BUILDING *for a* BETTER FUTURE

SINARMAS LAND LIMITED
ANNUAL REPORT 2017

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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, China and United Kingdom.

In Indonesia, SML is the largest property developer 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$5.0 billion as at 31 December 2017.

Its Indonesia property division is engaged in many 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

MAY 2017

BSDE HELD GROUNDBREAKING CEREMONY FOR DIGITAL HUB

BSDE held the groundbreaking ceremony for the construction of 26 hectares Digital Hub, the Silicon Valley of Indonesia

ICE AWARDED WORLD GOLD WINNER IN FIABCI WORLD PRIX D'EXCELLENCE AWARDS

SML's Indonesia Convention Exhibition (ICE) was awarded World Gold Winner in the Purpose Built Category at the highly acclaimed FIABCI World Prix d'Excellence Awards 2017

DMAS ENTERED INTO A JOINT VENTURE WITH PANAHOME

DMAS entered into a joint venture with Panahome Asia Pacific to jointly develop a residential estate with sustainable smart town concept in Kota Deltamas

BSDE ISSUED US$70 MILLION SENIOR NOTES

BSDE issued US$70 million senior notes at 5.50% coupon maturing in 2023

JUN 2017

SML ACQUIRED 33 HORSEFERRY ROAD IN CENTRAL LONDON

SML completed the acquisition of 33 Horseferry Road in Central London for a net consideration of £188.6 million

OCT 2017

SML LAUNCHED PRICE LOCK PROGRAM

The Price Lock program was held from 3 October 2017 to 31 December 2017, assisting homebuyers to own a home through an extended installment scheme

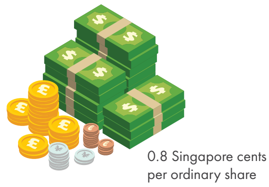
NOV 2017

BSDE INCREASED ITS HOLDINGS IN PT PLAZA INDONESIA TBK

BSDE increased its holdings in PT Plaza Indonesia Tbk, an associated company, through various open market purchases

SML DECLARED AN INTERIM DIVIDEND

SML declared an interim dividend of 0.8 Singapore cents per ordinary share was paid on 14 December 2017



DEC 2017

BSDE ACQUIRED SINARMAS MSIG TOWER IN CENTRAL JAKARTA

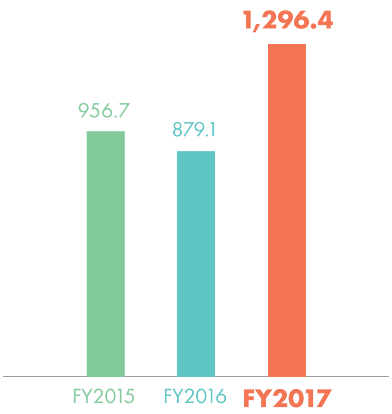
BSDE acquired Sinarmas MSIG Tower, a 47-storey Grade A office building located in Central Jakarta, for a total consideration of IDR2.4 trillion

SML DIVESTED ORCHARD TOWERS IN SINGAPORE

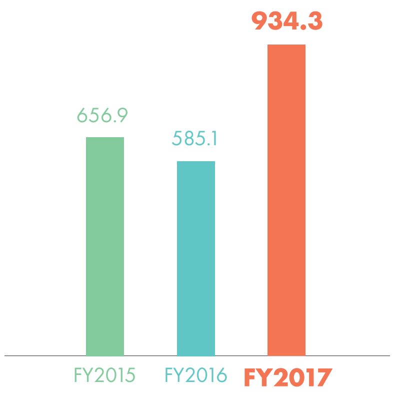
SML completed the divestment of Orchard Towers in Singapore for a total consideration of S$162.0 million, recording a gain of S$109.4 million

FINANCIAL *HIGHLIGHTS*

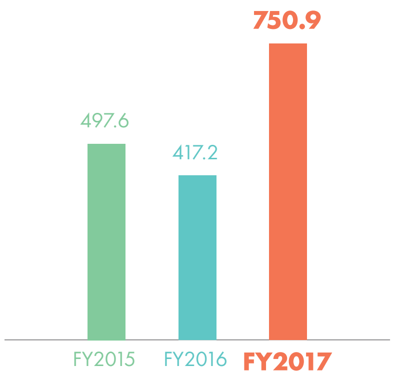
REVENUE (S$ MILLION)



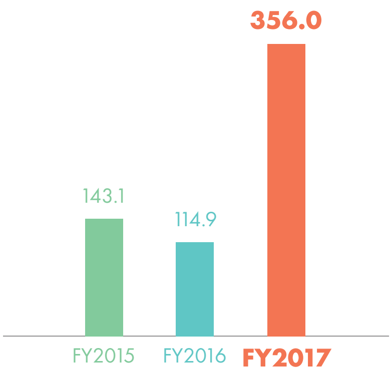
GROSS PROFIT (S$ MILLION)



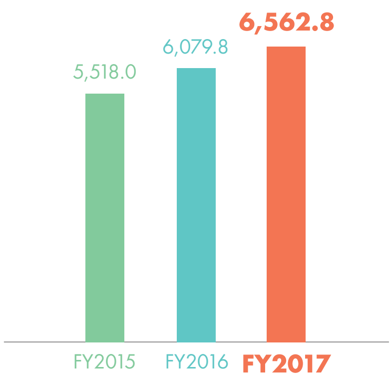
EBITDA (S$ MILLION)



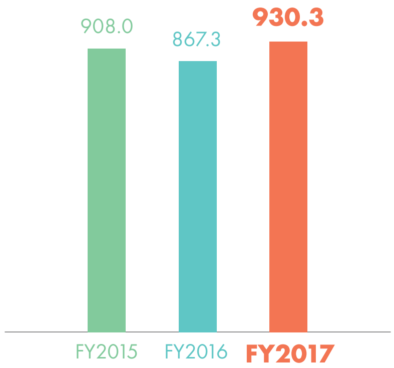
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (S$ MILLION)



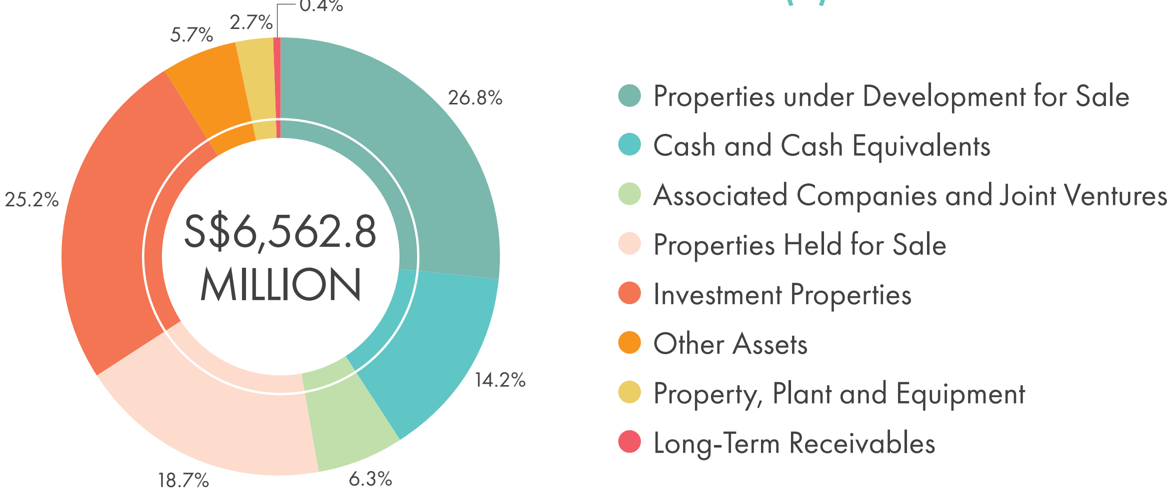
TOTAL ASSETS (S$ MILLION)



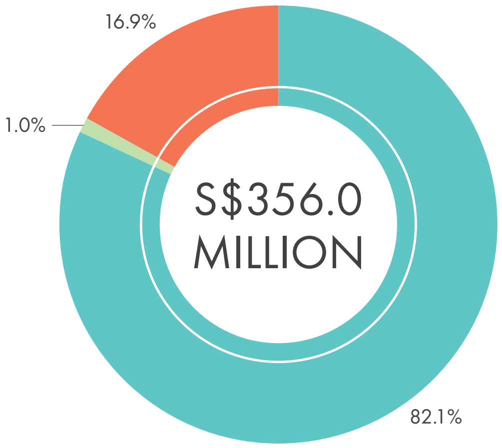
CASH AND CASH EQUIVALENTS (S$ MILLION)



2017 TOTAL ASSETS BY CATEGORY (%)



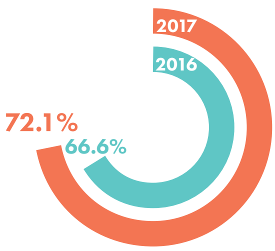
2017 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY BY GEOGRAPHICAL BREAKDOWN



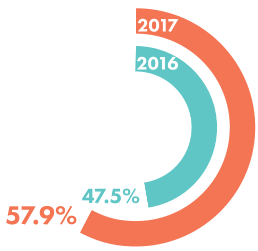
- Indonesia
- United Kingdom
- Others*

* Includes Singapore, China, Malaysia, Batam and Corporate Headquarters

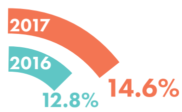
GROSS PROFIT MARGIN



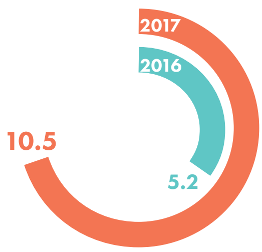
EBITDA MARGIN



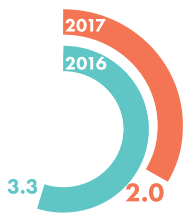
NET DEBT TO EQUITY



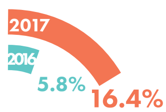
EBITDA / INTEREST (TIMES)



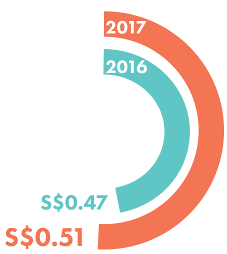
GROSS DEBT / EBITDA (TIMES)



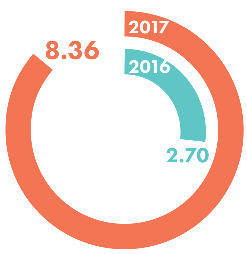
RETURN ON SHAREHOLDERS' EQUITY



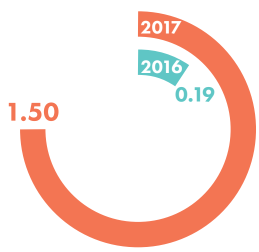
NET ASSET VALUE PER ORDINARY SHARE (EXCLUDING TREASURY SHARES)



EARNINGS PER SHARE (BASIC) (SINGAPORE CENTS)



CASH DIVIDEND (SINGAPORE CENTS)



MILESTONES

1972

dutapertiwi developer and real estate

DUTI established

1984 - 1989

BSDE established (1984)

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

1990 - 1995

ITC brand established (1990)

DUTI – IPO (1994)

DUTI – Convertible Bonds conversion (1995)

1996 - 1997

SINGAPORE LISTING
AFP

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

2012

IDR1 trillion

BSDE – IDR1 trillion Bond issue

PT Plaza Indonesia Realty Tbk
PT Paraga Artamida

PT Paraga Artamida acquires PT Plaza Indonesia Realty Tbk (from 17.6% to 26.0%)

2013

AEON Mall
Hongkong Land
Kompas Gramedia Group

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

New Brook Buildings, United Kingdom

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

8.23% of PT Plaza Indonesia Realty Tbk
BSDE

BSDE acquires an additional 8.23% of PT Plaza Indonesia Realty Tbk

IDR1.75 trillion

BSDE – IDR1.75 trillion Bond issue

2014

S$1 billion

Establishment of S$1 billion Multicurrency Medium Term Note Programme

Internal restructuring of the Group's shareholding interest in PT Plaza Indonesia Realty Tbk

51.50%
49.87%

Increase effective stake in BSDE from 49.87% to 51.50%

Warwick House, United Kingdom

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

£113.40 million
New Brook Buildings, United Kingdom

Disposal of New Brook Buildings in London, United Kingdom, for £113.40 million

2002

Sinarmas Land controls BSDE

2003 - 2007

IDR250 billion

BSDE – IDR250 billion Bond issue (2003)

IDR600 billion

BSDE – IDR600 billion Bond issue (2006)

2008

IPO

BSDE – IPO

2010

DUTI
Sinar Mas Teladan
Sinar Mas Wisesa

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

2011

Sinarmas Land brand introduced

sinarmas land

AFP changed name to Sinarmas Land

2015

US$225 million

BSDE issued US$225 million in its maiden US dollar-denominated senior notes

1.49% of PT Plaza Indonesia Realty Tbk

BSDE

BSDE acquires 1.49% of PT Plaza Indonesia Realty Tbk

INDONESIA STOCK EXCHANGE
PT PURADELTA LESTARI TBK

Successful listing of PT Puradelta Lestari Tbk on Indonesia Stock Exchange

Alphabeta building, United Kingdom

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

1,507,359,759 new shares

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

2016

Strategic alliance with Mitsubishi Corporation

TENDER

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

US$200 million

IDR650 billion

BSDE issued US$200 million senior notes and IDR650 billion Bond issue

Internal restructuring of the Group's shareholding interest in PT Puradelta Lestari Tbk

2017

33 Horseferry Road, United Kingdom

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

Orchard Towers

Disposal of Orchard Towers in Singapore for S$162.0 million

Sinarmas MSIG Tower

Acquisition of Sinarmas MSIG Tower for IDR2.4 trillion

US$70 million

BSDE issued US$70 million senior notes

Strategic alliance with Panahome Asia Pacific

CHAIRMAN AND CEO *STATEMENT*

Dear Valued Shareholders,

FY2017 Group Performance

It gives us great pleasure to announce that Sinarmas Land Limited ("SML" or "the Company") and its subsidiaries (collectively "the Group") delivered a record-breaking performance for the year ended 31 December 2017 ("FY2017"). Revenue surpassed the billion-dollar mark to S$1,296.4 million and EBITDA soared to S$750.9 million, increasing by 47.5% and 80.0% respectively compared to the previous year. This was mainly driven by the stellar performance achieved in the last quarter of FY2017 from sale of 2 land plots in BSD City, one to a large Indonesian conglomerate and the other to one of the largest property developers in China. In tandem with the land sales which commands higher profit margins, the Group's gross profit margin increased from 66.6% to 72.1% in FY2017.

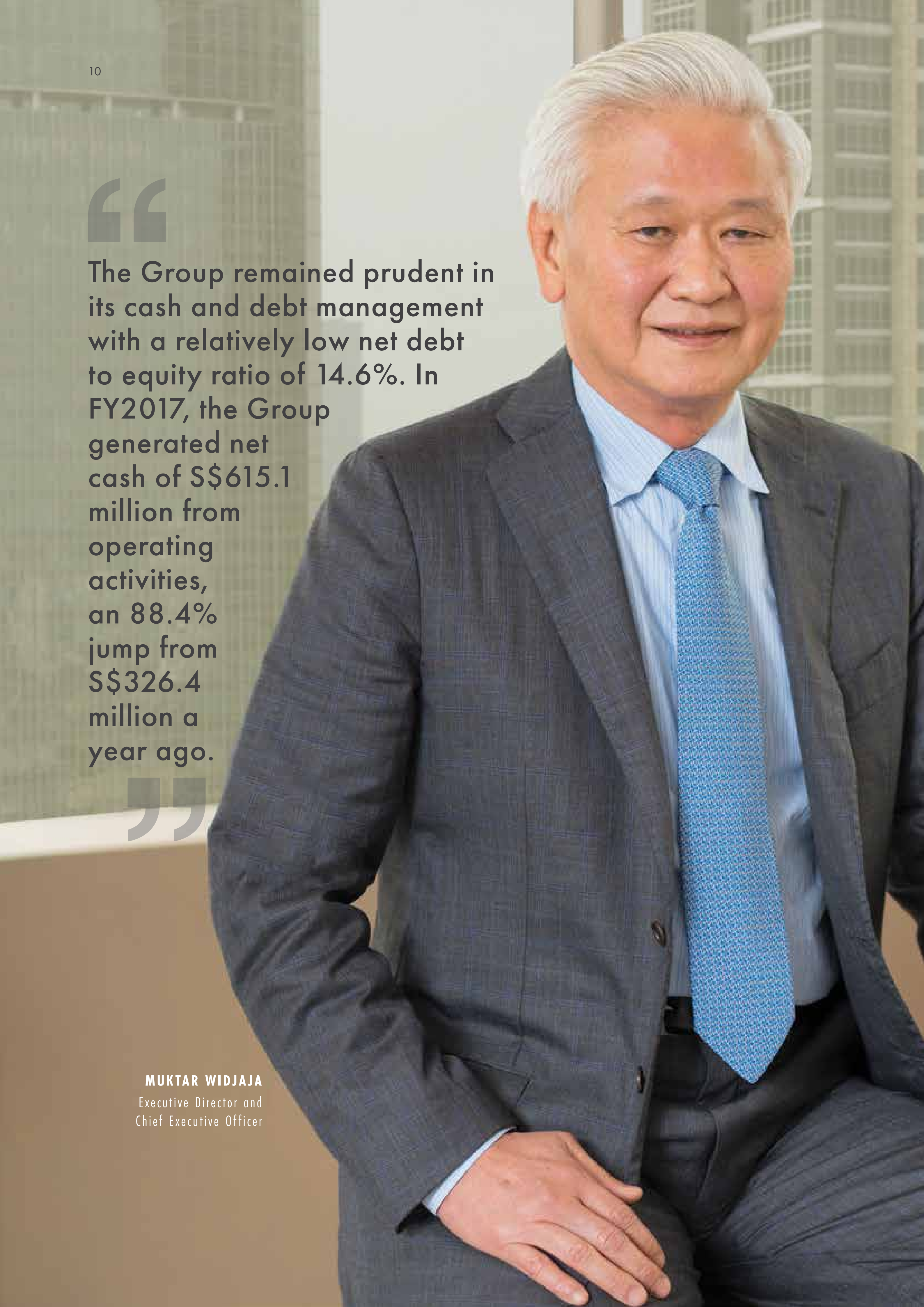
Profit before Tax (PBT) and Profit Attributable to Owners of the Company (PATMI) leapt 114.0% and 209.8% respectively to hit a record high of S$690.0 million and S$356.0 million for FY2017. The Group's bottom line was bolstered by the exceptional gain of S$109.4 million arising from the divestment of its entire stake in Orchard Towers in Singapore. With this divestment, over 17% of the Group's PATMI was contributed from non-Indonesian operations in FY2017.

Following the latest acquisition of 33 Horseferry Road in Central London, coupled with higher office rental income from its Indonesia division, the Group's recurring income (comprising investment properties' income and revenue from hotels and golf courses) outside its core property development business, continued to grow year-on-year to S$158.8 million.

Despite the revenue surge, the Group managed to keep tabs on its total operating expenses which grew less than proportionately by 16.7% to S$276.4 million in FY2017. Finance costs were also lowered 25.0% from S$95.5 million to S$71.6 million in FY2017 as a result of tactical restructuring of US$-denominated bonds to lower semi-annual coupons and the absence of a S$14.8 million loss arising from the redemption of certain interest-bearing notes last year.

FRANKY OESMAN WIDJAJA
Executive Chairman

> The Group delivered a record-breaking performance for the year ended 31 December 2017 with revenue surpassing the billion-dollar mark to S$1,296.4 million and EBITDA soaring to S$750.9 million.



"The Group remained prudent in its cash and debt management with a relatively low net debt to equity ratio of 14.6%. In FY2017, the Group generated net cash of S$615.1 million from operating activities, an 88.4% jump from S$326.4 million a year ago."

MUKTAR WIDJAJA
Executive Director and
Chief Executive Officer

CHAIRMAN AND CEO STATEMENT

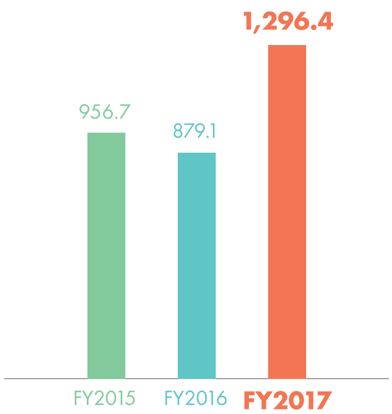
The Group's financial position remained sound with total assets growing from S$6,079.8 million as of 31 December 2016 to S$6,562.8 million as of 31 December 2017. Cash and cash equivalents stood at S$930.3 million as of 31 December 2017. The Group remained prudent in its cash and debt management with a relatively low net debt to equity ratio of 14.6%. In FY2017, the Group generated net cash of S$615.1 million from operating activities, an 88.4% jump from S$326.4 million a year ago.

Expanding Our Investment Property Portfolio in Central Jakarta and London

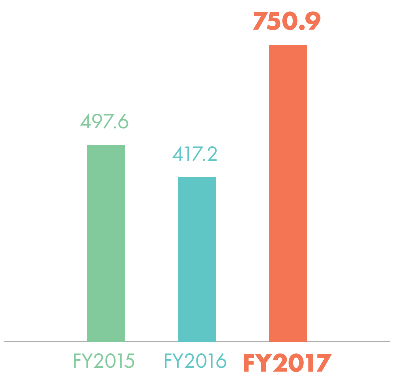
Through its principal subsidiary, PT Bumi Serpong Damai Tbk ("BSDE"), the Group acquired Sinarmas MSIG Tower, a brand new 47-storey Grade A office tower, spanning almost 73,000 square metres, located in Sudirman, CBD Jakarta for a consideration of approximately IDR2.4 trillion (S$236.3 million). Subsequent to year-end, BSDE also acquired 13 floors in Bakrie Tower with a net leasable area of 17,000 square metres commercial office space in Rasuna Epicentrum Jakarta for approximately IDR500 billion (S$51.0 million), to further strengthen its investment property portfolio.

In June 2017, the Group completed its 4th acquisition in Central London for a net consideration of £188.6 million (S$337.8 million). This Grade A prime office building located in the heart of Victoria, one of London's principal commercial districts, is substantially let to the UK Government's Secretary of State for Transport for about 17 years. These additions to the Group's investment property portfolio will help boost recurring income in the coming years.

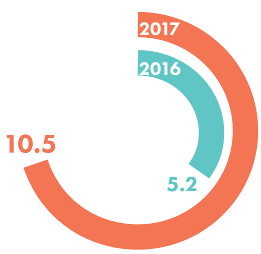
REVENUE (S$ MILLION)



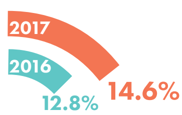
EBITDA (S$ MILLION)



EBITDA / INTEREST (TIMES)



NET DEBT TO EQUITY



CHAIRMAN AND CEO STATEMENT

'Silicon Valley of Indonesia'
Digital Hub Groundbreaking Ceremony in BSD City

Digital Hub Groundbreaking in BSD City

Since unveiling the conceptual plans for Digital Hub last year, the Group held its groundbreaking ceremony on 18th May 2017 for the construction of this 26 hectares site in BSD City, touted to be the 'Silicon Valley of Indonesia'. Targeted to be completed in 2019 with a total construction budget of about IDR7.0 trillion (S$714.0 million), the establishment of Digital Hub will accelerate the formation of IT-based ecosystems and digital technologies in Indonesia, mirroring that of the Silicon Valley in United States.

The Digital Hub has already garnered interest from many technological-based and digital companies ranging from start-ups to technology leaders and educational institutions, and we are pleased that Apple Inc. has announced plans to build its first Indonesian research and innovation centre in BSD City.

On another note, BSD City has launched an integrated mobile app called 'OneSmile' featuring mobile payments, customer loyalty programs and a community interactive platform, to optimise the quality of life and provide convenience to its residents.

Launching of The Nove - Nuvasa Bay's First High-End Residential Development in Batam

Nuvasa Bay is the Group's long-term strategic development in Batam, located only a mere 30-minute ferry ride from Singapore. Nuvasa Bay is the first and only luxury residential and mixed-use development in Nongsa, Batam, that will blend in with the natural contours of its 1.25km long and curvy beaches, with mangrove and scenic views surrounding the Palm Springs golf courses. As the development's first residential project, The Nove was officially launched in October 2017 with Phase 1 comprising 172 condominium units, 55 landed houses and 14 land parcels, being over 90% sold to-date.

Partnership with Japan's PanaHome to Jointly Develop Smart Town in Kota Deltamas

The Group's second largest township development, Kota Deltamas, owned by its other listed subsidiary, PT Puradelta Lestari Tbk ("DMAS"), entered into a joint venture on 30th May 2017 with PanaHome Asia Pacific from Japan to build a residential estate with sustainable smart town concepts. The joint development, which PanaHome owns 51%, is expected to last till 2026 with an estimated total development value of IDR3.0 trillion (S$306.0 million), and aims to leverage on PanaHome's expertise in building sustainable smart towns in Japan.

Awards and Accolades

There were numerous awards accorded to the Group in 2017 and once again, BSDE was one of the *"Best of the Best"* companies awarded by Forbes Indonesia.

In May 2017, BSD City's Indonesia Convention Exhibition ("ICE") won the *Gold World Award* in the Purpose Built Category - which is the highest achievement at the prestigious FIABCI World Prix d'Excellence Awards 2017 held in Andorra. And on the same day at the Asia Pacific Property Awards 2017 held in Bangkok, the Group won

3 awards, namely *Best Development Marketing* for its Nuvasa Bay development, *Best Retail Development* for QBig – BSD City's largest retail centre and *Best Developer Website* for Indonesia. Separately, the Group also bagged 3 awards at the local Indonesian BTN Golden Property Awards in September 2017, an event jointly organised by PT Bank Tabungan Negara Tbk and Indonesia Property Watch.

Most notably, the Group was awarded the *"TOP CSR on Property & Real Estate Sector"* and *"Top Leader on CSR Commitment"* at the TOP CSR Awards 2017. This is a great testimony to the Group's CSR initiatives, on top of its achievements in real estate developments.

Looking Forward to 2018

Over the past few years, the Group managed to build up its asset management capabilities to complement its core property development business, having transacted over S$1.4 billion in Central London through acquisitions and divestment. And with the unlocking of value in our legacy asset, Orchard Towers, we are able to recycle the realised profits into other higher yielding investments in 2018. The Group's China division had completely disposed its remaining unsold inventories in its Shenyang mixed-use development project during the last quarter of FY2017 and moving ahead in 2018, we will seek out opportunities to reinvest into residential developments in other cities in China.

