



**PT SUMMARECON AGUNG TBK AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2023 AND FOR THE THREE-MONTH PERIOD ENDED**

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PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2e,2s,2v,4,33	3,267,735,778	3,142,557,829
Trade receivables-net	2m,2v,5		
Related parties	2g,32	3,701,274	6,833,267
Third parties		268,041,246	287,037,323
Other receivables	2v	13,597,577	14,078,687
Due from related parties	2g,2v,32	67,277,911	68,210,730
Inventories	2h,2n,2o,6,12	10,049,476,961	9,959,605,756
Prepaid taxes	2u,18a	528,100,582	499,989,083
Prepaid expenses	2i	37,074,035	35,419,560
Advances	8	278,517,271	272,920,480
Other current financial assets	2v,11	3,967,874	3,967,874
Total current assets		14,517,490,509	14,290,620,589
NON-CURRENT ASSETS			
Trade receivables - net	2m,2v,5		
Third parties		33,317,391	63,573,772
Other receivables	2v	3,482,717	3,482,717
Due from related parties	2g,2v,32	68,305,312	64,105,312
Undeveloped land	2j,7,12	7,148,508,611	6,760,372,934
Investment in associates	2aa,11	84,480,449	82,193,562
Advances	8	878,217,418	1,005,092,604
Fixed assets - net	2k,2m,2o,9,12	377,439,103	370,444,862
Investment properties - net	2l,2m,2o,10,12,13	4,650,858,641	4,574,318,047
Deferred tax assets	2u	3,003,786	3,003,786
Other non-current financial assets	2e,2f,2v,11,12	962,930,841	1,142,618,290
Other non-current assets	2k	92,147,037	73,748,403
Total non-current assets		14,302,691,306	14,142,954,289
TOTAL ASSETS		28,820,181,815	28,433,574,878

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
As of March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	2s,2v,12,33	2,193,996,087	2,018,402,804
Trade payables to third parties	2s,2v,14,33	78,758,294	87,415,278
Other payables	2s,2v,15, 33	236,215,528	215,403,538
Accrued expenses	2s,2v,17,33	92,472	84,837
Taxes payable	2u,18b	1,080,807,551	1,104,003,642
Liability for short-term employee benefits	2r,2v,19	60,724,561	75,642,434
Contract liabilities	2b,2q,20		
Related parties	2g,32	3,517,197	3,517,197
Third parties		4,616,066,593	4,784,677,001
Security deposits	2m,2v,21		
Related parties	2g,32	229,258	225,461
Third parties		156,136,541	155,865,067
Unearned revenues	2m,2q,22		
Related party	2g,32	4,262,745	4,358,314
Third parties		440,475,115	414,865,161
Current maturities of long-term debts:			
Loans from banks and financing institutions	2s,2v,12,33		
Bonds payable	2v,13	573,594,527	606,419,941
Lease liabilities	2b,2m,2v,16	472,293	134,657
Total current liabilities		9,472,419,858	9,501,274,376
NON-CURRENT LIABILITIES			
Long-term debts - net of current maturities:			
Loans from banks and financial institutions	2s,2v,12,33	2,544,099,424	2,641,615,495
Bonds payable	2v,13	642,719,281	642,407,115
Lease liabilities	2b,2m,2v,16	5,316,480	5,542,135
Other payables	2s,2v,15,33	12,296,343	12,322,868
Liability for long-term employee benefits	2r,2v,19	127,225,184	122,064,645
Contract liabilities	2b,2q,20		
Related parties	2g,32	3,291,059	3,291,059
Third parties		3,672,890,195	3,469,619,022
Security deposits	2m,2v,21		
Related parties	2g,32	7,569,329	7,564,329
Third parties		109,522,082	104,619,448
Unearned revenues	2m,2q,22		
Related party	2g,32	11,000,000	12,000,000
Third parties		157,077,250	143,228,062
Deferred tax liabilities	2u	17,985,817	17,985,817
Total non-current liabilities		7,310,992,444	7,182,259,995
TOTAL LIABILITIES		16,783,412,302	16,683,534,371

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Three-Month Period Ended March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	For the three-month period ended March 31,	
		2023 (Unaudited)	2022 (Unaudited)
NET REVENUES	2b,2g,2m,2q,28,32	1,499,335,365	1,469,613,721
COST OF SALES AND DIRECT COSTS	2q,29	(725,861,149)	(636,224,142)
GROSS PROFIT		773,474,216	833,389,579
Selling expenses	2q,30	(91,253,460)	(76,930,041)
General and administrative expenses	2q,30	(211,540,814)	(190,794,446)
Other operating income		1,672,401	4,519,817
Other operating expenses		(124,020)	(66,398)
INCOME FROM OPERATIONS		472,228,323	570,118,511
Finance income		49,114,699	27,486,901
Finance costs	31	(173,472,620)	(303,517,736)
Equity in net profit of associates	2aa,11	2,286,887	3,280,225
PROFIT BEFORE FINAL TAX AND INCOME TAX EXPENSE		350,157,289	297,367,901
FINAL TAX EXPENSE	2u	(65,816,124)	(58,209,846)
PROFIT BEFORE INCOME TAX EXPENSE		284,341,165	239,158,055
INCOME TAX BENEFIT (EXPENSE) - NET	2u	(469,628)	(3,511,804)
PROFIT FOR THE PERIOD		283,871,537	235,646,251
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will not be reclassified to profit or loss in subsequent periods:			
loss on employee benefits liability	2r	2,857,469	(1,400,676)
Deferred income tax	2u	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		286,729,006	234,245,575
INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Parent Entity		271,717,153	175,042,452
Non-controlling Interests	2d,23	12,154,384	60,603,799
TOTAL		283,871,537	235,646,251
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Parent Entity		274,574,622	173,641,776
Non-controlling interests	2d,23	12,154,384	60,603,799
TOTAL		286,729,006	234,245,575
BASIC EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (full amount)	2w,24,37	16.66	10.60

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three-Month Period Ended March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

Equity Attributable to Owner of the Parent Entity								
Retained Earnings								
Notes	Issued and fully paid capital stock	Additional paid-in capital	Differences from transactions with non-controlling Interests	Appropriated - reserved fund	Unappropriated	Total	Non-controlling interests	Total equity
Balance as of December 31, 2021	1,650,856,837	1,307,203,212	(1,665,128)	120,196,205	5,584,576,744	8,661,167,870	2,569,055,297	11,230,223,167
Appropriation for general reserve	26	-	-	5,489,237	(5,489,237)	-	-	-
Cash dividend	27	-	-	-	(99,051,410)	(99,051,410)	-	(99,051,410)
Total comprehensive income for the year		-	-	-	635,289,530	635,289,530	146,366,184	781,655,714
Payments to non-controlling interest	23	-	-	-	-	-	(207,480,942)	(207,480,942)
Capital contributions paid by non-controlling interests	23	-	-	-	-	-	83,893,978	83,893,978
Capital reduction from non-controlling interest	23	-	-	-	-	-	(39,200,000)	(39,200,000)
Balance as of December 31, 2022	1,650,856,837	1,307,203,212	(1,665,128)	125,685,442	6,115,325,627	9,197,405,990	2,552,634,517	11,750,040,507

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)
For the Three-Month Period Ended March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Equity Attributable to Owner of the Parent Entity								
	Notes	Issued and fully paid capital stock	Additional paid-in capital	Differences from transactions with non-controlling Interests	Retained Earnings		Total	Non-controlling interests	Total equity
					Appropriated - reserved fund	Unappropriated			
Balance as of December 31, 2021		1,650,856,837	1,307,203,212	(1,665,128)	120,196,205	5,584,576,744	8,661,167,870	2,569,055,297	11,230,223,167
Total comprehensive income for the period ended		-	-	-	-	173,641,776	173,641,776	60,603,799	234,245,575
Capital reduction from non-controlling interest	23	-	-	-	-	-	-	(50,000,000)	(50,000,000)
Balance as of March 31, 2022		1,650,856,837	1,307,203,212	(1,665,128)	120,196,205	5,758,218,520	8,834,809,646	2,579,659,096	11,414,468,742
Balance as of December 31, 2022		1,650,856,837	1,307,203,212	(1,665,128)	125,685,442	6,115,325,627	9,197,405,990	2,552,634,517	11,750,040,507
Total comprehensive income for the period ended		-	-	-	-	274,574,622	274,574,622	12,154,384	286,729,006
Balance as of March 31, 2023		1,650,856,837	1,307,203,212	(1,665,128)	125,685,442	6,389,900,249	9,471,980,612	2,564,788,901	12,036,769,513

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three-Month Period Ended March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	For the three-month period ended March 31,	
		2023 (Unaudited)	2022 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		1,755,697,701	2,402,108,736
Receipts of interest income		35,220,644	23,627,636
Cash payments to:			
Suppliers and for other operating expenses		(933,881,885)	(629,664,746)
Employees		(179,081,812)	(152,293,358)
Payments of:			
Interest expenses		(114,663,720)	(144,740,588)
Final tax		(82,953,841)	(87,232,243)
Income taxes		(1,053,964)	(1,218,296)
Due from related parties		(5,267,181)	-
Net cash provided by operating activities		474,015,942	1,410,587,141
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of fixed assets	9	199,144	109,450
Acquisitions of undeveloped land		(261,089,284)	(33,934,604)
Acquisitions of investment properties	10	(123,433,895)	(50,283,582)
Acquisitions of fixed assets	9	(16,308,187)	(5,049,330)
Increase (decrease) in due from related parties		2,000,000	(1,835,438)
Cash dividend received from investment in other entities		-	1,825,000
Net cash used in investing activities		(398,632,222)	(89,168,504)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans	12	986,686,087	260,000,000
Drawdown of (placement for) restricted time deposits		3,662,104	(3,019,162)
Payments of loans from banks and financing institutions		(937,841,798)	(742,101,638)
Payments of due to related parties		(84,837)	-
Payments of cash dividends by the Company		(379)	-
Capital contribution from non-controlling interests		-	9,266,765
Payments to non-controlling interest	12	-	(50,000,000)
Net cash used in financing activities		52,421,177	(525,854,035)
NET INCREASE IN CASH AND CASH EQUIVALENTS		127,804,897	795,564,602
Reclassification of cash and cash equivalent to other non-current financial assets		(2,626,948)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	3,142,557,829	2,773,938,380
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	3,267,735,778	3,569,502,982

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Three-Month Period Ended March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

1. GENERAL

a. The Company's Establishment

PT Summarecon Agung Tbk (the "Company") was established within the framework of the Domestic Capital Investment Law based on notarial deed No. 308 dated November 26, 1975 of Ridwan Suselo, S.H. that has been changed to notarial deed No. 60 of Jony Frederik Berthold Tumbelaka Sinyal dated December 23, 1976 and then changed to notarial deed No. 434 of Ridwan Suselo dated June 28, 1977. All three was acknowledged and recorded by the Ministry of Justice in its Decision Letter No. YA 5/344/6 dated July 12, 1977 and was published in Supplement No. 597 of State Gazette No. 79 dated October 4, 1977 of the Republic of Indonesia. The articles of association has been amended from time to time, the latest amendment of which was notarized under deed No. 20 dated July 7, 2021 of Fathiah Helmi S.H., concerning the increase in the Company's issued and fully paid capital stock through the issuance of capital stock with pre-emptive rights Phase II totaling 2,081,786,678 new shares, which amendment was acknowledged and recorded by the Ministry of Law and Human Rights (MLHR) in its Decision Letter No. AHU-AH.01.03-0426491 dated July 8, 2021.

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

The Company is domiciled in East Jakarta. and its head office is located at Plaza Summarecon. Jl. Perintis Kemerdekaan No. 42, RT 010, RW 016, Kelurahan Kayu Putih, Kecamatan Pulo Gadung, Jakarta.

The Company started its commercial operations in 1976.

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

b. The Company's Public Offerings

b1. The Company's Public Shares Offerings

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

Based on the minutes of the Stockholders' Extraordinary General Meeting ("EGM") which were notarized under deed No. 1 dated July 1, 1996 of Sutjipto. S.H., the stockholders approved the reduction in the par value of the Company's shares from Rp1,000 (full amount) to Rp 500 (full amount) per share. The amendment was acknowledged and recorded by the Ministry of Justice in its Decision Letter No. C2.9225.HT.01.04.TH.96 dated September 27, 1996 and was published in the State Gazette Republic of Indonesia No. 44. Supplement No. 2168 dated June 3, 1997.

Based on the minutes of the EGM which were notarized under deed No. 99 dated June 21, 2002 of Sutjipto, S.H., the stockholders approved the reduction in the par value of the Company's shares from Rp500 (full amount) to Rp100 (full amount) per share. The amendment was acknowledged and recorded by the MLHR in its Decision Letter No. C-12844 HT.01.04.TH.2002 dated July 12, 2002 and was published in the State Gazette Republic of Indonesia No. 77, Supplement No. 780 dated September 24, 2002.

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

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Three-Month Period Ended March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

1. GENERAL (CONTINUED)

b. The Company's Public Offerings (continued)

b1. The Company's Public Shares Offerings (continued)

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

In June 2008, the Company distributed 3,217,893,796 bonus shares with a par value of Rp100 (full amount) per share.

In June 2010 and December 2009, a total of 436,340,202 and 1,013,046 Series I Warrants, respectively, were exercised.

Limited Public Offering I

In 2012, the Company issued 340,250,000 new shares with a nominal value of Rp100 (full amount) per share through the issuance of capital stock without preemptive rights phase I with minimum exercise price of Rp1,550 (full amount) per share, increasing the Company's issued and fully paid capital stock from 6,873,140,840 shares to 7,213,390,840 shares. The increase was acknowledged by PT Bursa Efek Indonesia through the letter No. Peng-P-00555/BEI.PPJ/10-2012 dated October 19, 2012.

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

Limited Public Offering II

On May 24, 2021, the Company obtained the Approval Letter No. S-67/D.04/2021 from the OJK to issued additional share capital through the issuance of with Pre-emptive Rights to the Company's shareholders. The new shares that is issued is as much as 2,081,786,678 shares with the nominal value Rp 100 (full amount) per share (Notes 24 and 25). All shares have been listed in the Indonesia Stock Exchange on June 9, 2021. Accordingly, the issued and fully paid shares increased from 14,426,781,680 shares to 16,508,568,358 shares.

b2. The Company's Public Offerings of Bonds

The Company has conducted several Public Offerings of Bonds and Sukuk since its establishment with the details as follows:

No	Bonds Name	Bond Amount	Ratings	Interest Rates	Revenue Sharing	Effective Date	Maturity Period	Maturity Date	Amount of Bonds Outstanding	Effective Letter Number
1	Obligasi Berkelanjutan I Summarecon Agung Tahap I Tahun 2013	450,000,000	idA+	10.85%	-	December 3, 2013	5 (five) years	December 11, 2018	-	03/12/2013 (S-400/D.04/2013)
2	Sukuk Ijarah Berkelanjutan I Summarecon Agung Tahap I Tahun 2013	150,000,000	idA+(sy)	-	16,275,000	December 3, 2013	5 (five) years	December 11, 2018	-	03/12/2013 (S-400/D.04/2013)
3	Obligasi Berkelanjutan I Summarecon Agung Tahap II Tahun 2014	800,000,000	idA+	11.50%	-	December 3, 2013	5 (five) years	October 10, 2019	-	03/12/2013 (S-400/D.04/2013)
4	Sukuk Ijarah Berkelanjutan I Summarecon Agung Tahap II Tahun 2014	300,000,000	idA+(sy)	-	34,500,000	December 3, 2013	5 (five) years	October 10, 2019	-	03/12/2013 (S-400/D.04/2013)
5	Obligasi Berkelanjutan II Summarecon Agung Tahap I Tahun 2015	500,000,000	idA+	11.25%	-	December 4, 2015	5 (five) years	December 16, 2020	-	04/12/2015 (S-569/D.04/2015)

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Three-Month Period Ended March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

1. GENERAL (CONTINUED)

b. The Company's Public Offerings (continued)

b2. The Company's Public Offerings of Bonds (continued)

The Company has conducted several Public Offerings of Bonds and Sukuk since its establishment with the details as follows: (continued)

No	Bonds Name	Bond Amount	Ratings	Interest Rates	Revenue Sharing	Effective Date	Maturity Period	Maturity Date	Amount of Bonds Outstanding	Effective Letter Number
6	Obligasi Berkelanjutan II Summarecon Agung Tahap II Tahun 2017	800,000,000	idA+	8.80%	-	December 4, 2015	3 (three) years	November 28, 2020	-	04/12/2015 (S-569/D.04/2015)
7	Obligasi Berkelanjutan III Summarecon Agung Tahap I Tahun 2018	416,000,000	idA	10.75%	-	November 29, 2018	3 (three) years	December 6, 2021	-	29/11/2018 (S-163/D.04/2018)
8	Obligasi Berkelanjutan III Summarecon Agung Tahap II Tahun 2019 Seri A	500,000,000	idA	9.125%	-	November 29, 2018	3 (three) years	October 15, 2022	-	29/11/2018 (S-163/D.04/2018)
9	Obligasi Berkelanjutan III Summarecon Agung Tahap II Tahun 2019 Seri B	200,000,000	idA	9.50%	-	November 29, 2018	5 (five) years	October 15, 2024	200,000,000	29/11/2018 (S-163/D.04/2018)
10	Obligasi Berkelanjutan IV Summarecon Agung Tahap I Tahun 2022	448,450,000	idA +	8.00%	-	June 30, 2022	5 (five) years	July 8, 2027	448,450,000	30/06/2022 (S-111/D.04/2022)

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

The Company's key management personnel include Commissioner and Director. Key management personnel have the authority and responsibility to plan, lead and control the activities of the Company.

The composition of the Company's Boards of Commissioners and Directors as of March 31, 2023 and December 31, 2022 was as follows:

Board of Commissioners

President
 Commissioner : Soetjipto Nagaria
 Commissioner : Harto Djojo Nagaria
 Independent
 Commissioner : Drs. H. Edi Darnadi
 Independent
 Commissioner : Lexy Arie Tumiwa
 Independent
 Commissioner : Ir. Ge Lilies Yamin

Board of Directors

President
 Director : Ir. Adrianto P Adhi
 Director : Liliawati Rahardjo
 Director : Soegianto Nagaria
 Director : Herman Nagaria
 Director : Lydia Tjio
 Director : Nanik Widjaja
 Director : Ir. Sharif Benyamin
 Director : Jason Lim

The composition of the Company's Audit Committee as of March 31, 2023 and December 31, 2022 was as follows :

Chairman : Lexy Arie Tumiwa
 Member : Leo Andi Mancianno
 Member : Ir. Ge Lilies Yamin

The formation of the Company's Audit Committee is in accordance with the OJK Regulations No.55/POJK.04/2015.

The total amount of gross compensation for the key management of the Company was Rp9,545,952 and Rp7,982,191 for the three-month period ended March 31, 2023 and 2022.

The Group had 2,495 and 2,477 permanent employees, as of March 31, 2023 and December 31, 2022.

