sinarmas land

BUILDING FOR A

BETTER FUTURE

ANNUAL REPORT

2018

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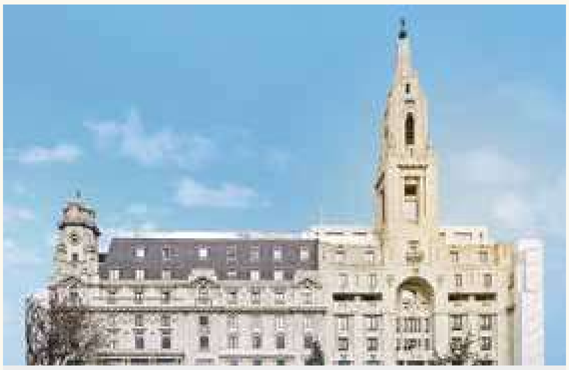
Nuvasa Bay **Batam, Indonesia**

Digital Hub **BSD City, Indonesia**



Alphabeta Building **London, UK**

Yue Rong Cheng **Chengdu, China**

CORPORATE PROFILE

Listed on the Singapore Exchange and headquartered in Singapore, Sinarmas Land Limited ("SML") is engaged in the property business through its operations in Indonesia, Malaysia and China and the United Kingdom.

In Indonesia, SML is one of the largest property development companies by land bank and market capitalisation. SML operates mainly through three public listed Indonesia subsidiaries, namely PT Bumi Serpong Damai Tbk ("BSDE"), PT Duta Pertiwi Tbk ("DUTI") and PT Puradelta Lestari Tbk ("DMAS") – with a combined market capitalisation in excess of S$3.7 billion as at 31 December 2018. SML is also the largest shareholder of its Indonesian listed associated company, PT Plaza Indonesia Realty Tbk ("PLIN") whose market capitalisation is S$1.0 billion as at 31 December 2018.

Its Indonesia property division is engaged in all sub-sectors of the property business, including township development, residential, commercial, industrial and hospitality-related properties.

Outside Indonesia, SML has completed development projects and holds long-term investments in commercial and hospitality assets, across markets including Malaysia, China and the United Kingdom.

VISION

To be the leading property developer in South-East Asia, trusted by customers, employees, society, and other stakeholders.

VALUES

Integrity, Positive Attitude, Commitment, Continuous Improvement, Innovation, Loyalty.

YEAR IN BRIEF

APR 2018

TOPPING-OFF CEREMONY OF GOP 1 OFFICE BUILDING

SML held a topping-off ceremony for the 5-storey Green Office Park 1 ("GOP 1") Office Building at BSD City, Indonesia

DMAS OBTAINED ISO 9001 CERTIFICATION

DMAS received the integrated management system certification on 3 categories: quality management system, environmental management system and health & safety management system

BSDE ISSUED US$300 MILLION SENIOR NOTES

BSDE issued US$300 million senior notes at 7.25% annual coupon rate maturing in 2021

SML LAUNCHED EASY DEAL PROGRAM

The "Easy Deal" program was held from April to July in 2018 to assist the home purchasers in the form of developer's subsidies and discounted down payments

AUG 2018

PARTNERED RONG QIAO GROUP TO CO-INVEST IN CHENGDU

SML partnered up with Rong Qiao Group, investing RMB396 million for a 40% stake in a mixed-use development project in Chengdu, China

SEP 2018

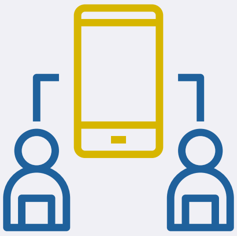
MARKETING GALLERY OF SAVASA OPENS

Jointly developed by Japan's Panasonic Homes (51%) and DMAS (49%), SAVASA is a "Smart Lifestyle" residential development in Kota Deltamas, Bekasi, Indonesia

TOPPING-OFF CEREMONY OF AEON MALL SOUTHGATE

Southgate is a mixed-use development comprising of three luxury apartment blocks, an office tower and one AEON Mall

MAY 2018



FIRST APPLE DEVELOPER ACADEMY IN ASIA AT BSD CITY

Apple Developer Academy offers training on the application development of iOS system to the local students at BSD City, Indonesia

PARTNERSHIP WITH KAWAN LAMA GROUP

SML (40% stake) and Kawan Lama Group (60% stake) signed a MoU to launch a mixed-use development in Kota Wisata, Cibubur, Indonesia

JUN 2018

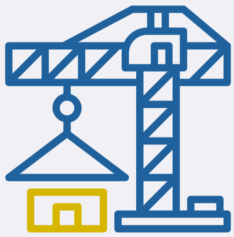
STRATEGIC COLLABORATION WITH RONG QIAO GROUP

The collaboration will open up opportunities for both parties to expand their real estate portfolio both inside and outside of China

NOV 2018

GROUND-BREAKING CEREMONY OF THE NOVE RESIDENCE

SML held a ground-breaking ceremony for the Nove Residence as part of Nuvasa Bay Phase 1 Development Plan in Batam, Indonesia



PARTNERSHIP WITH PT WIJAYA KARYA TBK

SML and PT Wijaya Karya Tbk entered a partnership to jointly develop a low-cost housing ("Rusunami") project at BSD City, supporting the "One Million Houses" government scheme

DEC 2018

OPENING OF BINAR ACADEMY IN BSD CITY

The Yogyakarta-based IT training academy forms part of the digital ecosystem that BSD City is building as it aims to be "The First Integrated Smart Digital City" in Indonesia.

FINANCIAL HIGHLIGHTS

REVENUE (S$ MILLION)
$864.1

2017: 1,347.4*
2018: 864.1

GROSS PROFIT (S$ MILLION)
$598.1

2017: 985.3*
2018: 598.1

EBITDA (S$ MILLION)
$460.2

2017: 804.2*
2018: 460.2

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (S$ MILLION)
$119.0

2017: 353.9*
2018: 119.0

TOTAL ASSETS (S$ MILLION)
$6,560.5

2017: 6,556.1*
2018: 6,560.5

CASH AND CASH EQUIVALENTS (S$ MILLION)
$984.1

2017: 930.3
2018: 984.1

* Certain comparatives have been restated to account for the retrospective adjustments arising from the adoption of SFRS(I) 15 on 1 January 2018

2018 TOTAL ASSETS BY CATEGORY (%)

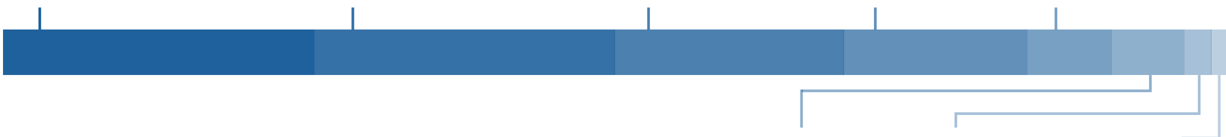
25.4% PROPERTIES UNDER DEVELOPMENT FOR SALE

24.6% INVESTMENT PROPERTIES

18.7% PROPERTIES HELD FOR SALE

15.0% CASH AND CASH EQUIVALENTS

6.9% OTHER ASSETS

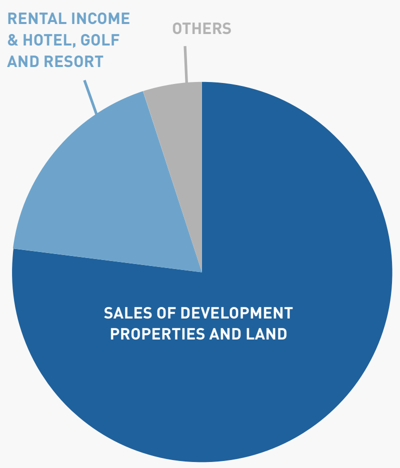


5.9% ASSOCIATED COMPANIES AND JOINT VENTURES

2.2% PROPERTY, PLANT AND EQUIPMENT

1.3% LONG-TERM RECEIVABLES

FINANCIAL HIGHLIGHTS



2018 REVENUE BY PRODUCT CATEGORY

Sales of Development Properties and Land	75.7%
Rental Income & Hotel, Golf and Resort	18.9%
Others	5.4%

GROSS PROFIT MARGIN

2018 : **69.2%**
2017 : 73.1%*

EBITDA MARGIN

2018 : **53.3%**
2017 : 59.7%*

NET DEBT TO EQUITY

2018 : **22.9%**
2017 : 14.8%*

EBITDA / INTEREST (TIMES)

2018 : **3.0**
2017 : 6.1*

GROSS DEBT / EBITDA (TIMES)

2018 : **4.0**
2017 : 1.9*

RETURN ON SHAREHOLDERS' EQUITY

2018 : **5.8%**
2017 : 16.5%*

NET ASSET VALUE PER ORDINARY SHARE (EXCLUDING TREASURY SHARES)

2018 : **S$0.48**
2017 : S$0.50*

EARNINGS PER SHARE (BASIC) (SINGAPORE CENTS)

2018 : **2.80**
2017 : 8.32*

CASH DIVIDEND (SINGAPORE CENTS)

2018 : **0.20**
2017 : 1.50

* Certain comparatives have been restated to account for the retrospective adjustments arising from the adoption of SFRS(I) 15 on 1 January 2018

MILESTONES

1972

DUTI established

1984-1989

BSDE established (1984)

BSDE commenced operations of developing self-sufficient city (1984 - 1989)

1990-1994

ITC brand established (1990)

DUTI – IPO (1994)

1997

Asia Food & Properties (AFP) listing in Singapore (1997)

2013

Strategic alliance with AEON Mall, Hongkong Land and Kompas Gramedia Group

Acquisition of New Brook Buildings in London, United Kingdom, for £84.05 million

2014

Acquisition of Warwick House in London, United Kingdom, for £57.28 million

Disposal of New Brook Buildings in London, United Kingdom, for £113.40 million, recording an exceptional gain of S$71.0 million

2015

BSDE issued US$225.0 million in its maiden US dollar-denominated senior notes at 6.75% annual coupon

Successful listing of DMAS on Indonesia Stock Exchange

Acquisition of Alphabeta building in Central London, United Kingdom, for £259.6 million

1,507,359,759 new SML shares were allotted and issued following the exercise of SML warrants eW151118

2002

Sinarmas Land controls BSDE

2008

BSDE – IPO

2010

BSDE rights issue to acquire: DUTI, Sinar Mas Teladan, Sinar Mas Wisesa

2011

Sinarmas Land brand introduced

AFP changed name to **Sinarmas Land**

2016

Strategic alliance with Mitsubishi Corporation

BSDE won the tender to develop a 30km toll road project connecting Serpong and Balaraja for an investment value of IDR6.04 trillion

BSDE issued US$200.0 million senior notes at 5.5% annual coupon (of which US$146.4 million was redeemed from the previous tranche issued in 2015), and also issued IDR650.0 billion for its Indonesian bond issue

2017

Acquisition of 33 Horseferry Road in Victoria, London, United Kingdom, for £188.6 million

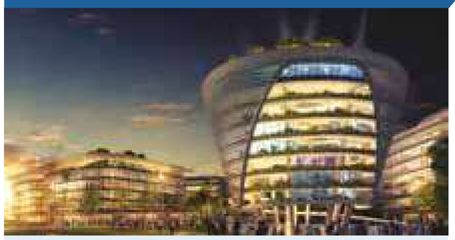
Disposal of Orchard Towers in Singapore for S$162.0 million, recording an exceptional gain of S$109.4 million

Acquisition of Sinarmas MSIG Tower for IDR2.4 trillion

BSDE issued US$70.0 million senior notes, at 5.5% annual coupon

Strategic alliance with Panahome Asia Pacific

2018



BSDE issued US$300.0 million senior notes, at 7.25% annual coupon

Apple launched Asia's first Developer Academy at BSD City, Jakarta, Indonesia

Formed partnership with Kawan Lama Group to develop a mixed-use development in Kota Wisata, Indonesia

First collaboration with Rong Qiao to invest RMB396 million for a 40.0% stake in a mixed-use development project in Chengdu, China

CHAIRMAN AND CEO STATEMENT

MUKTAR WIDJAJA
Executive Director and Chief Executive Officer

FRANKY OESMAN WIDJAJA
Executive Chairman

DEAR VALUED SHAREHOLDERS,

FY2018 Financial Performance

On behalf of the Board of Directors, we are pleased to report that Sinarmas Land Limited ("the Company") and its subsidiaries (collectively "the Group") has delivered a resilient performance of S$864.1 million revenue and S$460.2 million earnings before income tax, non-controlling interests, interest on borrowings, depreciation, foreign exchange gain/(loss), exceptional item and share of results of associated companies and joint ventures ("EBITDA") for the financial year ended 31 December 2018 ("FY2018") amidst global trade war tensions and domestic operating challenges in Indonesia. While revenue was 35.9% lower than last year, the Group's revenue would have slid only by 1.4% year-on-year if excluding one-off sale of land parcels in BSD City amounting to S$471.2 million last year. This is notwithstanding the 6% decline in the Indonesian Rupiah against the Singapore Dollar in FY2018. Overall, 75.7% of the Group's revenue was contributed from the sale of development properties and land in FY2018.

Profit before tax ("PBT") and profit attributable to owners of the Company ("PATMI") were down 60.5% and 66.4% respectively to S$269.2 million and S$119.0 million in FY2018, largely distorted by the land sales as well as the exceptional gain of S$109.4 million recorded last year from the sale of Orchard Towers in Singapore. Despite the lack of more profitable land sales and one-off gains, the Group's gross profit margin of 69.2% and EBITDA margin of 53.3% in FY2018 demonstrated the continued strong operating fundamentals of our business.

Recurring income for the Group had been consistently increasing yearly and further increased by 3.0% to S$163.5

CHAIRMAN AND CEO STATEMENT

million in FY2018, of which about 35% was derived from outside Indonesia, as a result of delivering the strategy to diversify our income streams geographically. In 2018, the Group was able to reap its full year rental income of 33 Horseferry Building in Central London since it was acquired in June 2017.

Basic earnings per share were 2.80 Singapore cents for FY2018 (FY2017: 8.32 Singapore cents*). Net asset value per ordinary share stood at 48.0 Singapore cents as at 31 December 2018 (FY2017: 50.0 Singapore cents*) with the Group's financial statements being prepared on the historical cost basis.

The Group's Statement of Financial Position remained robust, ending the year with total assets of S$6,560.5 million (FY2017: S$6,556.1 million*), including cash and cash equivalents of S$984.1 million (FY2017: S$930.3 million). Although net debt to equity ratio grew from 14.8%* to 22.9% this year and EBITDA to interest expenses cover deteriorated from 6.1 times* to 3.0 times, the Group has strong cash reserves and financial resources to capitalise on new investment opportunities both in Indonesia and internationally.

In view of FY2018 financial performance, the Company is proposing a first and final dividend of 0.20 Singapore cents per share, subject to shareholders' approval during the 2019 Annual General Meeting and is expected to be paid on 27 June 2019.

Apple opens its first Asian developer academy in BSD City

In collaboration with BINUS University and in part to comply with a government regulation on local content requirements, US technology giant, Apple Inc., opened its first Asian developer academy in BSD City Green Office Park 9 on 7 May 2018. This developer academy, being the third in the world and the first in Asia, will train local students to develop applications for Apple's iOS operating system. This is an important milestone since we launched the 26-hectare site for Digital Hub in BSD City to develop a digital ecosystem within our township development.

New MOUs signed with Kawan Lama Group and with PT Wijaya Karya Tbk

During the year, the Group entered into an MOU with Kawan Lama Group, an Indonesian group with diversified businesses founded since 1955, to joint venture in mixed-use developments that seek to harness a holistic living concept encompassing business, trade, service and recreation. The first project is a mixed-use development located in Kota Wisata in Cibubur. Spanning over an area of 8.5 hectares, the first phase will commence with the development of a 90,000 sqm retail mall targeted to open in the first quarter of 2021. The investment value of this first project is approximately IDR1.2 trillion with an ownership structure of 60% to Kawan Lama Group and 40% to the Group.

Separately, the Group also signed an MOU with PT Wijaya Karya Bangunan Gedung Tbk, one of Indonesia's leading construction companies, to develop low-cost apartments ("Rusunami") in BSD City. The development of Rusunami demonstrates the Group's support on the government's initiative which targets the shelter needs of the low-income groups.

Topping off of AEON Mall Southgate, South Jakarta

The Group's latest AEON mall, which is expected to commence operations by 2nd quarter next year, was topped off on 30 September 2018 in conjunction with the launch of the Prime Tower in the Southgate project located in Simatupang of South Jakarta. Southgate is a mixed-use development consisting of three luxury apartment blocks, an office tower and AEON Mall. The Prime Tower is the second residential tower of Southgate project and this tower is a joint venture between the Group and two Japanese partners - Keikyu Corporation and PT Itochu. Prime Tower will consist of 189 residential units.

The Group has delivered a resilient performance of S$864.1 million revenue and S$460.2 million EBITDA for FY2018 amidst global trade war tensions and domestic operating challenges in Indonesia.

Relaxation of Loan-to-Value ratio by Bank Indonesia

Beginning 1 August 2018, Bank Indonesia will relax the loan-to-value ("LTV") and financing-to-value ("FTV") ratios for property financing. Depending on the buyer's risk profile and construction stages, it is possible for first-time property buyers to make zero down-payment for their property. In addition, consumer is able to take up to five separate mortgage facilities with the relaxation of FTV. Through these initiatives, Bank Indonesia aims to make it more attractive for consumers to purchase property, hence boosting overall credit growth as well as Indonesia's macroeconomic growth.

PT Puradelta Lestari Tbk ("DMAS") obtains ISO 9001 certification

On 17 April 2018, DMAS, our other Indonesian listed subsidiary involved in the Kota Deltamas township development, has obtained the integrated management system certification that

* Certain comparatives have been restated to account for the retrospective adjustments arising from the adoption of SFRS(I) 15 on 1 January 2018

CHAIRMAN AND CEO STATEMENT

consist of ISO 9001:2015 certification on quality management system, ISO 14001:2015 on environmental management system and OHSAS 18001: 2007 certification on health and safety management system.

These certifications are critical to the Group's sustainability efforts and will help to increase credibility for tenants and investors in the industrial sector when committing to Kota Deltamas.

Recurring income for the Group had been consistently increasing yearly and further increased by 3.0% to S$163.5 million in FY2018, of which about 35% was derived from outside Indonesia, as a result of delivering the strategy to diversify our income streams geographically.

Ground breaking of The Nove Residence in Nuvasa Bay, Batam

Nuvasa Bay is the Group's long-term strategic development in Batam, a mere 30-minute ferry ride from Singapore. Nuvasa Bay is branded as the first luxury residential and mixed-use development in Batam, surrounding our Palm Springs golf courses. On 22 November 2018, the Group commenced construction of The Nove Residence with a ground-breaking ceremony. The Nove Residence is developed on 5 hectares of elevated land, offering scenic views of the sea, beach and golf courses. Kaina Tower, The Nove's first residential tower, was 95% sold since its launch a year ago.

Strategic collaboration and new venture with Rong Qiao Group in China

After entering into a strategic collaboration framework agreement in June 2018 with the Rong Qiao Group (''Rong Qiao''), a prominent Fuzhou-based real estate group in China, the Group cemented its first investment of RMB396 million in August 2018 to jointly develop a commercial-cum-residential project with a land area of 56,868 sqm in Xindu district of Chengdu City with Rong Qiao. The new project will allow the Group to continue participating in the real estate sector in Chengdu, after having completed its own mixed-use development several years ago, and leverage on the brand name and expertise of Rong Qiao.

Rong Qiao focuses on real estate development in China with a strategy to provide integrated urban living facilities. It also has businesses in education, hotels, logistics management, port development and medical care. Rong Qiao is presently one of the top 18 brands amongst China's real estate enterprises and is ranked No. 28 amongst all of China's real estate enterprises. It is the 2nd largest and 138th largest private enterprise in Fujian province and in China nationwide respectively.

Awards and Accolades

On 20 September 2018, the Group won three awards at the PropertyGuru Indonesia Property Awards namely in the categories: Best Township Development, Best Township Masterplan Development, and Best Green Township Development in BSD City. These awards are testament to the Group's plan to make BSD City the "First Integrated Smart Digital City in Indonesia", supported by technology systems, facilities, fibre optic network infrastructure to facilitate the digital community in carrying out their daily activities.

Separately on 29 October 2018, our Green Office Park 9 ("GOP 9") in BSD City came in 2nd runner-up in the "Energy Efficiency Building" category for energy efficiency and conservation at the ASEAN Energy Awards Ceremony, as part of the 36th ASEAN Ministers of Energy Meeting.

And again, at the FIABCI-REI Excellence Award 2018 held in December 2018, the Group has won a Gold award in the Energy Conservation Category for its continuous efforts to embrace environmentally friendly initiatives.

In 2018, our principal subsidiary, PT Bumi Serpong Damai Tbk ("BSDE") has again won the Top 50 Companies award at the Forbes Indonesia Best of The Best Awards 2018. The event, held by Forbes Indonesia magazine, shortlisted 50 of the top 500 companies listed on the Indonesia Stock Exchange based on certain financial performance metrics. BSDE has received this award for the 7th consecutive time since 2012.

Last but not least, the Company has won the "Highly Commended" award for Asia's Best First Time Sustainability Report for its inaugural sustainability report at the Asia Sustainability Reporting Awards 2018.

Looking to 2019

In the era of the digital economy, the Group has a vision for BSD City to become the Silicon Valley of Indonesia. Announced two weeks ago, the Group and Grab entered into a partnership

CHAIRMAN AND CEO STATEMENT

agreement where Grab will play an integral part in the plans of BSD integrated smart digital city by providing smart and clean mobility solutions, supporting the growth of micro and small businesses, as well as driving technology development to transform various aspects of living in BSD City. The roadmap in 2019 and beyond will see the Group unveiling more investments towards digital transformation. In recent years, the real estate sector has been disrupted by emerging disruptors, such as co-working spaces. The Group has since embraced and rode on the disruptive trend by leasing a portion of our Sinarmas MSIG Tower prime office space in Central Jakarta to WeWork, one of the world's largest co-working space companies.

On 22 February 2019, the Group signed a shareholders' agreement with Citramas Group to jointly develop and manage commercial properties on a land area of approximately 4 hectares for the first phase in Batam's Nongsa subdistrict, Indonesia. The land is part of our Nuvasa Bay development and the joint development could form part of the greater Nongsa Digital Park to be developed by Citramas. The joint venture company will develop education, training, retail, entertainment, sports, F&B and other facilities focusing on the digital economy over a period of 10 years. Further land parcels could be released progressively for future joint development.

Outside Indonesia, the Group's China Division is expanding gradually through strategic collaborations with strong partners, such as Rong Qiao. Our UK Division is patiently seeking out acquisition opportunities amidst uncertainties surrounding the current Brexit situation while focusing on asset enhancements and driving higher rental yields.

BSDE and DMAS have both announced marketing sales targets of IDR6.2 trillion and IDR1.25 trillion respectively for 2019. BSDE expects its 2019 marketing sales target to be contributed by 56% residential and 44% commercial, while DMAS expects its industrial segment to be the key sales driver in 2019.

Appreciation

On behalf of the Board of Directors, we wish to express our heartfelt appreciation to our stakeholders, including our shareholders, business partners, customers and vendors for their continued support. We thank our fellow Board members, management and staff for their commitment and hard work to enhance shareholders' value and we look forward to building a better future together.

FRANKY OESMAN WIDJAJA
Executive Chairman

MUKTAR WIDJAJA
Executive Director and Chief Executive Officer

15 MARCH 2019

CORPORATE GOVERNANCE

Digital Hub, BSD City
Indonesia

BOARD OF DIRECTORS

FRANKY OESMAN WIDJAJA
Executive Chairman

Mr. Franky Widjaja is the Executive Chairman of Sinarmas Land Limited ("SML") and a member of its Executive/Board Committee and Nominating Committee. He has been a Director of SML since 1997.

Mr. Franky Widjaja, aged 61, graduated from Aoyama Gakuin University, Japan with a Bachelor's degree in Commerce in 1979. He has extensive management and operational experience and, since 1982, has been involved with different businesses including pulp and paper, property, chemical, telecommunication, financial services and agriculture.

Mr. Franky Widjaja is also the Chairman and Chief Executive Officer of Golden Agri-Resources Ltd ("GAR"), and a Director of Bund Center Investment Ltd ("BCI"), both listed on the Official List of the Singapore Exchange Securities Trading Limited.

Mr. Franky Widjaja is a member of the boards of several subsidiaries of SML, GAR and BCI. Mr. Franky Widjaja is also the President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk, a subsidiary of GAR listed on the Indonesia Stock Exchange.

Currently, Mr. Franky Widjaja is the Co-Chairman of Partnership for Indonesia Sustainable Agriculture ("PISAgro"); Co-Chair of World Economic Forum ("WEF"): Grow Asia, and he is a member of WEF: Global Agenda Trustee for World Food Security and Agriculture Sector; Vice Chairman of the Indonesian Chamber of Commerce and Industry ("KADIN") for Agribusiness, Food and Forestry Sector; and a member of the Advisory Board of the Indonesian Palm Oil Association ("GAPKI").

Previously, from 2007 to 2015, Mr. Franky Widjaja was Vice President Commissioner of PT Bumi Serpong Damai Tbk and PT Duta Pertiwi Tbk; and he was also Vice President Commissioner of PT Puradelta Lestari Tbk until his resignation in May 2016, all subsidiaries of SML listed on the Indonesia Stock Exchange.

Present directorships in other Singapore listed companies:
- Golden Agri-Resources Ltd
- Bund Center Investment Ltd

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2016 – 2018): Nil

MUKTAR WIDJAJA
Executive Director and Chief Executive Officer

Mr. Muktar Widjaja is an Executive Director and the Chief Executive Officer of SML, and a member of its Executive/Board Committee. He has been a Director of SML since 1997 and the Chief Executive Officer since 2006. His last re-appointment as a Director was in 2017.

Mr. Muktar Widjaja, aged 64, obtained his Bachelor of Commerce degree in 1976 from the University Concordia, Canada. Since 1983, Mr. Muktar Widjaja has been actively involved in the management and operations of the property, financial services, agriculture, chemical and pulp and paper businesses.

Mr. Muktar Widjaja is currently an Executive Director and President of GAR, listed on the Official List of the Singapore Exchange Securities Trading Limited. Mr. Muktar Widjaja is also a member of the boards of several subsidiaries of SML and GAR. He is presently the President Commissioner of PT Bumi Serpong Damai Tbk, PT Duta Pertiwi Tbk and PT Puradelta Lestari Tbk, all subsidiaries of SML listed on the Indonesia Stock Exchange. Mr. Muktar Widjaja is also the Vice President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk, a subsidiary of GAR listed on the Indonesia Stock Exchange.

Present directorships in other Singapore listed companies:
- Golden Agri-Resources Ltd

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2016-2018): Nil

BOARD OF DIRECTORS

MARGARETHA NATALIA WIDJAJA
Executive Director

Ms. Margaretha Widjaja is an Executive Director of SML and a member of its Executive/Board Committee. She has been a Director of SML since December 2010, and her last re-appointment as a Director was in 2017.

Ms. Margaretha Widjaja, aged 37, graduated from Seattle University, United States of America in 1999 with a degree in Bachelor of Arts majoring in Finance, Marketing and Information Systems. She later obtained a Master of Management Information Systems in 2001 from the same university.

Since 2008, Ms. Margaretha Widjaja was Vice-Chairman of the Indonesian Property Division of SML and she was instrumental in leading the transition of the management organisation structure and the re-branding of "Sinarmas Land" in Indonesia. She supports the Chief Executive Officer in formulating the Group's business plans and strategies, and is also responsible for the Group's Enterprise Risk Management activities and corporate governance initiatives.

Ms. Margaretha Widjaja is a member of the boards of several subsidiaries of SML.

Prior to her current position in SML, Ms. Margaretha Widjaja was Deputy CEO, Forestry Division of Sinar Mas Group from 2002 to 2008, where she led the teams responsible for Finance, Information Technology, Human Resources, Legal and Business Control and was key to driving the strategies for the Division's growth during her tenure. She had also worked as an Investment Analyst with Merrill Lynch Bank in the United States between 2000 and 2002 and was involved in the due diligence analysis and execution of various M&A transactions.

Present directorships in other Singapore listed companies: Nil

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2016-2018): Nil

FERDINAND SADELI
Executive Director and Chief Financial Officer

Mr. Ferdinand Sadeli is an Executive Director and the Chief Financial Officer ("CFO") of SML, and a member of its Executive/Board Committee. He has been a Director and CFO since April 2012. His last re-appointment as a Director was in 2018.

Mr. Sadeli, aged 45, graduated from Trisakti University, Jakarta, Indonesia with a Bachelor of Economics majoring in Accounting in 1996, the University of Melbourne, Australia with a Master of Applied Finance in 1999 and Bina Nusantara University with a Doctor in Management in 2017. He is a Chartered Financial Analyst (CFA) charterholder, CPA (Australia) holder and Financial Risk Manager (FRM) holder.

Mr. Sadeli has more than 22 years of combined working experience in several different roles (auditor, accountant, business valuer, merger & acquisition consultant, CFO and banker) within multinational and public listed companies in Indonesia, Singapore and Australia.

Mr. Sadeli is a member of the boards of several subsidiaries of SML.

Prior to joining SML as the Chief Investment Officer, Mr. Sadeli was a Director of the Investment Bank Division in PT Barclays Capital Securities Indonesia from October 2010 to January 2012. He joined PT Bakrieland Development Tbk as a Finance Director in July 2007 before he left in October 2010. He previously worked for 11 years in Ernst & Young, Jakarta and Sydney Offices with his last position as a Senior Manager. Mr. Sadeli was the President of CPA Australia – Indonesia Office from 2009 to 2012, and served as a member of the International Board of CPA Australia from 2013 to 2014.

Present directorships in other Singapore listed companies: Nil

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2016-2018): Nil

BOARD OF DIRECTORS

ROBIN NG CHENG JIET
Executive Director

Mr. Robin Ng Cheng Jiet is an Executive Director of SML and a member of its Executive/Board Committee. He has been a Director of SML since April 2012. His last re-appointment as a Director was in 2018.

Mr. Ng, aged 44, graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University, Singapore in 1998. Mr. Ng is a Chartered Accountant (Australia) since 2001 and a Chartered Accountant (Singapore) since 2002. He is currently a Fellow member of the Institute of Singapore Chartered Accountants.

Mr. Ng is a member of the boards of several subsidiaries of SML. He is also an active Grassroots Leader since 2008 and currently serves as the Treasurer of the Citizens' Consultative Committee of the Ulu Pandan constituency of Holland-Bukit Timah GRC in Singapore.

Mr. Ng has over 20 years of experience in operational finance and public accounting within the Asia Pacific region. He was the Chief Financial Officer of Top Global Limited, a company listed on the Singapore Exchange Securities Trading Limited before becoming the Finance Director of SML.

Prior to joining Top Global Limited, Mr. Ng was the Finance Director, Asia, of Methode Electronics Inc. from August 2009 to October 2010, and was with Lear Corporation (a Fortune 500 company) where he held various regional positions, with his last position as the Head of Finance in Japan, before leaving in August 2009. Previously, he was the Regional Internal Controls Manager at Kraft Foods Asia Pacific Ltd (now known as Mondelez Asia Pacific Pte Ltd). Mr. Ng was also with Ernst & Young Singapore and Australia (Sydney office) for more than seven years, serving as Audit Manager before he left.

Present directorships in other Singapore listed companies: Nil

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2016-2018): Nil

HONG PIAN TEE
Lead Independent Director

Mr. Hong Pian Tee is an Independent Director of SML, chairman of both the Audit Committee and Nominating Committee and a member of its Remuneration Committee. Mr. Hong joined the Board of Directors of SML in April 2017. His last re-appointment as a Director was in 2018.

Mr. Hong, aged 74, was a partner of PricewaterhouseCoopers from 1985 to 1999 prior to retiring from professional practice.

Mr. Hong's experience and expertise are in corporate advisory, financial reconstruction and corporate insolvencies since 1977. He has been a corporate/financial advisor to clients with businesses in Singapore and Indonesia and in addition was engaged to restructure companies with operations in Taiwan, Indonesia and Malaysia.

Mr. Hong is currently the chairman of Pei Hwa Foundation Limited and he sits on the boards of three companies listed on the Official List of the Singapore Exchange Securities Trading Limited, namely, as a non-executive chairman and an independent director of AsiaPhos Limited, and as an independent director of XMH Holdings Ltd and Yanlord Land Group Limited.

Mr. Hong was previously an independent director of Golden Agri-Resources Ltd and Memstar Technology Ltd, until his resignation in April 2017 and December 2017, respectively.

Present directorships in other Singapore listed companies:
- AsiaPhos Limited
- XMH Holdings Ltd
- Yanlord Land Group Limited

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2016-2018):
- Golden Agri-Resources Ltd
- Memstar Technology Ltd

BOARD OF DIRECTORS

KUNIHIKO NAITO
Independent Director

Mr. Kunihiko Naito is an Independent Director of SML, and a member of its Audit Committee and Remuneration Committee. Mr. Naito has been a Director since December 2007. His last re-appointment as a Director was in 2016.

Mr. Naito, aged 74, graduated from Waseda University, Japan, in 1967 with a Bachelor's degree in Engineering.

Mr. Naito is currently a director of NSN Global (S) Pte Ltd, Singapore in the field of industrial business consulting.

Mr. Naito was actively involved in food and industrial/residential property development projects worldwide. Mr. Naito was with Nissho Iwai Corporation (now known as Sojitz Corporation) for 36 years, of which 14 years were with its North American operation in New York. He had held various positions at Nissho Iwai Corporation, including that of General Manager of Machinery Department in New York, Deputy General Manager for the South East Asia region (based in Singapore), and Chief Representative for Nissho Iwai Corporation Indonesia.

Present directorships in other Singapore listed companies: Nil

Other principal commitments:
- NSN Global (S) Pte Ltd (Director)

Past directorships in other Singapore listed companies (2016-2018): Nil

RODOLFO CASTILLO BALMATER
Independent Director

Mr. Rodolfo Castillo Balmater is an Independent Director of SML, chairman of its Remuneration Committee and a member of its Audit Committee and Nominating Committee.
Mr. Balmater has been a Director of SML since February 2006. His last re-appointment as a Director was in 2017.

Mr. Balmater, aged 70, graduated from Araullo University, Philippines in 1969 with a degree in Bachelor of Science in Commerce majoring in Accountancy (with honours), and completed a Master in Management from the Asian Institute of Management (with distinction) in 1978.

Mr. Balmater is currently the President Director of PT. Balmater Consulting Company which advises family owned businesses and also provides training on corporate governance, finance, accounting, audit and risk management. Mr. Balmater is a commissioner of PT. ABM Global Solutions and a member of each of the Audit Committees of PT Erajaya Swasembada Tbk, PT Delta Djakarta Tbk and PT Madusari Murni Indah Tbk.

Mr. Balmater had worked with international accounting firms (SGV Philippines, Arthur Andersen and Ernst & Young) from 1969 to 2006 in various capacities. Within the 37 years, he was involved in audit work, financial consulting activities, and business advisory service holding various job positions as Partner and/or Director.

Present directorships in other Singapore listed companies: Nil

Other principal commitments:
- PT. Balmater Consulting Company (President Director)
- PT. ABM Global Solutions (Commissioner)

Past directorships in other Singapore listed companies (2016-2018): Nil

BOARD OF DIRECTORS

WILLY SHEE PING YAH @ SHEE PING YAN
Independent Director

Mr. Willy Shee Ping Yah @ Shee Ping Yan is an Independent Director of SML. Mr. Shee joined the Board of Directors of SML in April 2018.

Mr. Shee, aged 70, holds a Diploma in Urban Valuation from the University of Auckland, New Zealand (under the Colombo Plan Scholarship 1968-1970). He is a Fellow Member of the Singapore Institute of Surveyors and Valuers, a Fellow Member of the Association of Property and Facility Managers. Mr. Shee is a Licensed Estate Agent in Singapore and a full member of the Singapore Institute of Directors.

Mr. Shee is currently Senior Advisor to CBRE Pte Ltd having assumed a non-executive role after stepping down as the Chairman, Asia of CBRE Pte Ltd in July 2016. From 1991 to June 2005, Mr. Shee was the managing director of CB Richard Ellis (Pte) Ltd, Singapore office, and was responsible for its growth and overall operations.

Other boards which Mr. Shee sits on include Bund Center Investment Ltd, Shanghai Golden Bund Real Estate Co., Ltd, Mercatus Co-operative Ltd and Keppel Land Limited. He is also the Chairman of Ascendas-Singbridge Gives Foundation.

Present directorships in other Singapore listed companies:
- Bund Center Investment Ltd

Other principal commitments:
- CBRE Pte Ltd (Senior Advisor)

Past directorships in other Singapore listed companies (2016-2018): Nil

LEW SYN PAU
Independent Director

Mr. Lew Syn Pau is an Independent Director of SML. Mr. Lew joined the Board of Directors of SML in April 2018.

Mr. Lew, aged 65, obtained a Master in Engineering from Cambridge University, UK and a Master of Business Administration from Stanford University, USA. Mr. Lew was a Singapore Government scholar.

Mr. Lew also sits on the boards of several companies listed on the Official List of the Singapore Exchange Securities Trading Limited, namely, Broadway Industrial Group Ltd, Food Empire Holdings Ltd, Golden Agri-Resources Ltd, Golden Energy and Resources Limited and SUTL Enterprise Limited.

Mr. Lew was Senior Country Officer and General Manager for Banque Indosuez Singapore, where he worked from 1994 to 1997. He was General Manager and subsequently, Managing Director of NTUC Comfort from 1987 to 1993 and Executive Director of NTUC Fairprice from 1993 to 1994. Mr. Lew served as a Member of Parliament from 1988 to 2001. He was President of The Singapore Manufacturers' Federation from July 2002 to June 2006.

Present directorships in other Singapore listed companies:
- Broadway Industrial Group Ltd
- Food Empire Holdings Ltd
- Golden Agri-Resources Ltd
- Golden Energy and Resources Limited
- SUTL Enterprise Limited

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2016-2018):
- Poh Tiong Choon Logistics Ltd (delisted on 4 January 2018)

CORPORATE GOVERNANCE REPORT

Sinarmas Land Limited (the "Company" or "SML") and together with its subsidiaries ("Group") remains committed to observing high standards of corporate governance, to promote corporate transparency and to enhance shareholder value. The Company has complied substantively with the principles and guidelines set out in the Code of Corporate Governance 2012 ("2012 Code") through effective self-regulatory corporate practices.

In compliance with Rule 710 of the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), this report sets out the Company's corporate governance practices for the financial year ended 31 December 2018 ("FY2018"), with specific reference to the principles and guidelines of the 2012 Code. Deviations from the guidelines of the 2012 Code are explained in this report. For easy reference, the principles of the 2012 Code are set out in italics in this report.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs
Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

1.1 The Board's Role

The primary function of the Board of Directors of the Company ("Board") is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board has overall responsibility to fulfil its role which includes the following:-

(a) ensuring that the long-term interests of the shareholders are being served and safeguarding the Company's assets;

(b) assessing major risk factors relating to the Company and its performance, and reviewing measures, including internal controls, to address and mitigate such risks;

(c) reviewing and approving Management's strategic and business plans, including developing a depth of knowledge of the business being served, understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realised;

(d) monitoring the performance of Management against plans and goals;

(e) reviewing and approving significant corporate actions and major transactions;

(f) assessing the effectiveness of the Board;

(g) ensuring ethical behaviour (including ethical standards) and compliance with laws and regulations, auditing and accounting principles, and the Company's own governing documents;

(h) identifying key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(i) considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and

(j) performing such other functions as are prescribed by law, or assigned to the Board in the Company's governing documents.

CORPORATE GOVERNANCE REPORT

1.2 Independent Judgement

The Board currently consists of 10 members, as shown below together with their membership on the Board committees of the Company ("Board Committee"):-

NAME	BOARD APPOINTMENT	BOARD COMMITTEE APPOINTMENT
Non-Independent Directors		
Franky Oesman Widjaja Executive Chairman	Executive Director	Member of NC and BC
Muktar Widjaja CEO	Executive Director	Member of BC
Margaretha Natalia Widjaja	Executive Director	Member of BC
Ferdinand Sadeli CFO	Executive Director	Member of BC
Robin Ng Cheng Jiet	Executive Director	Member of BC
Independent Directors		
Hong Pian Tee	Non-executive, Lead Independent Director	Chairman of AC and NC, Member of RC
Kunihiko Naito	Non-executive, Independent Director	Member of AC and RC
Rodolfo Castillo Balmater	Non-executive, Independent Director	Chairman of RC, Member of AC and NC
Willy Shee Ping Yah @ Shee Ping Yan[1]	Non-executive, Independent Director	–
Lew Syn Pau[1]	Non-executive, Independent Director	–

Note:

[1] Mr. Willy Shee Ping Yah @ Shee Ping Yan and Mr. Lew Syn Pau were both appointed on 24 April 2018.

Abbreviation:
AC: Audit Committee
BC: Executive/Board Committee
CEO: Chief Executive Officer
CFO: Chief Financial Officer
NC: Nominating Committee
RC: Remuneration Committee

There are 5 Executive Directors and 5 Non-executive Independent Directors. There is a strong and independent element on the Board with half of the Board comprising Independent Directors. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures discussion and review of key issues and strategies in a critical yet constructive manner.

1.3 Delegation of Duties by the Board

To assist the Board in the execution of its duties, the Board has delegated certain functions to the 4 Board Committees, namely, the AC, the NC, the RC and the BC. Each of these Board Committees has its own written terms of reference, which are approved by the Board. The AC, the NC and the RC are all chaired by a Non-executive Independent Director. Please refer to pages 25 to 34 of this report for further information on these Board Committees.

CORPORATE GOVERNANCE REPORT

While the Board Committees have been delegated power to make decisions within the authority delegated to the respective committees, the ultimate responsibility for the decisions and actions rests with the Board as a whole.

1.4 Key Features of Board Processes

To assist Directors in planning their attendance at meetings, the dates of Board meetings, Board Committee meetings and shareholders' meetings together with agenda items, for each new calendar year are notified to all Board members before the start of that calendar year. In addition to regularly scheduled meetings, ad-hoc meetings are convened, if requested or if warranted by circumstances deemed appropriate by the Board. In between regularly scheduled meetings, matters that require the Board and/or Board Committees' approval are circulated to all Directors and/or respective Board Committee members, as the case may be, for their consideration and decision by way of circular resolutions, as provided in the Constitution of the Company and the terms of reference of the respective Board Committees.

Board meetings are conducted in Singapore or overseas where participation by Board members by teleconference or similar communication equipment is permitted under the Constitution. In 2018, the Board met 5 times, with the year-end meeting focusing on annual budget and strategic issues; the Board Committees met a total of 8 times; and 1 shareholders' meeting was held.

1.5 Attendance at Meetings in 2018

The attendance of the Directors at Board and Board Committee meetings and shareholders' meetings, as well as the frequency of such meetings in 2018, is disclosed below:-

NAME	BOARD MEETINGS	AC MEETINGS	NC MEETINGS	RC MEETINGS	AGM	TOTAL ATTENDANCE AT MEETINGS
Executive Directors						
Franky Oesman Widjaja, Executive Chairman	5/5	-	1/1	-	1/1	7/7
Muktar Widjaja, CEO	5/5	-	-	-	1/1	6/6
Margaretha Natalia Widjaja	5/5	-	-	-	1/1	6/6
Ferdinand Sadeli, CFO	5/5	-	-	-	1/1	6/6
Robin Ng Cheng Jiet	5/5	-	-	-	1/1	6/6
Non-Executive Independent Directors						
Hong Pian Tee, Lead Independent Director	5/5	5/5	1/1	2/2	1/1	14/14
Kunihiko Naito	5/5	5/5	-	2/2	1/1	13/13
Rodolfo Castillo Balmater	5/5	5/5	1/1	2/2	1/1	14/14
Willy Shee Ping Yah @ Shee Ping Yan[1]	4/4	-	-	-	-	4/4
Lew Syn Pau[1]	4/4	-	-	-	-	4/4
Number of Meetings Held	**5**	**5**	**1**	**2**	**1**	**14**

Note:
[1] Appointed on 24 April 2018.

