# BUILDING *for a* BETTER FUTURE

SINARMAS LAND LIMITED ANNUAL REPORT 2015

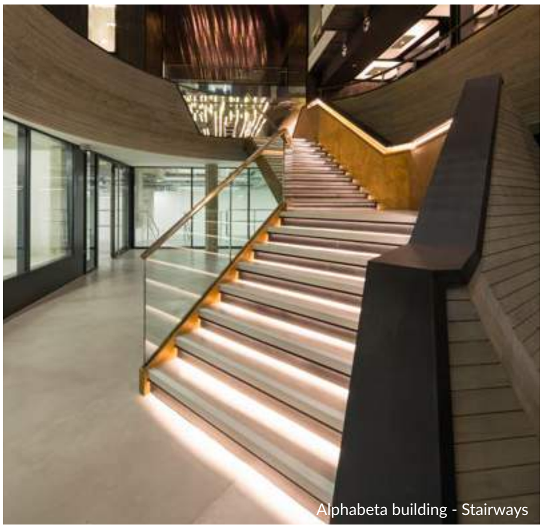
**On Cover**
Alphabeta building


Alphabeta building - Façade

Alphabeta building - Entrance

# Contents


Alphabeta building - Lobby


Alphabeta building - Stairways


Alphabeta building - Waiting Area

## 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, China, Malaysia, Singapore and United Kingdom.

In Indonesia, SML is the largest property developer in terms of strategic land bank and market capitalisation. SML operates chiefly through three public listed Indonesian 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$6.0 billion. Its Indonesia property division is engaged in many sub-sectors of the property business, including township development, residential, commercial, industrial, retail and hospitality-related properties. Outside Indonesia, SML has long-term investments in commercial buildings, hotels and resorts, is involved in property development and has a presence in Singapore, Malaysia, China and United Kingdom.

Vision

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

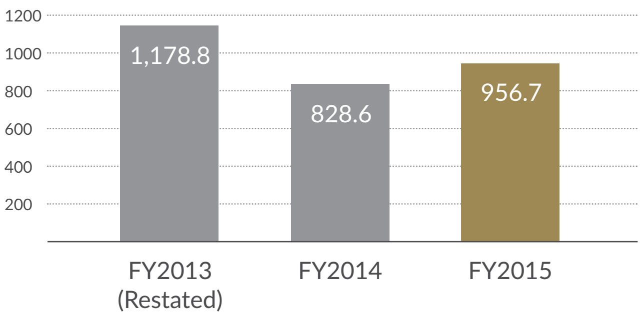
Values

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

# Financial Highlights

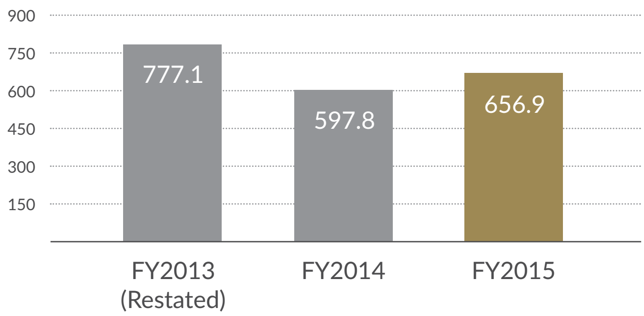
## REVENUE (S$ MILLION)

### S$956.7m



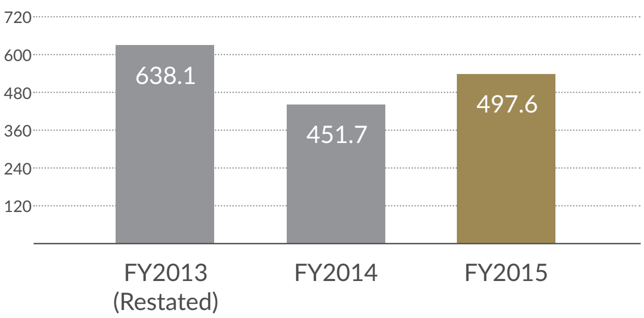

## GROSS PROFIT (S$ MILLION)

### S$656.9m

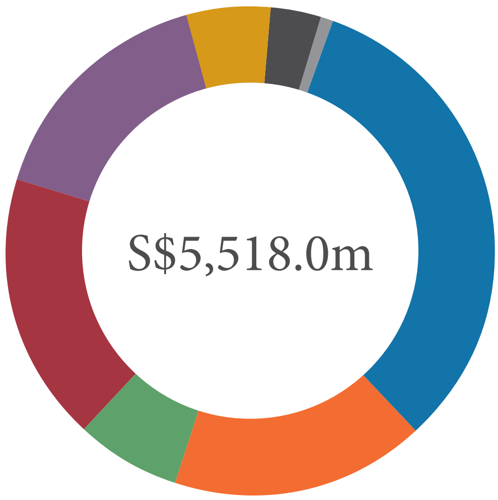



## EBITDA (S$ MILLION)

### S$497.6m



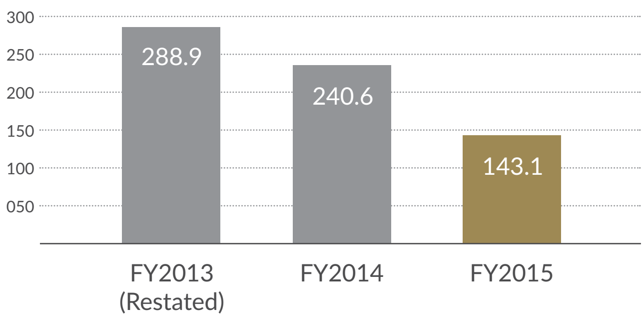

## 2015 TOTAL ASSETS BY CATEGORY (%)




| | |
|---|---|
| 28.8% | Properties under Development for Sale |
| 16.5% | Cash and Cash Equivalents |
| 5.7% | Associated Companies and Joint Ventures |
| 18.0% | Properties Held for Sale |
| 19.4% | Investment Properties |
| 7.6% | Other Current Assets and Receivables |
| 3.0% | Property, Plant and Equipment |
| 1.0% | Long-Term Receivables |

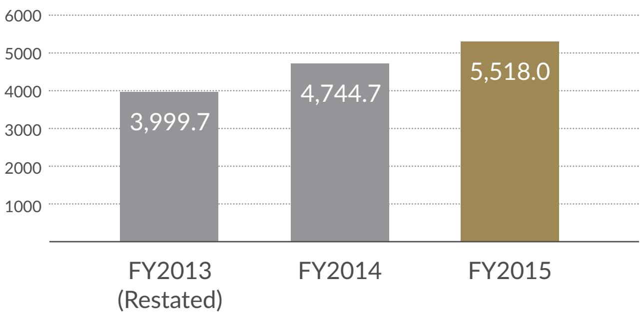
## PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (S$ MILLION)