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Three-Month Period Ended March 31, 2023
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

1. GENERAL (CONTINUED)

d. Structure of the Company's subsidiaries

The Company had direct and indirect ownership in the following subsidiaries:

Name of Subsidiaries	Domicile	Principal Activity	Start of commercial	Percentage of Ownership (%)		Total Assets Before Eliminations	
				March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Direct subsidiaries							
PT Bahagia Makmursejati (BHMS)	Jakarta	Property development	2003	99.99	99.99	13,300,879	13,202,631
PT Serpong Cipta Kreasi (SPCK)	Tangerang	Property development	2004	100.00	100.00	6,332,162,338	6,424,880,139
PT Anugerah Damai Abadi (AGDA)	Tangerang	Retail, food and beverages	2007	100.00	100.00	6,837,941	8,227,579
PT Summerville Property Management (SVPM)	Jakarta	Property management	2007	100.00	100.00	9,906,699	9,199,122
PT Gading Orchard (GDOR)	Jakarta	Property development	2008	100.00	100.00	54,454,933	51,484,603
PT Summarecon Property Development (SMPD)	Jakarta	Property development	2012	100.00	100.00	13,145,377,170	12,928,794,778
PT Summarecon Investment Property (SMIP)	Jakarta	Investment property	2012	100.00	100.00	4,633,782,102	4,490,227,447
PT Multi Abadi Prima (MTAP)	Jakarta	Gas station	2013	100.00	100.00	9,657,660	9,689,493
PT Citra Damai Agung (CTDA)	Jakarta	Property development	2014	100.00	100.00	2,095,790	2,081,840
PT Sagraha Mitraloka Elok (SMLE)	Jakarta	Trading	2017	100.00	100.00	2,196,148	2,259,162
PT Setia Mitra Edudharma (SMED)	Jakarta	Education	2020	100.00	100.00	270,869,469	258,448,997
PT Satu Summarecon Sukses (STSS)	Tangerang	Information system	2022	100.00	100.00	487,413	2,471,448
PT Layar Sukses Investama (LYSI)	Tangerang	Investment	2022	100.00	100.00	24,103,146	24,010,074
PT Java Investama Properti (JVIP)	Jakarta	Investment property	-	100.00	100.00	15,077,409	15,077,435
PT Setia Mitra Intifajar (SMIF)	Jakarta	Infrastructure development	-	100.00	100.00	32,141,690	32,003,239
PT Mahakarya Sinar Simphoni (MSSP)	Tangerang	Investment property	-	100.00	100.00	2,776,304	2,754,140
PT Nusantara Selaras Sejati (NTSS)	Balikpapan	Property development	-	100.00	-	2,500,000	-
Indirect subsidiaries through SMPD							
PT Eskage Tatanan Kota (EKTK)	Jakarta	Town management	2009	100.00	100.00	4,123,997	3,960,951
PT Bekasi Tatanan Kota (BKTK)	Bekasi	Town management	2012	100.00	100.00	14,196,467	13,546,150
PT Mahkota Permata Perdana (MKPP)	Bandung	Property development	2015	100.00	100.00	4,705,678,904	4,823,104,846
PT Sinergi Mutiara Cemerlang (SGMC)	Makassar	Property development	2018	67.54	67.54	1,567,946,166	1,561,367,894
PT Bandung Tatanan Kota (BDTK)	Bandung	Town management	2018	100.00	100.00	7,521,316	5,099,724
PT Karawang Tatanan Kota (KRTK)	Karawang	Town management	2018	100.00	100.00	3,364,290	3,245,262

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1. GENERAL (CONTINUED)

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

The Company had direct and indirect ownership in the following subsidiaries: (continued)

Name of Subsidiaries	Domicile	Principal Activity	Start of commercial	Percentage of Ownership (%)		Total Assets Before Eliminations	
				March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Indirect subsidiaries through SMPD (continued)							
PT Selaras Maju Mandiri (SLMM)	Jakarta	Property development	2018	100.00	100.00	1,974,289,728	1,999,755,761
PT Summa Sinar Fajar (SMSF)	Bekasi	Property development	2019	51.00	51.00	402,530,827	363,414,609
PT Summatoyo Talaga Harmoni (SMTH)	Karawang	Property development	2019	51.00	51.00	193,684,460	188,836,319
PT Kencana Jayaproperti Agung (KCJA)	Bogor	Property development	2020	51.00	51.00	2,683,691,546	2,523,712,092
PT Inovasi Jaya Properti (IVJP)	Jakarta	Property development	2021	100.00	100.00	3,755,864,210	3,587,509,843
PT Makassar Tatanan Kota (MKTK)	Makassar	Town Management	2021	67.54	67.54	3,128,655	2,904,839
PT Bogor Tatanan Kota (BGTK)	Bogor	Town Management	2022	51.00	51.00	3,242,108	2,782,314
PT Duta Sumara Abadi (DTSA)	Jakarta	Property development	2022	51.00	51.00	1,136,292,270	1,000,113,883
PT Gunung Srimala Permai (GNSP)	Bogor	Property development	2023	51.00	51.00	276,137,320	287,955,648
PT Gunung Suwarna Abadi (GNSA)	Bogor	Property development	-	51.00	51.00	401,575,508	414,737,285
PT Kencana Jayaproperti Mulia (KCJM)	Bogor	Property development	-	51.00	51.00	351,767,042	254,423,589
PT Aruna Cahaya Abadi (ARCA)	Jakarta	Property development	-	100.00	100.00	31,488,746	31,507,414
PT Kahuripan Jaya Mandiri (KHJM)	Bogor	Property development	-	51.00	51.00	31,009,048	31,020,274
PT Maju Lestari Properti (MJLP)	Jakarta	Property development	-	100.00	100.00	26,830,285	26,831,485
PT Mahkota Intan Cemerlang (MKIC)	Jakarta	Property development	-	100.00	100.00	233,012,301	229,119,498
PT Banyumas Eka Mandiri (BYEM)	Jakarta	Property development	-	100.00	100.00	122,184,981	117,297,869
PT Orient City (ORCT)	Jakarta	Property development	-	100.00	100.00	1,496,169	1,496,506
PT Bumi Perintis Asri (BMPA)	Tangerang	Property development	-	100.00	100.00	532,242	517,658
PT Sinar Mahakam Indah (SNMI)	Samarinda	Property development	-	89.37	89.37	52,221,339	52,221,683
PT Sinar Semesta Indah (SNSI)	Tangerang	Property development	-	100.00	100.00	746,831	749,773
PT Wahyu Kurnia Sejahtera (WYKS)	Jakarta	Property development	-	100.00	100.00	20,648,383	20,671,729
PT Taruna Maju Berkarya (TRMB)	Jakarta	Property development	-	100.00	100.00	806,958	809,629
PT Sunda Besar Properti (SDBP)	Bandung	Property development	-	100.00	100.00	1,358,622	1,352,980
PT Maju Singa Parahyangan (MJSP)	Bandung	Property development	-	100.00	100.00	1,361,093	1,352,988

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1. GENERAL (CONTINUED)

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

The Company had direct and indirect ownership in the following subsidiaries: (continued)

Name of Subsidiaries	Domicile	Principal Activity	Start of commercial	Percentage of Ownership (%)		Total Assets Before Eliminations	
				March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
<u>Indirect subsidiaries through SMPD (continued)</u>							
PT Surya Mentari Diptamas (SYMD)	Jakarta	Property development	-	51,00	51,00	256,269	259,598
PT Surya Menata Elokjaya (SYME)	Jakarta	Property development	-	100,00	100,00	3,735,782	3,704,679
PT Sukmabumi Mahakam Jaya (SBMJ)	Jakarta	Property development	-	100,00	100,00	1,112,948	1,110,419
PT Bintang Mentari Indah (BNMI)	Maros	Property development	-	67.54	67.54	294,830,908	303,686,462
PT Sinergi Mentari Fajar (SGMF)	Makassar	Property development	-	51.00	51.00	391,379,349	388,641,118
PT Serpong Cipta Cahaya (SPCC)	Tangerang	Property development	-	100,00	-	2,500,000	-
<u>Indirect ownership through SMIP</u>							
PT Lestari Mahadibya (LTMD)	Tangerang	Investment property	2006	100.00	100.00	1,057,190,483	1,030,183,988
PT Summarecon Hotelindo (SMHO)	Jakarta	Hotel	2010	100.00	100.00	218,655,715	226,333,637
PT Makmur Orient Jaya (MKOJ)	Bekasi	Investment property	2013	100.00	100.00	812,259,281	778,693,619
PT Kharisma Intan Properti (KRIP)	Tangerang	Investment property	2013	100.00	100.00	179,517,806	181,617,405
PT Dunia Makmur Properti (DNMP)	Jakarta	Investment property	2015	100.00	100.00	102,521,718	106,029,873
PT Summarecon Bali Indah (SMBI)	Jakarta	Investment property	2016	100.00	100.00	1,086,729,548	1,098,240,954
PT Permata Jimbaran Agung (PMJA)	Badung	Investment property	2016	61.60	61.60	601,991,274	613,403,489
PT Pradana Jaya Berniaga (PDJB)	Badung	Retail, food and beverages	2016	61.60	61.60	117,215	117,215
PT Hotelindo Permata Jimbaran (HOPJ)	Badung	Hotel	2017	61.60	61.60	203,915,109	212,995,915
PT Mahakarya Lastari Gading (MKLG)	Jakarta	Investment property	2021	100,00	100,00	5,513,879	5,551,816
PT Seruni Persada Indah (SRPI)	Jakarta	Investment property	-	100.00	100.00	410,524	407,445
PT Bali Indah Development (BLID)	Badung	Investment property	-	100.00	100.00	228,337,787	229,215,768
PT Bali Indah Property (BLIP)	Badung	Investment property	-	100.00	100.00	3,817,846	3,823,872
PT Bukit Jimbaran Indah (BKJI)	Badung	Property development	-	100.00	100.00	180,466	179,221
PT Bukit Permai Properti (BKPP)	Badung	Property development	-	100.00	100.00	477,152,281	477,205,746
PT Nirwana Jaya Semesta (NWJS)	Jakarta	Hotel	-	100.00	100.00	3,191,193	3,169,256
PT Sadhana Bumi Jayamas (SDBJ)	Jakarta	Investment property	-	100.00	100.00	84,711,487	84,718,803
PT Unota Persadajaya (UNPS)	Jakarta	Investment property	-	100.00	100.00	49,424,721	49,396,156
PT Java Orient Properti (JVOP)	Yogyakarta	Hotel	-	90.00	90.00	150,497,180	150,486,169

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1. GENERAL (CONTINUED)

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

The Company had direct and indirect ownership in the following subsidiaries: (continued)

Name of Subsidiaries	Domicile	Principal Activity	Start of commercial	Percentage of Ownership (%)		Total Asets Before Eliminations	
				March 31, 2023	December 31, 2022	March 31, 2023	31 December, 2022
<u>Indirect subsidiaries through SMIP (continued)</u>							
PT Mahakarya Buana Damai (MKBD)	Bandung	Properti Investasi	-	100,00	100,00	534,301,534	517,630,560
PT Hotelindo Saribuana Damai (HSBD)	Bandung	Hotel	-	100,00	100,00	241,042	240,226
PT Hotelindo Java Properti (HIJP)	Yogyakarta	Hotel	-	100,00	100,00	240,091	239,085
PT Hotelindo Cahaya Gemilang (HICG)	Jakarta	Hotel	-	100,00	100,00	247,875	246,841
PT Maha Karya Reksawarga (MKRW)	Karawang	Investment property	-	100,00	100,00	365,978,999	295,554,584
PT Mahakarya Mitra Kreasi (MMKS)	Makassar	Investment property	-	100,00	100,00	5,320,591	5,277,337
PT Mahakarya Bersama Gemilang (MBGR)	Bogor	Investment property	-	100,00	100,00	42,803,920	7,506,402
<u>Indirect ownership through SPCK</u>							
PT Serpong Tatanan Kota (SPTK)	Tangerang	Town Management	2010	100,00	100,00	63,491,036	60,866,421
PT Jaya Bangun Abadi (JYBA)	Tangerang	Property development	-	100,00	100,00	88,332,065	88,261,405
PT Permata Cahaya Cemerlang (PMCC)	Tangerang	Property development	-	100,00	100,00	279,846,094	280,869,636
PT Surya Intan Properti (SYIP)	Tangerang	Property development	-	100,00	100,00	121,263,798	121,225,338
PT Mahkota Berlian Indah (MKBI)	Tangerang	Property development	-	100,00	100,00	71,095,458	72,148,542
PT Mahkota Permata Indah (MKPI)	Tangerang	Property development	-	100,00	100,00	82,243,996	82,253,691
<u>Indirect subsidiaries through SMIF</u>							
PT Jejaring Ultra Prima (JJUP)	Jakarta	Infrastructure development	2018	100,00	100,00	32,138,513	31,995,340
<u>Indirect subsidiaries through SMED</u>							
PT Bhakti Karya Sejahtera (BTKS)	Jakarta	Education	2013	100,00	100,00	187,273,111	177,270,380
PT Bhakti Karya Bangsa (BTKB)	Tangerang	Education	2016	100,00	100,00	3,557,637	4,055,096
PT Edustar Akademi Indonesia (ESAI)	Jakarta	Education	2021	60,00	60,00	11,703,383	11,855,409

In 2023 the Company established new direct subsidiaries, which is NTSS and new indirect subsidiaries through SMPD which is SPCC.

In 2022, the Company established new direct subsidiaries, which is LYSI and new indirect subsidiaries through SMIP which is MBGR.

As of March 31, 2023, JVIP, SMIF, MSSP, NTSS, GNSA, KCJM, ARCA, KHJM, MJLP, MKIC, BYEM, ORCT, BMPA, SNMI, SNSI, WYKS, TRMB, SDBP, MJSP, SYMD, SYME, SBMJ, BNMI, SGMF, SPCC, SRPI, BLID, BLIP, BKJI, BKPP, NWJS, SDBJ, UNPS, JVOP, MKBD, HSBD, HIJP, HICG, MKRW, MMKS, JYBA, PMCC, SYIP, MKBI, and MKPI have not started their commercial operations.

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1. GENERAL (CONTINUED)

e. Approval and authorization for the issuance of the consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, which were completed and authorized for issuance by the Board of Directors of the Company on April 28, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards ("PSAK") and Interpretations to Financial Accounting Standards ("ISAK") issued by the Financial Accounting Board of the Indonesian Institute of Accountants (DSAK - IAI) and OJK Rules No. VIII.G.7. These policies have been consistently applied to all years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with PSAK No. 1: Presentation of Financial Statements. The consolidated financial statements, except consolidated statement of cash flows, have been prepared on the accrual basis, using the historical cost basis of accounting, except for certain accounts which are measured on the basis described in the related accounting policies for those accounts.

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

The annual financial reporting period of the Group is January 1 until December 31.

The reporting currency used in the preparation of the consolidated financial statements is the Indonesian rupiah (Rp), which is also the functional currency of the Group.

b. Changes in accounting principles

The Group made first time adoption of all the new and/or revised standards effective for the periods beginning on or after January 1, 2022, including the following revised standards that have affected the consolidated financial statements of the Group:

- Amendments to PSAK 22: Definition of Business - Reference to Conceptual Framework

These amendments clarify the interactions between PSAK 22, PSAK 57, ISAK 30 and the Conceptual Framework of Financial Reporting.

In general, the amendments to PSAK 22:

- Add a description regarding "liabilities and contingent liabilities within the scope of PSAK 57 or ISAK 30".
- Clarifying the contingent liabilities recognized at the acquisition date.
- Adds definition of a contingent asset and its accounting treatment.

These amendments will become effective on January 1, 2022 with earlier application permitted and are not have any impact to the financial reporting of the Group upon first-time adoption.

- Amendments to PSAK 57: Provisions, Contingent Liabilities, and Contingent assets regarding aggravating Contracts - Contract fulfillment costs.

This amendment clarifies the cost of fulfilling a contract in relation to determining whether a contract is a burdensome contract.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Changes in accounting principles (continued)

The Group made first time adoption of all the new and/or revised standards effective for the periods beginning on or after January 1, 2022, including the following revised standards that have affected the consolidated financial statements of the Group: (continued)

- Amendments to PSAK 57: Provisions, Contingent Liabilities, and Contingent assets regarding aggravating Contracts - Contract fulfillment costs. (continued)

The amendments to PSAK 57 provide that costs to fulfill a contract comprise of costs that are directly related to the contract. Costs that are directly related to the contract consist of:

1. Incremental costs to fulfill the contract, and
2. Allocation of other costs that are directly related to fulfilling the contract relationships that arise.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted but not expected to have any impact to the financial reporting of the Group upon first-time adoption.

- 2020 Annual Improvements - PSAK 71: Financial instruments

These improvements clarify the fees that are recognized by the borrower in relation to derecognition of financial liabilities. In determining the fee to be paid after deducting the fee received, the borrower only includes the fees paid or received between the borrower and lender, including fees paid or received by either the borrower or lender on other's behalf.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted but not expected to have any impact to the financial reporting of the Group upon first-time adoption.

- 2020 Annual Improvements - PSAK 73: Leases

The amendments prohibit entities to deduct from the cost of an item of fixed assets, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in the profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted but not expected to have any impact to the financial reporting of the Group upon first-time adoption.

c. Accounting standards issued but not yet effective

The accounting standards that have been issued up to the date of issuance of the Group's consolidated financial statements, but not yet effective are disclosed below. The management intends to adopt these standards that are considered relevant to the Group when they become effective, and the impact to the consolidated financial position and performance of the Group is still being assessed as of March 20, 2023:

Effective beginning on or after January 1, 2024

- Amendment of PSAK 1: Non-current liabilities with covenants

Entities apply retrospectively amendments to PSAK 1 (October 2020) regarding the classification of a liability as current or noncurrent for financial reporting starting on or after January 1, 2024 in accordance with PSAK 25. If entities apply the amendments to PSAK 1 (October 2020) in a period that earlier after the issuance of the amendment to PSAK 1 (December 2022) regarding noncurrent liabilities with covenants, entities also apply the amendment to PSAK 1 (December 2022) in that period. If entities apply the amendments to PSAK 1 (October 2020) for the previous period, the entity shall disclose this fact.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Accounting standards issued but not yet effective (continued)

The accounting standards that have been issued up to the date of issuance of the Group's consolidated financial statements, but not yet effective are disclosed below. The management intends to adopt these standards that are considered relevant to the Group when they become effective, and the impact to the consolidated financial position and performance of the Group is still being assessed as of March 20, 2023: (continued)

Effective beginning on or after January 1, 2024 (continued)

- Amendment to PSAK 73: Lease Liability in a Sale and Leaseback

The amendment to PSAK 73 - Leases specifies the requirements that a sellerlessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment applies retrospectively to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

- Amendments to PSAK 16: Fixed Assets - Proceeds before intended use

The amendments prohibit entities to deduct from the cost of an item of fixed assets, any proceeds from selling items produced while bringing that assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in the profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2023 and shall be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

- Amendments to PSAK 1: Presentation of financial statements - classification of a liability as current or non-current.

The amendments specify the requirements for classifying liabilities as current or noncurrent and clarify:

1. what is meant by a right to defer settlement,
2. the right to defer must exist at the end of the reporting period,
3. classification is not affected by the likelihood that an entity will exercise its deferral right, and
4. only if an embedded derivative in a convertible liability is an equity instrument would the terms and conditions of a liability will not impact its classification.

- Amendment of PSAK 1: Presentation of financial statement - disclosure of accounting policies

This amendments provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

- Amendment of PSAK 25: Accounting policies, Changes in accounting estimates and errors - definition of accounting estimates

The amendments introduces a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

- Amendment of PSAK 46: Income taxes - Deferred tax related to assets and liabilities arising from a single transaction

This amendment proposes that entities recognize deferred tax assets and liabilities at the time of initial recognition, for example from a lease transaction, to eliminate differences in current practice for such transactions and similar transactions.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Principles of consolidation

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

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

Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

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

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests ("NCI"), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the loss of control in a subsidiary occurs, then the Group will cease the recognition of the assets, liabilities and other related equity components and the difference is recognized as profit and loss. Part of the remaining investment is recognized at fair value. Losses of a non-wholly owned Subsidiary are attributed to the NCI even if the losses create an NCI deficit balance.

If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any non-controlling interests;
- derecognizes the cumulative translation differences recorded in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of the consideration received;
- recognizes any surplus or deficit in profit or loss;
- reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Cash and Cash equivalent

Cash and cash equivalents in the statement of consolidated financial position comprise cash on hand and in banks and time deposits with maturities of three-month or less at the time of placement, which are not restricted as to withdrawal or are not pledged as collateral for loans that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value are classified as "Cash Equivalents". Cash in banks and time deposits which are restricted or pledged are presented as part of "Other Non-current Financial Assets".

f. Restricted funds

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

g. Transactions with related parties

The Company and subsidiaries have transactions with related parties as defined in PSAK 7: Related party disclosures.

A related party is a person or entity that is related to the Group:

- a. An individual or family member is related to the Group if it:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the parent entity of the Company.

- b. A party is considered to be related to the Group if:
 - (i) directly, or indirectly through one or more intermediaries, the party (i) controls, is controlled by, or is under common control within the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or, (iii) has joint control over the Group;
 - (ii) the party is an associate of the Group;
 - (iii) the party is a joint venture in which the Group is a venturer;
 - (iv) the party is a member of the key management personnel of the Group;
 - (v) the party is a close member of the family of any individual referred to in (a) or (d);
 - (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or,
 - (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

The transactions with related parties are made based on terms agreed by the parties. Such terms may not be the same as those for transactions with unrelated parties.

The details of the accounts and the significant transactions entered into with related parties are presented in Note 32.