Abbreviation:
AGM: Annual General Meeting

CORPORATE GOVERNANCE REPORT

1.6 Matters Requiring Board Approval

Matters specifically requiring the Board's approval are set out in the Company's Internal Guidelines, which include the following corporate events and actions:-

- approval of results announcements
- approval of the annual report and financial statements
- dividend declaration/proposal
- convening of shareholders' meetings
- shares issuance
- material acquisitions and disposals of assets
- annual budgets
- interested person transactions
- corporate governance

All Directors are expected to objectively discharge their duties and responsibilities, in the interests of the Company. Directors are required to refrain from discussion and decision-making on any agenda item in which they have conflict of interest.

1.7 Board Orientation and Training for New Directors

Procedures are in place whereby newly appointed Directors will be provided with a formal appointment letter setting out the terms of appointment, general duties and obligations of a Director pursuant to the relevant legislations and regulations. They will also be given the relevant governing documents of the Company and contact particulars of senior Management of the Company. Those who do not have prior experience as a director of a Singapore listed company will be required to attend externally conducted training on the roles and responsibilities as a director of a listed company in Singapore.

Newly appointed Non-executive Directors who are not familiar with the Group's business, may, upon recommendation of the Chairman or the NC, be provided with orientation through overseas trips to familiarise them with the Group's operations. Management will also brief new Directors on the Group's business, as well as governance practices.

Each of Mr. Willy Shee Ping Yah @ Shee Ping Yan and Mr. Lew Syn Pau, who were both appointed as Non-executive Independent Directors of the Company in April 2018, has been furnished with a director's kit comprising, among others, a letter of appointment, meeting schedules of Board and Board Committee meetings and relevant governing documents of the Company.

1.8 2018 Directors' Training Programme

The NC reviews and makes recommendations on Directors' training which are arranged and funded by the Company. The Company has an annual training budget to fund any Director's participation/attendance at seminars and training programmes that are relevant to his/her duties as a Director.

In conformity with the framework for Directors' Training as approved by the Board, the 2018 Director Training Programme provided a 3-step approach to training as follows, through:-

(1) Externally conducted courses on audit/financial reporting matters, audit committee's role, corporate governance / regulatory changes and other relevant topics subject to course availability

(2) Quarterly management updates on group operations and industry-specific trends and development

(3) Quarterly continuing education on regulatory changes and updates, including extraction of case studies on corporate governance, and External Auditors' briefings to AC members on changes to accounting standards and issues

CORPORATE GOVERNANCE REPORT

Directors having attended external courses/seminars, in turn shared their take-aways and knowledge with fellow Directors at the next Board meeting. Seminars attended in 2018 include the following organized by the Singapore Institute of Directors and/or SGX-ST and/or the Accounting and Corporate Regulatory Authority and/or others:-

- Audit Committee Seminar 2018: Rebooting Corporate Governance (January 2018)
- Remuneration Committee Chairmen's Conversation (May 2018)
- Harnessing the Full Potential of Internal Audit (July 2018)
- Disruptive Technologies for Directors (July 2018)
- Singapore Governance & Transparency Forum 2018 and Launch of the Revised Code of Corporate Governance (August 2018)
- Best Practices for Board Effectiveness (August 2018)
- Understanding the Revised Code of Corporate Governance and Listing Rule Changes (August and September 2018)
- Directors' Conference 2018: Rebooting Globalisation and Governance in an Era of Disruption (September 2018)
- Launch of the Singapore Directorship Report 2018 & Corporate Governance Guides for Boards in Singapore 2018 Edition (October 2018)
- Valuation and the Impairment Imperative (November 2018)

In April 2018, the AC members visited the Group's facilities in Batam. The Independent Directors also visited various projects of the Group, ie. BSD City at Tangerang, West Java; Central Jakarta projects; Sedana Golf at Karawang, East Jakarta; and Kota Deltamas at Bekasi, West Java in September 2018.

Principle 2: Board Composition and Guidance
There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

2.1 Board Size and Composition

Each year, the Board examines its size, composition, skills and core competencies of its members to ensure an appropriate balance and diversity of skills, experience, knowledge and gender. The Board comprises Directors from different industries and background, with business and management experience, knowledge and expertise who, collectively as a group, provide the core competencies for the leadership of the Company. Currently, the Board includes one female Director. The Company has no alternate Directors on its Board.

Taking into account the scope and nature of operations of the Group, the Board considers that the current composition mix and board size is appropriate to facilitate effective decision making at meetings of the Board and Board Committees.

Please refer to pages 13 to 17 of this Annual Report for key information, including qualifications, on the Directors of the Company.

CORPORATE GOVERNANCE REPORT

2.2 Directors' Independence Review

The NC/Board has taken note of the changes to the guidelines and compliance requirements pertaining to the determination of a Director's independence as set out respectively in the Code of Corporate Governance 2018 ("2018 Code") and the Listing Manual, and the effective dates of these changes in 2019/2022 ("Independence Test Changes").

As this report describes corporate governance activities before the 2018 Code takes effect, the ensuing paragraphs set out the criteria and processes to determine a Director's independence based on the 2012 Code, unless otherwise stated.

The Board has adopted guidelines set out in the 2012 Code on relationships the existence of which, would deem a Director not to be independent. A Director who has no relationship with the Company, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company, is considered to be independent.

The NC is tasked to determine on an annual basis and, as and when the circumstances require, whether or not a Director is independent, bearing in mind the 2012 Code and any other salient factors which would render a Director to be deemed not independent. In addition, consideration is given to Guideline 2.4 of the 2012 Code which requires that the independence of any Director who has served on the Board beyond 9 years, be subject to particularly rigorous review.

For the purpose of determining independence, each Director is required to complete a self-declaration checklist, at the time of appointment and annually, based on existing guidelines. Included in the Independence Test Changes is Rule 210(5)(d) of the Listing Manual which came into effect on 1 January 2019, and mandates an executive Director as being not independent. Accordingly, effective 1 January 2019, only Non-executive Directors are requested to complete the self-declaration checklist for ascertaining their independence.

Having considered the relevant reviews, the NC/Board has considered that the following Directors are regarded as Independent Directors of the Company:-

Rodolfo Castillo Balmater*
Kunihiko Naito*
Hong Pian Tee
Willy Shee Ping Yah @ Shee Ping Yan
Lew Syn Pau

* Please see item 2.3 on Rigorous Review

2.3 Rigorous Review

The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. Where there are such Directors serving as an Independent Director for more than 9 years, the Board will do a rigorous review of their continuing contribution and independence.

The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of time. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging the Management in the best interests of the Group as he performs his duties in good faith, are more critical measures in ascertaining a Director's independence than the number of years served on the Board.

During its review, the NC considered that Mr. Rodolfo Castillo Balmater, despite having served more than 9 years, has continued to demonstrate independent judgement and objective evaluation.

CORPORATE GOVERNANCE REPORT

In reviewing the independence of Mr. Kunihiko Naito, the NC considered that although Mr. Naito has served more than 9 years, he continues to demonstrate independence in character and judgment.

As part of the rigorous review procedure, both Mr. Rodolfo Castillo Balmater and Mr. Kunihiko Naito provided additional reasons why they should be considered independent despite having served more than 9 years. They also confirmed not having any relationship that could interfere with their exercise of independent judgement in the best interest of the Company.

After taking into account these factors, the NC's views and having weighed the need for Board refreshment against tenure, the Board has determined that Mr. Rodolfo Castillo Balmater and Mr. Kunihiko Naito be regarded as Independent Directors of the Company, notwithstanding having served more than 9 years.

Each Independent Director has abstained from the NC/Board's determination of his independence.

2.4 Non-executive Directors

Non-executive Directors are encouraged, in line with corporate governance practice, to participate actively at Board meetings and constructively challenge and help develop proposals on strategy; to review the performance of Management in meeting agreed goals and objectives; to monitor the reporting of performance; and to meet regularly without the presence of Management.

Non-executive Directors make up half of the Board.

The Non-executive Directors, if deemed necessary by the Lead Independent Director, meet and/or hold discussions without the presence of other Executive Directors and Management.

Principle 3: Chairman and Chief Executive Officer
There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

3.1 Chairman and Chief Executive Officer

Our Executive Chairman is Mr. Franky Oesman Widjaja, and our CEO is Mr. Muktar Widjaja. We believe that the Independent Directors have demonstrated a high commitment in their roles as Directors and have ensured that there is a good balance of power and authority.

The Executive Chairman presides over Board meetings and ensures proper procedure is adhered to in the decision-making process. He is responsible for:-

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) ensuring that the Directors receive complete, adequate and timely information;

(d) ensuring effective communication with shareholders;

(e) encouraging constructive relations within the Board and between the Board and Management;

CORPORATE GOVERNANCE REPORT

(f) facilitating the effective contribution of Non-executive Directors in particular; and

(g) promoting high standards of corporate governance.

3.2 Lead Independent Director

In view that the Executive Chairman and CEO are immediate family members, the AC Chairman, Mr. Hong Pian Tee, acts as the Lead Independent Director, whom shareholders with concerns may contact, care of the company secretary, when contact through the normal channels has failed to resolve or is inappropriate.

3.3 Executive/Board Committee Composition and Role

The Board has established the BC to supervise the management of the business and affairs of SML. The BC assists the Board in the discharge of its duties by, inter alia, approving the opening, closing of banking accounts and acceptance of banking facilities up to certain limits. The BC comprises the following 5 Directors:-

Group A
Franky Oesman Widjaja
Muktar Widjaja
Margaretha Natalia Widjaja

Group B
Ferdinand Sadeli
Robin Ng Cheng Jiet

Circular resolutions of the BC are effective if signed by any 2 Directors from Group A jointly with the 2 Directors from Group B.

Principle 4: Board Membership
There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

4.1 Nominating Committee Composition and Role

The NC comprises the following 3 Directors, 2 of whom, including the NC Chairman, are Non-executive Independent Directors:-

- Hong Pian Tee (NC Chairman)
- Rodolfo Castillo Balmater
- Franky Oesman Widjaja

The NC's roles and responsibilities are described in its terms of reference. The NC is primarily responsible for:-

(a) identifying and nominating for the approval of the Board, all Board appointments including candidates to fill Board vacancies as and when they arise;

(b) reviewing the independence element on the Board annually; and

(c) deciding how the Board's performance may be evaluated.

CORPORATE GOVERNANCE REPORT

The NC is also responsible for making recommendations to the Board:-

(a) as regards the re-appointment, re-election and re-nomination of any Director;

(b) concerning the Board having a strong and independent element;

(c) concerning the re-appointment of any Director having multiple board representations;

(d) concerning the Board's performance criteria;

(e) regarding training and professional development programmes for the Board; and

(f) concerning any matters relating to the continuation in office as a Director of any Director at any time.

4.2 Process for Selection and Appointment, Re-appointment of Directors

All new Board appointments are considered, reviewed and recommended by the NC first, before being brought up to the Board for approval. Potential candidates to fill casual vacancies or as an additional director are sourced with recommendations from Directors, Management or external consultants. The NC then evaluates the suitability of potential candidates for the position taking into account, inter alia, the candidate's age, gender, knowledge, skills, experience and ability to contribute to the Board's effectiveness. Upon the NC's recommendation, the Board approves the new appointment. In the event that the membership of the NC falls below the minimum number of 3 members, the NC shall be dissolved, and any new nominations are channeled directly to the Board for approval after which the NC is reconstituted with the requisite number of members.

During 2018, Mr. Willy Shee Ping Yah @ Shee Ping Yan and Mr. Lew Syn Pau were appointed as additional Non-executive Independent Directors of the Company. The Board had approved the new appointments having satisfied itself of the skills, experience, objectivity and contribution of Mr. Shee and Mr. Lew in their roles, and upon the recommendation of the NC. Mr. Shee and Mr. Lew were shortlisted by Management to the NC for assessment of their suitability for appointment.

4.3 Retirement and Re-appointment at 2019 AGM

In accordance with the Constitution of the Company, newly appointed Directors must submit themselves for re-appointment at the AGM immediately following their appointment. Mr. Willy Shee Ping Yah @ Shee Ping Yan and Mr. Lew Syn Pau, being Directors appointed by the Board during 2018, will retire at the forthcoming AGM ("2019 AGM") under Regulation 97 of the Constitution and, being eligible, has each offered himself for re-appointment thereat. The NC has recommended each of their re-appointment.

Pursuant to Rule 720(5) of the Listing Manual which took effect on 1 January 2019, all Directors must submit themselves for re-election at least once every 3 years. Directors retiring at the 2019 AGM under this requirement are Mr. Kunihiko Naito and Mr. Franky Oesman Widjaja, who, being eligible, has each offered himself for re-appointment as a Director at the 2019 AGM. The NC has recommended each of their re-appointment.

In its deliberation on the re-appointment of retiring Directors who, being eligible, have offered themselves for re-appointment, the NC takes into consideration the Director's attendance, participation, contribution and performance during the previous year.

Each member of the NC has abstained from participating in deliberations and voting on any resolutions in respect of his re-appointment as Director.

CORPORATE GOVERNANCE REPORT

4.4 Directors' Time Commitments and Multiple Directorships

It is recommended under the 2012 Code that the Board considers providing guidance on the maximum number of listed company representations which each Director of the Company may hold in order to address competing time commitments faced by Directors serving on multiple boards. The Board believes that each Director, when accepting new appointments or who already sit on multiple boards, has the individual responsibility to personally determine the demands of his or her competing directorships and obligations, and ensure that he/she can allocate sufficient time and attention to the affairs of each company.

The Board is of the view that setting a numerical limit on the number of listed company directorships a Director may hold is arbitrary, given that time requirements for each person vary, and therefore prefers not to be prescriptive, currently. As a safeguard, the NC will assess and review annually each Director's attendance record and his/her ability to allocate sufficient time and attention to the affairs of the Company. The NC is satisfied with the time commitment and effort made by each Director to attend meetings in 2018.

Currently, the number of directorships in Singapore listed companies, including the Company, held by an Independent Director is 6, and of that held by an Executive Director is 3.

Principle 5: Board Performance
There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

5.1 Board Evaluation Process

The NC is tasked to carry out the processes as implemented by the Board for assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board on an annual basis.

The Company has in place a system to assess the effectiveness/performance of the Board and acts, where appropriate, on feedback from Board members, on improvements.

During the annual evaluation process, each Director is required to complete the respective forms for self-assessment as well as for assessment of the performance of the Board, based on pre-determined approved performance criteria.

The NC/Board notes that Board and individual Directors are being assessed, and will be reviewing any added assessments of Board Committees.

Principle 6: Access to Information
In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

6.1 Complete, Adequate and Timely Information

In order to ensure that the Board is able to fulfil its responsibilities, Management provides the Board with complete and adequate information in a timely manner. Such information extends to documents on matters to be brought up at Board and Board Committee meetings, which, as a standard procedure, are circulated and posted in advance on a Board portal for Board and Board Committee members, as the case may be, to access from their tablet for review and consideration. Senior Management, the Company's auditors and other professionals who can provide additional insights into the matters to be discussed at Board and/or Board Committee meetings, are also invited to attend these meetings, where necessary. As Directors may have further queries on the information provided, they have separate and independent access to the Company's senior Management who accordingly addresses individual Director's request for additional information/ documents.

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Management provides the Board with financial statements and management reports of the Group on a quarterly basis, and upon request as and when required. Explanations are given by Management for material variance (if any) between any projections in the budget and actual results.

6.2 Company Secretary

The Directors may separately and independently contact the company secretary who attends and prepares minutes for all Board meetings. The company secretary's role is defined which includes responsibility for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The appointment and the removal of the company secretary are matters requiring Board approval.

6.3 Independent Professional Advice

The process is in place whereby Directors, either individually or as a group, in furtherance of their duties, require professional advice, the company secretary can assist them in obtaining independent professional advice, at the Company's expense.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: Level and Mix of Remuneration
The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

7.1 Remuneration Committee Composition and Role

The RC comprises the following 3 Directors, all of whom, including the RC Chairman, are Non-executive Independent Directors:-

- Rodolfo Castillo Balmater (RC Chairman)
- Kunihiko Naito
- Hong Pian Tee

The RC has written terms of reference that describes its roles and responsibilities. The duties of the RC include reviewing and recommending to the Board for approval, the following:-

(a) a general framework of remuneration for the Board and key management personnel;

(b) the specific remuneration packages for each Director and key management personnel; and

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(c) the Company's obligations arising in the event of termination of Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC may, during its annual review of remuneration of Directors and key management personnel, seek advice from external remuneration consultants as and when it deems necessary.

None of the members of the RC is involved in deliberations in respect of any remuneration, fee, compensation, incentives or any form of benefits to be granted to him.

7.2 Long-term Incentive Scheme

Currently, the Company does not have any long-term incentive schemes, including share schemes.

8.1 Remuneration of Executive Directors and Key Management Personnel

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate.

The remuneration structure for Executive Directors and key management personnel consists of (a) fixed remuneration, (b) variable bonus and/or (c) other benefits. Executive Directors do not receive Directors' fees.

The level of remuneration is determined by various factors including performance of the Group, industry practices and the individual's performance and contributions towards achievement of corporate objectives and targets.

Variable payments are made based on the extent of the individual's achievement of performance conditions for the year under review.

The use and application of clawback provisions in remuneration contracts of Executive Directors and key management personnel is subject to further consideration by the Company.

8.2 Remuneration of Non-Executive Independent Directors

Non-executive Independent Directors receive Directors' fees, which are subject to shareholders' approval at AGMs ("Directors' Fees").

Directors' fees are determined based on a scale of fees comprising a base fee, and fee as AC Chairman, AC member, RC Chairman, RC member, NC Chairman and NC member.

The level of Directors' Fees is reviewed annually by the RC and/or the Board, during which factors such as contributions, regulatory changes and responsibilities, and market benchmarks are taken into consideration.

The RC, with the concurrence of the Board, has recommended that an amount of S$414,802 as Directors' Fees be paid to the Non-executive Independent Directors for the financial year ended 31 December 2018. These fees will be tabled for shareholders' approval at the 2019 AGM.

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Principle 9: Disclosure of Remuneration

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

9.1 Directors' Remuneration

The Directors' remuneration for FY2018 in bands of S$250,000 is set out in the table below:-

NAME OF DIRECTORS	FIXED SALARY	BONUS PAID OR PAYABLE / BENEFIT	DIRECTORS' FEES	TOTAL
Executive Directors				
S$4,000,000 to S$4,250,000				
Muktar Widjaja	21.8%	78.2%	-	100%
S$2,500,000 to S$2,750,000				
Margaretha Natalia Widjaja	17.7%	82.3%	-	100%
S$2,250,000 to S$2,500,000				
Franky Oesman Widjaja	15.6%	84.4%	-	100%
S$500,000 to S$750,000				
Ferdinand Sadeli	79.9%	20.1%	-	100%
S$250,000 to S$500,000				
Robin Ng Cheng Jiet	74.9%	25.1%	-	100%
Non-Executive Independent Directors				
Below S$250,000				
Hong Pian Tee	-	-	100%	100%
Kunihiko Naito	-	-	100%	100%
Rodolfo Castillo Balmater	-	-	100%	100%
Willy Shee Ping Yah @ Shee Ping Yan[1]	-	-	100%	100%
Lew Syn Pau[1]	-	-	100%	100%

Note:
[1] Appointed on 24 April 2018.

Variable bonus is based on performance in the same financial year.

Each Director's remuneration is expressed in bands of S$250,000 rather than to the nearest dollar, due to continuing sensitivity surrounding the issue of remuneration. The Company believes that the current format of disclosure in bands of S$250,000 with a percentage breakdown, is sufficient indication of each Director's remuneration package.

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9.2 Remuneration of Key Management Personnel

The top 5 key management personnel, in alphabetical order, who are not Directors of the Company ("KMP") for FY2018 are as follows:-

- Lie Jani Harjanto
- Michael JP Widjaja
- Monik William
- Ridwan Darmali
- Teky Mailoa

The remuneration of a KMP who is also an IFM (as defined below) is disclosed in item 9.3 below. Save for this, the Company, having taken into account that the above KMPs are employed and remunerated by the Company's Indonesian subsidiaries; the relevant personnel's comments; and the size of the Company and the Group's scope of business, does not believe it to be in its interest to disclose the KMPs' remuneration, due to the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the country of operation of the Group's business. In addition, such disclosure of specific remuneration information may encourage inappropriate peer comparisons and discontent, and may, in certain cases, give rise to recruitment and talent retention issues.

In view of the abovementioned reasons, the Company believes that the interests of shareholders will not be prejudiced as a result of such non-disclosure of the above KMPs' remuneration.

9.3 Remuneration of Employees who are Immediate Family Members of a Director/CEO ("IFM")

The remuneration of employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds S$50,000 for FY2018, being two, Mr. Michael JP Widjaja and Ms. Marcellyna Junita Widjaja, children of Mr. Muktar Widjaja, are as follows:

Remuneration Band	Number
S$2,500,000 to S$2,750,000	1
Below S$250,000	1

Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja are brothers, and Ms. Margaretha Natalia Widjaja is the daughter of Mr. Muktar Widjaja.

Other than disclosed above, none of the Directors had immediate family members who were employees and whose remuneration exceeded S$50,000 for FY2018.

IFM remuneration is disclosed in applicable bands of S$250,000, instead of bands of S$50,000, due to continuing sensitivity surrounding the issue of remuneration. The Company believes that the current format of disclosure in bands of S$250,000, is sufficient indication of each IFM's remuneration package.

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C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability
The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board reviews and approves the results announcements before each release. In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of SML's performance, position and prospects.

For the financial year under review, the CEO and the CFO have provided assurance to the Board on the integrity of the financial statements of SML and its subsidiaries. For interim financial statements, the Board provided a negative assurance confirmation pursuant to Rule 705(5) of the Listing Manual.

Principle 12: Audit Committee
The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

12.1 Audit Committee Composition and Role

The AC comprises the following 3 Directors, all of whom, including the AC Chairman, are Non-executive Independent Directors:-

- Hong Pian Tee (AC Chairman)
- Rodolfo Castillo Balmater
- Kunihiko Naito

The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC. None of the members of the AC were previous partners or directors of our external auditors, Moore Stephens LLP, and none of the members of the AC hold any financial interest in Moore Stephens LLP.

The AC's roles and responsibilities are described in its terms of reference. The AC has the explicit authority to investigate any matter within its terms of reference. In addition, the AC has full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings. Reasonable resources are made available to enable the AC to discharge its functions properly.

In addition to its statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the Board. In particular, the duties of the AC include:-

(a) Reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance.

(b) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls.

(c) Reviewing the adequacy and effectiveness of the Group's internal audit function.

(d) Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors.

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(e) Making recommendations to the Board on the proposals to the shareholders on appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors. In this regard, the AC is primarily responsible for proposing the appointment and removal of the external auditors.

The AC has been delegated to assist the Board in the oversight of sustainability practice.

The AC reviews with Management, and where relevant, the auditors, the results announcements, annual reports and financial statements, interested person transactions and corporate governance, before submission to the Board for approval or adoption.

In performing its functions, the AC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by Management to the respective auditors. Where necessary, the AC also meets separately with the internal and external auditors whereby any issues may be raised directly to the AC, without the presence of Management. The internal and external auditors have unfettered access to the AC.

In its review of the financial statements of the Group for FY2018 ("FY2018 Financial Statements"), the AC has discussed with external auditors and Management on matters of significance which are included under "Key Audit Matters" in the Independent Auditors' Report. The AC is satisfied that those matters, ie. revenue recognition and valuation and classification of development properties, have been appropriately addressed. The AC recommended to the Board to approve the audited FY2018 Financial Statements. The Board has on 15 March 2019 approved the FY2018 Financial Statements.

12.2 External Auditors' Independence

Taking cognizance that the external auditors should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the AC undertook a review of the independence of the external auditors. During the process, the AC also reviews all non-audit services provided by the external auditors to satisfy itself that the nature and extent of such non-audit services would not affect their independence. Fee for audit services to the external auditors is disclosed in the Notes to the FY2018 Financial Statements on page 134 of this Annual Report. The external auditors did not provide any non-audit services to the Group during FY2018.

The AC has recommended to the Board that the external auditors be nominated for re-appointment at the 2019 AGM.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual.

12.3 Whistle-Blowing Procedures

The Board is committed to uphold the Company's values and standards, and has put in place whistle-blowing procedures by which employees may, in confidence and without fear of retaliation, bring to the AC's attention, concerns or complaints about possible improprieties in matters of financial reporting or other matters.

Under these procedures, the AC may, if it deems appropriate, engage appropriate external independent advisors, at the Company's expense.

The Company is committed to treat all complaints as confidential, and the anonymity of the whistle-blower concerned will be maintained until the whistle-blower indicates that he or she does not wish to remain anonymous.

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12.4 Annual Confirmation on Procedures relating to Rights of First Refusal ("ROFR")

In accordance with paragraph 4.2 of the circular dated 12 November 2014 ("Circular") to shareholders of the Company, the AC confirms that no ROFR (details of which are set out in the Circular) has been granted to and/or exercised by Bund Center Investment Ltd and the Company for FY2018.

Principle 13: Internal Audit
The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has established an in-house internal audit function headed by the Chief Internal Auditor ("CIA"), Ms Hamina Ali, who reports to the AC chairman. On administrative matters, the CIA reports to the CEO. The CIA has met the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The role of the internal auditors is to assist the AC to evaluate and improve the effectiveness of governance, risk management and control processes.

The AC approves the hiring and removal of the CIA and ensures that the internal audit function is adequately staffed and trained and has appropriate standing within the Company. It also ensures the adequacy and effectiveness of the internal audit function.

The annual internal audit plan is established in consultation with, but independent of, Management, and is reviewed and approved by the AC. Every quarter, the AC and Management review and discuss internal audit findings, recommendations and status of remediation, at AC meetings.

The internal auditors have unfettered access to the Group's documents, records, properties and personnel, including access to the AC.

The AC is satisfied that the Company's internal audit function is adequately resourced and has appropriate standing within the Company. It is also satisfied with the independence, adequacy and effectiveness of the internal audit function.

Principle 11: Risk Management and Internal Controls
The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

11.1 Responsibilities for Risk Management and Internal Controls

The Board, with assistance from the AC, is responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls, including financial, operational, compliance and information technology controls, to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

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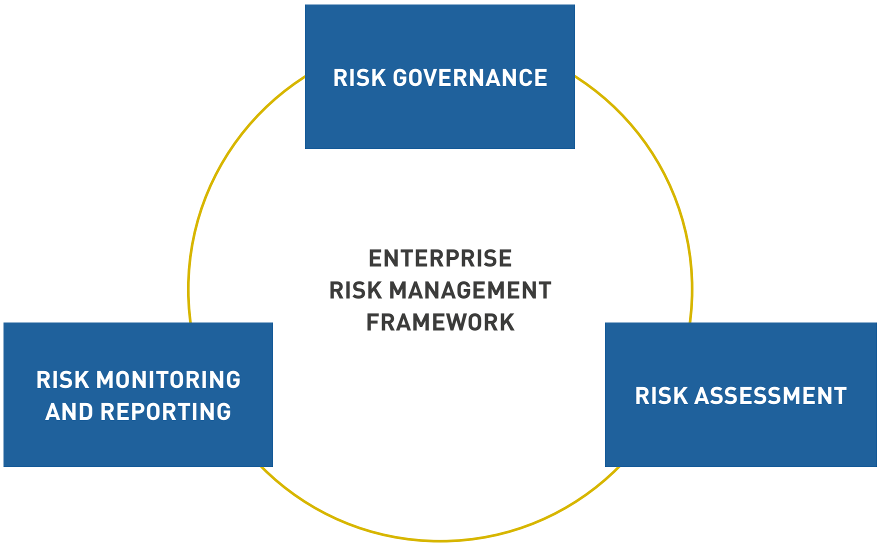
11.2 Enterprise Risk Management Processes

The Group has established an independent Enterprise Risk Management ("ERM") function, headed by the Chief Risk Officer and supported by risk champions across all divisions to assist in ERM implementation within their respective divisions. The ERM framework implemented by the Group aligns with International Standard for Risk Management, which include ISO 31000, COSO Enterprise Risk Management Framework and the 2012 Code.

The 3 key components of ERM framework are diagrammatically represented below:



- Risk Governance, the backbone to a robust risk management framework, sets out the risk management strategy, objectives and organisation structure for implementing ERM. It also establishes and communicates clear roles and responsibilities to support effective functioning of the ERM structure. The Group has also implemented specific key performance indicators (KPIs) to measure contribution of all relevant parties in ERM implementation.

- Risk Assessment, an objective evaluation of events that may prevent the Group from achieving its strategic objectives, which includes establishing the risk appetite/parameters, assigning resources and implementing risk management processes, tools and systems to manage identified risks within acceptable levels. The ERM function facilitates assessment of key risks and controls on a regular basis so as to define the risk levels and necessary actions needed to manage such risks.

- Risk Monitoring and Reporting, provides the platform for reporting risks, controls and early warning signals on a regular basis, and to monitor the effectiveness of existing controls. The ERM function actively monitors the Group's risk profile, effectiveness of key controls and outstanding action plans using the ERM reporting platform, and in certain situations, proactively facilitates the development or implementation of mitigation measures (eg, when the impact of the risk is considered high). With regards to early warning signals, the ERM function has identified, and monitors various internal and external parameters as key risk indicators.

The ERM framework covers various risk categories as described below:-

- Financial risks: In relation to management of financial risks which the Group is exposed to, including interest rate, foreign currency, price and liquidity risks, our approach to these risks are as follows:-

  – Interest rate risk: assess the Group's exposure to interest-bearing financial instrument and perform sensitivity analysis

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  - Foreign currency risk: construct natural hedges where it matches revenue and expense in single currency
  - Price risk: the Group monitors the market closely to ensure that risk exposure to volatility of investments is kept to a minimum
  - Liquidity risk: the Group maintains a level of cash and cash equivalents and funding facilities deemed adequate by management to finance its operations

- Operational risks: The Group manages operational risks related to key business and support activities which include the following:
  - business development and marketing / leasing related risks;
  - land acquisition related risks;
  - pre-construction, construction and post-construction related risks;
  - property management related risks;
  - human capital related risks;
  - finance process related risks;
  - IT related risks; and
  - tender and procurement related risks.

- Legal & Compliance risks: The Group manages legal and compliance requirements by establishing close relationships with relevant regulators and associations to monitor the development of legal and compliance requirements. In 2015, the Group has established a Compliance Management Framework related to its operational activities. The framework sets clear roles and responsibilities and guidelines on compliance management, which includes identification process, establishment of compliance database, monitoring and tracking process.

- Strategic risks: The Group manages strategic risk by providing regular market and competitor information to relevant Group divisions so they can make necessary alignment to the respective business plan. Significant changes in market or regulatory conditions that may pose material impact on the achievement of corporate strategy are tabled in management forums to define necessary actions.

The Board recognises that risk is dynamic, thus ERM implementation requires continuous effort to improve its quality and coverage.

11.3 Assurance from the CEO and CFO

The Board has received written assurance from the CEO and the CFO that the financial records of the Group for FY2018 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances in accordance with the applicable financial reporting framework and are free from material misstatements, and the risk management and internal control systems of the Group are generally adequate and effective.

The CEO and the CFO have in turn obtained similar assurance from the business heads in the Group.

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11.4 Opinion on Adequacy and Effectiveness of Internal Control and Risk Management Systems

The AC is responsible for making the necessary recommendations to the Board such that the Board may make an opinion regarding the adequacy and effectiveness of the risk management and internal control systems of the Group. In this regard, the AC is assisted by external auditors, internal auditors and the Enterprise Risk Management Committee ("ERMC").

The Board is satisfied that there is appropriate and adequate review by the AC of the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by Management. In its review, the AC had been assisted by both the external auditors and the internal auditors, and this review is conducted at least once every year.

During the course of the audit, the external auditors carried out a review of the adequacy and effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during the audit are reported to the AC together with the recommendations of the external auditors.

In addition, based on the ERM framework established and maintained, the work performed by the ERMC and the internal audit function as well as the assurance received from the CEO and the CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, and risks management systems, were adequate and effective as at 31 December 2018 to meet the needs of the Group in its current business environment.

The Board notes that the Company's system of internal controls and risk management provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledge that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights
Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that the Company's shareholders are treated fairly and equitably, and their rights are protected.

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to the Group's business which could have a material impact on the Company's share price.

All shareholders of the Company are entitled to attend and vote at general meetings in person or by proxy. In 2017, the Constitution was amended to include provisions to facilitate the sending of documents, including circulars and annual reports, to shareholders, using electronic communications. In that year, the Listing Manual was also amended to allow such electronic communications. Starting with the 2018 AGM, the Company used electronic communications to transmit annual reports and other documents to shareholders. The annual report and other documents are made available on the Company website[1], and all shareholders of the Company receive a letter on how to access the said documents. They also receive the printed notice of AGM, proxy form and request form for printed copies of the annual report and appendices. The notice of AGM is advertised in the newspapers and released via SGXNET.

[1] http://www.sinarmasland.com/annual-reports

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Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

15.1 Communication with Shareholders

The Company is committed to engage our shareholders and the investment community regularly with timely, balanced, transparent and accurate information to make well-informed decisions. To ensure regular dialogues, the Company has a dedicated investor relations ("IR") team that facilitates the effective communication of information to our various stakeholders through multiple platforms.

The Company does not practice selective disclosure of material information. The Company conveys material information and its quarterly financial results through announcements made via SGXNET, and is required to comply with the Listing Manual on the continuous disclosure obligations. Results announcements and annual reports are announced or issued within the specified/stipulated period.

The Company's financial results, together with the accompanying presentation slides and press releases, are announced on a quarterly basis and the date of release of the financial results is disclosed two weeks in advance via a SGXNET announcement. In conjunction with the release of the quarterly financial results, the Management conducts a joint briefing for research analysts and media representatives to keep them abreast of the Company's financial performance and business operations.

In addition, the Company has proactively engaged investors and the investment community through non-deal roadshows ("NDRs"), investor conferences and tele-conferences to keep them apprised of its corporate development and financial performance. In 2018, the Management and IR team engaged more than 150 institutional and retail investors over 100 individual face-to-face meetings and conference calls, as well as participation in investor conferences and NDRs held in Singapore, Hong Kong, Thailand and Indonesia.

The Company welcomes enquiries and feedback from shareholders and the investment community. Enquiries can be addressed to the IR team at *investor@sinarmasland.com.sg* or by post to 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535. The Company endeavours to respond to queries within 3 business days or whenever earliest possible.

More on IR can be found on pages 64 to 65 of this Annual Report.

15.2 Dividend Policy

Based on Management recommendations, the Directors determine on a quarterly basis the amount, if any, of dividends to be declared taking into account all relevant factors such as the Group's net profit attributable to shareholders, financial performance, future capital expenditure requirements, business expansion plans and general economic conditions. Any payouts will be clearly communicated to shareholders via announcements posted on SGXNET.

The Board has recommended a proposed first and final dividend of S$0.002 per ordinary share for FY2018, subject to shareholders' approval at the 2019 AGM.

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Principle 16: Conduct of Shareholders' Meetings
Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

During the AGMs which are held in Singapore, shareholders are given the opportunity to communicate their views and to engage the Board and Management on the Group's business activities and financial performance. Directors are encouraged to attend shareholders' meetings. In particular, members of the NC, AC and RC and the external auditors are asked to be present to address questions at such meetings.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. Absentia voting methods are currently not permitted, as the authentication of shareholder identity information and other related integrity issue still remain a concern.

In support of greater transparency and to allow for a more efficient voting process, the Company has been conducting electronic poll voting instead of voting by show of hands since the 2013 AGM. With electronic poll voting, shareholders present in person or represented by proxy at the meeting will be entitled to vote on a 'one-share, one-vote' basis. The voting results of all votes cast "for" and "against" and the respective percentages, in respect of each resolution, will be instantly displayed on–screen at the meeting. The detailed breakdown of results showing the total number of votes cast "for" and "against" each resolution and the respective percentages are announced via SGXNET after the AGM.

DEALINGS IN SECURITIES

The Company complies with Rule 1207(19) of the Listing Manual on dealings in securities, and has devised and adopted its own internal compliance code to provide guidance with regard to dealings in the Company's securities by the Company, its Directors and officers, including the prohibition on dealings in the Company's securities on short-term considerations.

Dealings in the Company's securities are prohibited during the period commencing (i) two weeks before announcement of the Company's first, second and third quarter results and (ii) one month before the announcement of the Company's full year results, and ending on the date of the announcement of the results. Such dealings in the Company as well as other listed companies' securities are also prohibited whilst in possession of unpublished material price-sensitive information in relation to those securities.

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INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions required to be disclosed under Rule 907 of the Listing Manual are as follows:

NAME OF INTERESTED PERSON ("IP") @	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN S$100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE* PURSUANT TO RULE 920) FY2018 (S$)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE* PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN S$100,000) FY2018 (S$)
Golden Agri International Pte Ltd	486,000	-
PT Arara Abadi	-	119,994
PT Asuransi Jiwa Sinarmas MSIG	-	6,714,944
PT Bank Sinarmas Tbk ("BSM")	-	40,030,110#1
BSM	-	4,215,903#2
PT Bumipermai Lestari	-	1,137,528
PT Dian Swastatika Sentosa Tbk	-	1,810,559
PT DSSP Power Kendari	-	1,599,481
PT DSSP Power Sumsel	-	201,555
PT Indah Kiat Pulp & Paper Tbk	-	5,187,913
PT Lontar Papyrus Pulp & Paper Mills	-	372,168
PT Pindo Deli Pulp and Paper Mills	-	372,168
PT Sinar Mas Agro Resources and Technology Tbk	-	7,300,241
PT Sinar Mas Multiartha Tbk	-	1,458,185
PT Sinar Mas Tunggal	133,432	-
PT Sinarmas Cakrawala Persada	-	1,234,305
PT Sinarmas Sentra Cipta	-	6,966,372
PT SMART Telecom	-	111,723
PT Sumber Indah Perkasa	-	1,137,528
PT Tarunacipta Kencana	-	200,841
Total	**619,432**	**80,171,518**

Notes:

@ These IPs are regarded as associates of SML's controlling shareholder under Chapter 9 of the Listing Manual on interested person transactions.

* Renewed at SML's AGM on 23 April 2018 pursuant to Rule 920 of the Listing Manual.

#1 Time deposits and current account placements with BSM during the year. Principal amount of placements as at 31 December 2018 is approximately S$8.8 million.

#2 Lease of premises to BSM.

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ADDITIONAL REQUIREMENTS UNDER RULE 720(6) OF THE LISTING MANUAL

Information relating to Directors seeking re-election at the 2019 AGM is as follows:

NAME OF DIRECTOR	WILLY SHEE PING YAH @ SHEE PING YAN ("WS")	LEW SYN PAU ("LSP")	KUNIHIKO NAITO ("KN")	FRANKY OESMAN WIDJAJA ("FOW")
Date of Appointment	24 April 2018	24 April 2018	31 December 2007	10 March 1997
Date of Last Re-Appointment (if applicable)	N/A	N/A	21 April 2016	N/A
Age	70	65	74	61
Country of Principal Residence	Singapore	Singapore	Japan	Indonesia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to items 4.2 and 4.3 on page 26 of this Annual Report.	Please refer to items 4.2 and 4.3 on page 26 of this Annual Report.	Please refer to item 4.3 on page 26 of this Annual Report.	Please refer to item 4.3 on page 26 of this Annual Report.
Whether appointment is executive, and if so, the area of responsibility	No	No	No	Executive. Formulate the goals and strategic direction of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive, Independent Director	Non-executive, Independent Director	Non-executive, Independent Director; Member of AC and RC	Executive Chairman; Member of NC and BC
Professional qualifications Working experience and occupation(s) during the past 10 years	Please refer to page 17 of this Annual Report.	Please refer to page 17 of this Annual Report.	Please refer to page 16 of this Annual Report.	Please refer to page 13 of this Annual Report.
Shareholdings interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	Please refer to item 3 on pages 90 and 91 of this Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Brother of Mr. Muktar Widjaja, and uncle of Ms. Margaretha Natalia Widjaja, both Directors of the Company. Uncle of Mr. Michael JP Widjaja, Vice President Director of PT Bumi Serpong Damai Tbk and President Commissioner of PT Paraga Artamida, both principal subsidiaries of the Company.

CORPORATE GOVERNANCE REPORT

NAME OF DIRECTOR	WS	LSP	KN	FOW
Conflict of interests (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the form of Appendix 7.7) under Rule 720 (1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships#	Past (for the last 5 years) Ascendas Pte Ltd CBRE Pte Ltd CBRE Management Pte Ltd Lafe (Emerald Hill) Development Pte Ltd NTUC Fairprice Co-operative Ltd OMB Pte Ltd SLF AMK Pte Ltd SLF Properties Pte Ltd Sunway REIT Management Sdn Bhd Present Ascendas Hospitality Fund Management Pte Ltd Ascendas Hospitality Trust Management Pte Ltd Bund Center Investment Ltd Keppel Land Limited Mercatus Co-operative Ltd Shanghai Golden Bund Real Estate Co., Ltd CBRE Pte Ltd (Senior Advisor)	Past (for the last 5 years) Lafe Corporation Limited Lafe (Emerald Hill) Development Pte Ltd Poh Tiong Choon Logistics Ltd (delisted) Stanbridge BH Investment Limited (struck off) Present BIGL Asia Pacific Limited (f.k.a. Compart Asia Pacific Limited) BIGL Asia Pte Ltd (f.k.a. Compart Asia Pte Ltd) BIGL Holdings Pte Ltd (f.k.a. CHSZ Holdings Pte Ltd) Broadway Industrial Group Ltd Capital Connections Pte Ltd Food Empire Holdings Ltd Golden Agri-Resources Ltd Golden Energy and Resources Limited Oldham Alpha Investments Pte Ltd Oldham Sophia Investments Pte Ltd Stanbridge Enterprise Limited Stanbridge International Investments Limited SUTL Enterprise Ltd	Past (for the last 5 years) Nil Present Asia Pulp & Paper Company Ltd Choju Pte. Ltd. NSN Global Partners Ltd., Japan NSN Global (S) Pte. Ltd.	Past (for the last 5 years) Golden Moment Limited Massingham International Limited Present AFP Gardens (Tanjong Rhu) Pte Ltd AFP Land Limited Asia Integrated Agri Resources Limited Bund Center Investment Ltd Florentina International Holdings Limited Golden Agri International Pte Ltd Golden Agri Plaza Pte Ltd Golden Agri-Resources Ltd Handful Resources Limited Koon Chung Limited Madascar Capital Pte Ltd Madascar Investment Ltd Ningbo Zhonghua Land Co. Ltd PT Gerbangmas Tunggal Sejahtera PT Sinar Mas Tunggal PT Sinar Mas PT Sinarindo Gerbangmas Shanghai Golden Bund Real Estate Co., Ltd Sinarmas Land (HK) Limited Widjaja Jewel Assets Ltd

* "Principal Commitments" has the same meaning as defined in the Code.
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)

CORPORATE GOVERNANCE REPORT

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

	NAME OF DIRECTOR	WS	LSP	KN	FOW
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?				
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	Yes[1]	Yes[3]	Yes[4]
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	Yes[2]	No	No

Notes:

1 From 1 July 1999 to 21 February 2006, LSP was a non-executive independent director of the Company (then known as Asia Food & Properties Limited ("AFP")) and in 2001, AFP was investigated by the Commercial Affairs Department ("CAD"). As far as LSP is aware, CAD had completed its investigations against AFP and no further action was taken against AFP. As far as LSP is aware, he was not the subject of any investigation and no action has ever been taken against him by the CAD.

2 In 2005, LSP was investigated by the CAD and subsequently charged for breaching a section of the Companies Act in Singapore. However, in 2006, LSP was acquitted fully by the High Court in Singapore of the charge.