BSDE and DMAS have announced marketing sales targets of IDR7.20 trillion (S$720.0 million) and IDR1.25 trillion (S$125.0 million) respectively for 2018. BSDE expects its 2018 revenue to be evenly contributed from its residential and commercial projects, while DMAS expects its industrial segment to be the key revenue driver in 2018. Land sales in BSD City, if any, would be an added bonus, though BSDE had not budgeted for any foreseeable land sales in 2018.

Appreciation

2017 is the year we celebrate the 20th year of listing on Singapore Exchange and on behalf of the Board of Directors, we wish to express our heartfelt appreciation to our shareholders, business partners, customers and vendors for your continued support all these years. We also wish to record our gratitude to Mr. Foo Meng Kee who resigned from the Board after serving as Non-Executive Independent Director for over 15 years, and we warmly welcome Mr. Hong Pian Tee as our new Non-Executive Independent Director who also assumed the role of Lead Independent Director, Chairman of Audit and Nomination Committees and member of the Remuneration Committee.

To reward our shareholders, the Directors have proposed a special final cash dividend of 0.7 Singapore cents per ordinary share, subject to shareholders' approval at the forthcoming Annual General Meeting and expected to be paid in June 2018. This special final dividend is an addition to the interim dividend of 0.8 Singapore cents per ordinary share which was paid in December 2017, thus bringing the total dividend to 1.5 Singapore cents per ordinary share for FY2017. This equates to a dividend yield of around 4% based on the closing share price on the date of the final dividend announcement.

Lastly, we thank our fellow Board members, management and staff for their commitment and hard work to enhance shareholders' value and we look forward to a better future for Sinarmas Land in the coming year.

FRANKY OESMAN WIDJAJA
Executive Chairman

MUKTAR WIDJAJA
Executive Director and Chief Executive Officer

14 MARCH 2018

BOARD OF DIRECTORS

Seated from left

Muktar Widjaja
(Executive Director and Chief Executive Officer)

Franky Oesman Widjaja
(Executive Chairman)

Standing from left

Kunihiko Naito
(Independent Director)

Margaretha Natalia Widjaja
(Executive Director)

Hong Pian Tee
(Lead Independent Director)

Rodolfo Castillo Balmater
(Independent Director)

Robin Ng Cheng Jiet
(Executive Director)

Ferdinand Sadeli
(Executive Director and Chief Financial Officer)

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 60, 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 (2015 – 2017): 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-election as a Director was in 2017.

Mr. Muktar Widjaja, aged 63, 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 (2015-2017): 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-election as a Director was in 2017.

Ms. Margaretha Widjaja, aged 36, 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 (2015-2017):
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-election as a Director was in 2015.

Mr. Sadeli, aged 44, 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 21 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 (2015-2017):
Nil

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-election as a Director was in 2016.

Mr. Ng, aged 43, 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 19 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 (2015-2017):
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.

Mr. Hong, aged 73, was a partner of Pricewaterhouse-Coopers 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 two 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.

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

Other principal commitments:
Nil

Past directorships in other Singapore listed companies (2015-2017):
- 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-election as a Director was in 2016.

Mr. Naito, aged 73, graduated from Waseda University, Japan, in 1967 with a Bachelor's degree in Engineering.

Mr. Naito is currently the representative director of NSN Global Partners Ltd, Japan and 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)
- NSN Global Partners Ltd, Japan (Representative Director)

Past directorships in other Singapore listed companies (2015-2017): 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-election as a Director was in 2017.

Mr. Balmater, aged 69, 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 Molindo Raya Industrial.

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 (2015-2017): Nil

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Westminster, London

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 ("FY") 2017, 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.

1.2 Independent Judgement

The Board currently consists of 8 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 [1]	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

Note:
[1] Mr. Hong Pian Tee was appointed on 26 April 2017

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

CORPORATE GOVERNANCE REPORT

There are 5 Executive Directors and 3 Non-executive Independent Directors. Independent Directors make up more than one-third of the composition of the Board, thereby providing a strong and independent element on the Board. 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.

As our Executive Chairman and the CEO are immediate family members, the 2012 Code recommends for at least half of the Board to comprise Independent Directors. The Board is reviewing the number and composition of Independent Directors on the Board.

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 27 to 38 of this report for further information on these Board Committees.

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's approval and/or approval of the Board Committees 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 means of teleconference or similar communication equipment is permitted under the Constitution. In 2017, the Board met 5 times, with the year-end meeting focusing on annual budget and strategic issues; the Board Committees met a total of 9 times; and 2 shareholders' meetings were held.

1.5 Attendance at Meetings in 2017

The attendance of the Directors at Board and Board Committee meetings and shareholders' meetings, as well as the frequency of such meetings in 2017, is disclosed below:-

NAME	BOARD MEETINGS	AC MEETINGS	NC MEETINGS	RC MEETINGS	AGM & EGM	TOTAL ATTENDANCE AT MEETINGS
EXECUTIVE DIRECTORS						
Franky Oesman Widjaja, Executive Chairman	5/5	-	2/2	-	2/2	9/9
Muktar Widjaja, CEO	5/5	-	-	-	2/2	7/7
Margaretha Natalia Widjaja	5/5	-	-	-	0/2	5/7
Ferdinand Sadeli, CFO	5/5	-	-	-	2/2	7/7
Robin Ng Cheng Jiet	5/5	-	-	-	2/2	7/7
NON-EXECUTIVE INDEPENDENT DIRECTORS						
Hong Pian Tee[1], Lead Independent Director	4/4	3/3	1/1	1/1	-	9/9
Kunihiko Naito	5/5	5/5	-	2/2	2/2	14/14
Rodolfo Castillo Balmater	5/5	5/5	2/2	2/2	2/2	16/16
Foo Meng Kee[2]	1/1	2/2	1/1	1/1	2/2	7/7
Number of Meetings Held	**5**	**5**	**2**	**2**	**2**	**16**

Notes:

[1] Mr. Hong Pian Tee was appointed on 26 April 2017

[2] Mr. Foo Meng Kee resigned on 26 April 2017

Abbreviation:

AGM : Annual General Meeting

EGM : Extraordinary General Meeting

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

CORPORATE GOVERNANCE REPORT

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.

Mr. Hong Pian Tee, who was appointed as a Non-executive Independent Director of the Company during 2017, 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. Management also briefed Mr. Hong on the Group's business and operations.

1.8 2017 Director 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 2017 Director Training Programme provided a 3-step approach to training as follows, through:-

(1) Externally conducted courses on audit/financial reporting, risk management/sustainability reporting 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

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 2017 include the following:-

- Audit Committee Seminar 2017: Rising Above Complexities – What Audit Committees Should Consider
- Relevance of the Enhanced Auditor's Report to Directors, Audit Committees and Management
- Sustainability for Directors
- AC Pit Stop on Financial Reporting Surveillance Programme and the Audit Quality Indicators Disclosure Framework
- Executive & Directors Remuneration
- Strategy at the Board Level
- Directors' Conference 2017 – The Sustainability Imperative

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 14 to 18 of this Annual Report for key information, including qualifications, on the Directors of the Company.

2.2 Directors' Independence Review

The ensuing paragraphs set out the criteria and processes to determine a Director's independence.

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 factor 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 these guidelines.

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

NAME	LENGTH OF SERVICE AS INDEPENDENT DIRECTOR
Mr. Rodolfo Castillo Balmater	> 9 years
Mr. Kunihiko Naito	> 9 years
Mr. Hong Pian Tee	1 year

During the year, an Independent Director, Mr. Foo Meng Kee, who had served for over 15 years, resigned as a Director of the Company.

CORPORATE GOVERNANCE REPORT

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. Balmater has acted professionally, made objective and impartial decisions on critical matters, and has continued to demonstrate independent judgement and objective evaluation in the discharge of his duties as a Director of the Company, which did not diminish with time.

In reviewing the independence of Mr. Naito, the NC considered that although Mr. Naito has served more than 9 years, he has demonstrated a spirit of independence in character and judgment in the discharge of his duties as a Director of the Company, which did not diminish with time.

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 continue to 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.

2.3 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.

The Non-executive Independent Directors, including the Lead Independent Director, meet and/or hold discussions at least annually 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. Mr. Franky Oesman Widjaja and Mr. Muktar Widjaja are brothers. 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;

(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** (appointed as NC member and NC Chairman on 26 April 2017)
- **Rodolfo Castillo Balmater**
- **Franky Oesman Widjaja**
- **Foo Meng Kee** (ceased as NC member and NC Chairman on 26 April 2017)

CORPORATE GOVERNANCE REPORT

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.

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 2017, Mr. Hong Pian Tee was appointed as a Non-executive Independent Director of the Company. The Board approved the appointment having satisfied itself of the skills, experience, objectivity and contribution of Mr. Hong in his role.

Pursuant to the Constitution of the Company, save for the position of Executive Chairman, all Directors are to submit themselves for re-election at regular intervals. The Board is satisfied with the current practice. In particular, one-third of the Directors retire from office by rotation at the AGM, and newly appointed Directors must submit themselves for re-election at the AGM immediately following his/her appointment.

In accordance with Regulation 91 of the Constitution of the Company, Mr. Ferdinand Sadeli and Mr. Robin Ng Cheng Jiet are due to retire from office by rotation at the forthcoming AGM ("2018 AGM") and, being eligible, have offered themselves for re-election. Mr. Hong Pian Tee, being a Director appointed by the Board in 2017, will also retire pursuant to Regulation 97 of the Constitution of the Company and, being eligible, has offered himself for re-election at the 2018 AGM. The NC has recommended each of their re-election.

In its deliberation on the re-election of retiring Directors, the NC takes into consideration the Director's attendance, participation, contribution and performance during the past year.

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

4.3 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 reviews each Director's ability to devote sufficient time and attention to the affairs of the Company during the NC's annual assessment process. The NC is satisfied with the time committed by each Director to attend meetings.

Currently, the maximum number of directorships in other Singapore listed company(ies) held by an Independent Director is 2, and of that held by an Executive Director is 2 (excluding the Company).

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 Board considers the current assessment of the Board and individual Director as being sufficient for the Company, and to be excessive if additional assessments of 4 Board Committees and Chairman are introduced.

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 on a Board portal for Board and Board Committee members, as the case may be, in advance for their 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.

CORPORATE GOVERNANCE REPORT

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 the 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** (appointed as RC member on 26 April 2017)
- **Foo Meng Kee** (ceased as RC member on 26 April 2017)

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

(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.

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

8.1.1 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$332,000 as Directors' Fees be paid to the Non-executive Independent Directors for the financial year ended 31 December 2017. These fees will be tabled for shareholders' approval at the 2018 AGM.

CORPORATE GOVERNANCE REPORT

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 the year ended 31 December 2017 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$6,500,000 to S$6,750,000 Muktar Widjaja	15.2%	84.8%	-	100%
S$3,750,000 to S$4,000,000 Franky Oesman Widjaja	10.2%	89.8%	-	100%
S$3,500,000 to S$3,750,000 Margaretha Natalia Widjaja	16.8%	83.2%	-	100%
S$500,000 to S$750,000 Ferdinand Sadeli	78.1%	21.9%	-	100%
S$250,000 to S$500,000 Robin Ng Cheng Jiet	72.4%	27.6%	-	100%
NON-EXECUTIVE INDEPENDENT DIRECTORS				
Below S$250,000				
Hong Pian Tee[1]	-	-	100%	100%
Kunihiko Naito	-	-	100%	100%
Rodolfo Castillo Balmater	-	-	100%	100%
Foo Meng Kee[2]	-	-	100%	100%

Notes:
[1] Mr. Hong Pian Tee was appointed on 26 April 2017
[2] Mr. Foo Meng Kee resigned on 26 April 2017

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.

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 the year ended 31 December 2017 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 is disclosed in 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 the year ended 31 December 2017, being two, Mr. Michael JP Widjaja and Ms. Marcellyna Junita Widjaja, children of Mr. Muktar Widjaja, are as follows:

REMUNERATION BAND	NUMBER
S$3,250,000 to S$3,500,000	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 the year ended 31 December 2017.

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.

CORPORATE GOVERNANCE REPORT

C. ACCOUNTABILITY AND AUDIT

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

10.1 Accountability

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 in accordance with regulatory requirements.

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

13.1 Internal Audit

The Company has established an in-house internal audit function.

The Chief Internal Auditor ("CIA") 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.

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** (appointed as AC member and AC Chairman on 26 April 2017)
- **Rodolfo Castillo Balmater**
- **Kunihiko Naito**
- **Foo Meng Kee** (ceased as AC member and AC Chairman on 26 April 2017)

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.

(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.

CORPORATE GOVERNANCE REPORT

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 the financial year ended 31 December 2017 ("FY2017 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 FY2017 Financial Statements. The Board has on 14 March 2018 approved the FY2017 Financial Statements.

12.2 Auditor 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. The AC confirms that after reviewing all non-audit services by the external auditors during the financial year, they would not, in the AC's opinion, affect the external auditors' independence.

The AC has recommended to the Board that the external auditors be nominated for re-appointment at the 2018 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.

12.4 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$100,000 and transactions conducted under shareholders' mandate* pursuant to Rule 920) FY2017 (S$)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE* PURSUANT TO RULE 920 (excluding transactions less than S$100,000) FY2017 (S$)
PT Asuransi Jiwa Sinarmas MSIG ("AJS")	-	49,001,619 #1
PT Bank Sinarmas Tbk ("BSM")	-	54,221,859 #2
PT Cakrawala Mega Indah	-	3,696,193
PT DSSP Power Mas Utama	-	201,012
PT Indah Kiat Pulp & Paper Tbk	-	2,632,741
PT Ivo Mas Tunggal	-	347,248
PT Lontar Papyrus Pulp & Paper Industry	-	786,369
PT Pabrik Kertas Tjiwi Kimia Tbk	-	4,100,400
PT Paraga Artamida	2,436,000	-
PT Pindo Deli Pulp and Paper Mills	-	786,369
PT Purimas Sasmita	-	68,207,996 #3
PT Purinusa Ekapersada	-	269,080
PT Sinarmas Asset Management	-	1,692,878
PT Sinarmas Sekuritas	-	594,884
PT Sinar Mas Agro Resources and Technology Tbk ("SMART")	-	13,852,747 #4
PT Sinar Mas Specialty Minerals	-	269,080
Total	**2,436,000**	**200,660,475**

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 25 April 2017 pursuant to Rule 920 of the Listing Manual.

#1 Transfer of property units in Sinarmas MSIG Tower from AJS to PT Duta Cakra Pesona ("DCP"), a subsidiary of PT Bumi Serpong Damai Tbk.

#2 Time deposits and current account placements with BSM during the year. Principal amount of placements as at 31 December 2017 is approximately S$12.11 million.

#3 Transfer of property units in Sinarmas MSIG Tower from PT Purimas Sasmita to DCP for consideration of equivalent to S$140,896,500. Amount at risk of S$68,207,996 computed based on SML's effective interest of 48.41% in DCP.

#4 Lease of premises to SMART.

CORPORATE GOVERNANCE REPORT

12.5 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 during the financial year from 1 January 2017 to 31 December 2017.

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.

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
    - 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.

CORPORATE GOVERNANCE REPORT

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 the financial year ended 31 December 2017 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.

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 2017 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.

14.1 Shareholder Rights

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. Shareholders also receive the annual reports of the Company and the notice of AGMs, which notice is also advertised in the newspapers and released via SGXNET.

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 facilities 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 2017, the Management and IR team engaged more than 280 institutional and retail investors over 160 individual face-to-face meetings and conference calls, as well as participation in investor conferences and NDRs held in Singapore, Malaysia, Hong Kong, China, Thailand and Indonesia.

The Company welcomes enquires 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 *76* to *77* 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.

In addition to the interim dividend of S$0.008 per ordinary share for the financial year ended 31 December 2017 declared and paid on 14 December 2017, the Board has recommended a proposed special final dividend of S$0.007 per ordinary share for the financial year ended 31 December 2017, subject to shareholders' approval at the 2018 AGM.

CORPORATE GOVERNANCE REPORT

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.

16.1 Conduct of Shareholder Meetings

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.

In 2017, the Constitution of the Company was amended, in line with the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, to allow relevant intermediaries to appoint more than two proxies to attend, speak and vote at shareholders' 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 would be announced after the AGM via SGXNET.

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.

SIMPLIFIED CORPORATE STRUCTURE

SINARMAS LAND LIMITED[1]

INDONESIA

PT BUMI SERPONG DAMAI TBK[2]
48.41%

PT DUTA PERTIWI TBK[3]
42.87%

PT PURADELTA LESTARI TBK[4]
57.28%

PT PARAGA ARTAMIDA
84.37%

PT SINAR MAS WISESA
64.59%

PT SINAR MAS TELADAN
57.32%

PT ROYAL ORIENTAL
53.61%

PT KARAWANG BUKIT GOLF
84.59%

PT KARAWANG TATABINA INDUSTRIAL ESTATE
49.67%

CHINA

AFP CHINA LTD
100.00%

SHINING GOLD REAL ESTATE (CHENGDU) CO., LTD
100.00%

SHINING GOLD REAL ESTATE (SHENYANG) CO., LTD
100.00%

AFP (SHANGHAI) CO., LTD
100.00%

SINGAPORE/ MALAYSIA/ BATAM

AFP LAND LIMITED
100.00%

AFP GARDENS (TANJONG RHU) PTE LTD
100.00%

PT AFP DWILESTARI
65.00%

ANAK BUKIT RESORTS SDN BHD
100.00%

PALM RESORT BERHAD
99.22%

UNITED KINGDOM

SML BROOK ENGLAND (HK) LIMITED
100.00%

SML ALPHA S.A R.L
100.00%

SML GREAT PTE LIMITED
100.00%

SML VICTORIA LIMITED
100.00%

Simplified Corporate Structure as at 31 December 2017, with main subsidiaries, directly and indirectly held by Sinarmas Land Limited

[1] *Listed on the SGX-ST*
[2, 3, 4] *Listed on the Indonesia Stock Exchange*

FINANCIAL REVIEW

Sinarmas Land Limited and its subsidiaries ("the Group") is one of the largest and most diversified real estate group in South-East Asia. 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"). Collectively, its Indonesian business accounts for 95.6% and 82.1% of the Group's revenue and Profit Attributable to Owners of the Company ("PATMI") respectively for the financial year ended 31 December 2017 ("FY2017"). Outside Indonesia, the Group is also involved in property development and investment in United Kingdom, China, Malaysia and Singapore.

The Group's FY2017 revenue rose 47.5% to a record high of S$1,296.4 million compared to S$879.1 million in the previous year ("FY2016"), with EBITDA correspondingly increasing from S$417.2 million to S$750.9 million following the higher sales of land parcel and higher revenue recognised from handover of apartments in BSD City. However, the increase was partially offset by lower sales of industrial land in Kota Deltamas and other residential projects outside BSD City in Indonesia. In tandem with the higher revenue, FY2017 gross profit increased 59.7% to S$934.3 million. Likewise, gross profit margin rose 5.5 percentage points from 66.6% to 72.1% on the back of more land sales to third parties which generally delivers better profit margin than property development.

In FY2017, the Group carried on to execute its earning diversification strategy of increasing recurring income base through the development and acquisition of investment properties both in and outside Indonesia. The Group's recurring income increased 13.4% to S$158.8 million in FY2017, derived mainly from the UK property division following the acquisition of 33 Horseferry Road in June 2017, as well as higher rental income from our Indonesia investment properties due to increased occupancy rates and new leases being signed at

> *"The Group's recurring income increased 13.4% to S$158.8 million in FY2017, derived mainly from the UK property division following the acquisition of 33 Horseferry Road."*

improved rental rates. In line with the Group's other long-term strategy on geographical diversification, recurring income contributions outside Indonesia increased 11.5% from S$42.6 million to S$47.5 million in FY2017.

The Group recorded a net foreign exchange loss of S$22.6 million in FY2017 as compared to loss of S$5.0 million in FY2016 due to higher unrealised translation loss on inter-company loans following the weakening of U.S. dollar against Singapore dollar.

The Group's share of results of joint ventures included an adjustment for unrealised gain of S$59.4 million (FY2016: S$10.7 million) for the Group's portion of gain on sales of land parcel to joint ventures. Excluding this adjustment, the Group would have recorded a share of profit in joint ventures of S$16.6 million in FY2017 as compared to S$6.0 million in FY2016 which was mainly due to better operating performance in some of the joint ventures.

PATMI surged 209.8% from S$114.9 million to S$356.0 million due to an exceptional gain of S$109.4 million from the divestment of Orchard Towers in December 2017. For FY2017, the Group generated net cash of S$615.1 million from operating activities as compared S$326.4 million for FY2016.

The Group's financial position as at 31 December 2017 remained strong with a low net debt to equity ratio of 14.6%. Total outstanding debt stood at 2.0 times of EBITDA and interest servicing ability was 10.5 times as measured by EBITDA against interest expense. Total assets grew to S$6,562.8 million including cash and cash equivalents amounting to S$930.3 million. The growth in total assets was mainly attributable to the acquisition of 33 Horseferry Road in London and Sinarmas MSIG Tower in Central Jakarta. Total borrowings increased by S$166.0 million to S$1,525.0 million mainly due to the acquisition of the two new investment properties and increased capital expenditure.

Indonesia Property Division ("Indonesia Property")

Revenue from Indonesia Property increased 50.3% from S$824.4 million to S$1,239.0 million in FY2017. BSDE owns and develops BSD City, one of the largest city and township developments in Indonesia, located 25km West of Central Jakarta. BSDE also has a majority stake in DUTI which is in the development of superblock and commercial space for small and medium-sized businesses offering strata title ownership as well as middle-income housing with thematic concepts. DMAS develops and operates the Kota Deltamas industrial township, located 37km East of Central Jakarta.

Rental income from investment properties in Indonesia is derived principally from the prestigious office towers at Sinar Mas Land Plaza strategically located in Thamrin, CBD Jakarta, as well as Sinar Mas Land Plaza – Surabaya and Sinar Mas Land Plaza – Medan. Rental income from these investment properties has increased year-on-year due to increased occupancy rates and higher rental rates.

Gross profit for Indonesia Property increased 62.5% from S$560.9 million to S$911.2 million, mirroring the jump in revenue. Gross profit margin increased 5.5 percentage points from 68.0% to 73.5% as sales of undeveloped land parcels generated higher gross profit margins. With stronger operating performance and lower finance cost, EBITDA increased 85.6% from S$403.2 million to S$748.3 million and PATMI increasing 141.6% from S$120.9 million to S$292.1 million.

Interest expense for Indonesia Property decreased 15.3% from S$66.6 million to S$56.4 million due to absence of loss on early redemption of interest-bearing senior notes

1

Sinarmas MSIG Tower in Central Jakarta

and repayment of short term loans. In May 2017, BSDE issued US$70 million of senior notes at 5.50% due 2023.

INDONESIA PROPERTY

United Kingdom Property Division ("UK Property")

Notwithstanding the depreciation of the British Pound Sterling in FY2017, UK Property continue to be the Group's most sizable division outside Indonesia, following 25.0% improvement in its revenue from S$26.4 million to S$33.0 million due to contribution of rental income from the newly acquired 33 Horseferry Road ("33HF") in June 2017. 33HF is a commercial building which sits on an iconic 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 frontage space.

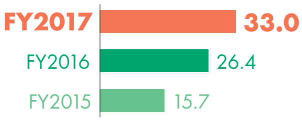
FINANCIAL REVIEW

UK Property also owns 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, a freehold property located on Great Pulteney Street ("GPS") in the Soho area of Central London with a net leasable area of 47,044 square feet.

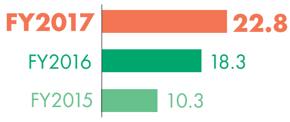
Gross profit improved 39.9% from S$14.3 million to S$20.0 million in line with the increase in revenue. 33HF, AB and GPS are all 100% tenanted with a combined weighted average lease expiry of approximately 10 years as of 31 December 2017. All of our UK investment properties are leased on 'Triple Net Lease' agreements, i.e. tenants would bear all operating costs relating to the leased premises including building taxes, insurance and maintenance costs. EBITDA increased 24.6% from S$18.3 million to S$22.8 million, proportionately higher than that of gross profit as the latter was reduced by accounting depreciation charged. In tandem of increased revenue, PATMI surged from S$0.1 million to S$3.7 million.

UK PROPERTY

Revenue (S$ million)



EBITDA (S$ million)



China Property Division ("China Property")

China Property comprise mainly of the mixed property development project in Shenyang. In FY2017, our revenue decreased 29.3% from S$8.2 million to S$5.8 million due to lower sales of completed residential units. In FY2017, revenue was mainly contributed by the bulk sale of 168-room hotel (FY2016: 0), 5 residential units (FY2016: 102), 53 SOHO units (FY2016: 1), 12 retail units (FY2016: 3)

2 *33 Horseferry Road*

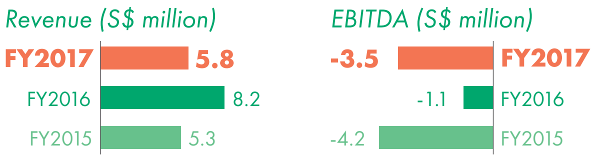
3 *Alphabeta Building*

4 *Warwick House*

and 27 garage units (FY2016: 8) from Phase 3. With the bulk sale, China Property has completely sold off its remaining inventories. As at 31 December 2017, approximately 99.9% of the completed residential units from the earlier Phases 1 and 2 were handed over, while having a remaining of 23 SOHO units and 3 retail units were pending handover from Phase 3.

Gross loss increased from S$0.2 million last year to S$5.4 million as a steep discount was offered for the bulk sale in the fourth quarter of 2017. After partial offset of other income earned in FY2017, EBITDA loss increased from S$1.1 million last year to an EBITDA loss of S$3.5 million. China Property recorded a net loss of S$3.5 million in FY2017 as compared to a net loss of S$1.3 million in FY2016.

CHINA PROPERTY



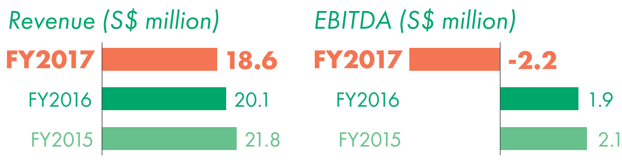
Singapore, Malaysia & Batam Property Division ("AFP Land Group")

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 have been re-branded as Nuvasa Bay for Batam's first luxury integrated residential and mixed-use development. In December 2017, AFP Land Group divested its entire interest (comprising of office and retail strata units) in Orchard Towers, Singapore, for a total consideration of S$162.0 million. The consideration for the divestment was agreed on a willing-buyer and willing-seller basis, taking into account the agreed value and income profile of our stake in Orchard Towers.

