
PT Bekasi Matra Industrial Estate	<u>4,950,000</u>	<u>4,950,000</u>	<u>5,908,690</u>	<u>958,690</u>

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

2. Restructuring of entities under common control (continued)

Based on the Minutes of the Extraordinary General Shareholders Meeting ("EGM") of PT Bekasi Matra Industrial Estate ("BMIE") dated 28 December 2010, the Company would receive a transfer of advance payment of BMIE's shares from Essex Glory amounting to Rp 106,000,000, and based on the EGM which it was agreed that the Company does not have the right to control of BMIE until the conversion from advance payment of the shares become shares of capital has been approved by the Minister Justice and Human Rights Republic of Indonesia.

Based on the Minutes of the Extraordinary General Shareholders Meeting ("EGM") of PT Bekasi Matra Industrial Estate ("BMIE") dated 26 Agustus 2011, the Company would receive a transfer payment of advance payment of BMIE's shares from Castello Investors Limited amounting to Rp 84,000,000, and based on the EGM which has agreed that the Company does not have the right to control of BMIE until the conversion from advance payment of the shares become shares of capital has approved by the Minister Justice and Human Rights Republic of Indonesia.

Based on the Minutes of the Extraordinary General Shareholders Meeting ("EGM") of PT Bekasi Matra Industrial Estate ("BMIE") No. 20 dated 26 September 2011 increasing the subsidiary increased the authorized, issued and paid up capital of Rp 5,000,000 to Rp 300,000,000. The increase amounting to Rp 295,000,000 was taken by the Company, so after the increase of shares, the Company has an investment in Subsidiary amounting to Rp 299,950,000 or 99.98%. The above amendment was approved by the Minister of Justice and Human Rights Republic of Indonesia on 29 September 2011 with its Decree No. AHU-47463.AH.01.02 Year 2011. The share capital was increased with transfer of other paid-up capital amounting Rp 295,000,000 consisting the other paid-in capital on 1 January 2011 amounting Rp 190,000,000 and the payments made from January up to September 2011 amounting Rp 105,000,000.

3. Summary of significant accounting policies

The significant accounting policies adopted by PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries ("Group") in the preparation and presentation of these consolidated financial statements are as follows :

a. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards and Interpretations of Financial Accounting Standards issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants and the Regulations No. VIII.G.7 regarding "Presentation and Disclosure of Financial Statements of Public Companies" included in the appendix of the Decree of the Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) (currently Financial Services Authority) No. KEP-347/BL/2012 dated 25 June 2012.

The consolidated financial statements have been prepared on the accrual basis using the historical cost concept of accounting, except for certain accounts which are measured on the bases described in the related accounting policies of each account.

The consolidated statements of cash flows, have been prepared using the direct method, the cash flows classified into operating, investing and financing activities.

The accounting policies adopted in the preparation of the consolidated financial statements for the nine months period ended 30 September 2014 are consistent with those adopted in the preparation of the consolidated financial statements for the nine months period ended 30 September 2013 and for the years ended 31 December 2013, 2012 and 2011.

The reporting currency used in the preparation consolidated financial statements is Rupiah, which is the functional currency of the Group.

The preparation of consolidated financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

3. Summary of significant accounting policies (continued)

a. Basis of preparation of consolidated financial statements (continued)

The revisions to SFAS 38, “Business Combinations on Entities under Common Control”, and withdrawal of SFAS 51, “Quasi Reorganisation” with an effective date of 1 January 2013 did not result in changes to the Company’s accounting policies and had no effect on the amounts reported for current period or prior financial years.

The implementation of IFAS 21, “Agreements for Construction for Real Estate” and the withdrawal of SFAS 44, “Accounting for Real Estate Development Activities”, which would previously have been mandatorily applied and withdrawn as at 1 January 2013, have been postponed until further notice by the Indonesian Financial Accounting Standards Board. Management believes that the implementation and withdrawal of the above interpretation and standard without impact to the Group’s consolidated financial statements.

The implementation of IFAS 27, “Transfer of Assets from Customers”, IFAS 28, “Extinguishing Financial Liabilities with Equity Instruments” and IFAS 29, “Stripping Costs in the Production Phase of a Surface Mine” with an effective date of 1 January 2014 did not result in changes to the Company’s accounting policies and had no effect on the amounts reported for current period or prior period.

b. Principles of consolidation

The Group adopted SFAS No. 4 (Revised 2009), “Consolidated and Separate Financial Statements”. The revised SFAS provides guidance for the preparation and presentation of consolidated financial statements of a group of entities under the control of a parent and in accounting for investments in subsidiaries, jointly controlled entities and associates when separate financial statements are presented as additional information.

The consolidated financial statements include all Subsidiaries that are controlled by the Company. Control is presumed to exist when the Company, directly or indirectly through Subsidiaries, owns more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the Company owns half or less of the voting power of an entity when there is :

- a. authorities more than half of the voting rights by virtue of an agreement with other investors;
- b. authorities to control the financial and operating policies of the entity under a statute or an agreement;
- c. authorities to appoint or replace the majority of the members of the directors and board of commissioners or equivalent governing body and control the entity through that board or body; or
- d. authorities to cast the majority of votes at meetings of the directors and board of commissioners or equivalent governing body and control the entity through that board or body.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and no longer consolidated starting from the date on which that control ceases.

Noncontrolling interest represents the portion of profit or loss and the net asset not held by the Group and is presented separately in the consolidated statements of comprehensive income, and as equity in the consolidated statements of financial position, separated from the equity attributable to the parent.

All significant group intercompany transactions, balances and unrealized gains or loss on transactions have been eliminated.

3. Summary of significant accounting policies (continued)

c. Accounting for restructuring of entities under common control

Restructuring transactions between entities under common control in the forms of transfer of assets, liabilities, shares or other instruments of ownership carried out within the framework of reorganizing the entities under the same business segment, do not constitute a change of ownership within the meaning of economic substance, so that such transactions would not result in a profit or loss to the company group or to the individual entity within the same company group. Based on Statement of Financial Accounting Standard (SFAS) No. 38 (Revised 2004) "Accounting for Restructuring of Entities Under Common Control", those transaction must be recorded at book value as business combination using the pooling of interests method.

In applying the pooling of interest method, the components of the financial statements for the period, during which the restructuring occurred and for other periods presented for comparison purposes, must be presented in such a manner as if the companies were combined from the beginning of the period presented. Any difference between the transfer price and the book value of each restructuring transaction between entities under common control shall be recorded in the account "Difference in the value of restructuring transaction between entities under common control". The balance of this account shall be presented as a component of equity under consolidated balance sheet.

Based on SFAS No. 38, Business Combination of Entities Under Common Control, which effective from 1 January 2013, the difference between transfer price and book value for each restructuring transactions of entities under common control is recorded as "Additional paid-in-capital".

d. Transactions with related parties

The Group applied SFAS No. 7 (Revised 2010), "Related Party Disclosure". This revised SFAS requires disclosure of related party relationship, transactions and outstanding balances, including commitments, in the consolidated financial statements.

A related party is a person or entity that is related to the Company and Subsidiaries (the reporting entity) are :

- a. A person or a close member of that person's family is related to the reporting entity if that person :
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to the reporting entity if any of the following conditions applies :
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of the third entity and the other entity is an associate of the third party.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity in it self such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

3. Summary of significant accounting policies (continued)

e. Foreign currency transactions and balances

The Group maintains its accounting records in Rupiah. Transactions in currencies other than in Rupiah are recorded at the prevailing rates of exchange in effect on the date of the transactions.

As of the consolidated statements of financial position date, all monetary assets and liabilities denominated in currencies other than Rupiah have been translated at the middle exchange rates quoted by Bank Indonesia (Indonesian Central Bank) on those dates. The net foreign exchange gains or losses arising from the translation are recognized in the current period's consolidated statements of comprehensive income except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

The exchange rates used as of at those dates are as follows:

<u>Type of foreign currencies</u>	<u>30 September</u>		<u>31 December</u>		
	<u>2014</u>	<u>2013</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
US Dollar (US\$ 1)	<u>Rp 12,212</u>	<u>Rp 11,613</u>	<u>Rp 12,189</u>	<u>Rp 9,670</u>	<u>Rp 9,068</u>

f. Financial instruments

i. Financial assets

All financial assets are recognized and derecognised on trade date where the purchase and sale of a financial asset under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value plus transaction costs.

Financial assets of the Group are classified as loans and receivables.

- **Loans and receivables**

Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted on an active market. Such financial assets are carried at amortized cost using the effective interest method, less any impairment. 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.

Cash and cash equivalents, trade receivables, other receivables and amounts due from related parties are included in loans and receivables category.

The effective interest method is a method used for calculating the amortized cost of a financial instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and other forms of paid and received by the parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, if more appropriate, a shorter period to the net carrying amount of the financial assets at initial recognition.

Revenue is recognized based on effective interest rates for financial instruments.

The Group did not have financial assets at fair value through profit or loss ("FVTPL") and any held-to-maturity investments ("HTM") and available-for-sale financial assets ("AFS") as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011.

3. Summary of significant accounting policies (continued)

f. Financial instruments (continued)

i. Financial assets (continued)

- Impairment of financial assets

Financial assets are assessed for indicators of impairment at each financial position date. Financial assets are impaired where there is objective evidence, as a result of one or more events that occurred after the initial recognition of financial assets, and the adverse event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For other financial assets, objective evidence of impairment could include the following :

- significant financial difficulty of the issuer or borrower; or
- breach of contract, such as a default or delinquency in interest or principal payments, or
- it is probable that the borrower will enter bankruptcy or financial reorganization.

For a group of financial assets, such as receivables, assets that are assessed not be lowered individual will be evaluated collectively for impairment. Objective evidence of impairment of receivables portfolio may include the Company's accounts receivable experience in the past, increasing delays in receipt of payments due from the average credit period, as well as observations of changes in national or local economic conditions that correlate with the failure of the receivables.

For financial assets measured at amortized cost, the amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate of financial assets.

The carrying amount of the financial asset is reduced by the impairment loss directly for financial assets, except for receivables carrying amount is reduced through the use of an allowance account receivable. If doubtful accounts, accounts receivable written off through the allowance account. Later recovery of amounts previously written off is credited against the allowance account. Changes in the carrying value of accounts receivable allowance account are recognized in profit or loss.

- Derecognition of financial assets

The Group shall derecognize financial assets when, and only when: the contractual rights to the cash flows from the financial asset expire; or the contractual rights to receive the cash flows of the financial asset are transferred to another entity; or the contractual rights to receive the cash flows of the financial asset are retained but they assume a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets certain conditions. When the Group transfers a financial asset, they shall evaluate the extent to which they retain the risks and rewards of ownership of the financial asset.

ii. Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company and its subsidiaries are classified according to the substance of the contractual arrangement and the definitions of financial liabilities and equity instruments.

- Equity instruments

An equity instrument is a contract that provides a residual interest in the assets of the Company and its subsidiaries after deducted with all liabilities. Equity instruments are recorded at net proceeds less direct issuance costs.

3. Summary of significant accounting policies (continued)

f. Financial instruments (continued)

ii. Financial liabilities and equity instruments (continued)

- Financial liabilities measured at amortized cost

At the time of initial recognition, financial liabilities are measured at amortized cost are recognized at fair value. Fair value less transaction costs that are directly attributable to the issuance of financial liabilities. Measurement are subsequently measured at amortized cost using the effective interest method on related premium and any directly attributable transaction cost.

The difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized as expenses over the term of the loan.

Bank loans and financial institution, trade payables, other payables, accrued expenses and amounts due to related parties measured at amortized cost.

Group has no financial liabilities classified as fair value through profit or loss ("FVTPL").

- Derecognition of financial liabilities

The Company and its subsidiaries derecognise financial liabilities, if and only if, the liability of the Company and subsidiaries has been released, cancelled or expired.

iii. Offsetting between financial assets and liabilities

Financial assets and financial liabilities of the Company and subsidiaries are offset each other and the net amount presented in the statement of financial position if, and only if,

- currently has a legally enforceable right to offset each other over the recognized amounts, and
- intends to settle on a net basis or to have the assets and settle liabilities simultaneously.

- iv.** SFAS 60 introduces three hierarchy level for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value measurements. In addition, the standard explains the necessity for the disclosure of management risk.

The adoption of this standard impacted to the disclosure on Notes 32 and 34.

g. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and in banks and term deposits with maturity in three months or less after placement date and are not used as collateral of obligation and there is no restriction of the use.

h. Trade and other receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the outstanding amounts of the Group's receivables will not be collected.

The amount of the allowance is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the receivables is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. When a receivable is uncollectible. It is written off against the allowance for impairment of receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

3. Summary of significant accounting policies (continued)

i. Inventories and cost of sales

Land inventories, shop houses, food and beverage in coffee shop and restaurant are stated at lower of cost and net realizable value.

Acquisition cost is determined using the weighted average method.

Acquisition cost of land inventory stated at cost of raw land, developing, development of land and environment and other acquisition cost, also cost of fund in connection with loan which has been received for funding acquisition of land. Interest capitalization will be stopped when inventory developing activity has been postponed or completed.

Cost of sales stated at cost of land, borrowing cost and estimated development cost of land and environment. Estimated cost of land development and the environment are estimates made by management taking into account the cost of infrastructure that has occurred plus infrastructure costs estimated to be incurred until the project is declared substantially completed. These estimates are reviewed by management on each year and will be adjusted according to the current conditions.

Expenses not related to the project are recognized as an expense as incurred.

j. Investment in jointly controlled entities

In accordance with SFAS No. 12 (Revised 2009), a jointly controlled entity is a joint entity involves the establishment of a corporation, partnership or other entity which each entity has an interest. The entity operates in the same way as other entities, except the contractual agreement between the entity that establishes the joint control over the economic activities of the entity.

A jointly controlled entity, jointly control the assets, liabilities, expenses and earn income. It may enter into contracts in its own name and raise financing for the purpose of the joint venture activity.

The Company record the investments in jointly controlled entities based on equity method.

k. Investment properties

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

Investment property is carried at cost less its accumulated depreciation and any accumulated impairment losses (cost model). Land is not depreciated and presented at acquisition cost. The cost of repairs and maintenance is charged to operation as incurred, whilst significant renovations and additions are capitalized.

Depreciation of investment property is computed on straight-line method, based on the estimated useful lives as follows :

<u>Type of investment properties</u>	<u>Useful lives</u>
Buildings and infrastructure	20 years

Investment property is derecognized when either it has been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition or disposal of an investment property are recognized in the profit or loss in the year of derecognition or disposal.

3. Summary of significant accounting policies (continued)

k. Investment properties (continued)

Transfer to investment property are made when, and only when, there is a change in use evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfer from investment property are made when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to an asset used in operation, the Group uses the cost method at the date of change in used. If the asset used by the Group becomes an investment property, the Group account for such asset in accordance with the policy stated under property and equipment up to the date of change in use.

l. Fixed assets

The Group applied SFAS No. 16, "Fixed Assets" ("Revised SFAS16"). Based on Revised SFAS16, an entity shall choose between the cost model and revaluation model as the accounting policy for its fixed assets measurement. The Group has chosen the cost model as the accounting policy for its fixed assets measurement.

Initially an item of fixed assets are measured at cost which consist of its acquisition costs and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs dismantling and relocation the fixed asset and restoring the location of the assets.

Subsequent costs after initial acquisition as significant cost of replacing part of the assets and major inspection cost, recognize in the carrying amounts if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Any remaining carrying amounts of the cost of the previous replacement or inspection cost is derecognized. Repairs and maintenance cost that do not meet the recognition criteria are recognized in the consolidated statements of comprehensive income as incurred.

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

<u>Type of fixed assets</u>	<u>Percentage of depreciation</u>
Buildings	5%
Facilities and infrastructure	5%
Office inventory	12.50 - 25%
Vehicles	12.50 - 25%
Machineries	12.50%

The residual value, useful lives and depreciation methods shall be reviewed at each financial year end to ensure the residual value, useful lives and depreciation methods are applied consistently in line with the expected pattern of economic benefits of that assets.

When an items of assets disposed of or when no future economic benefits are expected from its use or disposal, acquisition costs and accumulated depreciation and accumulated impairment loss, if any, are removed from the accounts. Any resulting gains or losses on the disposal of fixed assets are recognized in the consolidated statements of comprehensive income.

m. Impairment of nonfinancial assets

The Group applied SFAS No. 48 (Revised 2009), "Impairment of Assets". This revised SFAS prescribes the procedures to be employed by an entity to ensure that its assets are carried at no more than their recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and this revised SFAS requires the entity to recognize an impairment loss. This revised SFAS also specifies when an entity should reverse an impairment loss and prescribes disclosures.

3. Summary of significant accounting policies (continued)

m. Impairment of nonfinancial assets (continued)

At the end of reporting period, the Group evaluates whether any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized immediately in profit or loss.

n. Revenue and expenses recognition

Revenue from the sale of land without building is recognised using the full accrual method if all the following criteria are met :

- total payment by the buyer has reached 20% of the sale price and that amount can't be claimed back by the buyers;
- the selling price will be collectible;
- the receivable of the seller is not sub-ordinated to other loans which will be obtained by the buyer in the future;
- the land development process is completed so that the seller is no longer obligated to complete the plots of land sold, such as the obligation to improve the land or the obligation to construct the agreed main facilities or the obligation of the seller based on the purchase and sale commitment or the provisions of prevailing law and regulation;
- Only plot of land is sold, there is no obligation of the seller's involvement in the construction of building on the plot of land.