3 From 10 November 1997 to 21 February 2006, KN was a non-executive independent director of AFP and in 2001, AFP was investigated by the CAD. As far as KN is aware, CAD had completed its investigations against AFP and no further action was taken against AFP. As far as KN is aware, he was not the subject of any investigation and no action has ever been taken against him by the CAD.

4 FOW has been a Director of the Company since 1997. In 2001, the Company (then known as AFP) was investigated by the CAD. As far as FOW is aware, CAD had completed its investigations against AFP and no further action was taken against AFP. As far as FOW is aware, he was not the subject of any investigation and no action has ever been taken against him by the CAD.

SIMPLIFIED CORPORATE STRUCTURE

Effective Interest as of 31 December 2018

Sinarmas Land Limited[1]

INDONESIA	CHINA	SINGAPORE MALAYSIA / BATAM	UNITED KINGDOM
PT BUMI SERPONG DAMAI TBK[2] 49.08%	**AFP CHINA LTD** 100.00%	**AFP LAND LIMITED** 100.00%	**SML BROOK ENGLAND (HK) LIMITED** 100.00%
PT DUTA PERTIWI TBK[2] 43.47%	**SHINING GOLD REAL ESTATE (CHENGDU) CO., LTD** 100.00%	**AFP GARDENS (TANJONG RHU) PTE LTD** 100.00%	**SML ALPHA S.A R.L** 100.00%
PT PURADELTA LESTARI TBK[2] 57.28%	**SHINING GOLD REAL ESTATE (SHENYANG) CO., LTD** 100.00%	**PT AFP DWILESTARI** 65.00%	**SML GREAT PTE LIMITED** 100.00%
PT PARAGA ARTAMIDA 84.37%	**AFP (SHANGHAI) CO., LTD** 100.00%	**ANAK BUKIT RESORTS SDN BHD** 100.00%	**SML VICTORIA LIMITED** 100.00%
PT SINAR MAS WISESA 64.96%		**PALM RESORT BERHAD** 99.22%	
PT SINAR MAS TELADAN 57.81%			
PT ROYAL ORIENTAL 54.06%			
PT KARAWANG BUKIT GOLF 84.77%			
PT KARAWANG TATABINA INDUSTRIAL ESTATE 49.67%			

Simplified Corporate Structure as at 31 December 2018, with main subsidiaries, directly and indirectly held by Sinarmas Land Limited

[1] Listed on the SGX-ST
[2] Listed on the Indonesia Stock Exchange

MANAGEMENT REVIEW

33 Horseferry Road,
London, United Kingdom

FINANCIAL REVIEW

Sinarmas Land Limited (the "Company") and its subsidiaries (the "Group") is one of the largest and most diversified real estate groups in South-East Asia. The Group, together with its three public listed Indonesian subsidiaries, have a combined market capitalisation in excess of S$3.7 billion as of 31 December 2018. With over 46 years of operating history, the Group has established itself as the largest property player in Indonesia. Its Indonesia Division is engaged in the development of townships, residential, commercial, retail, industrial and hospitality properties, through three listed Indonesia subsidiaries, namely PT Bumi Serpong Damai Tbk ("BSDE"), PT Duta Pertiwi Tbk ("DUTI"), PT Puradelta Lestari Tbk ("DMAS") and one listed associated company, PT Plaza Indonesia Realty Tbk ("PLIN"). The Group is also involved in property development and investment activities in Malaysia, China and the United Kingdom.

In FY2018, the Group reported a full-year revenue of S$864.1 million, falling by 35.9% compared to S$1,347.4 million* in the previous financial year ("FY2017"). The drop in revenue was mainly attributed to the absence of one-off land sales amounting to S$471.2 million in FY2017, as well as the weakening of the Indonesian Rupiah against the Singapore Dollar.

Though the sale of development properties and land parcels remain the major source of revenue, the Group has been continuously implementing its earning diversification strategy in terms of recurring income and geographical presence. The Group regards rental income, hotel revenue and the revenue from golf and resort operations as recurring income in its reporting. In FY2018, recurring income increased to S$163.5 million, equivalent to an annual growth of 3.0% from S$158.8 million reported in FY2017. The increment was mainly due to the full-year recognition of rental income generated by 33 Horseferry Road ("33HF") in the United Kingdom and from Sinarmas MSIG Tower located in Central Jakarta, Indonesia, which were both acquired in FY2017. Going forward, the Group will actively seek suitable opportunities to diversify its revenue stream to a larger extent.

In tandem with the decrease in revenue, FY2018 gross profit slid 39.3% to S$598.1 million. Gross profit margin in FY2018 dipped 3.9% to 69.2% (FY2017: 73.1%*) mainly due to the decrease in the sales of land parcels, which generally fetched better profit margins, and higher costs incurred from sales of commercial shop houses and apartments.

Despite lower operating expenses and higher finance income, the Group's FY2018 EBITDA was dragged down to S$460.2 million by the lower revenue achieved, reporting an EBITDA margin of 53.3% (FY2017: 59.7%*).

The Group recorded a net foreign exchange gain of S$5.7 million in FY2018 as compared to a loss of S$22.6 million in FY2017. The gain was mainly attributable to the unrealised translation gain on the inter-company loans in certain subsidiaries following the weakening of Singapore Dollar ("SGD") against U.S. Dollar ("USD") throughout the year of 2018, whereas SGD strengthened against USD in the year of 2017.

Share of losses in joint ventures was narrowed to S$3.7 million in FY2018 from S$45.2 million* in FY2017, there was a reversal of unrealised gain adjustment of S$59.4 million for the Group's proportional gain on the sales of land parcel to a joint venture in FY2017. Despite the absence of the unrealised gain reversal, lower sales of residential units in our Indonesian joint ventures contributed to the share of losses in FY2018.

Due to the above factors, the Group achieved a PATMI of S$119.0 million in FY2018, a 66.4% drop compared to S$353.9 million* recorded in FY2017 mainly due to the absence of one-off exceptional gain of S$109.4 million from the disposal of its subsidiary, Golden Bay Realty (Private) Limited (which owned its stake in Orchard Towers in Singapore) in FY2017.

The Group's financial position as at 31 December 2018 remained strong with a low net debt to equity ratio of 22.9%.

Total gross debt stood at approximately 4.0 times of EBITDA and the interest servicing ability was recorded at approximately 3.0 times as measured by EBITDA against interest expense. The value of total assets was reported at S$6,560.5 million (including the cash and cash equivalents amounting to S$984.1 million).

* Certain comparatives have been restated to account for the retrospective adjustments arising from the adoption of SFRS(I) 15 on 1 January 2018

FINANCIAL REVIEW

INDONESIA PROPERTY DIVISION ("INDONESIA DIVISION")

REVENUE (S$ MILLION)	EBITDA (S$ MILLION)
2018 : 806.0	**2018 : 426.9**
2017 : 1,290.0*	2017 : 801.5*

Indonesia Division comprised mainly of BSDE, DUTI, DMAS and PLIN, as well as unlisted Indonesian businesses. BSDE owns and develops BSD City which is one of the largest satellite township developments in the country and located 25 km to the west of Central Jakarta, Indonesia. BSDE also holds a majority stake in DUTI, which is involved in the development of superblocks and commercial properties for the small and medium sized enterprises. DMAS engages in the development and operations of the Kota Deltamas industrial township, sitting 37 km to the east of Central Jakarta, Indonesia.

Revenue from Indonesia Division fell 37.5% from S$1,290.0 million* in FY2017 to S$806.0 million in FY2018, mainly due to the absence of one-off land sales. The decrease in revenue was partially offset by a higher sales from the newly launched commercial shop houses and the revenue recognition of apartment units from its Akasa project.

Rental income from investment properties in Indonesia is derived principally from the prestigious office towers at Sinar Mas Land Plaza (Jakarta), Sinarmas MSIG Tower, Sinar Mas Land Plaza (Surabaya) and Sinar Mas Land Plaza (Medan). Rental income went up from S$93.1 million in FY2017 to S$95.9 million in FY2018 mainly due to the addition of revenue stream from the 47-storey Grade A office building, Sinarmas MSIG Tower, which was acquired in late 2017, is located strategically at Jalan Jenderal Sudirman of Central Jakarta, Indonesia.

Gross profit for Indonesia Division dropped 41.5% from S$962.2 million* in FY2017 to S$562.9 million in FY2018, mirroring the decrease in revenue. Gross profit margin decreased 4.8% from 74.6% to 69.8% mainly attributable to the absence of more profitable land sales. Despite lower general and admin expenses, EBITDA fell by 46.7% from S$801.5 million* in FY2017 to S$426.9 million in FY2018.

Finance costs for Indonesia Division increased by 17.4% from S$115.5 million* in FY2017 to S$135.6 million in FY2018, primarily due to the additional USD300.0 million 7.25% senior notes issued by BSDE during the year. Combining lower revenue and higher interest expenses, PATMI for Indonesian Division slid by 61.4% from S$290.0 million* in FY2017 to S$111.8 million in FY2018.

* Certain comparatives have been restated to account for the retrospective adjustments arising from the adoption of SFRS(I) 15 on 1 January 2018

Green Office Park, BSD City, Indonesia

GOP 9, BSD City, Indonesia

FINANCIAL REVIEW

UNITED KINGDOM PROPERTY DIVISION ("UK DIVISION")

REVENUE (S$ MILLION)	EBITDA (S$ MILLION)
2018 : 40.7	**2018 : 29.5**
2017 : 33.0	2017 : 22.8

Following the economic and political uncertainties surrounding Brexit, the British Pound Sterling depreciated against SGD in FY2018. Notwithstanding this, the UK Division continued to be the Group's next most sizable division outside Indonesia, recording a 23.3% improvement in its revenue from S$33.0 million to S$40.7 million due to full-year revenue contribution of rental income from 33HF, which was acquired in June 2017. 33HF is a commercial building which sits on a freehold site located in Victoria, Central London with 163,761 square feet of net leasable Grade A office space and 16,839 square feet of retail space with main road frontage.

UK Division also owns the Alphabeta Building ("AB"), an iconic freehold prime commercial building in Shoreditch area of Central London with a net leasable area of 247,670 square feet, as well as Warwick House, another freehold property located on 10 Great Pulteney Street in the Soho area of Central London with a net leasable area of 47,044 square feet.

In line with the revenue increase, UK Division gross profit improved 30.0% from S$20.0 million in FY2017 to S$26.0 million in FY2018. 33HF and AB are both 100% tenanted with a combined weighted average lease expiry of approximately 10 years as of 31 December 2018. All of our UK investment properties are leased on 'Triple Net Lease' agreements, i.e. tenants would bear all operating costs relating to the leased premises including building taxes, insurance and maintenance costs. EBITDA increased by 29.4% from S$22.8 million in FY2017 to S$29.5 million in FY2018 while PATMI for UK Division increased from S$3.7 million to S$4.6 million.

CHINA PROPERTY DIVISION ("CHINA DIVISION")

REVENUE (S$ MILLION)	EBITDA (S$ MILLION)
2018 : 1.7	**2018 : 6.0**
2017 : 5.8	2017 : (3.5)

As China Division had fully sold its previous mixed-use development in Chengdu (save for 219 strata-titled car park lots as of 31 December 2018) and in Shenyang (save for 3 SOHO units sold but not handed over as of 31 December 2018), its revenue decreased by 70.7% from S$5.8 million in FY2017 to S$1.7 million because of the absence of the bulk sale of Phase 3 hotel, SOHO and retail units in Shenyang. China Division recognised a gross profit of $0.6 million in FY2018 as compared to a gross loss of S$5.4 million in FY2017 due to steep discount on the bulk sale of Phase 3 in the previous year.

Finance income from China Division increased by 56.8% from S$4.4 million in FY2017 to S$6.9 million in FY2018, mainly attributable to accrued interest income from long-term investment in the commercial and residential mixed-use development in Chengdu, China.

With improved gross profit and higher interest income, EBITDA turned around from a loss of S$3.5 million in FY2017 to a positive EBITDA of S$6.0 million in FY2018. Correspondingly, China Division recorded PATMI of S$4.4 million in FY2018, reversing a net loss of S$3.5 million in FY2017.

Alphabeta Building, London, United Kingdom

Yue Rong Cheng, Chengdu, China

FINANCIAL REVIEW

SINGAPORE, MALAYSIA & BATAM PROPERTY DIVISION ("AFP LAND GROUP")

REVENUE (S$ MILLION)	EBITDA (S$ MILLION)
2018 : 15.7	**2018 : 0.6**
2017 : 18.6	2017 : (2.2)

AFP Land Group owns Palm Resort Golf & Country Club and Le Grandeur Palm Resort Johor, Malaysia, and Palm Springs Golf & Country Club in Batam, Indonesia. The Batam golf course and its surrounding land bank had been re-branded to Nuvasa Bay as the first luxury integrated residential and mixed-use development in Batam. The first phase of the rebranded development is named as The Nove, comprising of 3 condominium towers, landed houses and land plots sitting on an area of approximately 5.1 hectares. To date, the project received good response from the market with 95% of the first tower successfully sold post its launch in 2017 and 20% of the second tower sold post its launch in August 2018.

In FY2018, AFP Land Group reported a drop of 15.6% in the revenue from S$18.6 million in FY2017 to S$15.7 million in FY2018 because of the absence of revenue contributed by the Orchard Towers, which was divested in December 2017. Revenue generated by Palm Springs Golf & Country Club increased by 14.4% to S$4.8 million with a higher number of golf rounds, higher revenue from the F&B segment and the Sea Forest Adventure Village in FY2018. Palm Resort Golf & Country Club in Johor achieved an increase of almost 7,000 paid golf rounds and a slight increase in the average green fees from S$15.34 per round to S$15.70 in FY2018. However, total revenue dropped from S$11.1 million to S$10.9 million as poorer performance from the hotel business overshadowed the improved golfing business, due to weak market demand and oversupply of hotel rooms in Johor.

Gross profit of AFP Land Group was almost flat around S$8.6 million in FY2018 compared to S$8.5 million in FY2017 despite lower revenue, and gross profit margin improved from 45.7% to 54.8% due to better margins achieved by Palm Springs Batam. AFP Land Group also reported a turn-around from a negative EBITDA of S$2.2 million in FY2017 to a positive S$0.6 million due to S$1.4 million gain recognised from the disposal of one condominium unit (investment property) in Costa Rhu in Singapore.

Nuvasa Bay, Batam, Indonesia

OPERATIONS REVIEW

In 2018, the Group launched several initiatives with the aim of building BSD city as "The First Integrated Smart Digital City" in Indonesia. Unveiled since 2017, Digital Hub is currently dubbed as "the Silicon Valley in Indonesia".

2018 was a challenging year with softening global economic growth plagued by trade tensions between the United States and China. However, the Group has achieved a set of resilient financial results amidst the challenges.

In Indonesia, the Group continues as a forerunner in the real estate industry with projects in all subsectors including investment, development and operations of townships, residential, commercial, retail, industrial, hospitality and leisure properties, located in Greater Jakarta or Jabodetabek (Jakarta, Bogor, Depok, Tangerang and Bekasi) area, as well as in Palembang, Medan, Semarang, Manado, Surabaya, Balikpapan, Samarinda and Makassar. Outside Indonesia, the Group has gained a foothold in China, Malaysia and the United Kingdom.

INDONESIA

The economic growth and property market remained subdued in 2018 for Indonesia. In early October 2018, the Indonesian Rupiah ("IDR") plunged to a record low of IDR 15,400 per US dollar, the lowest level since the 1998 Asian financial crisis, before recovering to IDR 14,568 per US dollar on the closing day in December 2018, translating to a circa 7 per cent drop since the start of the year. To stem the IDR decline, Indonesia's central bank, Bank Indonesia, has raised its benchmark interest rate six times since May 2018, resulting in a combined 175 basis point interest rate hike throughout the year to 6 per cent. Apart from Bank Indonesia's tight monetary stance, several major natural disasters, rising crude oil prices and declining commodity prices added friction to the domestic economic growth. In addition, international investors are currently cautious in the middle of the fiery trade war between the United States and China that started in July 2018 whilst the upcoming Indonesia's presidential election in April 2019 intensifies the uncertainties, pushing a majority of domestic and foreign investors to the wait-and-see zone.

Indonesia recorded an annual GDP growth of 5.17% in 2018, the fastest expansion since 2013, but still languishing around the 5% region. The country received an affirmation from rating agency Standard & Poor's (S&P) at the investment grade of BBB- with a stable outlook. The growth was mainly boosted by increased government spending on infrastructure projects.

Specific to the Indonesia's real estate sector, Bank Indonesia relaxed the loan-to-value (LTV) and financing-to-value (FTV) ratios from August 2018 to boost domestic consumption, encouraging the purchase of properties, consequently boosting Indonesia's overall credit growth and macroeconomic performance.

Following the successful implementation of the "Price Lock" program in 2017, the Group's Indonesia Division launched the "Easy Deal" sales promotional initiative over a four-month period from April to July in 2018, collaborating with 12 supporting banks to offer various benefits to consumers, including a down-payment reduction from 15% to 5% with the remaining 10% being subsidized by the developer and an upfront 20% discount of total sales price if the purchase was made in cash.

With the challenging economic environment domestically and internationally, our key Indonesia Division subsidiaries - BSDE and DMAS - reported an annual marketing sales of IDR6.2 trillion and IDR0.9 trillion respectively in 2018. Going forward, BSDE has set the 2019 marketing sales targets at IDR6.2 trillion and DMAS at IDR1.25 trillion.

BSD City Gate, Indonesia

OPERATIONS REVIEW

TOWNSHIPS

BSD City – the "First Integrated Smart Digital City" in Indonesia

BSDE's flagship development, BSD City, is one of the largest privately developed townships in Indonesia which started with development rights to 5,950 hectares of land. It currently comprises residential estates, commercial sub-town centres that include commercial and industrial facilities, schools, hospitals, parks and other amenities. Located in Tangerang Regency, approximately 25 kilometres to the southwest of Jakarta, BSD City is well-connected to Jakarta and other parts of the Greater Jakarta by toll roads and railways. Based on its strategic Master Plan, BSD City will be developed into three phases with a total area of each phase approximately 1,500 hectares, 2,000 hectares and 2,500 hectares respectively. Phase 1 started in 1989 and is close to full completion. Phase 2 started its development since 2008 and is expected to be completed by 2020. Phase 3 is estimated to commence in 2020 and will complete by year 2035.

In 2018, the Group launched several initiatives with the aim of building BSD City as "The First Integrated Smart Digital City" in Indonesia. Unveiled since 2017, Digital Hub is currently dubbed as "the Silicon Valley in Indonesia" with a proliferating technology corporate portfolio, including Huawei, Apple, MyRepublic, Sale Stock, Orami, EV Hive, Purwadhika, Geeks Farm, Plug and Play Indonesia and others alike.

Besides attracting corporate inhabitants, the Group took steps of cultivating a native talent base in our developments. In May 2018, Apple Inc. opened its first Asia-based iOS Developer Academy at BSD City, providing skills and experience to the next generation of app developers through a multi-disciplinary training programme led by Apple-trained instructors. In December 2018, Yogyakarta-based learning academy for tech engineers, Binar Academy, opened a branch at BSD City. The presence of Binar Academy is expected to bring more learning opportunities to the local community with a passion in technology, entrepreneurship and impact investing activities.

As a further support to grooming talents, the Group also organised a series of themed campaigns "How to be a DIGIPRENEUR" in BSD campuses, founded scholarships titled "Apple Developer Academy Talent Hunt" at ICE BSD City and closely collaborated with Indonesia Mosque Council and BSD Mosque And Mushala Forum to support Muslim young programmers, empowering the talents in their knowledge inquiries and capacity enhancement to confront the challenges in the Industrial Revolution 4.0.

Kota Deltamas

Kota Deltamas is a modern self-sustainable integrated township development that consists of industrial, commercial and residential estates strategically located at the epicentre of the industrial corridor between Jakarta and Cikampek, West Java, with a direct access at KM 37 of the Jakarta–Cikampek toll road. Kota Deltamas operates one of the largest integrated industrial estates, Greenland International Industrial Centre ("GIIC"), in the eastern part of Jakarta. Its close proximity to major transportation and international logistics hub such as Tanjung Priok International Port and Soekarno-Hatta International Airport, as well as situated along the Jakarta–Cikampek toll road, one of the most pivotal transportation infrastructure in Indonesia that forms part of the Government's Trans Java Toll Road Development that connects Jakarta to West and Central Java, has made Kota Deltamas an ideal location for businesses and consumers.

Amidst the fluctuating Rupiah and the US-China trade war in 2018, international investors generally held a wait-and-see stance which translates to a softer market activity level. Throughout the year of 2018, DMAS has achieved a marketing sale of IDR0.9 trillion, combining the industrial, commercial, residential and residential lot segments. However, there has been rising inquiries and DMAS has set the marketing sale target of IDR1.25 trillion in 2019 after factoring in the uncertainties spurred by the upcoming presidential election in April 2019.

Savasa, Kota Deltamas, Indonesia

OPERATIONS REVIEW

Following the joint venture formation with PanaHome Asia Pacific Pte Ltd ("PanaHome") in May 2017, a smart-lifestyle residential project, The Savasa was launched in 2018 with three development phases, covering a total land area of approximately 37 hectares. Starting with 13 hectares, Phase 1 will feature 811 houses and 33 shophouses which are divided into four clusters, namely Asa, Niwa, Hana and Yuta. Strategically located about 5 minutes away from the future Karawang High Speed Rail Station, Savasa is conceptualised with a Japanese-themed design, combining the elements of the green environment, modern life, smart living features such as the Panasonic air filtration systems, and earthquake resistant building technology. To support the principles of life, work and play, The Savasa residential area is surrounded with several school and supporting amenities such as ITB campus, Cikarang Japanese School, Mitra Keluarga Hospital and the soon-to-build Aeon Mall.

On the commercial side, DMAS has launched a premium business gallery called Diamente, which means diamond in Latin. This commercial building has 3.5 floors that are suitable for a full range of business activities ranging from office, banking services, fast food outlets and premium restaurants, adding a complementary feature in the area of Kota Deltamas.

In 2018, DMAS achieved the Integrated Management System Certificate, which consists of ISO 9001:2015 on the quality management system, ISO 14001:2015 on the environment management system, and OHSAS 18001:2007 on health and safety work management system. These SGS certifications recognise DMAS as a modern developer of high quality and integrity assessed under the international standards. SGS is the world's leading inspection, verification, testing and certification company.

Grand Wisata

Grand Wisata, located in Bekasi, Greater Jakarta, is an iconic township known for its unique yellow arch-shaped suspension bridge with direct assess at KM 21 of the Jakarta–Cikampek toll road. This township commenced a total development right of 1,081 hectares of land, and is to be developed over 15 years from its commencement in 2005 through 10 different phases, each being a district divided into clusters. These clusters will have commercial areas, sports and recreation centres within them. As at 31 December 2018, the Group has a remaining undeveloped land bank of approximately 508 hectares in Grand Wisata.

Kota Wisata

Kota Wisata is an exclusive residential-focused township development project located in Cibubur with total development rights of 485.5 hectares of land. Kota Wisata is conceptualised as an idyllic urban getaway with an ideal blend of metropolitan sophistication and sweeping landscapes in Cibubur, which is one of five administrative villages forming the sub-district of Ciracas, East Jakarta.

To improve the connectivity between the Greater Jakarta residential area and Central Jakarta for existing and potential residents, the Indonesian government kicked off an infrastructure integration development called "Transit Oriented Development" ("TOD") in 2018, merging several toll road routes (Toll Cimanggis-Cibitung, Toll Jagorawi, Jakarta Outer Ring Road ("JORR 2") and Toll JORR W2 to Soekarno Hatta International Airport) with Mass Rapid Transit ("MRT"), Light Rail Transit ("LRT") and Jabodetabek Residence ("JR") Connexion bus service. Located in the center of TOD routes, Kota Wisata benefits from the integrated transportation system to deliver a comfort and convenient living experience to the visitors to Cibubur and the local residents, especially the commuter group who live in Cibubur but work in Central Jakarta.

With an aim to create a holistic living experience, the Group and Kawan Lama Group entered an MOU in May 2018 to jointly develop a mixed-use superblock with a blending concept of settlement, business, trade, services and recreational activities. Phase 1 development starts with a mall sitting in an area of 8.5 hectares in Kota Wisata with an expected operational timeframe in the first quarter of 2021.

RESIDENTIAL

Caelus Cluster BSD City

A new luxury residential development, Caelus Cluster, was introduced to the public in August 2018. Sitting on a land of approximately 47 hectares in Greenwich Area of BSD City, Caelus Cluster is the seventh residential cluster with a design concept of combining the green environmental elements and smart living facilities. Caelus, together with the previous six clusters, are all equipped with connectivity paths and three thematic lagoon pools of 1.6 hectares, creating an ambiance of the "Truly Home Resort". Three types of houses are presented in the Caelus Cluster (land area / building area in sqm): 146/112, 177/144, 248/180 with an estimated average price of IDR 3/4/9 billion per unit respectively.

Jadeite Cluster BSD City

Similar to the Caelus Cluster, Jadeite Cluster was introduced to the public as a private residence concept supported by smart home facility in late 2017 and three show units were opened in March 2018, allowing the visitors to experience the deluxe and comfortable occupancy delivered by Jadeite Cluster. With a land area of 5.2 hectares, Jadeite Cluster consists of 124 houses, which includes three housing types with a building area of

OPERATIONS REVIEW

180/225/315 sqm respectively. Located in Phase 1 of BSD City, Jadeite Residence is next to 66 hectares of De Park Cluster and close to the Jakarta Nanyang School.

NAVA Park BSD City

NAVA Park is touted as the most exclusive residential development in BSD City, jointly developed by BSDE and Hongkong Land. Located in the CBD of BSD City, NAVA Park covers a 68 hectare site, and incorporates 10 hectares of botanical gardens, a 3.5 hectare lake and a 2.5 hectare Country Club. Back in 2015, NAVA Park launched the development plan of Marigold Condominiums that consist of six premium and luxurious mid-rise towers. Since then, NAVA Park has successfully sold 100% of the first two condominium towers and over 80% of Tower 3. In October 2018, Tower 5, also known as The FIFTH at Marigold, was launched, adding another 91 units with a beautiful panorama of the botanical park view.

The Savia BSD City

BSDE launched "The Savia" residential cluster with a serene living concept in BSD City. Built on a 17 hectare site, The Savia bestows home dwellers tranquility in this beautifully contoured residential area. It will offer 2-storey residential units with various upscale specifications at a reasonable price range of IDR1.1 billion to IDR2.8 billion. In March 2018, Tevana was presented as the second phase of the four-phase master development plan of The Savia. Located in the matured Phase 1 of BSD City, The Savia is surrounded by an extensive list of established amenities that includes close access to Jakarta-Serpong Toll Road and Rawa Buntu train station, Modern Market I and St Antonius School.

The Zora BSD City

The Zora was first introduced in November 2017, as a luxury residential development which spreads across 19 hectares of premium land located in the second phase of BSD City. Developed by PT BSD Diamond Development, a joint development between BSDE and a group of consortium investors led by Mitsubishi Corporation, The Zora is a Japanese-themed mixed-use development. The first cluster named KEIA, featuring 84 smart home units, was launched in 2017 followed by the second cluster named KIMORA being launched in March 2018 with another 53 high-tech, high-specs and high-quality units being developed on a 2-hectare land within The Zora. As of December 2018, up to 90% of KEIA units and 85% for KIMORA units have been sold.

NAVA Park, BSD City, Indonesia

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Rusunami BSD City

In 2018, SML signed a Memorandum of Understanding ("MOU") with PT Wijaya Karya Bangunan Gedung Tbk – one of Indonesia leading construction company – to jointly develop low-cost apartments ("Rusunami") in BSD City. The development of Rusunami demonstrates the Group's support on the government's "One Million Houses Program", which targets the shelter needs especially from the low-income group with a maximum monthly income of IDR7 million defined by the Minister of Finance, Indonesia. In addition, this cooperation is also part of our commitment in implementing the second phase of the Balanced Housing obligations, creating a healthy, safe and harmonious community.

Southgate

Southgate is a 5.4 hectare mixed-use development project that consists of three luxury apartment towers, a commercial office tower and an AEON Mall. Located in the bustling region of TB Simatupang down South Jakarta, Southgate demonstrates the Group's mission to embed an emerald in the city by allocating an approximately 3.3-hectare site as green open space.

Back in 2017, the Group introduced Tower Elegance to the public. In 2018, the Group launched Tower Prime in collaboration with Keikyu Corporation and Itochu Corporation. To enhance the project attractiveness, Southgate will feature 25 amenities including a 1-kilometre jogging track, reflexology park, outdoor gym, yoga sanctuary, tennis and basketball courts, climbing wall, indoor fitness suite, mini-golf course, amphitheater, semi-Olympic swimming pool and a children's pool.

In October 2018, a topping-off ceremony was held for the AEON Mall Tanjung Barat in Southgate. AEON Mall Tanjung Barat is the third AEON Mall in Jakarta after AEON Mall BSD City and AEON Mall Garden City. AEON Mall Tanjung Barat is expected to start operations post the completion of construction in the second quarter of 2020.

Water Terrace at Grand Wisata Bekasi

In March 2018, the Group launched an exclusive cluster, Water Terrace on a land of 1.6 hectares in Grand Wisata Bekasi, catering to the housing need in east Jakarta, Indonesia. The cluster consists of 42 2-storey units with smart home facilities, such as sophisticated CCTV technology, panic button, light and air conditioning setting. Facilitated by the technology support team of Hyundai Telecom, the smart home system is integrated into the resident's smart gadgets.

Klaska Residence, Jangir Wonokromo, Surabaya

Strategically located in central Surabaya, East Java, the 2nd most populous city in Indonesia after Jakarta, the Klaska Residence is a 3.1 hectares mixed-use development that consists of residential apartments, offices and a shopping mall. In collaboration with PT Borland Nusantara, the Phase 1 development was kicked off with the groundbreaking ceremony of Azure Tower, a 36-storey residential tower that consist of 1,043 units, which are expected to be completed and handed over to home-owners by 2020. As part of the master planning, the Group unveiled a scheme of revitalising Kali Jagir River embankment and making a short cut from Jalan Jagir to Frontage Road A Yani east side, bringing environmental and transportation benefits to the future residents of Klaska Residence as well as the community living nearby.

Hayfield Cluster in Grand City Balikpapan

Built on an area of 7.2 hectares and located in East Kalimantan, Hayfield Cluster was added as the fourth development to the Group's residential collection in Grand City Balikpapan in October 2018. Hayfield Cluster showcased two types of houses: the first type is a 2-storey layout with a land area of 72 sqm and a building area of 47 sqm; the second has a land area of 90 sqm and a building area of 57 sqm. The price of the Hayfield cluster unit is offered at an initial price of around IDR600 million with a deposit starting from IDR3 million with 24 months' installments without interest.

Upper West BSD City

Leveraged on the strategy of being the "First Integrated Smart Digital City", the Group cooperated with Dwijaya Karya Development in September 2018 to jointly develop a mixed-use development called Upper West, which sits strategically in the Central Business District of BSD City and directly across the Aeon Mall BSD City. Upper West consists of North Tower and South Tower, each having 36 floors in height and offering a vertical integration of residential, retail and working spaces as a one-stop solution of living and working environment. There are several types of products, ranging from the lifestyle area (retail coworking spaces (work space), Soho, apartments and penthouses. During the initial sales launch, the Soho and apartments in the North Tower was marketed with sizes starting from 75 sqm and the apartment from 42 sqm onwards respectively. As part of the digitalisation strategy, the Upper West buildings will be built with the assistance of an embedded smart system and the internet of things ("IoT") technology to enhance the building safety and energy efficiency management.

RETAIL AND COMMERCIAL

Indonesian Convention Exhibition (ICE)

Covering a total land area of approximately 220,000 sqm, Indonesia Convention Exhibition ("ICE") is the most spacious exhibition and convention centre in Indonesia. Known as the new emerging destination for the Meetings, Incentives, Conferences, Exhibitions (MICE) industry in Indonesia, the award-winning

OPERATIONS REVIEW

ICE features 50,000 sqm of indoor space with 10 exhibition halls of 5,000 sqm each and additional 50,000 sqm of outdoor exhibition space, a 4,000 sqm convention hall, 33 meeting rooms, a 12,000 sqm convenient pre-function lobby, and 5,000 car parking spaces. Located in the heart of BSD City, ICE offers flexibility to facilitate a full range of business events, meetings, incentives, conventions and exhibitions.

Aligned with our strategy of transforming BSD City into the "First Integrated Smart Digital City" in Indonesia, a series of technology-oriented exhibitions and activities were successfully conducted at ICE in the busy year of 2018. In joint effort with Purwadhika Startup and Coding School and Plug & Play Indonesia, the Group held "Purwadhika Tech Wave" on 14 - 15 March 2018 at Nusantara Hall of ICE, covering four exhibition themes ranging from Technology & Startup Conference, Startup Exhibition, Venture Capital Speed Dating, and Virtual Reality Experience. In September 2018, the Group collaborated with Alpha Momentum to hold the "Starthub Connect 2018" at ICE, bringing together the innovative technology and digital startup companies in Indonesia for business idea brainstorming and fundraising exercises. Closer to the year end, the Group participated in the exhibition "The Movement towards 100 Smart City 2018" where we shared our knowledge and experience of developing a smart city at BSD City to accelerate the smart city development in other regions of Indonesia.

Besides the technology theme, ICE also featured the Disney parade "Everyone's Story" and Indonesian Youth Robot Competition in April, Wanna One concert and a live performance based on the Russian animation series "Masha and the Bear" in July 2018, Gaikindo Indonesia International Auto Show in August 2018, Indonesia Fair 2018 and International Indie Music Festival over the period from September to October in 2018. These exhibitions and shows illustrated ICE's capability of accommodating and hosting a wide range of exhibitions across different industries and sectors.

Sinarmas MSIG Tower

Strategically located in Jakarta CBD, Sinarmas MSIG Tower is a brand new 47-storey Grade A office building with a net leasable area of 68,525 sqm. In April 2018, we entered into a partnership with the world's leading co-working space provider WeWork, dedicating its 37th to 39th floor with an area of 4,800 sqm as WeWork-branded co-working spaces. This movement signals our adaptability towards diversity and flexibility of modern office space management which accommodates the needs from small and medium enterprises as well as large scale MNCs.

Sinar Mas Land Plaza, Jakarta / Surabaya / Medan

Sinar Mas Land Plaza – Jakarta consists of three prestigious office buildings with a net leasable area of 95,648 sqm strategically located within Thamrin CBD in Jakarta. Despite the additional spaces from the two new office buildings, namely World Trade Center (WTC) 3 and Revenue Tower, Sinar Mas Land Plaza – Jakarta continued to report a high occupancy rate of 97% (2017: 98%).

SML also owns and operates two other Sinar Mas Land Plaza offices in Surabaya and Medan. Sinar Mas Land Plaza – Surabaya, a 20-storey office tower with a net leasable area of 18,573 sqm, managed to sign new leases at an average rental rate of IDR129,513 per sqm per month (2017: IDR131,772 per sqm) and witnessed a marginal drop in the occupancy rate to 80% (2017: 82%). Sinar Mas Land Plaza – Medan, a 10-storey office tower with a net leasable area of 27,689 sqm, improved its occupancy rate to 70% (2017: 65%), and has secured new leases at an average rental rate of Rp104,609 per sqm (2017: IDR134,304 per sqm).

The Breeze BSD City

The Breeze BSD City, located within the 25 hectares BSD Green Office Park, is a lifestyle retail mall known as the destination for alfresco dining with a panoramic view of Cisadane River, dynamic nightlife, and leisure activities. Blessed with a beautiful lush environment and a generous garden-like walkway, the award-winning mall has attracted a diverse mix of retailers and restaurants.

In April 2018, we formed a partnership with Arena Digital Creative, presenting Digiplay event at the Breeze, BSD City.

The Breeze, BSD City, Indonesia

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Catering to the taste of the Digital Information and Technology fans as well as creative industry practitioners, Digiplay consists of a serial digital-based event, introducing Pop Culture and Creative Industries in the field of E-Sport.

In October 2018, the Group held the Grand Opening Ceremony for Techpolitan at the Breeze, BSD City. Techpolitan was built as an edutainment space, anchoring four pillars of entertainment, education, employment, and empowerment and providing workshops on 3D design & animation, game design and coding in affiliation with Geeks Farm and Sangnila Arts Academy.

INDUSTRIAL

KIIC

Karawang International Industrial City ("KIIC") is an award-winning green industrial estate located in Karawang, West Java, with direct access at KM 47 along Jakarta–Cikampek toll road. The 1,200 hectares modern industrial estate is a joint venture between Sinarmas Land and Itochu Corporation of Japan. Known for its excellent infrastructure, advanced communication systems, waste water treatment management and security system, KIIC is home to many domestic and multinational corporations such as Toyota Motor Manufacturing, Indonesia, HM Sampoerna, Yamaha Motor Manufacturing, Indonesia, Astra Daihatsu Motor, Panasonic Semiconductor Indonesia and Sharp Semiconductor Indonesia.

GIIC

Greenland International Industrial Centre ("GIIC"), an industrial estate within Kota Deltamas integrated township development, is strategically located in the epicentre of the highly concentrated industrial zone along East Jakarta–Cikampek Corridor. The Kota Deltamas township is a joint development established since 1993 between Sinarmas Land and Sojitz Corporation under DMAS which was publicly listed in 2015 on Indonesia Stock Exchange. GIIC has attracted various notable customers, including PT Suzuki Indomobil Motor, Mitsubishi Motors, SAIC-GM-Wuling, PT Astra Honda Motor and Maxxis Tyre, as well as other customers in the automobile manufacturing and food manufacturing industries. GIIC industrial estate includes the 200 hectares China-Indonesia Economic & Trade Cooperation Zone (KITIC) dedicated to manufacturers and investors from China for their Indonesian operations.

HOSPITALITY & LEISURE

Le Grandeur Mangga Dua / Le Grandeur Balikpapan / Grand Hyatt Jakarta

The Group owns and operates the Le Grandeur brand hotel in Indonesia that comprises the 346-room Le Grandeur Mangga Dua in Jakarta and 185-room Le Grandeur Balikpapan in Balikpapan. Le Grandeur Mangga Dua experienced a drop in the average occupancy rate to 40% in 2018 (2017: 54%) whilst Le Grandeur Balikpapan maintained an average occupancy rate of 42% (2017: 42%). Owned by our listed associated company, PT Plaza Indonesia Realty Tbk, the 428-rooms five-star luxury Grand Hyatt Jakarta Hotel located in Thamrin CBD, recorded a slightly lower average occupancy rate of 59% (2017: 61%). The Group's hospitality division shall continue to undertake more marketing initiatives as well as elevating its service quality level.

Rooms Inc. Hotel

Located in Semarang Central Java, Rooms Inc. Hotel represents part of a IDR90 billion investment initiative by the government into Semarang's retail and hospitality industry that is closely accessible to the city's government buildings, city hall, transportation hubs, Ahmad Yani International Airport and landmarks such as the historic Lawang Sewu building. Built with a smart urban concept to attract young executives and adventurous millennial, this contemporary 3-star hotel offers 162 rooms across 9 different categories. To complement the need of modern tourists, the hotel offers a wide range of facilities including the Verve Bistro & Coffer Bar, a 24 hours deli counter, outdoor terrace with 100-person capacity, private

GIIC, Indonesia

Room Inc. Hotel, Semarang, Indonesia

OPERATIONS REVIEW

car park, gym and direct access to the DP Mall in Semarang. Opened in August 2017, Rooms Inc. Hotel recorded an occupancy rate of 65% in 2018, improving significantly from 24% in 2017.

UNITED KINGDOM

The political uncertainty surrounding Brexit and the eventual outcome on 29 March 2019 continues to overshadow business sentiments and the U.K.'s economy. For 2018, U.K.'s GDP recorded a growth of 1.4%, the lowest since 2012, dragged by all three drivers of growth – services, production and construction.

Despite the ongoing Brexit turmoil and uncertainties, Central London office market remained resilient recording a total investment volume of £17.9 billion in 2018, with international investors accounting for 76% of the investment. Prime yields remain stable at 3.50% in the West End and 4.25% in the City. Aided by contracting office supply and stronger leasing market, Central London overall vacancy rates slipped to 4.3%. Despite the dip in vacancy rates, the prime rental rates remained constant across Central London.

Warwick House, 10 Great Pulteney Street

Purchased in 2014, the 47,044 square feet (sqf) Warwick House is a freehold commercial building in Soho, just a stone's throw away from London's Oxford Street. Located in an area recognised internationally for its vibrancy and creativity, Soho has developed a reputation for attracting elites in both the entertainment and media industries. Currently, Warwick House is 100% occupied by Creston PLC, a media firm on a triple net lease. The average rental rate in FY2018 is £4.43 per sqf per month (FY2017: £4.43 per sqf per month). The current lease expires in September 2019 and we are in final negotiations with the tenant on the lease renewal terms.

Alphabeta Building

Located in the stylish and innovative hub that is Shoreditch, Sinarmas Land's iconic Alphabeta Building offers a net leasable area of 247,670 sqf. Acquired in July 2015 and 100% occupied by multiple tenants on triple net leases, the building offers a distinctive office experience that is mimetic of Shoreditch's own renowned reputation. Examples of Alphabeta's unique identity include the basketball court at basement level and Britain's first dedicated cycle ramp that allows cyclists to transition straight from the street into the 250-space bicycle storage area in the basement.

Liverpool Street Station, London's third busiest train station, is just six-minute walk from Alphabeta Building and provides commuters with National Rail Services, access to four London Underground lines and, in 2019, London's new Crossrail services. The average rental rate in FY2018 is £4.08 per sqf per month (FY2017: £4.26 per sqf per month).

33 Horseferry Road

In June 2017, SML acquired the 33 Horseferry Road, a freehold commercial building in Victoria, London, for a total consideration of £188.6 million. Located less than 300 metres from River Thames, 33 Horseferry Road is positioned in a designated 'Opportunity Area' by the Mayor of London due to its excellent transport links and ability to accommodate

Warwick House, London, United Kingdom

Alphabeta Building, London, United Kingdom

OPERATIONS REVIEW

commercial and residential growth. Traditionally, Victoria has been a hub for government occupiers with the Houses of Parliament, Downing Street and Whitehall located no more than 20-minute walk from 33 Horseferry Road. In recent years, Victoria has benefitted from a variety of best-in-class developments resulting in a vibrant office, retail, leisure and residential location.

33 Horseferry Road offers a net leasable area of 180,600 sqf. Of this square footage, 163,761 sqf comprises Grade A office accommodation across lower ground, ground and five upper floors. Divided across ten retail units, the ground floor also offers 16,839 sqf of retail space along its generous 150-metres frontage to Horseferry Road which includes high-quality tenants such as Moonshine Bars Limited, Pret A Manger, William Hill and Leon Restaurants Limited. The Grade A office space is let in its entirety to the UK Secretary of State for Transport with a lease expiring in December 2033. The average rental rate in FY2018 is £3.76 per sqf per month (FY2017: £3.17 per sqf per month).

In total, SML's UK-based property portfolio has close to 500,000 sqf of strategically located freehold commercial space and asset-under-management of close to S$1.0 billion in Central London.

CHINA

In June 2018, SML entered into a strategic collaboration framework agreement with Rong Qiao Group Co., Ltd. ("Rong Qiao"), a Fuzhou-based real estate group which ranks amongst the Top 50 largest real estate companies in China. The collaboration will open up opportunities for the Group and Rong Qiao to enter into strategic alliances through acquisitions, mergers, land auctions or joint operations and development of real estate and related projects.

Subsequently, on 17 August 2018, the Group has entered into a definitive cooperation agreement with Rong Qiao for a 40% stake in Chengdu Youxing Garden Co., Ltd to jointly develop and construct a commercial and residential project, Chengdu Yue Rong Cheng (成都悦蓉城), with a land area of 56,868 sqm, located in Xindu District, Chengdu City. The total investment of RMB396 million will allow SML to leverage on Rong Qiao's branding and continue to participate in the development of real estate projects in the Xindu district of Chengdu in the People's Republic of China, after having previously completed a mixed-use development in the same district.