Revenue for AFP Land Group was 7.5% lower from S$20.1 million to S$18.6 million in FY2017, mainly attributable to lower average room rate at Le Grandeur Palm Resort Johor which dipped from approximately S$60.70 in FY2016 to S$56.74 in FY2017 and average occupancy rate slipping from 58% to 51%. Furthermore, Palm Resort Golf & Country Club achieved lower average green fees, decreasing from approximately S$16.92 per paying golf round in FY2016 to S$15.34 in FY2017. Revenue at Palm Springs Golf & Country Club increased 7.2% following an increase of 4,228 to 38,783 golf rounds played in FY2017. Rental income at Orchard Towers was down 16.7% due to higher vacancies for both the office and retail units.

Gross profit declined 15.8% from S$10.1 million to S$8.5 million, in line with the lower revenue. Gross profit margin was down from 50.2% to 45.7% due to lower average green fees and lower average room rates in Johor. EBITDA fell from S$1.9 million to an EBITDA loss of S$2.2 million due to reduced operating profit arising from the burden of shouldering fixed costs from the golfing and hotel operations. AFP Land Group recorded a net profit of S$99.7 million in FY2017 as compared to a net loss of S$17.8 million in FY2016 due to the exceptional gain on divestment of Orchard Towers.

AFP LAND GROUP



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Palm Springs Golf & Country Club, Batam, Indonesia

OPERATIONS *REVIEW*

2017 was a tumultuous year marked by strong global economy recovery and world equity markets boom, but also increasing geopolitical turbulences, raising inequality and trade protectionism. However, the Group has emerged stronger amidst adversity and intense competition, achieving a record-breaking set of financial results, further strengthening our position as a leading property developer in Indonesia.

In Indonesia, the Group remains a leader in the real estate industry with projects in all sub-sectors 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. Also, the Group has a presence in other markets in Asia and Europe.

INDONESIA

Indonesia's economy continues to accelerate with GDP growing 5.07% in 2017 - the fastest pace since 2013, on the back of stronger investment growth and improved export performance driven by increasing global demand and higher commodity prices. In view of improved macroeconomic fundamentals, rating agency Standard & Poor's (S&P) upgraded Indonesia's sovereign ratings from the previous non-investment grade status of BB+ to investment grade of BBB- with a stable outlook. Another rating agency, Fitch Ratings, upgraded Indonesia sovereign rating in December, the second time in 2017, to BBB with a stable outlook given Indonesia increased resilience to external shocks, policy makers focusing on maintaining financial and fiscal stability, rising foreign-exchange reserves and strong economic growth. With that, it's the first time since 1997 that Indonesia has secured investment grade ratings from all three major debt-rating agencies.

The rating upgrade, aided by new economic stimulus packages, led to an increase in foreign direct investment ("FDI"). In 2017, Indonesia's FDI, excluding investments in the banking and oil and gas sectors, grew 8.5% year-on-year to IDR430.5 trillion (US$32.3 billion) with Singapore as the largest source of investment into South-East Asia's largest economy, followed by Japan and China. Bulk of the FDI flowed into the mining sector, followed by utilities, machinery and electronics, industry estates and pharmaceuticals.

However, Indonesia's economic growth was hampered by lackluster domestic household consumption, registering a muted growth of 4.95%. Consumers' reluctance to consume is often cited as the main reason for the drag on economic growth and weak property market sentiments. Despite Bank Indonesia's (BI) efforts in lowering the loan-to-value (LTV) ratio requirements and reducing its seven-day repo rate to 4.25%, Indonesia's property market remains soft following correction in residential property prices that resulted in subdued capital appreciation, leading to reduced investors' appetite for high-end markets. However, increased affordable property prices in the lower to middle class segment continue to drive most marketing sales activities.

1

Guided by market trends, the Group made the necessary adjustment to the product offerings and marketing initiatives, catering to the demand of the middle class segment of homebuyers. To further entice prospective homebuyers and increase homeownership among the younger generation, the Group launched a special promotion program by the name of "Price Lock", partnering with 11 leading mortgage banks in Indonesia. From 3 October 2017 to 31 December 2017, first time homebuyer only needs to pay a down payment of 15%, which can be paid over 6 to 24 installments depending on the period of participation, while the remaining 85% home mortgage payment will only commence from January 2020 onwards.

Following the successful implementation of the Price Lock program and several land sales, BSDE well exceeded its 2017 marketing sales target of IDR7.2 trillion. In view of 2018 being a political election year where many prospective property buyers will adopt a wait-and-see approach, BSDE has maintained its marketing sales target of IDR7.2 trillion.

1

BSD City Gate

Townships

BSD City

BSDE's flagship development, BSD City, is one of the largest privately developed townships in Indonesia with total 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 25km southwest of Jakarta, BSD City is well-connected to Jakarta and other parts of the Greater Jakarta by toll roads and railways. Since its operations commenced in 1989, BSD City has become one of the most successful and award-winning urban planning projects in Indonesia. 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.

As Indonesian government officials welcome foreign investment into the country to spur economic growth, the real estate industry witnessed a notable increase in number of foreign property developers entering, predominately focused on acquiring and development of residential projects surrounding Greater Jakarta area. Of which, West Jakarta and Tangerang area continue to be highly favoured due to ready infrastructure developments, huge landbank and strong growth potential. BSD City, one of the most well-planned and reputable township developments in Tangerang, has benefited from these geographical advantages and has attracted numerous foreign property developers. In 2017, BSD City sold land plots to a large Chinese property developer and entered into a joint venture agreement with Mitsubishi Corporation ("MC") to jointly develop The Zora, a 19 hectare, mixed-use project.

OPERATIONS REVIEW

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.

Extending the industrial land sales momentum from 2016, DMAS had set a marketing sales target of 60 hectares of industrial land in Kota Deltamas for 2017. Despite facing challenges in a relatively weak property market, DMAS managed to accomplish this marketing sales target following the sales of industrial land to US manufacturing company, Kohler Co., a local Indonesian pharmaceutical company, Kalbe Farma, and other automobile related companies.

As the development of industrial estates within Kota Deltamas matures, DMAS has begun to commence Kota Deltamas's residential development. On 16th May 2017, DMAS introduced a new residential cluster, The Woodchester, designed with environmentally friendly and energy-efficient values in mind. It offers two different units configuration for potential buyers that feature large green open space, providing residents with a "less urban" atmosphere. In addition, The Woodchester will be surrounded with good supporting amenities such as retail units, health clinic, schools, clubhouse, outdoor sports facilities, and children's playgrounds.

On 30th May 2017, DMAS set a new milestone when it entered into a joint venture agreement with PanaHome Asia Pacific Pte Ltd ("PanaHome") that aims to build a residential estate through a sustainable smart town concept within Kota Deltamas that provides a safe and comfortable environment for those who seek a good and balanced lifestyle. For this joint venture, PanaHome will own 51% equity stake in the joint venture company, namely PT PanaHome Deltamas Indonesia ("PanaHome Deltamas"), while DMAS owns the remaining 49%. PanaHome Deltamas will be developed into a residential estate that combines DMAS concept of creating a residential neighbourhood within Kota Deltamas business district, and PanaHome's expertise in developing sustainable smart towns in Japan. The development of this project is expected to last till 2026 with an estimated total development value of IDR3.0 trillion.

2

Joint Venture Agreement Signing Ceremony between PanaHome and DMAS

3

Residential Cluster in Grand Wisata

4

Kohler Groundbreaking Ceremony in Kota Deltamas

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 has a total development rights 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 2017, the Group has a remaining undeveloped landbank of approximately 573.0 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 that is easily accessible from Cibubur toll road or Bekasi, and has garnered more interest in recent years due to the investment into infrastructure in the region including toll roads and light rail transit (LRT) stations.

The Group began development of the Visalia Cluster in Kota Wisata during 2017. This new cluster offers 2-storey houses with three different sizes and unit configurations. Potential homebuyers will be naturally attracted to its close proximity to the JORR (Jakarta Outer Ring Road) toll road and affordable price starting from IDR800 million per unit.

In addition, the Group also launched the Bellwood Cluster. Situated near the under-construction Cimanggis-Cibitung toll road, unit sizes in Bellwood Cluster range from 133 to 289 square meters and are equipped with additional security features such as CCTV, wireless motion sensors, a video door-phone and panic button.

Residential

Aerium Apartments

Aerium Apartments is a development by Sinarmas Land in collaboration with Shimizu Corporation and Itochu Corporation that seeks to meet the needs of our family-oriented homebuyers. The site consists of two towers and 18 townhouses on a 1.8 hectares land area situated in the exclusive residential area Taman Permata Buana, West Jakarta. It is conveniently close to supporting amenities such as shopping malls, hospitals, places of worship, international schools, and also offers direct access to the Jabodetabek highway. In line with the Group's commitment to provide lush green spaces, over 75% of the site will feature green open spaces. The unit types being offered consist of two bedrooms (84 square metres to 100 square metres) to three bedrooms (145 square metres to 165 square metres). Facilities within Aerium include a tree house, jogging track, indoor and outdoor swimming pool facilities, mini golf, BBQ pits, hammocks and children's playground.

OPERATIONS REVIEW

5
Hyland Cluster in Grand City Balikpapan
6
Klaska Residence
7
NAVA Park BSD City

Alegria Park
Located in BSD City, BSDE launched Alegria Park in March 2017. A fine addition to the residential properties at BSD City, Alegria Park offers 184 simple but elegantly designed units across four unique sub-clusters: Magnolia, Rosetta, Odelyna and Diandre. Just 1km away from the Jakarta–Serpong toll road, Alegria Park is well-connected and offers residents a plethora of schools including the German School, Al-Azhar, St. Antonius and St. Ursula, as well as existing established amenities such as Eka Hospital, ITC BSD, Ocean Park and Pasar Modern BSD. On launched date, 100% of the 184 units were sold, generating IDR280 billion of marketing sales.

Askara House, Vanya Park
Askara House became the latest sub-cluster to be introduced to Vanya Park in July 2017. Askara House will overlook Vanya Park's 7 hectares lake and offer five sizes of units ranging from two bedrooms to three bedrooms with gardens. Dependent on the size of units, unit prices for Askara House ranges from IDR1.2 to 3.0 billion. Askara House is strategically located just five-minute away from AEON Mall BSD City. Additionally, Askara House is well located around education facilities including IPEKA High, Prasetiya Mulya University, Sinarmas World Academy and Jakarta Nanyang School.

Avezza in The Mozia
Avezza is a new and exclusive residential development located in "The Mozia" cluster. Covering an area of 2.1 hectares, a total of 128 units were launched in June 2017. The price ranges from IDR1.3 to 2.2 billion per unit, with built-in specifications of 73 square metres to 116 square metres. Avezza is conveniently located just 2km from the upcoming Intermoda Station and new Serpong–Balaraja Toll Road, surrounded by QBig Mall, Courts Megastore, AEON Mall and IPEKA Christian School.

Klaska Residence
Located in the CBD of 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. Built with the concept of high-end luxurious living, Klaska Residence offers homeowners a five-star hotel living experience providing resort-style facilities that include a library, swimming pool, sauna, jacuzzi and jogging track. Each unit of Klaska Residence is equipped with a smart home system that provides residents with the flexibility to monitor their home at any time, as well as control the lightings and air conditioning via their smartphones and an enhanced burglar alarm security feature that notifies the homeowner if unauthorised users try to gain access into their home. In the first phase, SML will build three residential towers, namely Azure, Orenji, and Bianco, each with different layout options catering to different buyers. SML has kicked off the development with the launch of Azure, a 36-storey residential tower that consist of 1,043 units, which is expected to be completed and handed over to home-owners by 2020.

NAVA Park BSD City
NAVA Park is 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 made up of six premium and luxurious mid-rise towers. Since then, NAVA Park has successfully sold close to 95% of the first two condominium towers and in August 2017, launched the third tower by the name of The Prestige Marigold Condominium. Consisting of 7 units on each floor of the 14-storey tower, the exclusively designed Prestige Marigold Condominium provides residents with a wealth of amenities and facilities including bicycle and jogging tracks, a forest walk, swimming pools, basketball courts, tennis courts, a spa and a gym.

Hyland Cluster in Grand City Balikpapan
Located in East Kalimantan, BSDE added the Hyland Cluster to its Grand City Balikpapan residential collection in October 2017. The Hyland Cluster, joining the developed Forestville and Pineville clusters, consists of 145 units in its first phase; and a total of 115 units were sold in the opening month. Each unit comprises a 2-storey house available in two sizes, 48 square metres and 88 square metres with prices ranging from IDR600 million to IDR1 billion. Residents have access to an artificial lake covering 5.6 hectares, educational facilities, health centres, sports facilities and places of worship.

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 IDR800 million to IDR3 billion. 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.

Southgate
Southgate is a mixed-use development project that consists of luxury residential property, one commercial office tower and an AEON Mall. Located in the bustling TB Simatupang, South Jakarta, Southgate will exemplify the Group's commitment to providing urban luxury in an environmentally friendly setting by allocating 60% of

OPERATIONS REVIEW

the 5.4 hectare site as green open space. Southgate residences shall consist of two luxury towers, with Tower One holding 300 units. There are three different types of units within the towers: one bedroom units, one bedroom plus one study units and two bedroom units. To enhance the project attractiveness, Southgate will feature 25 amenities including a 1km 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.

The Zora BSD City

A new luxury residential development, The Zora, was introduced to the public in November 2017. Developed by PT BSD Diamond Development, The Zora is a Japanese-themed mixed-use development jointly developed between BSDE and a group of consortium investors led by Mitsubishi Corporation. Spread across 19 hectares of premium land within BSD City Phase 2, The Zora is located near IPEKA School, QBig Mall, Foresta Business Loft, ICE BSD, Prasetia Mulya and AEON Mall BSD. The Zora consists of five residential clusters and two commercial clusters and complemented with many unique features including five thematic Japanese gardens and Samasana Clubhouse that offers an onsen pool, kids golf, tennis court, Japanese bridge with koi fish pond, sauna and aqua massage facility.

KEIA is the first residential cluster in The Zora development featuring 84 smart home units. Each unit is designed with a sustainable concept equipped with energy conservation Low-E Glass, smart home specifications from Panasonic, high quality bathroom and kitchenware from TOTO. For larger units, they are also equipped with Mitsubishi Electric's home elevator.

Retail and Commercial

ITCs

Sinarmas Land is the pioneer in the development of strata title superblock and commercial space for small and medium-sized businesses when it first introduced the "ITC" brand back in 1990. Since then, the Group has sold most of the retail spaces but continue to manage approximately 137,117 square metres of net leasable area through 9 ITCs spread throughout Indonesia as investment properties.

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 2017, The Breeze held numerous significant events including

8 *The Zora BSD City*

9 *ITC BSD*

10
QBig BSD City

11
Sinar Mas Land Plaza - BSD City

Sinar Mas Land Basketball Tournament (SMLBT), the first eSport game competition in BSD City and halal bihalal and charity night event with iCIO Community, an Indonesian community of senior IT leaders and decision makers who come together to share their experience, knowledge and wisdom.

West Park BSD City
West Park is a new commercial shophouse cluster utilising the innovative concept of providing shoppers in BSD City with a resort-like atmosphere. Situated in the western region of BSD City, West Park is easily accessible for shoppers via JORR toll road and the upcoming new Serpong–Balaraja Toll Road. West Park is built on a 1.8 hectares site that provides panoramic views of Vanya Park's park and lake, integrated with alfresco dining areas as well as equestrian facilities to provide shoppers with a dynamic retail experience. Launched in February 2017, there is a total of 104 units of 2 to 3-storey shophouses with seven different layout options were made available for sale.

QBig BSD City
Covering 17.5 hectares of land, QBig brings a modern, simple and environmentally friendly approach to BSD City's retail experience. Built on the concept of "Power Centre" where anchor tenants operate their own "big box", they are then connected with each other through "small box" that usually consist of restaurants, cafes, and other small retailers. With quality tenants like Indonesia's largest Muslim fashion store Famogal (Fashionable Moslem Gallery), Ace Hardware, Lulu Hypermarket and Truly Premium Outlets providing high-end retail products, QBig has proved popular with residents across BSD City. However, QBig is more than just a destination for shoppers. With children's play area "Fun & Fit", a mini-forest and fish ponds, QBig has positioned itself as a destination for the whole family. QBig also launched its membership programme Big Club to reward customer loyalty.

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 square metres strategically located within Thamrin CBD in Jakarta. Despite the substantial increase in Jakarta CBD office space supply, Sinar Mas Land Plaza - Jakarta continued to enjoy high average occupancy rate of 99% (2016: 98%).

Sinarmas Land 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 27,689 square metres, managed to sign new leases at a higher than average lease rate and maintaining occupancy rate at 82% (2016: 82%). Sinar Mas Land Plaza – Medan, a 10-storey office tower with a net leasable area of 18,573 square metres, experienced a drop in occupancy rate to 65% (2016: 71%), but has managed to secure higher than average lease rates amidst increased competition from other newer office buildings.

Sinarmas MSIG Tower
In later half of 2017, BSDE entered into 2 transfer agreements with PT Purimas Sasmita and PT Asuransi Jiwa Sinarmas MSIG respectively for the transfer of property units in the entire Sinarmas MSIG Tower for a total consideration of IDR2.4 trillion. 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 square metres. This acquisition is in line with the Group's business strategy to increase its long-term recurring income base, and the building will meet the demands of multinational and local corporations seeking Grade A office spaces in Jakarta CBD. At the end of 2017, Sinarmas MSIG Tower's occupancy rate is approximately 40%. With new tenancies being secured, a marked improvement is expected within the next year.

OPERATIONS REVIEW

Indonesia Convention Exhibition

Covering a total land area of approximately 220,000 square metres, Indonesia Convention Exhibition ("ICE") is the most spacious exhibition and convention centre in Indonesia. Known as a new emerging destination for the MICE industry in Indonesia, the award-winning ICE features 50,000 square metres of indoor space with 10 exhibition halls of 5,000 square metres each and additional 50,000 square metres of outdoor exhibition space, a 4,000 square metre convention hall, 33 meeting rooms, a 12,000 square metre 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.

2017 saw Indonesia's largest exhibition and convention centre host a wide range of events including music concerts, GAIKINDO Indonesia International Auto Show (GIIAS), the Global Mobile Internet Conference (GMIC) and Indonesia's largest folk festival. Korean musicians Seventeen, G-DRAGON, CNBLUE and BTS all performed before crowds at ICE. On the 26th September 2017, ICE hosted the GMIC. The GMIC presented an event regarding new frontiers in intelligence that corresponded to Sinar Mas Land's current supportive stance on technology in conjunction with construction of their Digital Hub. In May 2017, ICE won the *Gold World Award* in the Purpose Built Category - which is the highest achievement at the prestigious FIABCI World Prix d'Excellence Awards 2017 held in Andorra.

Intermoda Area BSD City

In keeping with BSDE's desire to develop a modern and fully integrated city, we have created the Intermoda Area in BSD City. This integrated transport network is designed to benefit residents within BSD City. Covering a 25 hectare area, this project responds to the needs of urban communities and facilitates a more enjoyable lifestyle by easing traffic congestions. The area has been built adjacent to Cisauk station that serves Commuter Line KRL trains on the Serpong-Jakarta route, which provide residents with access to and from Jakarta. Additionally, Intermoda Area BSD City has a bus terminal located on the first floor which is directly connected to the entrance of Modern Market BSD City.

Digital Hub

Construction of the Group's innovative Digital Hub commenced in the second quarter of 2017. Digital Hub, an exciting addition to BSD City, represents an emulation of California's Silicon Valley; it is visioned that the site will transform BSD City into a modern and well-established smart city. Development has begun on the 26 hectares site situated at the south of Green Office Park in BSD City.

With the first building expected to be completed in the second quarter of 2019, the Group has managed to secure tenants that strengthen the image of Digital Hub as the preferred location for tech firms in Indonesia. Some of these tenants include GeeksFarm, providers of programming and coding skills; Walden Global Services, who offer software development; and the Purwadhika Startup & Coding School.

A number of other companies have already expressed their commitment at the Digital Hub, including Huawei Technologies, Dimension Data, Sale Stock, MyRepublic, Orami and EV Hive. Perhaps most exciting of all is the commitment made by Apple Inc. to build an innovation centre on site. Apple is investing US$44 million into the Indonesian technology industry and it is expected that their centre will provide up to 400 local jobs. With the likes of these organisations at the Digital Hub and the Group's provision of shared facilities such as 3-D printing facilities, a studio for creating virtual reality content and Huawei's high-speed network of up to one gigabyte per second; it is envisaged that Sinarmas Land can be a facilitator for the growth of these organisations and the technology industry.

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Indonesia Convention Exhibition

Modern transportation networks are incorporated into the development with passing lanes for Segways and bicycles, whilst landscaped parks and covered walkways promote an outdoor lifestyle for employees. In keeping with the Group's futuristic vision for the Digital Hub, 2017 saw the launch of the 'OneSmile' App. This app aims to provide a fully integrated lifestyle within BSD City. Ordering groceries, making a doctor's appointment and paying bills provide just a snapshot of the multitude of options available to residents in the smart city using just a phone or tablet.

The Digital Hub demonstrates the Group's commitment to development in the technological industry and in keeping with President Joko Widodo's desire to establish Indonesia as the preeminent regional digital power. The aspiration of the Group is to develop a haven for pioneers in the tech sector that not only attracts firms from Jakarta to BSD City, but from all over the world.

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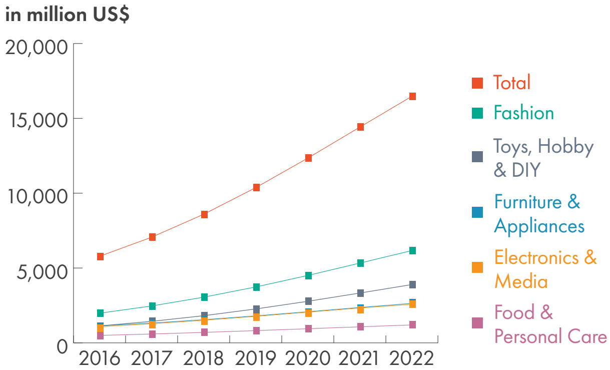
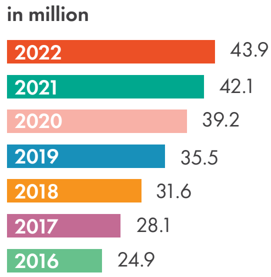
Construction Site for Digital Hub

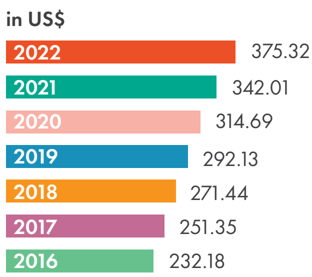
E-COMMERCE REVENUE IN INDONESIA
(source www.statista.com)



E-COMMERCE USERS IN INDONESIA
(source www.statista.com)



E-COMMERCE AVERAGE REVENUE PER USER (ARPU) IN INDONESIA
(source www.statista.com)



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. 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.

OPERATIONS REVIEW

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Rental Factory in GIIC

Taman Tekno BSD City
Taman Tekno BSD City is an environmentally friendly industrial estate occupying 150 hectares of land area at the southeast of BSD City. Due to the close proximity to PUSPITEK (Centre of Science and Technology Development) and ITI (Indonesia Technology Institute), Taman Tekno BSD City has attracted many technological companies in addition to the existing light and non-polluting industrial manufacturers.

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. The government's continuing restriction on state budget expenditure spent on meetings and activities taking place outside of office, has applied downward pressure on Indonesia's hotel performance. Le Grandeur Mangga Dua and Le Grandeur Balikpapan achieved an average occupancy rate of 54% (2016: 57%) and 42% (2016: 43%) respectively.

Owned by our associated company, PT Plaza Indonesia Realty Tbk, the 428-rooms five-star luxury Grand Hyatt Jakarta Hotel located in Thamrin CBD, achieved an improved average occupancy rate of 61% (2016: 60%). To overcome these unfavourable external factors, the Group's hospitality unit 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 offer 162 rooms across 9 different categories. To compliment the need of modern tourist, 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 car park, gym and direct access to DP Mall Semarang.

UNITED KINGDOM

London's commercial property market continued to thrive in 2017 despite uncertainties around the negotiations of Britain's exit from the European Union, with July 2017 being the strongest month since March 2007 as £2.1 billion worth of commercial properties changed hands. In the fourth quarter of 2017, Central London investment market recorded a total turnover of £4.7 billion, bringing 2017 total volume £17.4 billion, marking a 35% increase over 2016, with Asian investors contributing two-thirds of total investments. On 2nd Nov 2017, the Bank of England (BoE) increased interest rates for the first time in a decade, by a quarter of a percentage point to 0.5 per cent, signaling a gradual start to increase interest rate to control inflation.

Warwick House, 10 Great Pulteney Street
Purchased for £57.3 million in 2014, the 47,044 square feet 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.

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 square feet. Acquired in July 2015 for £257.8 million and 100% occupied 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

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Alphabeta Building - Facade

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33 Horseferry Road - Facade

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. London 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.

33 Horseferry Road

In June 2017, Sinarmas Land reinforced its stronghold in London's commercial property market with the £188.6 million acquisition of 33 Horseferry Road in Victoria, London. 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 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 square feet ("sq ft"). Of this square footage, 163,761 sq ft comprises Grade A office accommodation across lower ground, ground and five upper floors. Divided across ten retail units, the ground floor offers 16,839 sq ft of retail space along its generous 150-metres frontage to Horseferry Road which includes high-quality tenants such as National Westminster Bank, Pret A Manger, William Hill and Starbucks. 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 incorporation of 33 Horseferry Road into Sinarmas Land's UK-based property portfolio alongside Warwick House and Alphabeta Building has resulted in the Group owning close to 500,000 sq ft of strategically located freehold commercial space and asset-under-management of close to S$1.0 billion in Central London.

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The Grade A office space in 33 Horseferry Road is let in its entirety to the UK Secretary of State for Transport

OPERATIONS REVIEW

CHINA, SINGAPORE, MALAYSIA AND BATAM

China

Our Chengdu project, 丽水金都 "Li Shui Jin Du", sits on 4.8 hectares of land located in Xindu, a suburban town in Chengdu city, Sichuan province. This high-rise mixed-use project consists of nine blocks of 1,205 residential apartments with total built-up area of 138,278 square metres; one retail podium with a built-up area of 3,301 square metres; and 499 car park lots. Completed in 2009, the Group has fully sold the residential and retail components. In 2017, the Group sold 33 car park lots with 245 car park lots remaining unsold.