### S$143.1m



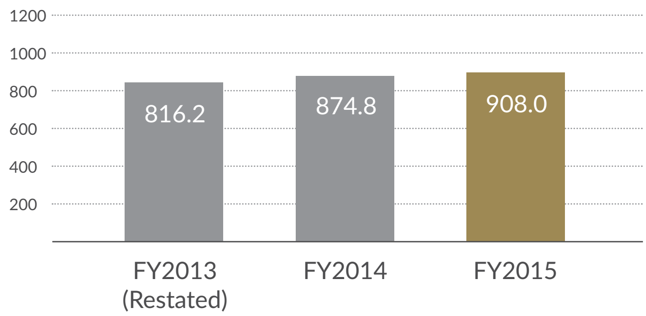
## TOTAL ASSETS (S$ MILLION)

S$5,518.0m




## CASH AND CASH EQUIVALENTS (S$ MILLION)

S$908.0m




### GROSS PROFIT MARGIN

68.7%

2014: 72.1%

### EBITDA MARGIN

52.0%

2014: 54.5%

### NET DEBT TO EQUITY

15.0%

2014: Net Cash

### EBITDA / INTEREST
(times)

7.0

2014: 8.4

### GROSS DEBT / EBITDA
(times)

2.8

2014: 1.7

### RETURN ON SHAREHOLDERS' EQUITY

8.2%

2014: 14.0%

### NET ASSET VALUE PER ORDINARY SHARE
(excluding treasury share)

S$0.41

2014: S$0.56

### EARNINGS PER SHARE
(Basic) (Singapore cents)

4.58

2014: 7.91

### CASH DIVIDEND
(Singapore cents)

0.19

2014: 0.50

# Chairman *and* CEO Statement

Franky Oesman Widjaja
Executive Chairman

**Dear Valued Shareholders**

The Group has delivered a 15.5% growth in topline revenue to S$956.7 million for the year ended 31 December 2015.

## FY2015 FINANCIAL HIGHLIGHTS

On behalf of the Board of Directors, we are pleased to report that Sinarmas Land Limited ("SML", "Sinarmas Land" or "the Company") and its subsidiaries (collectively "the Group") has delivered a 15.5% growth in topline revenue to S$956.7 million for the year ended 31 December 2015 ("FY2015"), despite the Indonesian Rupiah ("IDR") weakening about 5% year-on-year and the challenging economic landscape.

The Group achieved a 10.1% increase in EBITDA to S$497.6 million. However, Profit after Tax ("PAT") and Profit after Tax and Attributable to Owners ("PATMI") were down 23.0% and 40.5% to S$329.6 million and S$143.1 million respectively, largely due to the absence of exceptional gain from the disposal of New Brook Buildings in London and higher finance costs in FY2015.

Gross profit for the Group edged up 9.9% to S$656.9 million while gross profit margin dipped from 72.1% to 68.7% in FY2015, due to higher cost margins for the newly completed residential projects in BSD City and higher infrastructure costs incurred for industrial land in Kota Deltamas. The township developments in BSD City and in Kota Deltamas contributed about 70.5% to the Group's total revenue.

Total assets for the Group grew from S$4,744.7 million to S$5,518.0 million as at 31 December 2015, achieved mainly from the acquisition of Alphabeta building in Central London. The Company's issued and paid-up share capital (excluding treasury shares) increased to 4,255.9 million ordinary shares, following the exercise of a total of 1,507.4 million warrants and the allotment and issue of the same number of ordinary shares in November 2015, raking in S$150.7 million of proceeds to the Company.

## SUCCESSFUL LISTING OF PT PURADELTA LESTARI TBK ("DMAS") ON INDONESIA STOCK EXCHANGE ("IDX")

29 May 2015 marked a significant milestone with the successful listing

Muktar Widjaja
Executive Director and Chief Executive Officer

of DMAS, the Group's 3rd listed subsidiary on IDX, in addition to PT Bumi Serpong Damai Tbk ("BSDE") and PT Duta Pertiwi Tbk ("DUTI"). DMAS floated 4.8 billion shares or 10% of its enlarged share capital at an offer price of IDR210 for each share. The initial public offering ("IPO") was around 3.5 times oversubscribed, demonstrating the confidence from the investing community on the future potential growth of DMAS.

The principal business of DMAS is in the development of Kota Deltamas, an industrial focused township located in Bekasi (37 kilometers to the east of central Jakarta) with 1,729 hectares of undeveloped land bank remaining as of end-FY2015.

### ALPHABETA BUILDING: MILESTONE ACQUISITION IN LONDON

The Group achieved yet another milestone on 8 October 2015 with the completion of the acquisition of Alphabeta building ("AB") for a total consideration of £259.6 million (or S$544.2 million), the largest single-asset acquisition in the Group's history. This cemented the Group's position as one of the leading Singapore-listed real estate companies in London.

Located at the heart of Shoreditch in the City of London where the area is touted to be the next 'Silicon Valley' of central London, AB is a completely refurbished landmark building, boasting a Net Leasable Area ("NLA") of 247,670 square feet over nine levels of high quality Grade A office space. AB is fully let to tenants in the high-tech, media and creative industries with a weighted average lease expiry of 12 years and on leases with 'triple-net' agreements (wherein tenants are responsible for all costs relating to the asset) with upward market rent reviews during the lease terms. Low interest cost on financing the acquisition will enhance the Group's return on equity.

AB is well-positioned to benefit from rental and capital growth when the Crossrail services commence in 2018 at Moorgate Station, a stone's throw

**Revenue (S$ Million)**

| | |
|---|---|
| FY2015 | 956.7 |
| FY2014 | 828.6 |
| FY2013 (Restated) | 1,178.8 |

**EBITDA (S$ Million)**

| | |
|---|---|
| FY2015 | 497.6 |
| FY2014 | 451.7 |
| FY2013 (Restated) | 638.1 |

**Profit Attributable To Owners Of The Company (S$ Million)**

| | |
|---|---|
| FY2015 | 143.1 |
| FY2014 | 240.6 |
| FY2013 (Restated) | 288.9 |

29 May 2015 marked a significant milestone with the successful listing of DMAS, the Group's 3rd listed subsidiary on IDX, in addition to PT Bumi Serpong Damai and PT Duta Pertiwi

away from the building. There are also asset enhancement opportunities to increase its NLA, given its current low building efficiency.

Since making its first foray into the UK property market in June 2013, the Group has performed transactions of over S$1 billion in London.

### GREEN OFFICE PARK 9 ("GOP 9") IN BSD CITY

On 10 December 2015, the Group organized the 'topping off' ceremony for GOP 9, the latest addition of office building in BSD Green Office Park, the first district in Indonesia to be certified "Gold" Green district by Building and Construction Authority ("BCA") Singapore. GOP 9 has obtained a Platinum certification by Green Building Council Indonesia.

GOP 9 is built on a land area of 8,400 square meters with NLA of 20,767 square meters. To demonstrate our commitment towards environmental preservation, GOP 9 is an energy-efficient and environmentally friendly building that effectively combines office requirements and the concept of green buildings through recycling and efficient use of energy. GOP 9 is expected to be fully operational in 2nd half of 2016.