Unless specifically identified as related parties, the parties disclosed in the Notes to the consolidated financial statements are unrelated parties.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Inventories

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

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

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

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

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

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

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

Assessment of the estimation cost is reviewed at the end of each reporting period until the project is substantially completed. If there is a change, the Company will revise the cost.

Other inventories consist of food, beverages and others which are related to operational activities of the Group's hotel, club house and hospital are stated at the lower of cost or net realizable value.

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

i. Prepaid expenses

Prepaid expenses are amortised and charged to operations over the periods benefited using straight-line method and are presented as current asset or non-current asset based on their nature.

j. Undeveloped land

Undeveloped land is stated at cost or net realizable value, whichever is lower.

The cost of undeveloped land consisting of preacquisition and acquisition cost of land, is transferred to land under development upon commencement of land development.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any, except for land which is not depreciated. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are met. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit and loss as they are incurred.

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

	<u>Years</u>	<u>Percentage</u>
Buildings and infrastructures	2-40 years	50%-2.5%
Machineries and heavy equipments	10 years	10%
Vehicles	5-10 years	20%-10%
Furniture and office equipments	2-5 years	50%-20%

Land is stated at cost and is not depreciated.

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

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

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

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

The costs incurred in order to acquire legal rights over land in the form of "Hak Guna Bangunan" (HGB) upon acquisition of land is recognized as part of the acquisition cost of the land in Fixed assets and is not amortized. Costs incurred in connection with the extension or renewal of the HGB are deferred and amortized throughout the validity period of the legal rights and presented as part of "Other non current financial assets" in the consolidated statement of financial position

l. Investment properties

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

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

Depreciation is computed using the straightline method over the estimated useful lives of the investment properties as follow:

	<u>Years</u>	<u>Persentase</u>
Buildings and infrastructures	3-40 years	33.33%-2.5%
Machineries and heavy equipments	10 years	10%
Hotel facilities	2-5 years	50%-25%

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Investment properties (continued)

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

Transfers to investment properties should be made when, and only when, there is a change in use, evidenced by the end of owner-occupation, commencement of an operating lease to another party or end of construction or development. Transfers from investment properties should be made when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell. The changes in the useful lives estimation is done after considering the effect of the repairs and maintenance performed by the Group.

m. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Grup as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes Right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	<u>Years</u>	<u>Percentage</u>
Land	5 years	20%
Buildings and infrastructures	3-15 years	33.33%-6.67%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right of use assets are also subject to impairment. Refer to the accounting policies in Note 2o

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Leases (continued)

ii) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and infrastructures (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of buildings and infrastructures that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

n. Capitalization of borrowing costs

Capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the related asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs consist of interests expense and other financing charges that the Group incurs in connection with the borrowing of funds.

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

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

The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

Interest is also capitalized on the purchase cost of a site property acquired specifically for development, but only where activities necessary to prepare the asset for development are in progress.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Impairment of non-financial asset value

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

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

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

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

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

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

p. Stock issuance costs

Costs incurred in connection with the Company's issuance of share capital to the public were offset directly with the proceeds and presented as deduction to additional paid-in capital account in the consolidated statement of financial position.

q. Revenue and expenses recognition

Revenue from contracts with customers

The Group has adopted PSAK 72: Revenue from Contracts with Customers, effective on or after January 1, 2020.

The Group is in the business of providing sales of houses, shops and other similar properties including landplots, etc. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue from contracts with customers is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the assets. In determining the transaction price, for the sale of houses, apartments, shops and other similar properties including landplots, etc, the Group considers the effects of significant financing component. The Group received downpayment from customers recognized as contract liabilities. There is a significant financing component for this agreement considering the length of time between the customers payment and the transfer of houses, apartments, shops and other similar properties including landplots, etc, as well as the prevailing interest rate in the market.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q Revenue and expenses recognition (continued)

Revenue from contracts with customers (continued)

The Group applies the practical expedient for short-term contract liabilities from customers. That is, the promise amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promises houses, apartments, shops and other similar properties including landplots, etc and the payment is one year or less.

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

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

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

Expenses are recognized when incurred.

For all financial instruments measured at amortized cost, interest income or expense is recorded using the EIR, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

r. Employee benefits

Short-term employee benefits

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

Post-employment benefits

In April 2022, the Institute of Indonesia Chartered Accountants' Accounting Standard Board ("DSAK IAI") issued a press release regarding attribution of benefits to periods of service in accordance with PSAK 24: Imbalan Kerja which was adopted from IAS 19 Employee Benefits. The press release conveyed the information that the fact pattern of the pension program based on the Labor Law currently enacted in Indonesia is similar to those responded and concluded in the IFRS Interpretation Committee ("IFRIC") Agenda Decision Attributing Benefit to Periods of Service (IAS 19). Group has adopted the said press release and accordingly changed its accounting policy regarding attribution of benefits to periods of service previously applied.

Since the effect of the change in accounting policy in the previous periods was immaterial, it was recorded in the current year.

The Group recognized an unfunded employee benefits liability in accordance with Omnibus Law No. 11 Year 2020 dated November 2, 2020 and Government Regulation No. 35/2021 (PP 35/2021) dated February 2, 2021 (the "Law") and PSAK 24 (Revised 2013).

"Employee Benefits". Under the Law, the Company is required to pay separation, appreciation and compensation benefits to its employees if the conditions specified in the Law are met.

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

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r. Employee benefits (continued)

All re-measurements, comprising of actuarial gains and losses, and the return of plan assets (excluding net interest) are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the interim consolidated statements of financial position to reflect the full value of the plan deficit and surplus. Remeasurements are not reclassified to profit or loss in subsequent periods.

All past service costs are recognized at the earlier of when the amendment/curtailment occurs and when the related restructuring or termination costs are recognized. As a result, unvested past service costs can no longer be deferred and recognized over the future vesting period.

s. Foreign currency transactions and balances

The Company's consolidated financial statements are presented in Rupiah, which is also the Parent Company's functional currency. Each subsidiary determined its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transaction in foreign currencies are initially recorded by the Group at their respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the average of the selling and buying rates of exchange prevailing at the last banking transaction date of the period, as published by Bank Indonesia and any resulting gains or losses are credited or changed to operations of the current period.

As of March 31, 2023 and December 31, 2022, the rates of exchange used were as follows:

Foreign Currency	March 31, 2023 (Full Amount)	December 31, 2022 (Full Amount)
1 Euro European (Euro)	16,345	16,713
1 Dollar United States of America (US\$)	15,062	15,731
1 Dollar Singapore (Sin\$)	11,342	11,659

Transactions in other foreign currencies are considered not significant.

t. Provisions

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

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

u. Income tax

The Group has adopted PSAK No. 46 (Revised 2014), "Income Tax".

Final income tax

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

Based on Government Regulation (PP) No. 5 dated March 23, 2002, income from shopping center rental is subjected to a final tax of 10% from related income. Based on the Government Regulation (PP) No. 34/2016 dated August 8, 2016, effective September 8, 2016, income from the transfer of land or buildings are subjected to final tax amounting to 2.5% of the value of the sale or transfer.

Interest income from bank and time deposits are subjected to final tax amounting to 20%.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Income tax (continued)

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority. Current tax expense is determined based on the taxable profit for the year computed using the subjected prevailing tax rates.

Underpayment/overpayment of income tax are presented as part of "Income Tax Expense - Net" in the consolidated statement of profit or loss and other comprehensive income, The Group also presented interest/penalty, if any, as part of "Income Tax Expense - Net".

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined.

On October 29, 2021, the Government issued a Law of the Republic of Indonesia Number 7 Year 2021 about Harmonization of Tax Regulations which stipulates, among others, reduction to the tax rates for corporate income taxpayers and permanent establishments entities from previously 25% to become 22% starting in fiscal year 2022 and onwards (previously 20% as stipulated in Perppu Number 1 Year 2020) and further reduction of 3% for corporate income tax payers that fulfill certain criteria

Deferred tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Group reassesses unrecognized deferred tax assets. The Group recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

v. Financial Instruments

i. Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost and fair value through other comprehensive income (OCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable - trade that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Account receivable - trade that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PSAK 72. Refer to the accounting policies in section Note 2q.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v. Financial Instruments (continued)

i. Financial Assets (continued)

Initial Recognition and Measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, trade receivables, other receivables, due from related parties and other financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PSAK 50: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v. Financial Instruments (continued)

i. Financial Assets (continued)

Derecognition (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12- months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include short-term bank loans, trade payables to third parties, other payables, due to related party, accrued expenses, liability for short-term employee benefits - salaries and other allowances, loans from banks and financing institutions, bonds payable, lease liabilities and security deposits.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v. Financial Instruments (continued)

ii. Financial Liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interestbearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance expenses in the consolidated statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of profit or loss and other comprehensive income.

iii. Offsetting of financial instruments

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

w. Earnings per share

Earnings per share is computed based on the weighted average number of issued and fully paid shares during the year.

As of March 31, 2023 and December 31, 2022, the Group has no outstanding potential dilutive ordinary shares.

x. Operating Segment

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

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intragroup balances and intra-group transactions are eliminated. The amount of each segment item reported is the measure reported to the chief operating decision-maker for the purposes of making decisions about allocating resources to the segment and assessing its performance. Supplementary information for each operating segments are presented in Note 36.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

y. Business combination of entities under common control

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

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

z. Fair Value Measurement

The fair value of an assets or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming the market participants act their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

aa. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

aa. Investment in associates (continued)

The Group determines whether it is necessary to recognize an impairment loss on the Group's investments in associates. The Group determines at each reporting date whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and their carrying value and recognizes the amount in the consolidated statement of profit or loss and other comprehensive income.

The financial statements of the associates are prepared for the same reporting period with the Group.

bb. Current and non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- (ii) held primarily for the purpose of trading,
- (iii) expected to be realised within 12 months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- (i) expected to be settled in the normal operating cycle,
- (ii) held primarily for the purpose of trading,
- (iii) due to be settled within twelve months after the reporting period, or
- (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

cc. Events after the financial reporting period

Post year-end events that provide additional information about the Group's position at reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognized in the financial statements:

- **Determination of functional currency**

Management has made judgment on the determination of functional currency. The functional currency of the Company is the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences net revenue and cost of revenues in the future period

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

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. (Continued)

Judgments (continued)

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognized in the financial statements: (Continued)

- **Classification of financial assets and liabilities**

Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2v

- **Classification of property**

The Group determines whether an acquired property is classified as investment property, fixed assets or inventory:

- Investment property consists of land, buildings and infrastructures (principally offices, commercial warehouse and retail property), machinery and heavy equipment, hotel facilities and constructions in progress which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Fixed assets consists of land, buildings and infrastructures, machinery and heavy equipment, office and furniture equipment and constructions in progress which are occupied substantially for use by, or in the operations of, the Group, and for sale in the ordinary course of business, but are held primarily not to earn rental income.
- Inventory consists of property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction

- **Valuation of property**

The fair value of land and buildings disclosed under the "Fixed assets" and "Investment properties" accounts are determined by independent real estate valuation experts using recognized valuation techniques. These techniques comprise the cost approach and market and revenue valuation methods. In some cases, the fair value is determined based on recent real estate transactions with similar characteristics and location to those of the Group's assets. Total fair value as of March 31, 2023 and December 31, 2022, is disclosed in Notes 9 and 10 to the consolidated financial statements.

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

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. (Continued)

Estimates and Assumptions

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

- **Estimating useful lives of fixed assets and investment properties**

The Group estimates the useful lives of its fixed assets and investment properties based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior. The estimation of the useful lives of fixed assets and investment properties is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at least each financial year end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets.

It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The amounts and timing of recorded expenses for any year are affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the Group's fixed assets and investment properties increases the recorded cost of sales and direct costs and operating expenses and decreases total assets. Further details on fixed assets and investment properties are disclosed in Notes 9 and 10.

- **Estimation of pension cost and other employee benefits**

The cost of defined benefit plan and the present value of the pension obligation are determined using the projected-unit-credit method. Actuarial valuation includes making various assumptions which consist of, among other things, discount rates, expected rates of return on plan assets, rates of compensation increases and mortality rates. Actual results that differ from the Group's assumptions are recognized as other comprehensive income. Due to the complexity of the valuation and its underlying assumptions and long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions.

While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experience or significant changes in its assumptions may materially affect its employee benefit liabilities of Rp138,940,001 (2022: Rp133,779,462).

- **Uncertain tax exposure**

In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Company applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with ISAK 34, "Uncertainty over income tax treatments". The Company makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

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

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. (Continued)

Estimates and Assumptions (continued)

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

- **Consideration of significant financing component in a contract**

The Group sells houses, shops, offices, apartments, etc after signing the sales and purchase contract with payment method which is hard cash and cash installment. This type of contract includes two alternative payment options for the customer, i.e., payment of the transaction price equal to the cash selling price upon delivery of the houses, shops, offices, apartments, etc or payment of a lower transaction price when the contract is signed. The Group concluded that there is a significant financing component for those contracts where the customer elects to pay in advance considering the length of time between the customer's payment and the transfer of houses, shops, offices, apartments, etc to the customer, as well as the prevailing interest rates in the market.

In determining the interest to be applied to the amount of consideration, the Group concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the houses, shops, offices, apartments, etc to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

- **Leases - Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating)

- **Provision for expected credit losses of trade receivables**

The Group estimates expected credit losses for trade receivables using simplified approach of ECL. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the customers historical observed loss rates. The Group will calibrate the matrix to adjust historical credit loss experience with forwardlooking information. For instance, if forecast economic conditions closely related to the historical observed loss are expected to deteriorate over the next year which can lead to an increased number of defaults in the sectors where customers are operating, the historical losses are adjusted accordingly. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed loss rates, forecast economic conditions and ECLs, is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical observed loss rate and forecast of economic conditions may not be representative of customer's actual default in the future.

The carrying amount of the Group's trade receivables before expected credit losses as of March 31, 2023 was Rp306,628,632 (2022: Rp359,370,376). Further details on trade receivables are disclosed in Note 5.

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4. CASH AND CASH EQUIVALENTS

This account consists of:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Cash		
Rupiah	3,114,114	3,337,963
Foreign currencies	123,952	336,918
Total cash	<u>3,238,066</u>	<u>3,674,881</u>
Cash in Banks		
Rupiah		
PT Bank Central Asia Tbk	491,031,138	895,450,890
PT Bank Permata Tbk	357,448,711	525,088,140
PT Bank BCA Syariah	111,578,996	92,293,071
PT Bank Mandiri (Persero) Tbk	106,511,891	154,181,081
PT Bank Maybank Indonesia Tbk	47,462,301	36,831,472
PT Bank CIMB Niaga Tbk	38,244,224	46,978,263
PT Bank OCBC NISP Tbk	12,643,012	24,010,189
Others (each below Rp20,000,000)	39,917,223	39,497,769
United States Dollar		
PT Bank Permata Tbk	9,329,387	8,400,631
Others (each below Rp5,000,000)	4,723,982	489,917
Total cash in banks	<u>1,218,890,865</u>	<u>1,823,221,423</u>
Time deposits		
Rupiah		
PT Bank Permata Tbk	1,373,650,000	717,150,000
PT Bank BCA Syariah	346,645,000	308,945,000
PT Bank Central Asia Tbk	188,799,537	142,802,000
PT Bank Permata Syariah	10,000,000	20,000,000
Others (each below Rp20,000,000)	6,844,632	1,833,596
United States dollar		
PT Bank Permata Tbk	108,360,547	113,173,533
PT Bank Resona Perdania	8,974,027	9,320,663
PT Bank OCBC NISP Tbk	2,333,104	2,436,733
Total time deposits	<u>2,045,606,847</u>	<u>1,315,661,525</u>
Total cash and cash equivalents	<u>3,267,735,778</u>	<u>3,142,557,829</u>

Ranges of interest rates of time deposits are as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Rupiah	2.25% - 5.00%	2.00% - 5.00%
United States dollar	0.75% - 4.00%	2.65% - 3.25%

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4. CASH AND CASH EQUIVALENTS (CONTINUED)

As of March 31, 2023 and December 31, 2022, cash on hand is covered by insurance against theft and other risks with PT Asuransi Multi Artha Guna, PT Asuransi Umum Mega, PT Asuransi Reliance Indonesia, PT Asuransi FPG Indonesia and PT China Taiping Insurance Indonesia, all third parties, with total coverage of Rp60,357,139 (2022: Rp60,357,139). The Group's management believes that the coverage is adequate to cover possible losses arising from such risks.

Interest income from time deposits is presented in the consolidated statement of profit or loss and other comprehensive income as part of "Finance income".

All cash in banks and time deposits are placed in third-party banks. As of March 31, 2023 and December 31, 2022, no cash and cash equivalents are pledged as collateral for loans.

5. TRADE RECEIVABLES - NET AND OTHER RECEIVABLES

The details of trade receivables - net are as follows:

	March 31, 2023	December 31, 2022
<u>Related parties (Note 32)</u>		
Rental of retail and commercial investment properties	1,443,753	4,018,970
Management fee	1,306,306	1,947,612
Others	951,215	866,685
Sub-total	<u>3,701,274</u>	<u>6,833,267</u>
Allowance for expected credit losses	-	-
Total trade receivable related parties - net	<u>3,701,274</u>	<u>6,833,267</u>
<u>Third parties</u>		
Rental of retail and commercial investment properties	108,708,151	109,580,642
Sale of houses, shops and landplots	78,766,281	113,902,003
Sale of apartments	58,014,211	69,298,888
Estate and property management	31,091,292	31,270,864
Hotel services	9,970,190	7,614,247
Others	16,377,233	20,870,465
Sub-total	<u>302,927,358</u>	<u>352,537,109</u>
Allowance for expected credit losses	<u>(1,568,721)</u>	<u>(1,926,014)</u>
Total trade receivable third parties - net	<u>301,358,637</u>	<u>350,611,095</u>
Total trade receivable - net	305,059,911	357,444,362
Less current - portion	(271,742,520)	(293,870,590)
Non-current - portion	<u>33,317,391</u>	<u>63,573,772</u>

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5. TRADE RECEIVABLES - NET AND OTHER RECEIVABLES (CONTINUED)

The aging analysis of trade receivables is as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<u>Related parties (Note 32)</u>		
Neither past due nor impaired	1,705,662	3,741,130
Past due but not impaired		
1 - 30 days	1,203,444	2,108,706
31 - 60 days	642,802	648,617
61 - 90 days	38,023	211,166
More than 90 days	111,343	123,648
Sub-total	<u>3,701,274</u>	<u>6,833,267</u>
<u>Third parties</u>		
Neither past due nor impaired	159,230,067	213,665,608
Past due but not impaired		
1 - 30 days	37,166,618	35,703,229
31 - 60 days	13,700,432	20,689,203
61 - 90 days	12,859,969	8,534,438
More than 90 days	79,970,272	73,944,631
Sub-total	<u>302,927,358</u>	<u>352,537,109</u>
Allowance for expected credit losses	<u>(1,568,721)</u>	<u>(1,926,014)</u>
Sub total	<u>301,358,637</u>	<u>350,611,095</u>
Neto	<u>305,059,911</u>	<u>357,444,362</u>

The movements of allowance for expected credit losses of trade receivables are as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Beginning balance	1,926,014	14,801,132
Provision during the year	854	1,809,688
Allowance written - off/ reversal during the year	(358,147)	(14,684,806)
Ending balance	<u>1,568,721</u>	<u>1,926,014</u>

Allowance for expected credit losses of trade receivables is individual assessment based on the best available facts and circumstances.

All of the Group's trade receivables are denominated in Rupiah. The non-current trade receivables amounted Rp33,317,391 (2022: Rp63,573,772) above have maturity between 2 to 4 years after the reporting date. As of March 31, 2023 and December 31, 2022, there are no trade receivables collateralized in relation to its loan.

The Group's management believes that the expected credit loss of trade receivables is adequate to cover possible losses that may arise from impairment of receivables.

Other receivables

As of March 31, 2023, this account mainly represents receivables from the management of the subsidiary's business unit and interest (2022: mainly represents interest receivables and receivables from the management of the subsidiary's business unit).

Management believes that other receivables do not require allowance for expected credit loss since they are fully collectible.