If the criteria of revenue recognition from sales with the full accrual method are not met, all payment recorded as sales advance with deposit method.

Revenue from the sale from coffee shop, proshop, water and Japanese restaurant which are recognized when the goods are delivered to customers.

Revenue from maintenance fee, service charge, waste water treatment and golf is recognized based on services already provided to customers.

Expenses is recognized when incurred (accrual basis).

o. Employee benefits

The Company and subsidiaries provide post-employment benefits to employees in accordance with the Labor Law No. 13/2003. There is no funding set aside by the Company in connection with these post-employment benefits.

Under SFAS 24 (2010), Employee Benefits, effective on 1 January 2012, gains and losses are measured using two alternatives that use the corridor approach or directly recognize gains/ losses in other comprehensive income actuarial. The Company and subsidiaries to use the corridor approach in measuring actuarial gains and losses.

Calculation of post-employment benefits using the Projected Unit Credit Method. The accumulated net actuarial gains and losses not recognized in excess of 10% of the present value of defined benefit recognized on a straight-line method over the expected average remaining working lives of the employees in the program. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The amount recognized as a defined benefit obligation at the statements of financial position represents the present value of defined benefit obligations adjusted for unrecognized actuarial gains and losses, and past service cost has not been recognized.

No other employee benefits in addition to those described above.

3. Summary of significant accounting policies (continued)

p. Income tax

Income tax - final

Income subject to final tax, tax expense is recognized proportionately with the amount of revenue recognized in the accounting period. The difference between the final tax payable and the amount charged as a current tax on the consolidated statements of comprehensive income is recognized as prepaid tax or tax liability. The difference in the carrying value of assets and liabilities relate to income tax final tax bases is not recognized as deferred tax assets or liabilities.

Income tax - nonfinal

The Group adopts SFAS 46 (Revised 2010), which implies the Group to calculate the tax consequences of current and future tax from recovery (settlement) of the carrying amount of assets (liabilities) that are recognized in the consolidated statement of financial position, and the transactions and events another of the current period that are recognized in the consolidated financial statements.

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

Current tax expense is provided based on the estimated taxable income for the period. Deferred tax assets and liabilities are recognized for temporary differences between the financial and tax bases of assets and liabilities at each reporting date.

Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Tax Assessment Letters

Additional principal amount of taxes and penalties determined by the Tax Assessment Letter ("TAL") is recognized as income or expense in the consolidated statements of comprehensive income, unless it is proposed for further settlement effort. Additional principal amount of taxes and penalties determined by TAL are deferred as long as conforming to the criteria of assets recognition.

q. Borrowing costs

Borrowing costs that directly attributable to the acquisition, construction or production of a qualifying asset, are asset that needs ample time to be able to be used or sold, are added to the cost of that asset, up to the completion of the assets are substantially ready for use or sale.

All other borrowing costs are recognized in the statement of comprehensive income in the period incurred.

r. Earnings per share

Basic earnings per share

Basic earnings per share are computed by dividing current year net income attributable to owners of the parent by the weighted average number of outstanding shares during the year.

Diluted earnings per share

Diluted earnings per share are computed by dividing current year net income attributable to owners of the parent with the weighted average number of ordinary shares outstanding during the reporting period, adjusted to assume conversion of all potential dilutive ordinary shares.

3. Summary of significant accounting policies (continued)

s. Shares capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

t. Dividend

Dividend distributions to the Company's shareholders are recognized as liabilities in the consolidated financial statements in the year in which the dividends are approved by the Company's shareholders.

u. Segment information

SFAS 5 (revised 2009) requires that an identifiable operating segments based on internal reports about components of the Company and its subsidiaries are regularly reviewed by the "operational decision makers" in order to allocate resources and assessing performance of the operating segments.

Operating segment is a component of an entity:

- i. engaged in the business activities which generate revenue and burdens (including revenues and expenses relating to transactions with other components of the same entity);
- ii. whose operating results are reviewed regularly by operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- iii. where the financial information is available that can be separated.

The information is used by decision-makers operating in the framework of resource allocation and performance valuation they focused on the category of each product, which resembles business segment information reported in the previous period.

The Company and Subsidiaries activities are in the same field of industrial estate.

v. Provisions and contingencies

The Group adopted SFAS No. 57 (Revised 2009), "Provisions, Contingent Liabilities, and Contingent Assets". The revised SFAS is applied prospectively and provides that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets and to ensure that sufficient information is disclosed in the notes to enable users to understand the nature, timing and amount related to the information.

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

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

Contingent liabilities are recognized in the consolidated financial statements, unless the possibility of an outflow of resources is remote. Contingent assets are not recognized in the consolidated financial statements, but are disclosed when an inflow of economic benefits is probable.

4. Critical accounting considerations and significant accounting estimates

The preparation of consolidated financial statements, in conformity with Indonesian Financial Accounting Standards, requires management to make judgments, estimations and assumptions that affect amounts reported in the consolidated financial statements. Due to inherent uncertainty in making estimates, actual results reported in future periods may differ from those estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months are addressed below.

Determining classification of financial assets and financial liabilities

The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in SFAS No. 55. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 3.

Determining fair value of financial instruments

The Group carries certain financial assets and liabilities at fair values, which requires the use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Group utilized different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Group's profit or loss.

The fair value of financial assets and liabilities as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 are disclosed in note 32.

Assessing provision for impairment of receivables

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

The recorded amount of provision for impairment of receivable as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 are disclosed in note 6.

Determining depreciation method of investment properties

The costs of investment properties are depreciated on a straightline basis over their estimated useful lives. Management estimates the useful lives of these investment properties to be within 20 years. These are generally useful lives expectancies applied in the industries where the Group conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these investment properties, and therefore future depreciation charges could be revised.

The carrying amount of investment properties are disclosed in note 11.

Determining depreciation method of fixed assets

The costs of fixed assets are depreciated on a straightline basis over their estimated useful lives. Management properly estimates the useful lives of these fixed assets to be within four (4) to twenty (20) years. These are common life expectancies applied in the industries where the Group conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

The carrying amounts of the fixed assets as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 are disclosed in Note 12.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

4. Critical accounting considerations and significant accounting estimates (continued)

Assessing impairment of certain nonfinancial assets

SFAS No. 48 (Revised 2009) requires that an impairment review be performed on certain non-financial assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following :

- significant underperformance relative to the expected historical or project future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of a nonfinancial asset exceeds its recoverable amount. Determining the recoverable amount of such assets requires the estimation of cash flows expected to be generate from the continued use and ultimate disposition of such assets.

As of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011, the Group assessed that there is no indication of impairment on its nonfinancial assets.

Determining employee benefits expense and obligation

The determination of the Group's obligations and expense for employee benefits is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, annual salary increase rate, retirement age and mortality rate. Significant differences in the Group's actual results or significant changes in the Group's assumptions may materially affect its estimated liabilities for employee benefits and net employee benefits expense. While the actual results that differ from the Company's assumptions. The Company believes that its assumptions are reasonable and appropriate.

The employee benefits obligation as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 are disclosed in Note 21.

Determining cost of sales

Cost of sales land is stated at cost plus loan expense and the estimated cost of land development and the environment. Estimated cost of land development and the environment are estimates made by management taking into account the cost of infrastructure that has occurred plus infrastructure costs estimated to be incurred until the project is declared complete. These estimates are reviewed by management on each year and will be adjusted according to the current conditions.

Assessing provision for income tax

Determining provision for Corporate Income Tax requires significant judgment by management. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected Corporate Income Tax issues based on estimates of Corporate Income Tax.

As of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011, the balance of provision for the Company's Corporate Income Tax is disclosed in Note 8.

The Group do not record deferred tax at reporting date since most of revenue of the Group is subject to final income tax.

5. Cash and cash equivalents

Consist of cash and cash equivalents denominated in Rupiah :

	30 September		31 December		
	2014	2013	2013	2012	2011
Cash on hand :					
Rupiah	33,925	32,006	96,550	83,570	62,341
US Dollar	92,630	87,333	33,593	11,130	303,778
Total cash on hand	126,555	119,339	130,143	94,700	366,119

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

5. Cash and cash equivalents (continued)

	30 September		31 December		
	2014	2013	2013	2012	2011
Bank :					
In Rupiah :					
PT Bank Mandiri (Persero) Tbk	7,248,219	25,650,258	19,094,514	26,819,093	3,235,443
Lembaga Pembiayaan Ekspor					
Indonesia	5,872,322	5,012,168	5,135,444	14,004,222	4,913,816
PT Bank ICBC Indonesia	3,622,578	3,445,292	1,919,103	260,523,476	-
PT Bank CIMB Niaga Tbk	3,243,009	8,330,886	10,577,788	3,873,617	3,313,793
PT Bank Central Asia Tbk	3,266,739	4,808,690	3,058,971	9,778,521	693,246
PT Bank Rakyat Indonesia (Persero)					
Tbk	2,126,114	2,092,758	2,101,024	1,730,110	1,238,934
The Bangkok Bank Company Ltd	891,075	872,528	877,341	859,211	99,988
PT Bank Permata Tbk	242,618	240,679	241,189	239,381	454,829
PT Bank Panin Tbk	212,410	-	-	-	230,261
PT Bank Ekonomi Raharja Tbk	159,930	156,822	128,462	268,463	253,365
PT Bank Victoria International Tbk	134,270	3,256	3,060	-	-
Citibank N. A.	50,298	51,970	51,952	-	-
PT Bank Resona Perdania	9,560	9,780	9,750	-	-
PT Bank Danamon Indonesia Tbk	1,077	1,809	1,626	943	1,675
PT Bank Negara Indonesia (Persero)					
Tbk	-	29,346,747	21,442,903	2,172,338	-
PT Bank Mutiara Tbk	-	-	-	-	52,393
In US Dollar :					
PT Bank Mandiri (Persero) Tbk	182,769,165	160,555,493	153,365,563	8,180,673	6,497,567
Lembaga Pembiayaan Ekspor					
Indonesia	15,089,211	52,465,459	97,176,325	411,892	1,101,064
PT Bank CIMB Niaga Tbk	11,560,240	25,487,770	19,384,785	9,756,723	-
PT Bank Central Asia Tbk	4,898,183	6,000,372	5,699,737	740,190	513,372
The Bangkok Bank Company Ltd	2,736,466	2,416,497	2,536,996	2,010,656	-
PT Bank Resona Perdania	2,441,042	7,229,271	4,727,049	-	-
PT Bank Permata Tbk	2,342,986	2,219,935	2,332,192	1,843,477	-
PT Bank ICBC Indonesia	337,646	24,489,040	62,273,442	146,993,547	-
Citibank N. A.	129,338	127,710	134,026	-	-
PT Bank QNB Kesawan Tbk	78,887	-	-	-	-
PT Bank Internasional Indonesia					
Tbk	12,510	-	73,137,193	-	-
PT Bank Panin Tbk	-	-	-	-	16,623
PT Bank Mutiara Tbk	-	-	-	-	45,163
Total bank	249,475,893	361,015,190	485,410,435	490,206,533	22,661,532
Time deposit :					
In US Dollar :					
The Bangkok Bank Company Ltd	61,060,000	58,867,090	62,008,199	48,500,575	-
PT Bank ICBC Indonesia	-	-	-	43,729,671	-
In Rupiah :					
PT Bank Internasional Indonesia					
Tbk	28,087,600	-	-	-	-
PT Bank Danamon Indonesia Tbk	125,843	125,843	125,843	125,843	132,727
The Bangkok Bank Company Ltd	-	-	-	-	36,900,000
Total time deposit	89,273,443	58,992,933	62,134,042	92,356,089	37,032,727
Total cash and cash equivalent	338,875,891	420,127,462	547,674,620	582,657,322	60,060,378
Interest rate time deposits per annum :					
Rupiah	4.75 - 10%	5 - 7.75%	4.75 - 7.75%	5 - 6%	5 - 7.5%
US Dollar	1.75 - 2.75%	1.75 - 2.75%	1.75 - 2.75%	1.75 - 2.75%	-

The bank accounts and time deposits are placed in third parties banks.

The bank accounts and times deposits are not pledged.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

6. Trade receivables

Consist of :

	30 September		31 December		
	2014	2013	2013	2012	2011
Third parties :					
PT Allure Allumino	12,738,835	-	-	-	-
PT Hitachi Construction Machinery Indonesia	12,171,050	3,679,060	4,780,185	-	-
PT Langgeng Baja Pratama	1,001,167	578,334	606,158	625,025	961,789
PT Unilever Indonesia Tbk	740,917	229,359	18,226	347,106	-
PT Indo Kida Plating	699,913	339,725	-	-	-
PT Denso Indonesia	384,035	-	-	-	-
PT Essar Indonesia	375,260	303,520	555,438	238,325	404,135
PT Intisumber Bajasakti	345,789	-	-	-	-
PT Toyota Astra Motor	328,075	408,352	-	-	399,100
CV Ganeca Exact Bandung	23,002	-	318,377	162,224	316,705
PT TD Automotive Compressor Indonesia	-	167,227,200	46,339,430	-	-
PT Pelangi Prima Teknikraya	-	7,664,580	4,827,024	-	-
PT Bank Central Asia Tbk	-	3,827,550	-	-	-
PT Makmur Meta Graha Dinamika	-	-	11,500,130	-	-
CV Trust Trading	-	-	3,993,438	-	-
PT Excel Metal Industry	-	-	-	1,969,472	-
PT Sunter Tujuh Intan	-	-	-	-	362,847
Others (below Rp 300,000)	4,925,783	4,080,622	4,545,435	3,100,255	5,568,974
	33,733,826	188,338,302	77,483,841	6,442,407	8,013,550
Related parties :					
PT Daiwa Manunggal Logistik Properti	46,009,260	-	-	-	-
PT Argo Pantes Tbk	1,417,296	1,134,080	1,346,382	509,902	319,414
PT Bisma Narendra	1,328,510	927,434	1,007,198	849,591	545,830
PT Mega Manunggal Property	528,500	366,260	579,422	276	-
PT Shougang Manunggal Roll	113,701	113,701	113,701	113,701	113,701
BUT Daiwa House Industry Co., LTD	107,625	-	-	-	-
PT Fumira	69,729	49,632	52,230	41,499	48,814
PT Bekasi Fajar Citarasa	18,079	4,808	6,138	3,728	13,328
PT Fajar Medika	687	1,584	1,749	898	1,395
PT Megalopolis Manunggal Industrial Development	-	-	-	1,075,494	1,437,021
	49,593,387	2,597,499	3,106,820	2,595,089	2,479,503
Total trade receivables	83,327,213	190,935,801	80,590,661	9,037,496	10,493,053
Provision for impairment - net	(354,400)	(345,236)	(354,048)	(315,512)	(890,125)
Total trade receivables	82,972,813	190,590,565	80,236,613	8,721,984	9,602,928

The details of the aging schedule for trade receivables based on due date, as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Third parties					
Not yet due	17,891,355	174,406,974	21,577,999	5,331,755	2,907,393
Past due					
> 1 month – 3 months	14,153,907	12,839,824	50,503,173	124,236	798,587
> 3 months – 6 months	682,191	284,230	4,625,405	261,439	1,953,934
> 6 months – 1 year	387,285	283,149	228,360	135,103	1,487,075
> 1 year	619,088	524,125	548,904	589,874	866,561
Total	33,733,826	188,338,302	77,483,841	6,442,407	8,013,550

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

6. Trade receivables (continued)

	30 September		31 December		
	2014	2013	2013	2012	2011
Related parties					
Not yet due	46,287,273	254,942	-	1,408,555	1,424,140
Past due					
> 1 month – 3 months	495,094	509,814	621,855	-	254,248
> 3 months – 6 months	554,163	311,168	628,919	269,053	241,291
> 6 months – 1 year	695,973	620,145	650,360	266,644	131,366
> 1 year	1,560,884	901,430	1,205,686	650,837	428,458
Total	49,593,387	2,597,499	3,106,820	2,595,089	2,479,503
Total trade receivables	83,327,213	190,935,801	80,590,661	9,037,496	10,493,053

The details of trade receivables based on type of currency, as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Third parties					
US Dollar	30,573,594	180,276,678	64,911,753	3,865,974	6,211,516
Rupiah	3,160,232	8,061,624	12,572,088	2,576,433	1,802,034
Total	33,733,826	188,338,302	77,483,841	6,442,407	8,013,550
Related parties					
US Dollar	44,916,673	2,341,993	2,817,895	2,413,691	2,309,889
Rupiah	4,676,714	255,506	288,925	181,398	169,614
Total	49,593,387	2,597,499	3,106,820	2,595,089	2,479,503
Total trade receivables	83,327,213	190,935,801	80,590,661	9,037,496	10,493,053

Trade receivable from related parties and third parties come from maintenance fee, service charges, water and waste water treatment charged at equal tariffs.

Movement of provision for value impairment of receivable as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Provision for impairment - beginning	354,048	315,512	315,512	890,125	888,946
Bad debt expenses	-	-	-	-	31,834
Foreign exchange	(8,648)	29,724	38,536	9,209	-
Bad debt written off	-	-	-	(583,822)	(30,655)
Provision for impairment - ending	345,400	345,236	354,048	315,512	890,125

Based on the assessment of management to determine impairment of receivables as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011, which are made individually or collectively, management believes that the provision for impairment of receivables is adequate to cover possible losses from bad debts.