### KARAWANG INTERNATIONAL INDUSTRIAL CITY ("KIIC"): BEST MANAGEMENT AND SERVICES INDUSTRIAL ESTATE IN 2015

KIIC, owned by PT Karawang Tatabina Industrial Estate which is a direct subsidiary of SML, is an industrial estate located in Karawang (47 kilometers to the east of central Jakarta) spanning an area of approximately 1,400 hectares. On 17 December, KIIC received the 'Best Management and Services Industrial Estate in 2015' award from the Minister of Industry of Indonesia. Committed to creating a green industrial estate with natural preservation and good business ethics, KIIC has over 110 companies operating in its estate, benefitting from its excellent infrastructure with direct toll road access, advanced communication systems, waste water treatment and security systems.

### PRUDENT MANAGEMENT OF FINANCING ACTIVITIES

In April 2015, the Group's largest subsidiary, BSDE raised US$225 million in its maiden US- denominated bonds issuance at 6.75% on 5-year tenure. The bond proceeds will be used to fund capital expenditures in connection with land acquisitions and infrastructure at BSD City and its other developments. The issuance was more than 3 times oversubscribed.

Notwithstanding the increase in borrowings after the bond issuance, the Group's gearing remains healthy with a net debt to equity ratio of 15.0% and cash and cash equivalents stand at S$908.0 million as at 31 December 2015. With total debt at 2.8 times of EBITDA, the Group is of the view that its debt headroom can be further elevated to make new acquisitions. Based on FY2015 financial results, the Group's EBITDA of S$497.6 million represents 7.0 times cover over its finance costs of S$71.2 million.

### FORWARD LOOKING IN 2016

Although Indonesia's economic growth has picked up in the last quarter of 2015, the pace of economic recovery continue to be weighed by the slowdown in China, causing the collapse of commodity prices. The road to economic recovery in 2016 will depend on the magnitude of government spending on infrastructure and the effectiveness of economic stimulus to improve private consumption.

Since September 2015, the Indonesia government has unveiled a total of 10 economic stimulus packages to-date, such as policies aimed to boost economic growth, attract Foreign Direct Investment ("FDI"), relax foreign ownership rules and provide tax incentives on asset revaluations for Real Estate Investment Trusts. These measures will benefit the real estate sector and spur infrastructural developments.

On 22 February 2016, the Group increased its effective investment in DMAS from its post-IPO stake of 44.46% to 58.96% for a consideration of IDR1,467.4 billion (or S$152.6 million). This acquisition is expected to have a positive impact on the Group's earnings and assets going forward, as Kota Deltamas, together with KIIC will benefit from the government economic stimulus packages that aim to spur more industrial developments and FDIs into Indonesia. FDIs edged up 2.7% year-on-year in 2015 to US$29.3 billion (in IDR terms, the increase was 19.2% to IDR365.9 trillion).

Since the beginning of 2016, Bank Indonesia has cut its benchmark interest rate for the third straight month to 6.75% to boost growth against a backdrop of tame inflation and the strengthening IDR. This could bode well for our Indonesian property division.

Outside its core development projects, the Group is embarking on a new directive to transform strategic land banks around its golf courses into lifestyle resort developments. On 13 December 2015, the Group unveiled development plans for 'Nuvasa Bay' – Batam's first luxury integrated residential and mixed-use development – to capitalise on the high GDP growth rate of around 12% yearly in Batam and its close proximity to Singapore.

Beyond Asia, the Group will leverage on its proven track record in investment and asset management in the UK and focus on value enhancements to its property portfolio. At the same time, the Group continues to seek out accretive acquisitions to grow its recurring income investments.

### ACKNOWLEDGEMENTS

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. Despite the challenging business climate ahead, the Directors have proposed a first and final cash dividend of 0.19 Singapore cents per ordinary share, subject to shareholders' approval at the forthcoming Annual General Meeting and it is expected to be paid out on 30 June 2016.

We thank our fellow Board members, management and staff for their dedication towards the Group's long-term goals of enhancing shareholders' value and their contribution in helping Sinarmas Land received numerous prestigious international awards for its commitment to provide high quality developments and building a better future for the community.

**Franky Oesman Widjaja**
Executive Chairman

**Muktar Widjaja**
Executive Director and
Chief Executive Officer

Beyond Asia, the Group will leverage on its proven track record in investment and asset management in the UK and focus on value enhancements to its property portfolio

# Milestones

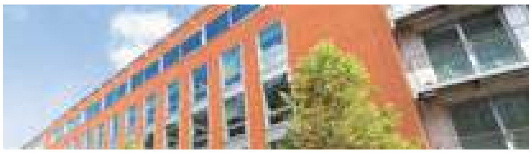
## 2015

- BSDE issued US$225 million in its maiden US dollar-denominated senior notes
- BSDE acquires 1.49% of PT Plaza Indonesia Realty Tbk
- Successful listing of PT Puradelta Lestari Tbk on Indonesia Stock Exchange


- Acquisition of Alphabeta building in Central London, United Kingdom, for £259.6 million
- 1,507,359,759 new shares were allotted and issued following the exercise of warrants eW151118

## 2014

- Establishment of S$1 billion Multicurrency Medium Term Note Programme
- Internal restructuring of the Group's shareholding interest in PT Plaza Indonesia Realty Tbk
- Increase effective stake in BSDE from 49.87% to 51.50%



- Acquisition of Warwick House in London, United Kingdom, for £57.28 million
- Disposal of New Brook Buildings in London, United Kingdom, for £113.40 million

## 2013

- Strategic alliance with AEON Mall, Hongkong Land and Kompas Gramedia Group
- Acquisition of New Brook Buildings in London, United Kingdom, for £84.05 million
- BSDE acquires 8.23% of PT Plaza Indonesia Realty Tbk
- BSDE – IDR1.75 trillion bond issue

## 2012

- BSDE – IDR1 trillion bond issue
- PT Paraga Artamida acquires PT Plaza Indonesia Realty Tbk (from 17.6% to 26.0%)

## 2011

sinarmas land

- Sinarmas Land brand introduced
- AFP changed name to Sinarmas Land

## 2010

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

## 2008

- BSDE - IPO

## 2003-2007

- BSDE – IDR250 billion Bond issue (2003)
- BSDE – IDR600 billion Bond issue (2006)

## 2002


- Sinarmas Land controls BSDE

## 1996-1997

- Asia Food & Properties (AFP) listing in Singapore

## 1990-1995


- ITC brand established (1990)
- DUTI – IPO (1994)
- DUTI – Convertible Bonds conversion (1995)

## 1984

BSDCITY
BIG CITY, BIG OPPORTUNITY

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

## 1972

dutapertiwi
developer and real estate

- DUTI established

# YEAR *in* BRIEF

**BSDE ISSUED**

## 874,849,800 SHARES

BSDE conducted capital increase without pre-emptive rights by issuing 874,849,800 shares representing 5% of its issued and paid-up share capital

**BSDE ISSUED**

## US$225 MILLION SENIOR NOTES

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

**BSDE ACQUIRED**

## 52,800,000 SHARES

BSDE acquired 52,800,000 of PT Plaza Indonesia Realty Tbk (PIR) shares representing 1.49% of PIR total shareholding. The Group's effective interest in PIR increased to 18.35%

**DMAS SUCCESSFUL LISTING**

PT Puradelta Lestari Tbk was successfully listed on Indonesia Stock Exchange under ticker code "DMAS"