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6. INVENTORIES

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Inventories consist of:		
Inventories available for sale		
Apartments	339,563,728	351,605,314
Houses	228,255,424	167,879,399
Offices	113,714,841	121,048,006
Landplots	109,150,676	109,150,676
Shops	56,506,647	62,549,413
Total inventories available for sale	<u>847,191,316</u>	<u>812,232,808</u>
Inventories under construction		
Buildings	6,422,996,772	6,405,754,008
Landplots	2,190,656,854	2,200,191,617
Apartments	547,492,376	501,213,387
Total inventories under construction	<u>9,161,146,002</u>	<u>9,107,159,012</u>
Others	41,139,643	40,213,936
Total inventories	<u>10,049,476,961</u>	<u>9,959,605,756</u>

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Beginning balance	6,906,967,395	5,641,698,294
Addition (deduction)*	509,421,964	2,706,783,437
Transfers to buildings and apartments inventories available for sale	(445,900,211)	(1,441,514,336)
Ending Balance	<u>6,970,489,148</u>	<u>6,906,967,395</u>

*include reclassification (Notes 9 and 10)

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6. INVENTORIES (CONTINUED)

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Beginning balance		
Apartements	351,605,314	369,957,728
Houses	167,879,399	117,055,542
Offices	121,048,006	143,147,169
Shops	62,549,413	97,975,468
Transfer from buildings and apartments inventories under construction	445,900,211	1,441,514,336
Cost of sales (Note 29)		
Houses	(339,423,752)	(934,781,373)
Shops	(57,808,093)	(304,938,743)
Apartements	(9,927,761)	(211,026,862)
Offices	(3,782,097)	(8,934,490)
Warehouses	-	(6,886,643)
Ending balance	<u>738,040,640</u>	<u>703,082,132</u>

In 2023, the reclassification of investment properties from inventories amounted to Rp10,416,073 (2022: : Rp111,622,645) (Note 10).

In 2023, reclassifications from investment properties to inventories with net book value of Rp4,045,475 (2022: Rp1,562,290) (Note 10).

In 2023, reclassification of inventories to fixed asset amounted to Rp1,921,689 (2022: Rp36,137,096) to the change in management's intention on the use of the related assets (Note 9).

In 2023, reclassification inventories under constructed to construction in progress - fixed assets amounted to RpNil (2022: Rp41,226,578) to the change in management's intention on the use of the related assets (Note 9).

In 2023, reclassification of fixed asset to inventories amounted to RpNil (2022: Rp654,500) to the change in management's intention on the use of the related assets (Note 9).

In 2023, reclassification of construction in progress - fixed assets amounted to RpNil (2021: Rp6,028,980) to inventory due to the change in management's intention on the use of the related assets (Note 9).

In 2023, reclassification of inventories to undeveloped land amounted to RpNil (2022: Rp476,252,491) (Note 7).

In 2023, the deduction to undeveloped land was used for the projects of property Group amounting to Rp4,386,684 (2021: Rp203,801,223) (Note 7).

Contract liabilities received related to the above mentioned inventories as of March 31, 2023 amounted to Rp8,295,765,044 (2022: Rp8,261,104,279) presented as contract liabilities in the consolidated statement of financial position in Note 20.

As of March 31, 2023 inventories amounting to Rp708,710 (2022: Rp708,710) were used as collateral for bank loans payable to OCBC NISP (Note 12).

As of March 31, 2023, borrowing costs which were capitalized to inventories amounted to Rp19,583,718 (2022: Rp101,076,825).

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6. INVENTORIES (CONTINUED)

As of March 31, 2023, houses, shops and apartments inventories are covered by insurance against fire and other risks with PT Asuransi FPG Indonesia, PT China Taiping Insurance Indonesia, PT Asuransi Multi Arthaguna, all third parties, with total coverage of Rp685,032,491 and US\$292,866,252 (2022: Rp685,032,491 and US\$292,866,252). The Group's management is of the opinion that the above coverage is adequate to cover possible losses arising from such risks.

Revenue from property development presented as part of net revenues in the consolidated statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2023 amounted to Rp910,873,325 (2022: Rp1,017,593,327) (Note 28).

Based on the review of the physical conditions and net realizable value of inventories as of March 31, 2023, the Group's management believes that inventories are realizable at the above amounts and no provision for losses is necessary.

7. UNDEVELOPED LAND

The details of undeveloped land are as follows:

Location	March 31, 2023		December 31, 2022	
	Area (m²)	Total	Area (m²)	Total
Summarecon Serpong	3,344,907	1,456,664,208	3,365,953	1,453,021,760
Summarecon Bekasi	880,362	587,936,828	803,800	336,685,382
Summarecon Bandung	2,951,463	1,580,530,703	2,951,463	1,578,342,784
Summarecon Karawang	65,362	78,755,207	65,362	78,755,207
Summarecon Makassar	3,208,742	900,754,054	3,209,090	892,001,922
Summarecon Bogor	3,816,853	1,077,644,532	3,719,794	956,994,595
Summarecon Crown Gading	2,921,804	664,403,555	2,921,804	663,008,438
Others	2,452,587	801,819,524	2,452,588	801,562,846
Total undeveloped land	19,642,080	7,148,508,611	19,489,854	6,760,372,934

The status of ownership of undeveloped land is as follows

Status	March 31, 2023	December 31, 2022
	Area (m²)	Area (m²)
Land certificates building usage right (HGB)	11,408,117	11,330,760
Non HGB	8,233,963	8,159,094
Total	19,642,080	19,489,854

The undeveloped land includes lands that are still under legal case (Note 36).

In 2023, the deduction to undeveloped land was used for the projects of property Group amounting to Rp4,386,684 (2022: Rp203,801,223) (Note 6).

In 2023, reclassifications from undeveloped land to investment property with net book value of RpNil (2022: Rp5,834,809) were due to management's plan for the investment properties segment (Note 10).

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7. UNDEVELOPED LAND (CONTINUED)

In 2023, reclassifications of investment properties with net book value of RpNil(2021: Rp6,340,388) to undeveloped land (Note 10).

In 2023, reclassification of undeveloped to fixed asset amounted to RpNil (2022: Rp194,139) to the change in management's intention on the use of the related assets (Note 9).

In 2023, reclassification of inventories to undeveloped land amounted to RpNil (2022: Rp476,252,491) (Note 6).

Management believes that there will be no issue in obtaining the land certificates and the extension of the land rights since all the land were legally acquired and supported by sufficient evidence of ownership.

As of March 31, 2023 and December 31, 2022 some undeveloped land properties are pledged as collateral for loans from banks (Note 12) with details of the carrying value of the assets as follows:

<u>Location</u>	March 31, 2023		December 31, 2022	
	Area (m ²)	Total	Area (m ²)	Total
Summarecon Serpong				
- PT Bank Mandiri (Persero) Tbk	284,144	26,710,673	284,144	26,710,673
- PT Bank OCBC NISP Tbk	184,499	20,543,073	184,499	20,543,073
- PT Bank Central Asia Tbk	161,738	14,994,584	161,738	14,994,584
- PT Bank KEB Hana Indonesia	108,134	10,277,163	108,134	10,277,163
Summarecon Bekasi				
- PT Bank Central Asia Tbk	466,042	77,838,679	466,042	77,838,679
Summarecon Bandung				
- PT Bank Central Asia Tbk	475,242	341,715,178	475,242	341,715,178
Summarecon Makassar				
- PT Bank Central Asia Tbk	573,753	157,860,684	573,753	157,860,684
Summarecon Bogor				
- PT Bank BCA Syariah	253,491	34,707,794	253,491	34,707,794
- PT Bank Danamon Indonesia Tbk	260,049	25,552,576	260,049	25,552,576
Total	2,767,092	710,200,404	2,767,092	710,200,404

As of March 31, 2023 and December 31, 2022, there is no undeveloped land used for collateral for bonds payable.

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7. UNDEVELOPED LAND (CONTINUED)

The fair value of undeveloped land as of March 31, 2023 amounting to Rp26,473,030,000 (2021: Rp26,473,030,000) was determined by independent appraisers KJPP Hendra and Partners in its report dated March 17, 2021 and March 11, 2022.

<u>Location</u>	<u>Carrying value</u>	<u>Fair value</u>
Summarecon Serpong	1,351,016,940	9,067,180,000
Summarecon Bekasi	542,519,551	5,941,200,000
Summarecon Bandung	1,580,530,703	4,085,090,000
Summarecon Karawang	78,755,207	166,250,799
Summarecon Makassar	787,122,611	2,832,540,000
Summarecon Bogor	963,020,169	3,169,810,000
Summarecon Crown Gading	472,590,515	894,430,000
Others	682,239,744	1,480,959,201
Total	6,457,795,440	26,743,030,000

8. ADVANCES AND PREPAID EXPENSES

This account consists of advances for:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Current advances for:		
Agency	158,368,778	158,043,477
Purchase of construction materials	49,772,904	59,086,740
Others	70,375,589	55,790,263
Total current advance payments	<u>278,517,271</u>	<u>272,920,480</u>
Non-current advances for:		
Purchase of:		
Land	832,309,078	963,742,155
Fixed assets and investment properties	45,908,340	41,350,449
Total non-current advances	<u>878,217,418</u>	<u>1,005,092,604</u>
Total advances	<u>1,156,734,689</u>	<u>1,278,013,084</u>

This account consists of prepaid expenses for:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Advertising and promotion	21,592,574	15,130,266
Deferred transaction costs	6,227,421	6,233,671
Insurance	2,574,500	6,549,496
Others (each below Rp3,000,000)	6,679,540	7,506,127
Total prepaid expenses	<u>37,074,035</u>	<u>35,419,560</u>

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9. FIXED ASSETS - NET

	March 31, 2023				Balance March 31, 2023
	Balance December 31, 2022	Additions	Deductions**	Reclassifications	
Cost					
Direct Ownership					
Land	24,478,796	-	-	(247,200)	24,231,596
Buildings and infrastructures	341,159,244	83,531	-	(5,649,182)	335,593,593
Machineries and heavy equipments	101,744,277	9,250	-	-	101,753,527
Vehicles	118,412,897	2,235,302	818,451	-	119,829,748
Furniture and office equipments	577,404,942	20,846,911	2,099,084	733,716	596,886,485
Sub-total	1,163,200,156	23,174,994	2,917,535	(5,162,666)	1,178,294,949
Right of use - Buildings	6,648,160	-	-	-	6,648,160
Right of use - Land	1,941,310	-	-	-	1,941,310
Construction in progress	47,766,150	4,186,538	-	(1,030,032)	50,922,656
Total cost	1,219,555,776	27,361,532	2,917,535	(6,192,698)	1,237,807,075
Accumulated Depreciation					
Direct Ownership					
Buildings and infrastructures	164,035,360	3,443,629	-	(2,864,108)	164,614,881
Machineries and heavy equipments	67,874,709	2,123,143	-	-	69,997,852
Vehicles	100,843,329	1,735,578	813,670	-	101,765,237
Furniture and office equipments	514,614,023	7,819,830	423,088	-	522,010,765
Sub-total	847,367,421	15,122,180	1,236,758	(2,864,108)	858,388,735
Right of use - Buildings	1,532,481	101,635	-	-	1,634,116
Right of use - Land	211,012	134,109	-	-	345,121
Total accumulated depreciation	849,110,914	15,357,924	1,236,758	(2,864,108)	860,367,972
Net book value	370,444,862				377,439,103

	December 31, 2022				Balance December 31, 2022
	Balance December 31, 2021	Additions	Deductions**	Reclassifications	
Cost					
Direct Ownership					
Land	23,872,071	412,586	-	194,139	24,478,796
Buildings and infrastructures	309,339,422	5,810,471	-	26,009,351	341,159,244
Machineries and heavy equipments	98,223,674	3,069,303	63,700	515,000	101,744,277
Vehicles	115,514,925	10,957,564	8,059,592	-	118,412,897
Furniture and office equipments	547,860,530	24,429,290	3,523,779	8,638,901	577,404,942
Sub-total	1,094,810,622	44,679,214	11,647,071	35,357,391	1,163,200,156

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9. FIXED ASSETS - NET (CONTINUED)

	December 31, 2022				Balance December 31, 2022
	Balance December 31, 2021	Additions	Deductions**	Reclassifications	
Right of use - Buildings	6,648,160	-	-	-	6,648,160
Right of use - Land	-	1,941,310	-	-	1,941,310
Construction in progress	11,738,729	4,688,398	-	31,339,023	47,766,150
Total cost	1,113,197,511	51,308,922	11,647,071	66,696,414	1,219,555,776
Accumulated Depreciation					
Direct Ownership					
Buildings and infrastructures	149,003,491	15,875,092	-	(843,223)	164,035,360
Machineries and heavy equipments	59,445,350	8,429,359	-	-	67,874,709
Vehicles	101,592,035	7,310,886	8,059,592	-	100,843,329
Furniture and office equipments	484,324,035	33,627,756	3,337,768	-	514,614,023
Sub-total	794,364,911	65,243,093	11,397,360	(843,223)	847,367,421
Right of use - Buildings	985,937	546,544	-	-	1,532,481
Right of use - Land	-	211,012	-	-	211,012
Total accumulated depreciation	795,350,848	66,000,649	11,397,360	(843,223)	849,110,914
Net book value	317,846,663				370,444,862

**consists of sales and disposals

Depreciation of fixed assets - net was charged to the following:

	March 31, 2023	March 31, 2022
General and administrative expenses (Note 30)	13,663,408	12,949,910
Cost of sales and direct costs	1,694,516	1,676,878
Total depreciation expense	15,357,924	14,626,788

The details of sales of fixed assets - net are as follows:

	March 31, 2023	March 31, 2022
Cost	805,388	226,075
Accumulated depreciation	(795,437)	(226,075)
Net book value	9,951	-
Selling price	199,144	109,450
Gain on sale of fixed assets - net	189,193	109,450

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9. FIXED ASSETS - NET (CONTINUED)

The details of construction in progress are as follows:

Project	March 31, 2023		December 31, 2022	
	Total	Percentage of Completion (%)	Total	Percentage of Completion (%)
Marketing Gallery	40,299,646	95.00	40,299,646	95.00
Others	10,623,010		7,466,504	
Total construction in progress	50,922,656		47,766,150	

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

Below are the estimated completion dates of the projects under construction in progress as of March 31, 2023:

	Estimated Completion Dates
Marketing Gallery	April 2023

In 2023, the Group disposed of some fixed assets with net book value of Rp1,670,826. In 2022, the Group disposed of some fixed assets with net book value of Rp249,711.

As of March 31, 2023 and December 31, 2022, no borrowing costs were capitalized to fixed assets.

In 2023, reclassifications of fixed assets with net book value of Rp5,250,279 (2022: RpNil) to investment properties were used for rent (Note 10).

In 2023, reclassifications of construction in progress to fixed assets amounted to Rp1,030,032 (2022: Rp523,879)

In 2023, reclassification of undeveloped land to fixed asset amounted to RpNil (2022: Rp194,139) to the change in management's intention on the use of the related assets (Note 7).

In 2023, reclassification of inventories to fixed asset amounted to Rp1,921,689 (2022: Rp36,137,096) to the change in management's intention on the use of the related assets (Note 6).

In 2023, reclassification inventories under development to construction in progress - fixed asset amounted to RpNil (2022: Rp41,266,578) to the change in management's intention on the use of the related assets (Note 6).

In 2023, reclassification of construction in progress - fixed asset amounted to other non-current asset RpNil (2022: Rp3,374,696) to other non-current asset due there is no construction process for the related assets.

In 2023, reclassification of fixed asset to inventories amounted to RpNil (2022: Rp654,500) due to the change in management's intention on the use of the related assets (Note 6).

In 2023, reclassification of construction in progress - fixed asset amounted to RpNil (2022: Rp6,028,980) to inventory due to the change in management's intention on the use of the related assets (Note 6).

As of March 31, 2023, fixed assets, except land, are covered by insurance against fire, flood and other risks (all-risks) under blanket policies with several companies, including PT Asuransi FPG Indonesia, PT Asuransi Allianz Utama Indonesia, PT Asuransi Sinarmas, PT Asuransi Bintang, PT Asuransi Multi Artha Guna, PT Asuransi Realiance Indonesia, PT Asuransi Umum Mega, PT Asuransi Central Asia, PT Asuransi ETIQA Internasional Indonesia, all third parties, with sum insured amounting to US\$24,129,176 and Rp115,545,512 (2022: US\$24,129,176 and Rp115,545,512). In 2023, the Group's management believes that the above coverages are adequate to cover possible losses arising from such risks.

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10. INVESTMENT PROPERTIES - NET (CONTINUED)

	December 31, 2022				
	Balance				Balance
	December 31, 2021	Additions	Deductions**	Reclassifications	December 31, 2022
<u>Accumulated Depreciation</u>					
Buildings and infrastructures	1,229,642,354	121,565,013	17,200,585	(619,617)	1,333,387,165
Machineries and heavy equipments	614,692,887	45,854,307	907,523	-	659,639,671
Hotel facilities	229,471,897	24,994,222	-	-	254,466,119
Total accumulated depreciation	2,073,807,138	192,413,542	18,108,108	(619,617)	2,247,492,955
Net book value	<u>4,259,613,121</u>				<u>4,574,318,047</u>

** consists of disposal

Depreciation of investment properties - net was charged to the following:

	March 31, 2023	March 31, 2022
Cost of sales and direct costs	48,616,751	43,339,900
General and administrative expense (Note 30)	47,787	29,454
Total	<u>48,664,538</u>	<u>43,369,354</u>

As of March 31, 2023, Grup disposed of some investment property with net book value as RpNil (2022: Rp1,336,627).

In 2023, reclassifications of construction in progress to investment properties amounted to Rp3,084,150 (2022: Rp189,665).

In 2023, reclassifications of construction in progress - investment properties to other non - current asset amounted to RpNil (2022: Rp1,557,330) because there is no development.

In 2023, reclassifications of investment properties with net book value of Rp5,250,279 (2022: RpNil) from fixed assets were used for rent (Note 9).

In 2023, reclassifications of investment properties with net book value of RpNil (2022: Rp5,834,809) from undeveloped land were due to management's plan for the investment properties segment (Note 7).

In 2023, reclassifications of investment properties from inventories with net book value of Rp10,416,073 (2022: Rp111,622,645) (Note 6).

In 2023, reclassifications of investment property to inventories with net book value of Rp4,045,475 (2022: Rp1,562,290) (Note 6).

In 2023, reclassifications of investment properties with net book value of RpNil (2022: Rp6,340,388) to undeveloped land (Note 7).

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10. INVESTMENT PROPERTIES - NET (CONTINUED)

The details of construction in progress are as follows:

Project	March 31, 2023		December 31, 2022	
	Total	Percentage of Completion (%)	Total	Percentage of Completion (%)
Summarecon Mal Bandung	324,569,437	46.37	276,840,959	39.55
Summarecon Villaggio Jakarta Luxury Outlet	143,864,388	94.65	127,298,686	92.65
Sekolah Al Azhar Bandung	73,954,214	91.95	64,409,066	80.08
Ground Zero	7,271,078	9.83	-	-
Others	17,308,227		10,648,400	
Total construction in progress	566,967,344		479,197,111	

Below are the estimated completion dates of the projects under construction in progress as of March 31, 2023:

	Estimated Completion Dates
Summarecon Mall Bandung	October 2023
Summarecon Villaggio Jakarta Luxury Outlet	September 2023
Sekolah Al Azhar Bandung	May 2023
Ground Zero	November 2023

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

As of March 31, 2023 and December 31, 2022, there is there is borrowing cost capitalized to investment property amounting to Rp5,488,610 (2022: Rp1,886,749).

As of March 31, 2023, investment properties, except land, are covered by insurance against fire, flood and other risks (all risks) under blanket policies with several companies, including PT Asuransi FPG Indonesia, PT Asuransi Allianz Utama Indonesia, PT Asuransi Sinar Mas, PT Asuransi Bintang, PT Asuransi Multi Artha Guna, PT Asuransi Realiance Indonesia, PT Asuransi Umum Mega, PT Avrist General Insurance, all third parties, with sum insured amounting to US\$673,241,064 and Rp1,652,604,867 (2022: US\$673,241,064 and Rp1,652,604,867).

As of March 31, 2023, the Group also covered its investment properties by insurance against terrorism and sabotage or US\$364,744,020 and Rp851,576,153 (2022: US\$364,744,020 and Rp851,576,153). In addition, the Group also btained insurance against business interruption amounting to US\$45,276,000 and Rp1,296,747,914 (2022: US\$45,276,000 and Rp1,296,747,914). The Group's management believes that the above coverages are adequate to cover possible losses arising from such risks.

As of March 31, 2023, Investment properties with net book value of Rp1,877,397,816 (2022: Rp1,986,749,950) are pledged as collateral for the loans from banks and financial institutions, bonds payable (Note 12).