There is no trade receivable which has been pledged as loan guarantee.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

7. Inventories

Inventories consist of :

	30 September		31 December		
	2014	2013	2013	2012	2011
Property :					
Land	2,463,948,037	2,451,081,545	2,399,420,552	1,544,224,698	1,449,142,446
Shop house	382,711	382,711	382,711	382,711	382,711
Golf balls, food and beverage	210,845	187,559	190,942	184,074	182,170
Total inventories	2,464,541,593	2,451,651,815	2,399,994,205	1,544,791,483	1,449,707,327
Estimation of inventories will be realized in 12 month	343,137,815	362,613,223	324,206,370	271,475,192	301,950,737
Estimation of inventories will be realized over 12 months	<u>2,121,403,778</u>	<u>2,089,038,592</u>	<u>2,075,787,835</u>	<u>1,273,316,291</u>	<u>1,147,756,590</u>

Land inventories for an area of 9,252,571 sq. m (30 September 2014), 9,479,810 sq. m (30 September 2013), 9,377,413 sq. m (31 December 2013), 8,680,116 sq. m (31 December 2012) and 8,010,211 sq. m (31 December 2011) located in West Cikarang, Bekasi.

There was no interest expenses capitalized into inventories during the nine months period ended 30 September 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

Shop house inventories located in Industrial Estate MM2100, Desa Ganda Mekar, West Cikarang, Bekasi, West Java as much as 22 units.

Percentage of land inventories owned and certified on Company's name and Subsidiaries approximately 43.76%.

Inventories pledged for loan of Lembaga Pembiayaan Ekspor Indonesia - Syariah and PT Bank ICBC Indonesia (see note 19).

The Company and subsidiary has insured the shop house inventories to PT Asuransi Central Asia - third party with the sum insured amounting to Rp 8,700,000. Management believed that the coverage is adequate to cover possible losses of the insured inventory.

In the year 2013, the Company purchased land in part or whole area of 915,897 sq.m from PT Nusa Raya Mitratama, related parties, amounted Rp 1,000/sq.m exclude VAT with total at Rp 915,897,000.

On June 2014, land inventory with carrying value of Rp 14,542,947 with area of 40,000 sq. m was reclassified to investment property due to the land will be used for Standard Factory Building (SFB) construction which will be leased (see note 11).

Management of the Company believed that there is no allowance of impairment of inventories to cover the possible loss of impairment of inventories.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

8. Taxation

a. Prepaid taxes

Consist of :

	30 September		31 December		
	2014	2013	2013	2012	2011
The Company					
Income tax article 23	-	119,383	-	-	21,879
Income tax article 25	-	15,220	-	-	-
Value Added Tax	33,336,903	85,396,518	67,501,339	-	127,117
Final income tax	<u>5,969,208</u>	<u>3,042,173</u>	<u>2,537,482</u>	<u>2,658,453</u>	<u>380,411</u>
	39,306,111	88,573,294	70,038,821	2,658,453	529,407
Subsidiaries					
Value Added Tax	4,583,248	-	-	6,000	-
Final income tax	<u>2,916,471</u>	<u>5,385,936</u>	<u>4,078,154</u>	<u>8,105,542</u>	<u>17,069,505</u>
	7,499,719	5,385,936	4,078,154	8,111,542	17,069,505
Total prepaid taxes	<u>46,805,830</u>	<u>93,959,230</u>	<u>74,116,975</u>	<u>10,769,995</u>	<u>17,598,912</u>

b. Taxes payable

Consist of :

	30 September		31 December		
	2014	2013	2013	2012	2011
The Company					
Income tax article 23/26	41,343	25,596	28,698	23,666	25,459
Final income tax	12,567,160	4,881,280	6,694,388	2,010,390	269,004
Income tax article 21	438,280	391,635	205,345	174,465	78,252
Income tax article 25	54,846	-	-	8,343	-
Corporate income tax	1,475,178	-	63,765	1,183	100,115
Value Added Tax	-	-	-	4,548,563	-
Development Tax I	89,687	81,632	79,925	75,474	74,690
Income tax article 4 (2)	<u>-</u>	<u>30,817</u>	<u>47,975</u>	<u>-</u>	<u>237</u>
	14,666,494	5,410,960	7,120,096	6,842,084	547,757
Subsidiaries					
Income tax article 23/26	56,732	7,772	100,446	79,839	7,760
Final income tax	1,274,707	11,911,085	12,337,594	2,046,340	134,081
Income tax article 4 (2)	2,377,218	616,654	693,013	86,460	-
Income tax art article 21	10,183	18,938	8,454	9,912	496,432
Corporate income tax non final	662,162	1,407,440	1,650,174	47,715	-
Value Added Tax	-	3,526,884	22,379,222	4,874,754	4,193,710
Income tax article 25	-	3,578	3,578	-	-
Tax penalty	<u>-</u>	<u>-</u>	<u>6,924,785</u>	<u>-</u>	<u>-</u>
	4,381,002	17,492,351	44,097,266	7,145,020	4,831,983
Total taxes payable	<u>19,047,496</u>	<u>22,903,311</u>	<u>51,217,362</u>	<u>13,987,104</u>	<u>5,379,740</u>

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

8. Taxation (continued)

c. Tax expenses

Consist of :

	30 September		31 December		
	2014	2013	2013	2012	2011
The Company					
Current tax					
Final	15,257,726	8,432,809	14,455,670	3,823,351	18,916,532
Nonfinal	2,078,396	-	618,172	106,687	284,845
Deferred tax	-	-	-	-	-
	17,336,122	8,432,809	15,073,842	3,930,038	19,201,377
Subsidiaries					
Final	7,893,743	29,256,423	49,781,988	43,194,782	3,752,177
Nonfinal	855,144	1,544,832	1,866,152	55,555	-
	8,748,887	30,801,255	51,648,140	43,250,337	3,752,177
Total	26,085,009	39,234,064	66,721,982	47,180,375	22,953,554

Reconciliation income before tax expenses and tax expenses which calculated using the income tax rate are as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Consolidated income before tax expenses	305,330,818	516,461,669	811,535,712	517,537,572	142,528,214
(Income)/loss of Subsidiaries before tax	(111,619,962)	(485,748,282)	(714,220,914)	(531,333,853)	(38,743,179)
The Company's income/(loss) before tax	193,710,856	30,713,387	97,314,798	(13,796,281)	103,785,035
Income tax expense based on tariff	48,427,714	7,678,346	24,328,700	(3,449,070)	25,946,259
Income subject to final tax	(46,606,447)	(8,766,407)	(24,660,235)	2,301,718	(25,543,353)
Nondeductable expense	145,677	112,023	638,654	787,450	222,264
Timing difference and fiscal loss not recognized as deferred tax assets	111,452	976,038	62,465	466,589	(340,325)
Tax expenses nonfinal	2,078,396	-	369,584	106,687	284,845
Corporate income tax : 2012	-	-	147,423	-	-
2011	-	-	101,165	-	-
Tax expenses final	15,257,726	8,432,809	14,455,670	3,823,351	18,916,532
Total tax expenses the Company	17,336,122	8,432,809	15,073,842	3,930,038	19,201,377
Tax expenses the Subsidiaries	8,748,887	30,801,255	51,648,140	43,250,337	3,752,177
Total tax expenses	26,085,009	39,234,064	66,721,982	47,180,375	22,953,554

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

8. Taxation (continued)

c. Tax expenses (continued)

Current tax

The reconciliation between income before tax expenses and fiscal (income)/loss are as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Consolidated income before tax expenses	305,330,818	516,461,669	811,535,712	517,537,572	142,528,214
(Income)/loss of Subsidiaries before tax	(111,619,962)	(485,748,282)	(714,220,914)	(531,333,853)	(38,743,179)
The Company's income/(loss) before tax	193,710,856	30,713,387	97,314,798	(13,796,281)	103,785,035
Fiscal correction :					
Temporary difference :					
Provision for employee benefits	1,149,673	156,442	158,919	341,703	62,841
Share of profit from investments in jointly controlled entities	(703,863)	-	-	-	-
Others	-	-	90,943	1,524,653	(1,424,140)
Permanent difference :					
Income subject to final tax	(186,425,789)	(35,065,628)	(98,640,939)	9,206,873	(102,173,411)
Representation and entertainment	263,932	299,645	283,147	491,577	513,839
Tax penalty	100	-	2,045,797	354,564	151,986
Rent, maintenance, apartment and laundry	17,241	9,992	-	-	52,836
Loss on written off of receivable	-	-	-	-	31,834
Others	301,433	138,457	225,672	2,303,658	138,561
Taxable income	8,313,583	(3,747,705)	1,478,337	426,747	1,139,381
Current tax :					
Nonfinal	2,078,396	-	369,584	106,686	284,845
Prepaid tax	(603,218)	-	(305,819)	(105,503)	(184,730)
Estimated income tax liabilities	1,475,178	-	63,765	1,183	100,115
The Company's current tax					
Final	15,257,726	8,432,809	14,455,670	3,823,351	18,916,532
Nonfinal - 2014	2,078,396	-	-	-	-
- 2013	-	-	369,584	-	-
- 2012	-	-	147,423	106,687	-
- 2011	-	-	101,165	-	284,845
Total	17,336,12	8,432,809	15,073,842	3,930,038	19,201,377

The estimated taxable income for the nine months period ended 30 September 2014 will be calculated in accordance with the prevailing tariff.

Income from sales good and service, maintenance fee, service charges, water, waste water treatment, golf, proshop, coffee shop and Japanese restaurant subject to nonfinal tax.

d. Deferred tax

Since 2009, the Company's main revenue is subject to final tax, thus, there is no deferred tax.

e. Land and Building Tax

The Company has fulfilled the land and building tax liability in accordance with applicable regulations.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

8. Taxation (continued)

f. Tax Assessment Letter

In the year 2013, the Company received Underpayment Tax Assessment Letter (SKPKB) for corporate income tax year 2012 No. 00001/206/12/062/13 amounting Rp 147,423 and SKPKB for corporate income tax year 2011 No. 00008/206/11/062/13 amounting Rp 101,165. All SKPKB were paid on 30 December 2013. PT Bekasi Matra Industrial Estate, Subsidiary received corporate income tax year 2012 No. 00001/206/12/413/14 amounting Rp 677,396 SKPKB was paid on 14 February 2014.

9. Advance payment

	30 September		31 December		
	2014	2013	2013	2012	2011
Consist of :					
Asset purchased	1,168,831	1,102,500	1,136,217	499,770	-
Land purchased	<u>369,922,989</u>	<u>158,036,727</u>	<u>173,819,692</u>	<u>61,262,476</u>	<u>20,056,699</u>
Total advance payment	<u>371,091,820</u>	<u>159,139,227</u>	<u>174,955,909</u>	<u>61,762,246</u>	<u>20,056,699</u>
Beginning balance	173,819,692	61,262,476	61,262,476	20,056,699	30,106,458
Addition	<u>251,532,802</u>	<u>892,072,721</u>	<u>970,407,887</u>	<u>449,729,452</u>	<u>705,462,442</u>
Total	425,352,494	953,335,197	1,031,670,363	469,786,151	735,568,900
Transfer to inventories	<u>55,429,505</u>	<u>795,298,470</u>	<u>857,850,671</u>	<u>408,523,675</u>	<u>715,512,201</u>
Balance of advance for land purchased	<u>369,922,989</u>	<u>158,036,727</u>	<u>173,819,692</u>	<u>61,262,476</u>	<u>20,056,699</u>

Land purchase advance represents advance for land purchase which is located around Bekasi, West Java and Central Java.

10. Investment in jointly controlled entities

Based on the Notarial Deed No. 23 dated 19 March 2014 of Jose Dima Satria, S.H., M.Kn., notarial in Jakarta, the Company established PT Daiwa Bekasi Logistik. That Notarial Deed have been approved from the Minister of Justice and Human Rights Republic of Indonesia No. AHU-01538.40.10.2014 dated 08 April 2014.

Based on joint venture agreements dated 2 April 2014, between the Company and Daiwa House Industry Co. Ltd., is established a company named PT Daiwa Bekasi Logistik which engaged in the logistic warehouses development and rental business in Indonesia.

Based on Notarial Deed as mention above, the share capital issued and fully paid amounting to Rp 4,975,000 paid up by the Company and Rp 25,000 paid up by Mr. Hungkang Sutedja.

Based on joint venture agreement dated 2 April 2014, the share capital increased from Rp 5,000,000 become Rp 230,000,000, therefore the composition of shares of the Company and Daiwa House Industry Co. Ltd. are 51% and 49%, respectively.

In the agreement confirms that the control of PT Bekasi Daiwa Logistics performed together ("jointly controlled entities") and in case of disagreement ("deadlock") then the company may be liquidated, therefore the Company recorded investment in jointly controlled entities is equity method.

On 18 July 2014, PT Bekasi Daiwa Logistik obtained principle permit of foreign capital investment amendment with decree number 2024/I/IP-PB/PMA/2014 from Indonesia Investment Coordinating Board whereas stipulated change of company name from PT Daiwa Bekasi Logistik become PT Daiwa Manunggal Logistik Properti and the change of capital structure.

Based on the Notarial Deed No. 50 dated 21 July 2014 by Jose Dima Satria, S.H., M.Kn., Notary in Jakarta, the authorized capital increasing from Rp 5,000,000 become Rp 230,000,000 and the share capital issued and fully paid amounting Rp 230,000,000 with the composition are Rp 117,300,000 by the Company and Rp 112,700,000 by DH Asia Investment.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

11. Investment properties

Balance and movement – 30 September 2014

Type of investment properties	Balance 1 January 2014	Additions	Disposals	Reclassifications	Balance 30 September 2014
Investment property					
Land acquisition cost	-	-	-	14,542,947	14,542,947
Total	-	-	-	14,542,947	14,542,947
Investment property under construction					
Building and infrastructure	-	63,667,562	-	-	63,667,562
Total	-	63,667,562	-	-	63,667,562
Less : Accumulated depreciation					
Building and infrastructure	-	-	-	-	-
Total	-	-	-	-	-
Book value					78,210,509

Investment property - land on 30 September 2014 with carrying value of Rp 14,542,947 represents land with area of 40,000 sq. m which is located in Kawasan MM2100 was a reclassification from land inventory and will be used for Standard Factory Building (SFB) construction located in Kawasan MM2100.

Investment property under construction is the construction cost accumulation of Standard Factory Building (SFB) which will be leased. Based on management's evaluation, the Company believes there are no barriers to the continuation of the project completion.

The whole of investment property ownership are under the name of the Subsidiary.

12. Fixed assets

Balance and movement – 30 September 2014

Type of fixed assets	Balance 1 January 2014	Additions	Disposals	Balance 30 September 2014
Acquisition cost - direct ownership				
Land	49,954,905	-	-	49,954,905
Buildings	17,844,708	368,160	-	18,212,868
Infrastructure	3,055,607	-	-	3,055,607
Office equipment	12,253,663	602,043	-	12,855,706
Vehicles	18,251,001	4,322,164	-	22,573,165
Machineries	1,636,958	199,800	-	1,836,758
Total	102,996,842	5,492,167	-	108,489,009
Less : Accumulated depreciation				
Buildings	6,832,316	674,648	-	7,506,964
Infrastructure	2,012,007	150,024	-	2,162,031
Office equipment	9,048,941	880,517	-	9,929,458
Vehicles	8,048,822	2,441,251	-	10,490,073
Machineries	440,547	152,711	-	593,258
Total	26,382,633	4,299,151	-	30,681,784
Book value	76,614,209			77,807,225

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

12. Fixed assets (continued)

Balance and movement - 30 September 2013

Type of fixed assets	Balance 1 January 2013	Additions	Disposals	Balance 30 September 2013
Acquisition cost - direct ownership				
Land	49,954,905	-	-	49,954,905
Buildings	17,833,928	10,780	-	17,844,708
Infrastructure	2,923,380	126,670	-	3,050,050
Office equipment	11,073,519	1,009,851	-	12,083,370
Vehicles	15,310,567	2,912,233	-	18,222,800
Machineries	673,115	963,843	-	1,636,958
Total	97,769,414	5,023,377	-	102,792,791
Less : Accumulated depreciation				
Buildings	5,934,922	673,023	-	6,607,945
Infrastructure	1,815,040	146,983	-	1,962,023
Office equipment	7,999,907	770,257	-	8,770,164
Vehicles	5,764,303	1,805,491	-	7,569,794
Machineries	282,351	109,451	-	391,802
Total	21,796,523	3,505,205	-	25,301,728
Book value	75,972,891			77,491,063

Balance and movement - 31 December 2013

Type of fixed assets	Balance 1 January 2013	Additions	Disposals	Balance 31 December 2013
Acquisition cost - direct ownership				
Land	49,954,905	-	-	49,954,905
Buildings	17,833,928	10,780	-	17,844,708
Infrastructure	2,923,380	132,227	-	3,055,607
Office equipment	11,073,519	1,180,144	-	12,253,663
Vehicles	15,310,567	3,141,874	201,440	18,251,001
Machineries	673,115	963,843	-	1,636,958
Total	97,769,414	5,428,868	201,440	102,996,842
Less : Accumulated depreciation				
Buildings	5,934,922	897,394	-	6,832,316
Infrastructure	1,815,040	196,967	-	2,012,007
Office equipment	7,999,907	1,049,034	-	9,048,941
Vehicles	5,764,303	2,479,396	194,877	8,048,822
Machineries	282,351	158,196	-	440,547
Total	21,796,523	4,780,987	194,877	26,382,633
Book value	75,972,891			76,614,209

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

12. Fixed assets (continued)

Balance and movement - 31 December 2012

Type of fixed assets	Balance 1 January 2012	Additions	Disposals	Balance 31 December 2012
Acquisition cost - direct ownership				
Land	49,954,905	-	-	49,954,905
Buildings	17,501,758	332,170	-	17,833,928
Infrastructure	2,923,380	-	-	2,923,380
Office equipment	9,742,041	1,331,478	-	11,073,519
Vehicles	12,440,147	3,975,245	1,104,825	15,310,567
Machineries	495,947	177,168	-	673,115
Total	93,058,178	5,816,061	1,104,825	97,769,414
Less : Accumulated depreciation				
Buildings	5,056,920	878,002	-	5,934,922
Infrastructure	1,618,658	196,382	-	1,815,040
Office equipment	7,265,710	734,197	-	7,999,907
Vehicles	4,872,916	1,871,311	979,924	5,764,303
Machineries	217,419	64,932	-	282,351
Total	19,031,623	3,744,824	979,924	21,796,523
Book value	74,026,555			75,972,891

Balance and movement - 31 December 2011

Type of fixed assets	Balance 1 January 2011	Additions	Disposals	Balance 31 December 2011
Acquisition cost - direct ownership				
Land	49,954,905	-	-	49,954,905
Buildings	17,501,758	-	-	17,501,758
Infrastructure	2,923,380	-	-	2,923,380
Office equipment	9,337,936	404,105	-	9,742,041
Vehicles	9,955,871	2,484,276	-	12,440,147
Machineries	383,017	112,930	-	495,947
Total	90,056,867	3,001,311	-	93,058,178
Less : Accumulated depreciation				
Buildings	4,181,832	875,088	-	5,056,920
Infrastructure	1,385,381	233,277	-	1,618,658
Office equipment	6,255,723	1,009,987	-	7,265,710
Vehicles	3,551,752	1,321,164	-	4,872,916
Machineries	171,843	45,576	-	217,419
Total	15,546,531	3,485,092	-	19,031,623
Book value	74,510,336			74,026,555

Fixed assets - land is located in West Cikarang with legal rights in the form of S-HGB No. 393 with term of 15 years, which will be due until 24 September 2020. The Company's management believes that there are no issues with the extension of landrights because of all the land are obtained legally and is supported by complete evidence of ownership.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

12. Fixed assets (continued)

The whole of fixed assets ownership are under the name of the Company.