Chengdu Yue Rong Cheng is located in Dafeng Area, Xindu District, one of the core residential areas to the north of

Yue Rong Cheng Cooperation Agreement Signing Ceremony with Rong Qiao Group

OPERATIONS REVIEW

Chengdu City, 200 metres away from the upcoming Metro Line 5 Huang Hua Yuan Station. This mixed-use development will consist of built-up areas of 83,551 sqm of residential area; 52,338 sqm of LOFT condominium; 21,576 sqm of commercial retail units; 12,708 sqm of commercial villas and 1,703 car park lots. Positioned as a high turnaround project, it is expected to be completed by 2021.

Our previous Chengdu project, "Li Shui Jin Du" (丽水金都), sits on 4.8 hectares of land located in Xindu district. This high-rise mixed-use development consists of nine blocks of 1,205 residential apartments with total built-up area of 138,278 sqm; one retail podium with a built-up area of 3,301 sqm; and 499 car park lots. Completed in 2009, the Group has fully sold the residential and retail components. In 2018, the Group sold additional 26 car park lots with 219 car park lots remaining unsold at year-end. The Group's other mixed-use development in Shenyang, known as "Li Shui Jin Yang" (丽水金阳) that sits on approximately 9-hectare land, was fully sold in 2017.

JOHOR, MALAYSIA

Le Grandeur Palm Resort Johor and Palm Resort Golf & Country Club ("Palm Resort")

The Group is the owner-operator of 330 rooms Le Grandeur Palm Resort Johor and 54-holes Palm Resort Golf & Country Club, one of the few integrated golf and leisure destination in the state of Johor. It is a 30-minute drive from Singapore Tuas Checkpoint and 5-minutes from the Senai International Airport.

Malaysia reported an annual GDP growth of only 4.7%, down from 5.9% in 2017. Tourist arrivals have also decreased by 0.4% to 25.8 million as compared to 25.9 million in 2017. The state of Johor also reported a decrease in the number of tourist arrivals, especially from China. Yet, more hotels were opened in 2018. In the region of Johor Bahru, there has been three new 4-star hotels which opened in 2018, namely Trove Johor Bahru, Capri by Fraser, Johor Bahru and Amari Johor Bahru. Coupled with a few more in Desaru and Nusajaya, the competition has intensified for the resort and hospitality sector.

Le Grandeur Palm Resort reported an annual occupancy rate of 48% (2017: 51%) with a drop of about 3% in 2018 as compared to some other hotels in the region that witnessed a double-digit percentage drop in 2018.

Operating as one of the largest golf resorts in Johor, Palm Resort hosted several key golfing events and for the third consecutive year, Palm Resort was chosen to host the PGM ADT Johor Tournament. The number of golfing rounds has performed well in 2018 and recorded year-on-year increase for the third consecutive year with an increase of circa 7,000 rounds to a total of 107,454 rounds in 2018 (2017:100,623). The improvement was driven by the launching of extensive promotional packages and growing contributions from Korean golfers during the winter months in Korea.

In order to maintain growth amidst the intense competition, management is planning to emphasize more on golf tourism, specifically targeting the overseas golfers from Korea, Japan

Yue Rong Cheng Marketing Gallery, Chengdu, China

Palm Resort Golf & Country Club's Allamanda Course

OPERATIONS REVIEW

Kids World Golf Challenge at Palm Resort Johor, Malaysia

and Australia. In addition, Palm Resort is extending the service coverage to family vocational stays, corporate teambuilding events and tele-matches for group visitors, given the lush and vast surroundings within the resort supported by various sports and leisure facilities.

BATAM, INDONESIA

Palm Springs Golf & Country Club

Palm Springs Golf & Country Club ("Palm Springs") is regarded as one of the best golf courses in Batam that provides excellent club facilities together with warm hospitality and first class services. In 2018, Palm Springs recorded a total of 39,353 rounds of golf (2017: 38,783) played on the hallmark 27-hole golf course that integrates slopes and a breath-taking view of the beachfront, on the back of an increasing crowd of visitors and golfers since the launch of our new Nuvasa Bay development.

Nuvasa Bay

Within the master planning of the 228-hectare land, the Group dedicated 90 hectares to the residential properties as part of the development project named "Nuvasa Bay" alongside the Nongsa bay at Batam, which is the Indonesian island closest to Singapore with only a 30-minute ferry ride from Singapore's Tanah Merah Ferry Terminal. The development offers views of Singapore from its 1.2 kilometres coastline. Located in and amongst a 27-hole international championship golf course and equipped with commercial facilities, hotels and high-end residential property, Nuvasa Bay is designed to provide residents and tourists with a balanced and premier lifestyle.

Back in 2017, the Group launched its first residential property of The Nove Residences cluster - Kaina Tower, and subsequently held the groundbreaking ceremony in November 2018. As of 31 December 2018, the Group has sold out 95% of the total units launched with fewer than 10 units left on sale.

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Followed by the positively-received launch of Kaina Tower, the Group launched another residential building named Kalani Tower as the second property of The Nove Cluster in August 2018. Kalani Tower is a 19-storey high-rise residential building conceptualising a design philosophy of the N.E.S.T - Nature's blessing, Exploration of Life, Socialising space and Tranquility. Expected to be the tallest and most luxurious residential tower along the Nongsa Bay when it is fully constructed, Kalani Tower offers an exclusive lifestyle with a breath-taking sea view over the Singapore Strait as well as a splendid top view over the golf course at the Palm Springs. Kalani Tower offers various types of units, including studios, 1/2/3-bedroom apartments and penthouses.

Besides Kaina Tower and Kalani Tower, the Group also launched 65 landed houses, consisting of 19 units of semi-detached houses, 28 units of terrace houses and 18 units of land lots. Phase 1 landed residence units are expected to be delivered to the customers from early 2020 and as of the end of December 2018, 43 units or 67% are sold.

Nuvasa Bay, Batam, Indonesia

AWARDS AND ACCOLADES

3. BCI Asia Awards 2018

6-9. Asia Pacific Properties Award 2018

11-12. Indonesia Property Award 2018

1. FORBES INDONESIA BEST OF THE BEST AWARDS 2018
PT BSD. Tbk
"Best of The Best" Top Fifty Best Performing Indonesia Companies

2. 2018 FIABCI-REI EXCELLENCE AWARD
Sinar Mas Land
Gold Award - Green Office Park 9

3. BCI ASIA AWARDS 2017
Sinar Mas Land
Top 10 Developer

4. MIPIM AWARD 2018
Sinar Mas Land
Best Urban Regeneration Project - Kalijodo Park

5. INDONESIAN WOMEN LEADERS 2018
Individual
2018 The Most Powerful Woman in Economics - Margaretha Natalia Widjaja

6. ASIA PACIFIC PROPERTY AWARDS 2018
Sinar Mas Land
Mixed-use Development - BSD City

7. ASIA PACIFIC PROPERTY AWARDS 2018
Sinar Mas Land
Office Development - BSD Green Office Park

8. ASIA PACIFIC PROPERTY AWARDS 2018
Sinar Mas Land
Highly Commended for the Best Office Architectural Design - Knowledge Hub at Digital Hub, BSD City

9. ASIA PACIFIC PROPERTY AWARDS 2018
Sinar Mas Land
Special Recognition for Public Facility - Kalijodo Park

10. ASIA PROPERTY AWARD
Sinar Mas Land
Development Marketing - Nuvasa Bay

11. INDONESIA PROPERTY AWARD 2018
Sinar Mas Land
Best Township Development

12. PROPERTY INDONESIA AWARD 2018
PT BSD. Tbk
Best Performance Award

14. Warta Ekonomi Top 100 Enterprises 2018

17. 5th Iskandar Malaysia Social Hero Awards 2018

18. ASEAN Energy Awards 2018

22. PR Indonesia Award 2018

13. INDONESIA DIGITAL INNOVATION AWARD 2018
Sinar Mas Land
Innovative Company in Promoting Integrated Smart Digital City (Real Estate Category)

14. WARTA EKONOMI TOP 100 ENTERPRISES 2018
Sinar Mas Land
2018 Top 100 Enterprises

15. SOCIAL BUSINESS INNOVATION COMPANY 2018
Sinar Mas Land
Top 6 Social Business Innovation Company (Real Estate Category)

16. GREEN CEO AWARD 2018
Sinar Mas Land
Green CEO 2018 (Real Estate Category)

17. 5TH ISKANDAR MALAYSIA SOCIAL HERO AWARDS 2018
Palm Resort Berhad
Excellence and Dedicated Services Towards Community - Le Grandeur Palm Resort Malaysia

18. ASEAN ENERGY AWARDS 2018
PT BSD. Tbk
Runner Up - Green Office Park 9 (Energy Efficiency Building Category)

19. I2018 CSR APPRECIATION
Sinar Mas Land
Category: Economic Empowerment from the Community Market School CSR program

20. INFOBANK 100 FASTEST GROWING COMPANIES AWARDS 2018
PT BSD. Tbk
Largest Market Capitalisation - Real Estate Category

21. INDONESIA'S PR OF THE YEAR 2018
Sinar Mas Land
Best PR Category - Property & Real Estate

22. PR INDONESIA AWARD 2018
Sinar Mas Land
Best PR Program Category - "Digital Hub - BSD City"

23. 4TH ASIA SUSTAINABILITY REPORTING AWARDS
Sinar Mas Land
Asia's Best First Time Sustainability Report

INVESTOR RELATIONS

Through our commitment to disclose pertinent information on a timely, accurate and transparent basis, we remain focused on ensuring that our stakeholders are well-informed

Regular communication and proactive engagement with our shareholders and the investment community continues to be the backbone of Sinarmas Land's investor relations initiatives.

Through our commitment to disclose pertinent information on a timely, accurate and transparent basis, we remain focused on ensuring that our stakeholders are well-informed of the Group's key operating and business strategies, as well as a balanced account of our financial performance.

PROACTIVE ENGAGEMENT THROUGH REGULAR DIALOGUES

The management and investor relations ("IR") team continue to maintain regular dialogues with the investment community to proactively promote interest and raise awareness of the Group's activities through multiple communication platforms and events which include investor conferences, one-on-one and group meetings, local and overseas non-deal roadshows ("NDRs"), quarterly analyst and media briefings, conference calls and site visits to our key projects in Indonesia.

In 2018, the management and IR team engaged more than 150 institutional and retail investors over 100 individual face-to-face meetings, quarterly financial results briefings and conference calls, as well as participation in investor conferences and NDRs held in Singapore, Hong Kong, China, Thailand and Indonesia. These proactive engagements promote two-way communication between the investment community and the management.

During these engagements, stakeholders pose questions on the Group's financial performance and business strategies which allows them to better understand our strategic directions and our views on the general property market outlook. On the other hand, management is able to receive investors' feedback on areas of concerns and improvements.

Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM") are important avenues for shareholders to communicate and interact with the Board of Directors and senior management. To better facilitate shareholders' convenience and greater participation, these meetings are held at central and accessible location. At the beginning of the meeting, the Group's CFO will present the Group's operations and financial performance for the financial year. Thereafter, shareholders are provided with opportunities to raise questions to clarify any ongoing concerns.

To support shareholders' participation and greater transparency, Sinarmas Land has employed electronic poll voting administered by a reputable polling service provider for all meeting resolutions. Votes cast for and against and the respective percentages on each resolution were instantly displayed on screen. The detailed results showing the total number of votes cast for and against each resolution and the respective percentages were also announced after the meeting via SGXNET.

The Group welcomes enquiries and feedback from shareholders and the investment community. Enquiries can be addressed to the IR team at investor@sinarmasland.com.sg or by post to 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535.

CONSISTENT DISCLOSURES AND GOVERNANCE

Sinarmas Land strives to ensure consistency and accuracy in our disclosures. Announcements, material developments, quarterly and full year financial results together with the accompanying presentation slides and press releases are released via SGXNET on a timely basis in compliance to the Listing Manual for continuous disclosure obligations.

The Group remains committed towards upholding high standards of corporate governance. During the 9th Singapore Corporate Governance Week organised by Securities Investors Association Singapore ("SIAS") in September 2018, the Group demonstrated to all investors and shareholders its commitment by pledging a statement of support towards excellence in corporate governance.

INVESTOR RELATIONS

Quarterly Analyst Meeting

Annual General Meeting

Annual General Meeting

2018 INVESTORS RELATIONS ACTIVITIES
1Q 2018
FY 2017 results announcement and analyst & media briefing
CLSA ASEAN Forum 2018 – Bangkok
Credit Suisse 21st Asian Investment Conference – Hong Kong
2Q 2018
1Q 2018 results announcement and analyst & media briefing
Annual General Meeting
Morgan Stanley 4th Annual China Summit – Beijing, China
3Q 2018
2Q 2018 results announcement and analyst & media briefing
Credit Suisse 3rd Annual Indonesia Conference - Singapore
4Q 2018
3Q 2018 results announcement and analyst & media briefing
The Asset – 13th Asian Bond Markets Summit – Singapore
Barclays Asia Forum 2018 – Singapore

2019 FINANCIAL CALENDAR	FY 2019/20 (TENTATIVE)
FY 2018 Results Announcement	26 February 2019
Annual General Meeting	24 April 2019
1Q 2019 Results Announcement	May 2019
2Q 2019 Results Announcement	August 2019
3Q & 9M 2019 Results Announcement	November 2019
FY 2019 Results Announcement	February 2020

CORPORATE SOCIAL RESPONSIBILITY

As an accomplished frontrunner in Indonesia real estate sector, we understand that the acceptance and support from the local community have always been the key foundation for a long-term sustainable growth in an ever-changing business landscape.

Sinarmas Land is committed to operate in a socially responsible manner to bring positive impact towards the environment and natural habitats, improve the well-being of our employees and the social communities which we serve for.

In 2015, the United Nations ("UN") embarked on a new global Sustainable Development Goals ("SDGs") targeted to be accomplished by 2030 and supported by its 194 member states. At Sinarmas Land, we support the 2015-established global SDGs which are closely related to our business operation and we have aligned our strategy-setting and corporate practice with the new SDGs. Out of 17 SDGs, we have identified 8 objectives where we strive to create positive contribution and bring effective impact to the employees at Sinarmas Land and the social community as a whole. In practice, we have incorporated the identified 8 objectives with Sinarmas Land's corporate social responsibility ("CSR") program with a focus on three pillars, namely the poverty alleviation, the quality education and the climate action.

1. POVERTY ALLEVIATION

The thrust on Poverty Alleviation is designed with 3 main tracks: Enhancement of the Market Place, Improvement of Basic Infrastructure and Community Welfare Programs.

Enhancement of the Market Place

Hardware Enhancement of the Market Place — The traditional market place is the breeding ground for local entrepreneurs, particularly those belonging to the MSME (Micro, Small & Medium Enterprises) group. We have launched a renovation scheme which would upgrade the facilities of these traditional markets for better air circulation, improved zone planning and other supporting facilities and services such as ATM Centre, public toilets and the poultry slaughterhouses. In collaboration with the National Agency for Drug and Food Control, the management team also built a mini laboratory in each market to ensure the compliance with the national health and food safety standards. In March 2018, SML launched the second modern market in BSD City. Occupying a land area of 2.6 hectares, the double-storey modern market consist of 539 retail kiosks and 220 stalls. The market is an integrated part of the newly renovated Cisauk train station and easily accessible by different mode of public transports.

Soft Skill Enhancement of the MSMEs — At Sinarmas Land, we believe knowledge and skills are integral for successful business. To further improve the livelihood of the MSMEs, the Group has been making effort to develop business acumen of the MSME partners, preparing them to run their business in a successful and sustainable manner. In 2018, we continue to conduct a series of training programs in partnership with Pasar Rakyat School at BSD City for MSMEs to improve their skills so as to improve their welfare, and for managers to improve their management skill on managing clean and healthy markets.

Improvement of Basic Infrastructure

In 2018, Sinarmas Land embarked on several renovation projects for infrastructure and public area. Some key projects are summarised below:

- The Group repaired around 1.8 kilometres of high-capacity road with a width of 5.5 metres in Kota Deltamas's GIIC. The repair works was jointly undertaken with Muspika, Dinas Binarmarga, Sukamahi as the local coordinators. The new road has provided transportation convenience to the local community.

- In BSD City, the Group completed the upgrading of Cisauk Train Station in 2018. The renovated station can accommodate a larger number of users and encourages higher train ridership in and out of BSD City.

CORPORATE SOCIAL RESPONSIBILITY

- In Surabaya, the Group completed the revitalisation project in the northern and southern parts of Jagir River in Surabaya in May 2018. A stretch of 1 kilometre along Jagir River was transformed into a green open space with various facilities, including a green pedestrian park, cycling area, skate park, and children's playground.
- The Group launched a culinary centre in Bekasi City, West Java. In view of the large market potential in Indonesia's culinary industry, this 9,000 sqm culinary centre provides training and knowledge to the local community, empowering them to improve their livelihoods and boosting the local economy growth in Bekasi City.

Community Welfare Programs

In 2018, a wide range of programs have been implemented across different units of Sinarmas Land. Below are some highlights:

- BSDE held the BSD Ramadhan Festival, during which attendees gave donations to the orphans, the dhuafa and the mosque's caretakers. In addition, the Group also organised health counselling sessions for the local community, offering free haircuts for the orphans, holding a bazaar market and iftar together.
- At Kota Deltamas, our operation team, together with the local authorities, held a breakfast session for 75 orphans to celebrate Ramadhan Festival.
- Palm Resort Johor collaborated with Kechara Soup Kitchen to deliver festive cookies, mandarin oranges and red packets to needy families during Chinese New Year 2018 in Taman Selesa Jaya, Malaysia.
- In May 2018, Le Grandeur Palm Resort organised a charity Buka Puasa for 150 children during the Ramadan season in collaboration with Pertubuhan IKRAM Malaysia, Kulai Municipal Council and a local non-profit organisation, Yayasan Sejahtera Kulai.
- In October 2018, Le Grandeur Palm Resort organised a Deepavali-themed buffet for orphans and children from low-income families in partnership with Pertubuhan IKRAM Malaysia, the non-profit organization of JK Khidmat Masyarakat, Parent Teacher Association of Tamil Primary School and State Social Welfare Department.

2. QUALITY EDUCATION

Education is believed to be a major booster for poverty alleviation by providing equal opportunities to everyone in the community. At Sinarmas Land, we uphold this principle and practice it through a series of activities, ranging from the institutional and individual assistance as well as the learning workshops offered to the local community.

Institutional & Individual Assistance

In line with the Group's vision of building BSD City as the "First Integrated Smart City" in Indonesia, the Group has been taking initiatives of grooming the local talents in developing their competencies in the digital era. The management team at BSD City has launched a coding and programming scholarship in 2018. In partnership with Apple's Coding Academy, a well-designed curriculum on coding, digital design and animation has been delivered to the local children in BSD City.

Scholarships are also allotted for approximately 240 students from 6 villages (Margakaya, Wadas, Sukalutu, Paseurjaya, Sirnabaya, and Parungmulya) around the industrial areas of KIIC.

In line with Karawang District Government's Program, the management team of KIIC provided renovation work to schools in SDN Wadas 03, Wadas Village, Telukjambe Timur Telukjambe Timur sub-district. Three classrooms have been renovated and provided with additional furniture such as tables, chairs, and white boards.

Community Learning

There are also other education-related assistance programs implemented by Sinarmas Land in 2018 through various communities where we operate in:

- Rumah Pintar — Rumah Pintar is a community learning centre located in BSD City which provides out-of-school learning and skill training to children, teenagers and housewives. Currently, Rumah Pintar includes a craft centre, a computer centre, a book centre, a playing centre and an audio visual centre to deliver a holistic well-rounded education environment for the local community.
- Gerakan Sekolah Menyenangkan ("GSM") – GSM aims to equalise ordinary schools and superior schools by changing the mind-set of teachers, students and the society. Cooperating with various stakeholders in South Tangerang City and Tangerang District, this program targets on the students of junior and primary schools.

CORPORATE SOCIAL RESPONSIBILITY

- Sinarmas Land Education Festival 2018 – the Group held the Education Festival in BSD City with the aim of improving social welfare through education.

- Sponsor of football championships – In Sambau Village of Batam, Indonesia, the Group sponsored the local football championship, supporting talented young people to hone their football skills.

3. CLIMATE ACTION

At Sinarmas Land, we recognise the importance of preserving a sustainable environment and exemplify this through our green developments as well as other environmentally friendly programs.

Green Building & Infrastructure

At Sinarmas Land, our green initiatives can be witnessed in our main townships in Indonesia as well as the key areas around our developments.

We are proud to share that our latest office building in BSD City, GOP 9, has been accorded the Gold Award of 2018 FIABCI-REI Excellence Award and the second Runner-up of ASEAN Energy Awards in 2018 under the category of energy efficiency building. GOP 9 is located in BSD City's Green Office Park, which is the first green office development in Indonesia featuring environmentally friendly commercial developments with a park-like ambience to its tenants.

In November 2018, Le Grandeur Palm Resort was selected out of 262 nominees and awarded with the Iskandar Malaysia Social Hero Awards 2018 ("IMSHA"), the first hotel to win this award in the "Animal & Wildlife" category. IMSHA is community-led event driven by The Iskandarian and Iskandar Regional Development Authority to identify, recognise and celebrate individuals, organisations and social movements which have made significant contributions to society through impactful and meaningful community services.

Greening

In an effort to slow down the increasing negative impact of climate change, Sinarmas Land has not only undertaken numerous initiatives in greening the environment, but also promoted a green culture to the public.

For the 15th year, Sinarmas Land held the annual Green Festival at BSD City on the fifth of June to raise public awareness on the importance of conserving our environment. The Group provided opportunities for students to acquire knowledge and insights about environmental problems and the possible solutions in a wide range covering the greenhouse effect, biopore infiltration holes, garbage composting, greening, air pollution, wildlife conservation and others alike.

Starting from 2017, KIIC continued the Telaga Desa Program in cooperation with various stakeholders to build a research centre, a training-cum-education centre, an agriculture centre, an environmental preservation centre within the industrial park of KIIC and to offer an eco-tour to the visitors. From 2017 to 2018, around 9,428 tourists have participated in the eco-tour; 68 training courses have been conducted; about 31,360 kilograms of compost has been produced.

For more details on our corporate social responsibility, please refer to Sinarmas Land's Sustainability Report 2018 to be published later.

Green Festival at BSD City, Indonesia

Deepavali-themed Buffet at Le Grandeur Palm Resort, Johor Bahru, Malaysia

HUMAN CAPITAL

In 2018, the Group has moved to a cloud-based e-PMS and embarked the corporate initiative of being a digital-smart company in the technology-centered and data-driven era.

Best Employees 2018

Talent is the asset of strategic importance at Sinarmas Land. We recognize that manpower plays an integral role of driving our business forward and achieving greater success. Confronting the Industrial Revolution 4.0, the Group introduced several initiatives in 2018 to manage our human capital in the digital era.

E-PERFORMANCE MANAGEMENT SYSTEM ("E-PMS")

To keep abreast in technology and digitalisation, the Group believes that its talent needs to have the right mindset and behavior. This year, in managing employee's performance, the Group has launched the blueprint of e-Performance Management System (e-PMS). The system links human resource management with strategic planning by coordinating efforts at all levels towards a shared vision and our long-term goals and objectives.

Back in 2012, the Group has designed Key Performance Indicator ("KPI") based on the Balance Scorecard Framework, as a major change from previous evaluation method which mainly adopted the behavior-based evaluation.

Later in 2015, the Group standardized the performance measurement indicators depending on job functions. The employees of all levels within the same function units would be evaluated based on the same set of performance measurement indicators, while the performance targets and the respective weightage could be revisited every year to align with the strategy and objectives of the Group, on both short-term and long-term horizons.

In 2018, the Group has moved to a cloud-based e-PMS and embarked the corporate initiative of being a digital-smart company in the technology-centered and data-driven era. A dedicated cross-function team has been working closely with external e-PMS consultants to develop the configuration and to create a user-friendly interface in the implementation of the e-PMS. The team also successfully extracted and merged the financial and operational data from the existing systems (e.g. SAP) to the e-PMS through an automated data-transferring process. Adopting this integrated system, the Group is able to timely monitor the Company's performance as well as the individual level with greater accuracy. The implementation of e-PMS also serves as a foundation to adopt data analytics in business evaluation, such as assessing the efficiency of marketing initiatives, monitoring operational efficiency and identifying the latent potential of employees.

As a next step, the Group is going to further develop the e-PMS into a centralised information system which gathers data from all the functional units within the Group to deliver a comprehensive performance assessment for the strategy design going forward. Full integration of the e-PMS is expected to be completed in the next few years.

E-TALENT MANAGEMENT SYSTEM ("E-TMS")

Continuing the succession planning and the key talent management, the Group is consistently designing personal development plans for the key talents identified and the potential successors.

In 2018, we developed a talent database which is connected to the master database with update synchronization. This new talent database provides functions of archiving individual profiles, recording career goals, tracking career progress and identifying potential rotational opportunities within the Group where talented employees are identified through an intelligent information system before receiving a well-rounded

HUMAN CAPITAL

training to improve their leadership skills, project management competency and technical specialty. At the Group companies' level, we regularly monitor the composition of the talent pool, evaluate the appropriateness of talent selection criteria and assess the requirement of manpower in future.

EMPLOYEE ENGAGEMENT AND CULTURE

In 2018, various engagement events were conducted for different groups of employees.

The Group celebrated the Independence of the Republic of Indonesia in the form of Fun Bowling and Costume Competition 2018 in Spincity Bowling, the Breeze located within BSD City. Players and supporters were highly engaged during the activity.

For the expatriates working for the Group and their families, we held a social gathering named "Sekapur Sirih" to facilitate the foreign employees in adapting to the local culture and lifestyle and to update them on the latest government regulations and welfare packages relating to the expatriate community.

On 21 April 2018, or Kartini Day, our female employees celebrated in traditional costumes at the "Women, Family, and Present Challenges Seminar" with Dr. Sophia Hage from Lentera Indonesia as the keynote speaker. Kartini Day is an Indonesian public holiday to celebrate the liberation of Indonesian women in early 19th century. The theme of "Women, Family, and Present Challenges Seminar" in 2018 was to raise awareness of the globalisation trend and its impacts on women. The session also emphasized the importance of women as individuals as well as their irreplaceable role in the family, workplace and the community. Apart from the Kartini Day celebrations, we also provided a seasonal childcare service in 2018. This new program was launched to ease the burden of working mothers during the Lebaran Holiday – an Indonesian public holiday when babysitters often take leaves.

As part of the annual corporate event, the Group introduced an employee appreciation program in 2018. The Group believes that employee appreciation is an essential part at the workplace as the corporate recognition of diligence and excellence serves to boost up employees' morale and to encourage productivity and creativity. The employee appreciation program comprises of 3 winner categories: Best Employees, Top Managers and Top Leaders. And the result of nominated employees was announced on the Synergy Day when the awards were presented to the winners during the ceremony.

For more details on our human capital initiatives, please refer to Sinarmas Land's Sustainability Report 2018 to be published later.

Kartini Day

Fun Bowling & Costume Competition

Employee Appreciation Prize Ceremony

PORTFOLIO DETAILS

Kalani Tower,
Batam, Indonesia

NETWORK OF OPERATIONS

PORTFOLIO OVERVIEW

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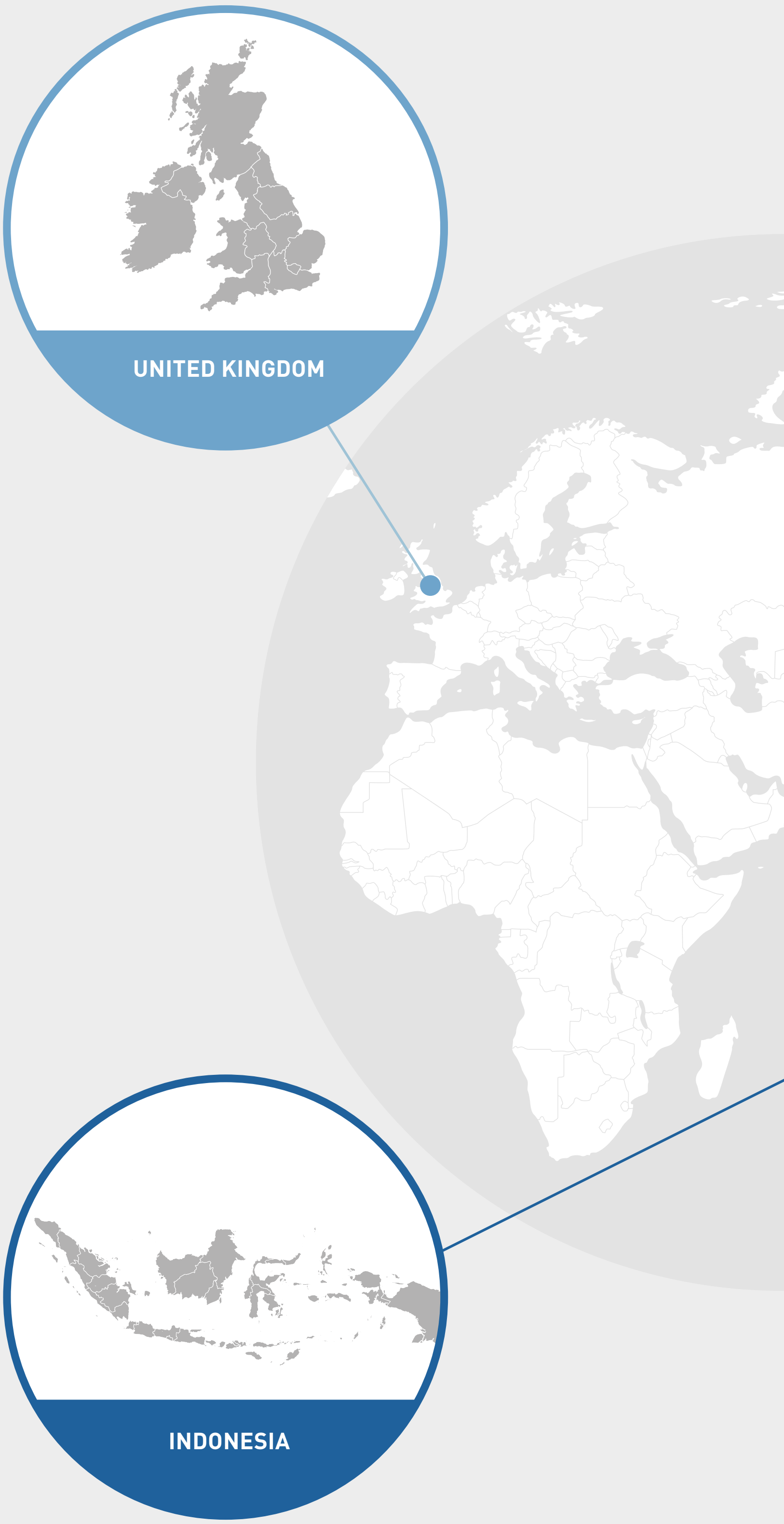
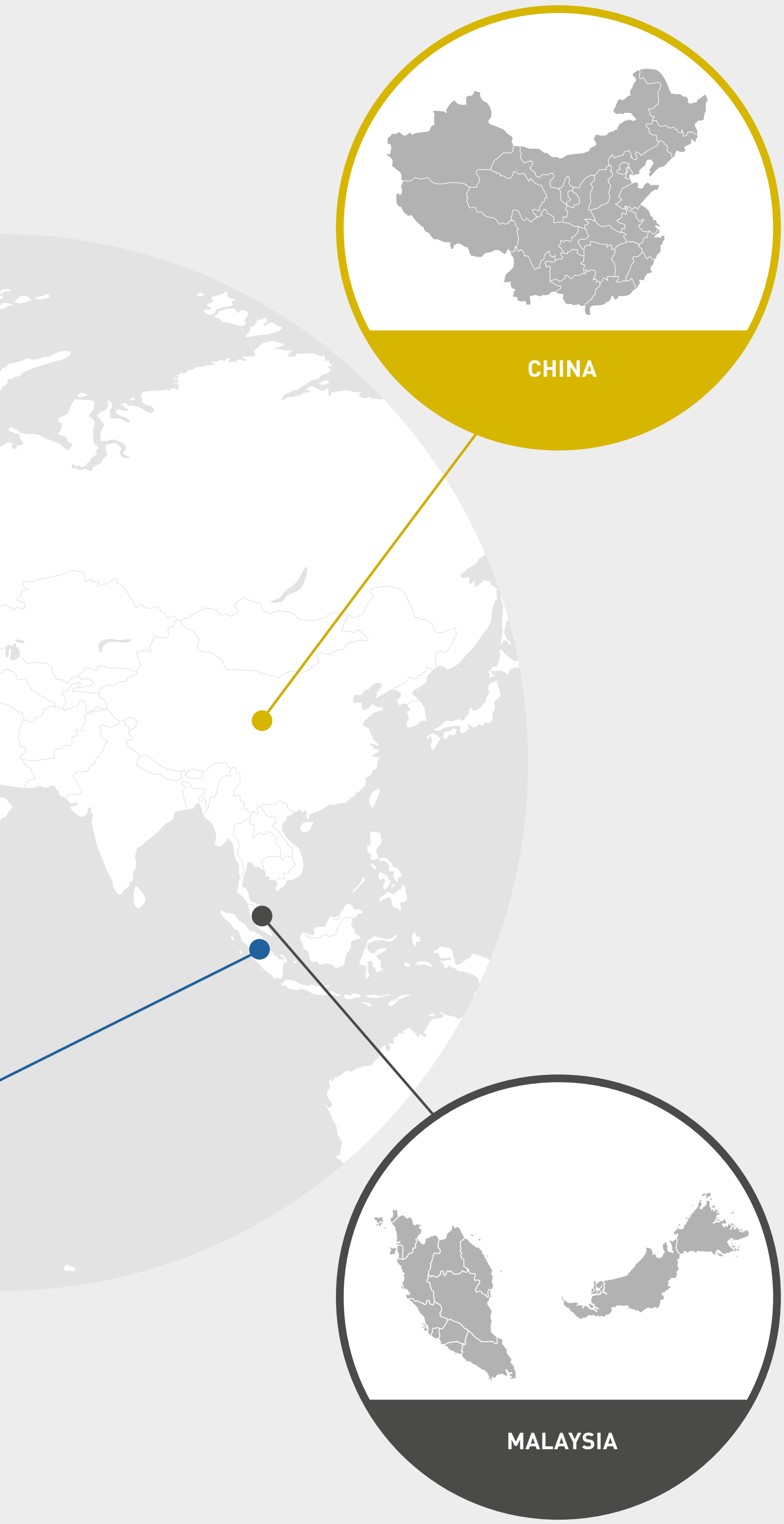


The Group's diversified property portfolio, comprising integrated townships, residential properties, commercial office buildings, convention hall, industrial estates, retail mall & trade centres, hotels, resorts & golf courses, are owned through our subsidiaries, associates, joint ventures and long-term investments. Our major properties are presented in the next section – Property Portfolio.



PROPERTY PORTFOLIO

INDONESIA

BALI
- Pecatu

JAVA
- Bekasi
- Bogor
- Cibubur
- Cikarang
- Cipanas
- Depok
- Jakarta
- Karawang
- Puncak
- Sawangan
- Semarang
- Surabaya
- Tangerang

KALIMANTAN
- Balikpapan
- Samarinda

RIAU ISLANDS
- Batam

SULAWESI
- Makassar
- Manado

SUMATRA
- Medan
- Palembang

CHINA

SICHUAN
- Chengdu

LIAONING
- Shenyang

GUANGDONG
- Huizhou

MALAYSIA

JOHOR
- Senai

UNITED KINGDOM

LONDON

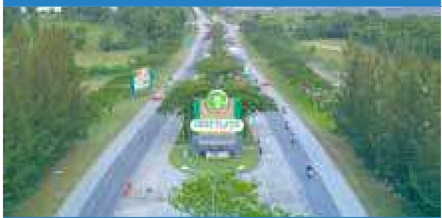
PROPERTY PORTFOLIO

CITY & TOWNSHIP

	DESCRIPTION	PROJECT SITE AREA (SQM)	REMAINING SITE AREA (SQM)	EXPECTED COMPLETION DATE	EFFECTIVE INTEREST HELD (%)
 **BSD CITY** Serpong, Tangerang, West Java, Indonesia	A mixed-use township that includes residential, commercial development, infrastructure, public utilities, facilities and amenities	46,847,800	21,756,620	2035	49.1%
 **KOTA DELTAMAS** Bekasi Regency, West Java, Indonesia	A mixed-use township that includes industrial, residential and commercial development, infrastructure, public utilities, facilities and amenities	31,810,000	11,600,000	2030	57.3%
 **GRAND WISATA** Bekasi Regency, West Java, Indonesia	A mixed-use township that includes residential and commercial development, infrastructure, public utilities, facilities and amenities	8,367,445	5,081,386	2025	23.3%
 **KOTA WISATA** Cibubur, Greater Jakarta, Indonesia	An iconic residential focused township development located in Cibubur	4,855,373	936,210	2025	43.5%

PROPERTY PORTFOLIO

INDUSTRIAL PROPERTIES

	DESCRIPTION	PROJECT SITE AREA (SQM)	REMAINING SITE AREA (SQM)	EXPECTED COMPLETION DATE	APPROXIMATE PERCENTAGE HELD (%)
 **KARAWANG INTERNATIONAL INDUSTRIAL CITY** Indonesia	KIIC is an award-winning green and modern industrial estate jointly developed by the Group and ITOCHU Corporation	13,890,000	2,000,000	2020	49.7%
 **GREENLAND INTERNATIONAL INDUSTRIAL CENTRE** Bekasi Regency, West Java, Indonesia	An environmentally friendly industrial estate developed by the Group and Sojitz Corporation	17,140,000	5,220,000	2025	57.3%

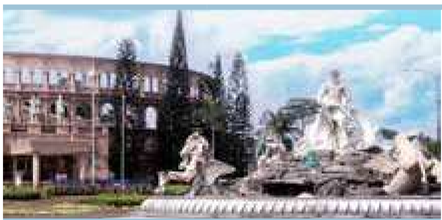
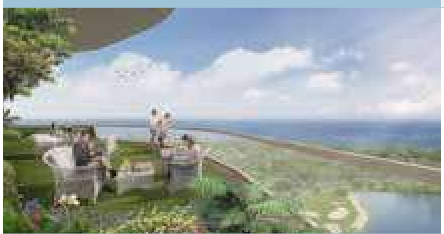
PROPERTY PORTFOLIO

RESIDENTIAL

	DESCRIPTION	REMAINING SITE AREA (SQM)	EXPECTED COMPLETION DATE	APPROXIMATE PERCENTAGE HELD (%)
 **AERIUM AT TAMAN PERMATA BUANA** Jl. Kembangan, West Jarkarta, Indonesia	A prestigious residence consist of two premium apartments and townhouses	-	2020	17.7%
 **AKASA APARTMENT** Serpong, Tangerang, West Java, Indonesia	A high-rise apartment development in BSD City	-	2022	27.0%
 **BANJAR WIJAYA** JL Cipondoh Raya, Tangerang, West Java, Indonesia	A residential development offers facilities including 24 hour security, shopping areas, drug stores, health centres, kindergartens and a sports club	120,000	2020	43.5%
 **GRAND CITY BALIKPAPAN** Balikpapan, Kalimantan, Indonesia	A residential and commercial project in Balikpapan	2,030,977	2029	65.0%
 **KLASKA RESIDENCES** Jl. Jagir Wonokromo, Surabaya, Indonesia	A luxury residential property offers resort-style facilities with a smart home system	31,000	2025	43.5%

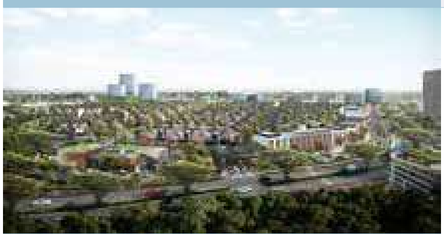
PROPERTY PORTFOLIO

RESIDENTIAL

	DESCRIPTION	REMAINING SITE AREA (SQM)	EXPECTED COMPLETION DATE	APPROXIMATE PERCENTAGE HELD (%)
 **LEGENDA WISATA** Cibubur, Greater Jakarta, Indonesia	A luxury residential project in Cibubur	125,000	2019	43.5%
 **NAVA PARK** BSD City, Indonesia	A premium luxury residential development	506,067	2025	25.0%
 **NUVASA BAY** Nongsa, Batam, Indonesia	Batam's first luxury residential development within Palm Springs Golf & Country Club	2,280,000	2032	65.0%
 **SAVASA** Bekasi Regency, West Java, Indonesia	A joint venture development with PanaHome	5,150,000	2033	28.1%
 **SOUTHGATE** Jl. Raya Tanjung Barat, Indonesia	Exquisite family homes with amenities impeccably designed to complement the 21st century lifestyle in Simatupang	32,327	2021	43.5%

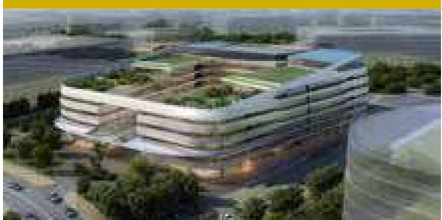
PROPERTY PORTFOLIO

RESIDENTIAL

	DESCRIPTION	REMAINING SITE AREA (SQM)	EXPECTED COMPLETION DATE	APPROXIMATE PERCENTAGE HELD (%)
 **TAMAN PERMATA BUANA** Jl. Kembangan, West Jakarta, Indonesia	A classic residential development in West Jakarta	20,000	2020	34.8%
 **THE ELEMENTS JARKATA** Jl. Epicentrum Utama Raya, Indonesia	Premium high-rise luxury apartment in CBD Kuningan	-	2019	49.1%
 **THE ZORA** BSD City, Indonesia	A luxury residential development jointly developed by BSDE and a group of consortium investors led by Mitsubishi Corporation	125,000	2025	19.6%
 **UPPER WEST** BSD City, Indonesia	A vertical integration development of residential, retail and working spaces as a one-stop solution of living and working environment	7,118	2024	27.0%
 **CHENGDU YUE RONG CHENG** Xindu District, Chengdu, China	A residential and commercial mixed-use development in one of the core residential areas to the north of Chengdu City	-	2021	40.0%

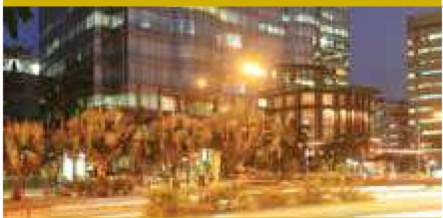
PROPERTY PORTFOLIO

COMMERCIAL

	DESCRIPTION	APPROXIMATE NET LEASABLE AREA (SQM)	APPROXIMATE PERCENTAGE HELD (%)
 **33 HORSEFERRY ROAD** 33 Horseferry Rd, Westminster, London, United Kingdom	An office building with retail frontage in Victoria, London	16,784	100.0%
 **ALPHABETA BUILDING** 14-18 Finsbury Square, London, United Kingdom	A newly refurbished office building in Shoreditch Area, London	23,018	100.0%
 **BAKRIE TOWER** Jl. H.R. Rasuna Said, Indonesia	A 13-floor Grade A office space in Jakarta CBD	17,355	49.1%
 **GREEN OFFICE PARK 1** Jl. BSD Green Office Park, BSD City, Indonesia	A 5-storey office building in BSD City	59,089	49.1%
 **GREEN OFFICE PARK 9** Jl. BSD Green Office Park, BSD City, Indonesia	A 5-storey office building in BSD City	21,224	49.1%