The fair value of investment property (certain land and building) with net book value amounting to Rp3,281,524,739 (2022: Rp3,274,271,092) as of March 31, 2023 amounting to Rp22,723,408,000 (2022: Rp22,723,408,000) was determined by independent appraisers KJPP Hendra and Partners in its report dated March 17, 2021 and March 11, 2022.

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10. INVESTMENT PROPERTIES - NET (CONTINUED)

Rental income from investment properties recognized in the consolidated statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2023 amounted to Rp394,944,821 (2022: Rp310,731,367).

Cost of sales and direct costs from investment properties which earn rentals recognized as investment properties and others from hotels in the consolidated statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2023 amounted to Rp144,516,860 and Rp37,108,065 (2022: Rp118,361,345 and Rp16,741,825), while cost of sales and direct costs from investment properties which do not earn rentals recognized as investment properties and others from hotels in the consolidated statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2023 amounted to Rp14,134,650 and Rp17,621,391 (2022: Rp20,481,612 and Rp15,151,139).

Based on the Group's assessments, there were no events or changes in circumstances which indicated an impairment in the value of investment properties as of March 31, 2023.

11. OTHER FINANCIAL ASSETS AND INVESTMENT IN ASSOCIATES

a. Other financial assets, this account consists of the following:	March 31, 2023	December 31, 2022
Other current financial assets:		
Security deposits	3,967,874	3.967.874
Other non-current financial assets:		
Restricted time deposits:		
PT Bank Permata Tbk	161,288,903	311.736.655
PT Bank CIMB Niaga Tbk	126,783,021	128.733.116
PT Bank Mandiri (Persero) Tbk	98,510,804	111.028.122
PT Bank OCBC NISP Tbk	66,624,195	67.835.609
PT Bank Maybank Indonesia Tbk	54,668,450	63.436.874
PT Bank Danamon Indonesia Tbk	42,482,606	35.239.339
PT Bank China Construction Bank Indonesia Tbk	9,514,404	9.843.937
PT Bank Central Asia Tbk	8,337,012	7.493.187
PT Bank Mandiri Syariah	6,844,706	6.365.882
Others (each below Rp5,000,000)	10,200,791	10.978.868
Restricted cash in banks:		
PT Bank Central Asia Tbk	307,906,757	321.684.219
PT Bank UOB Indonesia Tbk	18,905,016	18.130.694
PT Bank Panin Tbk	12,030,415	11.386.241
Others (each below Rp2,500,000)	2,153,711	2.047.997
Security deposits	11,942,550	11.940.050
Investment in other entities measured at fair value	24,737,500	24.737.500
Total other non-current financial assets	962,930,841	1.142.618.290
Total other non-current financial	966,898,715	1.146.586.164

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11. OTHER FINANCIAL ASSETS AND INVESTMENT IN ASSOCIATES (CONTINUED)

a. Other current financial assets: (continued)

As of March 31, 2023 and December 31, 2022, the restricted time deposits in PT Bank Permata Tbk (Permata), PT Bank CIMB Niaga Tbk (CIMB), PT Bank Mandiri (Persero) Tbk (Mandiri), PT Bank OCBC NISP Tbk (OCBC), PT Maybank Indonesia Tbk (Maybank), PT Bank Danamon Indonesia Tbk (Danamon), PT Bank China Construction Bank Indonesia Tbk (CCB), PT Bank Central Asia Tbk (BCA), PT Bank Mandiri Syariah (Mandiri Syariah), and others are used as collateral for the corporate guarantees provided by the Company, SMPD, MKPP, SGMC, SMSF, SPCK, KCJA and DTSA to those banks on the housing loans obtained by the customers of the Company, SMPD, MKPP, SGMC, SMSF, SPCK, KCJA and DTSA.

The restricted cash in banks - PT Bank Central Asia Tbk (BCA), PT Bank UOB Indonesia Tbk (UOB), PT Bank Pan Indonesia (Panin) and others represents escrow accounts, which are used as collateral relating to housing and apartment loans to the customers of the Company, SMPD, MKPP, SGMC, SPCK, KCJA and DTSA.

JVOP's BCA bank account was restricted related to litigation case amounting to Rp2,626,948 (2022: Rp2,616,855).

Entities	March 31, 2023		December 31, 2022	
	Total	Percentage of Ownership (%)	Total	Percentage of Ownership (%)
PT Inspira Citra Asia (ICA)	24,000,000	20.00	24,000,000	20.00
PT Daksawira Perdana	687,500	6.25	687,500	6.25
PT Jakartabarbaru Cosmopolitan	50,000	1.00	50,000	1.00
Total	24,737,500		24,737,500	

ICA

In 2022, the Company through its direct subsidiary PT Layar Sukses Investama (LYSI) operates in investment, to made an investment in ICA for a 20% ownership the consideration transferred of Rp24,000,000.

The investment in other entities represents unquoted shares whereas the Company's Management believes the carrying amount represents its fair value.

As of March 7, 2022, the Company received dividends from PT Daksawira Perdana amounted to Rp1,825,000, of which Rp525,000 will be deposited back into PT Daksawira Perdana's account and used to increase the company's investment in PT Daksawira Perdana.

b. Investment in associates

This account represent investment in PT Bhakti Karya Vita (BTKV). BTKV domiciled in Tangerang and had started it's commercial operation in 2011 and operates in hospital.

The detail of investment in BTKV as of March 31, 2023 as follows:

Book Value	Percentage of Ownership (%)	Additions (Deduction)	Equity in net profit of associates	Carrying Values
82,193,562	40	-	2,286,887	84,480,449

The detail of investment in BTKV as of December 31, 2022 as follows:

Book Value	Percentage of Ownership (%)	Additions (Deduction)	Equity in net profit of associates	Carrying Values
72,887,190	40	-	9,306,372	82,193,562

The investment in BTKV represents unquoted equity shares accounted for at equity method.

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11. OTHER FINANCIAL ASSETS AND INVESTMENT IN ASSOCIATES (CONTINUED)

b. Investment in associates (continued)

Based on Management's assessment, there was no impairment of investment in BTKV there were no events or changes in circumstances that indicated an impairment in the investment.

Additional information on the investments in associates are as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Current assets	79,067,007	67,723,402
Non-current assets	163,543,176	163,429,167
Current liabilities	23,614,849	20,822,728
Non-current liabilities	-	3,291,492
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Net comprehensive income for the period	5,717,218	8,200,562

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

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Rupiah		
PT Bank Central Asia Tbk	485,984,430	77,114,208
PT Bank HSBC Indonesia	300,000,000	300,000,000
PT Bank CIMB Niaga Tbk	300,000,000	300,000,000
PT Bank Muamalat Indonesia Tbk	250,000,000	250,000,000
PT Bank Mayora Tbk	200,000,000	200,000,000
PT Bank KEB Hana Indonesia	199,933,697	57,898,492
PT Bank Danamon Indonesia Tbk	150,767,960	152,735,104
PT Bank Resona Perdania	132,000,000	2,000,000
PT Bank BTPN Tbk	100,000,000	-
PT Bank OCBC NISP Tbk	-	600,000,000
United States dollar		
PT Bank Resona Perdania (US\$5,000,000 as of March 31, 2023 and December 31, 2022)	75,310,000	78,655,000
Total	<u>2,193,996,087</u>	<u>2,018,402,804</u>

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

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Bank Loans		
Rupiah		
PT Bank Central Asia Tbk	1,320,326,720	1,455,586,145
PT Bank Mandiri (Persero) Tbk	775,000,000	825,000,000
PT Bank OCBC NISP Tbk	547,500,000	555,250,000
PT Bank CIMB Niaga Tbk	218,040,068	148,040,068
PT Bank KEB Hana Indonesia	140,000,000	145,000,000
PT Bank Central Asia Syariah	46,319,075	46,785,106
PT Bank Danamon Indonesia Tbk	33,422,027	34,325,325
Sub-total	<u>3,080,607,890</u>	<u>3,209,986,644</u>
Financial institution		
PT BCA Finance	5,565,891	5,728,343
Bank Loans		
United States dollar		
PT Bank Central Asia Tbk	39,789,213	41,556,507
Total loans	<u>3,125,962,994</u>	<u>3,257,271,494</u>
Less of unamortized debt commission fees	<u>(8,269,043)</u>	<u>(9,236,058)</u>
Net	3,117,693,951	3,248,035,436
Less current maturities	<u>(573,594,527)</u>	<u>(606,419,941)</u>
Long-term portion	<u>2,544,099,424</u>	<u>2,641,615,495</u>

As of March 31, 2023 and December 31, 2022, the details of future installments of the long-term loans from banks and financial institutions are as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Year Due		
2023	-	608,642,596
2024	575,484,752	797,130,265
2025	856,241,230	664,701,769
2026	522,958,230	440,587,228
2027	416,157,511	377,421,765
2028	406,762,751	210,244,998
2029	168,195,112	49,914,573
2030	68,187,387	36,458,514
2031	49,059,014	38,860,518
2032	40,711,019	33,309,268
2033	22,205,988	-
Total installments	<u>3,125,962,994</u>	<u>3,257,271,494</u>

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

Below are details of the information related to the credit facilities and loan balances owed by the Group:

a. Short-term bank loans:

Parties	Total facilities (in thousand)	Loan Periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year drawdown (principal payment)	Balance as of March 31, 2023
The Company and PT Bank Central Asia Tbk Credit Facility <i>Revolving</i>	Rp250,000,000	until January 2024	January 2024	Monthly	2023: 7.00%. 2022: 7.25%	Clean basis	Working Capital	2023: Rp460,000,000/ (Rp60,000,000), 2022: Rpnil/ (Rp190,000,000)	2023: Rp250,000,000, 2022: Rp60,000,000
The Company and PT Bank Central Asia Tbk Credit Facility Bank overdraft	Rp80,000,000	until January 2024	January 2024	Monthly	2023: 7.50%. 2022: 7.50%	Investment Properties (MKG3) (Note 10)	Working Capital	2023: Rp12,333,748/ (Rp6,298,869), 2022: Rp6,298,869/(Rpnil)	2023: Rp12,333,748, 2022: Rp6,298,869
The Company and PT Bank Central Asia Tbk Credit Facility <i>Revolving</i>	Rp500,000,000	until January 2024	January 2024	Monthly	2023: 7.00%. 2022: 7.25%	Investment Properties (MKG3) (Note 10)	Working Capital	2023: Rpnil/ (Rpnil), 2022: Rpnil/ (Rp250,000,000)	2023: Rp210,000,000, 2022: Rpnil
SGMC and PT Bank Central Asia Tbk Credit Facility Bank overdraft	Rp50,000,000	until November 2023	November 2023	Monthly	2023: 7.50%. 2022: 7.50%	Undeveloped Land (Note 7)	Working Capital	2023: Rp10,379,584/ (Rp5,777,805), 2022: Rp4,065,772/(Rpnil)	2023: Rp10,379,584, 2022: Rp5,777,805
SPCK and PT Bank Central Asia Tbk Credit Facility Bank overdraft	Rp80,000,000	until December 2023	December 2023	Monthly	2023: 7.50%. 2022: 7.50%	Undeveloped Land (Note 7)	Working Capital	2023: Rp3,271,098/ (Rp5,037,534), 2022: Rpnil/ (Rp710,725)	2023: Rp3,271,098, 2022: Rp5,037,534
SPCK and PT Bank Central Asia Tbk Credit Facility <i>Revolving</i>	Rp100,000,000	until December 2023	December 2023	Monthly	2023: 7.25%. 2022: 7.25%	Undeveloped Land (Note 7)	Working Capital	2023: Rpnil/(Rpnil), 2022: Rpnil/(Rpnil)	2023: Rpnil, 2022: Rpnil

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

Below are details of the information related to the credit facilities and loan balances owed by the Group: (continued)

a. Short-term bank loans (continued)

Parties	Total facilities (in thousand)	Loan Periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year drawdown (principal payment)	Balance as of March 31, 2023
MKPP and PT Bank Central Asia Tbk Credit Facility Bank Overdraft	Rp100,000,000	until December 2023	December 2023	Monthly	2023: 7.25%. 2022: 7.25%	Undeveloped Land (Note 7)	Working Capital	2023: Rpnil/(Rpnil), 2022: Rpnil/(Rpnil)	2023: Rpnil, 2022: Rpnil
DTSA and PT Bank Central Asia Tbk Credit Facility Bank Overdraft	Rp25,000,000	until September 2023	September 2023	Monthly	2023: 7.50%. 2022: 7.25%	Undeveloped Land (Note 7)	Working Capital	2023: Rpnil/(Rpnil), 2022: Rpnil/(Rpnil)	2023: Rpnil, 2022: Rpnil
The Company and PT Bank HSBC Indonesia Credit Facility Loan Term Facility	Rp300,000,000	until February 2024	February 2024	Monthly	2023: 6.50%. 2022: 6.00%	-	Working Capital	2023: Rpnil/(Rpnil), 2022: Rp50,000,000/ (Rpnil)	2023: Rp300,000,000, 2022: Rp300,000,000
The Company and PT Bank CIMB Niaga Tbk Credit Facility Loan Term Facility	Rp300,000,000	until September 2023	September 2023	Monthly	2023: 6.75%. 2022: 6.25%	-	Working Capital	2023: Rpnil/(Rpnil), 2022: Rp300,000,000/ (Rp200,000,000)	2023: Rp300,000,000, 2022: Rp300,000,000
The Company and PT Bank Muamalat Indonesia Tbk Credit Facility Loan Term Facility	Rp250,000,000	until July 2023	July 2023	Monthly	2023: 6.00%. 2022: 6.00%	-	Working Capital	2023: Rpnil/(Rpnil), 2022: Rp485,000,000/ (Rp260,000,000)	2023: Rp250,000,000, 2022: Rp250,000,000
The Company and PT Bank Mayora Tbk Credit Facility Loan Term Facility	Rp200,000,000	until October 2023	October 2023	Monthly	2023: 6.80%. 2022: 6.00%	-	Working Capital	2023: Rpnil/(Rpnil), 2022: Rp175,000,000/ (Rp75,000,000)	2023: Rp200,000,000, 2022: Rp200,000,000

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

Below are details of the information related to the credit facilities and loan balances owed by the Group: (continued)

a Short-term bank loans (continued)

Parties	Total facilities (in thousand)	Loan Periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year drawdown (principal payment)	Balance as of March 31, 2023
The Company and PT Bank KEB Hana Indonesia Tbk Credit Facility Loan Term Bank	Rp100,000,000	until July 2023	July 2023	Monthly	2023: 7.00%. 2022: 7.00%	Undeveloped Land and Investment Properties (Notes 7 and 10)	Working Capital	2023: Rp100,000,000/(Rpnil) 2022: Rpnil/(Rp26,000,000)	2023: Rp100,000,000, 2022: RpNil
The Company and PT Bank KEB Hana Indonesia Tbk Credit Facility Bank Overdraft	Rp100,000,000	until July 2023	July 2023	Monthly	2023: 7.00%. 2022: 7.00%	Undeveloped Land and Investment Properties (Notes 7 and 10)	Working Capital	2023: Rp99,933,697/(Rp57,898,492), 2022: Rp57,898,492/(Rpnil)	2023: Rp99,933,697, 2022: Rp57,898,492
The Company and PT Bank Danamon Indonesia Tbk Credit Facility Bank Overdraft	Rp500,000,000	until August 2023	August 2023	Monthly	2023: 6.00%. 2022: 6.00%	-	Working Capital	2023: Rpnil/(Rpnil), 2022: Rp270,000,000/(Rp120,000,000),	2023: Rp150,000,000, 2022: Rp150,000,000
KCJA and PT Bank Danamon Indonesia Tbk Credit Facility Bank Overdraft	Rp50,000,000	until June 2023	June 2023	Monthly	2023: 8.00%. 2022: 7.70%	Undeveloped Land (Note 7)	Working Capital	2023: Rp767,960/(Rp2,735,104), 2022: Rp1,359,217/(Rp2,068,966)	2023: Rp767,960, 2022: Rp2,735,104
The Company and PT Bank Resona Perdania Credit Facility Revolving	US\$5,000,000 and Rp130,000,000	until December 2023	December 2023	Monthly	2023: 5.32%-6.76%. 2022: 4.93%	Investment Properties (Note 10)	Working Capital	2023: US\$nil and Rp130,000,000/(US\$nil and Rpnil) 2022: US\$nil equivalent to Rp7,310,000 and Rpnil/ (US\$nil and Rp130,000,000)	2023: US\$5,000,000 equivalent to Rp75,310,000 (Note 33) and Rp130,000,000, 2022: US\$5,000,000 equivalent to Rp78,655,000 (Note 33) and Rpnil
SPCK and PT Bank Resona Perdania Credit Facility Working Capital	Rp30,000,000	until August 2023	August 2023	Monthly	2023: 6.88%. 2022: 6.88%	Letter of Undertaking PT Summarecon Agung Tbk	Working Capital	2023: Rpnil/(Rpnil), 2022: Rpnil/(Rpnil)	2023: Rp2,000,000, 2022: Rp2,000,000

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

Below are details of the information related to the credit facilities and loan balances owed by the Group: (continued)

a Short-term bank loans (continued)

Parties	Total facilities (in thousand)	Loan Periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year drawdown (principal payment)	Balance as of March 31, 2023
The Company and PT Bank BTPN Tbk Credit Facility Revolving	Rp250,000,000	until August 2023	August 2023	Monthly	2023: 6.65%, 2022: 6.90%	-	Working Capital	2023: Rp100,000,000/(Rpnil) 2022: Rp165,000,000/ (Rp415,000,000)	2023: Rp100,000,000, 2022: Rpnil
The Company and PT Bank OCBC NISP Credit Facility Demand Loan	Rp600,000,000	until May 2023	May 2023	Monthly	2023: 7.00%, 2022: 5.75%	Land and Company's Building (Notes 9 and 10)	Working Capital	2023: Rpnil/(Rp600,000,00), 2022: Rp600,000,000/ (Rpnil)	2023: Rpnil, 2022: Rp600,000,000
The Company and PT Bank Mandiri (Persero) Tbk Credit Facility Working Capital	Rp200,000,000	until June 2023	June 2023	Monthly	2023: 7.25%, 2022: 7.75%	MKOJ's Investment Properties and Hotel Harris Bekasi Building (Note 10)	Working Capital	2023: Rpnil/ (Rpnil), 2022: Rpnil/ (Rp25,000,000)	2023: Rpnil, 2022: Rpnil,
Total Short-term bank loans	US\$5,000,000 and Rp4,195,000,000							2023: US\$nil and Rp916,686,087/ (US\$nil and Rp737,747,804) 2022: US\$nil and Rp2,114,622,350/ (US\$nil and Rp1,693,779,691)	2023: US\$5,000,000 equivalent to Rp75,310,000 and Rp2,118,686,087 2022: US\$5,000,000 equivalent to Rp78,655,000 and Rp1,939,747,804

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

Below are details of the information related to the credit facilities and loan balances owed by the Group: (continued)

b.1 Long-term bank loans

Parties	Total facilities (in thousand)	Loan Periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year drawdown (principal payment)	Balance as of March 31, 2023
The Company and PT Bank Central Asia Tbk Investment Credit Facility	Rp550,000,000	February 2015 - February 2023	Quarterly installment (second quarter 2018 - first quarter 2023)	Quarterly	2023: 7.25%, 2022: 7.25%	Investment Properties (MKG3) (Note 10)	Construction of The Kensington Royal Suite Apartement	2023: Rpnil/ (Rp45,375,000), 2022: Rpnil/ (177,375,000)	2023: Rpnil, 2022: Rp45,375,000
The Company and PT Bank Central Asia Tbk Investment Credit Facility	Rp500,000,000	April 2021 - April 2029	Quarterly installment	Quarterly	2023: 7.25%, 2022: 7.25%	Investment Properties (MKG3) (Note 10)	General Purpose	2023: Rpnil/(Rpnil), 2022: Rpnil/(Rpnil)	2023:Rpnil, 2022:Rpnil
The Company and certain subsidiaries and PT Bank Central Asia Tbk Investment Credit Facility	Rp650,000,000 Company: Rp75,000,000, MKOJ: Rp165,000,000, DNMP: Rp70,000,000, SMHO: Rp65,000,000, LTMD: Rp225,000,000, KRIP: Rp50,000,000	September 2013 - September 2023	Quarterly installment (fourth quarter 2016 -third quarter 2023)	Quarterly	2023: 7.00 - 7.50%, 2022: 7.00 - 7.50%	Investment Properties (MKG3) (Note 10)	Constructions of Hotel Pop! Kelapa Gading MKOJ : Constructions of Harris Hotel Bekasi, DNMP: Constructions of Plaza Summarecon Bekasi, SMHO: Purchase of equipment Hotel Pop! Kelapa Gading and Harris Hotel Bekasi, LTMD: Constructions of Summarecon Digital Center, KRIP: Constructions of Scientia Business Park	2023 Rpnil/ (Rp28,750,000), 2022: Rpnil/ (Rp97,500,000)	2023: Rp68,750,000, 2022: Rp97,500,000