Fixed assets are insured by PT Asuransi Central Asia - third party with total coverage of Rp 17,900,000. The Company's management believes that the coverage is adequate to cover any possible losses of fixed assets insured.

Fixed assets - land is located in West Cikarang with legal rights in the form of S-HGB No. 393 used as collateral for loans at Lembaga Pembiayaan Ekspor Indonesia (see note 19).

Depreciation expense for the nine months period ended 30 September 2014 and 2013 dan 2013 and the years ended 31 December 2013, 2012 and 2011 amounted to Rp 4,299,150, Rp 3,505,205, Rp 4,780,987, Rp 3,744,824 and Rp 3,485,092, respectively and are recorded as general and administrative expenses.

Based on appraisal reports from independent appraiser, dated 7 March 2014, the aggregate market value of the land amounted to Rp 148,038,600. Management believes that there is no impairment in value of the land.

The deduction of fixed asset represents the sales of fixed assets with the following details:

	30 September		31 December		
	2014	2013	2013	2012	2011
Book value of fixed assets sold	-	-	6,563	124,901	-
Proceed	-	-	97,050	574,500	-
Gain on sales of fixed assets	-	-	90,487	449,599	-

Gain on sales of fixed assets is recorded in others income (expenses) - others.

The Company's management believes that there is no impairment of fixed assets so there is no provision for decline in value of fixed assets.

13. Deferred charges - shares issuance

Represents costs incurred in relation of the Company's share Initial Public Offering process. Balance as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 amounting to Rp Nil, Rp Nil, Rp Nil and Rp 5,055,750. In the year 2012, all costs related to initial public offering amounting Rp 14,519,730 has been reclassified as deduction of additional paid in capital in the equity (see note 23).

14. Due from related parties

Consist of :

	30 September		31 December		
	2014	2013	2013	2012	2011
Key management personel	4,400,000	5,600,000	5,300,000	-	-
PT Bisma Narendra	-	-	-	-	5,000,000
Due from related parties	4,400,000	5,600,000	5,300,000	-	5,000,000

Due from related parties to PT Bisma Narendra represent loan receivable in cash, non-interest bearing and no specific term of payment.

Due from related parties to key management personel represent loan receivable in cash. The Company approved the loan in order to aquire expertise in promoting and increasing the land sales in industrial estate. The loan is non-interest bearing loan with term of payment in monthly basis ending in 31 May 2018.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

14. Due from related parties (continued)

The Company acquired assets by transferring amount due to related parties as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Advance payment of land purchase	-	-	-	-	148,802,135
Advance of investment					
- PT Bekasi Matra Industrial Estate	-	-	-	-	84,000,000

Management believes that all due from related parties can be collected.

15. Trade payables

Consist of :

	30 September		31 December		
	2014	2013	2013	2012	2011
Third parties :					
PT Tara Putratama Mandiri	17,153,596	15,173,616	9,568,756	1,321,166	24,521,976
PT Putra Bintang Sembada	7,425,831	-	5,562,717	-	-
PT Kali Abang Jaya Pratama	3,531,000	-	5,296,500	-	-
PT Conbloc Infratecno	3,388,000	-	-	-	-
PT Mandiri Jaya Makmur	3,045,486	1,063,085	655,575	-	-
PT Glitter Indoprata	1,309,395	6,182,297	5,606,689	781,388	6,467,099
PT Dom-dom Star	751,366	751,366	751,366	751,366	751,366
PT Cipta Baja Trimatra	599,500	-	-	-	-
PT Bitu Bina Semesta	430,024	-	515,005	-	-
CV Hanas	355,940	-	-	-	-
PT Tecotama Mitrasarana	306,424	306,424	306,424	306,424	331,164
Ir. Tarso	-	-	-	-	15,529,600
PT Hitachi Construction M.I.	-	-	-	-	4,837,778
Others (below Rp 300,000)	1,804,165	1,550,906	1,321,709	1,641,518	1,490,843
	<u>40,100,727</u>	<u>25,027,694</u>	<u>29,584,741</u>	<u>4,801,862</u>	<u>53,929,826</u>
Related parties :					
PT Megalopolis Manunggal Industrial Development	5,456,997	1,539,436	29,626,347	131,532	2,851,643
PT Alam Sutera Realty, Tbk	527,999	-	137,505	-	-
PT Pralon	359	230,745	359	359	56,855
PT Nusa Raya Mitratama	-	255,750,000	11,625,000	-	-
PT Daya Sakti Perdika	-	137,841	-	-	261,644
	<u>5,985,355</u>	<u>257,658,022</u>	<u>41,389,211</u>	<u>131,891</u>	<u>3,170,142</u>
Total trade payables	<u>46,086,082</u>	<u>282,685,716</u>	<u>70,973,952</u>	<u>4,933,753</u>	<u>57,099,968</u>

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

15. Trade payables (continued)

The details of the aging schedule for trade payables as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Third parties					
Not yet due	13,296,828	21,538,730	25,762,934	2,677,314	44,805,759
Past due					
> 1 month – 3 months	25,194,400	1,786,905	2,328,069	645,582	7,518,026
> 3 months – 6 months	8,785	226,627	-	-	-
> 6 months – 1 year	106,930	-	17,627	25,873	1,606,041
> 1 year	1,493,784	1,475,432	1,476,111	1,453,093	-
Total	40,100,727	25,027,694	29,584,741	4,801,862	53,929,826
Related parties					
Not yet due	1,940,422	257,343,189	28,458,073	23,155	475,615
Past due					
> 1 month – 3 months	3,691,065	200,376	1,167,206	-	1,304,075
> 3 months – 6 months	246,176	6,765	11,656,240	1,044	1,390,452
> 6 months – 1 year	-	-	-	107,333	-
> 1 year	107,692	107,692	107,692	359	-
Total	5,985,355	257,658,022	41,389,211	131,891	3,170,142
Total trade payables	46,086,082	282,685,716	70,973,952	4,933,753	57,099,968

The details of trade payables based on type of currency, as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Third parties					
US Dollar	23,930	22,756	23,885	18,949	4,837,778
Rupiah	40,076,797	25,004,938	29,560,856	4,782,913	49,092,048
Total	40,100,727	25,027,694	29,584,741	4,801,862	53,929,826
Related parties					
US Dollar	5,337,243	1,362,803	29,435,139	-	2,759,472
Rupiah	648,112	256,295,219	11,954,072	131,891	410,670
Total	5,985,355	257,658,022	41,389,211	131,891	3,170,142
Total trade payables	46,086,082	282,685,716	70,973,952	4,933,753	57,099,968

16. Other payables

	30 September		31 December		
	2014	2013	2013	2012	2011
Deposits from customers	37,221,097	139,497,831	80,412,789	7,164	5,723,500
Purchase of vehicles liability	2,821,156	3,067,042	2,491,819	2,734,262	1,665,525
Other deposits	15,900	337,357	14,927	9,407	4,504,939
Deposits from contractor	220,000	-	245,000	-	-
Others (below Rp 100,000)	1,156,853	100,136	132,486	386,206	80
Total other payables	41,435,006	143,002,366	83,297,021	3,137,039	11,894,044

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

17. Accrued expenses

	30 September		31 December		
	2014	2013	2013	2012	2011
Consist of :					
Infrastructure expenses and others	3,249,623	5,148,861	722,223	35,963,857	4,274,257
Interest expense	428,406	-	680,949	338,449	399,943
	3,678,029	5,148,861	1,403,172	36,302,306	4,674,200

18. Sales advances

	30 September		31 December		
	2014	2013	2013	2012	2011
Third parties					
PT Hitachi Construction Machinery					
Indonesia	57,161,995	-	46,824,960	-	42,874,000
CV Trust Trading	44,598,434	25,652,496	39,680,371	-	-
PT Supernova Flexible Packaging	29,494,920	-	-	-	-
PT Astra Otoparts Tbk	29,398,320	-	-	-	-
PT Allure Allumino	16,924,250	-	-	-	-
PT Chiyoda Industry Indonesia	6,052,286	-	-	-	-
PT Sentra Kemika Persada	3,593,749	-	-	-	-
PT Bank Central Asia, Tbk	3,436,500	3,436,500	3,436,500	-	-
PT Berkah Logam Makmur	2,810,018	2,810,018	2,810,018	2,810,018	-
PT Sungwoo Indonesia	863,742	-	-	5,667,545	-
PT TD Automotive Compressor					
Indonesia	-	63,372,754	-	-	-
PT Solusi Rekatama Makmur	-	24,121,698	-	-	-
PT YTK Indonesia Total	-	21,033,576	21,033,576	-	-
PT Asmo Indonesia	-	11,860,000	-	11,860,000	-
PT Yamaha Indonesia	-	6,240,197	-	-	-
PT Dwi Indah	-	4,822,823	4,822,823	1,235,914	1,235,914
PT Mechatronic Nusantara	-	-	-	1,982,988	-
PT Kayaba Indonesia	-	-	-	49,123,200	-
PT Excel Metal Industry	-	-	-	48,974,620	-
PT Krama Yudha Tiga Berlian Motors	-	-	-	28,458,850	-
PT Garuda Metal Utama	-	-	-	17,104,125	-
PT Jaya Victori Cemerlang	-	-	-	16,020,503	-
PT Garuda Metal Internasional	-	-	-	11,349,710	-
PT Istana Tiara	-	-	-	9,185,027	-
PT Graha Sarana Metal	-	-	-	5,693,045	-
PT Makmur Meta Graha Dinamika	-	-	-	5,693,045	-
PT Denso Indonesia	-	-	-	-	132,379,745
PT Nutrifood Indonesia	-	-	-	-	29,309,796
PT Tokai Rika Indonesia	-	-	-	-	52,663,600
PT Ultrajaya Milk Industry & Trading Company	-	-	-	-	64,380,844
PT Autoliv Indonesia	-	-	-	-	7,671,494
PT Mega International Cold Storage	-	-	-	-	6,988,050
PT KGEO Electronics Indonesia	-	-	-	-	5,222,573
PT Kawasaki Motor Indonesia	-	-	-	-	53,205,750
Total sales advances	194,334,214	163,350,062	118,608,248	215,158,590	395,931,766

Represents advances received on the sale of lot of land.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

19. Bank loans and financial institution

Creditor	Original currency	In Rp.000 or equivalent Rp.000				
		30 September		31 December		
		2014	2013	2013	2012	2011
PT Bank Rakyat Indonesia (Persero) Tbk	Rupiah	-	-	-	22,000,000	28,000,000
Lembaga Pembiayaan Ekspor Indonesia	Rupiah	65,924,715	113,989,391	101,973,221	150,295,555	222,909,274
Lembaga Pembiayaan Ekspor Indonesia	US Dollar	334,303,500	402,680,775	400,408,650	-	-
PT Bank ICBC Indonesia	Rupiah	-	48,000,000	45,000,000	57,000,000	-
PT Bank QNB Kesawan Tbk	US Dollar	132,906,723	-	-	-	-
Total		533,134,938	564,670,166	547,381,871	229,295,555	250,909,274
Credit provisions		(7,407,469)	(5,644,725)	(5,831,058)	(2,088,000)	-
Total bank loan		525,727,469	559,025,441	541,550,813	227,207,555	250,909,274
Current portion		270,119,004	145,183,118	149,044,381	67,522,334	77,087,094
Long term portion		255,608,465	413,842,323	392,506,432	159,685,221	173,822,180

PT Bank Rakyat Indonesia (Persero) Tbk

Based on Notarial Deed of Facility Credit Agreement between PT Bank Rakyat Indonesia (Persero) Tbk, and the Company No. 36 dated 27 December 2007 of Badar Baraba, SH., MH., Notary in Cimahi, the Company obtained refinancing credit facility for Club House and Driving Range development amounting to Rp 40,000,000, with interest rate 12% per annum and term of payment 96 months starting from 27 December 2007 until 27 December 2015 with colateral : Certificate of land HGB No. 393 which located in Kabupaten Bekasi with an area of 64,960 sq.m on behalf of the Company. PT Bank Rakyat Indonesia (Persero) Tbk is a third party.

There is no negative covenants that could potentially adverse interests of public shareholders. Bank has approved the Company request that was submitted in letter No. 010/KD/BFIE/VI/2011, in respect of the bank willingness to disregard the terms of the credit agreement that are contrary to prevailing regulation.

Based on letter from PT Bank Rakyat Indonesia (Persero) Tbk No. 3736 KW-VI/ADK/07/2011 dated 20 July 2011 that it is stated PT Bank Rakyat Indonesia (Persero) Tbk approved with the Company's planning to conduct Initial Public Offering.

Based on letter No. 3338-VI/KC/ADK/05/2013 dated 28 May 2013 stated that SHGB No. 393 on behalf of the Company which located in Bekasi with an area of 64,960 sq.m has been released as the loan collateral.

Based on letter from PT Bank Rakyat Indonesia (Persero) Tbk No. 3339-VI/KC/ADK/05/2013 dated 28 May 2013, the Company has paid all of its outstanding loan on 22 May 2013.

The loan facility from PT Bank Rakyat Indonesia (Persero) Tbk has been fully repaid on 22 May 2013.

Interest expense for the nine months period ended 30 September 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011 are Rp Nil, Rp 1,203,050, Rp 1,203,050, Rp 3,759,753 and Rp 6,821,650, respectively.

Balance as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 are Rp Nil, Rp Nil, Rp Nil, Rp 22,000,000 (Rp 22,000,000 and USD Nil) and Rp 28,000,000 (Rp 28,000,000 and USD Nil).

(In thousands of Rupiah, except otherwise stated)

19. Bank loans and financial institution (continued)

Lembaga Pembiayaan Ekspor Indonesia

Based on Notarial Deed of Working Capital Financing Term Loan Bai based on principle Al Murabahah No. 73 dated 29 December 2009, the Company obtained Working Capital Financing Facility with maximum facility amounting to Rp 100,000,000, financing margin 11.25% per annum (reviewable each 3 monthly) with term of payment 48 months, collateral : Certificate of HGB No. 48, 53, 71 and 72 which located in Bekasi, West Java with area of 334,422 sq.m on behalf of the Company. The Financing Agreement changed the Deed of The Fourth of Amendment of Working Capital Term Loan No. 25 dated 9 December 2010 by Yualita Widyadhari, SH., Notary in Jakarta, the Company obtained the additional financing facility amounting Rp 100,000,000 thus with the financing facility Working Capital Financing Facility Term Loan Bai Al Murabahah I Facility amounting to Rp 78,024,104,452 and Bai Al Murabahah II Facility amounting to Rp 100,000,000, so the total of financing facility become Rp 178,024,104, financing margin 11.25% per annum (reviewable every 3 monthly) with term of payment 48 month, collateral : Certificates of HGB No. 40, 48, 53, 71, 72 and 48 located in Bekasi, West Java with area of 353,119 sq.m on behalf of the Company, No. 30 and 3 are 145,505 sq.m on behalf of PT Bekasi Matra Industrial Estate, Subsidiary and additional collateral are Certificates of HGB No. 1, 2, 4 until 29 with area of 541,904 sq.m on behalf of PT Bekasi Matra Industrial Estate, Subsidiary, and No. 41, 42 and 43 located in Bekasi, West Java with area of 133,278 sq.m on behalf of the Company. The latest amendment on the Deed of The Fifth Amendment of Working Capital Term Loan based on Bai Al Murabahah Principle No. 79 dated 19 July 2012 by Yualita Widyadhari, SH., Notary in Jakarta, the parties agreed to changes in conditions and collateral of the facility which is to reduce the financing margin from 11.25% to become 9% and to extend the term of payment becoming 60 months no longer than 25 November 2015.