Our Shenyang project, 丽水金阳 "Li Shui Jin Yang", sits on approximately 9 hectares of land located in Tie Xi district, a suburban town in Shenyang city in Liaoning province, within Shenyang Tie Xi Economic and Technological Development Zone. This high-rise mixed-use project consists of 23 blocks of 2,450 residential apartments with a total area of 201,165 square metres, 80 retail units with a total area of 9,034 square metres and a 168-room hotel. Developed over 3 different phases, the Group has sold 99.9% of its residential units in the first 2 phases as at 31 December 2017. Phase 3 is a stand-alone building which consists of 84 SOHO apartment units, 19 retail units and a 168-room budget hotel. In 2017, the Group has fully sold off the remaining inventories consisting of the hotel, 6 residential units, 53 SOHO units, 12 retail units and 27 garage units.

Singapore

In Singapore, Sinarmas Land previously held the largest strata block in Orchard Towers, with 58 retail and office strata units amounting to an aggregate strata floor area of approximately 128,000 sq ft and net leasable area of approximately 89,000 sq ft through its holding company, Golden Bay Realty (Private) Limited ("Golden Bay"). Orchard Towers sits on a freehold mixed-use site located in the premier shopping district of Orchard Road.

As part of our strategy to unlock value of long-term investment properties, the Group has successfully divested its entire issued and paid-up share capital of Golden Bay for a total consideration of S$162 million. The consideration for the divestment was agreed on a willing-buyer and willing-seller basis, taking into account the agreed value and income profile of its stake in Orchard Towers. Following the divestment, the Group will use the net proceeds to fund more yield-accretive acquisitions in other markets.

Johor, Malaysia

Le Grandeur Palm Resort Johor and Palm Resort & Country Club

The Group is the owner-operator of 330 rooms Le Grandeur Palm Resort Johor and 54-hole Palm Resort Golf & Country Club, one of the few integrated golf and leisure destinations in the state of Johor. It is a 30-minute drive from Singapore Tuas Checkpoint, five-minute drive from Johor Senai International Airport and strategically located within Flagship Development Zone E of Iskandar Malaysia. Malaysia continues to report strong GDP growth with the economy expanding 5.9% in 2017, and this has fuelled increased investment into the hospitality industry. Johor witnessed the opening of 10 new hotels, registering the 4th highest growth rate of new hotels in Malaysia. Of the 10 new hotels, there are two new hotels within our vicinity that post direct competition to us. They are Impiana Senai that competes with us on the corporate business segment,

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Palm Springs Golf & Country Club

and Forest City Golf Resort that competes in the golfing segment. Coupled with a decline of total tourist arrivals into Malaysia in 2017, Le Grandeur Johor hotel occupancy rate decreased to 51% (2016: 58%), but the drop in paying price per golf round led to an increase of total number of golf rounds played to 100,623 (FY2016: 98,193) at Palm Resort Golf & Country Club.

To remain resilient in the face of increased competition, we have a dedicated Sports & Leisure Centre catering to both indoor and outdoor sporting activities that is integral to the resort's current positioning as a preferred MICE (Meeting, Incentives, Conferences and Events) and teambuilding destination. On the gastronomic front, both the hotel and club offer extensive dining choices with the hotel housing 3 restaurants and 1 bar; while the club has 3 dining outlets that include a Beer Garden. Operating the largest golf course in Johor, Palm Resort was chosen to host many golfing events that include the Faldo Series Malaysia Championship and the JGA Johor Junior Championship.

Batam, Indonesia

Palm Springs Golf & Country Club

Palm Springs Golf & Country Club is regarded as one of the best golf courses in Batam that provides excellent club facilities, complete with warm hospitality and first class services. In 2017, we witnessed a total of 38,783 rounds of golf (2016: 34,555) played on the hallmark 27-hole golf course that integrates slopes and a breath-taking view of the beachfront, on the back of increased visitors and golfers since the launch of Nuvasa Bay.

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Palm Resort Golf & Country Club

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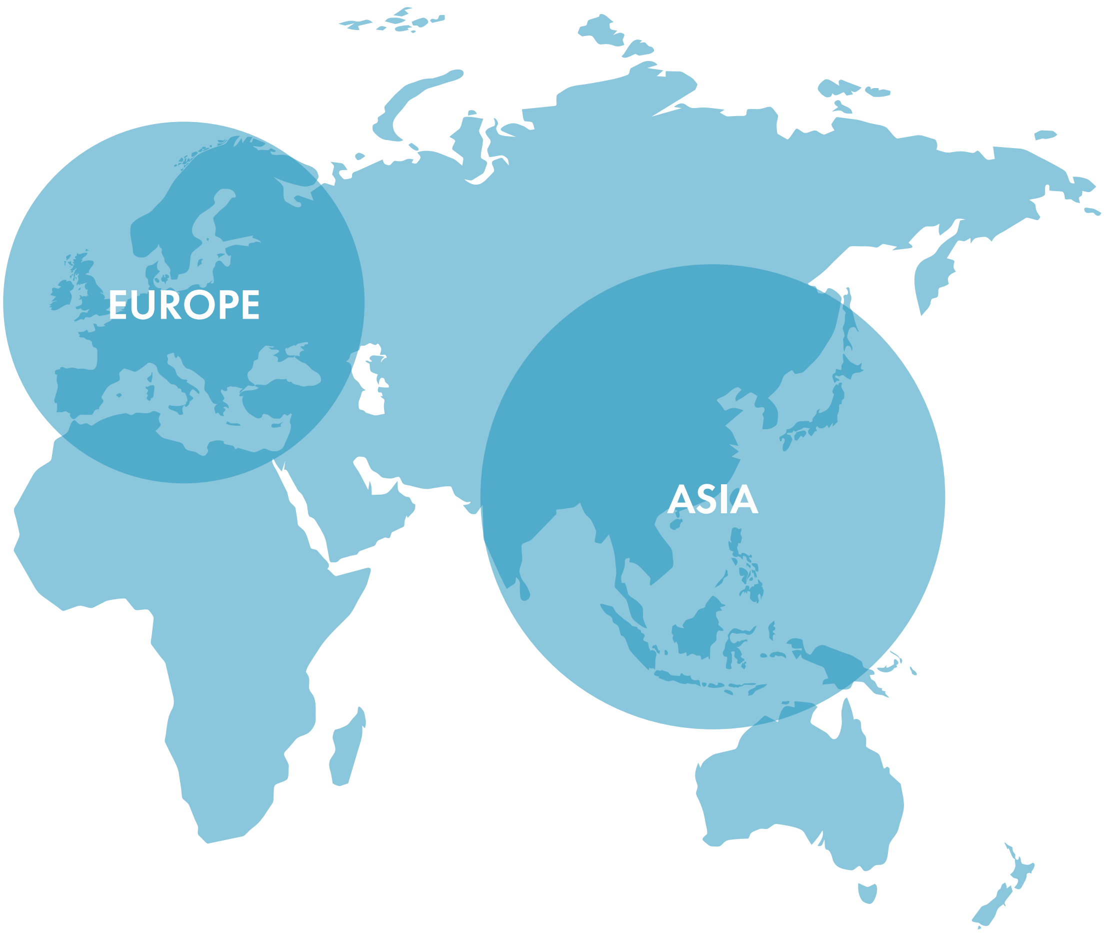
Nuvasa Bay

Nuvasa Bay

2017 saw the commencement of construction at the Nuvasa Bay, Sinarmas Land's exciting 228 hectares development in Nongsa, Batam, the largest city in the Riau Islands Province of Indonesia. The development, which offers views of Singapore from its 1.2 km coastline lies only 30-minute away from the bustling city-state. Located in and amongst a 27-hole international championship golf course and equipped with commercial facilities, hotels and high-end residential property, Nuvasa Bay aims to provide residents and tourists with a balanced and luxurious lifestyle.

The Nove Residences, which provide premium terraced and detached houses as well as three towers of condominiums, was launched in 2017. Land clearing has started in October 2017 and was completed in December 2017. With that, we will commence on the construction of The Nove and this is expected to be completed by end 2019. Throughout 2017, Nuvasa Bay held various events and promotions to create awareness for The Nove. These successful initiatives saw The Nove at Nuvasa Bay commended for its sale achievements with Housing Estate Magazine awarding it the "Most Favorable New Resort Apartment in Batam" for selling 90% of its marketed units. At the heart of The Nove sits a golf clubhouse providing a multitude of dining options in addition to sporting and recreational facilities.

NETWORK OF OPERATIONS



PORTFOLIO OVERVIEW

4 City & Township

16 Commercial

20 Retail & Trade Centres

15 Hotels, Resorts & Golf Courses

19 Residential

3 Industrial Estates

1 Convention & Exhibition Centre

ASIA

INDONESIA

BALI

Percatu

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

MALAYSIA

JOHOR

Senai

CHINA

Chengdu
Shenyang

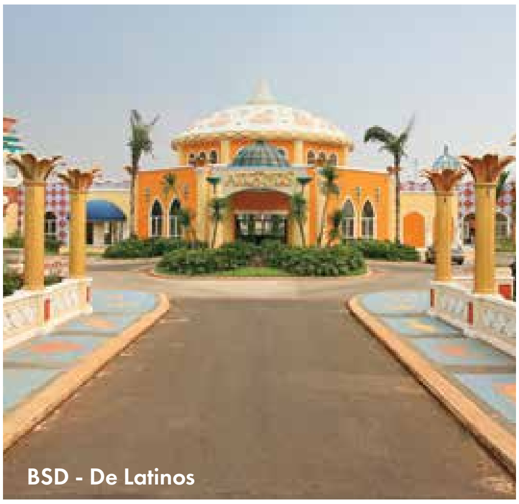
EUROPE

UNITED KINGDOM

London

PROPERTY *PORTFOLIO*

CITY & TOWNSHIP



BSD - De Latinos

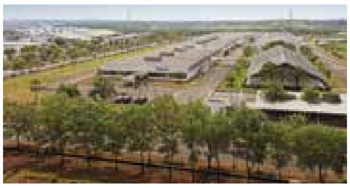
BSD City




Project	BSD CITY	KOTA DELTAMAS	GRAND WISATA	KOTA WISATA
Description	A mixed-use township that includes residential, commercial development, infrastructure, public utilities, facilities and amenities	A mixed-use township that includes industrial, residential and commercial development, infrastructure, public utilities, facilities and amenities	A mixed-use township that includes residential and commercial development, infrastructure, public utilities, facilities and amenities	An iconic township development in Cibubur
Country	Indonesia	Indonesia	Indonesia	Indonesia
Location	Serpong, Tangerang, West Java	Bekasi Regency, West Java	Bekasi Regency, West Java	Cibubur, Greater Jakarta
Project Site Area (sqm)	46,847,800	31,742,600	8,367,445	4,855,373
Remaining Site Area (sqm)	22,622,695	11,778,200	5,729,909	966,577
Expected Completion Date	2035	2030	2025	2025
Effective Interest Held (%)	48.4%	57.3%	22.9%	42.9%

INDUSTRIAL

Graha KIIC



Project	KARAWANG INTERNATIONAL INDUSTRIAL CITY	GREENLAND INTERNATIONAL INDUSTRIAL CENTRE	TAMAN TEKNO BSD CITY
Description	KIIC is an award-winning green and modern industrial estate jointly developed by SML and ITOCHU Corporation	An environmentally friendly industrial estate developed by SML and Sojitz Corporation	An industrial estate that provides tenants with warehouse options that can serve as a showroom or office
Country	Indonesia	Indonesia	Indonesia
Location	Karawang, West Java	Bekasi Regency, West Java	Serpong, Tangerang, West Java
Project Site Area (sqm)	11,693,908	13,355,300	1,732,815
Remaining Site Area (sqm)	1,227,970	2,320,800	346,810
Expected Completion Date	2020	2025	2020
Effective Interest Held (%)	49.7%	57.3%	48.4%

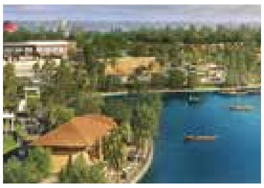
PROPERTY PORTFOLIO

RESIDENTIAL

Southgate

Project	AERIUM AT TAMAN PERMATA BUANA	AKASA APARTMENT	BALE TIRTAWANA	BANJAR WIJAYA	THE ZORA
Description	A prestigious residence consisting of two premium apartments and townhouses	A high-rise apartment development in BSD City	A residential enclave in Bogor	A residential development	Premium Luxury Residential Development
Country	Indonesia	Indonesia	Indonesia	Indonesia	Indonesia
Location	Jl. Kembangan, West Jakarta	Serpong, Tangerang, West Java	Bogor, West Java	Jl. Cipondoh Raya, Tangerang, West Java	BSD City
Remaining Site Area (sqm)	Fully Developed	Fully Developed	3,264,757	120,000	164,338
Expected Completion Date	2020	2022	2030	2020	2025
Effective Interest Held (%)	17.5%	26.6%	48.4%	42.9%	19.4%




Project	GRAND CITY BALIKPAPAN	KLASKA RESIDENCES	LEGENDA WISATA	NAVA PARK
Description	A residential and commercial project in Balikpapan	A luxury residential project in Surabaya CBD	A luxury residential project in Cibubur	Premium luxury residential development
Country	Indonesia	Indonesia	Indonesia	Indonesia
Location	Balikpapan, Kalimantan	Jl. Jagir Wonokromo, Surabaya	Cibubur, Greater Jakarta	BSD City
Remaining Site Area (sqm)	2,050,000	31,000	24,347	506,067
Expected Completion Date	2029	2025	2019	2025
Effective Interest Held (%)	64.6%	42.9%	42.9%	24.7%




Project	NUVASA BAY	SOUTHGATE	TAMAN PERMATA BUANA	THE ELEMENTS JAKARTA
Description	Batam's first luxury residential development	Exquisite family homes with amenities impeccably designed to complement the 21st century lifestyle in Simatupang.	A classic residential development in West Jakarta	Premium high-rise luxury apartment in CBD Kuningan
Country	Indonesia	Indonesia	Indonesia	Indonesia
Location	Nongsa, Batam	Jl. Raya Tanjung Barat	Jl. Kembangan, West Jakarta	Jl. Epicentrum Utama Raya
Remaining Site Area (sqm)	2,280,000	28,279	20,000	Fully Developed
Expected Completion Date	2032	2021	2020	2019
Effective Interest Held (%)	65.0%	42.9%	34.3%	48.4%

PROPERTY PORTFOLIO

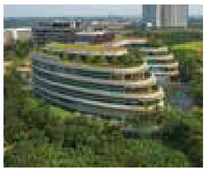
COMMERCIAL


33 Horseferry Road

					
Project	**33 HORSEFERRY ROAD**	**ALPHABETA BUILDING**	**GREEN OFFICE PARK 9**	**MYREPUBLIC PLAZA**	**SINAR MAS LAND PLAZA - JAKARTA**
Description	A office building with retail frontage in Victoria, London	A newly refurbished office building in Shoreditch Area, London	A 5-storey office building in BSD City	A 5-storey office building in BSD City	(a) Tower I - a 12-storey office building, a basement level and a 7-storey carpark building
Country	United Kingdom	United Kingdom	Indonesia	Indonesia	Indonesia
Location	33 Horseferry Rd, Westminster, London	14-18 Finsbury Square, London	Jl. BSD Green Office Park, BSD City	Jl. BSD Green Office Park, BSD City	Jl. M.H. Thamrin Kav. 51, Central Jakarta
Approximate Net Leasable Area (sqm)	16,784	23,018	21,224	18,389	11,002
Effective Interest Held (%)	100.0%	100.0%	48.4%	48.4%	57.3%



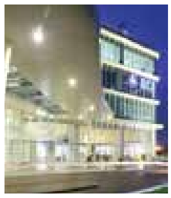




Project	SINAR MAS LAND PLAZA - JAKARTA	SINAR MAS LAND PLAZA - JAKARTA	SINAR MAS LAND PLAZA - MEDAN	SINAR MAS LAND PLAZA - SURABAYA	SINAR MAS LAND PLAZA - BSD CITY
Description	(b) Tower II - a 39-storey office building, 3 basement levels and penthouse	(c) Tower III - a 12-storey office building	A 10-storey office building and 3 basement levels	A 20-storey office building, a basement level and 11-storey carpark building	A 4-storey building in BSD City
Country	Indonesia	Indonesia	Indonesia	Indonesia	Indonesia
Location	Jl. M.H. Thamrin Kav. 51, Central Jakarta	Jl. M.H. Thamrin Kav. 51, Central Jakarta	Jl. Diponegoro, North Sumatra	Jl. Permuda, Surabaya	Jl. BSD Green Office Park, BSD City
Approximate Net Leasable Area (sqm)	70,469	14,177	27,689	18,573	21,000
Effective Interest Held (%)	53.6%	53.6%	57.3%	57.3%	48.4%







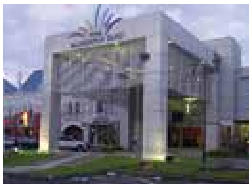

Project	THE PLAZA OFFICE TOWER	KUSUMA SENTRAL KENCANA	INDONESIA CONVENTION EXHIBITION	WARWICK HOUSE	WISMA BCA BSD CITY	SINARMAS MSIG TOWER
Description	A 49-storey premium office building owned by our associated company, PT Plaza Indonesia Realty Tbk	A commercial development in prime Jakarta CBD	The largest convention and exhibition centre in Indonesia	A quality office building in Soho London	A 5-storey office building	A 48-storey office building and a basement level
Country	Indonesia	Indonesia	Indonesia	United Kingdom	Indonesia	Indonesia
Location	Jl. M.H. Thamrin Kav 28-30, Central Jakarta	Rasuna Said, Jakarta	Jl. BSD Grand Boulevard, BSD City	8 to 13 Great Pulteney Street and 13 to 23 (odd) Lexington Street, London	Jl. Kapten Soebianto Djojohadikusumo, BSD City	Jl. Jenderal Sudirman, South Jakarta, Indonesia
Approximate Net Leasable Area (sqm)	56,447	10,315	220,000	4,371	6,579	68,525
Effective Interest Held (%)	22.7%	46.4%	23.7%	100.0%	48.4%	48.4%

PROPERTY PORTFOLIO

RETAIL AND TRADE CENTRES




Project	AEON MALL BSD CITY	BSD JUNCTION	DP MALL	EPICENTRUM WALK MALL
Description	The first AEON Mall in Indonesia owned by our joint venture company, PT AMSL Indonesia	Retail Mall in BSD City	Retail Mall in Semarang	Retail Mall in Central Jakarta
Country	Indonesia	Indonesia	Indonesia	Indonesia
Location	Jl. BSD Raya Utama	Serpong, Tangerang, West Java	Jl. Pemuda, Semarang, Central Java	Jl. H.R. Rasuna Said
Approximate Net Leasable Area (sqm)	77,000	18,182	18,300	10,722
Effective Interest Held (%)	16.0%	48.4%	27.8%	48.4%



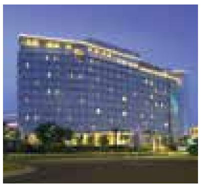
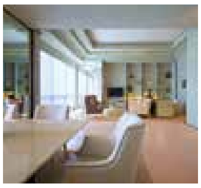
Project	MIXED-USE PROPERTIES	MALL BALIKPAPAN BARU	PLAZA INDONESIA	QBIG BSD CITY
Description	Various ITC Brand Trade Centres	Retail family mall in Balikpapan	Indonesia luxurious and up-market retail mall	A retail complex in BSD City
Country	Indonesia	Indonesia	Indonesia	Indonesia
Location	Throughout Indonesia	Balikpapan, East Kalimantan	Jl. M.H. Thamrin	Serpong, Tangerang, West Java
Approximate Net Leasable Area (sqm)	137,117	10,120	40,591	64,893
Effective Interest Held (%)	42.9%	64.6%	22.7%	48.4%


Project	THE BREEZE BSD CITY	COURTS MEGASTORE BEKASI	COURTS MEGASTORE BSD CITY
Description	Retail Mall at BSD City	Build-to-suit electronics megastore for Courts	Build-to-suit electronics megastore for Courts
Country	Indonesia	Indonesia	Indonesia
Location	Serpong, Tangerang, West Java	Kota Harapan Indah, Jawa Barat	Serpong, Tangerang, West Java
Approximate Net Leasable Area (sqm)	35,764	12,900	25,050
Effective Interest Held (%)	48.4%	48.4%	48.4%

PROPERTY PORTFOLIO

HOTEL, RESORT AND GOLF COURSE

Room Inc.

Project	GRAND HYATT JAKARTA	HOTEL SANTIKA PREMIERE	KERATON AT THE PLAZA	LE GRANDEUR BALIKPAPAN HOTEL	LE GRANDEUR MANGGA DUA HOTEL
Description	A 5-star hotel in CBD Thamrin owned by our associated company, PT Plaza Indonesia Realty Tbk	A 4-star hotel beside Indonesia Convention Exhibition ICE in BSD City	A luxury collection hotel in CBD Thamrin owned by our associated company, PT Plaza Indonesia Realty Tbk	A 4-star hotel overlooking the Makassar Strait	A 4-star hotel in the trading district of Jakarta
Country	Indonesia	Indonesia	Indonesia	Indonesia	Indonesia
Location	Jl. M.H. Thamrin, Central Jakarta	Jl. BSD Grand Boulevard, BSD City	Jl. M.H. Thamrin, Central Jakarta	Jl. Jenderal Sudirman, Balikpapan, East Kalimantan	Jl. Mangga Dua Raya
Rooms/ Site Area (sqm)	428 rooms	285 rooms	140 rooms	185 rooms	346 rooms
Effective Interest Held (%)	22.7%	23.7%	22.7%	42.9%	42.9%





Project	LE GRANDEUR PALM RESORT JOHOR	ROOM INC.	GO! WET WATER PARK	KOTA BUNGA	OCEAN PARK, BSD CITY
Description	A 4-star hotel in one of the most complete resort destinations Malaysia	A young and dynamic boutique hotel located in the heart of bustling Semarang	A recreational water theme park	Largest green resort in Puncak (Bogor's Summit)	A recreational water theme park
Country	Malaysia	Indonesia	Indonesia	Indonesia	Indonesia
Location	Senai, Johor Bahru, Malaysia	Semarang Tengah, Kota Semarang, Indonesia	Bekasi Regency, West Java	Cipanas, Bogor, West Java	Serpong, Tangerang, West Java
Rooms/Site Area (sqm)	330 rooms	162 rooms	75,000 sqm	1,540,000 sqm	85,000 sqm
Effective Interest Held (%)	99.2%	27.8%	22.9%	42.9%	48.4%




Project	PALM SPRINGS GOLF & COUNTRY CLUB	PALM RESORT GOLF & COUNTRY CLUB	SEDANA GOLF	PECATU
Description	A 27-hole golf course and beach resort	A 54-hole golf course, the largest in the state of Johor, Malaysia	A 18-hole golf course above KIIC in Karawang	A prime development site for hotel and resort
Country	Indonesia	Malaysia	Indonesia	Indonesia
Location	Nongsa, Batam	Senai, Johor Bahru, Malaysia	Karawang, East Jakarta	Pecatu Bali
Rooms/Site Area (sqm)	2,280,000 sqm	3,122,720 sqm	750,000 sqm	803,540 sqm
Effective Interest Held (%)	65.0%	99.2%	84.6%	95.3%

AWARDS
AND ACCOLADES

1. FORBES INDONESIA BEST OF THE BEST AWARDS 2017
PT BSD. Tbk
"Best of The Best" Top Fifty Best Performing Indonesia Companies

2. FIABCI WORLD PRIX D'EXCELLENCE AWARDS 2017
Sinar Mas Land
Purpose Built Category - Indonesia Convention Exhibition (ICE)

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

4. MIPIM ASIA 2017
Sinar Mas Land
Best Urban Regeneration Project - Kalijodo Park

5. INDONESIA MOST ADMIRED CEO AWARD 2017
Individual
Top 5 Most Admired CEO in Property Sector - Michael Widjaja

6. INDONESIA MOST POWERFUL COMPANIES AWARD (IMPCA) 2017
PT BSD. Tbk
Most Powerful Company 2017 - Property and Real Estate Category

7. INDONESIA PROPERTY AWARDS 2017
Individual
Real Estate Personality of The Year 2017 - Michael Widjaja

8. INDONESIA PROPERTY AWARDS 2017
Sinar Mas Land
Highly Commended for the Best Office Architectural Design - Knowledge Hub at Digital Hub, BSD City

9. INDONESIA PROPERTY AWARDS 2017
Sinar Mas Land
Special Recognition for Public Facility - Kalijodo Park

10. ASIA PACIFIC PROPERTY AWARDS 2017
Sinar Mas Land
Development Marketing - Nuvasa Bay

11. ASIA PACIFIC PROPERTY AWARDS 2017
Sinar Mas Land
Retail Development - QBig BSD City

12. ASIA PACIFIC PROPERTY AWARDS 2017
Sinar Mas Land
Developer Website - www.sinarmasland.com

13. BEST WEALTH CREATOR 2017
PT BSD. Tbk
Best Public Companies - Real Estate Category

14. INDONESIA WOW BRAND AWARDS 2017
Sinar Mas Land
Most Preferred Developer Brand - Gold Champion

15. GOLDEN PROPERTY AWARDS 2017
Individual
Most Influential Property Professional - Ishak Chandra

16. GOLDEN PROPERTY AWARDS 2017
Sinar Mas Land
Best Township Development Project - BSD City

17. GOLDEN PROPERTY AWARDS 2017
Sinar Mas Land
Best Innovative Networking Marketing - Sinar Mas Land Price Amnesty

18. GREEN PROPERTY AWARDS 2017
Sinar Mas Land
Green Transportation - TOD Concept - Township - Kawasan Intermoda BSD City

19. ASEAN ENERGY AWARDS 2017
Sinar Mas Land
1st Runner, Energy Efficient Buildings New and Existing Building Category - MyRepublic Plaza, BSD City

20. ASEAN ENERGY AWARDS 2017
Sinar Mas Land
1st Runner up, Green Building Large Category - MyRepublic Plaza, BSD City

21. 100 FASTEST GROWING COMPANY AWARDS 2017
PT BSD. Tbk
First Place in Real Estate Category, with assets over IDR 10 trillion

22. SUBROTO AWARDS 2017
Sinar Mas Land
1st Runner up, Building Energy Efficient Building (New Building Building) - Green Office Park 9 (GOP-9)

23. PROPERTY INNOVATION AWARDS 2017
Sinar Mas Land
Best Innovation In Property Product Concept - QBig BSD City

24. PROPERTY INNOVATION AWARDS 2017
Sinar Mas Land
Best Innovation In Design & Architecture - Room Inc.

25. PROPERTY INNOVATION AWARDS 2017
Sinar Mas Land
Best innovation In Design & Architecture - Digital Hub

26. PROPERTY INNOVATION AWARDS 2017
Sinar Mas Land
Best innovation In Property Product Concept - Digital Hub

27. PROPERTY DEVELOPER CONSUMER CHOICE AWARDS 2017
Sinar Mas Land
Most Preferred Landed in Cikarang Karawang (Rp 300-800 million category) - Kota Deltamas

28. PROPERTY DEVELOPER CONSUMER CHOICE AWARDS 2017
Sinar Mas Land
Most Popular Landed in Cibubur (> Rp 1.5 billion) - Kota Wisata

29. PROPERTY DEVELOPER CONSUMER CHOICE AWARDS 2017
Sinar Mas Land
Most Preferred Landed in Tangerang Cikupa balaraja (> Rp 1.5 billion) - Vanya Park BSD City

30. PROPERTY DEVELOPER CONSUMER CHOICE AWARDS 2017
Sinar Mas Land and Hongkong Land
Most Popular Apartment in Bintaro Tangerang (> Rp 1.5 billion) - Marigold Nava Park

31. PROPERTY DEVELOPER CONSUMER CHOICE AWARDS 2017
Sinar Mas Land
Most Popular Landed in Bintaro Tangerang (> Rp 1.5 billion) - Whelford Cluster BSD City

32. PROPERTI INDONESIA AWARDS 2017
PT BSD. Tbk
Best Performance

33. HOUSING ESTATE AWARDS 2017
PT BSD. Tbk
Most Favoured Middle Up - Township Scale Housing Estate in Tangerang Raya - BSD City

34. INDONESIA CORPORATE REPUTATION AWARDS 2017
Sinar Mas Land
Top 5 Corporate Reputation in property sector

35. ASEAN MARKETING SUMMIT 2017
Sinar Mas Land
Top 3 Real Estate Company

36. INDONESIA MY HOME AWARDS IV 2017
PT BSD. Tbk
Smart Home For Digital Generation in Serpong

37. INDONESIA'S PR OF THE YEAR 2017
Sinar Mas Land
Corporate Communication Team of The Year 2017 - Corp Secretary/Corp Comm Team Category

38. INDONESIA PUBLIC RELATIONS EXCELLENCE AWARDS 2017
Sinar Mas Land
Most Popular Company

39. 3RD OUTSTANDING CORPORATE INNOVATOR INDONESIA AWARDS
Sinar Mas Land
The Best Environmental Endeavor

INVESTOR *RELATIONS*

> "At Sinarmas Land, regular communication with our shareholders and the investment community forms the foundation of our investor relations initiatives. We are committed to disclose pertinent information on a timely, accurate and transparent basis, ensuring that our various stakeholders are well-informed on the Group's key operations, financial performance and business strategies."