**BSDE OFFICIALLY OPENS**

## AEON Mall

BSDE officially open AEON Mall BSD City, the first AEON Mall in Indonesia

**BSDE CELEBRATES THE OPENING OF**

## Indonesia Convention Exhibition

President of Indonesia, Joko Widodo, inaugurate the grand opening of Indonesia Convention Exhibition (ICE), the largest convention and exhibition center in Indonesia

**SML REPURCHASED**

## 293,456,700 SHARES

SML repurchased a total of 293,456,700 shares which were held as treasury shares

**SML ACQUIRED**

## Alphabeta building

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

**SML ALLOTTED**

## 1,507,359,759 NEW SHARES

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

**SML UNVEILED**

## Nuvasa Bay

SML unveiled the development plans for "Nuvasa Bay", Batam's first luxury integrated residential and mixed-use development

# AWARDS *and* ACCOLADES


**Forbes Indonesia Best of The Best Award 2015**
PT. BSD. Tbk
Ranked 1st in Top 50 Best Companies

**BCI Asia Awards 2015**
Sinar Mas Land
Top 10 Developer

**FIABCI World Prix d'Excellence Award 2015**
Sinar Mas Land
World Silver Winner Retail Category - The Breeze Lifestyle Center

**The Global CSR Awards 2015**
Sinar Mas Land
CSR Leadership Award (Bronze)

**Warta Ekonomi Social Business Innovation 2015**
Sinar Mas Land
Social Business Innovation Award (CSR Award 2015) Property Category

**Indonesia Green Awards La Tofi 2015**
Sinar Mas Land
BSD City - Green City Category

**Investment Award Tangerang Selatan 2015**
Sinar Mas Land
Best CSR Program in Social Sector The Breeze

**Penghargaan Efisiensi Energi Nasional 2015**
Sinar Mas Land
Energy Saver Building - Indonesia Convention Exhibition (ICE)

**The 8th MICE Awards 2015**
Sinar Mas Land
The Best Exhibition Hall 2015 - Indonesia Convention Exhibition (ICE)

**Industrial Estate Awards 2015**
PT Karawang Tatabina Industrial Estate
Best Management and Services Industrial Estate - KIIC

**Asia Pacific Property Award**
Sinar Mas Land
Best Retail Development Indonesia - The Breeze Lifestyle Center

**Properti Indonesia Award 2015**
Sinar Mas Land
Most Innovative Developer

**ASEAN Energy Awards 2015**
Sinar Mas Land
Winners of Energy Efficiency Category Tropical Building - The Breeze Lifestyle Center

**Indonesia Property Awards 2015**
Sinar Mas Land
Winner of Best Developer

**Indonesia Property Awards 2015**
Sinar Mas Land
Best Retail Development - The Breeze Lifestyle Center

**Indonesia Property Awards 2015**
Sinar Mas Land
Best Housing Development (Jakarta) - The Avani

**Indonesia Property Awards 2015**
Sinar Mas Land
Best Housing Development (Indonesia) - The Avani

**Indonesia Property Awards 2015**
Sinar Mas Land
Highly Commended of Best Office Development - BSD Green Office Park 6

**Golden Property Awards 2015**
PT. BSD. Tbk
Top 5 Public Listed Company

**Golden Property Awards 2015**
Sinar Mas Land
Golden Trophy for Best Township Development Project

**Golden Property Awards 2015**
Sinar Mas Land
Best Township Development Project

**Indonesia Wow Brand 2015**
Sinar Mas Land
Winner of Residential Property Developer - Asset > 20T Category

**MIPIM Asia Awards 2015**
Sinar Mas Land
Best Retail Development - Silver Recognition - The Breeze Lifestyle Center

**South East Asia Property Awards 2015**
Sinar Mas Land
Highly Commended Best Villa/ Housing Development (South East Asia) - The Avani

**Indonesia Property & Bank Awards 10**
Sinar Mas Land
The Most Popular Golf Courses in Batam, Indonesia - Palm Springs Golf & Beach Resort Batam

**Obsession Award 2015**
Sinar Mas Land
Best Achiever Real Estate Individual Category

**Consumer Choice Awards 2015**
Sinar Mas Land
The Best Brand Awareness Developer Apartment - BSD City

**Consumer Choice Awards 2015**
Sinar Mas Land
The Best on the Area Residential Cibubur - Kota Wisata

**Consumer Choice Awards 2015**
Sinar Mas Land
The Best on The Area Commercial Serpong & Tangerang - The Breeze

**Consumer Choice Awards 2015**
Sinar Mas Land
The Best on The Area Commercial Serpong & Tangerang - Casa de Parco

**Consumer Choice Awards 2015**
Sinar Mas Land
The Best on Design Residential Modern - Eminent

**Asia Pacific Property Award**
Sinar Mas Land
Highly Commended Residential Development Indonesia - Cluster de Brassia

# Board *of* Directors

**Back row from left**
Robin Ng Cheng Jiet, Rodolfo Castillo Balmater, Foo Meng Kee, Margaretha Natalia Widjaja, Ferdinand Sadeli

**Front row from left**
Kunihiko Naito, Franky Oesman Widjaja, Muktar Widjaja

# BOARD OF DIRECTORS

**FRANKY OESMAN WIDJAJA**
**Executive Chairman**

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

Mr. Franky Widjaja, aged 58, graduated from Aoyama Gakuin University, Japan with a Bachelor's degree in Commerce in 1979. Mr. Franky Widjaja has extensive management and operational experience and, since 1982, has been involved with different businesses including pulp and paper, property, chemical, financial services and agriculture.

Mr. Franky Widjaja is also the Chairman and the Chief Executive Officer of Golden Agri-Resources Ltd ("GAR"), and a director of Bund Center Investment Ltd ("BCI"). Both GAR and BCI are 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 the Vice President Commissioner of PT Puradelta Lestari Tbk, a subsidiary of SML listed on the Indonesia Stock Exchange. He 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 for Agribusiness, Food and Forestry Sector; and a member of the Advisory Board of the Indonesian Palm Oil Association (GAPKI).

In 2015, Mr. Franky Widjaja was conferred the EY Asean Entrepreneurial Excellence award.

Previously, from 2007 to 2015, Mr. Franky Widjaja was Vice President Commissioner of PT Bumi Serpong Damai Tbk and PT Duta Pertiwi Tbk, both subsidiaries of SML listed on the Indonesia Stock Exchange.

**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 2015.

Mr. Muktar Widjaja, aged 61, 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 a director and the President of GAR. 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, 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.

**MARGARETHA NATALIA WIDJAJA**

**Executive Director**

Ms. Margaretha Widjaja is an Executive Director of SML and a member of its Executive/Board Committee. She was appointed to the Board of SML in December 2010 and her last re-election as a Director was in 2014.

Ms. Margaretha Widjaja, aged 34, 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 and a director of Finneland Properties Pte Ltd.

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.

**FERDINAND SADELI**

**Executive Director and Chief Financial Officer**

Mr. Ferdinand Sadeli is an Executive Director and the Chief Financial Officer of SML since April 2012. Mr. Sadeli is also a member of SML's Executive/Board Committee and sits on the boards of several subsidiaries of SML. His last re-election as a Director of SML was in 2015.