Based on Notarial Deed of Working Capital Financing Term Loan Agreement with Bai Al Murabahah Principal No. 8 dated 1 August 2011 by Yualita Widyadhari SH, Notary in Jakarta, the Company has obtained Working Capital Financing facility, financing margin 9.75% per annum (reviewable every 3 monthly) amounting Rp 128,800,000 with term of payment 48 month starting 5 August 2011 until 5 August 2015, colateral : Certificate of HGB No. 71 on behalf of PT Daya Sakti Perdika for an area of 4,810 sq.m. On the Deed of The First Amendment of Working Capital Term Loan based on Bai Al Murabahah Principle No. 80 dated 19 July 2012 by Yualita Widyadhari, SH., Notary in Jakarta, the parties agreed to changes in conditions and collateral of the facility which is to reduce the financing margin from 11.25% to become 9% and to extend the term of payment becoming 60 months no longer than 5 Agustus 2016, released the certificate of HGB No. 71 on behalf of PT Daya Sakti Perdika as the Company's collateral, and to perform cross collateral with collateral on the Deed of The Fourth Amendment of Working Capital Term Loan based on Bai Al Murabahah Principle No. 25 dated 9 December 2010.

Lembaga Pembiayaan Ekspor Indonesia is a third party.

There are no negative covenants that could potentially adverse interests of public shareholders. Bank has approved the Company's request that was addressed in the letter No. 012/KD/BFIE/VI/2011 and No. 017KD/BFIE/VIII/2011 in respect to the bank's willingness to disregard the terms of the credit agreement contrary to the prevailing regulation. The bank requested the Company to maintain the debt to equity ratio with the maximum of 300%.

Based on Lembaga Pembiayaan Ekspor Indonesia Letter No. BS.0155/SYR/09/2011 dated 28 September 2011 that Lembaga Pembiayaan Ekspor Indonesia Letter has agreed with the Company's plan to proceed with the Initial Public Offering.

Based on Lembaga Pembiayaan Ekspor Indonesia Letter No. BS.0171/SYR/06/2014 dated 20 June 2014, Lembaga Pembiayaan Ekspor Indonesia adjusted the financing margin by increasing by 0.25% effectively since 25 June 2014, therefore the new financing margin is 9.25%.

Based on Notarial Deed of Export Investment Financing Agreement based on Bai Al Murabahah Principle No. 97 dated 25 April 2013, by Yualita Widyadhari, SH., Notary in Jakarta, which the Company obtained Export Investment Financing facility with maximum facility amounting to US\$ 36,500,000, financing margin 6% per annum (reviewable each 3 monthly) with loan term of payment 60 months, collateral : Certificate of HGB No. 371-391, 393, 39, 12, 289, 32, 33, 38, 40, 45 dan 47 which located in Bekasi, West Java with an area of 506,438 sq.m on behalf of the Company, No. 929, 932-935, 940-942, 945, 947, 949, 951, 952, 953, 956, 958, 961 dan 96 are 258,630 sq.m on behalf of PT Bekasi Matra Industrial Estate, Subsidiary.

(In thousands of Rupiah, except otherwise stated)

19. Bank loans and financial institution (continued)

Lembaga Pembiayaan Ekspor Indonesia (lanjutan)

Based on Lembaga Pembiayaan Ekspor Indonesia Letter No. BS.0066/SYR/03/2014 dated 25 March 2014 that the certificate of HGB No. 53/Gandamekar on behalf of the Company is no longer become collateral for the Company's loan to Lembaga Pembiayaan Ekspor Indonesia.

The Company's management believed that the Company has complied with the requirements of bank loan.

Financing margin for the nine months period ended 30 September 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011 are Rp 21,670,544 (payment in original currency : Rp 5,938,732 and USD 1,350,806), Rp 18,080,846 (payment in original currency : Rp 8,960,361 and USD 881,474), Rp 27,130,147 (payment in original currency : Rp 11,674,288 and USD 1,421,674), Rp 17,449,932 (payment in original currency : Rp 17,449,932 and USD Nil) and Rp 20,005,456 (payment in original currency : Rp 20,005,456 and USD Nil).

Balance as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 are Rp 400,228,215 (Rp 65,924,715 and USD 27,375,000), Rp 516,670,166 (Rp 113,989,391 and USD 34,675,000), Rp 502,381,871 (Rp 101,973,221 and USD 32,850,000), Rp 150,295,555 (Rp 150,295,555 and USD Nil) and Rp 222,909,274 (Rp 222,909,274 and USD Nil).

PT Bank ICBC Indonesia

Based on Notarial Deed of Credit Facility Agreement No. 47 dated 5 July 2012 and the first amendment of the credit facility agreement No. 58 dated 13 August 2012, between PT Bank ICBC Indonesia and the Company, made before Mellyani Noor Shandra S.H., Notary in Jakarta, the Company has obtained credit facility for financing capital expenditure amounting to Rp 60,000,000, interest rate 10% per year, loan term 60 months from 26 September 2012 until 26 September 2017. The collateral are land certificates of HGB number : 210, 34, 36, 37, 111, 120 and 135 with sum of 229,693 m² area located in Bekasi on behalf of the Company. PT Bank ICBC Indonesia is a third party.

Based on Letter from PT Bank ICBC Indonesia No. 094/CBIII/ICBC/VIII/2013 dated 13 August 2013, PT Bank ICBC Indonesia adjusted the interest rate by increasing is 0.50% effectively since August 2013, therefore the new interest rate is 10.50%.

Based on Letter from PT Bank ICBC Indonesia No. 196/CBIII/ICBC/XIII/2013 dated 11 December 2013, PT Bank ICBC Indonesia adjusted the interest rate by increasing is 0.50% effectively since December 2013, therefore the new interest rate is 11%.

Based on Letter from PT Bank ICBC Indonesia No. 041/CBIII/ICBC/II/2014 dated 4 February 2014, PT Bank ICBC Indonesia adjusted the interest rate by increasing is 1% effectively since February 2014, therefore the new interest rate is 12%.

There is no negative covenants that could potentially adverse interest of public shareholders.

Based on Letter from PT Bank ICBC Indonesia No. 169/CBIII/ICBC/V/2014 dated 14 May 2014, confirmed that the Company has paid all of its outstanding loan on 14 May 2014. The repayment was Rp 45,000,000.

Based on Letter from PT Bank ICBC Indonesia No. 046-050/ICBC-CMD/V/2014 dated 14 May 2014, land certificates of HGB No. 210, 34, 36, 37, 111, 120, 135 on behalf of the Company located in Bekasi are no longer becoming collaterals for the credit facility.

Interest expense for the nine months period ended 30 September 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011 are Rp 1,855,611, Rp 3,992,465, Rp 5,308,673, Rp 1,796,700 and Rp Nil, respectively.

Balance as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 are Rp Nil, Rp 48,000,000 (Rp 48,000,000 and USD Nil), Rp 45,000,000 (Rp 45,000,000 and USD Nil), Rp 57,000,000 (Rp 57,000,000 and USD Nil) and Rp Nil.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

19. Bank loans and financial institution (continued)

PT Bank QNB Kesawan Tbk

Based on Notarial Deed of Credit Agreement No. 3 dated 12 May 2014 between PT Bank QNB Kesawan Tbk and the Company, by Rismalena Kasri S.H., Notary in Jakarta, in which the Company obtained Working Capital facility with maximum amount of USD 20,000,000, which consists of demand loan facility up to USD 20,000,000 that is a revolving facility with term of payment 120 days and bond and guarantee facility with the term of 12 months. The facility interest is one or three months LIBOR plus 4.75% per year (reviewable by the bank), the facility term is 12 months, starting from 12 May 2014 to 12 May 2015. The collateral are land certificate of HGB number : 210, 34, 37 and 135 with sum of 177,503 sq. m area located in Bekasi on behalf of the Company. This agreement was amended based on Notarial Deed of First Amendment of Credit Agreement No. 37 dated 23 June 2014, by Rismalena Kasri S.H., Notary in Jakarta, in which the facility collaterals become land certificates of HGB number : 210, 34, 37, 135, 36, 111 and 120 with sum of 229,693 sq. m area located in Bekasi on behalf of the Company. PT Bank QNB Kesawan Tbk is a third party.

On 25 June 2014, the Company withdrew demand loan facility amounting USD 7,693,979.98 with interest rate 4.9015% per annum and should be paid on 23 October 2014 with the interest to be paid on maturity date amounting USD 125,706.81. On 27 June 2014, the Company withdrew demand loan facility amounting USD 232,756.61 with interest rate 4.9015% per annum and should be paid on 25 October 2014 with the interest to be paid on maturity date amounting USD 3,802.86. On 3 July 2014, the Company withdrew demand loan facility amounting USD 1,600,578.33 with interest rate 4.9015% per annum and should be paid on 31 October 2014 with the interest to be paid on maturity date amounting USD 26,150.78. On 16 July 2014, the Company withdrew demand loan facility amounting USD 1,355,973.88 with interest rate 4.9015% per annum and should be paid on 13 November 2014 with the interest to be paid on maturity date amounting USD 22,154.35.

The Company's management believed that the Company has complied with the requirements of bank loan.

Interest expense for the nine months period ended 30 September 2014 is Rp 65,125 (amount in original currency : USD 5,333).

Balance as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 are Rp 132,906,723 (Rp Nil and USD 10,883,289), Rp Nil, Rp Nil, Rp Nil and Rp Nil.

20. Due to related parties

Consist of :

	30 September		31 December		
	2014	2013	2013	2012	2011
In Rupiah :					
PT Jatiwangi Utama	6,913,441	6,913,441	6,913,441	6,913,441	16,763,176

21. Employee benefits obligation

Provision for employee benefits determined based on Labour Law No. 13/2003 dated 25 March 2003 using independent actuarial valuation reports PT Dian Artha Tama. Actuarial valuation adopts actuarial methods "Projected Unit Credit".

Amounts recognized in consolidated statements of comprehensive income in respect of these employee benefits are as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Current service cost	855,916	1,044,316	1,215,883	911,871	660,564
Interest cost	225,531	223,935	305,486	269,623	277,974
Past service cost	80,526	80,526	107,369	107,369	107,369
Actuarial gain/(loss)	(12,300)	(13,244)	(16,401)	-	-
Total	1,149,673	1,335,533	1,612,337	1,288,863	1,045,907

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

21. Employee benefits obligation (continued)

Reconciliation of amounts recognized in the statement of financial position :

	30 September		31 December		
	2014	2013	2013	2012	2011
Present value of obligation	9,044,124	8,137,251	7,795,689	6,082,423	5,392,466
Fair value of plan assets	-	-	-	-	-
Status of financing	9,044,124	8,137,251	7,795,689	6,082,423	5,392,466
Past service cost	(511,225)	(2,016,834)	(591,751)	(699,120)	(806,489)
Unrecognized actuarial (gain)/loss	395,895	1,381,901	575,184	783,482	291,946
Total liabilities recognized in the statement of financial position	8,928,794	7,502,318	7,779,122	6,166,785	4,877,923

The movements in net liabilities in the consolidated statement of financial position are as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Beginning of balance	7,779,121	6,166,785	6,166,785	4,877,923	3,832,016
Payment of benefits	-	-	-	-	-
Current year's expenses	1,149,673	1,335,533	1,612,337	1,288,862	1,045,907
Provision at end of year	8,928,794	7,502,318	7,779,122	6,166,785	4,877,923

Key assumption used in determining the actuarial valuation are as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Discount rate	8.5%	5.5%	8.5%	5%	6%
Salary increment rate	7%	7%	7%	7%	7%
Mortality rate	Indonesia-II (1999)	Indonesia-II (1999)	Indonesia-II (1999)	Indonesia-II (1999)	Indonesia-II (1999)
Retirement age	55 old year	55 old year	55 old year	55 old year	55 old year

22. Share capital

	30 September		31 December		
	2014	2013	2013	2012	2011
Authorized capital	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000	700,000,000
Issued and fully paid	964,543,730	962,904,475	962,904,475	936,170,725	700,000,000

Based on deed No. 40 dated 27 May 2008, by Mrs Erly Soehandjojo, SH., Notary in Jakarta, the authorized capital of the Company amounting to Rp 70,000,000, and has been issued and paid up all as much as Rp 70,000,000 consisting of 70,000,000 shares with nominal value of Rp 1,000 (one thousand rupiah) (Rupiah in full amount) per share.

Based on notarial deed Aulia Taufani SH., in lieu of Sutjipto SH. M.Kn., No. 24 dated 12 September 2011, it has obtained approval from the Minister of Justice and Human Rights by the Decree No. AHU 45280.AH.01.02.Tahun 2011 dated 15 September 2011 that it was agreed :

- Sales of 3,500,000 shares with a nominal value of Rp 3,500,000 which is owned by PT Intimanunggal Multi Development to PT Argo Manunggal Land Development ("AMLD").
- Change of status from Domestic Investment Company (PMDN) to Foreign Investment Company (PMA) and has received approval from the Investment Coordinating Board by decree No. 59/1/PPM/V/PMA/2011 dated 13 September 2011.

(In thousands of Rupiah, except otherwise stated)

22. Share capital (continued)

Based on notarial deed Andalia Farida SH. MH., No. 18 dated 26 September 2011, it has obtained approval from the Minister of Justice and Human Rights by the Decree No. AHU47539.AH.01.02.Tahun 2011 dated 29 September 2011 that it was agreed :

- a. The transfer of 65,800,000 shares with nominal value of Rp 65,800,000 which is owned by PT Intimanunggal Multi Development to AMLD.
- b. Increase of authorized, issued and paid-up capital of 70,000,000 shares to 700,000,000 shares with a nominal value of Rp 700,000,000 by issuing new shares as many as 630,000,000 shares taken by the AMLD.

The issued new shares of 630,000,000 shares, all were taken by AMLD. The payment from AMLD amounting to Rp 630,000,000 was paid in cash Rp 162,729,000 and the remaining from the conversion of other paid in capital of Rp 462,271,000 which consist of :

- a. Other paid in capital which paid in cash in 2010 amounting to Rp 38,000,000 and
- b. Rp 429,271,000 represent the result of transfer of other paid in capital from Essex Glory Holdings Limited ("EG") to AMLD, based on Minute of General Shareholder Meeting dated 26 December 2005. The EG's other paid in capital was from convertible bond. Based on the Minutes of the General Shareholders Meeting dated 26 December 2005, it was approved that the incoming advance of other paid in capital was from the convertible bond ("CB") owned by EG in which the convertible bond has not been converted into shares amounting to Rp 429,271,000. Since EG is foreign entity, in order to become shareholder of the company, the company must obtain approval from the Minister of Law and Human Rights of Republic of Indonesia and Investment Coordinating Board and EG does not control the company until the conversion of CB into share capital approved by the Minister of Law and Human Rights of Republic of Indonesia. While waiting to obtain that approval, the company's shareholder unanimously agree to record the conversion of CB to become share capital in the financial statements for the book year 2005 as other paid in capital on behalf of EG.

Based on the Minutes of the General Shareholders Meeting dated 15 December 2010, it was approved the transfer of advance payment of shares of Essex Glory Holdings Limited to AMLD.

Based on Deed of Minute of Shareholder Meeting No. 49 dated 9 December 2011 by Dr Misahardi Wilamarta SH. MH. M.Kn. LL.M. that the shareholder among other have agreed :

- a. The changes of nominal of share from previously Rp 1,000 to become Rp 100 (Rupiah in full amount) par value.
- b. To increase authorized capital of Rp 700,000,000 consisting of 700,000,000 shares with par value Rp 1,000 (Rupiah in full amount) become Rp 2,800,000,000 consist of 28,000,000,000 share with par value Rp 100 (Rupiah in full amount) per share.
- c. Initial Public Offering through the issuance of new share from unissued shares of the Company as many as 1,800,000,000 shares.
- d. To issue warrants as many as 900,000,000 warrants. Warrant Series I in which one warrant can be converted into one share after the IPO.

The Notarial Deed has been approved by the Minister of Justice and Human Rights Republic of Indonesia with Decree No. AHU-62997.AH.01.02 Tahun 2011 dated 20 December 2011.

Initial Public Offering

On 2 - 3 April 2012, the Company conducted Initial Public Offering of 1,765,000,000 common shares to the public at the price of Rp 170 (Rupiah in full amount) per share accompanied by 882,500,000 warrant series 1 which can be traded in market starting 10 April 2012 to 9 April 2015 and the period of execution of warrant series 1 starting from 10 October 2012 to 10 April 2012, whereas the warrant holders have the right to buy one new share with nominal of Rp 100 (Rupiah in full amount) per share at the execution price of Rp 200 (Rupiah in full amount) per share. Until 31 December 2013, warrant series 1 have been converted into share capital as much as 864,044,750 warrants. As of 30 September 2014, warrant series 1 have not been converted into share capital is 2,062,700 warrants.