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 through multiple communication platform 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 2017, the management and IR team engaged more than 280 institutional and retail investors over 160 individual face-to-face meetings, quarterly financial results briefings and conference calls, as well as participation in investor conferences and NDRs held in Singapore, Malaysia, 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 the Group's strategic directions and to be updated of our latest developments as well as the general property market outlook. On the other hand, management is able to receive 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.

1

Quarterly analyst and media briefing

2
Engagement with shareholders at the AGM

To support shareholders' participation and greater transparency, the Company 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 8th Singapore Corporate Governance Week organised by Securities Investors Association Singapore ("SIAS"), the Group demonstrated to all investors and shareholders its commitment by pledging a statement of support towards excellence in corporate governance.

2017 INVESTORS RELATIONS ACTIVITIES

1Q 2017

- FY 2016 results announcement and analyst & media briefing
- Mandiri Investment Forum 2017 - Jakarta
- CLSA ASEAN Forum 2017 – Bangkok
- Citi 14th Annual Asia Pacific Investor Conference – Singapore
- Credit Suisse 20th Asian Investment Conference – Hong Kong

2Q 2017

- 1Q 2017 results announcement and analyst & media briefing
- Annual General Meeting and Extraordinary General Meeting
- RHB Small and Mid-Cap Jewel Conference and Book Launch – Singapore
- Morgan Stanley 3rd Annual China Summit – Beijing, China

3Q 2017

- 2Q 2017 results announcement and analyst & media briefing
- Analyst Site Visit to Indonesia
- Citi Belt and Road Forum – Beijing, China

4Q 2017

- 3Q 2017 results announcement and analyst & media briefing
- Kuala Lumpur Non-Deal Roadshow
- Barclays Asia Forum 2017 – Singapore
- Morgan Stanley's 16th Annual Asia Pacific Summit – Singapore
- Payment of Interim Dividend

2018 FINANCIAL CALENDAR	FY 2018/19 (TENTATIVE)
FY 2017 Results Announcement	26 February 2018
Annual General Meeting	23 April 2018
1Q 2018 Results Announcement	May 2018
2Q & 1H 2018 Results Announcement	August 2018
3Q & 9M 2018 Results Announcement	November 2018
FY 2018 Results Announcement	February 2019

CORPORATE
SOCIAL RESPONSIBILITY

"Sinarmas Land is committed to operate in an environmentally responsible manner to minimise impact to the environment and natural habitats, improve and respect the well-being of our employees and communities where we operate. As an accomplished and responsible leader in Indonesia property industry, we understand that community acceptance and support has always been the key foundation for sustainable growth in an ever-changing business landscape and we strive to make positive contributions to Indonesia's economic and social development."

In 2015, the United Nations (UN), on its 70th anniversary, embarked on a new global Sustainable Development Goals (SDGs) targeted to be accomplished by 2030 as supported by its 194 member states. At the very core of the SDGs is to eradicate poverty, universal peace, and protection of human rights and the environment. At Sinarmas Land, we support the new global SDGs of relevance to our business operations and aligned them with our CSR programs. Of the 17 SDGs, we have identified 8 objectives where we can make a positive contribution and effective impact. We associate these 8 objectives with Sinarmas Land's Corporate Social Responsibility (CSR) programs to focus on three key areas: Poverty Alleviation, Quality Education and Climate Action.

1. POVERTY ALLEVIATION

The thrust on Poverty Alleviation has 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. Currently, Sinarmas Land has built and managed four of these markets namely, Pasar Modern BSD, Fresh Market Kota Wisata, Pasar Modern Grand Wisata, and Pasar Modern Intermoda Cisauk, benefitting up to 3,000 MSMEs. These modernised yet traditional markets are designed to allow for better air circulation, improved organisation with clear zoning segregation, and equipped with convenient supporting facilities

1

President Joko Widodo visiting the modernised traditional markets Sinarmas Land has built.

such as ATM Centre, public toilets and poultry slaughterhouses. Also, co-operating together with the National Agency for Drug and Food Control, there is mini-laboratory situated within each market to enhance the health and food safety standards.

Software Enhancement of the Market Place - Improving the building structures and the installation of supporting facilities is only part of the solution in elevating the livelihood of the MSMEs. At Sinarmas Land, we try to complete the offering by providing the necessary knowledge, skills and facilities to enable our MSME partners to run successful and sustainable businesses through the Pasar Rakyat School platform. In 2017, we have conducted the following programs together with our partners:

- Simple cash flow calculation – Prasetiya Mulya University
- Bank facilities that can be utilised by SMEs – Bank Rakyat Indonesia
- Simple financial planning – Bank Sinarmas
- Control of the bird flu virus – Banten Provincial Agriculture Office
- Clean and healthy living pattern – Unilever Indonesia
- Market as part of a Smart City – South Tangerang Mayor

Sharing Best Practices at the Market Place — With the success of Pasar Rakyat, Sinarmas Land is currently working together with the Indonesian government to effectively spread this development and initiative to a greater number of MSMEs through the following activities:

- Assist the Ministry of Trade by preparing the Standard Operating Procedures (SOPs) and manufacturing prototypes based on the modern markets built by Sinarmas Land. This, together with the curriculum to train the next batch of Pasar Rakyat managers, will be implemented in 5,000 markets across Indonesia;
- Sinarmas Land facilitated the visit of 50 market managers from 30 different provinces all over Indonesia to share and study best practices found in our modern markets.

Improvement of Basic Infrastructure

In 2017, Sinarmas Land embarked on several renovation projects for schools, homes and mosques. 7 school buildings and its supporting infrastructures were renovated to better the learning environment for around 1,500 students. Also, Sinarmas Land provided renovation assistance to 7 mosques which benefitted approximately 700 worshippers.

In Bekasi, Sinarmas Land rendered infrastructure assistance in terms of road improvements, public road lighting procurement, paving block installation, clean water supply, and adding U-shaped ditches for environmental drainages.

CORPORATE SOCIAL RESPONSIBILITY

Community Welfare Programs

Numerous programs were implemented across the different sections of Sinarmas Land. Here are some highlights:

- At KIIC, medical equipments were supplied to local medical facilities in the area to render aid for the examination of infants, toddlers, and pregnant women.
- Flood relief aid in the form of groceries were given to people affected by flood in the Parung Lesang Community, Pasirranji Village and Cikarang Sub District.
- In cooperation with the Indonesian Red Cross (PMI), Sinarmas Land held a blood donation drive and successfully collected thousand bags of donated blood.
- Health counselling and free medicine were also given in collaboration with the Tsu Chi Buddhist Foundation. This program coincides with the Educational Festival program, The Green Festival and the Ramadan Festival.
- Over in Johor Malaysia, Palm Resort organised the Charity Sunset Run4Fund event for the third consecutive year. The event raised a total of RM38,800 which will be used to aid the Palliative Care Association of Johor Bahru and The Befrienders in their long-term cause. Various programs and initiatives were also held over the course of the year to aid orphans, feed the homeless and poor families in Johor.

2. QUALITY EDUCATION

Education is believed to be the backbone of poverty alleviation as well as equality in opportunities and prosperity. At Sinarmas Land, we endorse this principle and reinforce it through our emphasis on Institutional & Individual Assistance as well as support for Community Learning.

Institutional & Individual Assistance

Sinarmas Land continues to support outstanding students in their pursuit for excellence through scholarship program at The Bandung Institute of Technology and Science (ITSB), particularly for courses in Civil Engineering, Architecture, Interior Design, and Urban and Regional Planning. Prospective students with exceptional academic performances but require financial support will have their tuition and laboratory fees covered under this scholarship program.

Scholarships are also allotted for more than 500 elementary and high school students in the Tangerang District, South Tangerang City and around the industrial areas of KIIC. In addition, children of employees working in Sinarmas Land for more than 10 years were awarded with a saving book when they enter into Grade 1.

Sinarmas Land also provided essential school equipment to education institutions around BSD City that range from kindergartens, elementary and high schools. In 2017, up to 11 schools with more than 1,000 students, benefitted from this program.

To enhance the competence of high school graduates, judging on the needs of respective industries, Sinarmas Land provides skill training in SMK 1 Central Cikarang which aims to improve their knowledge, skills and expertise in the field of electronics, welding and automotive.

Community Learning

There are also other education-related assistance programs implemented by Sinarmas Land in 2017 through the various communities where we operate in:

- Rumah Pintar — Rumah Pintar is a community learning centre located in BSD City that provides out-of-school learning and skill training to children, teens and housewives. Conceived from the concept of harnessing a holistic all-round education, Rumah Pintar hopes to create a knowledge community that educate and support its participants by working

2

Students of The Bandung Institute of Technology and Science (ITSB) with exceptional academic performances were awarded with scholarships

with various communities and partners to achieve that objective. To ensure a conducive learning environment, Rumah Pintar is equipped with a library, a playroom and arts and culture corner, computers and multimedia stations. In 2017, 560 participants have benefited from numerous activities organised in Rumah Pintar.

- To support the increasing demand for IT professionals in Digital Hub, Sinarmas Land has introduced 2 scholarship programs – (1) Programmer training, (2) Web & mobile developer training. These scholarships target outstanding high school graduates and vocational students that require financial assistance to excel further.
- Sign language trainings were conducted to improve sign language skills for the Deaf and Listening Communities in South Tangerang and neighbouring districts.
- KIIC organised numerous environmental conservation activities such as waste composting and agricultural training program which was well-attended by more than 3,700 participants from communities, schools and government agencies in Karawang.

3. CLIMATE ACTION

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

Green Building & Infrastructure

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

We are proud to share that our latest office building in BSD City, GOP 9, has been accorded the Platinum Award by the Green Building Council Indonesia (GBCI), which Sinarmas Land was a founding corporate member of this non-profit organisation since its establishment in 2009.

GOP 9 is located in BSD City's Green Office Park (GOP), Indonesia's first green office development featuring environmentally friendly commercial developments with a park-like ambience to its tenants. GOP 9 joins the rest of the green buildings within the Sinarmas Land portfolio namely, Sinar Mas Land Plaza, MyRepublic Plaza, GOP 9, Unilever, ITSB Deltamas and BNI.

As recognition of our efforts on excellence and sustainability over the years, Sinarmas Land has won several awards in both the International and Southeast Asia levels including The Green Mark Gold Award (BCA) Singapore, FIABCI Prix d'Excellence Gold Winner Award, and Asia Pacific Property Award.

3

Sinarmas Land Tree Planting at the area of Kalijagir in Surabaya.

Beyond our existing developments, Sinarmas Land has also embarked on projects in relation to climate change mitigation. One such project is the revitalisation of 4 hectares of land beside the lake in Kalijodo. This area has been transformed into an Integrated Child Friendly Sphere (RPTRA) and an Open Green Space (RTH) by providing park facilities and features cover a length of 1km. Another significant project is to build 10 lakes covering an area of 26 hectares in order to increase the water catchment area and prevent water wastage from overflow, tree planting and releasing thousands of fingerlings in the lake for fish repopulation.

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 promote a green culture to the public.

In 2017, Sinarmas Land planted more than 15,000 trees in numerous areas around Sinarmas Land projects. These areas include the vicinity of BSD City, the jungles of Karawang City and the area of Kalijagir in Surabaya.

For the 14th year, Sinarmas Land organised the annual Green Festival at BSD City to raise public awareness on the importance of conserving our environment. Activities during the festival comprise waste management and recycling workshops, emission testing for vehicles and other fun and entertaining attractions and exhibitions.

The Telaga Desa Agro-Enviro Education Park was also completed in 2017. The park is envisioned to be a research and training centre to promote awareness in agriculture, environmental conservation and ecotourism. Several programs are in the pipeline which covers agricultural programs on crops, rice and cattle farming as well as environmental programs on tree seeding, conservation of endangered species and compost production.

For more details on our corporate social responsibility initiatives, please refer to Sinarmas Land's Sustainability Report 2017 to be published later.

HUMAN CAPITAL

> People are of paramount importance to Sinarmas Land and recognised as a main key driver in our success. We are committed to constantly nurture our people through trainings, adopting a holistic approach to the development of each of our employees as we prepare for future needs.

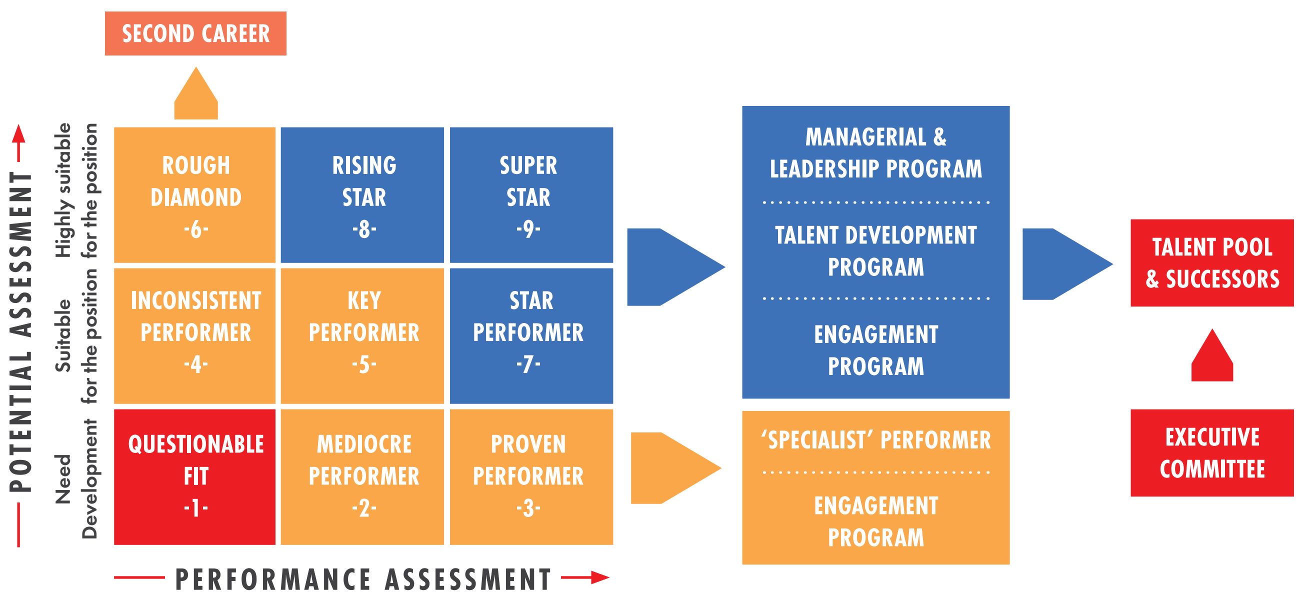
TALENT DEVELOPMENT AND SUCCESSION PLANNING

In a constantly changing business environment, strong leaders need to have the ability to anticipate and steer their organisation away from troubled waters through the modification and implementation of new business strategies that are critical for future success. The foundation of Sinarmas Land's leadership development is based on our talent retention and succession planning initiatives.

In recent years, Sinarmas Land has been focusing on developing talents from within to complement its external talent recruitment. Through engagement and meetings with respective Business Unit's Head and senior leaders, outstanding individuals are recommended to the executive committee. These individuals are further assessed through a set of criteria that includes performance ratings, competency assessments and unique skill sets. Thereafter, they will be classified into either the High Potential Individual (HiPo) or High Performing Employees (HPE) group. Both groups of individuals form our talent pool, crucial to the growth and sustainability of Sinarmas Land.

Employees in the talent pool will then undergo specific trainings and developments to either sharpen or attain new skills that aim to help them excel in their current and future roles. In addition, our employees in the talent development plan will be equipped with other non-core skills such as project management, leadership development, organisational skills, communication and relationship management. Going forward, we will continuously evaluate our talent pool criteria to align them with our future human capital needs.

SINARMAS LAND'S TALENT POOL & SUCCESSION MANAGEMENT FRAMEWORK



LEARNING ORGANISATION

Other than people, the knowledge embedded in them is also of strategic importance to Sinarmas Land. To share this knowledge, we have formalised Knowledge Sharing Sessions ("KSS"). Conducted similar to that of town hall meetings, a diversified range of topics will be shared by employees and subject matter experts such as different countries' property outlook, industry regulations and standards – local and international, accumulated field knowledge, business processes, products knowledge, best practices, technical and non-technical skills.

Our employees are required to undertake a minimum fixed amount of training hours as part of their training development. Employees that demonstrate leadership qualities will undertake a structured training and development program that ranges from the lower level up to senior management level. SML Leadership journey starts from Supervisor (SDP), Managers (MDP), Senior Managers Program (AMP), up to Executive level. Other programs, including technical and non-technical training programs have also been organised for our employees.

Other than training, we have infused a coaching culture into our organisation. Many research studies found that coaching improve employees' performance, organisation resilience and effectiveness during organisational changes. In today's continuously changing environment, adopting a coaching culture will give our organisation a competitive edge as it promotes creativity, enhances performance and resilience through effective operational know-how.

Sinarmas Land has made coaching a mandatory topic in our SML Leadership Program, Advanced Development Program, Managerial Development Program and Supervisory Development Program. To ensure continuity, the Group follow; through these programs by conducting a coaching workshop for middle-level managers with the objective to better equip our managers with the knowledge and ability to effectively coach their team. Leaders are encouraged to help in our employees' development and performance improvement. We believe that coaching creates a conducive, productive and innovative workplace environment where employees work best in. In addition, it supports diversity by recognising every employee's uniqueness and capabilities.

SINARMAS LAND SHARED VALUES

We continue to spread our Shared Values awareness and understanding campaign with all our employees every year. We believe that through our constant effort to drive awareness and implementation of our 6 Shared Values – Integrity, Positive Attitude, Commitment, Continuous Improvement, Innovation, and Loyalty, our employees will have a moral compass to make the right decisions in their daily work and help us manoeuvre through the challenges ahead.

For more details on our human capital initiatives, please refer to Sinarmas Land's Sustainability Report 2017 to be published later.

1
Indonesian Independence Day Celebration

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

For the Financial Year ended 31 December 2017

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 2017 and the statement of financial position of the Company as at 31 December 2017.

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 85 to 166 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 2017, 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 (appointed on 26 April 2017)
Kunihiko Naito
Rodolfo Castillo Balmater
Foo Meng Kee (resigned on 26 April 2017)

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 2017

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	1,316,500	1,637,000	-	-
Related Corporations				
PT Bumi Serpong Damai Tbk		Shares of IDR100 each		
Franky Oesman Widjaja	-	63,150,000	70,333,840*	48,736,540*
Muktar Widjaja	-	63,150,000	70,333,840*	48,736,540*
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 Binasarana Muliajaya		Shares of IDR1,000,000 each		
Franky Oesman Widjaja	-	-	10*	-
Muktar Widjaja	-	-	10*	-
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 2017

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

Name of directors in which interests are held	Shareholdings registered in the name of directors or their spouse: At the beginning of the year or date of appointment if later	At the end of the year	Shareholdings in which directors are deemed to have an interest: 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*	2,328*
Muktar Widjaja	-	-	2,328*	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 2018.

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 31 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
Foo Meng Kee (ceased as AC member and AC Chairman on 26 April 2017)

DIRECTORS' STATEMENT

For the Financial Year ended 31 December 2017

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 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 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

14 March 2018

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 2017, 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 Financial Reporting Standards in Singapore (FRSs) 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 2017 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

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

(cont'd)

Key Audit Matters	How our audit addressed the key audit matters
Revenue recognition We refer to Note 3(x) and Note 6 to the financial statements. For the year ended 31 December 2017, the Group has recorded revenue from sale of development properties and other sources amounting to $1,094,349,000 (2016: $699,349,000) and $202,093,000 (2016: $179,749,000) respectively. Revenue from the sale of development properties is recognised using the completed contract method and this requires management judgement on whether the Group has transferred significant risks and rewards of ownership in the real estate to the customers and the Group does not have a substantial continuing involvement with the properties.	Our 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. Our findings: We found the revenue recognition policy on the sale of development properties (Note 3(x)) has been appropriately applied by the management.
Valuation and classification of development properties We refer to Note 18 and Note 23 to the financial statements. As at 31 December 2017, the Group's total development properties amounted to $3.0 billion (2016: $3.1 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 $1,230,153,000 (2016: $1,265,641,000) and properties under development for sale of $1,755,445,000 (2016: $1,793,858,000) 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 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 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

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

(cont'd)

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 FRSs, 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

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

(cont'd)

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

14 March 2018

CONSOLIDATED INCOME STATEMENT

For the Year ended 31 December 2017

	Note	2017 S$'000	2016 S$'000
Revenue	6	1,296,442	879,098
Cost of sales		(362,161)	(294,025)
Gross profit		934,281	585,073
Operating expenses			
Selling expenses		(99,487)	(85,069)
General and administrative expenses		(176,956)	(151,824)
Total operating expenses		(276,443)	(236,893)
Operating profit		657,838	348,180
Other income/(expenses)			
Finance income	7	33,448	28,672
Finance costs	8	(71,636)	(95,527)
Foreign exchange loss		(22,616)	(4,959)
Share of results of associated companies		14,487	33,572
Share of results of joint ventures		(42,800)	(4,674)
Other operating income	9	11,856	17,184
Other expenses, net		(77,261)	(25,732)
Exceptional item			
Gain on disposal of a subsidiary	42(b)	109,441	-
Profit before income tax	10	690,018	322,448
Income tax	11	(52,320)	(58,749)
Total profit for the year		637,698	263,699
Attributable to:			
Owners of the Company		355,971	114,908
Non-controlling interests		281,727	148,791
		637,698	263,699
Earnings per share (cents)			
Basic and diluted	12(a)	8.36	2.70

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 December 2017

	Note	2017 S$'000	2016 S$'000
Total profit for the year		637,698	263,699
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss on post employment benefit	13	(7,273)	(2,229)
Share of other comprehensive (loss)/income of:			
- associated companies		(515)	223
- joint ventures		(71)	(51)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(306,051)	255,800
Changes in fair value of available-for-sale financial assets		240	417
Other comprehensive (loss)/income, net of tax		(313,670)	254,160
Total comprehensive income for the year		324,028	517,859
Total comprehensive income attributable to:			
Owners of the Company		219,612	197,046
Non-controlling interests		104,416	320,813
		324,028	517,859

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

	Note	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
Assets					
Current Assets					
Cash and cash equivalents	14	930,287	867,276	31,276	83,409
Short-term investments	15	21,730	12,942	-	-
Trade receivables	16	35,016	32,725	-	-
Other current assets	17	309,748	388,368	25,925	445,764
Inventories, at cost		1,338	1,348	-	-
Properties held for sale	18	1,230,153	1,265,641	-	-
		2,528,272	2,568,300	57,201	529,173
Non-Current Assets					
Subsidiaries	19	-	-	2,111,660	1,703,684
Associated companies	20	266,378	265,247	-	-
Joint ventures	21	148,382	122,925	-	-
Long-term investments	22	2,182	2,400	-	-
Properties under development for sale	23	1,755,445	1,793,858	-	-
Investment properties	24	1,656,565	1,077,139	-	-
Property, plant and equipment	25	178,097	195,777	434	589
Long-term receivables	26	25,189	52,026	-	-
Deferred tax assets	27	464	389	-	-
Goodwill	28	1,784	1,784	-	-
		4,034,486	3,511,545	2,112,094	1,704,273
Total Assets		6,562,758	6,079,845	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 2017