Mr. Ferdinand Sadeli, aged 42, graduated from Trisakti University, Jakarta, Indonesia with a Bachelor of Economics majoring in Accounting in 1996, and the University of Melbourne, Australia with a Master of Applied Finance in 1999. He is a Chartered Financial Analyst (CFA) charterholder, CPA (Australia) holder and Financial Risk Manager (FRM) holder.

Mr. Sadeli has more than 20 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. 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.

**ROBIN NG CHENG JIET**
**Executive Director**

Mr. Robin Ng Cheng Jiet is an Executive Director of SML and is a member of its Executive/Board Committee since April 2012. Mr. Ng is also a member of the boards of several subsidiaries of SML. His last re-election as a Director of SML was in 2013.

Mr. Robin Ng, aged 41, 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 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 17 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.

**FOO MENG KEE**
**Lead Independent Director**
**Chairman of Audit Committee and Nominating Committee**

Mr. Foo Meng Kee is the Lead Independent Director, Chairman of both the Audit Committee and Nominating Committee, and a member of the Remuneration Committee of SML. Mr. Foo joined the Board of Directors of SML in 2001, and his last re-election as a Director was in 2014.

Mr. Foo, aged 66, holds an MBA from the University of Dubuque, USA; Graduate Diploma in Marketing Management from the Singapore Institute of Management; and Bachelor of Commerce (Honours) from the Nanyang University of Singapore.

Mr. Foo sits on the boards of several public listed companies in Singapore, namely, Lee Metal Group Ltd, Jiutian Chemical Group Limited and Courage Marine Group Limited. Currently, he is also the principal owner of M K Capital Pte Ltd and M K Marine Pte Ltd.

Mr. Foo was an independent director of Titan Petrochemicals Group Limited, a public listed company in Hong Kong, from December 2013 to September 2015. He was with Hitachi Zosen Singapore Limited (now known as Keppel Shipyard Limited) from 1976 to 1998. When he was the Managing Director of Hitachi Zosen Singapore Limited, he led in the listing of the company on the main board of the Singapore Stock Exchange.

Mr. Foo has also previously served on the Committees of the Association of Singapore Marine Industries and the Singapore Armed Forces Reservists' Association.

### KUNIHIKO NAITO
**Independent Director**

Mr. Kunihiko Naito is an Independent Director of SML, and a member of its Audit Committee and Remuneration Committee. He has been a member of SML's Board of Directors since December 2007 and his last re-election as a Director was in 2015.

Mr. Naito, aged 71, 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.

### RODOLFO CASTILLO BALMATER
**Independent Director**
**Chairman of Remuneration Committee**

Mr. Rodolfo Castillo Balmater is an Independent Director of SML, Chairman of its Remuneration Committee, and member of its Audit Committee and Nominating Committee. He joined SML's Board of Directors in February 2006 and his last re-election as a Director was in 2014.

Mr. Balmater, aged 67, 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 member of each of the Audit Committees of PT Erajaya Swasembada Tbk and PT Delta Djakarta Tbk and an independent director of 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.

# Corporate Governance Report

Sinarmas Land Limited (the "Company" or "SML") and 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.

This report sets out the Company's corporate governance processes and activities with specific reference to the guidelines of the 2012 Code, and provides explanation for deviations from the recommendations under the 2012 Code. 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 recognize 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

All Directors are expected to objectively discharge their duties and responsibilities, in the interests of the Company. Directors who are in any way, directly or indirectly, interested in a transaction or proposed transaction are required to declare the nature of their interests, and voting on the resolution is prohibited if he has interest, in accordance with the provisions of the Companies Act, Chapter 50 and the Constitution of the Company ("Constitution").

The Board currently consists of 8 members, as shown below together with their membership on the Board committees of the Company ("Board Committee"):-

| | Board Appointment | Board Committee Appointment |
|---|---|---|
| Franky Oesman Widjaja | Executive Director | Member of NC and BC |
| Muktar Widjaja | Executive Director | Member of BC |
| Margaretha Natalia Widjaja | Executive Director | Member of BC |
| Ferdinand Sadeli | Executive Director | Member of BC |
| Robin Ng Cheng Jiet | Executive Director | Member of BC |
| Foo Meng Kee | Non-executive, 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 |

Abbreviation:-
NC: Nominating Committee
RC: Remuneration Committee
AC: Audit Committee
BC: Executive/Board Committee

There are 5 executive Directors and 3 non-executive and 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.

### 1.3 Delegation by the Board

To assist the Board, the Board has delegated certain functions to the 4 Board Committees, namely, the AC, the NC, the RC and the BC, at the same time recognizing that the ultimate responsibility on all matters rest with the Board. Each of these Board Committees has its own written terms of reference. Please refer to pages 22 to 31 of this report for further information on these Board Committees.

### 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 annual general meeting together with agenda items are scheduled up to one year in advance, with Directors meeting each quarter. In addition to the regular scheduled meetings, ad-hoc meetings are convened as and when circumstances warrant. Besides physical meetings, the Board and Board Committees may also make decisions by way of circular resolutions under the Constitution and their respective terms of reference.

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 2015, the Board and Board Committees held a total of 13 meetings, with the year-end meeting focusing on annual budget and strategic issues.

### 1.5 Attendance at Board and Board Committee Meetings in 2015

Details on the number of Board and Board Committee meetings in 2015, and the attendance of Directors and Board Committee members respectively at those meetings are disclosed below:-

| Name | No. of Meetings Attended by Members | | | | |
|---|---|---|---|---|---|
| | Board Meetings | Audit Committee Meetings | Nominating Committee Meetings | Remuneration Committee Meetings | Total Attendance at Meetings |
| **Executive Directors** | | | | | |
| Franky Oesman Widjaja | 5 | – | 1 | – | 6/6 |
| Muktar Widjaja | 5 | – | – | – | 5/5 |
| Margaretha Natalia Widjaja | 5 | – | - | - | 5/5 |
| Ferdinand Sadeli | 5 | – | – | – | 5/5 |
| Robin Ng Cheng Jiet | 5 | – | – | – | 5/5 |
| **Non-Executive Independent Directors** | | | | | |
| Foo Meng Kee | 5 | 5 | 1 | 2 | 13/13 |
| Kunihiko Naito | 5 | 5 | - | 2 | 12/12 |
| Rodolfo Castillo Balmater | 5 | 5 | 1 | 2 | 13/13 |
| **Number of Meetings Held** | **5** | **5** | **1** | **2** | **13** |

### 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

### 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, duties and obligations. They will also be given the relevant governing documents of the Company and contact particulars of senior management of the Company ("Management"). 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.

### 1.8 2015 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 2015 Director Training Programme provided a 3-step approach to training as follows, through:-

(1) Externally conducted courses on audit/financial 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, which includes briefings to AC members on changes to accounting standards and issues

Directors having attended external courses/seminars, in turn shared their experience and knowledge with fellow Directors.

**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 a female Director.

Taking into account the scope and nature of operations of the Group, the Board considers that the current board size of 8 Directors is appropriate to facilitate effective decision making.