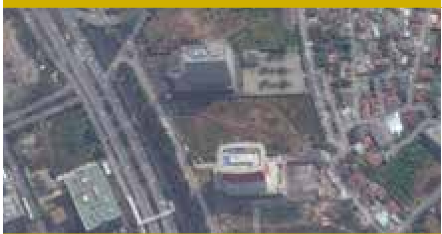
PROPERTY PORTFOLIO

COMMERCIAL

	DESCRIPTION	APPROXIMATE NET LEASABLE AREA (SQM)	APPROXIMATE PERCENTAGE HELD (%)
 **MYREPUBLIC PLAZA** Jl. BSD Green Office Park, BSD City, Indonesia	A 5-storey office building in BSD City	18,389	49.1%
 **SINAR MAS LAND PLAZA JAKARTA** Jl. M.H. Thamrin Kav 51, Central Jakarta, Indonesia	(a) Tower I - a 12-storey office building, a basement level and a 7-storey carpark building	11,002	57.8%
 **SINAR MAS LAND PLAZA JAKARTA** Jl. M.H. Thamrin Kav 51,Central Jakarta, Indonesia	(b) Tower II - a 39-storey office building, 3 basement levels and penthouse	70,469	54.1%
 **SINAR MAS LAND PLAZA JAKARTA** Jl. M.H. Thamrin Kav 51, Central Jakarta, Indonesia	(c) Tower III - a 12-storey office building	14,177	54.1%
 **SINAR MAS LAND PLAZA MEDAN** Jl. Diponegoro, North Sumatra, Indonesia	A 10-storey office building and 3 basement levels	27,689	57.8%

PROPERTY PORTFOLIO

COMMERCIAL

	DESCRIPTION	APPROXIMATE NET LEASABLE AREA (SQM)	APPROXIMATE PERCENTAGE HELD (%)
 **SINAR MAS LAND PLAZA SURABAYA** Jl. Permuda, Surabaya, Indonesia	A 20-storey office building, a basement level and 11-storey carpark building	18,573	57.8%
 **SINAR MAS LAND PLAZA BSD CITY** Jl. BSD Green Office Park, BSD City, Indonesia	A 4-storey building in BSD City	21,000	49.1%
 **THE PLAZA OFFICE TOWER** Jl. M.H. Thamrin Kav 28-30, Central Jakarta, Indonesia	A 49-storey premium office building owned by our associated company, PT Plaza Indonesia Realty Tbk	56,447	23.0%
 **KUSUMA SENTRAL KENCANA** Rasuna Said, Jakarta,Indonesia	A commercial development in prime Jakarta CBD	10,315	46.4%
 **INDONESIA CONVENTION EXHIBITION** Jl. BSD Grand Boulevard, BSD City, Indonesia	The largest convention and exhibition centre in Indonesia	220,000	24.1%

PROPERTY PORTFOLIO

COMMERCIAL

	DESCRIPTION	APPROXIMATE NET LEASABLE AREA (SQM)	APPROXIMATE PERCENTAGE HELD (%)
 **WARWICK HOUSE** 8 to 13 Great Pulteney Street, and 13 to 23 (odd) Lexington Street, London, United Kingdom	A quality office building in SOHO London	4,371	100.0%
 **WISMA BCA BSD CITY** Jl. Kapten Soebianto Djojohadikusumo, BSD City, Indonesia	A 5-storey office building	6,579	49.1%
 **SINARMAS MSIG TOWER** Jl. Jenderal Sudirman, South Jakarta, Indonesia	A 48-storey office building and a basement level	68,525	49.1%

PROPERTY PORTFOLIO

HOTEL, RESORT AND GOLF COURSE

	DESCRIPTION	ROOMS	APPROXIMATE PERCENTAGE HELD (%)
 **GRAND HYATT JAKARTA** Jl. M.H. Thamrin, Central Jakarta, Indonesia	A 5-star hotel in CBD Thamrin owned by our associated company, PT Plaza Indonesia Realty Tbk	428	23.0%
 **HOTEL SANTIKA PREMIERE** Jl. BSD Grand Boulevard, BSD City, Indonesia	A 4-star hotel beside Indonesia Convention Exhibition in BSD City	285	24.1%
 **KERATON AT THE PLAZA** Jl. M.H. Thamrin, Central Jakarta Indonesia	A luxury collection hotel in CBD Thamrin owned by our associated company, PT Plaza Indonesia Realty Tbk	140	23.0%
 **LE GRANDEUR BALIKPAPAN HOTEL** Jl. Jenderal, Sudirman, Balikpapan, East Kalimantan, Indonesia	A 4-star hotel overlooking the Makassar Strait	185	43.5%
 **LE GRANDEUR MANGGA DUA HOTEL** Jl. Mangga Dua Raya, Indonesia	A 4-star hotel in the trading district of Jakarta	346	43.5%

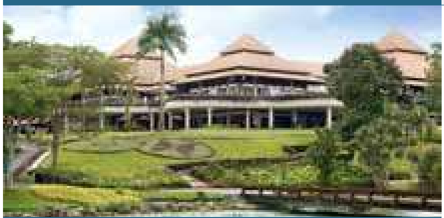
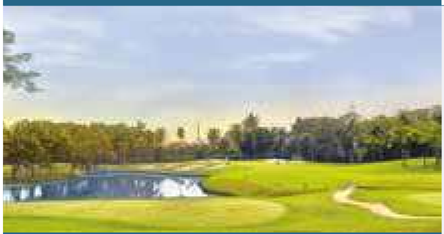
PROPERTY PORTFOLIO

HOTEL, RESORT AND GOLF COURSE

	DESCRIPTION	ROOMS/SITE AREA (SQM)	APPROXIMATE PERCENTAGE HELD (%)
 **LE GRANDEUR PALM RESORT JOHOR** Senai, Johor Bahru, Malaysia	A 4-star hotel in one of the most complete resort destinations Malaysia	330	99.2%
 **ROOMS INC. HOTEL** SemarangTengah, Kota Semarang, Indonesia	A young and dynamic boutique hotel located in the heart of bustling Semarang	162	30.5%
 **GO! WET WATER PARK** Bekasi Regency, West Java, Indonesia	A recreational water theme park	75,000	23.3%
 **KOTA BUNGA** Cipanas, Bogor, West Java, Indonesia	Largest green resort in Puncak (Bogor's Summit)	1,540,000	43.5%
 **OCEAN PARK BSD CITY** Serpong, Tangerang, West Java, Indonesia	A recreational water theme park in BSD City	85,000	49.1%

PROPERTY PORTFOLIO

HOTEL, RESORT AND GOLF COURSE

	DESCRIPTION	SITE AREA (SQM)	APPROXIMATE PERCENTAGE HELD (%)
 **PALM SPRINGS GOLF & COUNTRY CLUB** Nongsa, Batam Indonesia	A 27-hole golf course and beach resort	2,280,000	65.0%
 **PALM RESORT GOLF & COUNTRY CLUB** Senai, Johor Bahru, Malaysia	A 54-hole golf course, one of the largest in the state of Johor, Malaysia	3,122,720	99.2%
 **SEDANA GOLF** Karawang, East Jakarta, Indonesia	A 18-hole golf course to the north of KIIC in Karawang	750,000	84.8%
 **PECATU** Pecatu Bali, Indonesia	A prime development site for hotel and resort	803,540	95.3%

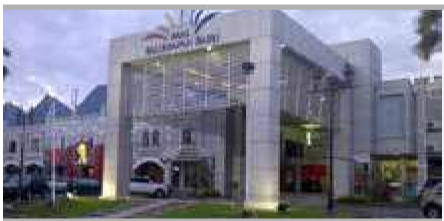
PROPERTY PORTFOLIO

RETAIL AND TRADE CENTRES

	DESCRIPTION	APPROXIMATE NET LEASABLE AREA (SQM)	APPROXIMATE PERCENTAGE HELD (%)
 **AEON MALL BSD CITY** Jl. BSD Raya Utama, Indonesia	The first AEON Mall in Indonesia owned by our joint venture company, PT AMSL Indonesia	77,000	16.2%
 **BSD JUNCTION** Serpong, Tangerang West Java, Indonesia	Retail Mall in BSD City	18,182	49.1%
 **DP MALL SEMARANG** Jl. Pemuda, Semarang, Central Java, Indonesia	Retail Mall in Semarang	18,300	30.5%
 **EPICENTRUM WALK MALL** Jl. H.R. Rasuna Said, Indonesia	Retail Mall in Central Jakarta	10,722	49.1%
 **MIXED-USE PROPERTIES** Throughout Indonesia	Various ITC Brand Trade Centres	137,117	43.5% - 49.1%

PROPERTY PORTFOLIO

RETAIL AND TRADE CENTRES

	DESCRIPTION	APPROXIMATE NET LEASABLE AREA (SQM)	APPROXIMATE PERCENTAGE HELD (%)
 **MALL BALIKPAPAN BARU** Balikpapan, East Kalimantan, Indonesia	Retail family mall in Balikpapan	10,120	65.0%
 **PLAZA INDONESIA** Jl. M.H. Thamrin, Indonesia	Indonesia luxurious and up-market retail mall	71,170	23.0%
 **QBIG BSD CITY** Serpong, Tangerang, West Java, Indonesia	A retail complex in BSD City	64,893	49.1%
 **THE BREEZE BSD CITY** Serpong, Tangerang, West Java, Indonesia	Retail Mall at BSD City	35,764	49.1%

FINANCIALS & OTHER INFORMATION

Yue Rong Cheng
Chengdu, China

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The directors are pleased to present their statement to the members together with the audited financial statements of Sinarmas Land Limited ("SML" or the "Company") and its subsidiaries (together, the "Group") for the financial year ended 31 December 2018 and the statement of financial position of the Company as at 31 December 2018.

In the opinion of the directors:

(a) the accompanying statement of financial position of the Company and the consolidated financial statements of the Group set out on pages 97 to 188 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2018, and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

The directors of the Company in office at the date of this statement are:

Franky Oesman Widjaja
Muktar Widjaja
Margaretha Natalia Widjaja
Ferdinand Sadeli
Robin Ng Cheng Jiet
Hong Pian Tee
Kunihiko Naito
Rodolfo Castillo Balmater
Willy Shee Ping Yah @ Shee Ping Yan (appointed on 24 April 2018)
Lew Syn Pau (appointed on 24 April 2018)

2 Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3 Directors' Interest in Shares and Debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50 (the "Companies Act"), except as follows:

	Shareholdings registered in the name of directors or their spouse		Shareholdings in which directors are deemed to have an interest	
Name of directors in which interests are held	At the beginning of the year or date of appointment if later	At the end of the year	At the beginning of the year or date of appointment if later	At the end of the year
Sinarmas Land Limited	Ordinary shares			
Hong Pian Tee	1,637,000	1,787,000	-	-
Related Corporations				
PT Bumi Serpong Damai Tbk		Shares of IDR100 each		
Franky Oesman Widjaja	63,150,000	63,150,000	48,736,540*	44,686,140*
Muktar Widjaja	63,150,000	71,942,400	48,736,540*	44,686,140*
PT Duta Pertiwi Tbk		Shares of IDR500 each		
Franky Oesman Widjaja	-	-	6,307,000*	6,307,000*
Muktar Widjaja	-	-	6,307,000*	6,307,000*
PT Paraga Artamida		Shares of IDR1,000 each		
Franky Oesman Widjaja	-	-	139,000,000*	139,000,000*
Muktar Widjaja	-	-	139,000,000*	139,000,000*
PT Bhineka Karya Pratama		Shares of IDR1,000 each		
Franky Oesman Widjaja	-	-	675,000*	675,000*
Muktar Widjaja	-	-	675,000*	675,000*
PT Simas Tunggal Center		Shares of IDR1,000 each		
Franky Oesman Widjaja	-	-	1,000,000*	1,000,000*
Muktar Widjaja	-	-	1,000,000*	1,000,000*
PT Ekacentra Usahamaju		Shares of IDR1,000 each		
Franky Oesman Widjaja	-	-	1*	1*
Muktar Widjaja	-	-	1*	1*
PT Sinar Mas Teladan		Shares of IDR1,000 each		
Franky Oesman Widjaja	-	-	555,000*	555,000*
Muktar Widjaja	-	-	555,000*	555,000*
PT Masagi Propertindo		Shares of IDR1,000 each		
Franky Oesman Widjaja	-	-	277,000*	277,000*
Muktar Widjaja	-	-	277,000*	277,000*
PT Inti Tekno Sukses Bersama		Shares of IDR1,000,000 each		
Franky Oesman Widjaja	-	-	1*	1*
Muktar Widjaja	-	-	1*	1*

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3 Directors' Interest in Shares and Debentures (cont'd)

	Shareholdings registered in the name of directors or their spouse		Shareholdings in which directors are deemed to have an interest	
Name of directors in which interests are held	At the beginning of the year or date of appointment if later	At the end of the year	At the beginning of the year or date of appointment if later	At the end of the year
PT Mustika Candraguna	Shares of IDR1,000,000 each			
Franky Oesman Widjaja	-	-	2,328*	-
Muktar Widjaja	-	-	2,328*	-
PT Wijaya Pratama Raya	Shares of IDR1,000 each			
Franky Oesman Widjaja	-	-	47,468,904	47,468,904
Muktar Widjaja	-	-	47,468,904	47,468,904

* Held by corporations in which the director has an interest by virtue of Section 7 of the Companies Act.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2019.

4 Warrants and Share Options of the Company

There were no options granted during the financial year to subscribe for unissued shares of the Company and its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of an option to take up unissued shares of the Company and its subsidiaries.

There were no unissued shares under option at the end of the financial year in respect of shares of the Company and its subsidiaries.

5 Share Options of Subsidiaries

Details and terms of the options granted by the subsidiaries under certain Zero Percent Convertible Bonds are disclosed in Note 30 to the financial statements.

6 Audit Committee

At the date of this statement, the Audit Committee ("AC") comprises the following 3 directors, all of whom, including the AC chairman, are non-executive independent directors:

Hong Pian Tee (AC Chairman)
Rodolfo Castillo Balmater
Kunihiko Naito

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

6 Audit Committee (cont'd)

The AC has the explicit authority to investigate any matter within its terms of reference. In addition to its statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the board of directors ("Board"). In particular, the duties of the AC include:

(a) Reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance.

(b) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls.

(c) Reviewing the adequacy and effectiveness of the Group's internal audit function.

(d) Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors.

(e) Making recommendations to the Board on the proposals to the shareholders on appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors. In this regard, the AC is primarily responsible for proposing the appointment and removal of the external auditors.

The AC has been delegated to assist the Board in the oversight of sustainability practice.

The AC reviews with Management, and where relevant, the auditors, the results announcements, annual reports and financial statements, interested person transactions and corporate governance, before submission to the Board for approval or adoption.

In performing its functions, the AC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by Management to the respective auditors. Where necessary, the AC also meets separately with the internal and external auditors whereby any issues may be raised directly to the AC, without the presence of Management. The internal and external auditors have unfettered access to the AC.

The AC has recommended to the Board that Moore Stephens LLP, Public Accountants and Chartered Accountants, be nominated for re-appointment at the forthcoming annual general meeting.

7 Independent Auditors

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

MUKTAR WIDJAJA
Director

FERDINAND SADELI
Director

15 March 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINARMAS LAND LIMITED
Company Registration No. 199400619R
(Incorporated in Singapore)

Opinion

We have audited the financial statements of Sinarmas Land Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2018, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (cont'd)

TO THE MEMBERS OF SINARMAS LAND LIMITED
Company Registration No. 199400619R
(Incorporated in Singapore)

Area of Focus	How our audit addressed the risk factors
Revenue recognition We refer to Note 3(x) and Note 5 to the financial statements. For the year ended 31 December 2018, the Group has recorded revenue from sale of development properties and other sources amounting to $654,260,000 (2017: $1,145,344,000) and $209,874,000 (2017: $202,093,000) respectively (Note 5). Revenue from the sale of development properties is recognised at a point in time when the development property is delivered to the customer. The timing of revenue recognition requires judgement on whether the Group has transferred significant risks and rewards of ownership in the properties to the customers and whether the Group has a substantial continuing involvement with the properties.	Our audit response: We assessed the overall sales process and the relevant systems and the design of controls over the capture and recording of revenue transactions. We have tested the effectiveness of key controls on the processes related to revenue recognition and performed test of details of samples of sales transactions. We read the sales contracts and applied our understanding of these contracts in assessing the completeness and accuracy of revenue. In particular, our understanding also enabled us to evaluate the judgements used in determining the timing of the revenue recognition. We tested the journal entries made to revenue, including the adjustments recorded upon the adoption of SFRS(I) 15. Our audit findings: We found the revenue recognition policy on the sale of development properties (Note 3(x)) has been appropriately applied by the management and in accordance with SFRS (I) 15 *Revenue from Contracts with Customers*.
Valuation and classification of development properties We refer to Note 17 and Note 22 to the financial statements. As at 31 December 2018, the Group's total development properties amounted to $2.9 billion (2017: $3.0 billion) which are mainly located in its core market – Indonesia. These properties are stated at cost less any impairment losses. The properties held for sale of $1,224,017,000 (2017: $1,230,153,000) and properties under development for sale of $1,664,855,000 (2017: $1,755,445,000) were classified as current and non-current respectively. We focused on this area because the determination of estimated net realisable value of these development properties is critically dependent upon the Group's expectations of future selling prices mainly in Indonesia. Fluctuations in property prices and changes in demand for residential and commercial properties in Indonesia could lead to a significant decline in the net realisable value. In addition, the classification of the development properties requires management's judgement.	Our audit response: We reviewed management's assessment of whether there is any indication that these development properties have suffered an impairment loss. We conducted a detailed discussion with the Group's key management and considered their views on possible impairment in light of the current economic environment. We focused our work on development properties with slower sales and compared the selling prices to recently transacted prices of comparable properties located in the same vicinity as the Group's projects. We have obtained an understanding of the Group's policy and evaluated the process of identifying the development properties that are classified as current and non-current. Our audit findings: We found that the management's assessment of the net realisable value and classification of development properties to be appropriate based on our audit procedures.

INDEPENDENT AUDITOR'S REPORT (cont'd)

TO THE MEMBERS OF SINARMAS LAND LIMITED
Company Registration No. 199400619R
(Incorporated in Singapore)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (cont'd)

TO THE MEMBERS OF SINARMAS LAND LIMITED
Company Registration No. 199400619R
(Incorporated in Singapore)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore

15 March 2019

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$'000	2017 S$'000
Revenue	5	864,134	1,347,437
Cost of sales		(266,028)	(362,161)
Gross profit		598,106	985,276
Operating expenses			
Selling expenses		(100,954)	(99,487)
General and administrative expenses		(164,205)	(176,956)
Total operating expenses		(265,159)	(276,443)
Operating profit		332,947	708,833
Other income/(expenses)			
Finance income	6	51,038	34,862
Finance costs	7	(151,316)	(130,779)
Foreign exchange gain/(loss)		5,655	(22,616)
Share of results of associated companies		11,297	14,487
Share of results of joint ventures		(3,735)	(45,228)
Other operating income	8	23,359	12,675
Other expenses, net		(63,702)	(136,599)
Exceptional item			
Gain on disposal of a subsidiary	42(d)	-	109,441
Profit before income tax	9	269,245	681,675
Income tax	10	(40,123)	(52,320)
Total profit for the year		229,122	629,355
Attributable to:			
Owners of the Company		119,028	353,892
Non-controlling interests		110,094	275,463
		229,122	629,355
Earnings per share			
Basic and diluted (cents per share)	11(a)	2.80	8.32

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$'000	2017 S$'000
Total profit for the year		229,122	629,355
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on post employment benefit	12	4,942	(7,273)
Share of other comprehensive income/(loss) of:			
- associated companies		657	(515)
- joint ventures		47	(71)
Changes in fair value of equity instruments at fair value through other comprehensive income		6,486	-
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(414,556)	(301,147)
Changes in fair value of available-for-sale financial assets		-	240
Other comprehensive loss, net of tax		(402,424)	(308,766)
Total comprehensive (loss)/income for the year		(173,302)	320,589
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(82,732)	219,843
Non-controlling interests		(90,570)	100,746
		(173,302)	320,589

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

		Group			Company		
				1 January			1 January
	Note	2018	2017	2017	2018	2017	2017
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Assets							
Current Assets							
Cash and cash equivalents	13	984,135	930,287	867,276	2,062	31,276	83,409
Short-term investments	14	47,028	21,730	12,942	-	-	-
Trade receivables	15	26,049	33,461	31,124	-	-	-
Other current assets	16	249,262	309,748	388,368	35,285	25,925	445,764
Inventories, at cost		1,253	1,338	1,348	-	-	-
Properties held for sale	17	1,224,017	1,230,153	1,265,641	-	-	-
		2,531,744	2,526,717	2,566,699	37,347	57,201	529,173
Non-Current Assets							
Subsidiaries	18	-	-	-	2,354,974	2,111,660	1,703,684
Associated companies	19	247,149	266,378	265,247	-	-	-
Joint ventures	20	142,262	143,289	119,942	-	-	-
Long-term investments	21	129,555	2,182	2,400	-	-	-
Properties under development for sale	22	1,664,855	1,755,445	1,793,858	-	-	-
Investment properties	23	1,613,038	1,656,565	1,077,139	-	-	-
Property, plant and equipment	24	147,461	178,097	195,777	309	434	589
Long-term receivables	25	82,354	25,189	52,026	-	-	-
Deferred tax assets	26	332	464	389	-	-	-
Goodwill	27	1,784	1,784	1,784	-	-	-
		4,028,790	4,029,393	3,508,562	2,355,283	2,112,094	1,704,273
Total Assets		6,560,534	6,556,110	6,075,261	2,392,630	2,169,295	2,233,446

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

STATEMENTS OF FINANCIAL POSITION (cont'd)

AS AT 31 DECEMBER 2018

		Group			Company		
	Note	2018	2017	1 January 2017	2018	2017	1 January 2017
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Liabilities and Equity							
Current Liabilities							
Trade payables	28	41,977	42,331	39,307	-	-	-
Other payables and liabilities	29	628,779	715,096	655,463	364,176	117,673	138,656
Bonds and notes payable	30	39,200	176,934	71,024	-	-	-
Obligations under finance lease	31	357	4,390	7,150	40	40	40
Borrowings	32	35,870	26,837	46,191	-	-	-
Income taxes payable		4,177	4,584	6,542	-	-	-
		750,360	970,172	825,677	364,216	117,713	138,696
Non-Current Liabilities							
Bonds and notes payable	30	864,556	542,144	723,275	-	-	-
Obligations under finance lease	31	57	454	5,271	57	97	137
Borrowings	32	912,182	774,194	506,006	-	-	-
Long-term liabilities	33	250,060	239,534	211,886	-	-	-
Deferred tax liabilities	26	12	14	9	-	-	-
		2,026,867	1,556,340	1,446,447	57	97	137
Total Liabilities		2,777,227	2,526,512	2,272,124	364,273	117,810	138,833
Equity attributable to Owners of the Company							
Issued capital	35	2,057,844	2,057,844	2,057,844	2,057,844	2,057,844	2,057,844
Treasury shares	35	(170,460)	(170,460)	(170,460)	(170,460)	(170,460)	(170,460)
Foreign currency translation deficit		(1,514,239)	(1,306,515)	(1,176,417)	-	-	-
Other reserves		(15,167)	(21,959)	(29,622)	-	-	-
Fair value reserve		3,256	188	91	-	-	-
Retained earnings		1,676,598	1,588,687	1,276,928	140,973	164,101	207,229
		2,037,832	2,147,785	1,958,364	2,028,357	2,051,485	2,094,613
Non-controlling interests		1,745,475	1,881,813	1,844,773	-	-	-
Total Equity		3,783,307	4,029,598	3,803,137	2,028,357	2,051,485	2,094,613
Total Liabilities and Equity		6,560,534	6,556,110	6,075,261	2,392,630	2,169,295	2,233,446

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	← Attributable to Owners of the Company →								
Group	Issued capital S$'000	Treasury shares S$'000	Foreign currency translation deficit S$'000	Other reserves S$'000	Fair value reserve S$'000	Retained earnings S$'000	Total S$'000	**Non-Controlling Interests** S$'000	**Total Equity** S$'000
Balance at 31.12.2017	2,057,844	(170,460)	(1,306,515)	(21,959)	188	1,588,687	2,147,785	1,881,813	4,029,598
Effect of adoption of SFRS(I) 9	-	-	-	-	(95)	(1,326)	(1,421)	-	(1,421)
Adjusted balance at 1.1.2018	2,057,844	(170,460)	(1,306,515)	(21,959)	93	1,587,361	2,146,364	1,881,813	4,028,177
Profit for the year	-	-	-	-	-	119,028	119,028	110,094	229,122
Foreign currency translation differences	-	-	(207,724)	-	-	-	(207,724)	(206,832)	(414,556)
Other comprehensive income	-	-	-	2,801	3,163	-	5,964	6,168	12,132
Total comprehensive (loss)/income for the year	-	-	(207,724)	2,801	3,163	119,028	(82,732)	(90,570)	(173,302)
Dividends (Note 36)	-	-	-	-	-	(29,791)	(29,791)	-	(29,791)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(16,236)	(16,236)
Capital subscribed by non-controlling shareholders	-	-	-	-	-	-	-	829	829
Changes in interest in subsidiaries (Note 42(b))	-	-	-	3,991	-	-	3,991	(30,361)	(26,370)
Balance at 31.12.2018	2,057,844	(170,460)	(1,514,239)	(15,167)	3,256	1,676,598	2,037,832	1,745,475	3,783,307

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2018

	← Attributable to Owners of the Company →								
Group	Issued capital S$'000	Treasury shares S$'000	Foreign currency translation deficit S$'000	Other reserves S$'000	Fair value reserve S$'000	Retained earnings S$'000	Total S$'000	**Non-Controlling Interests** S$'000	**Total Equity** S$'000
Balance at 1.1.2017	2,057,844	(170,460)	(1,176,417)	(29,622)	91	1,276,928	1,958,364	1,844,773	3,803,137
Profit for the year	-	-	-	-	-	353,892	353,892	275,463	629,355
Foreign currency translation differences	-	-	(130,098)	-	-	-	(130,098)	(171,049)	(301,147)
Other comprehensive loss	-	-	-	(4,048)	97	-	(3,951)	(3,668)	(7,619)
Total comprehensive income/(loss) for the year	-	-	(130,098)	(4,048)	97	353,892	219,843	100,746	320,589
Dividends (Note 36)	-	-	-	-	-	(42,133)	(42,133)	-	(42,133)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(51,060)	(51,060)
Capital subscribed by non-controlling shareholders	-	-	-	-	-	-	-	5,090	5,090
Changes in interest in subsidiaries (Note 42(e))	-	-	-	11,711	-	-	11,711	(17,736)	(6,025)
Balance at 31.12.2017	2,057,844	(170,460)	(1,306,515)	(21,959)	188	1,588,687	2,147,785	1,881,813	4,029,598

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$'000	2017 S$'000
Cash flows from operating activities			
Profit before income tax		269,245	681,675
Adjustments for:			
Depreciation of investment properties	23	35,047	28,301
Depreciation of property, plant and equipment	24	17,769	19,491
Interest expense	7	151,316	130,779
Gain on disposal of investment properties	8	(1,416)	-
Gain on disposal of property, plant and equipment	8	(148)	(42)
Loss/(Gain) on disposal of a subsidiary	42(a),42(d)	9	(109,441)
Completed properties held for sale written off	8	-	11,687
Fair value gain on derivative payables	8	(781)	(6,387)
Fair value gain on financial assets at fair value through profit or loss	8	(12,550)	(115)
Share of results of associated companies		(11,297)	(14,487)
Share of results of joint ventures		3,735	45,228
Allowance for/(Write-back of) impairment loss on:			
Trade and non-trade receivables	8	1,392	(52)
Completed properties held for sale	8	(450)	-
Finance lease receivable written off	8	13,802	-
Unrealised net foreign exchange (gain)/loss		(10,542)	23,775
Interest income	6	(51,038)	(34,862)
Operating cash flows before working capital changes		404,093	775,550
Changes in working capital:			
Trade receivables		6,241	(921)
Other current assets and receivables		6,658	(9,093)
Inventories		85	10
Trade payables		(354)	3,048
Other payables and liabilities		(80,912)	(46,545)
Cash generated from operations		335,811	722,049
Interest paid		(96,927)	(69,068)
Interest received		47,999	31,622
Tax paid		(7,443)	(69,470)
Net cash generated from operating activities		279,440	615,133

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

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$'000	2017 S$'000
Cash flows from investing activities			
Acquisition of an associated company		(1,530)	(4)
Acquisition of additional interest in associated companies		-	(49,441)
Acquisition of joint ventures		-	(12,740)
Acquisition of additional interest in a joint venture		(4,900)	(43,200)
Net cash flows from disposal of a subsidiary	42(a),42(d)	(9)	161,452
Payment for investment in financial assets, net		(134,984)	(9,608)
Increase in long-term receivables		(70,967)	-
Proceeds from disposal of property, plant and equipment		179	45
Proceeds from disposal of investment properties		2,327	-
Acquisition of and capital expenditure on investment properties		(85,784)	(455,621)
Capital expenditure on property, plant and equipment		(6,113)	(15,211)
Capital expenditure on properties under development and held for sale		(202,766)	(243,914)
Dividends from associated companies and joint ventures		11,480	49,507
Net cash used in investing activities		(493,067)	(618,735)
Cash flows from financing activities			
Proceeds from borrowings		282,212	508,437
Proceeds from issuance of bonds and notes		390,987	93,142
Capital subscribed by non-controlling shareholders		829	5,090
(Increase)/Decrease in time deposits pledged		(4,973)	1,059
Acquisition of additional interest in a subsidiary		(450)	(6,025)
Payment for borrowings		(98,368)	(254,905)
Payment for bonds and notes		(157,500)	(105,284)
Payment for dividends		(46,027)	(93,193)
Payment for obligations under finance lease		(4,181)	(6,475)
Payment for subsidiary's share buy-back	41(b)	(25,920)	-
Payment for deferred bond charges		(6,907)	-
Net cash generated from financing activities		329,702	141,846
Net increase in cash and cash equivalents		116,075	138,244
Cash and cash equivalents at the beginning of the year		865,577	801,507
Effect of exchange rate changes on cash and cash equivalents		(67,200)	(74,174)
Cash and cash equivalents at the end of the year	13	914,452	865,577

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1 General

Sinarmas Land Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange (SGX). The Company's registered office and principal place of business is at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535.

The Company is principally an investment holding company. The Company and its subsidiaries (collectively, the "Group") are involved in the property business, through its investments in Indonesia, China, Malaysia, Singapore and United Kingdom.

The subsidiaries, associated companies and joint ventures, including their principal activities, countries of incorporation, and the extent of the Company's equity interests in those subsidiaries, associated companies and joint ventures are set out in Notes 44, 45 and 20 to the financial statements respectively.

The statement of financial position of the Company and the consolidated financial statements of the Group as at and for the year ended 31 December 2018 were authorised for issue by the Board of Directors on 15 March 2019.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")

The Group has adopted SFRS(I) on 1 January 2018 and has prepared its first set of financial statements under SFRS(I) for the year ended 31 December 2018. As a result, the audited financial statements for the year ended 31 December 2017 was the last set of financial statements prepared under the previous Financial Reporting Standards in Singapore ("SFRS").

In adopting SFRS(I)s on 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time adoption of Singapore Financial Reporting Standards (International)*. Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I)s effective as at 31 December 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening statement of financial position has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

Optional exemptions applied on adoption of SFRS(I)

For first-time adopters, SFRS(I) 1 allows the exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to business combinations that occurred before the date of transition on 1 January 2017. The same classification as in its previous SFRS financial statements has been adopted.

- SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I) on 1 January 2017. Such fair value adjustments and goodwill continue to be accounted for using the same basis as under SFRS 21.

- The Group has elected to apply the requirements in the SFRS(I) 1-23 *Borrowing Costs* from the date of transition to SFRS(I) on 1 January 2017. Borrowing costs that were accounted for previously under SFRS prior to date of transition are not restated.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

Optional exemptions applied on adoption of SFRS(I) (cont'd)

- The Group elected the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, the information presented for 2017 is presented, as previously reported, under SFRS 39 *Financial Instruments: Recognition and Measurement*. Arising from this election, the Group is exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosures* to the extent that the disclosures required by SFRS(I) 7 relate to the items within the scope of SFRS(I) 9.

- The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 January 2018 and have used the following practical expedients as allowed under SFRS(I) 1 as follows:

  - The Group has not restated those completed contracts that began and ended in the same annual reporting in 2017 and contracts completed at 1 January 2017;
  - For completed contracts that have variable consideration, the Group has used the transaction price at the date the contract was completed, rather than estimating the variable consideration amounts in the comparative reporting period; and
  - For the year ended 31 December 2017, the Group did not disclose the amount of transaction price allocated to the remaining performance obligations and explanation of when the Group expects to recognise that amount as revenue.

(a) First-time adoption of SFRS(I)s and adoption of new standards

Reconciliation of the Group's equity
Consolidated statement of financial position

	31 December 2017			1 January 2018	
	SFRS	SFRS(I) 15	SFRS(I)s	SFRS(I) 9	SFRS(I)s
Assets	S$'000	S$'000	S$'000	S$'000	S$'000
Current Assets					
Cash and cash equivalents	930,287	-	930,287	-	930,287
Short-term investments	21,730	-	21,730	-	21,730
Trade receivables	35,016	(1,555)	33,461	(82)	33,379
Other current assets	309,748	-	309,748	(1,339)	308,409
Inventories, at cost	1,338	-	1,338	-	1,338
Properties held for sale	1,230,153	-	1,230,153	-	1,230,153
	2,528,272	(1,555)	2,526,717	(1,421)	2,525,296
Non-Current Assets					
Associated companies	266,378	-	266,378	-	266,378
Joint ventures	148,382	(5,093)	143,289	-	143,289
Long-term investments	2,182	-	2,182	-	2,182
Properties under development for sale	1,755,445	-	1,755,445	-	1,755,445
Investment properties	1,656,565	-	1,656,565	-	1,656,565
Property, plant and equipment	178,097	-	178,097	-	178,097
Long-term receivables	25,189	-	25,189	-	25,189
Deferred tax assets	464	-	464	-	464
Goodwill	1,784	-	1,784	-	1,784
	4,034,486	(5,093)	4,029,393	-	4,029,393
Total Assets	6,562,758	(6,648)	6,556,110	(1,421)	6,554,689

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) First-time adoption of SFRS(I)s and adoption of new standards (cont'd)

Reconciliation of the Group's equity (cont'd)

Consolidated statement of financial position (cont'd)

	31 December 2017			1 January 2018	
	SFRS	SFRS(I) 15	SFRS(I)s	SFRS(I) 9	SFRS(I)s
Liabilities and Equity	S$'000	S$'000	S$'000	S$'000	S$'000
Current Liabilities					
Trade payables	42,331	-	42,331	-	42,331
Other payables and liabilities	695,363	19,733	715,096	-	715,096
Bonds and notes payable	176,934	-	176,934	-	176,934
Obligations under finance lease	4,390	-	4,390	-	4,390
Borrowings	26,837	-	26,837	-	26,837
Income taxes payable	4,584	-	4,584	-	4,584
	950,439	19,733	970,172	-	970,172
Non-Current Liabilities					
Bonds and notes payable	542,144	-	542,144	-	542,144
Obligations under finance lease	454	-	454	-	454
Borrowings	774,194	-	774,194	-	774,194
Long-term liabilities	210,317	29,217	239,534	-	239,534
Deferred tax liabilities	14	-	14	-	14
	1,527,123	29,217	1,556,340	-	1,556,340
Total Liabilities	2,477,562	48,950	2,526,512	-	2,526,512
Equity attributable to Owners of the Company					
Issued capital	2,057,844	-	2,057,844	-	2,057,844
Treasury shares	(170,460)	-	(170,460)	-	(170,460)
Foreign currency translation deficit	(1,306,524)	9	(1,306,515)	-	(1,306,515)
Other reserves	(23,570)	1,611	(21,959)	-	(21,959)
Fair value reserve	188	-	188	(95)	93
Retained earnings	1,613,672	(24,985)	1,588,687	(1,326)	1,587,361
	2,171,150	(23,365)	2,147,785	(1,421)	2,146,364
Non-controlling interests	1,914,046	(32,233)	1,881,813	-	1,881,813
Total Equity	4,085,196	(55,598)	4,029,598	(1,421)	4,028,177
Total Liabilities and Equity	6,562,758	(6,648)	6,556,110	(1,421)	6,554,689

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 **Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")** (cont'd)

(a) First-time adoption of SFRS(I)s and adoption of new standards (cont'd)

Reconciliation of the Group's equity (cont'd)

Consolidated statement of financial position (cont'd)

	1 January 2017		
	SFRS S$'000	SFRS(I) 15 S$'000	SFRS(I)s S$'000
Assets			
Current Assets			
Cash and cash equivalents	867,276	-	867,276
Short-term investments	12,942	-	12,942
Trade receivables	32,725	(1,601)	31,124
Other current assets	388,368	-	388,368
Inventories, at cost	1,348	-	1,348
Properties held for sale	1,265,641	-	1,265,641
	2,568,300	(1,601)	2,566,699
Non-Current Assets			
Associated companies	265,247	-	265,247
Joint ventures	122,925	(2,983)	119,942
Long-term investments	2,400	-	2,400
Properties under development for sale	1,793,858	-	1,793,858
Investment properties	1,077,139	-	1,077,139
Property, plant and equipment	195,777	-	195,777
Long-term receivables	52,026	-	52,026
Deferred tax assets	389	-	389
Goodwill	1,784	-	1,784
	3,511,545	(2,983)	3,508,562
Total Assets	6,079,845	(4,584)	6,075,261

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) First-time adoption of SFRS(I)s and adoption of new standards (cont'd)

Reconciliation of the Group's equity (cont'd)

Consolidated statement of financial position (cont'd)

	1 January 2017		
	SFRS	SFRS(I) 15	SFRS(I)s
	S$'000	S$'000	S$'000
Liabilities and Equity			
Current Liabilities			
Trade payables	39,307	-	39,307
Other payables and liabilities	626,630	28,833	655,463
Bonds and notes payable	71,024	-	71,024
Obligations under finance lease	7,150	-	7,150
Borrowings	46,191	-	46,191
Income taxes payable	6,542	-	6,542
	796,844	28,833	825,677
Non-Current Liabilities			
Bonds and notes payable	723,275	-	723,275
Obligations under finance lease	5,271	-	5,271
Borrowings	506,006	-	506,006
Long-term liabilities	193,144	18,742	211,886
Deferred tax liabilities	9	-	9
	1,427,705	18,742	1,446,447
Total Liabilities	2,224,549	47,575	2,272,124
Equity attributable to Owners of the Company			
Issued capital	2,057,844	-	2,057,844
Treasury shares	(170,460)	-	(170,460)
Foreign currency translation deficit	(1,174,116)	(2,301)	(1,176,417)
Other reserves	(29,622)	-	(29,622)
Fair value reserve	91	-	91
Retained earnings	1,299,834	(22,906)	1,276,928
	1,983,571	(25,207)	1,958,364
Non-controlling interests	1,871,725	(26,952)	1,844,773
Total Equity	3,855,296	(52,159)	3,803,137
Total Liabilities and Equity	6,079,845	(4,584)	6,075,261

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) First-time adoption of SFRS(I)s and adoption of new standards (cont'd)

Reconciliation of the Company's equity

Statement of financial position

	31 December 2017	1 January 2018	
	SFRS	SFRS(I) 9	SFRS(I)s
	S$'000	S$'000	S$'000
Assets			
Current Assets			
Cash and cash equivalents	31,276	-	31,276
Other current assets	25,925	(845)	25,080
	57,201	(845)	56,356
Non-Current Assets			
Subsidiaries	2,111,660	-	2,111,660
Property, plant and equipment	434	-	434
	2,112,094	-	2,112,094
Total Assets	2,169,295	(845)	2,168,450
Liabilities and Equity			
Current Liabilities			
Other payables and liabilities	117,673	-	117,673
Obligations under finance lease	40	-	40
	117,713	-	117,713
Non-Current Liabilities			
Obligations under finance lease	97	-	97
Total Liabilities	117,810	-	117,810
Equity attributable to Owners of the Company			
Issued capital	2,057,844	-	2,057,844
Treasury shares	(170,460)	-	(170,460)
Retained earnings	164,101	(845)	163,256
Total Equity	2,051,485	(845)	2,050,640
Total Liabilities and Equity	2,169,295	(845)	2,168,450

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) First-Time adoption of SFRS(I)s and adoption of new standards (cont'd)

Reconciliation of the Group's total comprehensive income

Consolidated income statement

	For year ended 31 December 2017		
	SFRS	SFRS(I) 15	SFRS(I)s
	S$'000	S$'000	S$'000
Revenue	1,296,442	50,995	1,347,437
Cost of sales	(362,161)	-	(362,161)
Gross profit	934,281	50,995	985,276
Operating expenses			
Selling expenses	(99,487)	-	(99,487)
General and administrative expenses	(176,956)	-	(176,956)
Total operating expenses	(276,443)	-	(276,443)
Operating profit	657,838	50,995	708,833
Other income/(expenses)			
Finance income	33,448	1,414	34,862
Finance costs	(71,636)	(59,143)	(130,779)
Foreign exchange loss	(22,616)	-	(22,616)
Share of results of associated companies	14,487	-	14,487
Share of results of joint ventures	(42,800)	(2,428)	(45,228)
Other operating income	11,856	819	12,675
Other expenses, net	(77,261)	(59,338)	(136,599)
Exceptional item			
Gain on disposal of a subsidiary	109,441	-	109,441
Profit before income tax	690,018	(8,343)	681,675
Income tax	(52,320)	-	(52,320)
Total profit for the year	637,698	(8,343)	629,355
Attributable to:			
Owners of the Company	355,971	(2,079)	353,892
Non-controlling interests	281,727	(6,264)	275,463
	637,698	(8,343)	629,355

Consolidated statement of comprehensive income

	SFRS	SFRS(I) 15	SFRS(I)s
Total profit for the year	637,698	(8,343)	629,355
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss on post employment benefit	(7,273)	-	(7,273)
Share of other comprehensive loss of:			
- associated companies	(515)	-	(515)
- joint ventures	(71)	-	(71)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(306,051)	4,904	(301,147)
Changes in fair value of available-for-sale financial assets	240	-	240
Other comprehensive loss, net of tax	(313,670)	4,904	(308,766)
Total comprehensive income for the year	324,028	(3,439)	320,589
Total comprehensive income attributable to:			
Owners of the Company	219,612	231	219,843
Non-controlling interests	104,416	(3,670)	100,746
	324,028	(3,439)	320,589

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) First-Time adoption of SFRS(I)s and adoption of new standards (cont'd)

Note to the reconciliation of equity and total comprehensive income

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments).

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted SFRS(I) 15 in its financial statements using the retrospective approach. All requirements of SFRS(I) 15 have been applied retrospectively, except for the application of the practical expedients as described above, and the information presented for 2017 has been restated. The impact upon the adoption of SFRS(I) 15 are described below.

The Group and its joint ventures offer customers the options to settle the contract sum by instalments where the period between the transfer of the development properties to the customer and full settlement by the customer may exceed one year. Previously, the Group recognised all instalments received as advances received on development properties, while the entire contract sum as recorded as revenue when the significant risks and rewards of ownership in the development properties have been transferred to the customers and the Group does not have a substantial continuing involvement in the properties. Under SFRS(I) 15, revenue of contracts where the period between the transfer of promised goods or services to customer and full settlement by customer exceeds one year, and where cash received in advance from the buyers for the sale of development properties prior to the handing over of units and the availability of various instalment plan/repayment schemes offered to its customers, is deemed to contain a financing component and accordingly, the transaction price is adjusted for the time value of money of the contracts. The impact to the consolidated statement of financial position as at 31 December 2017 is as follows:

Consolidated statement of financial position	S$'000
Decrease in trade receivables	(1,555)
Decrease in joint ventures	(5,093)
Increase in other payables and liabilities	(19,733)
Increase in other long-term liabilities	(29,217)
Decrease in foreign currency translation deficit	(9)
Increase in other reserves	(1,611)
Decrease in non-controlling interests	32,233
Decrease in retained earnings from adoption of SFRS(I) 15	(24,985)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 **Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")** (cont'd)

(a) First-Time adoption of SFRS(I)s and adoption of new standards (cont'd)

Note to the reconciliation of equity and total comprehensive income (cont'd)

SFRS(I) 15 *Revenue from Contracts with Customers* (cont'd)

Adjustments made to line items in the consolidated income statements for the year ended 31 December 2017 relate to:

	S$'000
Increase in revenue	50,995
Increase in finance income	1,414
Increase in finance costs	(59,143)
Decrease in share of results of joint ventures	(2,428)
Increase in other operating income	819
Decrease in profit before income tax/profit for the year	(8,343)
Decrease in profit attributable to:	
Owners of the Company	(2,079)
Non-controlling interests	(6,264)

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 sets out the requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements. The Group adopted SFRS(I) 9 from 1 January 2018.