	Note	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
Liabilities and Equity					
Current Liabilities					
Trade payables	29	42,331	39,307	-	-
Other payables and liabilities	30	695,363	626,630	117,673	138,656
Bonds and notes payable	31	176,934	71,024	-	-
Obligations under finance lease	32	4,390	7,150	40	40
Borrowings	33	26,837	46,191	-	-
Income taxes payable		4,584	6,542	-	-
		950,439	796,844	117,713	138,696
Non-Current Liabilities					
Bonds and notes payable	31	542,144	723,275	-	-
Obligations under finance lease	32	454	5,271	97	137
Borrowings	33	774,194	506,006	-	-
Long-term liabilities	34	210,317	193,144	-	-
Deferred tax liabilities	27	14	9	-	-
		1,527,123	1,427,705	97	137
Total Liabilities		2,477,562	2,224,549	117,810	138,833
Equity attributable to Owners of the Company					
Issued capital	36	2,057,844	2,057,844	2,057,844	2,057,844
Treasury shares	36	(170,460)	(170,460)	(170,460)	(170,460)
Foreign currency translation deficit		(1,306,524)	(1,174,116)	-	-
Goodwill on consolidation		(62,122)	(62,122)	-	-
Asset revaluation reserve		6,518	6,518	-	-
Other reserves		32,034	25,982	-	-
Fair value reserve		188	91	-	-
Retained earnings		1,613,672	1,299,834	164,101	207,229
		2,171,150	1,983,571	2,051,485	2,094,613
Non-controlling interests		1,914,046	1,871,725	-	-
Total Equity		4,085,196	3,855,296	2,051,485	2,094,613
Total Liabilities and Equity		6,562,758	6,079,845	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 2017

	← Attributable to Owners of the Company								→		
Group	Issued capital S$'000	Treasury shares S$'000	Foreign currency translation deficit S$'000	Goodwill on consolidation S$'000	Asset revaluation reserve 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)	(1,174,116)	(62,122)	6,518	25,982	91	1,299,834	1,983,571	1,871,725	3,855,296
Profit for the year	-	-	-	-	-	-	-	355,971	355,971	281,727	637,698
Foreign currency translation differences	-	-	(132,408)	-	-	-	-	-	(132,408)	(173,643)	(306,051)
Other comprehensive loss	-	-	-	-	-	(4,048)	97	-	(3,951)	(3,668)	(7,619)
Total comprehensive income/(loss) for the year	-	-	(132,408)	-	-	(4,048)	97	355,971	219,612	104,416	324,028
Dividends (Note 37)	-	-	-	-	-	-	-	(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(c))	-	-	-	-	-	10,100	-	-	10,100	(16,125)	(6,025)
Balance at 31.12.2017	2,057,844	(170,460)	(1,306,524)	(62,122)	6,518	32,034	188	1,613,672	2,171,150	1,914,046	4,085,196

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 2017

	← Attributable to Owners of the Company								→		
Group	Issued capital S$'000	Treasury shares S$'000	Foreign currency translation deficit S$'000	Goodwill on consolidation S$'000	Asset revaluation reserve 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 1.1.2016	2,057,844	(170,460)	(1,256,967)	(62,122)	6,518	(18,945)	(197)	1,193,012	1,748,683	1,581,539	3,330,222
Profit for the year	-	-	-	-	-	-	-	114,908	114,908	148,791	263,699
Foreign currency translation differences	-	-	82,851	-	-	-	-	-	82,851	172,949	255,800
Other comprehensive loss	-	-	-	-	-	(1,001)	288	-	(713)	(927)	(1,640)
Total comprehensive income/(loss) for the year	-	-	82,851	-	-	(1,001)	288	114,908	197,046	320,813	517,859
Dividends (Note 37)	-	-	-	-	-	-	-	(8,086)	(8,086)	-	(8,086)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(21,774)	(21,774)
Capital subscribed by non-controlling shareholders	-	-	-	-	-	-	-	-	-	23,587	23,587
Changes in interest in subsidiaries (Note 42(d))	-	-	-	-	-	45,928	-	-	45,928	(34,128)	11,800
Non-controlling interest for incorporation of a subsidiary (Note 44(7))	-	-	-	-	-	-	-	-	-	1,688	1,688
Balance at 31.12.2016	2,057,844	(170,460)	(1,174,116)	(62,122)	6,518	25,982	91	1,299,834	1,983,571	1,871,725	3,855,296

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended 31 December 2017

	Note	2017 S$'000	2016 S$'000
Cash flows from operating activities			
Profit before income tax		690,018	322,448
Adjustments for:			
Depreciation of investment properties	24	28,301	20,305
Depreciation of property, plant and equipment	25	19,491	17,576
Interest expense	8	71,636	80,765
Loss on repurchase of notes payable	8	-	14,762
Gain on disposal of property, plant and equipment	9	(42)	(469)
Gain on disposal of a subsidiary	42(b)	(109,441)	-
Property, plant and equipment written off	9	-	20
Completed properties held for sale written off	9	11,687	-
Fair value gain on derivative payables	9	(6,387)	(139)
Share of results of associated companies		(14,487)	(33,572)
Share of results of joint ventures		42,800	4,674
(Write-back of)/Allowance for impairment loss on:			
Trade receivables		(52)	73
Other receivables		-	38
Changes in fair value of financial assets at fair value through profit or loss	9	(115)	(165)
Unrealised net foreign exchange loss		23,514	26,388
Interest income	7	(33,448)	(28,672)
Operating cash flows before working capital changes		723,475	424,032
Changes in working capital:			
Trade receivables		(2,289)	(17,261)
Other current assets and receivables		(9,093)	27,101
Inventories		10	(147)
Trade payables		3,048	1,372
Other payables and liabilities		6,898	9,934
Cash generated from operations		722,049	445,031
Interest paid		(69,068)	(80,152)
Interest received		31,622	28,672
Tax paid		(69,470)	(67,160)
Net cash generated from operating activities		615,133	326,391

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

CONSOLIDATED STATEMENT OF CASH FLOWS *(cont'd)*

For the Year ended 31 December 2017

	Note	2017 S$'000	2016 S$'000
Cash flows from investing activities			
Acquisition of an associated company		(4)	-
Acquisition of additional interest in associated companies		(49,441)	-
Acquisition of joint ventures		(12,740)	(36,980)
Acquisition of additional interest in a joint venture		(43,200)	-
Cash inflow from non-controlling interest for incorporation of a subsidiary	44(7)	-	1,688
Proceeds from disposal of a subsidiary, net of cash disposed of	42(b)	161,452	-
(Investment in)/Proceeds from short-term investments		(9,608)	4,805
Proceeds from capital reduction in an associated company		-	160
Proceeds from disposal of property, plant and equipment		45	500
Acquisition of and capital expenditure on investment properties		(455,621)	(91,246)
Capital expenditure on property, plant and equipment		(15,211)	(34,982)
Capital expenditure on properties under development and held for sale		(243,914)	(217,793)
Dividends from associated companies and joint ventures		49,507	22,476
Net cash used in investing activities		(618,735)	(351,372)
Cash flows from financing activities			
Proceeds from borrowings		508,437	139,038
Proceeds from issuance of bonds and notes		93,142	356,284
Proceeds from disposal of certain interest in subsidiaries		-	276,344
Capital subscribed by non-controlling shareholders		5,090	23,587
Decrease in time deposits pledged		1,059	551
Acquisition of additional interest in subsidiaries		(6,025)	(264,544)
Payments of borrowings		(254,905)	(330,243)
Payments of bonds and notes		(105,284)	(233,882)
Payments of dividends		(93,193)	(29,860)
Payments of obligations under finance lease		(6,475)	(7,424)
Net cash generated from/(used in) financing activities		141,846	(70,149)
Net increase/(decrease) in cash and cash equivalents		138,244	(95,130)
Cash and cash equivalents at the beginning of the year		801,507	841,665
Effect of exchange rate changes on cash and cash equivalents		(74,174)	54,972
Cash and cash equivalents at the end of the year	14	865,577	801,507

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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 21 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 2017 were authorised for issue by the Board of Directors on 14 March 2018.

2 Adoption of New Financial Reporting Standards (“FRSs”) and Full Convergence with International Financial Reporting Standards (“IFRSs”)

(a) Adoption of New and Revised FRSs

The accounting policies adopted are consistent with those of the previous financial year except that in the current year, the Group has adopted all the new and revised FRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2017. The adoption of these new and revised FRSs has had no material financial impact on the financial performance and financial position of the Group and the Company. The disclosure of the adoption of Amendments to FRS 7, *Disclosure Initiative* is provided in Notes 14 and 35 to the financial statements.

(b) Full Convergence with International Financial Reporting Standards (“IFRSs”)

Singapore-incorporated companies listed on the SGX are required to apply a new financial reporting framework identical to the IFRSs (referred to as SFRS(I)s in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group’s financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I)s issued by the Accounting Standards Council Singapore. As a result, this will be the last set of financial statements prepared under the current FRSs.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1, *First-time Adoption of Singapore Financial Reporting Standards (International)*.

The Group does not expect the adoption and application of SFRS(I)s to have a significant impact on the financial statements, which includes SFRS(I) 15, SFRS(I) 9 and SFRS(I) 16. The nature of the impending change in accounting policy on the adoption of SFRS(I) 15, SFRS(I) 9 and SFRS(I) 16 are described below.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

2 Adoption of New Financial Reporting Standards ("FRSs") and Full Convergence with International Financial Reporting Standards ("IFRSs") (cont'd)

(b) Full Convergence with International Financial Reporting Standards ("IFRSs") (cont'd)

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). It replaces existing revenue recognition guidance.

SFRS(I) 15 establishes a five-step model that will apply to revenue arising from contracts with customers. 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 principles in SFRS(I) 15 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied. Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

The Group has performed a preliminary impact assessment of adopting SFRS(I) 15 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 15 in its financial statements for the year beginning on 1 January 2018.

The Group is in the business of constructing and developing residential and commercial properties. The Group currently recognises revenue from the sale of development properties under construction using the completed contract method 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. Certain contracts also allow the customers to settle the contract sum by instalments where the period between the transfer of the development properties to the customer and payment by the customer may exceed one year. Under SFRS(I) 15, for most of its residential and commercial developments, performance obligations for the sale of development properties are only satisfied when the development property is delivered to the customer and the Group has an enforceable right to payment for completed performance. Accordingly, the Group does not expect significant changes to the basis of revenue recognition for its revenue from sale of development properties. However, due to a deemed financing component arising from 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, the Group is currently finalising the model and the quantum of the final transition adjustments. Based on its preliminary estimates, had the Group adopted SFRS(I)15, the effects on the financial statements for current financial year would not be significant.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

2 Adoption of New Financial Reporting Standards ("FRSs") and Full Convergence with International Financial Reporting Standards ("IFRSs") (cont'd)

(b) Full Convergence with International Financial Reporting Standards ("IFRSs") (cont'd)

SFRS(I) 9, *Financial Instruments*

SFRS(I) 9 contains new 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. Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively. The Group plans to adopt the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018. The expected impacts on adoption of SFRS(I) 9 are described below. The information below reflects the Group's expectation of the implications arising from changes in the accounting treatment upon adoption of SFRS(I) 9 which is effective on 1 January 2018.

- *Classification and measurement of financial assets*

Based on its preliminary assessment, the Group's investments in bonds and equity instruments that are currently classified as available-for-sale will satisfy the conditions for classification as at fair value through other comprehensive income ("FVOCI") under SFRS(I) 9 and hence there will be no significant change to the accounting for these assets. For financial assets currently held at fair value through profit or loss ("FVTPL"), the Group expects to continue measuring these assets at FVTPL under SFRS(I) 9.

- *Impairment*

SFRS(I) 9 replaces the current incurred loss model with a forward-looking expected credit loss ("ECL") model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

Under SFRS(I) 9, loss allowances of the Group will be measured on either of the following bases:

(i) 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or

(ii) Lifetime ECLs. These are ECLS that result from all possible default events over the expected life of a financial instrument.

The Group intends to apply the simplified approach and record lifetime ECL on all trade receivables. The Group is currently finalising the testing of its expected credit loss model and does not expect the adjustment to have a significant financial impact on the financial statements.

SFRS(I) 16, *Leases*

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 is currently assessing the impact of SFRS(I) 16 on its financial statements and plans to adopt this standard on the required effective date, 1 January 2019.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

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 FRSs.

As part of the Restructuring Exercise in 1997 whereby the Company acquired from the Sinar Mas Group its subsidiaries and associated companies (“Restructuring Exercise 1997”), certain property, plant and equipment, investment properties and properties held for development and sale have been revalued by independent professional valuers as at 30 September 1996. Accordingly, the revalued amount is deemed to be the cost to the Group.

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 5 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 available-for-sale financial assets are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 Summary of Significant Accounting Policies (cont'd)

(c) Foreign Currency Transactions and Translation (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 Summary of Significant Accounting Policies (cont'd)

(d) Basis of Consolidation (cont'd)

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 re-assess 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 **Summary of Significant Accounting Policies** (cont'd)

(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. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 Summary of Significant Accounting Policies (cont'd)

(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 2001 has been charged in full to equity as goodwill on consolidation on the statement of financial position; such goodwill has not been retrospectively capitalised and amortised, as allowed under revised SAS 22, *Business Combinations (revised 2003)*. Goodwill arising from business combinations occurring between 1 January 2001 and 1 July 2004 has been carried at net carrying value and subjected to an impairment test, while negative goodwill arising from business combinations occurring between 1 January 2001 and 1 July 2004 has been credited to retained earnings.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 Summary of Significant Accounting Policies (cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 Summary of Significant Accounting Policies (cont'd)

(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 under development.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 **Summary of Significant Accounting Policies** (cont'd)

(n) Financial Assets

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 Summary of Significant Accounting Policies (cont'd)

(o) Financial Liabilities and Equity (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 **Summary of Significant Accounting Policies** (cont'd)

(q) Leases (cont'd)

- 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.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 Summary of Significant Accounting Policies (cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 Summary of Significant Accounting Policies (cont'd)

(x) Revenue Recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of business, excludes value-added tax, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, the revenue can be reliably measured and when the specific criteria for each revenue source are met as follows:

- Revenue from the sale of development properties is recognised using the completed contract method 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. No revenue is recognised when there is uncertainty as to the collectability due or the probable return of units sold.

- Revenue arising from sale of goods is recognised when the products are delivered to the customers and collectability of the related receivables is probable.

- 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.

- Club membership revenue is recognised over the term of the membership period.

- Service income, management and consultancy fees 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3 Summary of Significant Accounting Policies (cont'd)

(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 guarantee contracts are initially recognised at fair values plus transaction costs. Financial guarantee contracts are subsequently amortised to the income statement over the period of the subsidiaries' borrowing, unless the Company has incurred an obligation to reimburse the creditors for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the creditors.

4 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 2016.

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 2017 and 2016 are as follows:

	2017 S$'000	2016 S$'000
Borrowings (Note 33)	801,031	552,197
Bonds and notes payable (Note 31)	719,078	794,299
Obligations under finance lease (Note 32)	4,844	12,421
Total debt	1,524,953	1,358,917
Cash and cash equivalents (Note 14)	(930,287)	(867,276)
Net debt	594,666	491,641
Total equity	4,085,196	3,855,296
Gearing ratio	15%	13%

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

4 Financial Risk Management (cont'd)

(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.

(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 2017, 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 $429,000 (2016: $242,000) and $177,000 (2016: $63,000) 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:

	2017	2016
	S$'000	S$'000
Financial assets		
Fixed rate	73,268	243,169
Variable rate	886,864	559,139
Non-interest bearing	132,177	229,917
	1,092,309	1,032,225
Financial liabilities		
Fixed rate	721,856	804,337
Variable rate	801,031	510,727
Non-interest bearing	233,450	136,363
	1,756,337	1,451,427

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(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") 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.

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	
	2017	2016
	S$'000	S$'000
SGD against functional currency of USD	5,535	4,706
USD against functional currencies of SGD, RM and IDR	23,326	8,564
IDR against functional currencies of SGD and USD	87	(2,719)
GBP against functional currencies of SGD	(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 available-for-sale 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(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.

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.

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	
	2017	2016
	S$'000	S$'000
Corporate guarantees provided to financial institutions on borrowings of subsidiaries:		
- Total facilities	589,919	442,732
- Total outstanding	581,017	437,173

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(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 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 31 December 2016				
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

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 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 31 December 2016				
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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

5 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

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 2017, the Group's income taxes payable and income tax expense amounted to $4,584,000 (2016: $6,542,000) and $52,320,000 (2016: $58,749,000) respectively.

(b) Critical Judgements in Applying Accounting Policies

Revenue Recognition

Revenue from the sale of development properties is recognised using the completed contract method and this requires judgement on whether the Group has transferred significant risks and rewards of ownership in the properties to the customers and the Group does not have a substantial continuing involvement with the properties.

For the year ended 31 December 2017, the Group has recorded revenue from sale of development properties and other sources amounting to $1,094,349,000 (2016: $699,349,000) and $202,093,000 (2016: $179,749,000) respectively.

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 2017, the carrying amount of the Group's development properties that are classified as current assets and non-current assets was $1,230,153,000 (2016: $1,265,641,000) and $1,755,445,000 (2016: $1,793,858,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

6 Revenue

	Group 2017 S$'000	Group 2016 S$'000
Revenue from sale of development properties	1,094,349	699,349
Rental and related income	129,422	111,125
Revenue from hotel and golf operations	29,339	28,886
Others	43,332	39,738
	1,296,442	879,098

Revenue from sale of development properties included sale of land parcels to joint ventures of $167,531,000 (2016: $30,977,000), 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 $59,434,000 (2016: $10,746,000) was therefore adjusted against the share of results in joint ventures in the Group's income statements.

7 Finance Income

	Group 2017 S$'000	Group 2016 S$'000
Interest income from:		
Cash and cash equivalents	26,486	25,627
Finance lease	1,794	1,818
Available-for-sale and other financial assets	5,168	1,227
	33,448	28,672

The Group has interest income from cash and cash equivalents amounting to $8,125,000 (2016: $7,716,000) which has been netted against interest expense as the Group has the legal rights to set-off the deposits against the borrowings.

8 Finance Costs

	Group 2017 S$'000	Group 2016 S$'000
Interest expense on:		
Obligations under finance lease	365	489
Borrowings	23,278	34,930
Bonds and notes payable		
- interest	44,535	40,531
- amortisation of discount on bonds (Note 31)	625	2,096
- amortisation of deferred bond charges (Note 31)	2,833	2,719
Total interest expense	71,636	80,765
Loss on repurchase of notes payable	-	14,762
Finance Costs	71,636	95,527

The Group has interest expense on borrowings amounting to $8,125,000 (2016: $7,716,000) which has been netted against interest income as the Group has the legal rights to set-off the borrowings against the deposits.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

9 Other Operating Income

The net other operating income includes the following income/(expenses):

	Group	
	2017	2016
	S$'000	S$'000
Property and estate management income, net	5,975	8,770
Management and lease co-ordination fees	4,114	1,299
Forfeiture of deposit and cancellation fees	3,487	4,072
Fair value gain on derivative payables	6,387	139
Gain on disposal of property, plant and equipment	42	469
Completed properties held for sale written off	(11,687)	-
Property, plant and equipment written off	-	(20)
Changes in fair value of financial assets at fair value through profit or loss	115	165

10 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	
	2017	2016
	S$'000	S$'000
Audit fees paid/payable to:		
Auditors of the Company	268	266
Auditors of the subsidiaries	638	524
Non-audit fees paid/payable to:		
Auditors of the Company	39	-
Cost of inventories recognised as an expense in cost of sales	2,471	2,400

11 Income Tax

	Group	
	2017	2016
	S$'000	S$'000
Tax expense is made up of:		
Current income tax		
- current year	52,445	58,762
- (over)/under-provision in respect of prior years	(56)	1
	52,389	58,763
Deferred income tax (Note 27)	(69)	(14)
	52,320	58,749

Substantially all the Group's operations are located in Indonesia. Accordingly, the Indonesia statutory tax rate of 25% (2016: 25%) is used in the reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

11 Income Tax (cont'd)

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	
	2017	2016
	S$'000	S$'000
Profit before income tax	690,018	322,448
Adjustments for:		
Share of results of associated companies	(14,487)	(33,572)
Share of results of joint ventures	42,800	4,674
	718,331	293,550
Tax calculated at a tax rate of 25% (2016: 25%)	179,583	73,388
Non-deductible items	17,245	15,295
Non-taxable items	(36,671)	(10,727)
Effect of different tax rate categories	(115,013)	(26,082)
Utilisation of previously unrecognised deferred tax assets	(1,020)	(926)
Unrecognised deferred tax assets	8,342	4,331
Witholding tax on dividend distributed by subsidiaries	-	3,418
(Over)/under-provision in prior years' income tax	(56)	1
Others	(90)	51
	52,320	58,749

As at 31 December 2017, the amount of unutilised tax losses and capital allowances available for offsetting against future taxable profits are as follows:

	Group	
	2017	2016
	S$'000	S$'000
Unutilised tax losses	158,631	134,338
Unabsorbed capital allowances	53,862	45,955
	212,493	180,293

The breakdown of unutilised tax losses and capital allowances are as follows:

	Group	
	2017	2016
	S$'000	S$'000
Expiry dates		
31 December 2017	-	492
31 December 2018	105	1,147
31 December 2019	39	839
31 December 2020	543	3,280
31 December 2021	5,626	5,508
Thereafter	28,688	4,981
No expiry dates subject to terms and conditions	177,492	164,046
	212,493	180,293

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11 Income Tax (cont'd)

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 2017, 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 $85,119,000 (2016: $79,555,000) have not been recognised for taxes that would be payable on the remittance to Singapore of unremitted retained earnings of $851,185,000 (2016: $795,552,000) 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.

12 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 (2016: 4,255,862,496).

There is no dilution as the Company did not have any potential ordinary shares outstanding as at 31 December 2017 and 2016.

(b) Net Asset Value Per Share

As at 31 December 2017, 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 (2016: 4,255,862,496) ordinary shares (excluding treasury shares) is $0.51 (2016: $0.47).

13 Staff Costs and Retirement Benefit Obligations

	Group	
	2017	2016
	S$'000	S$'000
Staff costs:		
Wages and salary	56,373	55,103
Employer's contribution to defined contribution plans	1,084	747
Retirement benefit expenses	5,097	4,959
	62,554	60,809

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, PT Kis Aktuaria and PT Katsir Imam Sapto Sejahtera Aktuaria.

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13 Staff Costs and Retirement Benefit Obligations (cont'd)

The principal actuarial assumptions used by the actuaries were as follows:

	Group	
	2017	2016
	%	%
Discount rate	6.5 – 7.5	8.0 – 8.4
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	
	2017	2016
	S$'000	S$'000
Current service costs	3,980	3,151
Past service costs	(1,705)	(969)
Interest costs	2,822	2,777
Retirement benefit expenses recognised in the income statement	5,097	4,959

The components of the retirement benefit expenses recognised in other comprehensive income are as follows:

	Group	
	2017	2016
	S$'000	S$'000
Actuarial loss arising from changes in financial assumptions	5,430	822
Actuarial loss arising from experience adjustment	1,843	1,407
Net retirement benefit expenses recognised in other comprehensive income	7,273	2,229

Movements in the retirement benefits obligations are as follows:

	Group	
	2017	2016
	S$'000	S$'000
At the beginning of the year	40,937	31,929
Retirement benefit expenses for the year recognised in:		
- income statement	5,097	4,959
- other comprehensive income	7,273	2,229
Payments made during the year	(3,033)	(1,625)
Currency realignment	(3,503)	3,445
At the end of the year	46,771	40,937
Less: Current portion classified as current liabilities (Note 30)	(773)	(832)
Non-current portion (Note 34)	45,998	40,105

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14 Cash and Cash Equivalents

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Cash on hand	613	695	2	3
Cash in banks	144,234	203,118	31,274	46,739
Time deposits	785,440	663,463	-	36,667
Cash and cash equivalents in the statements of financial position	930,287	867,276	31,276	83,409
Time deposits pledged as security for credit facilities granted to the subsidiaries (Note 33)	(64,710)	(65,769)	-	-
Cash and cash equivalents in the statement of cash flows	865,577	801,507	31,276	83,409

Cash and cash equivalents include balances with a related party of $12,111,000 (2016: $16,137,000). As at 31 December 2017, the Group has time deposits amounting to $120,177,000 (2016: $122,093,000) which have been netted against borrowings as the Group has the legal rights to set-off the deposits against the borrowings.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Indonesian Rupiah	732,456	455,910	-	-
United States Dollar	115,461	368,940	1,138	83,034
Singapore Dollar	31,794	3,983	30,126	367
Chinese Renminbi	30,858	26,785	-	-
British Pound	17,402	9,828	12	8
Others	2,316	1,830	-	-
	930,287	867,276	31,276	83,409

The above time deposits earn interest at the following rates per annum:

	Group		Company	
	2017	2016	2017	2016
	%	%	%	%
Indonesian Rupiah	1.0 – 9.3	5.3 – 11.0	-	-
United States Dollar	0.5 – 2.5	0.2 – 2.5	-	0.8
Chinese Renminbi	2.7 – 4.0	3.2	-	-
British Pound	0.2 – 0.5	0.4 – 1.5	-	-
Singapore Dollar	0.6 – 1.0	0.5 – 0.9	-	-

NOTES TO THE FINANCIAL STATEMENTS

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15 Short-Term Investments

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Financial assets at fair value through profit or loss:				
Mutual funds	1,275	1,352	-	-
Available-for-sale financial assets:				
Quoted bonds	3,109	11,590	-	-
Mutual funds	17,346	-	-	-
	21,730	12,942	-	-

Short-term investments are denominated in Indonesia Rupiah. As at 31 December 2016, quoted bonds were related to investments in quoted bonds issued by a related party.

16 Trade Receivables

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Third parties	46,308	43,305	-	-
Related parties	2,567	3,628	-	-
	48,875	46,933	-	-
Less: Allowance for impairment loss	(13,859)	(14,208)	-	-
	35,016	32,725	-	-

	2017		2016	
Group	Gross	Impairment loss	Gross	Impairment loss
	S$'000	S$'000	S$'000	S$'000
Not past due	17,778	-	17,453	-
Past due 0 – 3 months	11,077	-	9,864	-
Past due more than 3 months	20,020	13,859	19,616	14,208
	48,875	13,859	46,933	14,208

Allowance for impairment was made for certain receivables that are past due for more than 3 months as the recovery is remote. Movements in the allowance for impairment loss that are identified to be individually impaired are as follows:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
At the beginning of the year	14,208	14,198	-	-
Allowance for impairment loss during the year	79	73	-	-
Write-back of impairment loss during the year	(131)	-	-	-
Written off against receivables	(665)	(8)	-	-
Currency realignment	368	(55)	-	-
At the end of the year	13,859	14,208	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

16 Trade Receivables (cont'd)

Trade receivables are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Indonesian Rupiah	29,581	29,655	-	-
British Pound	4,069	1,078	-	-
United States Dollar	698	1,239	-	-
Others	668	753	-	-
	35,016	32,725	-	-

17 Other Current Assets

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Receivable from:				
Subsidiaries	-	-	25,873	445,705
Joint ventures	9,579	10,949	-	-
Related parties	52	49	-	-
Third parties	68,177	53,760	-	-
Finance lease receivable (Note 26)	97	98	-	-
	77,905	64,856	25,873	445,705
Prepayments	105,748	93,892	10	16
Purchase advances	123,929	226,775	-	-
Others	2,166	2,845	42	43
	309,748	388,368	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 2017, the amounts receivable from subsidiaries of $758,000 (2016: $820,000) bear interest at rates ranging from 3.4% to 3.6% (2016: 2.8% to 2.9%) per annum.