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

Below are details of the information related to the credit facilities and loan balances owed by the Group: (continued)

b.1 Long-term bank loans (continued)

Parties	Total facilities (in thousand)	Loan Periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year drawdown (principal payment)	Balance as of March 31, 2023
SPCK and PT Bank Central Asia Tbk Investment Credit Facility I	Rp100,000,000	July 2014 - September 2022	Quarterly installment - (fourth quarter 2016 - third quarter 2022)	Quarterly	2023: 7.25%, 2022: 7.25%	Undeveloped land (Note 7)	Construction of The Spring Club	2023: Rpnil/(Rpnil), 2022: Rpnil/ (Rp15,000,000)	2023: Rpnil, 2022: Rpnil
SPCK and PT Bank Central Asia Tbk Investment Credit Facility II	Rp200,000,000	June 2015 - June 2022	Quarterly installment - (fourth quarter 2017 - second quarter 2022)	Quarterly	2023: 7.25%, 2022: 7.25%	Undeveloped land (Note 7)	General purpose financing capital expenditure and development cost	2023: Rpnil/(Rpnil), 2022: Rpnil/ (Rp25,000,000)	2023: Rpnil, 2022: Rpnil
SPCK and PT Bank Central Asia Tbk Investment Credit Facility III	Rp400,000,000	March 2016 - February 2023	Quarterly installment (fourth quarter 2018 - first quarter 2023)	Quarterly	2023: 7.50%, 2022: 7.25%	Undeveloped land (Note 7)	Construction house, apartment and infrastructure of Summarecon Serpong	2023: Rpnil/(Rp25,000,000) , 2022: Rpnil/ (Rp100,000,000),	2023: Rpnil, 2022: Rp25,000,000
SPCK and PT Bank Central Asia Tbk Investment Credit Facility IV	Rp425,000,000	November 2017 - November 2026	Quarterly installment	Quarterly	2023: 7.50%, 2022: 7.25%	Undeveloped land (Note 7)	Capital and project development cost apartment, house and infrastructure in Summarecon Serpong area	2023: Rpnil/(Rp2,884,425), 2022: Rpnil/ (Rp11,537,700)	2023: Rp43,266,375, 2022: Rp46,150,800
LTMD and PT Bank Central Asia Tbk Investment Credit Facility II	Rp350,000,000	March 2011 - March 2023	Quarterly installment (second quarter 2013 - first quarter 2023)	Quarterly	2023: 7.00%, 2022: 7.00%	Investment properties and temporary account (Notes 10 and 11)	Construction of Summarecon Mal Serpong Stages II	2023: Rpnil/(Rp15,750,000), 2022: Rpnil/(Rp47,250,000)	2023: Rpnil, 2022: Rp15,750,000

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

Below are details of the information related to the credit facilities and loan balances owed by the Group: (continued)

b.1 Long-term bank loans (continued)

Parties	Total facilities (in thousand)	Loan Periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year drawdown (principal payment)	Balance as of March 31, 2023
PMJA, HOPJ and PT Bank Central Asia Tbk Investment Credit Facility	PMJA : Rp220,000,000 HOPJ : Rp307,000,000	December 2013 - December 2026	Quarterly installment (third quarter 2017 - fourth quarter 2026)	Quarterly	2023: 6.25%, 2022: 6.25%	Fixed asset, investment properties and PMJA's and HOPJ's shares (Notes 9 and 10)	Construction of Movenpick Resort & Spa	2023: Rpnil/(Rpnil), 2022: Rpnil/(Rp287,415,070)	2023: Rp188,595,337, 2022: Rp188,595,337
PMJA, HOPJ and PT Bank Central Asia Tbk Investment Credit Facility	PMJA : US\$5,000,000 HOPJ : US\$4,800,000	December 2013 - December 2027	Quarterly installment (third quarter 2017 - fourth quarter 2027)	Quarterly	2023: 4.50%, 2022: 4.50%	Fixed asset, investment properties and PMJA's and HOPJ's shares (Notes 9 and 10)	Construction of Movenpick Resort & Spa	2023: US\$nil equivalent to Rpnil/ (US\$nil equivalent to Rpnil) 2022: US\$nil equivalent to Rpnil/ (US\$4,862,439 equivalent to Rp76,135,223)	2023: US\$2,641,695 (Note 33) equivalent to Rp39,789,213 2022: US\$2,641,695 (Note 33) equivalent to Rp41,556,507
SGMC and PT Bank Central Asia Tbk Investment Credit Facility	Rp200,000,000	November 2017 - August 2025	Quarterly	Monthly	2023: 7.50%, 2022: 7.50%	Undeveloped land (Note 7)	Capital and Project development cost apartement, house and infrastructure in Summarecon Mutiara Makassar area	2023: Rpnil/(Rp7,500,000), 2022: Rpnil/(Rpnil)	2023: Rp120,000,000, 2022: Rp127,500,000
SGMC and PT Bank Central Asia Tbk Investment II Credit Facility	Rp200,000,000	August 2019 - January 2026	Quarterly	Monthly	2023: 7.50%, 2022: 7.50%	Undeveloped land (Note 7)	Capital and Project development cost apartement, house and infrastructure in Summarecon Mutiara Makassar area	2023: Rpnil/(Rp5,000,000), 2022: Rpnil/(Rp15,000,000)	2023: Rp180,000,000, 2022: Rp185,000,000
MKPP and PT Bank Central Asia Tbk Investment Credit facility	Rp500,000,000	June 2016 - June2025	Quarterly	Monthly	2023: 7.25%, 2022: 7.25%	Undeveloped land (Note 7)	Construction project residential and infrastructure in Summarecon Bandung area	2023: Rpnil/(Rpnil), 2022: Rpnil/(Rpnil)	2023 : Rp281,250,000, 2022 : Rp281,250,000

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

Below are details of the information related to the credit facilities and loan balances owed by the Group: (continued)

b.1 Long-term bank loans (continued)

Parties	Total facilities (in thousand)	Loan Periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year drawdown (principal payment)	Balance as of March 31, 2023
MKPP and PT Bank Central Asia Tbk Investment Credit Facility II	Rp400,000,000	November 2019 - October 2027	Quarterly	Monthly	2023: 7.25%, 2022: 7.25%	Undeveloped land (Note 7)	Construction project residential and infrastructure in Summarecon Bandung area	2023: Rpnil/(Rp5,000,000), 2022: Rpnil/(Rpnil)	2023: Rp395,000,000, 2022: Rp400,000,000
DTSA and PT Bank Central Asia Tbk Investment Credit Facility	Rp125,000,000	September 2022 - September 2029	Quarterly	Monthly	2023: 7.50% 2022: 7.50%	Undeveloped land (Note 7)	Construction project residential and infrastructure in Summarecon Crown Gading area	2023: Rpnil/(Rpnil), 2022: Rp43,465,008/(Rpnil),	2023: Rp43,465,008, 2022: Rp43,465,008
The Company and PT Bank Mandiri (Persero) Tbk Investment Credit Facility	Rp1,100,000,000	June 2020 - June 2025	Quarterly	Monthly	2023: 7.25%, 2022: 7.25%	Investment properties MKOJ (Note 10)	General Purpose	2023: Rpnil/(Rp50,000,000), 2022: Rpnil/(Rp175,000,000)	2023: Rp775,000,000, 2022: Rp825,000,000
The Company and PT Bank OCBC NISP Tbk Investment Credit Facility	Rp1,100,000,000	October 2019 - September 2028	Quarterly installment (fourth quarter 2021 - third quarter 2028)	Quarterly	2023: 7.25%, 2022: 7.25%	Undeveloped land (Note 7)	Construction project residential and infrastructure area	2023: Rpnil/(Rp7,750,000), 2022: Rpnil/ (Rp531,000,000)	2023: Rp547,500,000, 2022: Rp555,250,000
MKBD and PT Bank CIMB Niaga Tbk Investment Credit Facility	Rp350,000,000	September 2022 - September 2032	Quarterly	Quarterly	2023: 7.50% 2022: 7.00%-7.50%	Fixed asset and investment properties (Notes 9 and 10)	Construction project Summarecon Mall Bandung	2023: Rpnil/(Rpnil) 2022: Rp148,040,068/(Rpnil)	2023: Rp148,040,068, 2022: Rp148,040,068

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

Below are details of the information related to the credit facilities and loan balances owed by the Group: (continued)

b.1 Long-term bank loans (continued)

Parties	Total facilities (in thousand)	Loan Periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year drawdown (principal payment)	Balance as of March 31, 2023
MKRW and PT Bank CIMB Niaga Tbk Investment Credit Facility	Rp80,000,000	December 2022 - December 2030	Quarterly	Quarterly	2023: 7.50%, 2022: 7.00%-7.50%	Fixed asset and investment properties (Notes 9 and 10)	Construction project Summarecon Villaggio Jakarta Luxury Outlet	2023: Rp70,000,000/(Rpnil) 2022: Rpnil/(Rpnil)	2023: Rp70,000,000, 2022: Rpnil
The Company and PT Bank KEB Hana Indonesia Credit Facility Working Capital	Rp200,000,000	March 2020 - March 2030	Quarterly	Quarterly	2023: 7.50%, 2022: 7.50%	Undeveloped land and investment properties (Notes 7 and 10)	Working Capital	2023: Rpnil/(Rp5,000,000), 2022: Rpnil/ (Rp20,000,000)	2023: Rp140,000,000, 2022: Rp145,000,000
KCJA, GNSA, GNSP and PT Bank Central Asia Syariah Investment Credit Facility	Rp250,000,000	December 2018 - March 2028	Quarterly	Monthly	2023: 7.50%, 2022: 7.50%	Undeveloped land (Note 7)	Construction project residential and infrastructure in Summarecon Bogor area.	2023: Rpnil/(Rp466,031), 2022: Rpnil/ (Rp20,601,296)	2023: Rp46,319,075, 2022: Rp46,785,106
KCJA and PT Bank Danamon Indonesia Tbk Investment Credit Facility	Rp200,000,000	September 2020 - June 2025	Quarterly	Monthly	2023: 8.75%, 2022: 7.70%	Undeveloped land (Note 7)	Capex Financing and Development Cost for residential and commercial projects as well as infrastructure in the Summarecon Bogor area	2023: Rpnil/(Rp903,298), 2022: Rpnil/ (Rp41,806,596)	2023: Rp33,422,027, 2022: Rp34,325,325
Total long-term bank loans	Rp8,407,000,000 and US\$ 9,800,000							2023: US\$nil and Rp70,000,000/ (US\$nil and Rp199,378,754) 2022: US\$nil and Rp191,505,076/ (US\$4,862,439 equivalent to Rp76,135,223 and Rp1,636,985,662)	2023: US\$2,641,695 equivalent to Rp39,789,213 and Rp3,080,607,890 2022: US\$2,641,695 equivalent to Rp41,556,507 and Rp3,209,986,644

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

b1. Long-term bank loans (continued)

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

- a. Maintain certain financial ratios:
 - (1) EBITDA to interest expense;
 - (2) Debt to equity ratio;
 - (3) Maintain positive equity and profit.
- b. Debtors must obtain written approval from the Creditor prior to performing the following activities:
 - (1) Provide loans, act as guarantor/pledgor in any form and with any name and/or pledge the Company's assets to other parties, including but not limited to affiliates, both direct or indirectly related, and to third parties in the amount greater than 20% of the Company's total equity for each transaction, except in the ordinary course of business;
 - (2) Sell or dispose of their major assets used in their business, except under normal business transactions
 - (3) Enter into merger, consolidation, acquisition, liquidation; and,
 - (4) Amend its articles of association, except increase their capital stock.
- c. Submit a notification letter for dividend distribution.

As of March 31, 2023 and December 31, 2022, the Group is in compliance with all of the debt covenants related to the above short-term bank loans and long-term debts.

b2. Loans from financing institution

PT BCA Finance

The loans from PT BCA Finance represent drawdowns from various consumer financing credit facilities obtained by the Company and its subsidiaries, which were used to finance the acquisitions of vehicles. The loans are payable in monthly installments at different dates, the latest up to October 25, 2025, and are collateralized by the vehicles purchased (Note 9). The outstanding loans as of March 31, 2023 amounted to Rp5,565,891 (2022: Rp5,728,343).

In 2023, the Group has made principal payments totaling Rp715,240 (2022: Rp3,863,617).

In 2023, the loans bore interest at annual rates ranging from 5.92% until 13.23% (2022: 5.92% until 13.23%).

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

13. BONDS PAYABLE

The details of bonds issued are as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<u>Face Value</u>		
Obligasi Berkelanjutan III Tahap II	200,000,000	200,000,000
Obligasi Berkelanjutan IV Tahap I	448,450,000	448,450,000
Total face value	648,450,000	648,450,000
Less deferred issuance costs (net of current amortization of Rp312,166 in March 31, 2023 and Rp1,600,433 in December 31, 2022)	(5,730,719)	(6,042,885)
Net	642,719,281	642,407,115
Less current maturities	-	-
Long-term portion	642,719,281	642,407,115

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13. BONDS PAYABLE (CONTINUED)

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

	March 31, 2023	December 31, 2022
Obligasi Berkelanjutan III Tahap II	4,237,900	4,237,900
Obligasi Berkelanjutan IV Tahap I	6,022,699	6,022,699
Total	10,260,599	10,260,599
Less deferred issuance costs (net of current amortization of Rp312,166 in March 31, 2023 and Rp1,600,433 in December 31, 2022)	(4,529,880)	(4,217,714)
Net	5,730,719	6,042,885

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

On October 15, 2019, the Company issued OB III Tahap II with two series composed of Series A with nominal value of Rp500,000,000 and Series B with nominal value of Rp200,000,000 with fixed annual interest rate of 9,125% and 9,500%, respectively. Interest will be paid quarterly, which started on January 15, 2020 and will continue up to October 15, 2022 for Series A and will continue up to October 15, 2024 for Series B. The OB III Tahap II will mature each on October 15, 2022 for Obligasi Series A and October 15, 2024 for Obligasi Series B. The OB III Tahap II Series A have been fully paid on October 15, 2022.

The OB III Tahap II has been listed in the Indonesia Stock Exchange since October 16, 2019.

PT Pemingkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of *idA+* (*single A plus*) for the OB III Tahap II in 2022.

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

On July 8, 2022, the Company issued OB IV Tahap I with nominal value of Rp448,450,000 with fixed annual interest rate of 8%. Interest will be paid quarterly, which started on October 8, 2022 and will continue up to July 8, 2027.

The OB IV Tahap I has been listed in the Indonesia Stock Exchange since July 11, 2022.

PT Pemingkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of *idA+* (*single A plus*) for the OB IV Tahap I in 2022.

All the Company's bonds have the same trustee, which is PT Bank Permata Tbk and PT Bank Rakyat Indonesia (Persero) Tbk. Based on Perjanjian Perwaliamanatan Obligasi, the Company is required to comply with the following covenants:

- a. Maintain certain financial ratios:
 - (1) *Interest-bearing debt to equity ratio of not more than 3:1;*
 - (2) EBITDA to interest expense ratio of not less than 1.5:1;

The Company has complied with all of the above financial ratios.

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

As of March 31, 2023 and December 2022, the Company has complied with the covenants stated in the agreements on the bonds.

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14. TRADE PAYABLES TO THIRD PARTIES

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Suppliers	71,339,672	54,005,072
Infrastructure construction contractors	2,928,922	29,543,664
House construction contractors	2,441,229	1,814,504
Others (each below Rp1,000,000)	2,048,471	2,052,038
Total trade payables to third parties	<u>78,758,294</u>	<u>87,415,278</u>

The details of trade payables to third parties based on their original currencies (Note 33) are as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Rupiah	78,720,939	87,376,402
United States Dollar (US\$2,060 as of March 31, 2023 and December 31, 2022)	31,028	32,406
European Euro (Euro387 as of March 31, 2023 and December 31, 2022)	6,327	6,470
Total trade payables to third parties	<u>78,758,294</u>	<u>87,415,278</u>

None of the Company's assets are pledged as collateral in relation to trade payables to third parties as of March 31, 2023.

15. OTHER PAYABLES

Other payables are liabilities to third parties and related parties and consist of:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<u>Third parties:</u>		
Deposits payable	172,488,383	150,603,138
Contractor payable	26,590,342	26,499,255
Deferred lease income	17,119,157	17,145,683
Supplier deposit value added tax	10,805,833	14,697,457
Others (each below Rp10,000,000)	21,508,156	18,780,873
Total other payables	<u>248,511,871</u>	<u>227,726,406</u>
Less current maturities	(236,215,528)	(215,403,538)
Long-term portion	<u>12,296,343</u>	<u>12,322,868</u>

Deposits payable are cash receipts from third parties for transactions which have not been realized.

Others mainly represent dividend payable and purchase of fixed asset and investment properties.

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16. LEASE LIABILITIES

Certain subsidiaries as Lessee

The certain subsidiaries have lease contract for office building used in its operations. The certain subsidiaries are restricted from assigning and subleasing the leased assets. Lease of that office buildings has terms 3 - 15 years. The certain subsidiaries also have lease contract for house building with lease terms of less than 12 months or with low value. The certain subsidiaries also have lease contract for office building with lease terms of less than 12 months or with low value. The certain subsidiaries apply recognition exemptions for these leases and recognize lease expenses on a straight-line basis in the statement of profit or loss and other comprehensive income

Movement of lease liabilities:

	March 31, 2023	December 31, 2022
Beginning balance	5,676,792	5,731,368
Addition of interest	111,981	452,016
Payment of lease liabilities during the year	-	(506,592)
Sub-total	5,788,773	5,676,792
Less current portion	(472,293)	(134,657)
Long-term Portion	5,316,480	5,542,135

Amounts recognized in the statement of profit or loss and other comprehensive income:

	For the three-month period ended	
	March 31,	
	2023	2022
Depreciation expense of right of use assets	235,744	46,667
Interest expense on lease liabilities	111,981	-
Expense relating to lease of low value and short-term lease	1,117,758	396,067
Total	1,331,375	1,286,149

17. ACCRUED EXPENSES

This account consists of accruals for:

	March 31, 2023	December 31, 2022
Development of projects, infrastructures social and public facilities	862,679,644	887,623,513
Repairs and maintenance	49,534,426	47,752,346
Promotion	38,233,199	37,667,971
Interest expense	27,194,346	38,259,590
Electricity, water, and telephone	24,112,874	24,696,042
Security	22,280,386	18,745,512
Others (below Rp10,000,000)	56,772,676	49,258,668
Total accrued expenses	1,080,807,551	1,104,003,642

As of March 31, 2023 and December 31, 2022, accruals of projects, infrastructures, social and public facilities were provided for of the Group which are involved in property development. The accruals were computed based on cost per square meter (sqm) to be spent on the area to be developed as infrastructures, social and public facilities.

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18. TAXATION

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
a. Prepaid taxes consist of:		
Article 21	200,891	70,022
Article 23	719,056	-
Article 25	266,171	-
Final income tax	293,583,328	285,335,407
Value added tax	233,331,136	214,583,654
Total prepaid taxes	<u>528,100,582</u>	<u>499,989,083</u>
b. Taxes payable consist of:		
Income taxes payable:		
Article 21	5,844,542	7,432,092
Article 23	2,368,708	4,144,629
Article 25	92,979	90,709
Article 26	198,308	173,206
Article 29	2,638,247	2,239,627
Final income tax	42,318,364	51,208,159
Development tax	7,263,413	10,354,012
Total taxes payable	<u>60,724,561</u>	<u>75,642,434</u>

19. EMPLOYEE BENEFITS LIABILITIES

The employee benefit liabilities is unfunded, except permanent employees who is 50 years old to retirement funds which is organized by Dana Pensiun Lembaga Keuangan Central Asia Raya all of which are placed as time deposits.