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the year ended 31 December 2017 (Accounting policies Note 3(n)). Additionally, the Group is exempted from complying with SFRS(I) 7 for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within scope of SFRS(I) 9. As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of the SFRS(I) 9. Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 January 2018.

  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation of an equity investment that is not held-for-trading as at fair value through other comprehensive income ("FVOCI"); and
  - The designation and revocation of previous designations of certain financial assets measured at fair value throught profit or loss ("FVPL").

- If a debt investment has low credit risk at 1 January 2018, the Group had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) First-time adoption of SFRS(I)s and adoption of new standards (cont'd)

Note to the reconciliation of equity and total comprehensive income (cont'd)

SFRS(I) 9 *Financial Instruments* (cont'd)

The adoption of SFRS(I) 9 has not had a significant effect on the Group's and the Company's accounting policies for financial liabilities.

Details of their impact on the consolidated financial statements as well as the new requirements are described below.

(i) Classification of financial assets

The following are the qualitative information regarding the reclassification between categories of financial instruments at the date of initial application of SFRS(I) 9.

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI (debt instrument), FVOCI (equity instrument); or FVPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous SFRS 39 categories of held-to-maturity, loans and receivables and available-for-sale ("AFS"). Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

On 1 January 2018 (the date of initial application of SFRS(I) 9), the following table explain the original measurement categories under SFRS 39 and the new measurement categories under SFRS(I) 9 for the affected class of the Group's financial assets as at 1 January 2018.

	Measurement category		Carrying amount		
	SFRS 39	SFRS(I) 9	SFRS 39	SFRS(I) 9	Differences
			S$'000	S$'000	S$'000
Short-term investment					
- Quoted bonds	AFS	FVOCI	3,109	3,109	-
- Mutual funds	AFS	FVPL	17,346	17,346	-
Long-term investment					
- Unquoted equity shares	AFS	FVOCI	2,176	2,176	-
- Unquoted investment	AFS	FVPL	6	6	-

For equity and bonds investments that satisfy certain conditions, the Group has elected to present fair value changes on these instruments in other comprehensive income under SFRS(I) 9, because these instruments are not held for trading. Accordingly, these assets are categorised as "FVOCI (equity instrument)" and "FVOCI (debt instrument)" respectively. All other financial assets will be held at fair value through profit or loss. There was no impact on the amounts recognised in relation to these assets from the adoption of SFRS(I) 9.

Trade and non-trade receivables, as well as finance lease receivables of the Group and Company that were classified as loans and receivables under SFRS 39 are now classified at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) First-time adoption of SFRS(I)s and adoption of new standards (cont'd)

Note to the reconciliation of equity and total comprehensive income (cont'd)

SFRS(I) 9 *Financial Instruments* (cont'd)

(ii) Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model in SFRS 39 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets measured at amortised cost and instrument at FVOCI.

The Group and the Company has applied the simplified impairment approach to recognise only lifetime ECL impairment charges on all trade and finance lease receivables, as well as general approach to recognise ECL impairment charges in all non-trade receivables. Based on the assessment made, there was an increase of $1,421,000 and $845,000 in the loss allowance which was recognised in opening retained earnings of the Group and the Company at 1 January 2018 respectively on transition to SFRS(I) 9. For debt investments with low credit risk as at 1 January 2018, the Group adopted the exemption in SFRS(I) 9 to assess these low-credit risk instruments based on 12-month ECLs. The Group has assessed that the 12-month ECLs of these investments did not result in a material difference between the previous carrying amount and the revised carrying amount of the financial assets as at 1 January 2018.

On 1 January 2018 (the date of initial application of SFRS(I) 9), the closing loss allowances reconcile to the opening loss allowances are provided below:

Group	Trade receivables S$'000	Non-trade receivables S$'000
Closing balance as at 31 December 2017 (SFRS 39)	(13,859)	(578)
Amounts restated through retained earnings	(82)	(1,339)
Opening balance as at 1 January 2018	(13,941)	(1,917)

Company	Non-trade receivables S$'000
Closing balance as at 31 December 2017 (SFRS 39)	(19,402)
Amounts restated through retained earnings	(845)
Opening balance as at 1 January 2018	(20,247)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) First-time adoption of SFRS(I)s and adoption of new standards (cont'd)

Note to the reconciliation of equity and total comprehensive income (cont'd)

SFRS(I) 9 *Financial Instruments* (cont'd)

(iii) Transition Impact on equity and statement of cash flows

The following table summarises the impact of transition to SFRS(I) 9 on fair value reserve and retained earnings at 1 January 2018.

	Group
	S$'000
Fair value reserve	
Closing balance as at 31 December 2017 (SFRS 39)	188
Recognition of fair value gain on AFS remeasured at FVPL in retained earnings	(95)
Opening balance as at 1 January 2018 (SFRS(I) 9)	93

	Group	Company
	S$'000	S$'000
Retained earnings		
Closing balance as at 31 December 2017 (SFRS 39)	1,588,687	164,101
Recognition of fair value gain on AFS remeasured at FVPL in retained earnings	95	-
Recognition of expected credit losses under SFRS(I) 9	(1,421)	(845)
Opening balance as at 1 January 2018 (SFRS(I) 9)	1,587,361	163,256

There were no material adjustments to the Group's statement of cash flows arising from the transition from SFRS to SFRS(I) and the initial application of SFRS(I) 9 and SFRS(I) 15.

(b) New and revised SFRS(I)s issued but not yet effective

As at the date of these financial statements, the Group has not adopted the following relevant standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
SFRS(I) 16 *Leases*	1 January 2019
Amendments to SFRS(I) 1-19 *Employee Benefits - Plan Amendment, Curtailment or Settlement*	1 January 2019
Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Improvements to SFRS(I)s	
• SFRS(I) 3 *Business Combinations*	1 January 2019
• SFRS(I) 11 *Joint Arrangements*	1 January 2019
• SFRS(I) 1-12 *Income Taxes*	1 January 2019
• SFRS(I) 1-23 *Borrowing Costs*	1 January 2019

Except as disclosed below, the directors of the Company expect the adoption of the other standards above will have no material financial impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(b) New and revised SFRS(I)s issued but not yet effective (cont'd)

<u>SFRS(I) 16 *Leases*</u>

SFRS(I) 16 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces existing lease accounting guidance. SFRS(I) 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

The Group plans to adopt SFRS(I) 16 on 1 January 2019 based on a permitted transition approach that does not restate comparative information, but recognises the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 January 2019. The Group will elect the transition option to record, in respect of leases previously classified as operating leases, the right-of-use asset on 1 January 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 31 December 2018. The Group also plans to adopt an expedient offered by SFRS(I) 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

As disclosed in Note 40(a) to the financial statements, the Group and the Company have entered into operating leases for rental of office premises and properties as lessee. As at 31 December 2018, the Group's and the Company's minimum lease payments committed under non-cancellable operating leases amount to $439,000 and $273,000 respectively. Based on the preliminary assessment, the Group does not expect the adjustment for recognition of right-of-use assets and lease liabilities to have a significant financial impact on the financial statements on adoption of SFRS(I) 16.

3 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements, are prepared on the historical cost basis, except as discussed in the accounting policies below. The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and SFRS(I)s as issued by Accounting Standards Council. These are the Group's first set of financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied. In the previous years, the financial statements were prepared in accordance with Singapore Financial Reporting Standards (SFRSs). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 and SFRS(I) 15 have affected the reported financial position, financial performance and cash flows is provided in Note 2(a) to the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 January 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated. The accounting policies have been applied consistently by Group companies.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

The preparation of financial statements requires the use of accounting estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the disclosures of contingent assets and contingent liabilities. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 4 to the financial statements.

(b) Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Singapore dollar, which is the Company's functional currency that reflects the primary economic environment in which the Company operates. All financial information presented in Singapore dollars have been rounded to the nearest thousand ($'000) unless otherwise indicated.

(c) Foreign Currency Transactions and Translation

Foreign currency transactions are translated into the respective functional currencies of the entities in the Group using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and arising from the translation of foreign currency denominated monetary assets and liabilities at the exchange rates prevailing at the end of the reporting period are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates prevailing at the date of transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rate at the date that the fair value was determined.

Currency translation differences on financial assets at fair value through profit or loss are recognised as part of the fair value gain or loss in the income statement while the translation differences on financial assets at fair value through other comprehensive income are recognised in other comprehensive income.

In the preparation of the consolidated financial statements, the financial statements of those subsidiaries whose functional currency is not Singapore dollar (i.e. foreign entities) are translated into Singapore dollar, as follows:

- assets and liabilities are translated at the closing rate at the end of the reporting period;
- share capital and reserves are translated at historical exchange rates; and
- revenue and expenses are translated at average exchange rates for the period which approximate the exchange rates prevailing on the transactions dates (unless the average rate is not a reasonable approximation of the cumulative effect of rates prevailing on the transactions dates, in which case, revenue and expenses are translated using the exchange rate at the dates of the transactions).

Exchange differences arising from the above translations are recognised in other comprehensive income and these are accumulated in foreign currency translation reserve on the statement of financial position. On consolidation, exchange differences arising from the translation of net investments in foreign entities (including monetary items that in substance form part of the net investment in foreign entities) are recognised in other comprehensive income. On disposal, the accumulated translation differences are reclassified to the income statement as part of the gain or loss on disposal in the period in which the foreign entity is disposed of.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to 31 December, after elimination of material balances, transactions and any unrealised profit or loss on transactions between the Group entities. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The consideration transferred in a business combination is measured at fair value at the date of acquisition, which is the sum of the fair values of the assets transferred, the liabilities incurred by the acquirer to former owners of the acquiree, and the equity interests issued by the acquirer. Acquisition related costs are to be expensed through the income statement as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values. Any non-controlling interest at the date of acquisition in the acquiree is measured at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's consolidated statement of comprehensive income, statement of financial position and consolidated statement of changes in equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Changes in the Group's interest in a subsidiary that do not result in loss of control are accounted for as transactions with equity owners of the Company. Any difference between the change in carrying amounts of the non-controlling interest and the value of consideration paid or received is recognised in other reserves on the statement of financial position, within equity attributable to the owners of the Company.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

(e) Subsidiaries

Subsidiaries are entities over which any of the Group companies have control. The Group companies control an entity if and only if they have power over the entity and when they are exposed to, or have rights to variable returns from their involvement with the entity, and have the ability to use their power over the entity to affect those returns. The Group will reassess 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(e) Subsidiaries (cont'd)

When the Group has less than a majority of the voting rights on an entity, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the entity unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not its voting rights in an entity are sufficient to give power, including:

- the size of the Group's holding of the voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual agreement; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Investment in subsidiaries in the financial statements of the Company are stated at cost, less any impairment losses.

Intercompany loan to subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future and are in substance, a part of the Company's net investment in those subsidiaries are stated at cost less any accumulated impairment loss. Such balances are eliminated in full in the consolidated financial statements.

(f) Associated Companies and Joint Ventures

Associated companies are entities in which the Group has significant influence but not control, which generally occurs when the Group holds, directly or indirectly, 20% or more of the voting power of the investee, or is in a position to exercise significant influence on the financial and operating policy decisions.

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties and have rights to the net assets of the arrangements.

The Group accounts for its investment in associated companies and joint ventures using the equity method from the date on which it becomes an associated company or joint venture.

On acquisition of the investment, the cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any excess of the cost of investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is included in the carrying amount of the investments. When there is any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment, the Group will reassess whether it has correctly identified all of the assets acquired and liabilities assumed, and any excess thereafter is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(f) Associated Companies and Joint Ventures (cont'd)

Under the equity method, the investment in associated companies or joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associated companies or joint ventures. The Group's share of post-acquisition profit or losses are recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless transactions provide evidence of impairment of the assets transferred.

When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated companies and joint venture.

The financial statements of the associated companies and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(g) Goodwill

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value at the date of acquisition of any previous equity interest in the acquiree, over the fair value of the net identifiable assets acquired is initially recognised as "Goodwill" in the consolidated financial statements. Subsequently, goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or when circumstances change, indicating that goodwill might be impaired. If the Group's interest in the net fair value of the identifiable assets and liabilities exceeds the consideration transferred and the non-controlling interest in the acquiree, the Group will reassess whether it has correctly identified all of the assets acquired and liabilities assumed, and any excess thereafter is recognised as an income immediately.

Goodwill on acquisition arising prior to 1 January 2017 has been accounted for based on accounting policies in the previous SFRS financial statements of the Group, due to the application of optional exemptions (Note 2(a)).

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units. If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(h) Investment Properties

Investment properties are properties held either to earn rental income or for long-term capital appreciation or for currently indeterminate use. Investment properties comprise directly acquired properties, and completed properties or properties that are being constructed or developed for future use as investment properties. Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. Except for freehold land which is not depreciated, depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 20 to 60 years, or where shorter, the terms of the relevant leases.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate, at the end of each reporting period.

(i) Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the depreciable amount of assets, other than freehold land which is not depreciated, using the straight-line method, over the following estimated useful lives:

		No. of years
Freehold buildings	-	10 to 50
Leasehold land, buildings and improvements	-	5 to 30
Plant, machinery and equipment	-	3 to 20
Motor vehicles, furniture and fixtures	-	3 to 10

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of maintenance and repairs is charged to the income statement as incurred; significant renewals and improvements are capitalised. When assets are retired or otherwise disposed of, their carrying amounts are derecognised and any resulting gains or losses are recognised in the income statement.

The cost of construction in progress represents all costs (including borrowing costs on such borrowings) attributable to bringing the constructed asset to its working condition and getting it ready for its intended use. The accumulated costs will be reclassified to the appropriate asset class when the construction is completed. No depreciation charge is provided for construction in progress until the assets are transferred and used in operations.

3 **Summary of Significant Accounting Policies** (cont'd)

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and time deposits which are short-term, highly liquid assets that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of time deposits pledged as security.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Consumables are stated at cost using the FIFO (first-in first-out) method.

(l) Properties under Development for Sale and Held for Sale

Properties under development for sale consist of land and properties which are held with the intention of development and sale in the ordinary course of business. They are stated at cost less any impairment losses when the recoverable amount of the property is estimated to be lower than its carrying amount.

Land held for development consists of land acquired which will be developed over more than one year. Upon commencement of development, the cost of land held for development will be transferred to properties held for sale.

Each property under development is accounted for as a separate project. The cost of properties under development include land cost, direct development and construction costs, capitalised interest and other indirect costs incurred during the period of development. The cost is determined and/or allocated using the specific identification method. Allowances are recognised in the income statement for any foreseeable losses. Cost estimated and allocation are reviewed and adjusted as appropriate, at the end of each reporting period. Properties held for sale under current assets will be reclassified as investment properties under non-current assets upon the commencement of an operating lease to another party.

Properties held for sale are stated at the lower of cost and/or net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

(m) Impairment of Non-Financial Assets excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets excluding goodwill to determine whether there is any indication that those assets have suffered an impairment loss or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated as the higher of the asset's value in use and its fair value less cost of disposal.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(m) Impairment of Non-Financial Assets excluding Goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any depreciation) had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

(n) Financial Assets

<u>Accounting policy applicable from 1 January 2018</u>

The Group recognises a financial asset when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Group classifies its non-derivative financial assets in the following measurement categories: at amortised cost, at fair value either through other comprehensive income ("FVOCI") or through profit or loss ("FVPL"). The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the income statement. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a signifiicant financing component at initial recognition.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVPL. Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and any gain or loss on deregconition, are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 **Summary of Significant Accounting Policies** (cont'd)

(n) Financial Assets (cont'd)

<u>Accounting policy applicable from 1 January 2018</u> (cont'd)

The Group recognises loss allowances from expected credit losses ("ECLs") on financial assets measured at amortised costs. Loss allowances of the Group are measured on either 12-months ECLs or lifetime ECLs basis. 12-month ECLs represents ECLs that result from possible default events within the 12 months after the reporting date (or for a shorter period if the expected life of the instruments less than 12 months). While lifetime ECLs represents the ECLs that result from all possible default events over the expected life of a financial instrument. The impairment basis applied depends on whether there has been a significant increase in credit risk.

The Group applies the simplified approach to provide ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. The Group applies the general approach to provide for ECLs on all other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition. At each reporting date, the Group assesses whether the credit risk of a financial asset has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial assets improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counter party has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal service where appropriate. Any recoveries are recognised in the income statement.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes significant financial difficulty of a debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amounts of these assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(n) Financial Assets (cont'd)

Accounting policy applicable before 1 January 2018

The Group classifies its non-derivative financial assets in the following categories: loans and receivables, fair value through profit or loss and available-for-sale. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition. The Group initially recognises loans and receivables, advances and deposits on the date they are originated. All other financial assets are recognised initially on the trade date which is the date that the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when, and only when, the contractual rights to the cash flows from the financial assets have expired, or have been transferred and transferred substantially all the risks and rewards of ownership of the financial assets to another entity.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents. Loans and receivables are recognised initially at fair value which is normally the original invoiced amount plus, any directly attributable transaction costs, and subsequently carried at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired.

Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets at fair value through profit or loss are initially recognised at fair value with subsequent changes in fair value recognised in the income statement.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other category. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs, and subsequently carried at fair value with gains and losses being recognised in other comprehensive income as fair value reserve on the statement of financial position until the investment is derecognised or until the investment is determined to be impaired at which time the previous gain or loss that has been recognised in other comprehensive income is reclassified from equity to the income statement. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition. Impairment losses recognised in the income statement for investments in equity instruments classified as available-for-sale are not subsequently reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(o) Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debt instruments issued which carry a right to convert to equity that is dependent on the outcome of uncertainties beyond the control of both the Group and the holder are classified as liabilities.

Significant financial liabilities include finance lease obligations, interest-bearing borrowings, bonds and notes payable and trade and other payables. The accounting policies adopted for convertible bonds and finance lease obligations are outlined in Note 3(p) and Note 3(q) respectively.

Interest-bearing borrowings and bonds and notes payable are recorded at the proceeds received, net of direct issue costs. Direct issue costs are amortised over the period of the bonds. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Interest-bearing borrowings and bonds and notes payable are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Financial liabilities are derecognised when, and only when, the obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and consideration paid and payable is recognised in the income statements.

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Interest-bearing trade and other payables are recognised initially at cost less attributable transaction costs and subsequently stated at amortised cost using the effective interest method.

Ordinary shares are classified as equity. Equity is recorded at the proceeds received, net of direct issue costs. The Company's own ordinary shares, which are re-acquired by the Company and held as treasury shares, are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, re-issuance or cancellation of equity shares. Any difference between the carrying amount of treasury shares and the consideration received, if re-issued, is recognised directly in equity as gain or loss on re-issuance of treasury shares.

(p) Convertible Financial Instruments

Convertible financial instruments are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible financial instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in capital reserves (equity) if the option is converted into a fixed number of equity shares or as a financial liability if the option is converted into a variable number of equity shares based on an exercise price of a prescribed percentage of the net tangible assets at the exercise date. Correspondingly, a discount on the financial instruments is recorded and amortised over the period of the financial instruments. Gains and losses arising from changes in fair value of the embedded option (financial liability) are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(q) Leases

- When the Group is the lessee

Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and obligations under finance lease respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on an effective yield basis.

Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in the income statement when incurred.

- When the Group is the lessor

Lessor – Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases. The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the statement of financial position. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income. Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in the income statement on an effective yield basis. Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

Lessor – Operating leases

Leases of investment properties where the Group retains substantively all risks and rewards incidental to ownership are classified as operating leases. The accounting policy for rental income is outlined in Note 3(x). Contingent rents are recognised as an income in the income statement when earned. When a lease is terminated before the lease period expires, any payment received by the Group as penalty is recognised as an income when termination takes place.

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(s) Income Tax

Current income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the end of each reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is recognised in the income statement, except when it relates to items recognised in other comprehensive income or directly to equity, in which case the deferred income tax is also dealt with in other comprehensive income or directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. The amount of deferred income tax is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(t) Borrowing Costs

Interest expense and similar charges are expensed in the income statement in the period in which they are incurred, except to the extent they are capitalised as being directly attributable to the acquisition and construction of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(u) Post Employment Benefits

Certain subsidiaries have unfunded defined benefit retirement plans covering substantially all of their eligible permanent employees in accordance with the Indonesian Labor Law No. 13/2003 dated 25 March 2003 (Law 13/2003). The obligation for Law 13/2003 has been accounted for using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Current service costs, interest costs and effects of curtailments and settlements (if any) are recognised directly in the current year's income statement. Actuarial gains or losses is reflected immediately in the statement of financial position with a charge or credit recognised immediately in other comprehensive income as part of other reserves on the statement of financial position in the period in which they occur and past service costs are recognised immediately in the income statements when incurred.

The retirement plan obligations recognised in the statement of financial position represents the present value of the defined benefit obligation. Any asset resulting from this calculation is limited the present value of available refunds and reductions in the future contributions to the plan.

Fixed contributions paid to state-managed post employment benefits schemes, such as the Central Provident Fund, on a mandatory, contractual or voluntary basis are recognised as an expense in the income statement in the period in which services are rendered by employees. The Group has no further payment obligation once the contributions have been paid.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(v) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved for payment.

(w) Related Parties

A related party is a person or entity that is related to the reporting entity. A person is considered to be related if that person has the ability to control or jointly control the reporting entity, exercise significant influence over the reporting entity in making financial and operating decisions, or is a member of the key management personnel of the reporting entity or its parent. An entity is related to the reporting entity if they are members of the same group, an associate, a joint venture or provides key management personnel services to the reporting entity or to the parent of the reporting entity. An entity is also considered to be related if it is controlled or jointly controlled by the same person who has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity.

(x) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

- Revenue from the sale of development properties is recognised at a point in time when the Group's significant risks and rewards of ownership in the real estate have been transferred to the customers and the Group does not have a substantial continuing involvement with the properties. This generally coincides with the point in time when the development property is delivered to the customer.

  However, if the period between the transfer of promised goods or services to customer and full settlement by customer exceeds one year, or if cash received in advance from the buyers for the sale of development properties prior to the handing over of units and the availability of various instalment plan repayment schemes offered to its customers, a financing component is deemed to be present in the contracts. In determining the transaction price, the Group adjusts the promised consideration for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

- Revenue arising from sale of other goods is recognised when control of the products are transferred to the customers upon delivery.

- Revenue from rental of investment properties under operating leases is recognised on a straight-line basis over the terms of the lease contracts.

- Hotel room revenue is recognised based on room occupancy while other hotel revenues are recognised when the goods are delivered or the services are rendered to the customers.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

(x) Revenue Recognition (cont'd)

- Golf club membership revenue is recognised over the term of the membership period.
- Service income as well as management and consultancy fees (including those relating to property and estate management, and lease management and co-ordination) are recognised in the period in which the services are rendered.
- Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.
- Dividend income from investments is recognised on the date the dividends are declared payable by the investees.

(y) Segment Reporting

The chief operating decision maker has been identified as the Executive Committee of the Group, which consists of the Executive Chairman, the Chief Executive Officer and Executive Directors. This committee reviews the Group's internal reporting in order to assess performance and allocate resources. Operating segments are reported in a manner consistent with the internal reporting.

(z) Financial Guarantees

The Company has issued corporate guarantees to creditors for borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the creditors if the borrowers fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

The accounting policy applied before 1 January 2018 is similar to that applied after 1 January 2018 except that for subsequent measurement, the financial guarantees were measured at the higher of the amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

4 Critical Accounting Estimates, Assumptions and Judgements

The Group makes estimates and assumptions concerning the future. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Accounting Estimates and Assumptions

Revenue from Contracts with Customers

The Group offers customers the options to settle the contract sum by various instalment schemes. If the period between the transfer of development properties to customers and the settlement by customer exceeds one year, or if the Group received in advance from the customers prior to handing over of development properties, a financing component is deemed to be present in the contract. The Group adjusted the contract sum for the effect of financing component using discount rate based on weighted average borrowing rate. While the Group believes that the assumptions are reasonable, significant change in assumption may materially affect the adjusted contract sum and financing component recognised.

For the year ended 31 December 2018, the Group recognised finance income and finance costs from contracts with customer amounting to $730,000 and $49,437,000 (2017: $1,414,000 and $59,143,000) respectively.

Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expense and income tax payable in the period in which such determination is made.

As at 31 December 2018, the Group’s income taxes payable and income tax expense amounted to $4,177,000 (2017: $4,584,000 and 1 January 2017: $6,542,000) and $40,123,000 (2017: $52,320,000) respectively.

(b) Critical Judgements in Applying Accounting Policies

Revenue Recognition

Revenue from the sale of development properties is recognised at a point in time when the development property is delivered to the customer. The timing of revenue recognition requires judgement on whether the Group has transferred significant risks and rewards of ownership in the properties to the customers and whether the Group has a substantial continuing involvement with the properties.

For the year ended 31 December 2018, the Group has recorded revenue from sale of development properties and other sources amounting to $654,260,000 (2017: $1,145,344,000) and $209,874,000 (2017: $202,093,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

4 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements in Applying Accounting Policies (cont'd)

Classification of Properties Held for Sale and Properties under Development for Sale

The Group classifies its properties held for sale as current when it expects to realise the assets in its normal operating cycle or expects to realise the assets within 12 months after the reporting period. All other development properties are classified as non-current.

As at 31 December 2018, the carrying amount of the Group's development properties that are classified as current assets and non-current assets was $1,224,017,000 (2017: $1,230,153,000 and 1 January 2017: $1,265,641,000) and $1,664,855,000 (2017: $1,755,445,000 and 1 January 2017: $1,793,858,000) respectively.

5 Revenue

	Group	
	2018	2017
	S$'000	S$'000
Revenue from sale of development properties	654,260	1,145,344
Rental and related income	136,672	129,422
Revenue from hotel operations and golf club membership	26,850	29,339
Others	46,352	43,332
	864,134	1,347,437

Revenue from sale of development properties included sale of land parcels to joint ventures of $8,000 (2017: $167,531,000), on terms agreed between parties. The Group has not recognised the gain arising from the sale transactions that is attributable to its interests in accordance with Note 3(f) to the financial statements. The unrealised gain of $2,000 (2017: $59,434,000) was therefore adjusted against the share of results in joint ventures in the Group's income statements.

6 Finance Income

	Group	
	2018	2017
	S$'000	S$'000
Interest income from:		
Cash and cash equivalents	37,050	26,486
Finance lease	1,364	1,794
Financial assets at amortised cost	9,757	5,929
Financial assets at fair value through profit or loss	2,867	653
	51,038	34,862

The Group has interest income from cash and cash equivalents amounting to $8,105,000 (2017: $8,125,000) which has been netted against interest expense as the Group has the legal rights to set-off the deposits against the borrowings.

NOTES TO THE FINANCIAL STATEMENTS

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7 Finance Costs

	Group	
	2018	2017
	S$'000	S$'000
Interest expense on:		
Obligations under finance lease	258	365
Borrowings	40,347	23,278
Advance received on development properties	49,437	59,143
Bonds and notes payable		
- interest	56,988	44,535
- amortisation of discount on bonds (Note 30)	158	625
- amortisation of deferred bond charges (Note 30)	4,128	2,833
	151,316	130,779

The Group has interest expense on borrowings amounting to $8,105,000 (2017: $8,125,000) which has been netted against interest income as the Group has the legal rights to set-off the borrowings against the deposits.

8 Other Operating Income

The net other operating income includes the following income/(expenses):

	Group	
	2018	2017
	S$'000	S$'000
Property and estate management income, net	10,525	5,975
Management and lease co-ordination fees	5,993	4,114
Penalty on leases and cancellation fees	2,657	3,487
Fair value gain on derivative payables	781	6,387
Gain on disposal of investment properties	1,416	-
Gain on disposal of property, plant and equipment	148	42
Completed properties held for sale written off	-	(11,687)
(Allowance for)/Write-back of impairment loss on:		
Trade and non-trade receivables	(1,392)	52
Completed properties held for sale	450	-
Finance lease receivable written off (Note 25)	(13,802)	-
Fair value gain on financial assets at fair value through profit or loss	12,550	115

9 Profit Before Income Tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this balance includes the following charges:

	Group	
	2018	2017
	S$'000	S$'000
Audit fees paid/payable to:		
Auditors of the Company	259	268
Auditors of the subsidiaries	656	638
Non-audit fees paid/payable to:		
Auditors of the Company	-	39
Cost of inventories recognised as an expense in cost of sales	2,388	2,471

NOTES TO THE FINANCIAL STATEMENTS

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10 Income Tax

	Group	
	2018	2017
	S$'000	S$'000
Tax expense is made up of:		
Current income tax		
- current year	39,596	52,445
- under/(over)-provision in respect of prior years	477	(56)
	40,073	52,389
Deferred income tax (Note 26)	50	(69)
	40,123	52,320

Substantially all the Group's operations are located in Indonesia. Accordingly, the Indonesia statutory tax rate of 25% (2017: 25%) is used in the reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate.

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Indonesian statutory rate of income tax to profit before income tax due to the following factors:

	Group	
	2018	2017
	S$'000	S$'000
Profit before income tax	269,245	681,675
Adjustments for:		
Share of results of associated companies	(11,297)	(14,487)
Share of results of joint ventures	3,735	45,228
	261,683	712,416
Tax calculated at a tax rate of 25% (2017: 25%)	65,421	178,104
Non-deductible items	23,355	32,031
Non-taxable items	(18,675)	(49,978)
Effect of different tax rate categories	(34,859)	(115,013)
Utilisation of previously unrecognised deferred tax assets	(1,262)	(1,020)
Unrecognised deferred tax assets	5,611	8,342
Under/(Over)-provision in prior years' income tax	477	(56)
Others	55	(90)
	40,123	52,320

As at 31 December 2018, the amount of unutilised tax losses and capital allowances available for offsetting against future taxable profits are as follows:

		Group	
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Unutilised tax losses	165,619	158,631	134,338
Unabsorbed capital allowances	56,395	53,862	45,955
	222,014	212,493	180,293

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10 Income Tax (cont'd)

The breakdown of unutilised tax losses and capital allowances are as follows:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Expiry dates			
31 December 2017	-	-	492
31 December 2018	-	105	1,147
31 December 2019	36	39	839
31 December 2020	1,493	543	3,280
31 December 2021	3,418	5,626	5,508
31 December 2022	8,178	9,261	4,981
Thereafter	21,053	19,427	-
No expiry dates subject to terms and conditions	188,005	177,492	164,046
	222,183	212,493	180,293

The availability of the unrecognised tax losses and capital allowances for set-off against future taxable profits is subject to the tax regulations of the respective countries in which the Group companies are incorporated. In Indonesia, the unutilised tax losses are available for set off against taxable profit immediately within a period of 5 years after such tax losses were incurred. As at 31 December 2018, the deferred tax benefit arising from the above unutilised tax losses and unabsorbed capital allowances has not been recognised in the financial statements.

Deferred tax liabilities of $81,483,000 (2017: $85,119,000) have not been recognised for taxes that would be payable on the remittance to Singapore of unremitted retained earnings of $814,830,000 (2017: $851,185,000) of certain subsidiaries, associated companies and joint ventures as the timing of the reversal of the temporary differences arising from such amounts can be controlled and such temporary differences are not expected to reverse in the foreseeable future.

11 Earnings Per Share and Net Asset Value Per Share

(a) Earnings Per Share

Earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year of 4,255,862,496 (2017: 4,255,862,496).

There is no dilution as the Company did not have any potential ordinary shares outstanding as at 31 December 2018 and 2017.

(b) Net Asset Value Per Share

As at 31 December 2018, the net asset value per ordinary share based on the total equity attributable to the owners of the Company and the existing issued share capital of 4,255,862,496 (2017: 4,255,862,496) ordinary shares (excluding treasury shares) is $0.48 (2017: $0.50 and 1 January 2017: $0.46).

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12 Staff Costs and Retirement Benefit Obligations

	Group	
	2018	2017
	S$'000	S$'000
Staff costs:		
Wages and salary	57,131	56,373
Employer's contribution to defined contribution plans	1,123	1,084
Retirement benefit expenses	6,523	5,097
	64,777	62,554

Retirement Benefit Obligations

Certain subsidiaries in Indonesia recorded liabilities for unfunded defined benefit retirement plans in order to meet the minimum benefits required to be paid to qualified employees as required under the Indonesian Labor Law 13/2003. The amount of such obligations was determined based on actuarial valuations prepared by independent actuaries, PT Padma Radya Aktuaria and PT Katsir Imam Sapto Sejahtera Aktuaria.

The principal actuarial assumptions used by the actuaries were as follows:

	Group	
	2018	2017
	%	%
Discount rate	8.1 – 8.3	6.5 – 7.5
Salary growth rate	7.0 – 10.0	7.0 – 10.0

The components of the retirement benefit expenses recognised in the Group's income statement are as follows:

	Group	
	2018	2017
	S$'000	S$'000
Current service costs	3,737	3,980
Past service costs	(615)	(1,705)
Interest costs	3,401	2,822
Retirement benefit expenses recognised in the income statement	6,523	5,097

The components of the retirement benefit income/(expenses) recognised in other comprehensive income are as follows:

	Group	
	2018	2017
	S$'000	S$'000
Actuarial gain/(loss) arising from changes in financial assumptions	3,144	(5,430)
Actuarial gain/(loss) arising from experience adjustments	1,171	(1,843)
Actuarial gain arising changes in demographic assumptions	627	-
Net retirement benefit income/(expenses) recognised in other comprehensive income	4,942	(7,273)

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12 Staff Costs and Retirement Benefit Obligations (cont'd)

Movements in the retirement benefits obligations are as follows:

	Group	
	2018	2017
	S$'000	S$'000
At 1 January	46,771	40,937
Retirement benefit expenses/(income) for the year recognised in:		
- income statement	6,523	5,097
- other comprehensive income	(4,942)	7,273
Payments made during the year	(3,431)	(3,033)
Currency realignment	(5,155)	(3,503)
At 31 December	39,766	46,771
Less: Current portion classified as current liabilities (Note 29)	(839)	(773)
Non-current portion (Note 33)	38,927	45,998

13 Cash and Cash Equivalents

		Group	
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Cash on hand	609	613	695
Cash in banks	347,679	144,234	203,118
Time deposits	635,847	785,440	663,463
Cash and cash equivalents in the statement of financial position	984,135	930,287	867,276
Time deposits pledged as security for credit facilities granted to the subsidiaries (Note 32)	(69,683)	(64,710)	(65,769)
Cash and cash equivalents in the statement of cash flows	914,452	865,577	801,507

		Company	
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Cash on hand	1	2	3
Cash in banks	2,061	31,274	46,739
Time deposits	-	-	36,667
Cash and cash equivalents	2,062	31,276	83,409

Cash and cash equivalents include balances with a related party of $8,787,000 (2017: $12,111,000 and 1 January 2017: $16,137,000). As at 31 December 2018, the Group has time deposits amounting to $91,865,000 (2017: $120,177,000 and 1 January 2017: $122,093,000) which have been netted against borrowings as the Group has the legal rights and intention to set-off the deposits against the borrowings.

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13 Cash and Cash Equivalents (cont'd)

Cash and cash equivalents are denominated in the following currencies:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Indonesian Rupiah	650,914	732,456	455,910
United States Dollar	305,926	115,461	368,940
Singapore Dollar	1,094	31,794	3,983
Chinese Renminbi	5,563	30,858	26,785
British Pound	18,187	17,402	9,828
Others	2,451	2,316	1,830
	984,135	930,287	867,276

	Company		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
United States Dollar	293	1,138	83,034
Singapore Dollar	292	30,126	367
British Pound	1,442	12	8
Chinese Renminbi	35	-	-
	2,062	31,276	83,409

The above time deposits earn interest at the following rates per annum:

	Group		
	2018	2017	1 January 2017
	%	%	%
Indonesian Rupiah	3.8 – 9.0	1.0 – 9.3	5.3 – 11.0
United States Dollar	0.5 – 3.3	0.5 – 2.5	0.2 – 2.5
Chinese Renminbi	3.2 – 3.8	2.7 – 4.0	3.2
British Pound	0.5 – 0.8	0.2 – 0.5	0.4 – 1.5
Singapore Dollar	-	0.6 – 1.0	0.5 – 0.9

	Company		
	2018	2017	1 January 2017
	%	%	%
United States Dollar	-	-	0.8

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14 Short-Term Investments

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Financial assets at fair value through profit or loss:			
Mutual funds	24,670	1,275	1,352
Unquoted equity securities held for trading	22,358	-	-
Available-for-sale financial assets:			
Quoted bonds	-	3,109	11,590
Mutual funds	-	17,346	-
	47,028	21,730	12,942

Short-term investments are denominated in the following currencies:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Indonesian Rupiah	24,670	21,730	12,942
United States Dollar	22,358	-	-
	47,028	21,730	12,942

15 Trade Receivables

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Third parties	28,879	44,753	41,704
Related parties	1,494	2,567	3,628
	30,373	47,320	45,332
Less: Loss allowance	(4,324)	(13,859)	(14,208)
	26,049	33,461	31,124

The Group's credit risk exposure in relation to trade receivables from contracts with customers under SFRS(I) 9 as at 31 December 2018 is presented below. The Group's provision for loss allowance is based on past due as the Group's historical credit loss exposure does not show significantly different loss pattern for different customer segments.

Group	Not past due S$'000	Past due < 3 months S$'000	Past due >3 months S$'000	Total S$'000
Gross trade receivables	8,355	12,398	9,620	30,373
Less: Loss allowance	-	-	(4,324)	(4,324)
				26,049

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15 Trade Receivables (cont'd)

The movements in the credit loss allowance for trade receivables during the year are as follows:

Group	S$'000
At 1 January 2018 (SFRS 39)	13,859
Adjustment on initial application of SFRS(I) 9	82
At 1 January 2018 (SFRS(I) 9)	13,941
Impairment loss recognised on receivables	359
Receivables written off as uncollectible	(9,961)
Currency realignment	(15)
At 31 December 2018 (SFRS(I) 9)	4,324

Previous accounting policy for impairment of trade receivables

As at 1 January and 31 December 2017, trade receivables disclosed above include amounts which are past due at the end of the reporting period but for which the Group had not recognised an allowance for impairment losses because there had not been a significant change in credit quality and the amounts were still considered recoverable.

	Group	
	2017	1 January 2017
	S$'000	S$'000
Ageing of past due but not impaired		
0 – 3 months	11,077	9,864
More than 3 months	6,161	5,210
Total	17,238	15,074

Movements in the Group's allowance for impairment losses that are identified to be individually impaired are as follows:

	S$'000
At 1 January 2017	14,208
Allowance for impairment loss during the year	79
Write-back of impairment loss during the year	(131)
Receivables written off against allowance during the year	(665)
Currency realignment	368
At 31 December 2017	13,859

Trade receivables are denominated in the following currencies:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Indonesian Rupiah	21,182	28,026	28,054
British Pound	4,359	4,069	1,078
Others	508	1,366	1,992
	26,049	33,461	31,124

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16 Other Current Assets

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Non-trade receivable from:			
Joint ventures	13,109	9,579	10,949
Associated company	1,530	-	-
Related parties	99	99	96
Third parties	82,035	68,708	54,291
Finance lease receivable (Note 25)	7,986	97	98
	104,759	78,483	65,434
Less: Loss allowance	(2,871)	(578)	(578)
	101,888	77,905	64,856
Prepayments	72,133	105,748	93,892
Purchase advances	74,559	123,929	226,775
Others	682	2,166	2,845
	249,262	309,748	388,368

	Company		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Receivable from subsidiaries	36,152	45,275	465,107
Less: Loss allowances	(918)	(19,402)	(19,402)
	35,234	25,873	445,705
Prepayments	9	10	16
Others	42	42	43
	35,285	25,925	445,764

Saved for the amounts receivable disclosed below, the amounts receivable from subsidiaries, joint ventures and related parties are advances in nature which are unsecured, interest-free and repayable on demand.

As at 31 December 2018, the amounts receivable from joint ventures of $11,705,000 (2017: $8,670,000 and 1 January 2017: $6,622,000) bear interest at rates ranging from 8.5% to 10.0% (2017: 8.5% to 10.0% and 1 January 2017: 10.0%) per annum and repayable within twelve months.

As at 31 December 2018, the amounts receivable from an associated company of $1,530,000 (2017: Nil) bear interest at rate of 9.0% (2017: Nil) per annum and repayable within twelve months.

As at 31 December 2018, the amounts receivable from third parties of $19,800,000 (2017: $20,500,000 and 1 January 2017: $20,800,000) bear interest at rate of 20.0% (2017: 20.0% and 1 January 2017: 20.0%) per annum and is repayable within twelve months.

As at 31 December 2018, the amounts receivable from subsidiaries of $7,492,000 (2017: $758,000 and 1 January 2017: $820,000) bear interest at rate of 4% (2017: 3.4% to 3.6% and 1 January 2017: 2.8% to 2.9%) per annum.

For purpose of impairment assessment, the non-trade receivables are considered to have low credit risk as they are not due for payment at the end of the financial year and there has been no significant increase in the risk of default on the receivables since initial recognition.

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16 Other Current Assets (cont'd)

During the current financial year, the Group has recognised credit loss allowances for ECLs against non-trade receivables based on historical experience, informed credit assessment and includes forward-looking information. There has been no change in the estimation techniques or significant assumption made during the current financial year.

Movements in the credit loss allowance for non-trade receivables during the year are as follows:

	Group	Company
	S$'000	S$'000
At 1 January 2017 and 2018 (SFRS 39)	578	19,402
Adjustment on initial application of SFRS(I) 9	1,339	845
At 1 January 2018 (SFRS(I) 9)	1,917	20,247
Allowance for impairment loss during the year	1,033	73
Write-back of impairment loss during the year	-	(19,402)
Receivables written off against allowance during the year	(20)	-
Currency realignment	(59)	-
At 31 December 2018 (SFRS(I) 9)	2,871	918

Other current assets are denominated in the following currencies:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Indonesian Rupiah	174,513	244,303	325,507
British Pound	48,224	39,853	24,678
Chinese Renminbi	26,434	24,135	22,073
Others	91	1,457	16,110
	249,262	309,748	388,368

	Company		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
British Pound	6,317	7,223	3,221
United States Dollar	26,033	9,925	147,055
Singapore Dollar	2,238	8,758	295,470
Others	697	19	18
	35,285	25,925	445,764

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17 Properties Held for Sale

	Group		
			1 January
	2018	2017	2017
	S$'000	S$'000	S$'000
Properties held for sale	1,224,017	1,230,153	1,265,641

The properties held for sale shown above is net of allowance for impairment loss of $1,059,000 (2017: $1,509,000 and 1 January 2017: $4,046,000).

As at 31 December 2018, properties held for sale of the Group amounting to $11,929,000 (2017: $20,324,000 and 1 January 2017: $10,461,000) have been pledged as security for bonds issued by a subsidiary and credit facilities granted by banks to subsidiaries (Notes 30 and 32).