The proceed from the public offering is Rp 300,050,000 before deducted with the Initial Public Offering costs.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

22. Share capital (continued)

The following composition of stockholders as of 30 September 2014 are as follows :

Shareholder's name	Number of share	Percentage of ownership (%)	Total (Thousands of Rupiah)
PT Argo Manunggal Land Development	4,626,419,500	47.97	462,641,950
Daiwa House Industry Corporate Ltd.	964,750,000	10.00	96,475,000
Hungkang Sutedja	7,000,000	0.07	700,000
Public	4,047,267,800	41.96	404,726,780
Total	9,645,437,300	100.00	964,543,730

The following composition of stockholders as of 31 December 2013 and 30 September 2013 are as follows :

Shareholder's name	Number of share	Percentage of ownership (%)	Total (Thousands of Rupiah)
PT Argo Manunggal Land Development	4,946,849,500	51.37	494,684,950
Daiwa House Industry Corporate Ltd.	964,750,000	10.02	96,475,000
Hungkang Sutedja	7,000,000	0.07	700,000
Public	3,710,445,250	38.54	371,044,525
Total	9,629,044,750	100.00	962,904,475

The following composition of stockholders as of 31 December 2012 are as follows :

Shareholder's name	Number of share	Percentage of ownership (%)	Total (Thousands of Rupiah)
PT Argo Manunggal Land Development	6,028,250,000	64.39	602,825,000
Daiwa House Industry Corporate Ltd.	964,750,000	10.31	96,475,000
Hungkang Sutedja	7,000,000	0.07	700,000
Public	2,361,707,250	25.23	236,170,725
Total	9,361,707,250	100.00	936,170,725

The following composition of stockholders as of 31 December 2011 are as follows :

Shareholder's name	Number of share	Percentage of ownership (%)	Total (Thousands of Rupiah)
PT Argo Manunggal Land Development	6,993,000,000	99.90	699,300,000
Hungkang Sutedja	7,000,000	0.10	700,000
Total	7,000,000,000	100.00	700,000,000

23. Other paid in capital - net

	30 September		31 December		
	2014	2013	2013	2012	2011
a. Shares premium - net	197,074,000	195,434,745	195,434,745	168,700,995	-
b. Difference in value of restructuring transactions with entities under common control (note 2)	958,690	958,690	958,690	958,690	-
Total other paid in capital - net	198,032,690	196,393,435	196,393,435	169,659,685	-

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

23. Other paid in capital - net (continued)

a. Shares premium - net

	30 September		31 December		
	2014	2013	2013	2012	2011
i. Initial Public Offering	123,550,000	123,550,000	123,550,000	123,550,000	-
ii. Conversion of warrant serie 1 to share capital	88,043,730	86,404,475	86,404,475	59,670,725	-
Shares premium	211,593,730	209,954,475	209,954,475	183,220,725	-
iii. Share issuance costs	(14,519,730)	(14,519,730)	(14,519,730)	(14,519,730)	-
Shares premium - net	<u>197,074,000</u>	<u>195,434,745</u>	<u>195,434,745</u>	<u>168,700,995</u>	<u>-</u>

- i. Through the Initial Public Offering in April 2012, the Company has received Rp 300,050,000 for the issuance of 1,765,000,000 shares with a nominal value of Rp 100 (Rupiah in full amount) per share with offering price amounting to Rp 170 (Rupiah in full amount) per share.
- ii. In conformity with the Initial Public Offering, the Company issued 882,500,000 warrant series 1 which can be traded in market starting from 10 April 2012 to 9 April 2015 and the period of execution of warrant series 1 starting from 10 October 2012 to 10 April 2012, whereas the warrant holders have the right to buy one new share with nominal of Rp 100 (Rupiah in full amount) per share at the price Rp 200 (Rupiah in full amount) per share.
- iii. Shares issuance costs

Represents costs incurred by the Company in relation to Initial Public Offering of the Company's share.

b. Restructuring of entities under common control

Represents the excess of the acquisition cost of the net assets of PT Bekasi Matra Industrial Estate ("BMIE") in 2011 over its book value when the Company acquired BMIE from under common control party (see note 2).

24. Noncontrolling interests

	30 September				31 December					
	2014		2013		2013		2012		2011	
	Total	%	Total	%	Total	%	Total	%	Total	%
Noncontrolling interest in net assets of Subsidiaries										
PT Bekasi Matra Industrial Estate	172,568	0.01	180,468	0.01	162,799	0.01	137,148	0.02	55,799	0.02
PT Bekasi Surya Pratama	1,458,070	0.50	97,269	0.50	1,171,760	0.50	8,012	0.50	-	-
	<u>1,630,638</u>		<u>277,737</u>		<u>1,334,559</u>		<u>145,160</u>		<u>55,799</u>	
Noncontrolling interest in net income (loss) of Subsidiaries										
PT Bekasi Matra Industrial Estate	9,770	0.01	43,320	0.01	25,650	0.01	81,348	0.02	5,831	0.02
PT Bekasi Surya Pratama	286,309	0.50	89,257	0.50	1,163,749	0.50	(6,987)	0.50	-	-
	<u>296,079</u>		<u>132,577</u>		<u>1,189,399</u>		<u>74,361</u>		<u>5,831</u>	

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

25. Dividend distributed

Based on the Minutes of the Extraordinary General Shareholders Meeting dated 16 August 2011, it was decided to approve a dividend distribution amounted to Rp 138,000,000 which has been paid gradually from October until December 2011.

Based on the Minutes of the General Shareholders Meeting No. 44 dated 31 May 2013, which by Notary Jose Dima Satria, S.H., M.Kn., the shareholders decided to approved cash dividend distribution amounting Rp 91,572,215 which has been fully paid on 8 July 2013.

Based on the Minutes of the General Shareholders Meeting No. 10 dated 30 April 2014, which by Notary Titik Krisna Murti Wikaningsing Hastuti, S.H., M.Kn., notary in Bekasi, the shareholders approved cash dividend distribution amounting Rp 22,000,000. The Company has paid dividend to the shareholders including dividend warrants series 1, the actual dividend payment amounting Rp 21,954,801 on 6 June 2014 and 9 June 2014.

26. Retained earnings

Based on the Minutes of the General Shareholders Meeting No. 44 dated 31 May 2013, which was covered by Notary Jose Dima Satria, S. H., M. Kn., the shareholders approved to allocate Rp 164,598,993 from 2012 retained earnings as the mandatory reserved fund in accordance with regulation of Republic of Indonesia No. 40/2007 about Limited Liability Company.

27. Revenue

Details of revenue are as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Sales of land	451,134,938	748,455,007	1,278,026,127	932,712,672	453,374,183
Maintenance fee	25,120,848	16,668,019	23,526,632	15,015,154	10,253,463
Service charge	214,500	167,950	235,400	214,670	201,497
Water	5,366,421	3,712,310	5,187,699	3,475,119	2,060,150
Waste water treatment	6,220,484	4,240,431	5,937,803	3,874,953	2,188,866
Golf	988,088	1,076,413	1,431,165	1,184,344	1,017,236
Coffee shop	1,618,866	1,258,833	1,799,453	1,255,734	775,982
Japanese restaurant	5,694,190	5,806,155	7,607,543	7,174,702	5,949,982
Others	112,247	116,255	163,901	205,927	135,382
Total	<u>496,470,582</u>	<u>781,501,373</u>	<u>1,323,915,723</u>	<u>965,113,275</u>	<u>475,956,741</u>

Sales to individual customers that exceeded 10% from total net revenue :

	30 September		31 December		
	2014	2013	2013	2012	2011
PT Daiwa Manunggal Logistik Properti	205,555,680	-	-	-	-
PT Tetra Pak Stainless Equipment	53,784,259	-	-	-	-
PT Hisada Indonesia	48,181,750	-	-	-	-
PT TD Automotive Compressor					
Indonesia	42,610,464	167,227,200	-	-	-
PT Kayaba Indonesia	-	94,805,639	137,784,957	-	-
PT JFE Steel Galvanizing					
Indonesia	-	-	256,982,058	-	-
PT Kawasaki Motor Indonesia	-	-	-	180,737,700	-
PT Denso Indonesia	-	-	-	168,787,340	-
PT Megalopolis Manunggal					
Industrial Development	-	-	-	-	56,308,273
Total	<u>350,132,153</u>	<u>262,032,839</u>	<u>394,767,015</u>	<u>349,525,040</u>	<u>56,308,273</u>

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

27. Revenue (continued)

The Company realized the sale of land to Daiwa House Industry Co. Ltd. ("Daiwa") for an area of 95,000 sqm with selling price Rp 205,555,680 thousand, based on Memorandum Of Understanding dated 15 January 2014 (see note 36e) and Daiwa requested the Company to deliver and sell the land owned by the Company to joint venture company that to be set up between Daiwa dan the Company. On 19 March 2014 the joint venture company ("PT Daiwa Bekasi Logistik") has been established and on 18 July 2014 the name of the joint venture company's was changed to PT Daiwa Manunggal Logistik Properti (see note 10 and 36f).

Details of revenue from related parties are as follows :

	30 September				31 December					
	2014		2013		2013		2012		2011	
	Total	%	Total	%	Total	%	Total	%	Total	%
PT Daiwa Manunggal Logistik Properti	205,555,680	92	-	-	-	-	-	-	-	-
PT Mega Manunggal Property	16,112,809	7	311,353	27	482,554	22	36,035,605	89	11,192,850	17
PT Argo Pantes Tbk	633,942	1	544,164	47	752,892	35	675,606	2	634,645	1
PT Fumira	503,472	-	-	-	489,380	23	439,144	1	-	-
PT Bisma Narendra	380,114	-	283,721	24	391,777	18	352,572	-	297,856	-
PT Bekasi Fajar Citarasa	29,760	-	17,140	1	25,515	1	21,111	-	20,824	-
PT Fajar Medika	4,615	-	6,820	1	9,225	1	8,848	-	-	-
PT Megalopolis Manunggal Industrial Development	-	-	-	-	-	-	3,088,602	8	56,308,272	82
Total	223,220,392	100	1,163,198	100	2,151,343	100	40,621,488	100	68,454,447	100

28. Cost of revenue

Details of cost of revenue are as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Sales of land	103,158,843	164,574,426	354,261,683	377,600,962	273,968,174
Maintenance fee	9,849,955	6,018,991	10,272,785	5,878,232	1,571,207
Water	5,345,317	3,735,746	4,566,214	3,750,961	1,565,115
Waste water treatment	5,336,852	3,752,706	4,716,734	4,403,086	1,706,701
Golf	25,491	36,664	58,844	127,390	67,062
Coffee shop	741,087	577,897	822,732	551,975	362,428
Japanese restaurant	2,647,850	2,691,776	3,514,513	3,031,342	2,861,009
Total	127,105,395	181,388,206	378,213,505	395,343,948	282,101,696

Details of cost of sales - land :

	30 September		31 December		
	2014	2013	2013	2012	2011
Beginning balance of inventory	2,399,420,552	1,544,224,698	1,544,224,698	1,449,142,446	858,110,482
Additions	167,686,328	1,071,431,273	1,209,457,537	472,683,214	865,000,138
Total	2,567,106,880	2,615,655,971	2,753,682,235	1,921,825,660	1,723,110,620
Ending balance of inventory	(2,463,948,037)	(2,451,081,545)	(2,399,420,552)	(1,544,224,698)	(1,449,142,446)
Cost of sales	103,158,843	164,574,426	354,261,683	377,600,962	273,968,174

There are no any of cost of revenue from individual suppliers that exceeded 10% of total revenue.

Details of cost of revenue from the related parties are as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
PT Megalopolis Manunggal Industrial Development	13,837,199	9,070,296	40,963,225	8,939,491	4,843,023

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

29. Operating expenses

Details of expenses are as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Selling expenses					
Commision	3,060,750	429,595	842,004	1,253,639	1,930,405
Promotion	1,382,284	171,640	501,317	141,633	61,379
Others	17,922	64,498	66,963	23,087	16,401
Total	4,460,956	665,733	1,410,284	1,418,359	2,008,185
General and administrative expenses					
Salary (employees expenses)	29,272,392	24,004,649	32,469,456	19,078,744	10,813,459
Representation and entertainment	2,649,512	6,594,261	7,608,955	5,390,027	3,105,702
Maintenance	350,821	1,249,211	1,280,365	313,408	6,874,664
Depreciation	4,299,151	3,505,205	4,780,987	3,744,824	3,485,092
Official travelling	1,018,670	1,888,178	2,713,962	1,488,074	295,809
Provision for employee benefits obligation	1,149,673	1,335,533	1,612,337	1,288,863	1,045,907
Rent	1,111,907	1,274,057	2,007,994	1,173,316	574,922
Electricity	806,289	626,017	872,384	645,759	1,058,579
Land and Building Tax and others	1,673,588	833,493	833,492	714,971	678,530
Consultant and accountant fee	1,245,900	521,605	1,061,605	407,180	569,927
Security and cleaning services	375,473	332,061	454,333	400,876	542,733
Communication	427,006	517,909	673,151	429,564	337,991
Permits and deeds	1,250,140	499,607	486,207	2,891,895	1,395,427
Vehicles	1,137,943	173,622	1,511,107	1,071,267	1,294,547
Apartment rent	38,819	330,224	-	-	-
Insurance	352,285	279,421	362,318	217,208	386,283
Jamsostek contribution which are borne by the company	347,665	262,080	348,804	203,348	116,655
Taxes expense	126,585	107,961	147,183	168,133	155,133
Tax penalty	3,009	73,174	-	354,564	149,673
Printing/ photocopy	137,737	-	366,597	152,564	28,203
Office equipment	113,244	-	143,546	107,918	85,728
Others (below Rp 100,000)	1,031,571	2,244,299	1,613,470	1,134,298	1,130,338
Total	48,919,380	46,652,567	61,348,253	41,376,801	34,125,302
Total operating expenses	53,380,336	47,318,300	62,758,537	42,795,160	36,133,487

30. Current year net earnings per share

Basic earnings per share

Current year net earnings per share - basic are computed by dividing current year net income attributable to owners of the parent as numerator with the related weighted average number of outstanding shares during the year as denominator.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

30. Current year net earnings per share (continued)

	30 September		31 December		
	2014	2013	2013	2012	2011
Basic earning per share					
Current year net income attributable to the owner of the parent	278,949,730	477,095,028	743,624,331	470,282,836	119,568,828
Weighted average number of share outstanding	9,631,553,860	9,534,402,937	9,558,257,860	8,341,658,520	2,361,538,462
Basic earnings per share (Rupiah in full amount)	28.96	50.04	77.80	56.38	50.63

Diluted earnings per share

Current year net earnings per share - diluted are computed by dividing current year net income attributable to owners of the parent as numerator with the weighted average number of ordinary shares outstanding during the reporting period, adjusted to assume conversion of all potential warrant that has dilutive effect ordinary shares as denominator.

	30 September		31 December		
	2014	2013	2013	2012	2011
Diluted earnings per share					
Current year net income attributable to the owner of the parent	278,949,730	477,095,028	743,624,331	470,282,836	119,568,828
Weighted average number of share outstanding and exercise of warrant that has dilutive effect	9,632,846,896	9,547,938,035	9,571,275,098	8,549,151,886	6,575,567,430
Diluted earnings per share (Rupiah in full amount)	28.96	49.97	77.69	55.01	18.18

31. Related parties balances and transactions

The company in their regular conduct of business, have engaged in transactions with related parties which conditions as agreed by the parties, and are summarized below :

Related parties	Nature of relationship	Transactions
PT Megalopolis Manunggal Industrial Development	Entity under same management	Revenues and purchases
PT Bisma Narendra	Entity under same management	Revenues
PT Argo Pantes Tbk	Entity under same management	Revenues
PT Shougang Manunggal Roll	Entity under same management	Revenues
PT Fumira	Entity under same management	Revenues
PT Bekasi Fajar Citarasa	Entity under same management	Revenues
PT Mega Manunggal Property	Entity under same management	Revenues
PT Fajar Medika	Entity under same management	Revenues
PT Nusa Raya Mitratama	Entity under same management	Purchases
PT Alam Sutera Realty Tbk	Entity under same management	Purchases
PT Pralon	Entity under same management	Purchases
PT Jatiwangi Utama	Entity under same management	Loans without interest
Daiwa House Kadii Joint Operation	Entity under same shareholders	Construction
BUT Daiwa House Industry Co. Ltd.	Entity under same shareholders	Office rental
Key management personel	Key management	Loans without interest

Hungkang Sutedja is the Company's president director and also as director or commissioner in the above companies.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

31. Related parties balances and transactions (continued)

The transaction with related parties with the amount of Rp 1,000,000 or above are as follows :

a. Trade receivables (see note 6)

	30 September		31 December		
	2014	2013	2013	2012	2011
PT Daiwa Manunggal Logistik	46,009,260	-	-	-	-
PT Bisma Narendra	1,328,510	927,434	1,007,198	849,591	545,830
PT Argo Pantes Tbk	1,417,296	1,134,080	1,346,382	509,902	319,414
PT Megalopolis Manunggal Industrial Development	-	-	-	1,075,494	1,437,020
	48,755,066	2,061,514	2,353,580	2,434,987	2,302,264
Percentage from total assets	1.36%	0.06%	0.07%	0.11%	0.14%

Trade receivables represent receivables from sale of lot of land and service charges.

b. Land purchase (see note 7)

Based on Sales and Purchase Binding Agreement No. 21 dated 15 May 2013, Company purchased several parcel of land from PT Nusantara Mitratama with area 915,897 sq.m. amounting Rp 915,897,000. Total of land purchase until date of report is as follow :

	30 September		31 December		
	2014	2013	2013	2012	2011
PT Nusantara Mitratama	-	915,897,000	915,897,000	-	-
Percentage from total assets	-	26.92%	27.26%	-	-

c. Due from related parties (see note 14)

	30 September		31 December		
	2014	2013	2013	2012	2011
Key management personel	4,400,000	5,600,000	5,300,000	-	-
PT Bisma Narendra	-	-	-	-	5,000,000
	4,400,000	5,600,000	5,300,000	-	5,000,000
Percentage from total assets	0.12%	0.16%	0.16%	-	0.30%

Amount due from related parties represent non-interest bearing loan.