20. CONTRACT LIABILITIES

Contractual liabilities received from customers related to sales of inventories (note 6) :

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<u>Related parties (Note 32)</u>		
Apartements	3,517,197	3,517,197
Shops	3,291,059	3,291,059

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20. CONTRACT LIABILITIES (CONTINUED)

Contractual liabilities received from customers related to sales of inventories (note 6) : (continued)

	March 31, 2023	December 31, 2022
<u>Third parties</u>		
Houses	6,789,415,034	6,763,886,589
Landplots	640,382,654	591,879,643
Shops	584,562,811	662,494,812
Apartements	247,185,086	210,350,542
Offices	10,128,578	10,115,365
Others	17,282,625	15,569,072
Total contract liabilities	8,295,765,044	8,261,104,279
Less current maturities	(4,619,583,790)	(4,788,194,198)
Long-term portion	3,676,181,254	3,472,910,081

21. SECURITY DEPOSITS

The details of security deposits are as follows:

	March 31, 2023	December 31, 2022
Security deposits:		
<u>Related parties (Note 32)</u>		
Rent	7,549,422	7,544,422
Telephone	103,000	103,000
Others	146,165	142,368
<u>Third parties</u>		
Rent	167,996,818	163,534,900
Others	97,661,805	96,949,615
Total	273,457,210	268,274,305
Less current maturities	(156,365,799)	(156,090,528)
Long-term portion	117,091,411	112,183,777

22. UNEARNED REVENUES

This account consists of unearned revenues as follows:

	March 31, 2023	December 31, 2022
<u>Related party (Note 32)</u>		
Commercial and others	15,261,212	16,358,314
Offices	1,533	-

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22. UNEARNED REVENUES (CONTINUED)

This account consists of unearned revenues as follows: (continued)

	March 31, 2023	December 31, 2022
<u>Third parties</u>		
Mall and retail	505,425,692	474,092,403
Commercial and others	90,002,271	81,247,246
Office	1,835,705	2,305,000
Residential	288,697	448,574
Total unearned revenues	612,815,110	574,451,537
Less current maturities	(444,737,860)	(419,223,475)
Long-term portion	168,077,250	155,228,062

23. NON-CONTROLLING INTERESTS

The details of total equity attributable to noncontrolling interests of consolidated Subsidiaries are as follows:

	March 31, 2023	December 31, 2022
SMPD and subsidiaries	1,411,296,471	1,426,429,378
SPCK and subsidiaries	1,174,600,083	1,146,338,448
SMED and subsidiaries	3,137,602	3,123,696
SMIP and subsidiaries	(24,245,240)	(23,256,984)
BHMS	(15)	(21)
Total equity attributable to non-controlling interests	2,564,788,901	2,552,634,517

As of March 31, 2023, deposits for stock subscription amounted to RpNil (2022: Rp83,893,978) whereas the capital reduction amounted to RpNil (2022: Rp39,200,000) from non-controlling interests of SMPD and subsidiaries.

Total comprehensive income attributable to non-controlling interests for the three-month period ended March 31, 2023 amounted to Rp12,154,384 and March 31, 2022 amounted to Rp60,603,799.

For the three-month period ended March 31, 2023, payments to non-controlling interest related to revenue sharing on SPCK amounted to RpNil (2022: Rp207,480,942).

24. CAPITAL STOCK

The composition of the Company's stockholders as of March 31, 2023 and December 31, 2022 is as of follows:

	Number of shares issued and fully paid	Percentage of Ownership (%)	Total
<u>Commissioner</u>			
Harto Djojo Nagaria	20,800,002	0.13	2,080,000
<u>Director</u>			
Liliawati Rahardjo	238,327,436	1.44	23,832,744
<u>Ownership of 5% or more</u>			
PT Semarop Agung	5,585,167,916	33.83	558,516,792
Others (each below 5% ownership)	10,664,273,004	64.60	1,066,427,301
Total	16,508,568,358	100.00	1,650,856,837

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24. CAPITAL STOCK (CONTINUED)

The Company's Directors and other Commissioners do not own shares of the Company. Information on the composition of the shareholders and the Company's ownership is based on reports from PT Saham Raya Registra, Registrar of Companies, on March 31, 2023 and December 31, 2022.

25. ADDITIONAL PAID-IN CAPITAL

As of March 31, 2023 and December 31, 2022, the balance of this account arise from the following:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Share premium	721,671,346	721,671,346
Other paid-in capital	17,103,214	17,103,214
Issuance of capital stock with pre-emptive right phase II (Note 1b)	1,284,206,897	1,284,206,897
Differences in value of transactions of entities under common control	5,560,839	5,560,839
Bonus shares	(721,339,084)	(721,339,084)
Total	<u><u>1,307,203,212</u></u>	<u><u>1,307,203,212</u></u>

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

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

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

26. APPROPRIATED RETAINED EARNINGS - GENERAL RESERVE

Based on the minutes of stockholders' annual general meetings held on July 7, 2022, the Company's stockholders approved the appropriation of general reserve amounting to Rp5,489,237 and already presented as part of "Appropriated retained earnings - reserve fund" in the consolidated statements of financial position.

As of March 31, 2023, the balances of the general reserve are less than 20% of the issued and fully paid capital stock. The additional reserve will be made after obtaining the approval from the stockholders in their next annual meeting.

Based on article 70 in Law of Republic of Indonesia No.40 year 2007, the Company must set aside certain part of net profits for reserve funds which shall be minimum 20% of total subscribed capital and deposited.

27. CASH DIVIDENDS

In the stockholders' annual general meetings held on July 7, 2022, the Company's stockholders approved to distribute cash dividend amounting to Rp6 (full amount) per share or equivalent to Rp99,051,410.

As of March 31, 2023, the dividend payable balance amounted to Rp1,942,388 (2022: Rp1,942,767), which is presented as part of "Other Payables" in the consolidated statement of financial position.

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28. NET REVENUES

The details of net revenues are as follows:

	For the three-month period ended	
	March 31,	
	2023	2022
Property development		
<u>Third parties</u>		
Houses	722,099,688	221,778,935
Shops	146,548,174	450,188,612
Apartements	16,910,012	162,943,271
Landplots	13,762,707	159,358,251
Offices	7,423,598	8,479,559
Others	4,129,146	14,844,699
Sub-total	910,873,325	1,017,593,327
Investment properties		
<u>Related parties (Note 32)</u>		
Mall and retail	9,878,315	6,446,003
Offices	2,313,646	2,010,468
Commercial and others	1,352,041	1,106,688
<u>Third parties</u>		
Mall and retail	359,114,921	280,678,312
Commercial and others	15,678,823	13,882,673
Offices	5,912,957	5,801,463
Residential	694,118	805,760
Sub-total	394,944,821	310,731,367
Others		
<u>Related parties (Note 32)</u>		
Estate and property management	102,198	25,236
Others	2,722,262	2,072,880
<u>Third parties</u>		
Hotel	87,798,499	43,814,646
Estate and property management	83,293,409	80,907,902
Leisure	14,341,842	10,103,589
Others	5,259,009	4,364,774
Sub-total	193,517,219	141,289,027
Total net revenues	1,499,335,365	1,469,613,721

Revenue from sales to related parties was 1.09% as of March 31, 2023 (2022: 0.79%). As of March 31, 2023 and 2022, no revenue exceeding 10% of annual net revenues were earned from any single customer.

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29. COST OF SALES AND DIRECT COSTS

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

	For the three-month period ended	
	March 31,	
	2023	2022
Property development		
Houses	339,423,752	107,366,238
Shops	57,808,093	146,072,653
Apartements	9,927,761	86,901,803
Landplots	1,960,510	21,503,138
Offices	3,782,097	4,081,867
Others	-	5,993,133
Sub-total	<u>412,902,213</u>	<u>371,918,832</u>
Investment properties		
Mall and retail	143,924,275	126,841,687
Commercial and others	7,850,277	5,412,062
Offices	6,161,922	5,860,001
Residential	715,036	729,207
Sub-total	<u>158,651,510</u>	<u>138,842,957</u>
Others		
Hotel	54,729,456	31,892,964
Estate and property management	81,493,620	75,643,310
Leisure	12,534,971	10,282,257
Others	5,549,379	7,643,822
Sub-total	<u>154,307,426</u>	<u>125,462,353</u>
Total cost of sales and direct costs	<u>725,861,149</u>	<u>636,224,142</u>

For the three-month period ended March 31, 2023 and 2022, no purchases exceeding 10% of net revenues were made from any single supplier.

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30. OPERATING EXPENSES

The details of operating expenses are as follows:

	For the three-month period ended	
	March 31,	
	2023	2022
<u>Selling expenses</u>		
Promotion and advertising	50,162,562	33,031,749
Agency	19,627,237	30,783,462
Others (each below Rp10,000,000)	21,463,661	13,114,830
Total selling expenses	<u>91,253,460</u>	<u>76,930,041</u>
<u>General and administrative expenses</u>		
Salaries and employee benefits	140,621,435	132,749,943
Depreciation (Notes 9 and 10)	13,711,195	12,979,364
Electricity, water & telephone	6,531,364	3,705,637
Others (each below Rp5,000,000)	50,676,820	41,359,502
Total general and administrative expenses	<u>211,540,814</u>	<u>190,794,446</u>
Total operating expenses	<u>302,794,274</u>	<u>267,724,487</u>

31. FINANCE COSTS

The details of finance costs are as follows:

	For the three-month period ended	
	March 31,	
	2023	2022
Interest expenses:		
Loans from banks	64.962.489	87.804.295
Bonds payable	13.421.118	16.105.916
Loans from financial institution	142.540	41.015
Interest from contract revenue	88.217.855	193.008.709
Others	6.728.618	6.557.801
Total finance costs	<u>173.472.620</u>	<u>303.517.736</u>

Other operating income

For the three-month period ended March 31, 2023, this account mainly represents gain on sale of fixed assets, proceed: from the sale of used goods (2022: mainly represents gain on sale of fixed assets, proceeds from the sale of used goods dividend income from other entities).

Other operating expenses

For the three-month period ended March 31, 2023, this account mainly represent partition assembly expense (2022: mainly represent partition assembly expense).

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32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	Amount		Percentage to total consolidated assets/liabilities (%)	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Trade receivables (Note 5)				
Trade receivables - current				
<u>Other related parties</u>				
Yayasan Pendidikan Pradita Indonesia	1,306,306	1,947,612	0.0045	0.0068
Yayasan Akademi Anak Indonesia	1,062,132	1,000,356	0.0037	0.0035
<u>Under common control</u>				
PT Star Maju Sentosa	1,332,076	3,884,539	0.0046	0.0137
<u>Key management personnel</u>				
Ge Lilies Yamin	760	760	0.0000	0.0000
Total trade receivable - current	3,701,274	6,833,267	0.0128	0.0240
Due from related parties				
Due from related parties - current				
<u>Other related party</u>				
Yayasan Akademi Anak Indonesia	5,500,000	7,500,000	0.0191	0.0264
<u>Under common control</u>				
PT Star Maju Sentosa	404,492	202,249	0.0014	0.0007
<u>Joint venture</u>				
PT Jakartabarbaru Cosmopolitan	61,373,419	60,508,481	0.2129	0.2129
Total due from related parties - current	67,277,911	68,210,730	0.2334	0.2400

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32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	Amount		Percentage to total consolidated assets/liabilities (%)	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Due from related parties - non-current				
<u>Other related party</u>				
Yayasan Pendidikan Pradita Indonesia	68,305,312	64,105,312	0.2370	0.2255
Total due from related parties - non-current	68,305,312	64,105,312	0.2370	0.2255
Total due from related parties	135,583,223	132,316,042	0.4704	0.4655
Due to related parties - current				
<u>Other related party</u>				
PT Sumitomo Foresrty Indonesia	92,472	84,837	0.0006	0.0005
Contract liabilities				
Contract liabilities - current				
<u>Key management personnel</u>				
Herman Nagaria	3,517,197	3,517,197	0.0210	0.0211
Total contract liabilities - current	3,517,197	3,517,197	0.0210	0.0211
Contract liabilities - non current				
<u>Key management personnel</u>				
Herman Nagaria	3,291,059	3,291,059	0.0196	0.0197
Total contract liabilities - non current	3,291,059	3,291,059	0.0196	0.0197

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32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	Amount		Percentage to total consolidated assets/liabilities (%)	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Security deposits				
Security deposits - current				
<u>Key management personnel</u>				
Soegianto Nagaria	10,516	10,516	0.0001	0.0001
Liliawati Rahardjo	9,521	9,521	0.0001	0.0001
Adrianto P. Adhi	6,723	6,723	0.0000	0.0000
Herman Nagaria	6,604	2,896	0.0000	0.0000
Lexy Arie Tumiwa	4,458	4,458	0.0000	0.0000
Ge Lilies Yamin	3,465	3,465	0.0000	0.0000
Harto Djojo Nagaria	3,006	3,006	0.0000	0.0000
<u>Other related parties</u>				
PT Maktosa Jaya Indah	9,953	9,864	0.0001	0.0001
Theresia Mareta	7,519	7,519	0.0000	0.0000
<u>Under common control</u>				
PT Star Maju Sentosa	167,493	167,493	0.0010	0.0010
Total security deposits - current	229,258	225,461	0.0013	0.0013
Security deposits - non current				
<u>Security deposits - non current</u>				
Yayasan Akademi Anak Indonesia	547,436	547,436	0.0032	0.0032
Yayasan Syiar Bangsa	111,188	111,188	0.0007	0.0007
<u>Under common control</u>				
PT Star Maju Sentosa	6,910,705	6,905,705	0.0412	0.0414
Total security deposits - non current	7,569,329	7,564,329	0.0451	0.0453
Total security deposits	7,798,587	7,789,790	0.0464	0.0466

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32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	Amount		Percentage to total consolidated assets/liabilities (%)	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Unearned revenues				
Unearned revenues - current				
<u>Other related parties</u>				
Yayasan Syiar Bangsa	4,182,975	4,280,077	0.0249	0.0257
Yayasan Akademi Anak Indonesia	78,237	78,237	0.0005	0.0005
Yayasan Pendidikan Pradita Indonesia	1,533	-	0.0000	-
Total unearned revenues - current	4,262,745	4,358,314	0.0254	0.0262
Unearned revenues - non-current				
<u>Other related party</u>				
Yayasan Syiar Bangsa	11,000,000	12,000,000	0.0656	0.0719
Total unearned revenues - non current	11,000,000	12,000,000	0.0656	0.0719
Total unearned revenues	15,262,745	16,358,314	0.0910	0.0981
	Amount		Percentage to total consolidated net revenues (%)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Net revenues				
<u>Other related parties</u>				
Yayasan Pendidikan Pradita Indonesia	3,772,973	3,234,561	0.2517	0.2201
Yayasan Akademi Anak Indonesia	1,729,683	773,253	0.1154	0.0526
Yayasan Syiar Bangsa	1,718,815	1,708,147	0.1146	0.1162
PT Maktosa Jaya Indah	18,812	4,212	0.0013	0.0003
Theresia Mareta	16,797	3,919	0.0011	0.0003
<u>Under common control</u>				
PT Star Maju Sentosa	9,044,793	5,920,078	0.6033	0.4028
<u>Key management personnel</u>				
Liliawati Rahardjo	21,965	5,125	0.0015	0.0003
Soegianto Nagaria	16,797	3,919	0.0011	0.0003
Adrianto P. Adhi	6,719	1,568	0.0004	0.0001
Lexy Arie Tumiwa	6,719	1,568	0.0004	0.0001
Ge Lilies Yamin	6,719	1,568	0.0004	0.0001
Harto Djojo Nagaria	5,190	1,263	0.0004	0.0001
Herman Nagaria	2,480	2,094	0.0001	0.0001
Total net revenues	16,368,462	11,661,275	1.0917	0.7934

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32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The amounts due from and due to related parties resulting from non-trade transactions are non-interest bearing and have no fixed repayment dates and will be settled in cash, There are no security deposits given or received for each due to and due from related parties

As of March 31, 2023, the Group management believes that all due from related parties are collectible, therefore no allowance and impairment needed.

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

Related parties	Relationships	Transaction
Yayasan Pendidikan Pradita Indonesia	Others	Receivable on management fee and space rental
Yayasan Akademi Anak Indonesia	Others	Non-trade receivables and space rental, deposit, space rental revenue, management fee
PT Star Maju Sentosa	Under common control	Non trade receivables, deposit, space rental revenue
Ge Lilies Yamin	Key management personnel	Trade receivables, deposit and revenue from estate management
PT Jakartabarbaru Cosmopolitan	Joint venture	Non-trade receivables
PT Sumitomo Forestry Indonesia	Shareholders	Non-trade receivables
Herman Nagaria	Key management personnel	Sales of apartment and shops, deposits and revenue of estate management
Soegianto Nagaria	Key management personnel	Deposits and revenue of estate management
Liliawati Rahardjo	Key management personnel	Deposits and revenue of estate management
Adrianto P. Adhi	Key management personnel	Deposits and revenue of estate management
Lexy Arie Tumiwa	Key management personnel	Deposits and revenue of estate management
Harto Djojo Nagaria	Key management personnel	Deposits and revenue of estate management
PT Maktosa Jaya Indah	Shareholders	Sales of houses, Deposits receivables and revenue of estate management
Theresia Mareta	Close family member of Director	Deposits and revenue of estate management
Yayasan Syiar Bangsa	Others	Space rental revenue

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33. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

As of March 31, 2023 and December 31, 2022, the Group has monetary assets and liabilities denominated in foreign currencies are as follows

	March 31, 2023		December 31, 2022	
	Foreign currency	Rupiah equivalent	Foreign currency	Rupiah equivalent
<u>Assets</u>				
Cash and cash equivalents				
United States Dollar	US\$	8,880,094	US\$	8,512,470
European Euro	Euro	5,679	Euro	6,486
Singapore Dollar	Sin\$	5	Sin\$	1,489
Others		156		122,977
Total assets in foreign currencies		<u>133,844,999</u>		<u>134,158,395</u>
<u>Liabilities</u>				
Short-term bank loan				
United States Dollar	US\$	5,000,000	US\$	5.000.000
Long-term bank loan				
United States Dollar	US\$	2,641,695	US\$	2.641.695
Trade payables to third parties				
United States Dollar	US\$	2,060	US\$	2.060
European Euro	Euro	387	Euro	387
Others payables				
United States Dollar	US\$	75,516	US\$	75.516
Accrued Expense				
United States Dollar	US\$	300,512	US\$	339.866
Total liabilities in foreign currencies		<u>120,800,290</u>		<u>126.784.748</u>
Assets in foreign currencies - net		<u>13,044,709</u>		<u>7,373,646</u>

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34. OPERATING SEGMENT

Operating segment is reported based on the information used by the management evaluating the performance of each business segment and in determining the allocation of resources. There are no geographical segment since all the Group's business operations are located in Indonesia.

Significant business segments are revenues from property development, investment property, leisure and hospitality, and others which pertain to the main source of revenues. Property development segment comes from sales of houses, commercial buildings, apartments, and landplots. Investment property segment provides shophouses and office building rental. Leisure and hospitality segment relates to sports club and hotel. The other segment comes from health services, estate management, office and others.

Group management oversees the operating results of business unit for the purpose of decision making in allocation resources and performance evaluation. Segment performance will be evaluated based on segment's income or loss from operations that is measured based on income or loss from operations in the consolidated financial statements.