18 Subsidiaries

	Company		
			1 January
	2018	2017	2017
	S$'000	S$'000	S$'000
Unquoted equity shares, at cost	1,272,227	1,271,255	1,271,255
Less: Impairment loss	(100,000)	(100,000)	(100,000)
	1,172,227	1,171,255	1,171,255
Interest-free loans receivables	1,182,747	940,405	532,429
	2,354,974	2,111,660	1,703,684

Particulars of the subsidiaries are disclosed in Note 44 to the financial statements.

The accumulated impairment loss of $100,000,000 was recognised in respect of the Company's investment in a subsidiary as a result of losses incurred by the subsidiary. The recoverable amount of the relevant subsidiary is based on fair value less cost of disposal which is principally determined by the current market value of non-financial assets held by the subsidiary. The loan receivable from subsidiaries form part of the Company's net investment in the subsidiaries. These loans are unsecured and settlement is neither planned nor likely to occur in the next 12 months.

19 Associated Companies

	Group		
			1 January
	2018	2017	2017
	S$'000	S$'000	S$'000
Interests in:			
Quoted associated company	200,881	213,471	201,863
Unquoted associated companies	46,268	52,907	63,384
Net carrying amount	247,149	266,378	265,247
Fair value classified under Level 1 of Fair Value Hierarchy (Note 41):			
Quoted equity shares	368,374	504,524	676,287

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19 Associated Companies (cont'd)

Movements in the net carrying amount in interests in associated companies are as follows:

	Group	
	2018	2017
	S$'000	S$'000
At 1 January	266,378	265,247
Additional investments during the year	1,530	49,445
Share of profit for the year	11,297	14,487
Share of other comprehensive income/(loss) for the year	657	(515)
Dividends received	(5,828)	(37,957)
Currency realignment	(26,885)	(24,329)
At 31 December	247,149	266,378

As at 31 December 2018, the accumulated loss not recognised for an associated company amounted to $12,808,000 (2017: $7,100,000 and 1 January 2017: $3,821,000) as such loss is in excess of the Group's interest in this associated company. Particulars of the associated companies are disclosed in Note 45 to the financial statements.

Summarised financial information in respect of PT Plaza Indonesia Realty Tbk ("PIR"), a material associated company, and aggregate financial information of other associated companies which are individually not material, which is not adjusted for the percentage of ownership held by the Group, are set out below:

	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
PIR			
Current assets	127,105	96,196	91,662
Non-current assets	326,849	367,748	412,861
Current liabilities	(101,576)	(82,689)	(102,393)
Non-current liabilities	(241,484)	(282,563)	(150,752)

	2018	2017
	S$'000	S$'000
Revenue	162,206	164,165
Total profit for the year	19,190	27,847
Other comprehensive income/(loss)	1,062	(654)
Total comprehensive income for the year	20,252	27,193

	2018	2017
	S$'000	S$'000
Others		
Total loss for the year	(13,844)	(4,395)
Other comprehensive income/(loss)	327	(455)
Total comprehensive income/(loss) for the year	(13,517)	(4,850)

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20 Joint Ventures

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Unquoted equity shares, at cost	350,745	327,845	244,031
Share of post-acquisition reserves, net of unrealised profit and dividend received	(160,727)	(151,387)	(100,941)
Currency realignment	(47,756)	(33,169)	(23,148)
	142,262	143,289	119,942

During the current financial year, the Group through its subsidiary established a 40% joint venture, PT Sahabat Kota Wisata. The capital of IDR200 billion (equivalent to $18,000,000) has not been paid up as at the end of the reporting period (Note 29).

The details of the Group's joint ventures are as follows:

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018	2017	1 January 2017
		%	%	%
Badan Kerja Sama, Pasar Pagi – ITC Mangga Dua Indonesia	Manage and operate shopping centre	17.39	17.15	17.15
BKS Binamaju Multikarsa Indonesia	Housing development	41.21	41.10	41.10
PT BSD Diamond Development Indonesia	Real estate development	19.63	19.36	19.36
PT Bumi Parama Wisesa Indonesia	Real estate development	25.03	24.69	24.69
PT Indonesia International Expo Indonesia	Property development	24.05	23.72	23.72
PT Itomas Kembangan Perdana Indonesia	Property management	17.74	17.49	17.49
PT Panahome Deltamas Indonesia Indonesia	Real estate development	28.07	28.07	28.07
PT Sahabat Kota Wisata Indonesia	Property development	17.39	-	-
PT Trans Bumi Serbaraja Indonesia	Development and operation of toll roads	24.54	24.21	24.21

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20 Joint Ventures (cont'd)

Summarised aggregated financial information in respect of the Group's joint ventures, which is not adjusted for the percentage of ownership held by the Group, is set out below:

	2018 S$'000	2017 S$'000
Total (loss)/profit for the year	(11,873)	19,357
Other comprehensive income/(loss)	54	(134)
Total comprehensive (loss)/income for the year	(11,819)	19,223

21 Long-Term Investments

	Group		
	2018 S$'000	2017 S$'000	1 January 2017 S$'000
Available for sale financial assets:			
Unquoted equity shares	-	2,176	2,394
Unquoted investment	-	6	6
Financial assets at fair value through profit or loss:			
Unquoted fund	39,474	-	-
Unquoted debt securities held for trading	82,013	-	-
Unquoted investments	6	-	-
Financial assets at fair value through other comprehensive income:			
Unquoted equity shares	8,062	-	-
	129,555	2,182	2,400

Long-term investments are denominated in the following currencies:

	Group		
	2018 S$'000	2017 S$'000	1 January 2017 S$'000
United States Dollar	121,487	-	-
Indonesian Rupiah	8,062	2,176	2,394
Singapore Dollar	6	6	6
	129,555	2,182	2,400

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22 Properties under Development for Sale

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Land held for development	1,664,855	1,755,445	1,793,858

As at 31 December 2018, certain land held for development of the Group amounting to $113,509,000 (2017: $161,075,000 and 1 January 2017: $150,036,000) have been pledged as security for bonds issued by a subsidiary and credit facilities granted by banks to the subsidiaries (Notes 30 and 32).

23 Investment Properties

	Group	
	2018	2017
	S$'000	S$'000
Cost:		
At 1 January	1,769,919	1,207,933
Additions	91,784	671,464
Disposal	(1,307)	-
Disposal of a subsidiary (Note 42(d))	-	(90,555)
Transfer from property, plant and equipment	5,411	-
Transfer from properties held for sale	3,348	20,845
Currency realignment	(120,144)	(39,768)
At 31 December	1,749,011	1,769,919
Accumulated depreciation:		
At 1 January	113,354	130,794
Depreciation	35,047	28,301
Disposal	(396)	-
Disposal of a subsidiary (Note 42(d))	-	(37,977)
Currency realignment	(12,032)	(7,764)
At 31 December	135,973	113,354
Net carrying amount:		
At 31 December	1,613,038	1,656,565
At 1 January	1,656,565	1,077,139

As at 31 December 2018, certain investment properties of the Group amounting to $927,467,000 (2017: $903,138,000 and 1 January 2017: $619,109,000) have been pledged as security for bonds issued by a subsidiary and credit facilities granted by banks to the subsidiaries (Notes 30 and 32).

During the current financial year, borrowing costs of $6,000,000 (2017: $1,286,000) were capitalised into investment properties at capitalisation rate of 10.53% (2017: 10.98%) per annum.

During the previous financial year, the total additions to investment properties was $671,464,000 of which $74,079,000 was settled by offsetting against advances paid and remaining balance of $140,478,000 will be settled in 2019.

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23 Investment Properties (cont'd)

Investment properties are held mainly for use by tenants under operating leases. The following amounts are recognised in the Group's income statement:

	Group	
	2018	2017
	S$'000	S$'000
Rental income	126,394	122,111
Direct operating expenses arising from investment properties that generated rental income	28,063	29,068
Property tax and other operating expenses arising from investment properties that did not generate rental income	1,566	781

		Group	
			1 January
	2018	2017	2017
	S$'000	S$'000	S$'000
Fair value of investment properties located in:			
Indonesia	1,433,910	1,478,981	887,815
United Kingdom	947,664	967,869	561,216
Singapore	5,100	7,480	212,810
Fair value classified under Level 2 of Fair Value Hierarchy (Note 41)	2,386,674	2,454,330	1,661,841

As at 31 December 2018, the aggregate fair values of investment properties located in Indonesia was based on external valuation reports prepared by the independent appraiser with appropriate qualifications and experience in the valuation of properties in the relevant locations, KJPP Rengganis, Hamid & Partners and KJPP Jimmy Prasetyo & Rekan in 2018 based on market data approach and income approach. Under the market data approach, the valuation was arrived at by reference to market evidence of transaction prices for similar properties. The most significant input in this valuation approach is the selling price per unit of floor area. Under the income approach, the valuation was arrived at by reference to market rental rate for similar properties in the nearby vicinity.

The aggregate fair value of investment properties located in United Kingdom was based on external valuation reports prepared by the independent professional valuer with appropriate qualifications and experience in the valuation of properties in the relevant locations, Montagu Evans LLP and Cushman & Wakefield in 2018 based on open market value approach and income approach. Under the open market value approach, the valuation was arrived at by reference to recent transaction prices of similar properties. Under the income approach, the valuation was arrived at by reference to market rental rate for similar properties in the nearby vicinity.

The fair values of investment properties located in Singapore was based on external valuation reports prepared by an independent professional valuer with appropriate qualifications and experience in the valuation of properties in the relevant locations, Colliers International Consultancy & Valuation (Singapore) Pte Ltd in 2018 based on open market value approach whereby the basis of comparable transaction is from direct comparison with transaction prices of similar properties.

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24 Property, Plant and Equipment

Group	Freehold land	Freehold buildings	Leasehold land and buildings	Plant, machinery and equipment	Motor vehicles, furniture and fixtures	Construction in progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cost:							
At 1 January 2017	31,819	117,966	65,233	48,791	86,942	13,126	363,877
Additions	1,708	1,489	804	535	3,977	6,698	15,211
Disposals	-	-	-	-	(466)	-	(466)
Disposal of a subsidiary (Note 42(d))	-	-	(89)	(252)	-	-	(341)
Reclassification	-	12,329	-	-	371	(12,700)	-
Written off	-	-	-	(20)	(17)	-	(37)
Currency realignment	(720)	(8,406)	(4,718)	(3,679)	(7,156)	(1,154)	(25,833)
At 31 December 2017	32,807	123,378	61,230	45,375	83,651	5,970	352,411
Additions	-	845	7	714	2,425	2,122	6,113
Disposals	-	-	-	-	(698)	-	(698)
Reclassification to investment properties	(2,942)	(2,636)	-	-	-	-	(5,578)
Reclassification	-	(6,803)	10,625	-	89	(3,911)	-
Currency realignment	(1,553)	(10,279)	(5,012)	(3,885)	(7,830)	(574)	(29,133)
At 31 December 2018	28,312	104,505	66,850	42,204	77,637	3,607	323,115
Accumulated depreciation:							
At 1 January 2017	-	51,126	50,410	15,554	51,010	-	168,100
Depreciation	-	4,344	1,647	3,245	10,255	-	19,491
Disposals	-	-	-	-	(463)	-	(463)
Disposal of a subsidiary (Note 42(d))	-	-	(89)	(71)	-	-	(160)
Written off	-	-	-	(20)	(17)	-	(37)
Currency realignment	-	(3,678)	(3,442)	(803)	(4,694)	-	(12,617)
At 31 December 2017	-	51,792	48,526	17,905	56,091	-	174,314
Depreciation	-	4,103	1,184	3,070	9,412	-	17,769
Disposals	-	-	-	-	(667)	-	(667)
Reclassification to investment properties	-	(167)	-	-	-	-	(167)
Currency realignment	-	(4,594)	(3,393)	(1,364)	(6,244)	-	(15,595)
At 31 December 2018	-	51,134	46,317	19,611	58,592	-	175,654
Net book value:							
At 31 December 2018	28,312	53,371	20,533	22,593	19,045	3,607	147,461
At 31 December 2017	32,807	71,586	12,704	27,470	27,560	5,970	178,097
At 1 January 2017	31,819	66,840	14,823	33,237	35,932	13,126	195,777

As at 31 December 2018, certain property, plant and equipment of the Group amounting to $7,563,000 (2017: $22,740,000 and 1 January 2017: $26,885,000) has been pledged as security for credit facilities granted by banks to the subsidiaries (Note 32).

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24 Property, Plant and Equipment (cont'd)

Company	Leasehold improvements	Plant and equipment	Motor vehicles, furniture and fixtures	Total
	S$'000	S$'000	S$'000	S$'000
Cost:				
At 1 January 2017	144	357	1,192	1,693
Disposals	-	-	(127)	(127)
At 31 December 2017	144	357	1,065	1,566
Addition	-	2	-	2
At 31 December 2018	144	359	1,065	1,568
Accumulated depreciation:				
At 1 January 2017	144	357	603	1,104
Depreciation	-	-	155	155
Disposals	-	-	(127)	(127)
At 31 December 2017	144	357	631	1,132
Depreciation	-	-	127	127
At 31 December 2018	144	357	758	1,259
Net book value:				
At 31 December 2018	-	2	307	309
At 31 December 2017	-	-	434	434
At 1 January 2017	-	-	589	589

25 Long-Term Receivables

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Loans receivable from a third party	81,057	-	-
Loans receivable from a joint venture	1,297	1,934	26,335
Finance lease receivable	-	23,255	25,691
	82,354	25,189	52,026

As at 31 December 2018, the loans receivable from a joint venture are unsecured, interest-free, denominated in Indonesian Rupiah and with a maturity date in 2020. These receivables are neither past due nor impaired.

As at 31 December 2018, the loans receivable from a third party are unsecured, denominated in Renminbi, bear interest at rate of 10.0% per annum and with maturity dates in 2020. These receivables are neither past due nor impaired.

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25 Long-Term Receivables (cont'd)

The Group leases a building to a third party under finance lease. Details of the finance lease are as follows:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Gross receivables due:			
Within one year	7,986	1,702	1,871
Between one year to five years	-	8,584	9,035
More than five years	-	35,092	41,045
Total receivables denominated in Indonesian Rupiah	7,986	45,378	51,951
Less: Unearned finance income	-	(22,026)	(26,162)
Net investment in finance lease	7,986	23,352	25,789
Current portion, classified as other current assets (Note 16)	7,986	97	98
Non-current portion	-	23,255	25,691
Net investment in finance lease	7,986	23,352	25,789
Effective interest rate per annum for finance lease	7.5%	7.5%	7.5%

The Group entered into Termination Agreement of Land and Building leases and Sale and Purchase of Building Agreement with the lessee. Pursuant to the terms of these agreements, the Group agreed to terminate the finance lease arrangement and then sell the building to the lessee. During the current financial year, the Group wrote off finance lease receivables amounting to $13,802,000 (Note 8).

26 Deferred Income Tax

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Deferred tax assets	332	464	389
Deferred tax liabilities	(12)	(14)	(9)
Net	320	450	380

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on different entities which intend to settle on a net basis, or realise the assets and liabilities simultaneously in the future.

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26 Deferred Income Tax (cont'd)

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

Group	Retirement benefit obligations	Accelerated tax depreciation	Others	Total
	S$'000	S$'000	S$'000	S$'000
Deferred tax assets/(liabilities)				
At 1 January 2018	507	(43)	(14)	450
(Charged)/Credited to income statement (Note 10)	(57)	5	2	(50)
Currency realignment	(84)	4	-	(80)
At 31 December 2018	366	(34)	(12)	320
At 1 January 2017	467	(78)	(9)	380
Credited/(Charged) to income statement (Note 10)	45	29	(5)	69
Currency realignment	(5)	6	-	1
At 31 December 2017	507	(43)	(14)	450

Realisation of deferred tax assets is dependent on the generation of sufficient taxable income prior to expiration of the tax losses carry-forward. Although realisation is not assured, the directors of the Company believe it is more likely than not that the deferred tax assets, net of the valuation allowance, will be realised. The amount of the deferred tax assets considered realisable could be reduced or increased if estimates of future taxable income during the carry-forward period are reduced or increased.

27 Goodwill

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
At the beginning and end of the year	1,784	1,784	1,784

Goodwill of the Group is allocated to the Indonesia property segment. No impairment loss was recognised during the current financial year.

28 Trade Payables

Trade payables to third parties are denominated in the following currencies:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Indonesian Rupiah	39,327	39,255	33,122
British Pound	932	1,034	973
Malaysian Ringgit	907	1,033	1,298
United States Dollar	-	-	2,032
Others	811	1,009	1,882
	41,977	42,331	39,307

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29 Other Payables and Liabilities

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Payables to:			
Third parties	37,994	30,393	22,737
Related parties	53,050	136,395	4,146
Joint venture (Note 20)	18,000	-	-
Derivative payables	766	814	10,797
Interest payable	17,030	10,364	9,968
Other taxes payable	13,465	11,087	5,555
	140,305	189,053	53,203
Advances and deposits received on:			
Development properties	427,141	461,811	546,935
Rental	33,665	24,992	21,068
Estimated liabilities for improvements	7,038	11,269	14,439
Provision for claims	1,432	1,500	1,500
Accruals	17,627	24,676	16,504
Retirement benefit obligations (Note 12)	839	773	832
Others	732	1,022	982
	628,779	715,096	655,463

	Company		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Payables to related parties	23	24	24
Payables to subsidiaries	363,417	116,756	137,756
	363,440	116,780	137,780
Accruals	642	665	779
Others	94	228	97
	364,176	117,673	138,656

The non-trade payables to subsidiaries, related parties and a joint venture are unsecured, interest-free and will be repayable within the next twelve months.

The derivative payables relate to the fair value of the embedded option to convert the zero percent convertible bonds issued by certain subsidiaries into their equity (Note 30).

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29 Other Payables and Liabilities (cont'd)

Other payables are denominated in the following currencies:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Indonesian Rupiah	597,585	679,534	633,520
British Pound	16,133	14,458	8,302
Singapore Dollar	10,537	16,674	7,811
United States Dollar	2,117	1,767	3,163
Others	2,407	2,663	2,667
	628,779	715,096	655,463

	Company		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
United States Dollar	297,007	51,600	120,936
Singapore Dollar	50,483	52,433	900
Chinese Renminbi	13,174	13,640	13,840
British Pound	3,512	-	-
Others	-	-	2,980
	364,176	117,673	138,656

Estimated liabilities for improvements represent the estimated cost which will be incurred by the Group for improvement on the land and properties sold. Movements in estimated liabilities for improvements during the financial year are as follows:

	Group	
	2018	2017
	S$'000	S$'000
At 1 January	11,269	14,439
Amount incurred	(3,104)	(1,857)
Currency realignment	(1,127)	(1,313)
At 31 December	7,038	11,269

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30 Bonds and Notes Payable

	Group 2018 S$'000	Group 2017 S$'000	Group 1 January 2017 S$'000
Zero Percent Convertible Bonds:			
IDR Bonds, due 2023/2018	1,932	2,147	24,607
IDR Bonds, due 2020	-	-	4,620
	1,932	2,147	29,227
Less: Unamortised discount	(671)	(81)	(3,777)
	1,261	2,066	25,450
IDR Bonds and Notes:			
9% p.a. fixed rate, due 2021	56,250	62,500	68,750
9.25% p.a. fixed rate, due 2023	2,250	2,500	2,750
9.5% p.a. fixed rate, due 2019	39,240	43,600	47,960
8.375% p.a. fixed rate, due 2018	-	175,000	192,500
9.25% p.a. fixed rate, due 2017	-	-	52,690
10% p.a. fixed rate, due 2018	-	-	17,600
Non-interest bearing, due 2017	-	-	18,657
USD Notes:			
6.75% p.a. fixed rate, due 2020	102,418	106,466	116,144
5.5% p.a. fixed rate, due 2023	325,627	338,428	266,750
7.25% p.a. fixed rate, due 2021	390,987	-	-
	918,033	730,560	809,251
Less: Deferred bond charges	(14,277)	(11,482)	(14,952)
Total bonds and notes payable	903,756	719,078	794,299
Less: Current portion classified as current liabilities	(39,200)	(176,934)	(71,024)
Non-current portion	864,556	542,144	723,275

Movements in unamortised discount on bonds are as follows:

	Group 2018 S$'000	Group 2017 S$'000
At 1 January	81	3,777
Additions/(Repayment)	746	(2,615)
Amortisation during the year	(158)	(625)
Currency realignment	2	(456)
At 31 December	671	81

Movements in deferred bond charges are as follows:

	Group 2018 S$'000	Group 2017 S$'000
At 1 January	11,482	14,952
Additions	6,907	579
Amortisation during the year	(4,128)	(2,833)
Currency realignment	16	(1,216)
At 31 December	14,277	11,482
Less: Current portion	(40)	(132)
Non-current portion	14,237	11,350

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30 Bonds and Notes Payable (cont'd)

The above Zero Percent Convertible Bonds are convertible at the option of the bondholders from 54 months after the date of the renewal to 10 business days prior to the fifth anniversary of the date of the renewal into new ordinary shares of PT Paraga Artamida ("PAM"), a subsidiary of the Group at an exercise price based on 70% of the net tangible asset value of PAM at the exercise date. As at the end of the financial year, there was no conversion of bonds into equity shares of PAM.

The Group issues various bonds and notes under its issuance programs. Saved for the secured bonds below, the bonds and notes issued were unsecured.

As at 31 December 2018, the secured bonds amounting to $97,740,000 (2017: $283,600,000 and 1 January 2017: $364,650,000) were secured by certain properties held for sale, land under development for sale and investment properties of the Group (Notes 17, 22 and 23).

As at end of the financial year, there is no breach of bond covenants.

31 Obligations under Finance Lease

	Group		
	2018 S$'000	2017 S$'000	1 January 2017 S$'000
Minimum lease payments			
Amount payable under finance leases:			
Within one year	377	4,646	7,546
Between one year to five years	65	482	5,578
	442	5,128	13,124
Less: Future finance charges	(28)	(284)	(703)
Present value of lease obligations	414	4,844	12,421
Present value of minimum lease payments			
Amount payable under finance leases:			
Within one year	357	4,390	7,150
Between one year to five years	57	454	5,271
	414	4,844	12,421
Less: Amount due for settlement within 12 months	(357)	(4,390)	(7,150)
Amount due for settlement after 12 months	57	454	5,271
Net book value of assets under finance leases	884	6,403	13,516
Interest rate per annum for finance leases (%)	2.7 – 4.3	2.7 – 4.3	2.7 – 4.3

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31 Obligations under Finance Lease (cont'd)

	Company		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Minimum lease payments			
Amount payable under finance leases:			
Within one year	45	45	46
Between one year to five years	65	110	155
	110	155	201
Less: Future finance charges	(13)	(18)	(24)
Present value of lease obligations	97	137	177
Present value of minimum lease payments			
Amount payable under finance leases:			
Within one year	40	40	40
Between one year to five years	57	97	137
	97	137	177
Less: Amount due for settlement within 12 months	(40)	(40)	(40)
Amount due for settlement after 12 months	57	97	137
Net book value of assets under finance leases	212	300	388
Interest rate per annum for finance leases (%)	2.7	2.7	2.7

The obligations under finance lease of the Group and the Company are secured by the lessor's charge over the leased assets.

The obligations under finance lease are denominated in the following currencies:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
United States Dollar	313	4,699	12,177
Singapore Dollar	97	137	177
Malaysian Ringgit	4	8	67
	414	4,844	12,421

	Company		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Singapore Dollar	97	137	177

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32 Borrowings

	Group 2018	Group 2017	Group 1 January 2017
	S$'000	S$'000	S$'000
Secured borrowings denominated in:			
British Pound	554,882	577,017	341,173
Singapore Dollar	2,500	4,000	96,000
Indonesian Rupiah	327,178	159,407	50,834
	884,560	740,424	488,007
Unsecured borrowings denominated in:			
United States Dollar	63,492	60,607	64,190
	948,052	801,031	552,197
Less: Current portion classified as current liabilities	(35,870)	(26,837)	(46,191)
Non-current portion	912,182	774,194	506,006

As at 31 December 2018, the Group has borrowings amounting to $91,775,000 (2017: $120,073,000 and 1 January 2017: $121,933,000) which have been netted against deposits as the Group has the legal rights to set-off the borrowings against the deposits.

The interest rates per annum for the above borrowings are as follows:

	Group 2018	Group 2017	Group 1 January 2017
	%	%	%
British Pound	2.2 – 3.2	1.9 – 2.7	1.9 – 2.9
Indonesian Rupiah	6.6 – 9.8	7.3 – 11.5	7.3 – 12.0
Singapore Dollar	2.7	2.9	2.2 – 3.2
United States Dollar	3.1	2.7	1.5

The scheduled maturities of the Group's borrowings are as follows:

	Original Loan Currency				Singapore Dollar Equivalent
Year	IDR'000	GBP'000	S$'000	USD'000	$'000
As at 31 December 2018					
Borrowings repayable in:					
2019	388,029,470	547	-	-	35,870
2020	262,500,000	547	-	-	24,572
2021	421,579,520	33,564	-	-	96,075
2022	1,668,750,000	157,174	-	-	422,413
2023	525,000,000	-	-	-	47,250
Thereafter	369,443,000	128,539	2,500	46,548	321,872
Total	3,635,301,990	320,371	2,500	46,548	948,052
Current portion	(388,029,470)	(547)	-	-	(35,870)
Non-current portion	3,247,272,520	319,824	2,500	46,548	912,182

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32 Borrowings (cont'd)

Year	Original Loan Currency IDR'000	GBP'000	S$'000	USD'000	Singapore Dollar Equivalent $'000
As at 31 December 2017					
Borrowings repayable in:					
2018	258,518,000	547	-	-	26,837
2019	1,000,000,000	547	4,000	45,330	165,592
2020	-	547	-	-	985
2021	65,330,000	33,564	-	-	66,982
2022	6,779,000	156,907	-	-	283,268
Thereafter	263,443,000	128,275	-	-	257,367
Total	1,594,070,000	320,387	4,000	45,330	801,031
Current portion	(258,518,000)	(547)	-	-	(26,837)
Non-current portion	1,335,552,000	319,840	4,000	45,330	774,194
As at 1 January 2017					
Borrowings repayable in:					
2017	411,088,000	547	-	-	46,191
2018	34,084,000	547	92,000	44,360	96,720
2019	10,175,000	547	4,000	-	70,280
2020	-	547	-	-	971
2021	-	33,564	-	-	59,610
Thereafter	6,779,000	156,350	-	-	278,425
Total	462,126,000	192,102	96,000	44,360	552,197
Current portion	(411,088,000)	(547)	-	-	(46,191)
Non-current portion	51,038,000	191,555	96,000	44,360	506,006

Certain of the Group's time deposits, properties held for sale, properties under development for sale, investment properties and property, plant and equipment have been pledged to banks to obtain the above secured borrowings (Notes 13, 17, 22, 23 and 24).

The bank loan agreements generally include covenants that require the maintenance of certain financial ratios, limit or require written notification of the amount of additional borrowings that may be incurred, and limit the transfer or disposal of pledged assets and acting as guarantor to other parties. Any non-compliance with these covenants will result in these loans becoming repayable immediately upon service of a notice of default by the lenders. In addition, the bank loan agreements contain cross default clauses whereby non-compliance with covenants for other financial indebtedness would result in acceleration of repayment of the outstanding loan balances. As at the end of the financial year, there is no breach of loan covenants.

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33 Long-Term Liabilities

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Advances and deposits received on development properties	198,673	182,665	161,503
Retirement benefit obligations (Note 12)	38,927	45,998	40,105
Security deposits	12,460	10,860	10,261
Others	-	11	17
	250,060	239,534	211,886

Long-term liabilities are denominated in the following currencies:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Indonesian Rupiah	244,788	239,350	210,206
United States Dollar	5,272	159	1,642
Singapore Dollar	-	25	38
	250,060	239,534	211,886

34 Changes in Liabilities arising from Financing Activities

The reconciliation of movements of liabilities to cash flow arising from financing activities is as follows:

	Bonds and notes payable	Obligations under finance lease	Borrowings
	S$'000	S$'000	S$'000
Balance at 1 January 2018	719,078	4,844	801,031
Additions	390,987	-	282,212
Repayment	(157,500)	(4,181)	(98,368)
Payment of deferred bond charges	(6,907)	-	-
Non-cash changes:			
Amortisation of discount on bonds	158	-	-
Amortisation of deferred bond charges	4,128	-	-
Other movements in discount on bonds	(746)	-	-
Foreign exchange movement	(45,442)	(249)	(36,823)
Balance at 31 December 2018	903,756	414	948,052

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34 Changes in Liabilities arising from Financing Activities (cont'd)

	Bonds and notes payable	Obligations under finance lease	Borrowings
	S$'000	S$'000	S$'000
Balance at 1 January 2017	794,299	12,421	552,197
Additions	93,142	-	508,437
Repayment	(105,284)	(6,475)	(254,905)
Non-cash changes:			
Amortisation of discount on bonds	625	-	-
Amortisation of deferred bond charges	2,833	-	-
Other movements in deferred bond charges and discount on bonds	2,036	-	-
Foreign exchange movement	(68,573)	(1,102)	(4,698)
Balance at 31 December 2017	719,078	4,844	801,031

35 Issued Capital and Treasury Shares

Group and Company	No. of ordinary shares		Amount	
	Issued capital	Treasury shares	Issued capital	Treasury shares
	'000	'000	S$'000	S$'000
Balance at 1.1.2017, 31.12.2017 and 31.12.2018	4,549,319	(293,457)	2,057,844	(170,460)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holders of ordinary shares, except for treasury shares, are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. All shares, except for treasury shares, rank equally with regards to the Company's residual assets.

36 Dividends

	Group and Company	
	2018	2017
	S$'000	S$'000
Interim dividends of $Nil (2017: $0.008) per share	-	34,047
Final dividends paid in respect of the previous year of $0.007 (2016: $0.0019) per share	29,791	8,086
Dividends paid	29,791	42,133

At the annual general meeting to be held on 24 April 2019, a first and final tax exempted (one tier) dividend of $0.002 per share, amounting to $8,511,724.99 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2019.

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37 Holding Company

The directors of the Company regard Flambo International Limited, a company incorporated in the British Virgin Islands as the ultimate holding company. The controlling shareholders of the Company comprise certain members of the Widjaja family.

38 Related Party Transactions

(a) In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties, on terms agreed between parties, were as follows:

		Group		Company	
		2018	2017	2018	2017
		S$'000	S$'000	S$'000	S$'000
i)	Interest income from:				
	Subsidiaries	-	-	1,498	25
	Related parties	1,373	1,155	-	-
	Joint venture	970	668	-	-
ii)	Dividend income from:				
	Associated companies	5,828	37,957	-	-
	Joint ventures	5,652	11,550	-	-
iii)	Sales of goods and services				
	Management fee from:				
	Subsidiaries	-	-	3,388	3,972
	Associated companies and joint ventures	2,239	1,683	-	-
	Rental income from related parties	64,556	44,913	22	22
iv)	Purchase of goods and services				
	Insurance premium to a related party	3,486	2,881	-	-
	Rental expense to:				
	Subsidiaries	-	-	125	180
	Related parties	243	243	243	243
v)	Purchase of investment properties from related parties	-	236,300	-	-

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38 Related Party Transactions (cont'd)

(b) The remuneration of key management personnel who are also directors are as follows:

	Group	
	2018	2017
	S$'000	S$'000
Directors' remuneration:		
Directors of the Company	10,674	14,660
Other key management personnel	4,673	5,717

Included in the above remuneration are post employment benefits (represent the contributions to defined contribution plan) of $52,236 (2017: $51,939).

39 Financial Risk Management

(a) Capital Risk Management

The Group manages its capital to safeguard the Group's ability to continue as a going concern in order to maximise return to shareholders and benefits for other stakeholders through the optimisation of the debts and equity balance. The Group's overall strategy remains unchanged since 2017.

The directors of the Company review the capital structure on a semi-annual basis and make adjustment to it, in light of changes in economic conditions. As a part of the review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Accordingly, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-back. Capital includes all capital and reserves of the Group (total equity). Neither the Group nor the Company is subject to any externally imposed capital requirements.

The directors of the Company also review the gearing ratio on a semi-annual basis. The gearing ratio, net debt and total equity of the Group as at 31 December 2018 and 2017 are as follows:

	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Borrowings (Note 32)	948,052	801,031	552,197
Bonds and notes payable (Note 30)	903,756	719,078	794,299
Obligations under finance lease (Note 31)	414	4,844	12,421
Total debt	1,852,222	1,524,953	1,358,917
Cash and cash equivalents (Note 13)	(984,135)	(930,287)	(867,276)
Net debt	868,087	594,666	491,641
Total equity	3,783,307	4,029,598	3,803,137
Gearing ratio	23%	15%	13%

(b) Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risks (including interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group may use relevant financial instruments to manage certain risks. Such financial instruments are not held for trade or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS

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39 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(i) Interest Rate Risk

The Group is exposed to interest rate risk primarily on its existing interest-bearing financial instruments. Financial instruments issued at variable rates expose the Group to cash flow interest rate risk. Financial instruments issued at fixed rates expose the Group to fair value interest rate risk. The interest rate that the Group will be able to obtain on its financial instruments will depend on market conditions at that time, and may differ from the rates the Group has secured currently.

As at 31 December 2018, if interest rates on all net financial assets at variable rate had been 0.5% lower/higher with all other variables held constant, profit before income tax for the year and total equity would have been $544,000 (2017: $429,000) and $241,000 (2017: $177,000) lower/higher respectively, mainly as a result of lower/higher interest income on net financial assets at variable rate, net of applicable income taxes. This analysis is prepared assuming the amount of net financial assets outstanding at the end of the reporting period was outstanding for the whole year.

The interest rates and repayment terms of interest-bearing financial instruments are disclosed in the respective notes to the financial statements. The interest rate profile of the Group's financial instruments as at the end of the reporting period was as follows:

	2018 S$'000	2017 S$'000	1 January 2017 S$'000
Financial assets			
Fixed rate	122,458	73,268	243,169
Variable rate	1,056,798	886,864	559,139
Non-interest bearing	191,753	130,622	228,316
	1,371,009	1,090,754	1,030,624
Financial liabilities			
Fixed rate	902,909	721,856	804,337
Variable rate	948,052	801,031	510,727
Non-interest bearing	183,543	233,450	136,132
	2,034,504	1,756,337	1,451,196

(ii) Foreign Currency Risk

The Group operates in several countries. Entities within the Group may transact in currencies other than their respective functional currency ("foreign currency") such as the United States Dollar ("USD"), the Indonesian Rupiah ("IDR"), the Malaysian Ringgit ("RM"), the British Pound ("GBP"), the Hong Kong Dollar ("HKD") and the Singapore Dollar ("SGD") which is also the Company's presentation currency.

The Group faces foreign exchange risk as its borrowings and cost of certain key purchases are either denominated in foreign currencies or whose price is influenced by their benchmark price movements in foreign currencies (especially USD) as quoted on international markets. The Group does not have any formal hedging policy for its foreign exchange exposure and did not actively engage in activities to hedge its foreign currency exposures during the financial year. The Group seeks to manage the foreign currency risk by constructing natural hedges where it matches revenue and expenses in any single currency. The Group is also exposed to currency translation risks arising from its net investments in foreign operations. These net investments are not hedged as currency positions as these foreign operations are considered long-term in nature.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

39 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(ii) Foreign Currency Risk (cont'd)

The entities within the Group have different functional currencies depending on the currency of their primary economic environment. A 5% strengthening of the functional currency of these entities against the following currencies at the reporting date would increase/(decrease) the Group's profit before income tax by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
SGD against functional currency of USD and HKD	6,005	5,535	4,706
USD against functional currencies of SGD, RM and IDR	(3,958)	23,326	8,564
GBP against functional currencies of SGD and USD	(943)	(14,654)	(9,075)

(iii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices. The Group is exposed to equity securities price risk arising from its investments held that are classified as fair value through other comprehensive income and fair value through profit or loss. The Group monitors the market closely to ensure that the risk exposure to the volatility of the investments is kept to a minimum. As at the end of the reporting period, the Group has no significant exposure to price risk.

(iv) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents.

Trade debtors comprise mainly the Group's customers who bought properties and tenants of investment properties. The tenants of investment properties and purchasers of development properties may default on their obligations to pay the amount owing to the Group. The Group manages credit risks by requiring the customers/tenants to furnish cash deposits, and/or bankers' guarantees. The Group also performs regular credit evaluations of its customers' financial conditions and only entered into contracts with customers with an appropriate credit history.

For sales of development properties, the Group generally has certain recourse, which include forfeiture of deposit and/or installments paid and re-sale of the re-possessed properties. The fair value of such collaterals is generally higher than the carrying amount of the trade receivables from the Group's customers.

Cash and cash equivalents mainly comprise deposits with banks and financial institutions which are regulated.

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect counter-parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group has no significant concentration of credit risks with exposure spread over a large number of counter-parties and customers.

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31 DECEMBER 2018

39 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(iv) Credit Risk (cont'd)

The maximum exposure to credit risk in the event that the counter parties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statements of financial position, except as follows:

	Company		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Corporate guarantees provided to financial institutions on borrowings of subsidiaries:			
- Total facilities	565,971	589,919	442,732
- Total outstanding	557,382	581,017	437,173

(v) Liquidity Risk

To manage liquidity risk, the Group and Company maintain a level of cash and cash equivalents and funding facilities deemed adequate by management to finance its operations. In assessing the adequacy of the facilities, management reviews its working capital requirements. The table below analyses the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows (inclusive of principals and estimated interest until maturity).

Group	Less than 1 year	1 to 5 years	Over 5 years	Total
	S$'000	S$'000	S$'000	S$'000
At 31 December 2018				
Bonds and notes payable	99,544	991,669	-	1,091,213
Borrowings	77,945	704,529	327,755	1,110,229
Obligations under finance lease	377	65	-	442
Other financial liabilities	182,282	-	-	182,282
Total financial liabilities	360,148	1,696,263	327,755	2,384,166
At 31 December 2017				
Bonds and notes payable	219,052	312,594	354,984	886,630
Borrowings	52,772	577,393	269,463	899,628
Obligations under finance lease	4,646	482	-	5,128
Other financial liabilities	231,384	-	-	231,384
Total financial liabilities	507,854	890,469	624,447	2,022,770
At 1 January 2017				
Bonds and notes payable	125,175	584,949	295,534	1,005,658
Borrowings	60,104	259,187	282,477	601,768
Obligations under finance lease	7,546	5,578	-	13,124
Other financial liabilities	92,510	-	-	92,510
Total financial liabilities	285,335	849,714	578,011	1,713,060

NOTES TO THE FINANCIAL STATEMENTS
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39 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(v) Liquidity Risk (cont'd)

The table below analyses the maturity profile of the Company's financial liabilities and financial guarantees provided to financial institutions on subsidiaries' borrowings that shows the remaining contractual maturities:

Company	Less than 1 year	1 to 5 years	Over 5 years	Total
	S$'000	S$'000	S$'000	S$'000
At 31 December 2018				
Other financial liabilities	363,440	-	-	363,440
Obligations under finance lease	45	65	-	110
Financial guarantee contracts	947	331,305	225,130	557,382
	364,432	331,370	225,130	920,932
At 31 December 2017				
Other financial liabilities	116,780	-	-	116,780
Obligations under finance lease	45	110	-	155
Financial guarantee contracts	985	349,009	231,023	581,017
	117,810	349,119	231,023	697,952
At 1 January 2017				
Other financial liabilities	137,780	-	-	137,780
Obligations under finance lease	46	155	-	201
Financial guarantee contracts	971	158,524	277,678	437,173
	138,797	158,679	277,678	575,154

40 Commitments

(a) Operating lease commitments - Group as lessee

At the end of the reporting period, the commitments in respect of non-cancellable operating leases for the rental of office premises and properties are as follows:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Future minimum lease payments payable:			
Within one year	386	441	368
Between one year to five years	53	284	9
Minimum lease payments paid under operating leases	488	683	498

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40 Commitments (cont'd)

(a) Operating lease commitments - Group as lessee (cont'd)

	Company		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Future minimum lease payments payable:			
Within one year	273	303	303
Between one year to five years	-	243	-
Minimum lease payments paid under operating leases	368	423	423

The leases have varying terms, escalation clauses and renewal rights.

(b) Operating lease commitments - Group as lessor

At the end of the reporting period, committed rental income in respect of operating leases for the rental of properties are as follows:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Future minimum lease receivable:			
Within one year	71,951	60,040	52,517
Between one year to five years	164,934	164,837	111,146
After five years	196,215	238,582	106,363

The leases have varying terms, escalation clauses and renewal rights.

(c) Expenditure commitments

Estimated expenditure committed but not provided for in the financial statements are as follows:

	Group		
	2018	2017	1 January 2017
	S$'000	S$'000	S$'000
Property development	163,933	250,092	250,643
Capital expenditure	17,970	39,452	23,228

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41 Financial Instruments

Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and cash equivalents, short-term investments, trade and other receivables, trade and other payables, short-term bonds and notes payable, short-term borrowings and short-term obligations under finance lease are assumed to approximate their fair values due to their short-term maturities.

The fair values of long-term receivables and long-term borrowings (which include obligations under finance lease, bonds and notes payable and borrowings) are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the end of the reporting period. As at 31 December 2018 and 2017, the carrying amounts of the long-term receivables and long-term borrowings approximate their fair values.

Fair Value Hierarchy

The table below presents financial assets carried at fair value and classified by level of the following fair value measurement hierarchy:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (i.e. derived from prices); and
(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
At 31 December 2018				
Financial assets at fair value through other comprehensive income	-	-	8,062	8,062
Financial assets at fair value through profit or loss	24,670	121,487	22,364	168,521
Total	24,670	121,487	30,426	176,583
At 31 December 2017				
Financial assets at fair value through profit or loss	1,275	-	-	1,275
Available-for-sale financial assets	20,455	-	2,182	22,637
Total	21,730	-	2,182	23,912
At 1 January 2017				
Financial assets at fair value through profit or loss	1,352	-	-	1,352
Available-for-sale financial assets	11,590	-	2,400	13,990
Total	12,942	-	2,400	15,342

NOTES TO THE FINANCIAL STATEMENTS

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41 Financial Instruments (cont'd)

Methods and Assumptions Used to Determine Fair Values

The methods and assumptions used by management to determine fair values of assets and liabilities are as follows:

(a) Level 1 fair value measurements

The fair value of securities traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

(b) Level 2 fair value measurements

The fair value of unquoted fund and debt securities is determined by reference to fund statements provided by non-related fund manager.

(c) Level 3 fair value measurements

The fair values of financial assets at financial assets at fair value through profit or loss ("FVPL") were determined by price of recent transaction. No quantitative information has been presented as the transacted price without adjustment, or the price per share of the subsequent round of investment without adjustment is used to approximate the fair value of these investments.

The fair value of financial assets at financial assets at fair value through other comprehensive income ("FVOCI") were determined by reference to valuation reports provided by external valuers.

Reconciliation of Level 3 fair value movements during the current financial year are as follows:

	FVOCI S$'000	FVPL S$'000	Available-for-sale S$'000
At 31 December 2017 (SFRS 39)	-	-	2,182
Reclassification on initial adoption of SFRS(I) 9	2,176	6	(2,182)
At 1 January 2018 (SFRS(I))	2,176	6	-
Additions during the year	-	22,358	-
Changes in fair value recognised in other comprehensive income	6,634	-	-
Foreign exchange loss recognised in other comprehensive loss	(748)	-	-
At 31 December 2018 (SFRS(I))	8,062	22,364	-
At 1 January 2017			2,400
Foreign exchange loss recognised in other comprehensive loss			(218)
At 31 December 2017			2,182

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42 Acquisition and Disposal of Subsidiaries and Transactions with Non-controlling Interests

(a) Disposal of a subsidiary during the financial year 2018

On 9 February 2018, the Group through its subsidiary disposed its entire shareholdings in PT Duta Virtual Dotkom ("DVD") for a cash consideration of IDR74 million (equivalent to $8,000). Compared to the net assets disposed off of $17,000, the Group recorded a loss on disposal of $9,000. Aggregate of cash outflow arising from disposal of a subsidiary is as follow:

	DVD S$'000
Cash consideration from disposal of subsidiary	8
Less: Cash and cash equivalents from disposed subsidiary	(17)
Net cash outflow on disposal of a subsidiary	(9)

(b) Change in ownership interest in subsidiaries during the financial year 2018

(i) On 2 February 2018, the Group through its subsidiary, subscribed for additional 24,000,000 new shares in PT Wijaya Pratama Raya ("WPR") for an aggregate consideration of IDR24.0 billion (equivalent to $2,400,000). Following these capital subscriptions, the Group's effective interest in WPR increased from 27.80% to 30.07%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $1,004,000.