As at 31 December 2017, the amounts receivable from joint ventures of $8,670,000 (2016: $6,622,000) bear interest at rates ranging from 8.5% to 10.0% (2016: 10.0%) per annum and repayable within twelve months.

As at 31 December 2017, the amounts receivable from third parties of $20,500,000 (2016: $20,800,000) bear interest at rate of 20.0% (2016: 20.0%) per annum and is repayable within twelve months.

The amounts receivables from third parties shown above are net of allowance for impairment loss of $578,000 (2016: $578,000). The allowance for impairment loss on other receivables mainly related to certain receivable where the recovery was remote.

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17 Other Current Assets (cont'd)

Other current assets are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Indonesian Rupiah	244,303	325,507	-	-
British Pound	39,853	24,678	7,223	3,221
Chinese Renminbi	24,135	22,073	-	-
United States Dollar	56	14,497	9,925	147,055
Singapore Dollar	1,224	1,445	8,758	295,470
Others	177	168	19	18
	309,748	388,368	25,925	445,764

18 Properties Held for Sale

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Properties held for sale	1,230,153	1,265,641	-	-

The properties held for sale shown above is net of allowance for impairment loss of $1,509,000 (2016: $4,046,000). The movement during the current financial year relates to properties held for sale written off against allowance for impairment loss.

As at 31 December 2017, properties held for sale of the Group amounting to $20,324,000 (2016: $10,461,000) have been pledged as security for bonds issued by a subsidiary and credit facilities granted by banks to subsidiaries (Notes 31 and 33).

19 Subsidiaries

	Company	
	2017	2016
	S$'000	S$'000
Unquoted equity shares, at cost	1,271,255	1,271,255
Less: Impairment loss	(100,000)	(100,000)
	1,171,255	1,171,255
Interest-free loans receivables	940,405	532,429
	2,111,660	1,703,684

Particulars of the subsidiaries are disclosed in Note 44 to the financial statements.

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19 Subsidiaries (cont'd)

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.

As at 31 December 2016, the interest-free loans shown above is net of allowance for impairment loss of $7,696,000 which was recognised in the Company's income statement based on estimated future cash flow recoveries, such accumulated impairment loss of $7,696,000 was written off during the current financial year.

20 Associated Companies

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Quoted equity shares, at cost	262,606	214,115	-	-
Unquoted equity shares, at cost	67,819	66,865	-	-
	330,425	280,980	-	-
Currency realignment	(145,124)	(120,795)	-	-
Capital reserve on acquisition	32,528	32,528	-	-
Share of post-acquisition reserves, net of dividend received	48,549	72,534	-	-
	266,378	265,247	-	-
Fair value classified under Level 1 of Fair Value Hierarchy (Note 41):				
Quoted equity shares	504,524	676,287	-	-

As at 31 December 2017, the accumulated loss not recognised for an associated company amounted to $7,100,000 (2016: $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 aggregated financial information in respect of the Group's associated companies, which is not adjusted for the percentage of ownership held by the Group, is set out below:

	2017	2016
	S$'000	S$'000
Total profit for the year	23,452	84,815
Other comprehensive (loss)/income	(1,109)	697
Total comprehensive income for the year	22,343	85,512

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21 Joint Ventures

	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
Unquoted equity shares, at cost	327,845	244,031	-	-
Share of post-acquisition reserves, net of unrealised profit and dividend received	(146,248)	(98,229)	-	-
Currency realignment	(33,215)	(22,877)	-	-
	148,382	122,925	-	-

The details of the Group's joint ventures are as follows:

Name of company and country of incorporation	Principal activities	The Group Cost of investment 2017 S$'000	The Group Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
Badan Kerja Sama, Pasar Pagi – ITC Mangga Dua Indonesia	Manage and operate shopping centre	56	56	17.15	17.15
BKS Binamaju Multikarsa Indonesia	Housing development	147	147	41.10	41.10
PT BSD Diamond Development Indonesia	Real estate development	72,680	29,480	19.36	19.36
PT Bumi Parama Wisesa Indonesia	Real estate development	127,755	127,755	24.69	24.69
PT Indonesia International Expo Indonesia	Property development	90,137	62,263	23.72	23.72
PT Itomas Kembangan Perdana Indonesia	Property management	16,830	16,830	17.49	17.49
PT Panahome Deltamas Indonesia Indonesia	Real estate development	12,740	-	28.07	-
PT Trans Bumi Serbaraja Indonesia	Development and operation of toll roads	7,500	7,500	24.21	24.21
		327,845	244,031		

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:

	2017 S$'000	2016 S$'000
Total profit/(loss) for the year	24,294	(291)
Other comprehensive loss	(134)	(87)
Total comprehensive income/(loss) for the year	24,160	(378)

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22 Long-Term Investments

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Available-for-sale financial assets:				
Unquoted equity shares, denominated in Indonesian Rupiah	2,176	2,394	-	-
Unquoted investments, denominated in Singapore Dollar	6	6	-	-
	2,182	2,400	-	-

23 Properties under Development for Sale

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Land held for development	1,755,445	1,793,858	-	-

As at 31 December 2017, certain land held for development of the Group amounting to $161,075,000 (2016: $150,036,000) have been pledged as security for bonds issued by a subsidiary and credit facilities granted by banks to the subsidiaries (Notes 31 and 33).

24 Investment Properties

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Cost:				
At the beginning of the year	1,207,933	1,176,874	-	-
Additions	671,464	92,027	-	-
Disposal of a subsidiary (Note 42(b))	(90,555)	-	-	-
Transfer from properties held for sale	20,845	-	-	-
Currency realignment	(39,768)	(60,968)	-	-
At the end of the year	1,769,919	1,207,933	-	-
Accumulated depreciation:				
At the beginning of the year	130,794	104,002	-	-
Depreciation	28,301	20,305	-	-
Disposal of a subsidiary (Note 42(b))	(37,977)	-	-	-
Currency realignment	(7,764)	6,487	-	-
At the end of the year	113,354	130,794	-	-
Net carrying amount	1,656,565	1,077,139	-	-

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24 Investment Properties (cont'd)

As at 31 December 2017, certain investment properties of the Group amounting to $903,138,000 (2016: $619,109,000) have been pledged as security for bonds issued by a subsidiary and credit facilities granted by banks to the subsidiaries (Notes 31 and 33).

During the current financial year, borrowing costs of $1,286,000 (2016: $781,000) were capitalised into investment properties at capitalisation rate of 10.98% (2016: 6.75%) per annum.

During the current financial year, the total additions to investment properties was $671,464,000 (2016: $92,027,000). The additions of $74,079,000 (2016: Nil) was settled by offsetting against advances paid and a total remaining balance of $140,478,000 (2016: Nil) will be settled within the next twelve months.

Investment properties are held mainly for use by tenants under operating leases. The following amounts are recognised in the Group's income statement:

	Group	
	2017	2016
	S$'000	S$'000
Rental income	122,111	106,198
Direct operating expenses arising from investment properties that generated rental income	29,068	31,151
Property tax and other operating expenses arising from investment properties that did not generate rental income	781	1,073
Fair value of investment properties located in:		
Indonesia	1,478,981	887,815
United Kingdom	967,869	561,216
Singapore	7,480	212,810
Fair value classified under Level 2 of Fair Value Hierarchy (Note 41)	2,454,330	1,661,841

As at 31 December 2017, 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 and Partners and Jimmy Prasetyo & Rekan in 2017 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 2017 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 2017 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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25 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 1.1.2017	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(b))	-	-	(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 31.12.2017	32,807	123,378	61,230	45,375	83,651	5,970	352,411
Accumulated depreciation:							
At 1.1.2017	-	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(b))	-	-	(89)	(71)	-	-	(160)
Written off	-	-	-	(20)	(17)	-	(37)
Currency realignment	-	(3,678)	(3,442)	(803)	(4,694)	-	(12,617)
At 31.12.2017	-	51,792	48,526	17,905	56,091	-	174,314
Net book value:							
At 31.12.2017	32,807	71,586	12,704	27,470	27,560	5,970	178,097
Cost:							
At 1.1.2016	30,106	89,581	74,046	32,728	75,667	23,235	325,363
Additions	843	5,748	47	1,289	9,540	18,473	35,940
Disposals	-	-	-	-	(1,689)	-	(1,689)
Reclassification	-	16,205	-	12,635	2,104	(30,944)	-
Written off	-	(36)	(11,050)	(9)	(4,779)	-	(15,874)
Currency realignment	870	6,468	2,190	2,148	6,099	2,362	20,137
At 31.12.2016	31,819	117,966	65,233	48,791	86,942	13,126	363,877
Accumulated depreciation:							
At 1.1.2016	-	43,285	58,776	12,447	43,768	-	158,276
Depreciation	-	4,153	1,222	2,648	9,553	-	17,576
Disposals	-	-	-	-	(1,658)	-	(1,658)
Written off	-	(16)	(11,050)	(9)	(4,779)	-	(15,854)
Currency realignment	-	3,704	1,462	468	4,126	-	9,760
At 31.12.2016	-	51,126	50,410	15,554	51,010	-	168,100
Net book value:							
At 31.12.2016	31,819	66,840	14,823	33,237	35,932	13,126	195,777

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25 Property, Plant and Equipment (cont'd)

As at 31 December 2017, certain property, plant and equipment of the Group amounting to $22,740,000 (2016: $26,885,000) has been pledged as security for credit facilities granted by banks to the subsidiaries (Note 33).

During the current financial year, there were no additions to property, plant and equipment acquired under finance leases by the Group and Company.

During the previous financial year, the additions to property, plant and equipment included motor vehicles, furniture and fixtures acquired under finance leases by the Group and Company of $958,000 and $200,000 respectively.

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
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
Net book value:				
At 31 December 2017	-	-	434	434
Cost:				
At 1 January 2016	144	357	1,230	1,731
Additions	-	-	635	635
Disposals	-	-	(673)	(673)
At 31 December 2016	144	357	1,192	1,693
Accumulated depreciation:				
At 1 January 2016	144	357	1,159	1,660
Depreciation	-	-	117	117
Disposals	-	-	(673)	(673)
At 31 December 2016	144	357	603	1,104
Net book value:				
At 31 December 2016	-	-	589	589

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26 Long-Term Receivables

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Loans receivable from a joint venture, denominated in Indonesian Rupiah	1,934	26,335	-	-
Finance lease denominated in Indonesian Rupiah	23,255	25,691	-	-
	25,189	52,026	-	-

The loans receivable from a joint venture are unsecured, interest-free and with maturity dates ranging from 2019 to 2020. As at 31 December 2017, the above receivables are neither past due nor impaired.

The Group leases a building to a third party under finance lease. Details of the finance lease are as follows:

	Group	
	2017	2016
	S$'000	S$'000
Gross receivables due:		
Within one year	1,702	1,871
Between one year to five years	8,584	9,035
More than five years	35,092	41,045
	45,378	51,951
Less: Unearned finance income	(22,026)	(26,162)
Net investment in finance lease	23,352	25,789
Current portion, classified as other current assets (Note 17)	97	98
Non-current portion	23,255	25,691
Net investment in finance lease	23,352	25,789
Effective interest rate per annum for finance lease	7.5%	7.5%

27 Deferred Income Tax

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Deferred tax assets	464	389	-	-
Deferred tax liabilities	(14)	(9)	-	-
Net	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. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

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27 Deferred Income Tax (cont'd)

Group	Retirement benefit obligations	Accelerated tax depreciation	Others	Total
	S$'000	S$'000	S$'000	S$'000
Deferred tax assets/(liabilities)				
At 1 January 2017	467	(78)	(9)	380
Credited/(Charged) to income statement (Note 11)	45	29	(5)	69
Currency realignment	(5)	6	-	1
At 31 December 2017	507	(43)	(14)	450
At 1 January 2016	398	(67)	(11)	320
Credited/(Charged) to income statement (Note 11)	17	(3)	-	14
Currency realignment	52	(8)	2	46
At 31 December 2016	467	(78)	(9)	380

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.

28 Goodwill

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
At the beginning and end of the year	1,784	1,784	-	-

Goodwill of the Group is accounted to the Indonesia property segment. No impairment loss was recognised during the current financial year.

29 Trade Payables

Trade payables to third parties are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Indonesian Rupiah	39,255	33,122	-	-
British Pound	1,034	973	-	-
Malaysian Ringgit	1,033	1,298	-	-
United States Dollar	-	2,032	-	-
Others	1,009	1,882	-	-
	42,331	39,307	-	-

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30 Other Payables and Liabilities

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Payables to:				
Third parties	30,393	22,737	-	-
Related parties	136,395	4,146	24	24
Subsidiaries	-	-	116,756	137,756
Derivative payables	814	10,797	-	-
Interest payable	10,364	9,968	-	-
Other taxes payable	11,087	5,555	-	-
	189,053	53,203	116,780	137,780
Advances and deposits received on:				
Development properties	442,078	518,102	-	-
Rental	24,992	21,068	-	-
Estimated liabilities for improvements	11,269	14,439	-	-
Provision for claims	1,500	1,500	-	-
Accruals	24,676	16,504	665	779
Retirement benefit obligations (Note 13)	773	832	-	-
Others	1,022	982	228	97
	695,363	626,630	117,673	138,656

The non-trade payables to subsidiaries are unsecured, interest free and repayable on demand.

The non-trade payables to related parties 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 31).

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		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
At the beginning of the year	14,439	14,454	-	-
Amount incurred	(1,857)	(1,461)	-	-
Currency realignment	(1,313)	1,446	-	-
At the end of the year	11,269	14,439	-	-

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30 Other Payables and Liabilities (cont'd)

Other payables are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Indonesian Rupiah	659,801	604,687	-	-
British Pound	14,458	8,302	-	-
Singapore Dollar	16,674	7,811	52,433	900
United States Dollar	1,767	3,163	51,600	120,936
Chinese Renminbi	565	408	13,640	13,840
Others	2,098	2,259	-	2,980
	695,363	626,630	117,673	138,656

31 Bonds and Notes Payable

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Zero Percent Convertible Bonds:				
IDR Bonds, due 2018	2,147	24,607	-	-
IDR Bonds, due 2020	-	4,620	-	-
	2,147	29,227	-	-
Less: Unamortised discount	(81)	(3,777)	-	-
	2,066	25,450	-	-
IDR Bonds and Notes:				
8.375% p.a. fixed rate, due 2018	175,000	192,500	-	-
9% p.a. fixed rate, due 2021	62,500	68,750	-	-
9.25% p.a. fixed rate, due 2017	-	52,690	-	-
9.25% p.a. fixed rate, due 2023	2,500	2,750	-	-
9.5% p.a. fixed rate, due 2019	43,600	47,960	-	-
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	106,466	116,144	-	-
5.5% p.a. fixed rate, due 2023	338,428	266,750	-	-
	730,560	809,251	-	-
Less: Deferred bond charges	(11,482)	(14,952)	-	-
Total bonds and notes payable	719,078	794,299	-	-
Less: Current portion classified as current liabilities	(176,934)	(71,024)	-	-
Non-current portion	542,144	723,275	-	-

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31 Bonds and Notes Payable (cont'd)

Movements in unamortised discount on bonds are as follows:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
At the beginning of the year	3,777	5,811	-	-
Repayment	(2,615)	(386)	-	-
Amortisation during the year	(625)	(2,096)	-	-
Currency realignment	(456)	448	-	-
At the end of the year	81	3,777	-	-

Movements in deferred bond charges are as follows:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
At the beginning of the year	14,952	7,551	-	-
Additions	579	11,725	-	-
Repayment	-	(2,209)	-	-
Amortisation during the year	(2,833)	(2,719)	-	-
Currency realignment	(1,216)	604	-	-
At the end of the year	11,482	14,952	-	-
Less: Current portion	(132)	(323)	-	-
Non-current portion	11,350	14,629	-	-

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 31 December 2017 and 2016, 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 2017, the secured bonds amounting to $283,600,000 (2016: $364,650,000) were secured by certain properties held for sale, land under development for sale and investment properties of the Group (Notes 18, 23 and 24).

During the previous financial year, the Group repurchased and cancelled US$146,416,000 (equivalent to $210,084,000) of principal amount of USD Notes due 2020 with interest at 6.75% per annum.

As at end of the financial year, there is no breach of bond covenants.

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32 Obligations under Finance Lease

	Minimum lease payments		Present value of minimum lease payments	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Group				
Amount payable under finance leases:				
Within one year	4,646	7,546	4,390	7,150
Between one year to five years	482	5,578	454	5,271
	5,128	13,124	4,844	12,421
Less: Future finance charges	(284)	(703)		
Present value of lease obligations	4,844	12,421		
Less: Amount due for settlement within 12 months			(4,390)	(7,150)
Amount due for settlement after 12 months			454	5,271
Net book value of assets under finance leases			6,403	13,516
Interest rate per annum for finance leases			2.7% – 4.3%	2.7% – 4.3%

	Minimum lease payments		Present value of minimum lease payments	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Company				
Amount payable under finance leases:				
Within one year	45	46	40	40
Between one year to five years	110	155	97	137
	155	201	137	177
Less: Future finance charges	(18)	(24)		
Present value of lease obligations	137	177		
Less: Amount due for settlement within 12 months			(40)	(40)
Amount due for settlement after 12 months			97	137
Net book value of assets under finance leases			300	388
Interest rate per annum for finance leases			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		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
United States Dollar	4,699	12,177	-	-
Singapore Dollar	137	177	137	177
Malaysian Ringgit	8	67	-	-
	4,844	12,421	137	177

NOTES TO THE FINANCIAL STATEMENTS

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33 Borrowings

	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
Secured borrowings denominated in:				
British Pound	577,017	341,173	-	-
Singapore Dollar	4,000	96,000	-	-
Indonesian Rupiah	159,407	50,834	-	-
	740,424	488,007	-	-
Unsecured borrowing denominated in:				
United States Dollar	60,607	64,190	-	-
	801,031	552,197	-	-
Less: Current portion classified as current liabilities	(26,837)	(46,191)	-	-
Non-current portion	774,194	506,006	-	-

As at 31 December 2017, the Group has borrowings amounting to $120,073,000 (2016: $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 2017 %	Group 2016 %	Company 2017 %	Company 2016 %
British Pound	1.9 – 2.7	1.9 – 2.9	-	-
Indonesian Rupiah	7.3 – 11.5	7.3 – 12.0	-	-
Singapore Dollar	2.9	2.2 – 3.2	-	-
United States Dollar	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 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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

33 Borrowings (cont'd)

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 2016					
Borrowings repayable in:					
2017	411,088,000	547	-	-	46,191
2018	34,084,000	547	92,000	-	96,720
2019	10,175,000	547	4,000	44,360	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 14, 18, 23, 24 and 25).

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.

34 Long-Term Liabilities

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Advances and deposits received on development properties	153,448	142,761	-	-
Retirement benefit obligations (Note 13)	45,998	40,105	-	-
Security deposits	10,860	10,261	-	-
Others	11	17	-	-
	210,317	193,144	-	-

Long-term liabilities are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Indonesian Rupiah	210,133	191,464	-	-
United States Dollar	159	1,642	-	-
Singapore Dollar	25	38	-	-
	210,317	193,144	-	-

NOTES TO THE FINANCIAL STATEMENTS

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35 Changes in Liabilities arising from Financing Activities

The reconciliation of movements of liabilities to cash flow arising from financing activities during the current financial year is as follows:

	Bonds and notes payable	Obligations under finance leases	Borrowings
	S$'000	S$'000	S$'000
Balance at beginning of the year	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)
	719,078	4,844	801,031

36 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 beginning and end of the year	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.

37 Dividends

	Group and Company	
	2017	2016
	S$'000	S$'000
Interim dividends of $0.008 (2016: Nil) per share	34,047	-
Final dividends paid in respect of the previous year of $0.0019 (2016: $0.0019) per share	8,086	8,086
Dividends paid	42,133	8,086

At the annual general meeting to be held on 23 April 2018, a special final tax-exempted (one-tier) dividend of $0.007 per share, amounting to $29,791,037.47 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 2018.

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38 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.

39 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	
		2017	2016	2017	2016
		S$'000	S$'000	S$'000	S$'000
i)	Interest income from:				
	Subsidiaries	-	-	25	1,461
	Related parties	1,155	1,933	-	-
	Joint venture	668	-	-	-
ii)	Dividend income from:				
	Associated companies	37,957	12,224	-	-
	Joint ventures	11,550	10,252	-	-
iii)	Sales of goods and services				
	Management fee from:				
	Subsidiaries	-	-	3,972	4,142
	Associated companies and joint ventures	1,683	46	-	-
	Technical fees from associated companies and joint ventures	-	501	-	-
	Rental income from related parties	44,913	38,071	22	23
iv)	Purchase of goods and services				
	Insurance premium to a related party	2,881	3,175	-	-
	Rental expense to:				
	Subsidiaries	-	-	180	180
	Related parties	243	243	243	243
v)	Purchase of investment properties from related parties	236,300	-	-	-

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31 December 2017

39 Related Party Transactions (cont'd)

(b) The remuneration of key management personnel who are also directors are as follows:

	Group	
	2017	2016
	S$'000	S$'000
Directors' remuneration:		
Directors of the Company	14,660	6,726
Other key management personnel	5,717	4,475

Included in the above remuneration are post employment benefits (represent the contributions to define contribution plan) of $51,939 (2016: $51,939).

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		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Future minimum lease payments payable:				
Within one year	441	368	303	303
Between one year to five years	284	9	243	-
Minimum lease payments paid under operating leases	683	498	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		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Future minimum lease receivable:				
Within one year	60,040	52,517	-	-
Between one year to five years	164,837	111,146	-	-
After five years	238,582	106,363	-	-

The leases have varying terms, escalation clauses and renewal rights.

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31 December 2017

40 Commitments (cont'd)

(c) Expenditure commitments

Estimated expenditure committed but not provided for in the financial statements are as follows:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Property development	250,092	250,643	-	-
Capital expenditure	39,452	23,228	-	-

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 2017 and 2016, 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 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 31 December 2016				
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

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41 Financial Instruments (cont'd)

Movements in available-for-sale financial assets in Level 3 are as follows:

	2017 S$'000	2016 S$'000
At the beginning of the year	2,400	2,182
Foreign exchange (loss)/gain recognised in other comprehensive income	(218)	218
At the end of the year	2,182	2,400

42 Acquisition and Disposal of Subsidiaries and Transactions with Non-controlling Interests

(a) Acquisition of subsidiaries during the financial year 2017

During the current 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.

(b) Disposal of a subsidiary during the financial year 2017

(i) 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

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42 Acquisition and Disposal of Subsidiaries and Transactions with Non-controlling Interests (cont'd)

(c) 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 to PT Bumi Serpong Damai Tbk ("BSD") 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 a decrease in other reserves and an increase in non-controlling interests of $718,000.

(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.

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42 Acquisition and Disposal of Subsidiaries and Transactions with Non-controlling Interests (cont'd)

(d) Change in ownership interest in subsidiaries during the financial year 2016

(i) On 27 January 2016, the Group through its subsidiaries, acquired additional 2,500 shares in PT Transbsd Balaraja ("TBB") from its non-controlling interests for a cash consideration of IDR2.5 billion (equivalent to $250,000). Following this transaction, the Group's effective interest in TBB increased from 38.54% to 51.38%. The Group recognised an increase in other reserves of $51,000 and a decrease in non-controlling interests of $301,000.

(ii) During the financial year 2016, the Group through its subsidiary, acquired an aggregate of 11,944,575,000 shares, representing approximately 24.78% of the issued share capital of PT Puradelta Lestari Tbk ("PDL") from its non-controlling interests for an aggregate cash consideration of IDR2,555.6 billion (equivalent to $264,294,000).

On 24 August 2016 and 24 October 2016, the Group sold an aggregate of 6,024,952,800 shares, representing approximately 12.5% of the issued share capital of PDL for an aggregate cash consideration of IDR1,549.6 billion (equivalent to $158,408,000).

Following these transactions, the Group's effective interest in PDL increased from 44.46% to 55.68%. The Group recognised net decreases in other reserves and non-controlling interests of $2,310,000 and $103,576,000, respectively.

(iii) During the financial year 2016, the Group sold an aggregate of 677,000,000 shares in BSD for an aggregate cash consideration of IDR1,179.4 billion (equivalent to $117,936,000). Following these transactions, the Group's effective interest in BSD decreased from 51.38% to 48.41%. The Group recognised increases in other reserves and non-controlling interests of $45,984,000 and $71,952,000, respectively.

(iv) During the financial year 2016, the Group through its subsidiary, subscribed for additional 26,500 new shares in PT Mustika Candraguna ("MCG") for an aggregate cash consideration of IDR26.5 billion (equivalent to $2,650,000). Following these capital subscriptions, the Group's effective interest in MCG increased from 48.06% to 53.88%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $729,000.

(v) During the financial year 2016, the Group through its subsidiaries, subscribed for additional 729,500,000 new shares in SMT for an aggregate cash consideration of IDR729.5 billion (equivalent to $80,100,000). Following these capital subscriptions, the Group's effective interest in SMT, decreased from 59.26% to 57.81%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $1,327,000.

(vi) During the financial year 2016, the Group through its subsidiary, subscribed for additional 1,209,885 new shares in PT Mitrakarya Multiguna ("MKM") for a consideration of IDR604.9 billion (equivalent to $60,494,000). Following this transaction, the Group's effective interest in MKM decreased from 42.87% to 35.15%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $147,000.

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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).

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 FRS 108 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
2017					
Total revenue	1,241,443	24,627	33,023	-	1,299,093
Inter-segment revenue	(2,471)	(180)	-	-	(2,651)
Revenue from external customers	1,238,972	24,447	33,023	-	1,296,442
EBITDA	748,296	(5,683)	22,821	(14,500)	750,934
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	28,586	5,368	4	(510)	33,448
Interest expenses	56,403	10,841	10,762	(6,370)	71,636
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	(42,800)	-	-	-	(42,800)
Assets					
Segment assets	5,976,239*	266,894	958,243	1,439,118	8,640,494
Liabilities					
Segment liabilities	2,558,205	210,370	902,222	914,426	4,585,223

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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
2016					
Total revenue	824,413	28,449	26,416	-	879,278
Inter-segment revenue	-	(180)	-	-	(180)
Revenue from external customers	824,413	28,269	26,416	-	879,098
EBITDA	403,206	787	18,281	(5,119)	417,155
Other Information					
Additions to investment properties and property, plant and equipment	125,075	2,258	-	634	127,967
Depreciation expenses	26,792	3,774	7,198	117	37,881
Interest income	27,276	1,500	2	(106)	28,672
Interest expenses	66,543	10,325	10,770	(6,873)	80,765
Gain on disposal of property, plant and equipment	333	136	-	-	469
Share of profit/(loss) of:					
Associated companies	33,572	-	-	-	33,572
Joint ventures	(4,674)	-	-	-	(4,674)
Assets					
Segment assets	5,867,933*	256,725	593,212	1,513,641	8,231,511
Liabilities					
Segment liabilities	2,638,576	304,599	541,644	917,984	4,402,803

* Segment assets in Indonesia Property include investments in associated companies and joint ventures of $266,378,000 and $148,382,000 (2016: $265,247,000 and $122,925,000) respectively.