The Company tranferred amount due from related parties with the certain asset as follows :

	30 September		31 December		
	2014	2013	2013	2012	2011
Advance payment of land purchase	-	-	-	-	148,802,135
Advance of investment in					
- PT Bekasi Matra Industrial Estate	-	-	-	-	84,000,000

Management believes that all due from related parties can be collected.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

31. Related parties balances and transactions (continued)

d. Trade payables (see note 15)

	30 September		31 December		
	2014	2013	2013	2012	2011
PT Nusa Raya Mitratama	-	255,750,000	11,625,000	-	-
PT Megalopolis Manunggal Industrial Development	5,456,997	1,539,436	29,626,347	131,532	2,851,643
	5,456,997	257,289,436	41,251,347	131,532	2,851,643
Percentage from total liabilities	0.65%	21.57%	4.67%	0.03%	0.38%

Trade payables represent payable on maintenance fee, water waste water treatment and purchase of land.

e. Due to related parties (see note 20)

	30 September		31 December		
	2014	2013	2013	2012	2011
PT Jatiwangi Utama	6,913,441	6,913,441	6,913,441	6,913,441	16,763,176
Percentage from total liabilities	0.82%	0.58%	0.78%	1.34%	2.22%

Due to related parties are non-interest bearing loan with no fixed repayment terms.

f. Revenue (see note 27)

	30 September		31 December		
	2014	2013	2013	2012	2011
PT Daiwa Manunggal Logistik Properti	205,555,680	-	-	-	-
PT Mega Manunggal Property	16,112,810	311,353	482,554	36,035,605	11,192,850
PT Argo Pantes Tbk	633,942	544,164	752,892	675,606	634,645
PT Fumira	503,472	-	489,380	439,144	-
PT Bisma Narendra	380,114	283,721	391,777	352,572	297,856
PT Bekasi Fajar Citarasa	29,760	17,140	25,515	21,111	20,824
PT Fajar Medika	4,615	6,820	9,225	8,848	-
PT Megalopolis Manunggal Industrial Development	-	-	-	3,088,602	56,308,273
Total	223,220,392	1,163,198	2,151,343	40,621,488	68,454,448
Percentage from total revenue	44.96%	0.15%	0.16%	4.21%	14.38%

Revenue represent revenue from sale of land and service charges.

g. Cost of revenue (see note 28)

	30 September		31 December		
	2014	2013	2013	2012	2011
PT Megalopolis Manunggal Industrial Development	13,837,199	9,070,296	40,963,225	8,939,491	4,843,023
Percentage from total cost of revenue	10.89%	5%	10.83%	2.26%	1.72%

Cost of revenue represent cost of maintenance fee, water, waste water treatment and cost of land.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

32. Financial instruments

The following table the carrying values and estimated fair values of financial instruments that are carried in the consolidated statements of financial position as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 are as follows :

	30 September				31 December					
	2014		2013		2013		2012		2011	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets										
Cash and cash equivalents	338,875,891	338,875,891	420,127,462	420,127,462	547,674,620	547,674,620	582,657,322	582,657,322	60,060,378	60,060,378
Trade receivables	82,972,813	82,972,813	190,590,565	190,590,565	80,236,613	80,236,613	8,721,984	8,721,984	9,602,928	9,602,928
Other receivables	923,731	923,731	2,613,648	2,613,648	582,775	582,775	502,263	502,263	808,110	808,110
Due from related parties	<u>4,400,000</u>	<u>4,400,000</u>	<u>5,600,000</u>	<u>5,600,000</u>	<u>5,300,000</u>	<u>5,300,000</u>	-	-	<u>5,000,000</u>	<u>5,000,000</u>
Total financial assets	<u>427,172,435</u>	<u>427,172,435</u>	<u>618,931,675</u>	<u>618,931,675</u>	<u>633,794,008</u>	<u>633,794,008</u>	<u>591,881,569</u>	<u>591,881,569</u>	<u>75,471,416</u>	<u>75,471,416</u>
Financial liabilities										
Bank loans and financial institution	525,727,469	525,727,469	559,025,441	559,025,441	541,550,813	541,550,813	227,207,555	227,207,555	250,909,274	250,909,274
Trade payables	46,086,082	46,086,082	282,685,716	282,685,716	70,973,952	70,973,952	4,933,753	4,933,753	57,099,968	57,099,968
Other payables	41,435,006	41,435,006	143,002,366	143,002,366	83,297,021	83,297,021	3,137,039	3,137,039	11,894,044	11,894,044
Accruals expenses	3,678,029	3,678,029	5,148,861	5,148,861	1,403,172	1,403,172	36,302,306	36,302,306	4,674,200	4,674,200
Security deposits	1,834,768	1,834,768	2,015,637	2,015,637	1,709,564	1,709,564	1,840,140	1,840,140	1,548,677	1,548,677
Due to related parties	<u>6,913,441</u>	<u>6,913,441</u>	<u>6,913,441</u>	<u>6,913,441</u>	<u>6,913,441</u>	<u>6,913,441</u>	<u>6,913,441</u>	<u>6,913,441</u>	<u>16,763,176</u>	<u>16,763,176</u>
Total financial liabilities	<u>625,674,795</u>	<u>625,674,795</u>	<u>998,791,462</u>	<u>998,791,462</u>	<u>705,847,963</u>	<u>705,847,963</u>	<u>280,334,234</u>	<u>280,334,234</u>	<u>342,889,339</u>	<u>342,889,339</u>

Fair value

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledge willing parties in arm's length transaction, other than in a forced or liquidation sale.

For disclosure purposes of each financial asset and financial liability, the Group determined the fair value measurement based on the following methods and assumptions :

- The fair value of short-term financial assets and financial liabilities with maturities of one year or less are considered to approximate their carrying values.
- The estimated their values of other long-term financial liabilities are determined by discounting the future cash flows using risk-free rates for similar instruments.

The main purpose of these financial instruments is to raise funds for the Group's operations.

It is and has been the Group's policy that no trading in financial instruments shall be undertaken.

33. Monetary assets (liabilities) denominated in foreign currencies

	US Dollar					Equivalent Rupiah				
	30 September		31 December			30 September		31 December		
	2014	2013	2013	2012	2011	2014	2013	2013	2012	2011
Assets										
Cash and cash equivalents	25,514,019	29,268,117	39,610,230	27,112,568	934,888	311,577,200	339,890,642	482,809,099	262,178,535	8,477,567
Trade receivables	<u>6,181,647</u>	<u>15,725,366</u>	<u>5,556,620</u>	<u>649,397</u>	<u>939,708</u>	<u>75,490,273</u>	<u>182,618,672</u>	<u>67,729,647</u>	<u>6,279,665</u>	<u>8,521,405</u>
Total monetary assets	<u>31,695,666</u>	<u>44,993,483</u>	<u>45,166,850</u>	<u>27,761,965</u>	<u>1,874,596</u>	<u>387,067,473</u>	<u>522,509,314</u>	<u>550,538,746</u>	<u>268,458,200</u>	<u>16,998,972</u>
Liabilities										
Bank loan and financial institution	(38,258,289)	-	(32,850,000)	-	(304,309)	(467,210,223)	-	(400,408,650)	-	(2,759,471)
Trade payables	(439,009)	(119,311)	(2,416,854)	(1,960)	(533,500)	(5,361,174)	(1,385,559)	(29,459,024)	(18,949)	(4,837,778)
Other payables	<u>(3,042,415)</u>	<u>(12,011,210)</u>	-	-	-	<u>(37,153,972)</u>	<u>(139,486,182)</u>	-	-	-
Total monetary liabilities	<u>(41,739,713)</u>	<u>(12,130,521)</u>	<u>(35,266,854)</u>	<u>(1,960)</u>	<u>(837,809)</u>	<u>(509,725,369)</u>	<u>(140,871,741)</u>	<u>(429,867,674)</u>	<u>(18,949)</u>	<u>(7,597,249)</u>
Total monetary assets (liabilities) - net	<u>(10,044,047)</u>	<u>32,862,962</u>	<u>9,899,996</u>	<u>27,760,005</u>	<u>1,036,787</u>	<u>(122,657,846)</u>	<u>381,637,573</u>	<u>120,671,072</u>	<u>268,439,251</u>	<u>9,401,723</u>

(In thousands of Rupiah, except otherwise stated)

33. Monetary assets (liabilities) denominated in foreign currencies (continued)

The exchange rates used as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 were as follows :

Type of foreign currencies	30 September		31 December		
	2014	2013	2013	2012	2011
US Dollar (US\$ 1)	Rp 12,212	Rp 11,613	Rp 12,189	Rp 9,670	Rp 9,068

34. Capital management and risk management

Capital management

The main objective of the Group's capital management is to ensure that the capital ratio is always in a healthy condition in order to support business performance and maximize shareholder value. The Group manages its capital structure and makes adjustments with respect to changes in economic conditions and the characteristics of their business risks. In order to maintain and adjust its capital structure, the Group may adjust the amount of dividend payments to shareholders, return capital structure or issue shares certificates. No changes have been made in the objectives, policies and processes as they have been applied in previous years.

Periodically, the Group conducts debt valuation to assess possibilities of refinancing existing debts with new ones which have more efficient cost that will lead to more optimized cost-of-debt and use the proceeds to more profitable investment.

The Group monitors its capital structure using a debt-to-total equity ratio which is gross debt divided by total capital.

The Group's debt-to-equity ratios as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 follow :

	30 September		31 December		
	2014	2013	2013	2012	2011
Borrowings	525,727,469	559,025,441	541,550,813	227,207,555	250,909,274
Total equity	2,737,389,105	2,209,233,330	2,476,819,587	1,770,110,572	894,866,655
Debt to equity ratio	19.20%	25.30%	21.87%	12.84%	28.04%

The Company will maintain a debt-to-equity ratio below 100%.

Risk management

The Group is exposed to credit risk, foreign currency risk, interest rate risk, commodity price risk and liquidity risk arising in the normal course of business. The management continually monitors the Group's risk management process to ensure the appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities.

a. Credit risk

Credit risk is the risk of a financial loss on outstanding financial instruments should a counter-party default on its obligation.

For trade receivables, other receivables and amount due from related parties, the Group policy is to deal with creditworthy counterparties and/or obtaining sufficient down payment, where appropriate, to mitigate credit risk. In addition, these receivables are monitored closely on an ongoing basis.

Cash and cash equivalent are placed in financial institutions which are regulated and reputable.

The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the statement of financial position. (See note 32)

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Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

34. Capital management and risk management (continued)

Risk management (continued)

b. Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign currency exchange rates. Foreign currency risk arises when a transaction in foreign currency in which most of the Group sales made in U.S. Dollars. The group does not have a policy of hedging foreign currency. However, the management monitors the foreign currency risk and take the necessary measures if necessary.

c. Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risk mainly arises from loans for working capital and investment purposes. Loans at variable rates expose the Group to cash flows interest rate risk.

For working capital, investment loans and borrowings, the Group may seek to mitigate its interest rate risk by obtaining loans structures with competitive interest rates.

	30 September		31 December		
	2014	2013	2013	2012	2011
Bank loans at variable rate - Rp	11% - 12%	10% - 12%	10% - 12%	10% - 12%	12%
Bank loans at variable rate - US\$	4.9%	-	-	-	-
Financing margin - Rp	9% - 9.25%	9%	9%	9% - 11.25%	11.25%
Financing margin - US\$	6%	6%	6%	-	-

Financial assets and liabilities with detail as follow :

	30 September 2014				
	Floating rate		Fixed rate		Non-interest bearing
	Less than one year	More than one year	Less than one year	More than one year	
Assets					
Cash and cash equivalent	338,749,336	-	-	-	126,555
Trade receivables	-	-	-	-	82,972,813
Others receivable	-	-	-	-	923,731
Due from related parties	-	-	-	-	4,400,000
Total financial assets	338,749,336	-	-	-	88,423,099
Liabilities					
Trade payables	-	-	-	-	46,086,082
Others payable	2,821,156	-	-	-	38,613,850
Accrued expenses	-	-	-	-	3,678,029
Security deposits	-	-	-	-	1,834,768
Bank loan and financial institution	270,119,004	255,608,465	-	-	-
Due to related parties	-	-	-	-	6,913,441
Total financial liabilities	272,940,160	255,608,465	-	-	97,126,170

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(In thousands of Rupiah, except otherwise stated)

34. Capital management and risk management (continued)

c. Interest rate risk (continued)

	30 September 2013					
	Floating rate		Fixed rate		Non-interest bearing	Total
	Less than one year	More than one year	Less than one year	More than one year		
Assets						
Cash and cash equivalent	420,008,123	-	-	-	119,339	420,127,462
Trade receivables	-	-	-	-	190,590,565	190,590,565
Others receivable	-	-	-	-	2,613,648	2,613,648
Due from related parties	-	-	-	-	5,600,000	5,600,000
Total financial assets	420,008,123	-	-	-	198,923,552	618,931,675
Liabilities						
Trade payables	-	-	-	-	282,685,716	282,685,716
Others payable	3,067,042	-	-	-	139,935,324	143,002,366
Accrued expenses	-	-	-	-	5,148,861	5,148,861
Security deposits	-	-	-	-	2,015,637	2,015,637
Bank loan and financial institution	145,183,118	413,842,323	-	-	-	559,025,441
Due to related parties	-	-	-	-	6,913,441	6,913,441
Total financial liabilities	148,250,160	413,842,323	-	-	436,698,979	998,791,462
	31 December 2013					
	Floating rate		Fixed rate		Non-interest bearing	Total
	Less than one year	More than one year	Less than one year	More than one year		
Assets						
Cash and cash equivalent	547,544,477	-	-	-	130,143	547,674,620
Trade receivables	-	-	-	-	80,236,613	80,236,613
Others receivable	-	-	-	-	582,775	582,775
Due from related parties	-	-	-	-	5,300,000	5,300,000
Total financial assets	547,544,477	-	-	-	86,249,531	633,794,008
Liabilities						
Trade payables	-	-	-	-	70,973,952	70,973,952
Others payable	2,491,818	-	-	-	80,805,203	83,297,021
Accrued expenses	-	-	-	-	1,403,172	1,403,172
Security deposits	-	-	-	-	1,709,564	1,709,564
Bank loan and financial institution	149,044,381	392,506,432	-	-	-	541,550,813
Due to related parties	-	-	-	-	6,913,441	6,913,441
Total financial liabilities	151,536,199	392,506,432	-	-	161,805,332	705,847,963
	31 December 2012					
	Floating rate		Fixed rate		Non-interest bearing	Total
	Less than one year	More than one year	Less than one year	More than one year		
Assets						
Cash and cash equivalent	582,562,622	-	-	-	94,700	582,657,322
Trade receivables	-	-	-	-	8,721,984	8,721,984
Others receivable	-	-	-	-	502,263	502,263
Total financial assets	582,562,622	-	-	-	9,318,947	591,881,569
Liabilities						
Trade payables	-	-	-	-	4,933,753	4,933,753
Others payable	2,734,262	-	-	-	402,777	3,137,039
Accrued expenses	-	-	-	-	36,302,306	36,302,306
Security deposits	-	-	-	-	1,840,140	1,840,140
Bank loan and financial institution	67,522,334	159,685,221	-	-	-	227,207,555
Due to related parties	-	-	-	-	6,913,441	6,913,441
Total financial liabilities	70,256,596	159,685,221	-	-	50,392,417	280,334,234

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

34. Capital management and risk management (continued)

c. Interest rate risk (continued)

	31 December 2011					
	Floating rate		Fixed rate		Non-interest bearing	Total
	Less than one year	More than one year	Less than one year	More than one year		
Assets						
Cash and cash equivalent	59,694,259	-	-	-	366,119	60,060,378
Trade receivables	-	-	-	-	9,602,928	9,602,928
Others receivable	-	-	-	-	808,110	808,110
Due from related parties	-	-	-	-	5,000,000	5,000,000
Total financial assets	59,694,259	-	-	-	15,777,157	75,471,416
Liabilities						
Trade payables	-	-	-	-	57,099,968	57,099,968
Others payable	1,665,525	-	-	-	10,228,519	11,894,044
Accrued expenses	399,943	-	-	-	4,274,257	4,674,200
Security deposits	-	-	-	-	1,548,677	1,548,677
Bank loan and financial institution	77,087,094	173,822,180	-	-	-	250,909,274
Due to related parties	-	-	-	-	16,763,176	16,763,176
Total financial liabilities	79,152,562	173,822,180	-	-	89,914,597	342,889,339

d. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group monitors its liquidity needs by closely monitoring scheduled debt servicing payments for financial liabilities and its cash outflows due to day-to-day operations, as well as ensuring the availability of funding through an adequate amount of credit facilities, both committed and uncommitted.