All intra-segments transactions have been eliminated and there is not transaction between segments. Consolidated business segments information are as follows:

	March 31, 2023 and for the three-month period ended				
	Property Development	Investment Property	Leisure & Hospitality	Others	Consolidation
Net revenue	910,873,325	394,944,821	102,140,341	91,376,878	1,499,335,365
Gross profit	497,971,112	236,293,311	34,875,915	4,333,878	773,474,216
Income (loss) from operations	279,969,274	202,580,397	6,065,160	(16,386,508)	472,228,323
Finance income					49,114,699
Finance costs					(173,472,620)
Equity in net profit of associates					2,286,887
Profit before final tax and income tax expense					350,157,289
Final tax expense					(65,816,124)
Profit before income tax					284,341,165
Income tax expense					(469,628)
Profit for the period					283,871,537
Others information					
Segment assets	23,184,459,880	4,881,902,003	416,538,039	337,281,893	28,820,181,815
Segment liabilities	14,986,701,421	1,348,039,002	266,401,735	182,270,144	16,783,412,302
Acquisition of fixed assets and investment properties	11,479,052	116,914,832	1,211,205	11,340,698	140,945,787
Depreciation	9,169,370	38,587,578	13,462,824	2,802,690	64,022,462

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34. OPERATING SEGMENT (CONTINUED)

	March 31, 2022 and for the three-month period ended				
	Property Development	Investment Property	Leisure & Hospitality	Others	Consolidation
Net revenue	1,017,593,327	310,731,367	53,918,235	87,370,792	1,469,613,721
Gross profit	645,674,496	171,888,411	11,743,013	4,083,659	833,389,579
Income (loss) from operations	444,194,991	149,538,522	(6,497,962)	(17,117,040)	570,118,511
Finance income					27,486,901
Finance costs					(303,517,736)
Equity in net profit of associates					3,280,225
Profit before final tax and income tax expense					297,367,901
Final tax expense					(58,209,846)
Profit before income tax					239,158,055
Income tax expense					(3,511,804)
Profit for the period					235,646,251
Others information					
Segment assets	22,163,358,017	4,243,249,411	464,478,888	352,931,563	27,224,017,879
Segment liabilities	13,830,273,736	1,264,466,748	548,589,440	166,219,213	15,809,549,137
Acquisition of fixed assets and investment properties	2,256,189	50,777,932	510,287	1,788,504	55,332,912
Depreciation	8,843,705	36,782,103	9,181,536	3,188,798	57,996,142

Finance income and costs, equity in net profit of associates and final tax and income tax expenses are not allocated to individual segments as these are presented on a Group basis.

35. SIGNIFICANT AGREEMENTS AND COMMITMENTS

- a. In April 2022, PT Sinergi Mentari Fajar (SGMF) entered into a management service agreement with PT Sumitomo Forestry Indonesia (SFI), a related party, which SFI agreed to provide technical support and consultation service related to the development and procurement of the Project. This agreement is valid for 87 months since the agreement has been agreed.
- b. In August 2020, PT Edustar Akademi Indonesia (ESAI) gave credit facility to Yayasan Akademi Anak Indonesia (YAAI), with the plafond of Rp6,000,000. This credit facility has a term of 12 months and will mature on August 19, 2021. This credit facility bears an interest rate of 9.25% per annum which will be paid monthly. The agreement has been amended on September 10, 2021, whereby the parties agreed to increase the loan facility to Rp20,000,000 which will end on August 19, 2022 with an interest rate of 9.5% (valid from December 20, 2021 - August 19, 2022) and 7.5% (valid from May 21, 2021 - December 19, 2021) and has been extended until August 19, 2023 with an interest rate of 9.5%

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35. SIGNIFICANT AGREEMENTS AND COMMITMENTS (CONTINUED)

- c. In January 2019, PT Serpong Cipta Kreasi (SPCK) entered into the following agreements with certain parties:
1. Collaboration agreement named KSO Summarecon Lestari Lakeview (KSO SLL) to develop land owned by Lestari Kreasi (LK) located in Tangerang. Profit or loss from the operation will be distributed with the percentage allocation of 70% to SPCK and 30% to LK. This agreement is valid for 10 years until September 18, 2027 and is notarized under notarial deed No. 62 dated January 31, 2019 of Dewi Himijati Tandika, S.H.
 2. Collaboration agreement with PT Variatata (VT) named KSO Summarecon Variatata Serpong (KSO SVS) to develop land owned by Variatata located in Tangerang. Profit or loss from the operation will be distributed with the percentage allocation of 20% to VT and 80% to SPCK. This agreement is valid for 10 years until September 18, 2027 and is notarized under notarial deed No. 63 dated January 31, 2019 of Dewi Himijati Tandika, S.H.
 3. Collaboration agreement with PT Lestari Kreasi (LK) and PT Telaga Gading Serpong (TGS) named KSO Summarecon Lakeview Serpong (KSO Summarecon Lakeview) to develop East Business Unit Land located in Tangerang. Profit or loss from the operation will be distributed with the percentage allocation of 5% to TGS, 40% to LK and 55% to SPCK. The agreement is valid for 10 years until April 29, 2029 and is notarized under notarial deed No. 64 dated January 31, 2019 of Dewi Himijati Tandika, S.H.
 4. Collaboration agreement with PT Jakartabarbaru Cosmopolitan (JBC) named KSO Summarecon Serpong (KSO Summarecon Serpong) to develop Business Unit 2 Land and Business Unit 2 Enclosed Land located in Tangerang. Profit or loss from the operation will be distributed with the percentage allocation of 20% to JBC and 80% to SPCK. The agreement is valid for 10 years until July 18, 2029 and is notarized under notarial deed No. 65 dated January 31, 2019 of Dewi Himijati Tandika, S.H.
- d. On March 8, 2018, PT Bhakti Karya Bangsa (BTKB) gave credit facility to Yayasan Pendidikan Pradita Indonesia (YPPI) (formerly Yayasan Pendidikan Inti Prima Bangsa (YIPB)), with a plafond of Rp18,784,000. This credit facility has a term of 60 months which will mature on March 8, 2023. This credit facility bears an interest rate of 11.25% per annum which will be paid monthly. This agreement has been amended on September 20, 2019, wherein BTKB and YPPI agreed to increase the credit facility from Rp18,784,000 to Rp21,284,000. As of December 31, 2021 the loan has been paid and not extended.
- e. The Company and certain Subsidiaries entered into agreements with several banks ("Bank"), wherein such banks will provide credit facilities to the buyers of shops, commercial buildings, apartments of the Company and certain Subsidiaries. In general, the validity period of these agreements have not been determined since the agreement date. In the agreements, the Company and certain subsidiaries will be fully responsible and act as guarantor for the payment of all amounts due to the Bank including, principal and other costs incurred in the loan agreements made by and between the Buyer/Debtor with the Bank (buy back guarantee):
1. Before the buyer/debtor has signed the Deed of Sale and Purchase (AJB),
 2. Before the buyer/debtor has signed the Power of Attorney to Encumber Security over Land (SKMHT)/Deed of Granting of Security Rights (APHT) and or,
 3. The buyer/debtor buyers had neglected its obligation to pay the installment for Three-Month consecutively to the Bank.
- The guarantee will be provided as long as AJB has not been signed. This guarantee cannot be withdrawn or revoked as long as AJB on certificate of Unit Rights and APHT have not been signed, and have not been submitted and accepted by the bank.
- Upon payments made by the Company and certain Subsidiaries to the Bank, the Bank has released and transferred all existing rights based on the Credit Agreement to the Company and certain Subsidiaries, without exception.
- f. On May 1, 2017, PT Hotelindo Permata Jimbaran (HOPJ) entered into tradename and trademark license agreement with Soho Hospitality Co.,Ltd, wherein HOPJ has the right to use the name "Above Eleven" and the restaurant will be named "Above Eleven, Bali". HOPJ agreed to pay royalties as compensation, which is computed at the rate in accordance with the terms of the agreement. This agreement is valid for 5 years from the signing of the agreement and will not extended.

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35. SIGNIFICANT AGREEMENTS AND COMMITMENTS (CONTINUED)

- g. On July 28, 2016, PT Bhakti Karya Bangsa (BTKB) entered into an operational agreement with Yayasan Pendidikan Inti Prima Bangsa (YIPB), whereby BTKB agreed to collaborate with YIPB in reforming the quality of education and management system in YIPB as well as elevating Sekolah Tinggi Manajemen Informatika dan Komputer Inovasi Sains Teknologi dan Bisnis (STMIK ISTB) to a university with an international level of competency standard.
- h. In November 2014, PT Summarecon Hotelindo (SMHO) entered into the following agreements with Pop International Hotels Corporation (PIHC) and PT Tauzia International Management (Tauzia):
1. Tradename and Trademark License Agreements, wherein SMHO has the rights to use the name "Pop Hotels" and its hotel will be named "Pop! Hotel Kelapa Gading". SMHO agreed to pay royalty as compensation, which are computed at the rate in accordance with the terms of the agreement. This agreement is valid for 10 years starting from the commercial operations of the hotel.
 2. Hotel Management Agreement, wherein Tauzia is engaged as operator of Pop! Hotel Kelapa Gading. Tauzia is entitled to receive fees, which are computed at the rate in accordance with the terms of the agreement.
- i. In November 2014, PT Summarecon Hotelindo (SMHO) entered into the following agreements with Harris International Hotel Corporation (HIHC) and PT Tauzia International Management (Tauzia):
1. Tradename and Trademark License Agreements, wherein SMHO is authorized to use the name "Harris" and its hotel will be named "Harris Hotel Bekasi". SMHO agreed to pay royalty as compensation, which are computed at the rate in accordance with the terms of the agreement. This agreement is valid for 10 years starting from the commercial operations of the hotel.
 2. Hotel Management Agreement, wherein Tauzia is engaged as the operator of Harris Hotel Bekasi. Tauzia is entitled to receive fees, which are computed at the rate in accordance with the terms of the agreement.
- j. In December 2011, PT Hotelindo Permata Jimbaran (HOPJ) entered into the following agreements with Movenpick Hotels and Resort Management AG (MH&R) as follows:
1. Marketing and Hotel Services Agreement with MH&R, wherein MH&R agreed to provide hotel management services including human resource development, marketing and reservations. MH&R is entitled to receive contribution and marketing fees as compensation, which are computed at the rate in accordance with the terms of the agreement. This agreement is valid for 15 years starting from the commercial operations of the hotel. On February 10, 2022, there was a transfer of responsibility from MP Investment AG to PT AAPC Indonesia. As described in the agreement, starting January 1, 2021 PT HOPJ agreed to transfer tariff payments related to Hotel Marketing and Services from Movenpick Hotels and Resorts Management AG to PT AAPC Indonesia.
 2. Tradename and Trademark License Agreements with MH&R, wherein HOPJ is authorized to use the name "Movenpick" and the hotel will be named "Movenpick Resort & Spa Jimbaran, Bali". HOPJ agreed to pay royalty as compensation, which are computed at the rate in accordance with the terms of the agreement. This agreement is valid for 15 years, commencing from the start of the commercial operations of the hotel. On February 10, 2022, there was a transfer of responsibility from MP Investment AG to PT AAPC Indonesia. As described in the agreement, starting January 1, 2021 PT HOPJ agreed to transfer royalty payments related to the License of Trade Names and Trademarks from Movenpick Hotels and Resorts Management AG to PT AAPC Indonesia.
 3. Hotel Management Consulting Agreement with MH&R, wherein MH&R is engaged as the sole and exclusive advisor and consultant to supervise, direct, manage and control the operations of Movenpick Resort & Spa Jimbaran, Bali. MH&R is entitled to receive consultation fees as compensation, which are computed at the rate in accordance with the terms of the agreement. This agreement is valid for 15 years, commencing from the start of the commercial operations of the hotel. On February 10, 2022, there was a transfer of responsibility from MP Investment AG to PT AAPC Indonesia. As described in the agreement, starting January 1, 2021 PT HOPJ agreed to transfer the tariff payment related to Management Consultation from Movenpick Hotels and Resorts Management AG to PT AAPC Indonesia.

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35. SIGNIFICANT AGREEMENTS AND COMMITMENTS (CONTINUED)

- k. In November 2009, PT Summarecon Hotelindo (SMHO) entered into the following agreements with Harris International Hotels Corporation (HIHC) and PT Tauzia International Management (Tauzia):
1. Tradename and Trademark License Agreements, wherein SMHO has the rights to use the name "Pop Hotels" and its hotel will be named "Pop! Hotel Kelapa Gading". SMHO agreed to pay royalty as compensation, which are computed at the rate in accordance with the terms of the agreement. This agreement is valid for 10 years starting from the commercial operations of the hotel. The agreement already extended based on amendments on April 30, 2020 and this effective until May 11, 2025.
 2. Hotel Management Agreement, wherein Tauzia is engaged as operator of Pop! Hotel Kelapa Gading. Tauzia is entitled to receive fees, which are computed at the rate in accordance with the terms of the agreement.
 3. In April 30, 2020, PT SummareconHotelindo (SMHO) and the Company entered into an amendment of Hotel Management Consulting Agreement with Tauzia wherein Tauzia is engaged as the sole and exclusive advisor and consultant to supervise, direct, manage and control the operations of HARRIS Hotel Kelapa Gading. Tauzia is entitled to receive fees, which are computed at the rate in accordance with the terms of the agreement. This agreement amendment is valid for 5 years, starting from May 12, 2020, the commencement date of the Hotel operations. Incentive fees are payable monthly.
- l. On October 1, 2021, PT Setia Media Edudharma (SMED) gave credit facility to Yayasan Pendidikan Pradita Indonesia (YPPI) (formerly Yayasan Inti Prima Bangsa (YIPB), with a plafond of Rp90,000,000. This credit facility has a term of 98 months which will mature on December 31, 2029. This credit facility are non- interest bearing.
- m. On December 31, 2018, PT Sinergi Mutiara Cemerlang (SGMC) entered into the following loan agreements with PT Mutiara Properti Cemerlang (MPC) and is notarized under notarial deed No. 69 dated June 8, 2018 of Dewi Himijati Tandika, S.H amounted to Rp24,358,494,390 with maturity date on June 8, 2022 with an interest rate of 13%. This loan will be fully paid on December 31, 2022.

36. LITIGATIONS

The Company and certain subsidiaries in the Group involved in several lawsuit as follows :

- a. The Company (Defendant IV) and other Defendants vs MAKAWI et al. as Plaintiffs in relation to land dispute over 33,100m² of land located in Kel. Kelapa Gading Barat (previously was Kelurahan Pengangsaan Dua), Kec. Kelapa Gading (previously was Kecamatan Koja), North Jakarta. This claim was filed at North Jakarta District Court Secretariat on March 28, 2019. On January 25, 2021, North Jakarta Courts issued a judgement ruling to grant part of the Plaintiff's claim. On February 4, 2021, the Defendant filed an appeal to Jakarta High Court. On December 23, 2021, Jakarta High Court decided to refuse the Plaintiff's claims. On February 14, 2021, the Plaintiff filed an appeal to the Supreme Court. Based on Supreme Court's decision, on July 28, 2022, Supreme Court decided to refuse the Plaintiff's claim. This litigation has become legally binding.
- b. CTDA (Defendant II) and other Defendants vs H. Husin bin Madi as Plaintiff and other Plaintiffs in relation to land dispute over 9,240m² located in Kel. Rawa Terate, Kec. Cakung, East Jakarta. This claim was filed at East Jakarta District Court Secretariat on June 25, 2019. On October 1, 2020, East Jakarta District Court's issued a judgement ruling to refuse the Plaintiff's claim. On October 13, 2020, the Plaintiff filed an appeal to DKI Jakarta High Court. As of the completion date of the consolidated financial statements, the aforementioned case is still under review by DKI Jakarta High Court.
- c. SGMC (Defendant V) and other Defendants vs Bollo and Kadir M (Plaintiff) in relation to a claim over approximately 13,700m² (thirteen thousand seven hundred square meters) located in Kelurahan Bulurokeng, Kecamatan Biringkanaya, Kota Makassar. The claim was filed at Makassar District Court Secretariat on February 28, 2020. On January 7, 2021 Makassar District Court's issued a judgement ruling to refuse the Plaintiff's claim. On January 15, 2021, the Plaintiff filed an appeal to Makassar High Court. On June 15, 2021, Makassar High Court has made the decision of ruling Makassar District's decision to be legally binding. Based on Makassar High Court's decision, on August 4, 2021, the Plaintiff's filed an appeal to Supreme Court of Republic Indonesia.

Based on Supreme Court's decision, on May 10, 2022, Supreme Court decided to refuse the Plaintiff's claim. This litigation has become legally binding

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36. LITIGATIONS (CONTINUED)

The Company and certain subsidiaries in the Group involved in several lawsuit as follows: (continued)

- d. KCJA (Defendant II Intervenor) and Bupati Bogor (Defendant) vs Suko Sarjono, AK, DKK (Plaintiff) in relation to Defendant's Decision No: 591.1/001/00071/bpt/2013 concerning Location Permit and No: 591.1/001.OSS/00040/DPMPSTSP/2021 concerning Approval of Fulfillment of Online Single Submission (OSS) Location Permit Commitments. This claim was filed at the Bandung District Court Secretariat on October 28, 2021. On December 8, 2021, the Company submitted a request for intervention in the litigation. On March 23, 2022, the Bandung District Court Secretariat has made decision of ruling to refuse the Plaintiff's claim. Based on Bandung District Court Secretariat decision, on March 28, 2022, the Plaintiff filed an appeal to Jakarta District Court Secretariat.

On September 1, 2022, Jakarta District Court Secretariat has made the decision of ruling Bandung District Court Secretariat's decision to be legally binding. On September 14, 2022, the Plaintiff filed an appeal to the Supreme Court As of the date of approval and authorization for issuance of these consolidated financial statements, the aforementioned case is still under review by the Supreme Court of Republic Indonesia.

- e. KCJA (Defendant II Intervenor) and Head of Land office/ Nation Land Authority Kabupaten Bogor (Defendant) vs Suko Sarjono, AK, DKK as Plaintiff in relation to Decision Letter for Right for Use Building over 54,279m² (fifty four thousands two hundred seventy nine square meters) and 7,294m² (seven thousands two hundred ninety four square metes) land located in Sukaraja, Bogor. This claim was filed at the Bandung District Court Secretariat on December 13, 2021. On January 17, 2021, KCJA has requested to intervene in this case. On May 25, 2022, Bandung District Court Secretariat issued a judgement ruling to refuse the Plaintiff's claim. Based on Bandung District Court Secretariat decision, on June 2, 2022, the Plaintiff filed an appeal to Jakarta District Court Secretariat.

On September 14, 2022, Jakarta District Court Secretariat has made the decision of ruling Bandung District Court Secretariat's decision to be legally binding. On September 22, 2022, the Plaintiff filed an appeal to the Supreme Court As of the date of approval and authorization for issuance of these consolidated financial statements. The aforementioned case is still under review by the Supreme Court.

- f. SPCK (Defendant) vs Yayasan Perlindungan Konsumen Amanat Perjuangan Rakyat Malang (YAPERMA) (Plaintiff) in relation Sales/Purchase Agreements of Land and Building for Maxwell Cluster in the Summarecon Serpong Area No. E.0010/SSPG/RMH/2019 dated May 31, 2019. On April 5, 2022, this claim was filed at the Tangerang District Court. On July 04, 2022, the plaintiff filed a withdrawal for lawsuits. On July 18, 2022, the Tangerang District Court accepted the Plaintiff's appeal.

As of the date of approval and authorization for issuance of these consolidated financial statements, this litigation has become legally binding

- g. SPCK (Defendant) vs Agus Darma Wijaya (Plaintiff) in relation Cancellation Sales/Purchase Agreements of Land and Building for Maxwell Cluster in the Summarecon Serpong Area No. E.0010/SSPG/RMH/2019 dated May 31, 2019. The claim was filed at the Tangerang District Court Secretariat on July 29, 2022. On January 4, 2023, Tangerang District Court decided to reject the Plaintiff's claims. Based on these decision, on January 16, 2023, the Defedant filed an appeal to the Banten High Court.

As of the completion date of the consolidated financial statements, the aforementioned case is still under review by the Banten High Court.

- h. In relation to building permits of The Royal Kedathon Apartment, one of JVOP's director was sentenced for Imprisonment for 2 (two) and 6 (six) months and a fine of Rp200,000 with the condition that the fine is not paid, it is replaced by imprisonment for 4 (four) months by the Criminal Corruption Courts at the Yogyakarta District Court on November 7, 2022 (Note 11a).

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

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37. EARNINGS PER SHARE

	For the three-month period ended	
	March 31,	
	2023	2022
Profit for the three-month period attributable to the owners of the Parent Entity	271,717,153	175,042,452
Weighted average number of shares for calculation of earnings per share	16,508,568,368	16,508,568,368
Basic earnings per share attributable to equity holder of the Parent Entity (full amount)	16.46	10.60

38. NON-CASH ACTIVITIES

	For the three-month period ended	
	March 31,	
	2023	2022
Reclassification of undeveloped land to inventories in progress	4,386,684	34,689,331
Acquisition of undeveloped land credited to:		
Advances	140,949,227	-
Acquisition of fixed assets credited to:		
Loans from banks and financial institutions	552,788	-
Acquisition of investment properties credited to:		
Accrued Expense	650,917	-
Reclassification of inventories to :		
Investment properties	10,416,073	19,435,707
Fixed assets	1,921,689	-
Capitalization of borrowing costs to:		
Inventories	19,583,718	32,144,825
Investment properties	5,488,610	-