Please refer to pages 11 to 15 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 nine 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:-

Mr. Foo Meng Kee
Mr. Kunihiko Naito
Mr. Rodolfo Castillo Balmater

The Board recognizes 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 nine years, the Board will do a rigorous review of their continuing contribution and independence. Mr. Foo Meng Kee and Mr. Rodolfo Castillo Balmater have each served on the Board as non-executive independent Director for more than nine years.

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. Foo has continued to express his constructive viewpoints and objectively raised issues and challenged Management, and has exhibited a strong spirit of professionalism and demonstrated independent mindedness and conduct at Board and Board Committee meetings. He has been consistent in the diligent discharge of his duties and exercise of sound independent business judgement and objectivity throughout which did not diminish with time.

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.

After taking into account these factors, the NC's views and having weighed the need for Board's refreshment against tenure, the Board has determined that Mr. Foo Meng Kee and Mr. Rodolfo Castillo Balmater continue to be regarded as independent Directors of the Company, notwithstanding having served more than nine 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 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 Chief Executive Officer ("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. Foo Meng Kee, 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:-

<u>Group A</u>
Franky Oesman Widjaja
Muktar Widjaja
Margaretha Natalia Widjaja

<u>Group B</u>
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 and independent Directors:-

Foo Meng Kee (NC Chairman)
Rodolfo Castillo Balmater
Franky Oesman Widjaja

The NC's roles and responsibilities are described in its terms of reference.

The NC is primarily responsible for:-

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

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

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

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.

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

In its deliberation on the re-election / re-appointment of retiring Directors, the NC takes into consideration the Director's attendance, participation, contribution and performance during the year. Mr. Robin Ng Cheng Jiet and Mr. Foo Meng Kee retire from office by rotation at the forthcoming AGM ("2016 AGM") under Article 91 of the Constitution and, being eligible, have offered themselves for re-election. The NC has recommended their re-election at the forthcoming AGM.

Mr. Kunihiko Naito, who is over the age of 70, was re-appointed as a Director at the last AGM of the Company held on 24 April 2015 to hold office until the conclusion of the forthcoming 2016 AGM. Accordingly, Mr. Kunihiko Naito retires at the 2016 AGM and, being eligible, has offered himself for re-appointment. The NC has recommended the re-appointment of Mr. Naito at the 2016 AGM.

**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. 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.

**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.

When deliberating on the performance of a particular Director who is also a member of the NC, that member abstains from the discussions in order to avoid any conflict of interests.

The Board considers the current assessment of the Board and individual Director as being sufficient for the Company, rather than 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 to 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.

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 and independent Directors:-

Rodolfo Castillo Balmater (RC Chairman)
Foo Meng Kee
Kunihiko Naito

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 basic fee, AC chairman fee, AC member fee, RC chairman fee, RC member fee, NC chairman fee and NC member fee.

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

**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 2015 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$3,750,000 to S$4,000,000** | | | | |
| Muktar Widjaja | 18.6% | 81.4% | – | 100% |
| **S$1,750,000 to S$2,000,000** | | | | |
| Franky Oesman Widjaja | 3.9% | 96.1% | – | 100% |
| **S$1,500,000 to S$1,750,000** | | | | |
| Margaretha Natalia Widjaja | 21.4% | 78.6% | – | 100% |
| **S$500,000 to S$750,000** | | | | |
| Ferdinand Sadeli | 76.9% | 23.1% | – | 100% |
| **S$250,000 to S$500,000** | | | | |
| Robin Ng Cheng Jiet | 70.8% | 29.2% | – | 100% |
| **Non-Executive Independent Directors** | | | | |
| **Below S$250,000** | | | | |
| Foo Meng Kee | – | – | 100% | 100% |
| Kunihiko Naito | – | – | 100% | 100% |
| Rodolfo Castillo Balmater | – | – | 100% | 100% |

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, given that remuneration continues to be a sensitive subject. The Company believes that the current format of disclosure in bands of S$250,000 with a percentage breakdown, is sufficient indication, for the time being, of each Director's remuneration package.

### 9.2 Remuneration of Top 5 Key Management Personnel

The top 5 key management personnel who are not directors of the Company ("KMP") for the year ended 31 December 2015 and their remuneration falling in bands of S$250,000 are as follows:-

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

| KMPs' Remuneration Band | Number of KMP |
|---|---|
| S$1,750,000 to S$2,000,000 | 1 |
| S$750,000 to S$1,000,000 | 1 |
| S$500,000 to S$750,000 | 2 |
| S$250,000 to S$500,000 | 1 |

The total remuneration paid to the top 5 KMPs for the year ended 31 December 2015 amounted to S$4,638,634.

The Company believes that it is not in the Group's interest to disclose the remuneration of its KMPs to the full extent recommended, due to continuing sensitivity and confidentiality of executives' remuneration and, moreover, such disclosure may encourage peer comparisons and discontent, and may also hamper the Group's ability to retain its talent pool in a competitive environment.

### 9.3 Remuneration of Employees who are Immediate Family Members of a Director/CEO

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 2015, being two, Mr. Michael JP Widjaja and Ms. Marcellyna Junita Widjaja, the children of Mr. Muktar Widjaja, are as follows:

| Remuneration Band | Number |
|---|---|
| S$1,750,000 to S$2,000,000 | 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 2015.

In view of the confidential nature of employee remuneration and the sensitiveness of such information, the remuneration of relatives is disclosed in applicable bands of S$250,000.

## 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 the release of each announcement. 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 Chief Financial Officer ("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 role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of internal controls.

The Chief Internal Auditor ("CIA") reports to the AC chairman. On administrative matters, the CIA reports to the Executive Chairman. The CIA has met the standards set by nationally or internationally recognized professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The AC approves the hiring and removal of the CIA and ensures that the internal audit function is adequately staffed 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:-

Foo Meng Kee (AC Chairman)
Rodolfo Castillo Balmater
Kunihiko Naito

The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

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 (such review can be carried out internally or with the assistance of any competent third parties).

(c) Reviewing the 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.

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

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

**12.2 Auditor Independence**

The AC reviews 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 external auditors did not provide any non-audit services during the financial year ended 31 December 2015. The AC has recommended to the Board that the external auditors be re-appointed for the ensuing year subject to shareholders' approval at the forthcoming 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 ("Listing Manual") of the Singapore Exchange Securities Trading Limited.

**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 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 2015 to 31 December 2015.

**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 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, 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 activities (e.g. business development process, land acquisition process, project development design, planning, construction process and property management) and support activities (e.g. human capital process, finance process, IT process, tender and procurement process). The risks relevant to these key processes are managed by all respective risk owners following ERM framework, and re-assessed annually.

- Compliance risks: The Group manages compliance requirements by establishing close relationships with relevant regulators and associations to monitor the development of 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 tracing 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 post material impact on the achievement of corporate strategy are tabled in management forums to define necessary actions.

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

**11.3 Assurance from the CEO and CFO**

The Board has received written assurance from the CEO and the CFO that the financial records of the Group for the financial year ended 31 December 2015 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 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 ERM committee ("ERMC").