Total of the Group of financial liabilities as of 30 September 2014 and 2013 and 31 December 2013, 2012 and 2011 see notes 32.

35. Segment information

1. Segment information by product and services :

The Company and Subsidiaries operate in the same activity in Industrial Estate.

2. Segment measurement on profit/ loss, assets and liabilities and the factors used to identify reportable segments :

The Company evaluates performance based on profit/ loss before tax. There is no any inter segment transaction are conducted by the Company.

Reportable segments represent offer different products and services.

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

35. Segment information (continued)

3. Information about profit or loss, segment assets, liabilities and cashflow are as follows :

30 September 2014

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Revenue	496,470,582	-	496,470,582
Interest expense	2,160,155	-	2,160,155
Financing margin expenses	21,670,544	-	21,670,544
Depreciation expenses	4,299,150	-	4,299,150
Segment income reported	279,245,809	-	279,245,809
Segment assets reported	3,585,374,404	-	3,585,374,404
Segment liabilities reported	847,985,299	-	847,985,299

30 September 2013

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Revenue	781,501,373	-	781,501,373
Interest expense	5,394,488	-	5,394,488
Financing margin expenses	18,080,846	-	18,080,846
Depreciation expenses	3,505,205	-	3,505,205
Segment income reported	478,611,691	-	478,611,691
Segment assets reported	3,401,918,007	-	3,401,918,007
Segment liabilities reported	1,191,300,459	-	1,191,300,459

31 December 2013

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Revenue	1,323,915,723	-	1,323,915,723
Interest expense	6,783,114	-	6,783,114
Financing margin expenses	27,130,147	-	27,130,147
Depreciation expenses	4,780,987	-	4,780,987
Segment income reported	744,813,730	-	744,813,730
Segment assets reported	3,360,272,282	-	3,360,272,282
Segment liabilities reported	883,452,695	-	883,452,695

31 December 2012

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Revenue	965,113,275	-	965,113,275
Interest expense	5,813,167	-	5,813,167
Financing margin expenses	17,449,932	-	17,449,932
Depreciation expenses	3,744,824	-	3,744,824
Segment income reported	470,357,197	-	470,357,197
Segment assets reported	2,285,757,285	-	2,285,757,285
Segment liabilities reported	515,646,713	-	515,646,713

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

35. Segment information (continued)

3. Information about profit or loss, segment assets, liabilities and cashflow are as follows : (continued)

31 December 2011

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Revenue	475,956,741	-	475,956,741
Interest expense	10,002,573	-	10,002,573
Financing margin expenses	20,005,456	-	20,005,456
Depreciation expenses	3,485,092	-	3,485,092
Segment income reported	119,574,660	-	119,574,660
Segment assets reported	1,638,945,423	5,000,000	1,643,945,423
Segment liabilities reported	749,078,767	-	749,078,767

4. No segment information by geography for all activity of the Company is located in one region that is Bekasi, West Java.

5. Information segment based on cash flow :

30 September 2014

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Cash flow from :			
Operating activity	264,253,555	-	264,253,555
Investing activity	(438,025,145)	-	(438,025,145)
Financing activity	(35,027,139)	-	(35,027,139)
Increase/(decrease) cash and cash equivalent	<u>(208,798,729)</u>	<u>-</u>	<u>(208,798,729)</u>

30 September 2013

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Cash flow from :			
Operating activity	434,177,754	-	434,177,754
Investing activity	(897,770,252)	-	(897,770,252)
Financing activity	301,062,638	-	301,062,638
Increase/(decrease) cash and cash equivalent	<u>(162,529,860)</u>	<u>-</u>	<u>(162,529,860)</u>

31 December 2013

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Cash flow from :			
Operating activity	755,074,683	-	755,074,683
Investing activity	(976,376,153)	-	(976,376,153)
Financing activity	186,318,768	-	186,318,768
Increase/(decrease) cash and cash equivalent	<u>(34,982,702)</u>	<u>-</u>	<u>(34,982,702)</u>

PT Bekasi Fajar Industrial Estate Tbk and Subsidiaries
Notes to the Consolidated Financial Statements (continued)

(In thousands of Rupiah, except otherwise stated)

35. Segment information (continued)

5. Information segment based on cash flow :

31 December 2012

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Cash flow from :			
Operating activity	590,455,736	-	590,455,736
Investing activity	(455,587,542)	-	(455,587,542)
Financing activity	387,728,750	-	387,728,750
Increase/(decrease) cash and cash equivalent	<u>522,596,944</u>	<u>-</u>	<u>522,596,944</u>

31 December 2011

	<u>Industrial estate</u>	<u>Others</u>	<u>Total</u>
Cash flow from :			
Operating activity	549,088,661	-	549,088,661
Investing activity	(702,950,030)	-	(702,950,030)
Financing activity	184,684,021	-	184,684,021
Increase/(decrease) cash and cash equivalent	<u>36,072,651</u>	<u>-</u>	<u>36,072,651</u>

36. Significant agreements

Related parties :

- Based on the memorandum dated 3 January 2007 between PT Nusa Raya Mitratama (Nusaraya) and the Company that Nusaraya as the owner of HGB No. 2/Gandamekar located in MM2100 Industrial Estate agreed the usage of land and buildings for 10 years and free of charge.
- Based on the Cooperation Agreement No. 020/PKS-MM/XII/2009 dated 18 December 2009 (the "Agreement") between PT Megalopolis Manunggal Industrial Development ("MMID") and the Company, agree the usage of partial of office building belong to MMID located at Jalan Sumatera MM2100 Industrial Estate and free of charge for period of 5 years from the date of the Agreement.
- Based on Utility Charge Agreement No. 074/UCA-MMID/IV/2005 dated 1 April 2005 between the Company and PT Megalopolis Manunggal Industrial Development (MMID) stated MMID shall provide to the tenants of the Company in MM2100 Industrial Estate with the period starting from signing date and shall continue in full force and effect until both parties mutually agree to terminate this agreement.
- Management Service Agreement for Land Development Project No. 010/SA-BSP/XII/2013 dated 27 December 2013 between PT Bekasi Surya Pratama - subsidiary and PT Megalopolis Manunggal Industrial Development ("MMID") where MMID is appointed by the Company to manage and supervise industrial development project in Desa Sukasejati for area of 1,124,787 sq.m included in the area is 720,187 sq.m industrial plot.
- Memorandum Of Understanding dated 15 January 2014 between the Company and Daiwa House Industry Co. Ltd. ("Daiwa") stating that Daiwa shall bind itself to purchase and the Company shall bind itself to sell the land owned by the Company located in MM2100 Industrial Town. The size of the land was up to 250,000 sqm at the price of US\$ 180/sqm. The further details regarding the appropriate structure of purchasing the land will be discussed at later stage in accordance to the laws of Republic of Indonesia.

36. Significant agreements (continued)

- f. Based on letter from Daiwa House Industry Co. Ltd., dated 12 February 2014 to the Company, Daiwa request to the Company to deliver and sell the land owned by the Company to joint venture company that to be set up between Daiwa and the Company in the schedule and phase as follows :
1. Phase one, the land of approximately 9.5 ha with the purchase price of US\$ 180/sqm (with it Rp equivalent at the prevailing exchange rate) on the date that to be mutually agreed.
 2. Phase two, the land of approximately 6.2 ha with the purchase price of US\$ 180/sqm (with it Rp equivalent at the prevailing exchange rate) on the date that to be mutually agreed.
 3. Phase three, the land of approximately 9.3 ha with the purchase price of US\$ 180/sqm (with it Rp equivalent at the prevailing exchange rate) on the date that to be mutually agreed.

Up to 30 September 2014, phase one has already realized (see note 27).

Third parties :

- a. Leases of Fiber Optic Cable Network Placements No. 981.BTS.FO/PPA-LG/XI/10 dated 23 November 2010 with PT XL Axiata Tbk ("lessee") where the lessee may use the Company's land area of 3,687 sq.m for the placement of fiber optic networks and equipment for 10 years from 23 November 2010 – 22 November 2020.

Regarding the leases above, the PT XL Axiata Tbk will pay to the Company amounting to Rp 4,657,234 (excluding VAT). Amounts paid up to 31 December 2013 are Rp 2,439,502. At this moment, there is discussion about renewal of the contract.

Based on Addendum of Lease Agreement for Fiber Optic Cable Network Placements (FO) No. 1726/1516.P/XL-BFIE/XI/2013 dated 30 September 2013 with PT XL Axiata Tbk ("lessee") where the lessee may use the Company's land area of 320 sq. m for the placement of fiber optic, effective from 30 September 2013 through 29 September 2015.

Regarding the leases above, the PT XL Axiata Tbk will pay to the Company amounting to Rp 76,992 (excluding VAT). Amounts paid up to 30 June 2014 are Rp 76,992.

- b. Cooperative of Lease Land Agreement No.BFIE: 155/BFIE-ISMA/IND/VI/2011, No. ISMA: 026/ISMA-BFIE/VI/2011 dated 7 June 2011 between the Company and PT Isma Asia Indotama ("ISMA") regarding the cooperation to use of the Company's land by the ISMA for Right of Way (ROW) of the ISMA gas pipelines, effective from 1 June 2011 through 31 May 2014.

Regarding the above agreement, ISMA will pay to the Company of US\$ 21,750 equivalent to Rp 185,788 (excluding VAT). Up to 31 December 2013 the amounts have been fully paid.

- c. Agreement on the Sale and Purchase of Electric Power No. 090.PJ/471/1990/M dated 1 August 1990 between the State Power Public Enterprise and the Company regarding the sale and distribution of electric power that will be used and distributed by the Company to users of electric power in MM2100 within the valid period as long as no termination as agreed in the agreement.
- d. Cooperation Agreement in providing services and business development of information and communication technology (ICT) No. 163/PK/IND/XI/2011 and No. K. TEL. 3363/HK. 810/DES-00/2011 dated 15 December 2011 between the Company and PT Telekomunikasi Indonesia Tbk (Persero) regarding ICT services and marketing services that will be applied and distributed to the Company's Tenant / Customer in MM2100 Industrial Area-BFIE. This agreement is effective for 5 (five) years. Amounts paid up to 30 September 2014 are Rp 177,205.
- e. Lease Land Cooperation Agreement No. 001/AGR/L/INDS-BFIE/I/2012 dated 25 January 2012 between the Company and PT Air Liquide Indonesia ("ALINDO") regarding the cooperation to utilized of the Company's land for purpose of ALINDO gas pipelines installation with the surface area of land to be leased is 2,226 s.qm. The agreement start effectively from 30 January 2012 through 29 January 2015.

Regarding the above agreement, ALINDO paid to the Company of US\$ 63,024 equivalent to Rp 581,711 (excluding VAT). The amounts have been fully paid.

36. Significant agreements (continued)

Based on Addendum Cooperative of Lease Land Agreement No. 001/AGR/L/INS-BFIE/I/2012 dated 20 August 2013 between the Company and PT Air Liquide Indonesia ("ALINDO") regarding the cooperation to use of the Company's land by the ALINDO for ALINDO gas pipelines installation with the surface area of land to be leased is 312 s.qm, effective from 20 August 2013 through 29 January 2015.

Regarding the above agreement, ALINDO has been fully paid to the Company of USD 3,978 equivalent to Rp 40,059.

Based on Addendum Cooperative of Lease Land Agreement dated 1 February 2014 between the Company and PT Air Liquide Indonesia ("ALINDO") regarding the cooperation to use of the Company's land by the ALINDO for ALINDO gas pipelines installation with the surface area of land to be leased is 5,192 s.qm, start effectively from 20 January 2014 through 29 January 2017.

Regarding the above agreement, ALINDO paid to the Company of USD 124,608 equivalent to Rp 1,442,836. The amounts have been fully paid as of 30 June 2014.

- f. Network and telecommunication services Cooperation Agreement in MM2100 Industrial Estate Town No. BFIE : 001/KONTRAK-ISAT/XI/2011 No. INDOSAT : 030/C00-C0GG/LGL-PKS/11 dated 11 November 2011 between the Company and PT Indosat Tbk ("INDOSAT") in respect of Indosat facility establishment and provided services also marketing and delivery of Indosat communication services to MM2100 tenants. The agreement is effective for 5 (five) years and subject to be extent based on mutual agreement between parties. Amounts paid up to 30 September 2014 are Rp 20,933.
- g. Leasing Cooperation Agreement No. 001/PSG/BFIE/V/2014 dated 13 May 2014 between the Company and PT Cipta Mortar Utama regarding the leasing of warehouse located in Jl. Sumbawa Blok C-7, Kawasan MM2100, Cikarang Barat – Bekasi 17520 with area to be leased of 6,875 sq.m. This agreement start effectively from 15 May 2014 through 12 May 2015.

Regarding this agreement, PT Cipta Mortar Utama will pay to the Company of USD 495,000 (excluding VAT). Amount paid up to 30 September 2014 is USD 163,296 or equivalent of Rp 1,933,694.

37. Contingency

Up to the independent auditors' report, the Company and its subsidiaries do not have any legal dispute issues, environment and the taxation.

38. Event after the reporting period

- a. Based on letter from the Company dated 14 November 2014 to Financial Services Authority and Indonesia Stock Exchange that the Company plan to issue bond outside Indonesia with maximum amount of SGD 135,000,000 which will recorded at Singapore Exchange Securities Trading Limited.
- b. The Company appointed Citigroup Global Market Singapore Pte. Ltd. and UBS AG, Singapore Branch as Joint Lead Managers and Bookrunners.
- c. Based on Circular Resolutions in Lieu of Meeting of the Board of Commissioners of the Company, Board of Commissioners has agreed :
 - 1. the issuance of up to SGD 135,000,000 (or another USD equivalent amount) Senior Notes due 2017 which will be issued outside Indonesia in reliance upon Regulation S of the US Securities Act of 1993, as amended (the "Notes") through Bekasi Fajar International Pte. Ltd. (the "Issuer"), a wholly-owned subsidiary of the Company, incorporated under the laws of Singapore and domiciled in Singapore;
 - 2. the Notes will be unconditionally and irrevocable guaranteed by (A) the Company as parent guarantor and (B) (i) PT Bekasi Matra Industrial Estate, and (ii) PT Bekasi Surya Pratama as subsidiary guarantors (together, the "Subsidiary Guarantors");
 - 3. the Issuer will contribute the net proceeds of the offering of Notes to Fajar International Pte. Ltd. (FILP), a wholly-owned subsidiary of the Issuer, incorporated under the laws of and domiciled in Singapore.

38. Event after the reporting period (continued)

- d. Based on Circular Resolutions in Lieu of Meeting of the Board of Directors of the Company, Board of Directors has agreed :
1. the issuance of up to SGD 135,000,000 (or another USD equivalent amount) Senior Notes due 2017 which will be issued outside Indonesia in reliance upon Regulation S of the US Securities Act of 1993, as amended (the “Notes”) through Bekasi Fajar International Pte. Ltd. (the “Issuer”), a wholly-owned subsidiary of the Company, incorporated under the laws of Singapore and domiciled in Singapore;
 2. the Notes will be unconditionally and irrevocably guaranteed by (A) the Company as parent guarantor and (B) (i) PT Bekasi Matra Industrial Estate, and (ii) PT Bekasi Surya Pratama as subsidiary guarantors (together, the “Subsidiary Guarantors”);
 3. the Issuer will contribute the net proceeds of the offering of Notes to Fajar International Pte. Ltd. (FILP), a wholly-owned subsidiary of the Issuer, incorporated under the laws of and domiciled in Singapore.
- e. Up to the date of independent auditors’ report, there is no other significant event after the statements of financial position date which might affect the consolidated financial statements for the nine months period ended 30 September 2014.

39. New financial accounting standards and Interpretations of Financial Accounting Standard and Withdrawal

Standards and interpretations issued but not yet implemented.

Effective for periods beginning on or after :

1 January 2015

- SFAS No. 65, Consolidated Financial Statements
- SFAS No. 66, Joint Arrangements
- SFAS No. 67, Disclosure of Interests in other Entities
- SFAS No. 68, Fair Value Measurement
- SFAS No. 1 (Revised 2013), Presentation of Financial Statements
- SFAS No. 4 (Revised 2013), Separate Financial Statements
- SFAS No. 15 (Revised 2013), Investment in Associates and Joint Ventures
- SFAS No. 24 (Revised 2013), Employee Benefits
- SFAS No. 46 (2014), Income Taxes
- SFAS No. 48 (2014), Impairment of Assets
- SFAS No. 50 (2014), Financial Instruments : Presentation
- SFAS No. 55 (2014), Financial Instruments: Recognition and Measurement
- SFAS No. 60 (2014), Financial Instruments: Disclosures
- SFAS No. 26 (2014), Reassessment of Embedded Derivatives

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

40. Reissued Financial Statements

The Company has reissued the Consolidated Financial Statements as of and for the nine months period ended 30 September 2014 and 2013 and as of and for the years ended 31 December 2013, 2012 and 2011 with some additional disclosures in the Interim Financial Information as of and for the nine months periods ended 30 September 2014, in note 27, 36 and 38 to the Consolidated Financial Statements.