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 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:

	2017	2016
	S$'000	S$'000
EBITDA for reportable segments	765,434	422,274
Other EBITDA	(14,500)	(5,119)
Depreciation expenses	(47,792)	(37,881)
Foreign exchange loss	(22,616)	(4,959)
Interest expenses	(71,636)	(80,765)
Exceptional item	109,441	-
Share of results of associated companies	14,487	33,572
Share of results of joint ventures	(42,800)	(4,674)
Profit before income tax	690,018	322,448

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43 Segments Information (cont'd)

A reconciliation of total assets for reportable segments to total assets is as follows:

	2017 S$'000	2016 S$'000
Total assets for reportable segments	7,201,376	6,717,870
Other assets	1,439,118	1,513,641
Elimination of inter-segment receivables	(2,077,736)	(2,151,666)
Total assets	6,562,758	6,079,845

A reconciliation of total liabilities for reportable segments to total liabilities is as follows:

	2017 S$'000	2016 S$'000
Total liabilities for reportable segments	3,670,797	3,484,819
Other liabilities	914,426	917,984
Elimination of inter-segment payables	(2,107,661)	(2,178,254)
Total liabilities	2,477,562	2,224,549

The following table provides an analysis of the Group's revenue from business by geographical market, irrespective of the origin of the goods/services.

	2017 S$'000	2016 S$'000
Indonesia	1,243,183	828,342
United Kingdom	33,023	26,416
Malaysia	11,125	12,150
China	5,775	8,181
Singapore	3,336	4,009
Consolidated revenue	1,296,442	879,098

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:

	2017 S$'000	2016 S$'000
Indonesia	2,645,151	2,406,482
United Kingdom	896,931	557,636
Malaysia	46,369	46,253
Singapore	3,220	57,955
China	220	232
Total non-current non-financial assets	3,591,891	3,068,558
Indonesia	348,792	127,225
United Kingdom	337,826	-
Singapore	31	681
Malaysia	24	61
China	2	-
Total capital expenditures	686,675	127,967

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44 Subsidiaries

The details of the subsidiaries are as follows:

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2017 S$'000	The Company Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
AFP International Finance Ltd (1) Mauritius	Provision of management and consultancy services	-	-	100.00	100.00
AFP International Finance (2) Ltd (1) Mauritius	Financing activities	-*	-*	100.00	100.00
AFP International Finance (3) Ltd (2) British Virgin Islands	Investment holding	14	14	100.00	100.00
Asia Management Services Ltd (1) Mauritius	Provision of management and consultancy services	-*	-*	100.00	100.00
Bali Indowisata Pte. Ltd. Singapore	Investment holding	-	-	100.00	100.00
Ever Forward Asia Limited (1) Hong Kong	Dormant	-*	-*	100.00	100.00
Golden Ray Development Pte. Ltd. Singapore	Real estate development	-*	-*	100.00	100.00
Prime Glory Capital Limited (1) Mauritius	Property investment	-*	-*	100.00	100.00
Sinarmas Land Overseas Holding Pte. Ltd. Singapore	Investment holding	-*	-*	100.00	100.00
United Kingdom Property Division					
Agamemnon S.a r.l (1) Luxembourg	Investment holding	-	-	100.00	100.00
Alphabeta Limited Partnership (1) England and Wales	Property investment and development	-	-	100.00	100.00
Horseferry Property Limited (1), (Note 42(a)(ii)) Guernsey	Property investment	-	-	100.00	-
GMN No 2 Limited (3), (Note 42(a)(ii)) England and Wales	Dormant	-	-	100.00	-

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2017 S$'000	The Company Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
SML Alpha S.a r.l (1) Luxembourg	Property investment holding	-	-	100.00	100.00
SML Brook England (HK) Limited (4e) Hong Kong	Investment holding	-	-	100.00	100.00
SML Jersey Properties Pte Limited (3) Jersey	Investment holding	-	-	100.00	100.00
SML Jersey Brook Pte Limited (3) Jersey	Investment holding	-	-	100.00	100.00
SML Brook Partners Pte Limited (3) Jersey	Investment holding	-	-	100.00	100.00
SML Great Pte Limited (1) Jersey	Property investment and development	-	-	100.00	100.00
SML Victoria Limted (1),(6) Guernsey	Investment holding	-	-	100.00	-
Triton Court GP Ltd (1) England and Wales	General partner	-	-	100.00	100.00
Triton Court Nominee (Newco) Limited (1) England and Wales	Nominee Company	-	-	100.00	100.00
Indonesia Property Division					
ACF Finance Ltd (2) British Virgin Islands	Treasury management	-	-	100.00	100.00
ACF Solutions Holding Ltd (1) Mauritius	Investment holding	-	-	100.00	100.00
AFP International Capital Pte. Ltd. Singapore	Investment holding	-	-	100.00	100.00
Global Prime Capital Pte. Ltd. Singapore	Investment holding	-	-	48.41 [5]	48.41 [5]
Global Prime Treasury Pte. Ltd. Singapore	Treasury management and related services	-	-	48.41 [5]	48.41 [5]
Jermina Limited (4d) Hong Kong	Investment holding	-	-	100.00	100.00

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2017 S$'000	The Company Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
Linsville Limited (2) Cayman Islands	Investment holding	-	-	100.00	100.00
PT Aneka Karya Amarta (1) Indonesia	Investment holding	-	-	84.37	84.37
PT Anekagriya Buminusa (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Bhineka Karya Pratama (1) Indonesia	Investment holding	-	-	72.12	72.12
PT Binamaju Grahamitra (1) Indonesia	Real estate development	-	-	84.37	84.37
PT Binamaju Mitra Sejati (1) Indonesia	Real estate development	-	-	54.80	54.80
PT Binasarana Muliajaya (4f), (Note 42 (c)(vi)) Indonesia	Provision of management and consultancy services	-	-	100.00	72.71
PT Bumi Indah Asri (1) Indonesia	Real estate development and investment holding	-	-	48.41 [5]	48.41 [5]
PT Bumi Karawang Damai (1) Indonesia	Real estate development	-	-	49.13 [5]	49.13 [5]
PT Bumi Megah Graha Asri (1), (Note 42(c)(v)) Indonesia	Real estate and property development	-	-	26.63 [5]	46.40 [5]
PT Bumi Megah Graha Utama (1) Indonesia	Real estate development	-	-	26.63 [5]	26.63 [5]
PT Bumi Paramudita Mas (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Bumi Samarinda Damai (1) Indonesia	Real estate development	-	-	41.98 [5]	41.98 [5]
PT Bumi Sentra Selaras (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Bumi Serpong Damai Tbk ("BSD") (1) Indonesia	Investment holding and development of houses and buildings	-	-	48.41 [5]	48.41 [5]
PT Bumi Tirta Mas (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2017 S$'000	The Company Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
PT Bumi Wisesa Jaya (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Duta Cakra Pesona (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Duta Dharma Sinarmas (1) Indonesia	Real estate development	-	-	24.69 [5]	24.69 [5]
PT Duta Mitra Mas (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Duta Pertiwi Tbk (1) Indonesia	Property development and investment holding	-	-	42.87 [5]	42.87 [5]
PT Duta Semesta Mas (1) Indonesia	Property development	-	-	42.87 [5]	42.87 [5]
PT Duta Usaha Sentosa (1) Indonesia	Real estate development	-	-	84.37	84.37
PT Duta Virtual Dotkom (3) Indonesia	E-commerce	-	-	42.30 [5]	42.30 [5]
PT Ekacentra Usahamaju (1) Indonesia	Investment holding	-	-	84.36	84.36
PT Garwita Sentra Utama (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Grahadipta Wisesa (1) Indonesia	Real estate development	-	-	64.59	64.59
PT Indowisata Makmur (1), (Note 42(c)(ii)) Indonesia	Property development	-	-	95.28	84.37
PT Inter Sarana Prabawa (1) Indonesia	Real estate development	-	-	84.37	84.37
PT Inti Tekno Sukses Bersama (4f),(Note 42(c)(vi)) Indonesia	Educational and property development	-	-	100.00	72.71
PT Inti Tekno Sains Bandung (4f),(6) Indonesia	Property management	-	-	100.00	-
PT Kanaka Grahaasri (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2017 S$'000	The Company Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
PT Karawang Bukit Golf (1), (Note 42(c)(i)) Indonesia	Residential estate and country club and golf club development	49,677	49,677	84.59	98.12
PT Karawang Tatabina Industrial Estate (1) Indonesia	Industrial estate development	41,708	41,708	49.67 [5]	49.67 [5]
PT Karya Dutamas Cemerlang (1) Indonesia	Industrial estate development	-	-	84.36	84.36
PT Kembangan Permai Development (1) Indonesia	Real estate development	-	-	34.30 [5]	34.30 [5]
PT Kurnia Subur Permai (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Kusumasentral Kencana (1) Indonesia	Property development	-	-	46.40 [5]	46.40 [5]
PT Laksya Prima Lestari (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Masagi Propertindo (1) Indonesia	Property development	-	-	84.14	84.14
PT Mekanusa Cipta (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Metropolitan Transcities Indonesia (1) Indonesia	Investment holding	-	-	84.37	84.37
PT Misaya Properindo (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Mitrakarya Multiguna (1) Indonesia	Real estate development	-	-	35.15 [5]	35.15 [5]
PT Mustika Candraguna (1) Indonesia	Property development	-	-	53.88	54.34
PT Mustika Karya Sejati (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Pangeran Plaza Utama (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Paraga Artamida (1) Indonesia	Investment holding and provision of consultancy services	720,727	720,727	84.37	84.37

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2017 S$'000	2016 S$'000	Effective percentage of equity held by the Group 2017 %	2016 %
PT Pastika Candra Pertiwi (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Pembangunan Deltamas (1),(Note 42(c)(iii)) Indonesia	Property and real estate development	-	-	57.28	55.68
PT Permata Kirana Lestari (4f) Indonesia	Property development	-	-	84.37	84.37
PT Perwita Margasakti (1) Indonesia	Property development	-	-	42.87 [5]	42.87 [5]
PT Phinisi Multi Properti (1) Indonesia	Real estate development	-	-	32.92 [5]	32.92 [5]
PT Phinisindo Zamrud Nusantara (1) Indonesia	Property development	-	-	33.22 [5]	33.22 [5]
PT Praba Selaras Pratama (1) Indonesia	Real estate development and investment holding	-	-	48.41 [5]	48.41 [5]
PT Prestasi Mahkota Utama (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Prima Sehati (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Puradelta Lestari Tbk (1), (Note 42(c)(iii)) Indonesia	Property and real estate development	-	-	57.28	55.68
PT Putra Alvita Pratama (1) Indonesia	Real estate development	-	-	22.94 [5]	22.94 [5]
PT Putra Prabukarya (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Putra Tirta Wisata (1) Indonesia	Property management	-	-	22.94 [5]	22.94 [5]
PT Royal Oriental (1) Indonesia	Property development	-	-	53.61	53.61
PT Saranapapan Ekasejati (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Satwika Cipta Lestari (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2017 S$'000	The Company Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
PT Sentra Selaras Lestari (1) Indonesia	Real estate development and investment holding	-	-	48.41 [5]	48.41 [5]
PT Sentra Talenta Utama (1) Indonesia	Real estate development and investment holding	-	-	48.41 [5]	48.41 [5]
PT Simas Tunggal Center (1) Indonesia	Investment holding	-	-	81.84	81.84
PT Sinar Mas Teladan (1), (Note 42(c)(iv)) Indonesia	Property development	-	-	57.32	57.81
PT Sinar Medikamas Invesindo (1), (Note 42(a)(i)) Indonesia	Health care	-	-	48.41 [5]	-
PT Sinar Mas Wisesa (1) Indonesia	Real estate development	-	-	64.59	64.59
PT Sinar Pertiwi Megah (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Sinar Usaha Mahitala (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Sinar Usaha Marga (1) Indonesia	Real estate development	-	-	72.50	72.50
PT Sinarwijaya Ekapratista (1) Indonesia	Real estate development	-	-	42.87 [5]	42.87 [5]
PT Sinarwisata Lestari (1) Indonesia	Hotel	-	-	42.87 [5]	42.87 [5]
PT Sinarwisata Permai (1) Indonesia	Hotel	-	-	42.87 [5]	42.87 [5]
PT Sumber Arusmulia (1), (Note 42(c)(iii)) Indonesia	Investment holding	-	-	100.00	53.13
PT Sumber Makmur Semesta (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Surya Inter Wisesa (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]
PT Transbsd Balaraja (1) Indonesia	Development and operation of toll roads	-	-	48.41 [5]	48.41 [5]
PT Wahana Swasa Utama (1) Indonesia	Real estate development	-	-	48.41 [5]	48.41 [5]

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44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2017 S$'000	The Company Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
PT Wijaya Pratama Raya (1) Indonesia	Property development	-	-	27.80 [5]	27.80 [5]
Sinarmas Land (HK) Limited (4e) Hong Kong	Investment holding	-*	-*	100.00	100.00
Sittingham Assets Limited (2) British Virgin Islands	Investment holding	1,460	1,460	100.00	100.00
China Property Division					
AFP China Ltd (1) Mauritius	Investment holding	-*	-*	100.00	100.00
AFP (Shanghai) Co., Ltd (4c) People's Republic of China	Provision of management services	918	918	100.00	100.00
Shining Gold Real Estate (Chengdu) Co., Ltd (4c) People's Republic of China	Property investment and development	-	-	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
Zhuhai Huafeng Management and Consultancy Co., Ltd. (4c) People's Republic of China	Investment holding	-	-	100.00	100.00
AFP Land Division					
AFP Gardens (Tanjong Rhu) Pte Ltd Singapore	Property investment and development	-	-	100.00	100.00
AFP Hillview Pte Ltd Singapore	Property development	-	-	100.00	100.00
AFP Land (Malaysia) Sdn Bhd (1) Malaysia	Investment holding	-	-	100.00	100.00
AFP Land Limited Singapore	Investment holding and provision of management services	456,751	456,751	100.00	100.00
AFP Resort Development Pte Ltd Singapore	Resort property development and investment holding	-	-	100.00	100.00
AFP Resort Marketing Services Pte Ltd Singapore	Marketing services to resort establishments	-	-	89.50	89.50

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

44 Subsidiaries (cont'd)

Name of company and country of incorporation	Principal activities	The Company Cost of investment 2017 S$'000	The Company Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
Amcol (China) Investments Pte Ltd Singapore	Investment holding	-	-	100.00	100.00
Anak Bukit Resorts Sdn Bhd (1) Malaysia	Resort property development	-	-	100.00	100.00
Golden Bay Realty (Private) Limited (Note 42(b)) Singapore	Property investment	-	-	-	100.00
Goldmount Holdings Pte Ltd (4a) Singapore	Investment holding	-	-	100.00	100.00
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
PT AFP Dwilestari (4b) Indonesia	Resort development and operation	-	-	65.00	65.00
Palm Resort Berhad (1) 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
PRB (L) Ltd (1) Malaysia	Investment holding and treasury management	-	-	100.00	100.00
Palm Resort Management Pte Ltd Singapore	Dormant	-	-	99.22	99.22
Palm Villa Sdn Bhd (1) Malaysia	Dormant	-	-	99.22	99.22
Sankei Pte Ltd Singapore	Dormant	-	-	100.00	100.00
		1,271,255	1,271,255		

* The cost of investment is below $1,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

44 Subsidiaries (cont'd)

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) Leung Siu Wo & Co.
- (e) TCL & Company, Certified Public Accountants (Practising)
- (f) Kantor Akuntan Publik Freddy & Rekan

(5) These subsidiaries are held by non-wholly owned intermediate holding companies. The intermediate holding companies have the power to control over these companies.

(6) During the current financial year, the following subsidiaries have been incorporated:

Subsidiaries	Equity interest	Initial issued and paid up capital
SML Victoria Limited	100%	2 shares of no par value
PT Inti Tekno Sains Bandung	100%	7,135 shares of IDR1 million each

(7) During the financial year 2016, following the incorporation of PT Bumi Megah Graha Utama by BSD, the Group recognised a cash inflow from its non-controlling interest of IDR16.9 billion (equivalent to $1,688,000).

(8) As at 31 December 2017, the accumulated non-controlling interests is $1,914,046,000 (2016: $1,871,725,000), of which $1,505,346,000 (2016: $1,385,905,000) is for 15.63% (2016: 15.63%) non-controlling interests in PT Paraga Artamida and its subsidiaries ("Paraga Group") and $340,601,000 (2016: $412,446,000) is for 42.72% (2016: 44.32%) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

44 Subsidiaries (cont'd)

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	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Non-current assets	2,660,844	2,272,818	488,853	566,999
Current assets	1,957,239	1,962,819	355,065	408,522
Non-current liabilities	908,910	955,654	2,730	2,206
Current liabilities	863,151	745,087	43,780	43,495
Revenue	1,025,844	723,531	136,312	164,161
Profit attributable to owners of the company	329,399	196,274	62,217	66,786
Total comprehensive income/(loss) for the year	197,333	368,336	(23,839)	149,378
Profit allocated to NCI	226,591	88,581	24,769	29,900
Dividends paid to NCI	6,793	4,543	44,267	17,231
Cash inflows/(outflows) from operating activities	445,367	(47,830)	75,519	73,069
Cash outflows from investing activities	(282,084)	(84,630)	(14,094)	(6,840)
Cash inflows/(outflows) from financing activities, before dividends to NCI	37,299	(81,045)	(103,626)	(58,320)
Net increase/(decrease) in cash and cash equivalents	200,582	(213,505)	(42,201)	7,909

45 Associated Companies

Name of company and country of incorporation	Principal activities	The Group Cost of investment 2017 S$'000	The Group Cost of investment 2016 S$'000	Effective percentage of equity held by the Group 2017 %	Effective percentage of equity held by the Group 2016 %
PT AMSL Delta Mas (2) Indonesia	Property development	27,243	27,243	15.98 [4]	15.98 [4]
PT AMSL Indonesia (2) Indonesia	Property development	24,723	24,723	15.98 [4]	15.98 [4]
PT Citraagung Tirtajatim (1) Indonesia	Property development	1,786	1,786	17.15 [4]	17.15 [4]
PT Duta Karya Propertindo (3) Indonesia	Property management	47	47	21.44	21.44
PT Harapan Anang Bakri & Sons (1) Indonesia	Industrial estate development	975	975	42.18	42.18

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

45 Associated Companies (cont'd)

Name of company and country of incorporation	Principal activities	The Group Cost of investment 2017 S$'000	2016 S$'000	Effective percentage of equity held by the Group 2017 %	2016 %
PT Hermina Sinar Medikamas (1), (Note 42(a)(i)) Indonesia	Health care	4	-	19.36 [4]	-
PT Maligi Permata Industrial Estate (1) Indonesia	Industrial estate development	4,809	4,809	42.19	42.19
PT Matra Olahcipta (1) Indonesia	Property development	4,030	3,080	21.44	21.44
PT Plaza Indonesia Realty Tbk (2) Indonesia	Property development and hotel owner	262,606	214,115	22.65	18.39 [4]
PT Serasi Niaga Sakti (1) Indonesia	Real estate development	4,202	4,202	42.19	42.19
		330,425	280,980		

Notes:

(1) Audited by member firms of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.
(2) Audited by Satrio Bing Eny & Rekan.
(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.

46 Reclassifications and Comparatives

Certain reclassifications among revenue, cost of sales, selling expenses, general and administrative expense as well as other operating income were done to conform to the presentation of the consolidated income statement for the year ended 31 December 2017. The effects of the reclassification were as follows:

	As previously reported in 2016 S$'000	Restated for 2016 S$'000
Revenue	878,388	879,098
Cost of sales	(294,328)	(294,025)
Gross profit	584,060	585,073
Selling expenses	(59,498)	(85,069)
General and administrative expenses	(171,487)	(151,824)
Total operating expenses	(230,985)	(236,893)
Operating profit	353,075	348,180
Other income, net	12,289	17,184

SHAREHOLDING STATISTICS

As at 7 March 2018

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	179	1.96	8,006	0.00
100 - 1,000	1,125	12.32	781,407	0.02
1,001 - 10,000	5,500	60.23	24,907,832	0.59
10,001 - 1,000,000	2,296	25.14	113,717,432	2.67
1,000,001 & Above	32	0.35	4,116,447,819	96.72
Total	9,132	100.00	4,255,862,496	100.00

Name of Shareholders	No. of Shares	%
FLAMBO INTERNATIONAL LIMITED	2,749,900,854	64.61
RHB SECURITIES SINGAPORE PTE LTD	371,184,300	8.72
GOLDEN MOMENT LIMITED	241,293,927	5.67
RAFFLES NOMINEES (PTE) LTD	224,807,526	5.28
UOB KAY HIAN PTE LTD	210,698,962	4.95
CITIBANK NOMINEES SINGAPORE PTE LTD	198,300,374	4.66
DBS VICKERS SECURITIES (S) PTE LTD	20,162,473	0.47
DBS NOMINEES PTE LTD	17,281,223	0.41
OCBC SECURITIES PRIVATE LTD	14,172,178	0.33
TAN NG KUANG	6,385,000	0.15
UNITED OVERSEAS BANK NOMINEES PTE LTD	5,548,196	0.13
HSBC (SINGAPORE) NOMINEES PTE LTD	5,018,471	0.12
COSMIC INSURANCE CORPORATION LIMITED – SIF	5,000,000	0.12
DIANAWATI TJENDERA	5,000,000	0.12
MAYBANK KIM ENG SECURITIES PTE LTD	4,854,494	0.11
PHILLIP SECURITIES PTE LTD	4,502,209	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	2,905,706	0.07
OCBC NOMINEES SINGAPORE PTE LTD	2,647,127	0.06
Total	4,097,403,020	96.27

Substantial Shareholders	No. of Shares in which they have an Interest				
Name	**Direct Interest**	**Percentage %[1]**	**Deemed Interest**	**Percentage %[1]**	**Total Percentage (Direct and Deemed Interest)%[1]**
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 7 March 2018, 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 **Monday, 23 April 2018 at 11.00 a.m.** at Swissôtel Merchant Court, Merchant Court Ballroom, 20 Merchant Road, Singapore 058281 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2017 together with the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To declare a special final tax-exempted (one-tier) dividend of S$0.007 per ordinary share for the year ended 31 December 2017. **(Resolution 2)**

3. To approve Directors' Fees of S$332,000 for the year ended 31 December 2017. (FY2016: S$320,000) **(Resolution 3)**

4. To re-elect the following Directors retiring by rotation pursuant to Regulation 91 of the Constitution of the Company:

   (a) Mr. Ferdinand Sadeli *{please see note 1}* **(Resolution 4)**
   (b) Mr. Robin Ng Cheng Jiet *{please see note 1}* **(Resolution 5)**

5. To re-elect Mr. Hong Pian Tee retiring pursuant to Regulation 97 of the Constitution of the Company. *{please see note 2}* **(Resolution 6)**

6. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

Renewal of the Share Issue Mandate

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 3}* **(Resolution 8)**

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

(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 4}* **(Resolution 9)**

NOTICE OF ANNUAL GENERAL MEETING

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 *{please see note 5}*, with any party who is of the class of Interested Persons described in the said 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 said 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 6}*

(Resolution 10)

By Order of the Board

Ferdinand Sadeli
Director
2 April 2018
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 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.

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 2017 for further information on Mr. Ferdinand Sadeli and Mr. Robin Ng Cheng Jiet.

2. Mr. Hong Pian Tee, if re-elected, will remain as chairman of the Audit Committee. Mr. Hong is considered to be independent. Please refer to the sections on Board of Directors and Corporate Governance Report in the Annual Report 2017 for further information on Mr. Hong.

3. The Ordinary Resolution 8 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.

4. The Ordinary Resolution 9 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 Annual General Meeting, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next annual general meeting.

5. The mandate for transactions with Interested Persons as described in the Appendix 2 (the "Appendix 2") to this Notice of AGM includes the placement of deposits by the Company with financial institutions in which Interested Persons have an interest.

6. The Ordinary Resolution 10 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.

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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 and vote for me/us on my/our behalf at the AGM to be held on **Monday, 23 April 2018 at 11.00 a.m.** at **Swissôtel Merchant Court, Merchant Court Ballroom, 20 Merchant Road, Singapore 058281** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution 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 the Audited Financial Statements for the year ended 31 December 2017 ("FY2017") together with the Directors' Statement and Auditors' Report		
2	Declaration of Special Final Dividend for FY2017		
3	Approval of Directors' Fees for FY2017		
4	Re-election of Mr. Ferdinand Sadeli		
5	Re-election of Mr. Robin Ng Cheng Jiet		
6	Re-election of Mr. Hong Pian Tee		
7	Re-appointment of Auditors		
	SPECIAL BUSINESS		
8	Renewal of the Share Issue Mandate		
9	Renewal of the Share Purchase Mandate		
10	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 __________ 2018

Signature(s) or Common Seal of Member(s)

TOTAL NUMBER OF SHARES HELD IN	
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

1st fold and glue all sides firmly. Do not spot seal and/or staple

ANNUAL GENERAL MEETING
PROXY FORM

Affix
Stamp
Here

3rd 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

THE COMPANY SECRETARY
SINARMAS LAND LIMITED
108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

2nd fold here

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.

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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 2 April 2018.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

FRANKY OESMAN WIDJAJA
Executive Chairman

MUKTAR WIDJAJA
Executive Director &
Chief Executive Officer

MARGARETHA NATALIA WIDJAJA
Executive Director

FERDINAND SADELI
Executive Director &
Chief Financial Officer

ROBIN NG CHENG JIET
Executive Director

HONG PIAN TEE
Lead Independent Director

KUNIHIKO NAITO
Independent Director

RODOLFO CASTILLO BALMATER
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

Designed and Produced by ***Sparkll Design***

sinarmas land

SINARMAS LAND LIMITED
Company Registration No. 199400619R

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Tel : (65) 6220 7720 Fax : (65) 6590 0887

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