The Board is satisfied that there is appropriate and adequate review by the AC of the adequacy of the Company's internal financial controls, operational and compliance 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 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 as at 31 December 2015 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 recognizes 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 has a dedicated investor relations ("IR") team that supports the Management in promoting regular, effective and fair communication with shareholders and prospective investors by adopting a non-discriminatory approach in providing information necessary to make well-informed investment decisions and to ensure a level playing field.

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 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 analysts and media representatives to address questions and gather their feedbacks.

In addition, the Company has proactively engaged investors and the investment community through non-deal roadshows, investor conferences and tele-conferences to keep them apprised of its corporate development and financial performance. During 2015, the Management has met with over 150 potential and existing institutional investors and financial analysts at investor conferences and non-deal roadshows in Singapore, Malaysia, Hong Kong, Thailand and Taiwan.

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***. The Company endeavours to respond to queries within 3 business days.

More on IR can be found on pages 72 to 73 of this Annual Report.

## 15.2 Dividend Policy

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

The Board has recommended a first and final dividend of S$0.0019 per ordinary share for the financial year ended 31 December 2015, subject to shareholders' approval at the forthcoming AGM.

**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.

The Constitution of the Company allows a member of the Company to appoint one or two proxies to attend and vote instead of the member at general meetings, if he is unable to attend in person.

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.

Since the 2013 AGM, in support of greater transparency and to allow for a more efficient voting process, the Company has employed electronic poll voting for all resolutions put at the AGM. 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 AGM via SGXNET.

## DEALINGS IN SECURITIES

The Company has complied 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*

### Indonesia

- 51.38 % PT Bumi Serpong Damai Tbk#
- 45.50 % PT Duta Pertiwi Tbk#
- 59.26 % PT Sinar Mas Teladan
- 66.22 % PT Sinar Mas Wisesa
- 55.56 % PT Royal Oriental
- 44.46 % PT Puradelta Lestari Tbk#
- 84.37 % PT Paraga Artamida
- 98.12 % PT Karawang Bukit Golf
- 49.67 % PT Karawang Tatabina Industrial Estate

### China

- 100.00 % 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

### Singapore/ Malaysia / Batam

- 100.00 % AFP Land Limited
- 100.00 % Golden Bay Realty (Private) Limited
- 65.00 % PT AFP Dwilestari
- 100.00 % AFP Gardens (Tanjong Rhu) Pte Ltd
- 99.22 % Palm Resort Berhad
- 100.00 % Anak Bukit Resorts Sdn Bhd

### United Kingdom

- 100.00 % SML Brook England (HK) Limited
- 100.00 % SML Alpha S.a r.l
- 100.00 % SML Great Pte Limited

Simplified Corporate Structure as at 31 December 2015, with main subsidiaries, directly and indirectly held by Sinarmas Land Limited

* Listed on the SGX-ST
\# Listed on the Indonesia Stock Exchange

# Financial Review


The Group is the leading and most diversified property developer in Indonesia, engaged in all sub-sectors of the real estate business such as the development of townships, residential, commercial and industrial properties, investments in income-generating commercial properties, as well as ownership and management of hotels and resorts.

Notwithstanding the weakening of the Indonesian Rupiah by about 5% year-on-year, the Group's revenue grew 15.5% to S$956.7 million for the year ended 31 December 2015 ("FY2015") as compared to S$828.6 million for the year ended 31 December 2014 ("FY2014") while the Group's EBITDA increased 10.1% to S$497.6 million. However, net profit after tax ("PAT") was 23.0% lower at S$329.6 million due to absence of exceptional gain, largely arising from the disposal of New Brook Buildings in London in FY2014 and higher financing costs in FY2015.

On 29 May 2015, the Group successfully completed the IPO of DMAS on the Indonesia Stock Exchange. DMAS is engaged in the development of Kota Deltamas, a mixed development township located in Bekasi, West Java, Indonesia with 1,729 hectares of undeveloped land bank. The Group now owns 3 listed subsidiaries on the Indonesia Stock Exchange, namely BSDE, DUTI and DMAS with a combined market capitalisation of approximately S$6.0 billion as at the end of 2015.

The Group also holds long-term investments in commercial properties, hotels and resorts in Singapore, Malaysia and United Kingdom and is involved in mixed development projects in Chengdu and Shenyang in China.

Total assets of the Group grew to S$5.5 billion mainly due to the acquisition of the Alphabeta building in Central London and cash and cash equivalents of the Group stand at S$908.0 million on 31 December 2015, increasing S$33.2 million from S$874.8 million on 31 December 2014. This is mainly attributable to proceeds from issuance of bonds and borrowings and cash generated from operations being partially offset by cash used for investing activities.

The Group continues to adopt prudent financial management and maintains a strong balance sheet with low leverage despite moving into a net debt position of S$499.9 million as at 31 December 2015 – for the 1st time in the past 5 financial year-ends – as the Group gears up for new acquisitions in Indonesia and in UK. With a net debt to equity ratio of 15% and EBITDA to interest expense ratio of 7.0 times, the Group is in a poised position to elevate its debt headroom to take advantage of business expansion opportunities.

During FY2015, the Company repurchased back 293,456,700 shares for S$170.5 million and has held them as treasury shares. On 18 November 2015, the Company received S$150.7 million from the exercise of 1,507,359,759 warrants. These changes have resulted in the Company's number of issued shares (excluding treasury shares) to be adjusted to 4,255,862,496 as at 31 December 2015. FY2015 earnings per share were 4.58 Singapore cents and net book value per share was 41 Singapore cents as at 31 December 2015.

## INDONESIA PROPERTY DIVISION ("INDONESIA PROPERTY")

Revenue from Indonesia Property rose 17.7% from S$776.4 million to S$913.9 million in FY2015, mainly due to higher sales of commercial and industrial land in Kota Deltamas and more completed commercial shophouses and residential units in BSD City being handed over to buyers. BSDE owns and develops BSD City, one of the largest city and township developments in Indonesia, located 25km west of central Jakarta. DUTI 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. In FY2015, the township projects of BSD City and Kota Deltamas contributed 70.5% to the Group's total revenue.

In FY2015, revenue from sale of development properties (including projects outside BSD City and Kota Deltamas) comprised 90.8% (FY2014: 90.0%) of revenue from Indonesia Property. Rental income contributed about 8.3% (FY2014: 8.5%) and hospitality-related income contributed 0.9% (FY2014: 1.5%) to the revenue of Indonesian Property.

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. Sinar Mas Land - Jakarta Tower II and III continued to enjoy high average occupancy rates of 98% (FY2014: 99%) while the occupancy of Sinar Mas Land - Jakarta Tower I dipped to 93% (FY2014: 100%). Occupancy rates of Sinar Mas Land - Surabaya and Sinar Mas Land - Medan have also dipped to 83% (FY2014: 86%) and 82% (FY2014: 90%) respectively. However, rental income has increased year-on-year due to the USD appreciation, as rents are charged in USD for the Jakarta office towers.