(ii) On 13 February 2018, the Group through its subsidiary, acquired additional 2,328 shares in PT Mustika Candraguna ("MCG") from its non-controlling interests for a cash consideration of IDR4.5 billion (equivalent to $450,000). Subsequently on 25 June 2018, there was a return of capital by MCG totalling IDR35.0 billion (equivalent to $3,150,000). Following these transactions, the Group's effective interest in MCG increased from 53.88% to 57.32%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $197,000 and $647,000, respectively.

(iii) During the current financial year, PT Bumi Serpong Damai Tbk ("BSD"), a subsidiary of the Group, bought back its own shares aggregating 257,970,700 shares for an aggregate consideration of IDR288.0 billion (equivalent to $25,920,000).

Following these shares buy-back, the Group's effective interest in BSD increased from 48.41% to 49.08%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $2,790,000 and $28,710,000 respectively. Consequently, the Group's effective interests in BSD's subsidiaries, associated companies and joint ventures interests increased accordingly.

(c) Acquisition of subsidiaries during the financial year 2017

During the previous financial year, the Group has the following acquisition of subsidiaries:

(i) On 28 February 2017, the Group through its subsidiaries, acquired the entire shareholding in PT Sinar Medikamas Invesindo ("SMI"), which holds investment in an associated company, PT Hermina Sinar Medikamas for a consideration of IDR48,500,000 (equivalent to $5,000). Following the acquisition, the Group's effective interest in SMI was 48.41%.

(ii) On 29 June 2017, the Group through its wholly-owned subsidiaries, completed the acquisition of 100% of the equity interest in Horseferry Property Limited ("HPL"). HPL is the beneficial owner of a freehold property known as 33 Horseferry Road, Victoria, London, United Kingdom. Following the acquisition, HPL, together with its wholly-owned subsidiary, GMN No 2 Limited, became subsidiaries of the Group.

As the above acquisitions did not qualify as business combinations, they were accounted for as acquisition of assets.

NOTES TO THE FINANCIAL STATEMENTS

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42 Acquisition and Disposal of Subsidiaries and Transactions with Non-controlling Interests (cont'd)

(d) Disposal of a subsidiary during the financial year 2017

On 19 December 2017, the Group completed the disposal of its entire shareholding in Golden Bay Realty (Private) Limited ("GBR") for a net consideration of $167,363,000. The following table summarises the carrying amount of major classes of identifiable assets and liabilities disposed:

	GBR S$'000
Cash and cash equivalents	5,911
Trade receivables	50
Other current assets	174
Investment property	52,578
Property, plant and equipment	181
Trade payables	(24)
Other payables	(928)
Income tax payable	(20)
Net assets disposed	57,922
Gain on disposal of a subsidiary	109,441
Total consideration from disposal of subsidiary	167,363
Less: Cash and cash equivalents from disposed subsidiary	(5,911)
Net cash inflow on disposal of a subsidiary	161,452

(e) Change in ownership interest in subsidiaries during the financial year 2017

(i) On 11 January 2017, PT Karawang Bukit Golf ("KBG"), a subsidiary of the Group, issued 25,730,500 new shares for a total consideration of IDR350.0 billion (equivalent to $35,000,000). Following this transaction, the Group's effective interest in KBG decreased from 98.12% to 84.59%. The Group recognised a decrease in other reserves and an increase in non-controlling interests of $4,148,000.

(ii) On 20 January 2017, the Group through its subsidiary, subscribed for additional 229,884 new shares in PT Indowisata Makmur ("IWM") for an aggregate consideration of IDR229.9 billion (equivalent to $22,988,000), and was converted from existing bonds held by the Group. Subsequently on 14 September 2017, the Group subscribed for additional 1,250 new shares in IWM for a consideration of IDR1.2 billion (equivalent to $125,000). Following these transactions, the Group's effective interest in IWM increased from 84.37% to 95.28%. The Group recognised a decrease in other reserves and an increase in non-controlling interests of $203,000.

(iii) On 3 February 2017, the Group through its subsidiary, acquired the remaining 37,161 shares in PT Sumber Arusmulia ("SAM") from its non-controlling interests for a cash consideration of IDR37.2 billion (equivalent to $4,088,000) resulting in SAM becoming a wholly-owned subsidiary of the Group. The Group recognised an increase in other reserves of $16,195,000 and a decrease in non-controlling interests of $20,283,000 as result of the increase in effective interest in SAM and its subsidiaries.

(iv) On 30 January 2017, there was a return of capital by PT Sinar Mas Teladan ("SMT"), a subsidiary of the Group totalling IDR715.0 billion (equivalent to $71,500,000). Following this capital reduction, the Group's effective interest in SMT decreased from 57.81% to 57.32%. The Group recognised a decrease in other reserves and an increase in non-controlling interests of $872,000.

(v) On 24 May 2017, PT Paraga Artamida transferred its 55% equity interest in PT Bumi Mega Graha Asri ("BMGA") to PT Bumi Indah Asri for a consideration of IDR52.5 billion (equivalent to $5,250,000). As a result of this transfer, the Group's effective interest in BMGA decreased from 46.40% to 26.63%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $893,000.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

42 Acquisition and Disposal of Subsidiaries and Transactions with Non-controlling Interests (cont'd)

(e) Change in ownership interest in subsidiaries during the financial year 2017 (cont'd)

(vi) On 15 December 2017, the Group through its subsidiary, acquired the remaining 19,374 shares in PT Binasarana Muliajaya ("BSMJ") from its non-controlling interests for a cash consideration of IDR19.4 billion (equivalent to $1,937,000). Following this transaction, the Group's effective interest in BSMJ and its subsidiary increased from 72.71% to 100.00%. The Group recognised a decrease in other reserves and non-controlling interests of $154,000 and $1,783,000 respectively.

43 Segments Information

The Executive Committee ("Exco") is the Group's chief operating decision-maker and it comprises the Chief Executive Officer, the Executive Directors, the Chief Financial Officer, and the head of each primary geographic segment. Management has determined the operating segments based on the reports reviewed by the Exco that are used to make strategic decisions, allocate resources and assess performance.

Management manages and monitors the business in the two primary areas, namely, Indonesia (excluding Batam) and International (excluding Indonesia but including Batam). Indonesia Property engages in and derives revenue from investment and development of commercial, industrial and residential properties and ownership and management of hotels and resorts in Indonesia (excluding Batam).

International Property engages in and derives revenue from investment and development of commercial and residential properties and ownership and management of hotels and resorts in Malaysia, select mixed development in China and ownership and leasing of investment property in Singapore. Although the United Kingdom Property which derives revenue from leasing of investment property was managed and monitored together with the International Property, it has been separately reported as it meet the quantitative thresholds required by SFRS(I) 8 for reportable segments.

Others operations include the investment holding and corporate office. The Group's reportable segments have been aggregated based on similar economic growth rates. Segment information about these businesses is presented below.

Group	Indonesia Property	International Property	United Kingdom Property	Others/ Eliminations	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
2018					
Total revenue	814,713	17,563	40,745	-	873,021
Inter-segment revenue	(8,762)	(125)	-	-	(8,887)
Revenue from external customers	805,951	17,438	40,745	-	864,134
EBITDA	426,876	6,629	29,479	(2,824)	460,160

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43 Segments Information (cont'd)

Group	Indonesia Property	International Property	United Kingdom Property	Others/ Eliminations	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Other Information					
Additions to investment properties and property, plant and equipment	96,984	677	234	2	97,897
Depreciation expenses	(40,911)	(2,269)	(9,509)	(127)	(52,816)
Interest income	43,877	7,915	36	(790)	51,038
Interest expenses	(135,628)	(9,774)	(13,968)	8,054	(151,316)
Loss allowance on trade and non-trade receivables	(982)	(192)	(192)	(26)	(1,392)
Finance lease receivables written off	(13,802)	-	-	-	(13,802)
Gain on disposal of property, plant and equipment	142	6	-	-	148
Gain on disposal of investment properties	-	1,416	-	-	1,416
Share of profit/(loss) of:					
Associated companies	11,297	-	-	-	11,297
Joint ventures	(3,735)	-	-	-	(3,735)
Assets					
Segment assets	6,004,076*	320,077	922,952	1,541,338	8,788,443
Liabilities					
Segment liabilities	2,865,845	278,331	589,607	1,353,424	5,087,207
2017					
Total revenue	1,292,438	24,627	33,023	-	1,350,088
Inter-segment revenue	(2,471)	(180)	-	-	(2,651)
Revenue from external customers	1,289,967	24,447	33,023	-	1,347,437
EBITDA	801,524	(5,683)	22,821	(14,500)	804,162
Other Information					
Additions to investment properties and property, plant and equipment	347,439	1,410	337,826	-	686,675
Depreciation expenses	(34,907)	(4,546)	(8,184)	(155)	(47,792)
Interest income	30,000	5,368	4	(510)	34,862
Interest expenses	(115,546)	(10,841)	(10,762)	6,370	(130,779)
Exceptional gain	-	109,441	-	-	109,441
Gain on disposal of property, plant and equipment	23	19	-	-	42
Share of profit/(loss) of:					
Associated companies	14,487	-	-	-	14,487
Joint ventures	(45,228)	-	-	-	(45,228)
Assets					
Segment assets	5,969,591*	266,894	958,243	1,439,118	8,633,846
Liabilities					
Segment liabilities	2,607,155	210,370	902,222	914,426	4,634,173

* Segment assets in Indonesia Property include investments in associated companies and joint ventures of $247,149,000 and $142,262,000 (2017: $266,378,000 and $143,289,000) respectively.

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43 Segments Information (cont'd)

The Exco assesses the performance of the operating segments based on a measure of earnings before income tax, non-controlling interests, interest on borrowings, foreign exchange gain/(loss), depreciation, exceptional item, share of results of associated companies and joint ventures ("EBITDA"). All inter segment sales and transfers are accounted for as if the sales or transfers were to a third party, i.e. at current market prices.

A reconciliation of total EBITDA to total profit before income tax is as follows:

	2018 S$'000	2017 S$'000
EBITDA for reportable segments	462,984	818,662
Other EBITDA	(2,824)	(14,500)
Depreciation expenses	(52,816)	(47,792)
Foreign exchange gain/(loss)	5,655	(22,616)
Interest expenses	(151,316)	(130,779)
Exceptional item	-	109,441
Share of results of associated companies	11,297	14,487
Share of results of joint ventures	(3,735)	(45,228)
Profit before income tax	269,245	681,675

A reconciliation of total assets for reportable segments to total assets is as follows:

	2018 S$'000	2017 S$'000
Total assets for reportable segments	7,247,105	7,194,728
Other assets	1,541,338	1,439,118
Elimination of inter-segment receivables	(2,227,909)	(2,077,736)
Total assets	6,560,534	6,556,110

A reconciliation of total liabilities for reportable segments to total liabilities is as follows:

	2018 S$'000	2017 S$'000
Total liabilities for reportable segments	3,733,783	3,719,747
Other liabilities	1,353,424	914,426
Elimination of inter-segment payables	(2,309,980)	(2,107,661)
Total liabilities	2,777,227	2,526,512

The following table provides an analysis of the Group's revenue from business by geographical market, irrespective of the origin of the goods/services.

	2018 S$'000	2017 S$'000
Indonesia	810,769	1,294,178
United Kingdom	40,745	33,023
Malaysia	10,856	11,125
China	1,764	5,775
Singapore	-	3,336
Consolidated revenue	864,134	1,347,437

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43 Segments Information (cont'd)

The following tables present an analysis of the carrying amount of non-current non-financial assets and additions to investment properties and property, plant and equipment, analysed by the geographical area in which the assets are located:

	2018 S$'000	2017 S$'000
Indonesia	2,525,062	2,645,151
United Kingdom	853,624	896,931
Malaysia	46,108	46,369
Singapore	2,131	3,220
China	213	220
Total carrying amount of non-current non-financial assets	3,427,138	3,591,891
Indonesia	97,371	348,792
United Kingdom	234	337,826
Malaysia	286	24
Singapore	2	31
China	4	2
Total additions to investment properties and property, plant and equipment	97,897	686,675

44 Subsidiaries

The details of the subsidiaries are as follows:

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group 2018 %	2017 %	1 January 2017 %
AFP International Finance Ltd (1) Mauritius	Provision of management and consultancy services	100.00	100.00	100.00
AFP International Finance (2) Ltd (1) Mauritius	Financing activities	100.00	100.00	100.00
AFP International Finance (3) Ltd (2) British Virgin Islands	Investment holding	100.00	100.00	100.00
Asia Management Services Ltd (1) Mauritius	Provision of management and consultancy services	100.00	100.00	100.00
Bali Indowisata Pte. Ltd. Singapore	Investment holding	100.00	100.00	100.00
Ever Forward Asia Limited (1) Hong Kong	Dormant	100.00	100.00	100.00

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44 Subsidiaries (cont'd)

The details of the subsidiaries are as follows:

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018 %	2017 %	1 January 2017 %
Golden Ray Development Pte. Ltd. Singapore	Real estate development	100.00	100.00	100.00
Prime Glory Capital Limited (1) Mauritius	Property investment	100.00	100.00	100.00
Sinarmas Land Overseas Holding Pte. Ltd. Singapore	Investment holding	100.00	100.00	100.00
PT Indowisata Makmur (1) Indonesia	Property development	95.28	95.28	84.37
United Kingdom Property Division				
Agamemnon S.a r.l (4g) Luxembourg	Investment holding	100.00	100.00	100.00
Alphabeta Limited Partnership (4g) England and Wales	Property investment and development	100.00	100.00	100.00
Horseferry Property Limited (4g) Guernsey	Property investment	100.00	100.00	-
GMN No 2 Limited (3) England and Wales	Dormant	100.00	100.00	-
SML Alpha S.a r.l (4g) Luxembourg	Property investment holding	100.00	100.00	100.00
SML Brook England (HK) Limited (4e) Hong Kong	Investment holding	100.00	100.00	100.00
SML Brook Partners Pte Limited (3) Jersey	Investment holding	100.00	100.00	100.00
SML Chancery Pte Limited (3) Jersey	Property investment	100.00	-	-
SML Great Pte Limited (4g) Jersey	Property investment and development	100.00	100.00	100.00
SML Jersey Brook Pte Limited (3) Jersey	Investment holding	100.00	100.00	100.00

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group 2018 %	2017 %	1 January 2017 %
SML Jersey Properties Pte Limited (3) Jersey	Investment holding	100.00	100.00	100.00
SML Victoria Limited (4g) Guernsey	Investment holding	100.00	100.00	-
Triton Court GP Ltd (4g) England and Wales	General partner	100.00	100.00	100.00
Triton Court Nominee (Newco) Limited (4g) England and Wales	Nominee Company	100.00	100.00	100.00
Indonesia Property Division				
ACF Finance Ltd (2) British Virgin Islands	Dissolved	-	100.00	100.00
ACF Solutions Holding Ltd (1) Mauritius	Investment holding	100.00	100.00	100.00
AFP International Capital Pte. Ltd. Singapore	Investment holding	100.00	100.00	100.00
Global Prime Capital Pte. Ltd. Singapore	Investment holding	49.08 [5]	48.41 [5]	48.41 [5]
Global Prime Treasury Pte. Ltd. Singapore	Treasury management and related services	49.08 [5]	48.41 [5]	48.41 [5]
Jermina Limited (4d) Hong Kong	Investment holding	100.00	100.00	100.00
Linsville Limited (2) Cayman Islands	Investment holding	100.00	100.00	100.00
PT Aneka Karya Amarta (1) Indonesia	Investment holding	84.37	84.37	84.37
PT Anekagriya Buminusa (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Bhineka Karya Pratama (1) Indonesia	Investment holding	72.12	72.12	72.12
PT Binamaju Grahamitra (1) Indonesia	Real estate development	84.37	84.37	84.37
PT Binamaju Mitra Sejati (1) Indonesia	Real estate development	54.96	54.80	54.80

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018 %	2017 %	1 January 2017 %
PT Binasarana Muliajaya (4f) Indonesia	Provision of management and consultancy services	100.00	100.00	72.71
PT Bumi Indah Asri (1) Indonesia	Real estate development and investment holding	49.08 [5]	48.41 [5]	48.41 [5]
PT Bumi Karawang Damai (1) Indonesia	Real estate development	49.79 [5]	49.13 [5]	49.13 [5]
PT Bumi Megah Graha Asri (1) Indonesia	Real estate and property development	26.99 [5]	26.63 [5]	46.40 [5]
PT Bumi Megah Graha Utama (1) Indonesia	Real estate development	26.99 [5]	26.63 [5]	26.63 [5]
PT Bumi Paramudita Mas (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Bumi Samarinda Damai (1) Indonesia	Real estate development	42.22 [5]	41.98 [5]	41.98 [5]
PT Bumi Sentra Selaras (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Bumi Serpong Damai Tbk (“BSD”) (1), (Note 42(b)(iii)) Indonesia	Investment holding and development of houses and buildings	49.08 [5]	48.41 [5]	48.41 [5]
PT Bumi Tirta Mas (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Bumi Wisesa Jaya (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Duta Cakra Pesona (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Duta Dharma Sinarmas (1) Indonesia	Real estate development	25.03 [5]	24.69 [5]	24.69 [5]
PT Duta Mitra Mas (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Duta Pertiwi Tbk (1) Indonesia	Property development and investment holding	43.47 [5]	42.87 [5]	42.87 [5]
PT Duta Semesta Mas (1) Indonesia	Property development	43.47 [5]	42.87 [5]	42.87 [5]

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018 %	2017 %	1 January 2017 %
PT Duta Usaha Sentosa (1) Indonesia	Real estate development	84.37	84.37	84.37
PT Duta Virtual Dotkom (3), (Note 42 (a)) Indonesia	E-commerce	-	42.30 [5]	42.30 [5]
PT Ekacentra Usahamaju (1) Indonesia	Investment holding	84.36	84.36	84.36
PT Garwita Sentra Utama (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Grahadipta Wisesa (1) Indonesia	Real estate development	64.96	64.59	64.59
PT Inter Sarana Prabawa (1) Indonesia	Real estate development	84.37	84.37	84.37
PT Inti Tekno Sukses Bersama (4f) Indonesia	Educational and property development	100.00	100.00	72.71
PT Inti Tekno Sains Bandung (4f) Indonesia	Property management	100.00	100.00	-
PT Kanaka Grahaasri (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Karawang Bukit Golf (1) Indonesia	Residential estate and country club and golf club development	84.77	84.59	98.12
PT Karawang Tatabina Industrial Estate (1) Indonesia	Industrial estate development	49.67 [5]	49.67 [5]	49.67 [5]
PT Karya Dutamas Cemerlang (1) Indonesia	Industrial estate development	84.36	84.36	84.36
PT Kembangan Permai Development (1) Indonesia	Real estate development	34.78 [5]	34.30 [5]	34.30 [5]
PT Kurnia Subur Permai (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Kusumasentral Kencana (1) Indonesia	Property development	46.40 [5]	46.40 [5]	46.40 [5]

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018 %	2017 %	1 January 2017 %
PT Laksya Prima Lestari (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Masagi Propertindo (1) Indonesia	Property development	84.14	84.14	84.14
PT Mekanusa Cipta (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Metropolitan Transcities Indonesia (1) Indonesia	Investment holding	84.37	84.37	84.37
PT Misaya Properindo (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Mitrakarya Multiguna (1) Indonesia	Real estate development	35.65 [5]	35.15 [5]	35.15 [5]
PT Mustika Candraguna (1), (Note 42(b)(ii)) Indonesia	Property development	57.81	53.88	54.34
PT Mustika Karya Sejati (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Pangeran Plaza Utama (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Paraga Artamida (1) Indonesia	Investment holding and provision of consultancy services	84.37	84.37	84.37
PT Pastika Candra Pertiwi (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Pembangunan Deltamas (1) Indonesia	Property and real estate development	57.28	57.28	55.68
PT Permata Kirana Lestari (4f) Indonesia	Property development	84.37	84.37	84.37
PT Perwita Margasakti (1) Indonesia	Property development	43.47 [5]	42.87 [5]	42.87 [5]
PT Phinisi Multi Properti (1) Indonesia	Real estate development	33.37 [5]	32.92 [5]	32.92 [5]

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018 %	2017 %	1 January 2017 %
PT Phinisindo Zamrud Nusantara (1) Indonesia	Property development	33.68 [5]	33.22 [5]	33.22 [5]
PT Praba Selaras Pratama (1) Indonesia	Real estate development and investment holding	49.08 [5]	48.41 [5]	48.41 [5]
PT Prestasi Mahkota Utama (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Prima Sehati (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Puradelta Lestari Tbk (1) Indonesia	Property and real estate development	57.28	57.28	55.68
PT Putra Alvita Pratama (1) Indonesia	Real estate development	23.27 [5]	22.94 [5]	22.94 [5]
PT Putra Prabukarya (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Putra Tirta Wisata (1) Indonesia	Property management	23.27 [5]	22.94 [5]	22.94 [5]
PT Royal Oriental (1) Indonesia	Property development	54.06	53.61	53.61
PT Saranapapan Ekasejati (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Satwika Cipta Lestari (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Sentra Selaras Lestari (1) Indonesia	Real estate development and investment holding	49.08 [5]	48.41 [5]	48.41 [5]
PT Sentra Talenta Utama (1) Indonesia	Real estate development and investment holding	49.08 [5]	48.41 [5]	48.41 [5]
PT Simas Tunggal Center (1) Indonesia	Investment holding	81.84	81.84	81.84
PT Sinar Mas Teladan (1) Indonesia	Property development	57.81	57.32	57.81
PT Sinar Medikamas Invesindo (1) Indonesia	Health care	49.08 [5]	48.41 [5]	-

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018 %	2017 %	1 January 2017 %
PT Sinar Mas Wisesa (1) Indonesia	Real estate development	64.96	64.59	64.59
PT Sinar Pertiwi Megah (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Sinar Usaha Mahitala (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Sinar Usaha Marga (1) Indonesia	Real estate development	72.72	72.50	72.50
PT Sinarwijaya Ekapratista (1) Indonesia	Real estate development	43.47 [5]	42.87 [5]	42.87 [5]
PT Sinarwisata Lestari (1) Indonesia	Hotel	43.47 [5]	42.87 [5]	42.87 [5]
PT Sinarwisata Permai (1) Indonesia	Hotel	43.47 [5]	42.87 [5]	42.87 [5]
PT Sumber Arusmulia (1) Indonesia	Investment holding	100.00	100.00	53.13
PT Sumber Makmur Semesta (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Surya Inter Wisesa (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Transbsd Balaraja (1) Indonesia	Development and operation of toll roads	49.08 [5]	48.41 [5]	48.41 [5]
PT Wahana Swasa Utama (1) Indonesia	Real estate development	49.08 [5]	48.41 [5]	48.41 [5]
PT Wijaya Pratama Raya (1), (Note 42(b)(i)) Indonesia	Property development	30.49 [5]	27.80 [5]	27.80 [5]
Sittingham Assets Limited (2) British Virgin Islands	Investment holding	100.00	100.00	100.00
China Property Division				
AFP China Ltd (1) Mauritius	Investment holding	100.00	100.00	100.00
AFP (Shanghai) Co., Ltd (4c) People's Republic of China	Provision of management services	100.00	100.00	100.00

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018 %	2017 %	1 January 2017 %
Shining Gold Real Estate (Chengdu) Co., Ltd (4c) People's Republic of China	Property investment and development	100.00	100.00	100.00
Shining Gold Real Estate (Shenyang) Co., Ltd (4c) People's Republic of China	Property investment and development	100.00	100.00	100.00
Sinarmas Land (HK) Limited (4e) Hong Kong	Investment holding	100.00	100.00	100.00
Zhuhai Huafeng Management and Consultancy Co., Ltd. (4c) People's Republic of China	Investment holding	100.00	100.00	100.00
AFP Land Division				
AFP Gardens (Tanjong Rhu) Pte Ltd Singapore	Property investment and development	100.00	100.00	100.00
AFP Hillview Pte Ltd Singapore	Property development	100.00	100.00	100.00
AFP Land (Malaysia) Sdn Bhd (4h) Malaysia	Investment holding	100.00	100.00	100.00
AFP Land Limited Singapore	Investment holding and provision of management services	100.00	100.00	100.00
AFP Resort Development Pte Ltd Singapore	Resort property development and investment holding	100.00	100.00	100.00
AFP Resort Marketing Services Pte Ltd Singapore	Marketing services to resort establishments	89.50	89.50	89.50
Amcol (China) Investments Pte Ltd Singapore	Investment holding	100.00	100.00	100.00
Anak Bukit Resorts Sdn Bhd (4h) Malaysia	Resort property development	100.00	100.00	100.00
Golden Bay Realty (Private) Limited Singapore	Property investment	-	-	100.00
Goldmount Holdings Pte Ltd (4a) Singapore	Investment holding	100.00	100.00	100.00

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018 %	2017 %	1 January 2017 %
Jurong Golf & Sports Complex Pte Ltd (4a) Singapore	Golf club and to establish, maintain and provide golf courses and recreational facilities	99.22	99.22	99.22
PT AFP Dwilestari (4b) Indonesia	Resort development and operation	65.00	65.00	65.00
Palm Resort Berhad (4h) Malaysia	Golf club and to establish, maintain and provide golf course and recreational facilities and to act as hotelier and hotel marketing agent	99.22	99.22	99.22
PRB (L) Ltd (4h) Malaysia	Investment holding and treasury management	100.00	100.00	100.00
Palm Resort Management Pte Ltd Singapore	Dormant	99.22	99.22	99.22
Palm Villa Sdn Bhd (4h) Malaysia	Dormant	99.22	99.22	99.22
Sankei Pte Ltd Singapore	Dormant	100.00	100.00	100.00

Notes:

The above subsidiaries are audited by Moore Stephens LLP, Singapore except for subsidiaries that are indicated below:

(1) Audited by member firms of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.
(2) No statutory audit is required by law in its country of incorporation.
(3) No statutory audit is required as the subsidiary is newly incorporated/inactive.
(4) Audited by other firms of accountants as follows:
  (a) CA PRACTICE PAC
  (b) Tanubrata Sutanto Fahmi Bambang & Rekan
  (c) Zhonghua Certified Public Accountants LLP
  (d) Klis & Associates CPA Limited, Certified Public Accountants
  (e) SHL CPA Limited, Certified Public Accountants (Practising)
  (f) Kantor Akuntan Publik Freddy & Rekan
  (g) BDO LLP
  (h) Moore Stephens Associates & Co.
(5) These subsidiaries are held by non-wholly owned intermediate holding companies. The intermediate holding companies have the power to control over these companies.

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44 Subsidiaries (cont'd)

(6) During the current financial year, the Group incorporated a wholly-own subsidiary, SML Chancery Pte Limited with initial issued and paid up capital of 2 shares for $4.

(7) As at 31 December 2018, the accumulated non-controlling interests is $1,745,475,000 (2017: $1,881,813,000), of which $1,371,663,000 (2017: $1,474,064,000) is for 15.63% (2017: 15.63%) non-controlling interests in PT Paraga Artamida and its subsidiaries ("Paraga Group") and $309,822,000 (2017: $339,651,000) is for 42.72% (2017: 42.72%) non-controlling interests in PT Puradelta Lestari Tbk and its subsidiary ("PDL Group") respectively. The non-controlling interests in respect of other subsidiaries are individually not material.

The following table summarises the financial information relating to Paraga Group and PDL Group which has non-controlling interests ("NCI") that are material to the Group:

	Paraga Group		PDL Group	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Non-current assets	2,672,853	2,655,751	430,419	488,853
Current assets	2,060,528	1,955,684	325,391	355,065
Non-current liabilities	1,429,410	938,126	2,891	2,730
Current liabilities	672,131	880,661	25,146	46,002
Revenue	693,570	1,075,110	101,558	138,041
Profit for the year	174,221	548,617	46,961	66,322
Total comprehensive (loss)/income for the year	(64,370)	200,103	(38,972)	(24,332)
Profit allocated to NCI	91,894	249,060	17,280	24,054
Dividends paid to NCI	2,835	6,793	13,401	44,267
Cash inflows from operating activities	148,811	445,367	28,163	75,519
Cash outflows from investing activities	(216,396)	(282,084)	(3,912)	(14,094)
Cash inflows/(outflows) from financing activities, before dividends to NCI	306,295	37,299	(28,229)	(103,626)
Net increase/(decrease) in cash and cash equivalents	238,710	200,582	(3,978)	(42,201)

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45 Associated Companies

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by the Group		
		2018 %	2017 %	1 January 2017 %
PT AMSL Delta Mas (2a) Indonesia	Property development	16.20 [4]	15.98 [4]	15.98 [4]
PT AMSL Indonesia (2a) Indonesia	Property development	16.20 [4]	15.98 [4]	15.98 [4]
PT Citraagung Tirtajatim (1) Indonesia	Property development	17.39 [4]	17.15 [4]	17.15 [4]
PT Duta Karya Propertindo (3) Indonesia	Property management	21.74	21.44	21.44
PT Harapan Anang Bakri & Sons (1) Indonesia	Industrial estate development	42.18	42.18	42.18
PT Hermina Sinar Medikamas (1) Indonesia	Health care	19.63 [4]	19.36 [4]	-
PT Indonesia Internasional Graha (1) Indonesia	Property management	24.05	-	-
PT Keikyu Itomas Indonesia Indonesia (2a)	Property development	4.35 [4]	-	-
PT Maligi Permata Industrial Estate (1) Indonesia	Industrial estate development	42.19	42.19	42.19
PT Matra Olahcipta (1) Indonesia	Property development	21.74	21.44	21.44
PT Plaza Indonesia Realty Tbk (2a) Indonesia	Property development and hotel owner	22.96	22.65	18.39 [4]
PT Wira Perkasa Agung (2b) Indonesia	Investment holding	24.73	-	-
PT Serasi Niaga Sakti (1) Indonesia	Real estate development	42.19	42.19	42.19

Notes:

(1) Audited by member firms of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.

(2) Audited by other firms of accountants as follows:
  (a) Satrio Bing Eny & Rekan.
  (b) Drs Freddy Pam Situmorang

(3) No statutory audit is required as the company is inactive/newly incorporated.

(4) These companies are held by non-wholly owned intermediate holding companies. The intermediate holding companies are able to exercise significant influence on its financial and operating policies.

SHAREHOLDING STATISTICS

As At 8 March 2019

ISSUED AND FULLY PAID-UP CAPITAL (including treasury shares)	: S$2,057,844,076.04
NO. OF SHARES ISSUED (A) (excluding treasury shares and subsidiary holdings)	: 4,255,862,496
NO. OF TREASURY SHARES HELD (B)	: 293,456,700
NO. OF SUBSIDIARY HOLDINGS HELD (C)	: NIL
PERCENTAGE OF (B) AND (C) AGAINST (A)	: 6.90%
CLASS OF SHARES	: Ordinary shares
VOTING RIGHTS	: One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	188	2.11	8,576	0.00
100 - 1,000	1,100	12.33	760,979	0.02
1,001 - 10,000	5,363	60.12	24,104,499	0.56
10,001 - 1,000,000	2,241	25.12	112,315,692	2.64
1,000,001 & ABOVE	29	0.32	4,118,672,750	96.78
Total	**8,921**	**100.00**	**4,255,862,496**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
FLAMBO INTERNATIONAL LIMITED	2,749,900,854	64.61
RHB SECURITIES SINGAPORE PTE LTD	371,694,300	8.73
GOLDEN MOMENT LIMITED	241,293,927	5.67
RAFFLES NOMINEES (PTE) LIMITED	230,316,427	5.41
UOB KAY HIAN PTE LTD	211,002,009	4.96
CITIBANK NOMINEES SINGAPORE PTE LTD	194,172,552	4.56
OCBC SECURITIES PRIVATE LTD	22,973,878	0.54
DBS VICKERS SECURITIES (S) PTE LTD	19,379,141	0.46
DBS NOMINEES PTE LTD	15,240,194	0.36
MAYBANK KIM ENG SECURITIES PTE. LTD.	7,894,908	0.19
TAN NG KUANG	6,385,000	0.15
UNITED OVERSEAS BANK NOMINEES PTE LTD	5,137,550	0.12
DIANAWATI TJENDERA	5,000,000	0.12
PHILLIP SECURITIES PTE LTD	4,807,009	0.11
CHEE SWEE HENG	4,440,000	0.10
TAN KAH BOH ROBERT @ TAN KAH BOO	3,300,000	0.08
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	3,207,366	0.08
OCBC NOMINEES SINGAPORE PTE LTD	2,705,266	0.06
BNP PARIBAS NOMINEES SINGAPORE PTE LTD	2,619,000	0.06
TAN JOON YANG	2,500,000	0.06
Total	**4,103,969,381**	**96.43**

SHAREHOLDING STATISTICS

As At 8 March 2019

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Percentage %[1]	Deemed Interest	Percentage %[1]	Total Percentage (Direct and Deemed Interest) %[1]
	No. of Shares in which they have an Interest				
GOLDEN MOMENT LIMITED ("Golden Moment")	241,293,927	5.67	-	-	5.67
FLAMBO INTERNATIONAL LIMITED ("Flambo")[2]	2,749,900,854	64.61	241,293,927	5.67	70.28
THE WIDJAJA FAMILY MASTER TRUST(2) ("WFMT(2)")[3]	-	-	2,991,194,781	70.28	70.28

Notes:

[1] Percentage calculated based on 4,255,862,496 issued shares (excluding treasury shares and subsidiary holdings).

[2] The deemed interest of Flambo arises from its interest in 241,293,927 shares held by its wholly-owned subsidiary, Golden Moment, in the Company.

[3] The deemed interest of WFMT(2) arises from its interest in 2,749,900,854 shares held by Flambo and 241,293,927 shares held by Golden Moment in the Company.

Based on the information available to the Company as at 8 March 2019, approximately 29.68% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the "**AGM**") of Sinarmas Land Limited (the "**Company**" or "**SML**") will be held on **Wednesday, 24 April 2019 at 11.00 a.m.** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2018 together with the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final tax-exempted (one-tier) dividend of S$0.002 per ordinary share for the year ended 31 December 2018. **(Resolution 2)**

3. To approve Directors' Fees of S$414,802 for the year ended 31 December 2018. (FY2017: S$332,000) **(Resolution 3)**

4. To re-appoint the following Directors retiring pursuant to Regulation 97 of the Constitution of the Company:

   (a) Mr. Willy Shee Ping Yah @ Shee Ping Yan *{please see note 1}* **(Resolution 4)**
   (b) Mr. Lew Syn Pau *{please see note 2}* **(Resolution 5)**

5. To re-apoint the following Directors retiring pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited:

   (a) Mr. Kunihiko Naito *{please see note 3}* **(Resolution 6)**
   (b) Mr. Franky Oesman Widjaja *{please see note 4}* **(Resolution 7)**

6. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

<u>Renewal of the Share Issue Mandate</u>

7A. "That pursuant to Section 161 of the Companies Act, Cap 50 and the Listing Rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the date of this Resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the date of this Resolution, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the next annual general meeting of the Company." *{please see note 5}* **(Resolution 9)**

NOTICE OF ANNUAL GENERAL MEETING

Renewal of the Share Purchase Mandate

7B. "(a) That for the purposes of Sections 76C and 76E of the Companies Act, Cap 50 (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) That unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company is held or is required by law to be held; or

(ii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority in the Share Purchase Mandate is varied or revoked;

(c) That in this Resolution:

"**Prescribed Limit**" means ten percent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i)	in the case of a Market Purchase:	105% of the Average Closing Price
(ii)	in the case of an Off-Market Purchase:	120% of the Highest Last Dealt Price

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

NOTICE OF ANNUAL GENERAL MEETING

(d) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution." *{please see note 6}* **(Resolution 10)**

Renewal of the Interested Person Transactions Mandate

7C. "(a) That pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Company, its subsidiaries and associated companies that are not listed on the Singapore Exchange Securities Trading Limited or an approved exchange, provided that the Company and its subsidiaries (the "**Group**"), or the Group and its interested person(s), has control over the associated companies, or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Appendix 2 to this Notice of Annual General Meeting (the "**Appendix 2**") *{please see note 7}*, with any party who is of the class of Interested Persons described in the Appendix 2, provided that such transactions are carried out in the ordinary course of business and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the Appendix 2 (the "**IPT Mandate**");

(b) That the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company; and

(c) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution." *{please see note 8}* **(Resolution 11)**

By Order of the Board

Ferdinand Sadeli
Director
3 April 2019
Singapore

Notes:

(i) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints more than one (1) proxy, he shall specify in the proxy form, the proportion of his shareholding to be represented by each proxy.

(ii) A member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

(iii) A proxy need not be a member of the Company.

(iv) The instrument appointing a proxy must be deposited at the registered office of the Company at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 not less than 72 hours before the time fixed for holding the AGM or any postponement or adjournment thereof. Completion and return of the proxy form by a member will not prevent him from attending, speaking and voting at the AGM if he so wishes. In such event, the relevant proxy form will be deemed to be revoked.

(v) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instruction appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

NOTICE OF ANNUAL GENERAL MEETING

Additional Notes relating to the Notice of AGM:

1. Please refer to the sections on Board of Directors and Corporate Governance Report in the Annual Report 2018 for further information on Mr. Willy Shee Ping Yah @ Shee Ping Yan. If re-appointed, Mr Shee is considered to be independent.

2. Please refer to the sections on Board of Directors and Corporate Governance Report in the Annual Report 2018 for further information on Mr. Lew Syn Pau. If re-appointed, Mr. Lew is considered to be independent.

3. Please refer to the sections on Board of Directors and Corporate Governance Report in the Annual Report 2018 for further information on Mr. Kunihiko Naito. If re-appointed, Mr. Naito, who is considered to be independent, will remain as a member of the Audit Committee.

4. Please refer to the sections on Board of Directors and Corporate Governance Report in the Annual Report 2018 for further information on Mr. Franky Oesman Widjaja.

5. The Ordinary Resolution 9 proposed in item 7A above, if passed, is to empower the Directors from the date of the AGM until the date of the next annual general meeting, to issue shares and convertible securities in the capital of the Company not exceeding fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed. For issue of shares and convertible securities other than on a pro-rata basis to shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company.

   The percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or any employee share options on issue at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.

6. The Ordinary Resolution 10 proposed in item 7B above, if passed, is to renew for another year, up to the next annual general meeting of the Company, the mandate for share purchase as described in the Appendix 1 to this Notice of AGM, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next annual general meeting.

7. The mandate for transactions with Interested Persons as described in the Appendix 2 includes the placement of deposits by the Company with financial institutions in which Interested Persons have an interest.

8. The Ordinary Resolution 11 proposed in item 7C above, if passed, is to renew for another year, up to the next annual general meeting of the Company, the mandate for transactions with Interested Persons as described in the Appendix 2, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next annual general meeting.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

sinarmas land

SINARMAS LAND LIMITED

Company Registration No. 199400619R
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

Important:
1. A relevant intermediary may appoint more than two proxies to attend the AGM and vote (please see note 3 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. Please read the notes to the Proxy Form set out below.

I/We, ______________________________ (Name)

______________________________ (NRIC/ Passport/ Company Registration Number)

of ______________________________ (Address)

being a member/members of Sinarmas Land Limited (the "**Company**") hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate):

or failing him/her, the Chairman of the Annual General Meeting of the Company (the "**AGM**") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM to be held on **Wednesday, 24 April 2019 at 11.00 a.m.** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions as set out in the Notice of AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM.

Note: The Chairman of the AGM will be exercising his right under Regulation 61(B)(a) of the Constitution of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, each resolution at the AGM will be voted on by way of poll.

No.	Resolutions	*No. of Votes "For"	*No. of Votes "Against"
	ORDINARY BUSINESS		
1	Adoption of Audited Financial Statements for the year ended 31 December 2018 ("FY2018") together with the Directors' Statement and Auditors' Report		
2	Declaration of First and Final Dividend for FY2018		
3	Approval of Directors' Fees for FY2018		
4	Re-appointment of Mr. Willy Shee Ping Yah @ Shee Ping Yan		
5	Re-appointment of Mr. Lew Syn Pau		
6	Re-appointment of Mr. Kunihiko Naito		
7	Re-appointment of Mr. Franky Oesman Widjaja		
8	Re-appointment of Auditors		
	SPECIAL BUSINESS		
9	Renewal of the Share Issue Mandate		
10	Renewal of the Share Purchase Mandate		
11	Renewal of the Interested Person Transactions Mandate		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate with an "X" within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of votes as appropriate in the boxes provided.

Dated this __________ day of ______________ 2019

Total Number of Shares held in:	
(a) CDP Register	
(b) Register of Members	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

1st fold and glue all sides firmly. Do not spot seal and/or staple

3rd fold and glue all sides firmly. Do not spot seal and/or staple

ANNUAL GENERAL MEETING

PROXY FORM

Affix
Stamp
Here

The Company Secretary
SINARMAS LAND LIMITED
108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

3rd fold and glue all sides firmly. Do not spot seal and/or staple

Fold along this line

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289)), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote on his behalf at the AGM. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

3. Pursuant to Section 181 of the Companies Act, Chapter 50, as amended by the Companies (Amendment) Act 2014, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the meeting. Relevant intermediary is either:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 not less than 72 hours before the time set for the AGM.

Fold along this line

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified true copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 3 April 2019.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Franky Oesman Widjaja
Executive Chairman

Muktar Widjaja
Executive Director and
Chief Executive Officer

Margaretha Natalia Widjaja
Executive Director

Ferdinand Sadeli
Executive Director and
Chief Financial Officer

Robin Ng Cheng Jiet
Executive Director

Hong Pian Tee
Lead Independent Director

Kunihiko Naito
Independent Director

Rodolfo Castillo Balmater
Independent Director

**Willy Shee Ping Yah @
Shee Ping Yan**
Independent Director

Lew Syn Pau
Independent Director

AUDIT COMMITTEE

Hong Pian Tee (Chairman)

Kunihiko Naito

Rodolfo Castillo Balmater

NOMINATING COMMITTEE

Hong Pian Tee (Chairman)

Rodolfo Castillo Balmater

Franky Oesman Widjaja

REMUNERATION COMMITTEE

Rodolfo Castillo Balmater
(Chairman)

Hong Pian Tee

Kunihiko Naito

SECRETARY

Kimberley Lye Chor Mei

AUDITORS

Moore Stephens LLP
*Public Accountants and Chartered
Accountants*
10 Anson Road
#29-15 International Plaza
Singapore 079903
Tel : (65) 6221 3771
Fax : (65) 6221 3815
Partner-in-charge : Neo Keng Jin

(Appointed since the financial year ended
31 December 2016)

INVESTOR RELATIONS

investor@sinarmasland.com.sg

REGISTERED OFFICE

108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535
Tel : (65) 6220 7720
Fax : (65) 6590 0887

SHARE REGISTRAR AND TRANSFER OFFICE

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel : (65) 6593 4848
Fax : (65) 6593 4847

DATE AND COUNTRY OF INCORPORATION

27 January 1994, Singapore

COMPANY REGISTRATION NO.

199400619R

SHARE LISTING

The Company's shares are listed on
the Singapore Exchange Securities
Trading Limited

DATE OF LISTING

18 July 1997

sinarmas land

SINARMAS LAND LIMITED
Company Registration No. 199400619R

108 Pasir Panjang Road,
#06-00 Golden Agri Plaza, Singapore 118535
Tel : (65) 6220 7720 Fax : (65) 6590 0887

www.sinarmasland.com

Sinar Mas Land

@sinarmas_land