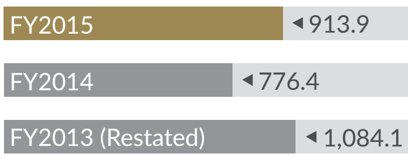
Gross profit for Indonesia Property increased 11.4% from S$571.7 million to S$637.0 million in line with the increase in revenue. However, gross profit margin has decreased from 73.6% to 69.7%, attributable to higher infrastructure costs incurred for industrial land in Kota Deltamas and higher cost margins for the newly completed residential projects in BSD City. EBITDA increased 11.8% from S$445.8 million to S$498.6 million but profit attributable to Owners of the Company ("PATMI") decreased 4.6% from S$170.8 million to S$162.9 million as a result of higher finance costs and taxes.

Finance costs for Indonesia Property increased 38.1% from S$45.7 million to S$63.1 million due to additional borrowings in FY2015. In April 2015, BSDE raised US$225 million in its maiden USD-denominated bond issuance. The 6.75% senior unsecured notes are due in April 2020 and have been assigned ratings of BB- and Ba3 by Fitch Rating and Moody's respectively with a stable outlook.

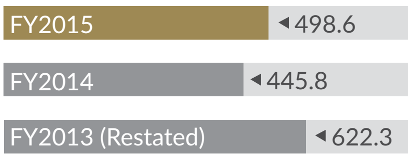
The Group is the leading and most diversified property developer in Indonesia, engaged in all sub-sectors of the real estate business

### INDONESIA PROPERTY

**Revenue (S$ Million)**




**EBITDA (S$ Million)**





Grand Wisata

## UNITED KINGDOM PROPERTY

**Revenue (S$ Million)**

| | |
|---|---|
| FY2015 | 15.7 |
| FY2014 | 12.4 |
| FY2013 | 6.5 |

**EBITDA (S$ Million)**

| | |
|---|---|
| FY2015 | 10.3 |
| FY2014 | 6.6 |
| FY2013 | 1.2 |

## CHINA PROPERTY

**Revenue (S$ Million)**

| | |
|---|---|
| FY2015 | 5.3 |
| FY2014 | 16.0 |
| FY2013 | 64.0 |

**EBITDA (S$ Million)**

| | |
|---|---|
| FY2015 | (4.2) |
| FY2014 | 2.5 |
| FY2013 | 13.9 |

## AFP LAND GROUP

**Revenue (S$ Million)**

| | |
|---|---|
| FY2015 | 21.8 |
| FY2014 | 23.8 |
| FY2013 | 24.1 |

**EBITDA (S$ Million)**

| | |
|---|---|
| FY2015 | 2.1 |
| FY2014 | 4.5 |
| FY2013 | 5.1 |

Warwick House

## UNITED KINGDOM PROPERTY DIVISION ("UK PROPERTY")

Revenue from UK Property improved 26.6% from S$12.4 million to S$15.7 million as the absence of rental income from New Brook Buildings ("NBB") divested in December 2014 was partially offset by additional rent contributed from the acquisition of the Alphabeta building ("AB") in October 2015. Having recently completed a brand new refurbishment, AB is an iconic freehold prime commercial building located in Shoreditch in Central London with a net leasable area of 247,670 square feet, which is more than twice the size of NBB. UK Property also benefitted from the full year contribution of Warwick House, a freehold commercial property on Great Pulteney Street ("GPS") in the Soho area of Central London with a net leasable area of 47,044 square feet, which was acquired in September 2014.

Gross profit improved 34.1% from S$9.1 million to S$12.2 million due to higher rental rates achieved by AB. AB and GPS are both 100% tenanted with weighted average lease expiries over 12 years and over 4 years respectively. Both buildings 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 improved by 56.1% from S$6.6 million to S$10.3 million, more than that of gross profit as this was reduced by depreciation charged. Due to absence of exceptional gain of S$71.0 million recorded last year on the NBB divestment, PATMI was down 95.9% from S$70.5 million to S$2.9 million.

## CHINA PROPERTY DIVISION ("CHINA PROPERTY")

China Property comprise of 2 mixed property developments in Chengdu and Shenyang. In FY2015, the final 2 remaining residential units of the Chengdu project were sold and as the Shenyang project moved into the tail-end, revenue dropped 66.9% from S$16.0 million to S$5.3 million due to lower sales of completed residential units in Shenyang. In FY2015, revenue was mainly recognized for the hand-over of 32 residential units (FY2014: 130), 5 retail units (FY2014: 9) and 7 SOHO apartment units (FY2014: Nil). As at 31 December 2015, approximately 95% of the completed residential units from the earlier phases 1 and 2 were sold. Construction of Phase 3, which comprises a 168-room hotel, 19 retail units and 84 SOHO apartment units, had been completed since October 2014, however only 16% of the retail units and 8% of the SOHO apartment units were sold as at 31 December 2015.

Gross profit of S$4.4 million last year was reversed to a gross loss of S$3.7 million due to provision for foreseeable losses of S$4.0 million for unsold car park lots in Chengdu as well as SOHO units and the hotel in Shenyang. EBITDA showed a loss of S$4.2 million as compared to a positive EBITDA of S$2.5 million last year. Excluding the one-time provision for foreseeable losses, EBITDA loss would have narrowed to S$0.2 million due to operating overheads over a lower revenue base.

## SINGAPORE & MALAYSIA PROPERTY DIVISION ("AFP LAND GROUP")

AFP Land Group owns 21% interest (comprising of office and retail strata units) in Orchard Towers, Singapore, and also owns land and operates the Palm Resort Golf & Country Club and Le Grandeur Hotel in Johor, Malaysia, as well as Palm Springs Golf & Country Club in Batam, Indonesia.

Revenue was 8.4% lower from S$23.8 million to S$21.8 million in FY2015, mainly attributable to lower hotel revenue from Le Grandeur Johor as occupancy rate declined from 59.4% to 57.4%. Furthermore, paying golf rounds were down 3.4% at Palm Resort Johor, coupled with lower average green fees per paying golf round. Revenue at Palm Springs Batam was almost flat, slipping 0.8% as compared to the previous year. Rental income at Orchard Towers was down 3.1% due to higher vacancies in the office units.

Gross profit declined 9.5% from S$12.6 million to S$11.4 million, in line with the lower revenue. Gross profit margin was down marginally from 52.9% to 52.3% due to lower average green fees per paying golf round at Palm Resort Johor and lower average room rate at Le Grandeur Johor. EBITDA fell 53.3% from S$4.5 million to S$2.1 million due to lower operating profit worsened by fixed costs from the golfing and hotel operations. Net loss attributable to Owners of the Company widened 184.3% from S$13.4 million to S$38.1 million, mainly due to poorer operating performance and higher unrealized foreign exchange losses from foreign-denominated loans taken up by Palm Resort, as a result of the steep depreciation of the Malaysian Ringgit in FY2015.

In FY2015, 80% and 20% of revenue for AFP Land Group were contributed from the golfing/hotel business and the leasing of office/retail units respectively. At the EBITDA level, golfing/hotel business accounted for approximately 45% while the leasing business accounted for 55% of AFP Land Group, reflecting the higher profitability achieved by the leasing operations as compared to the golfing and hotel operations.


Palm Springs Golf and Country Club


Indonesia Convention Exhibition (ICE)

Leveraging on its strong fundamentals and prudent financial management, the Group continue to focus on investment, development and operations of townships, residential, commercial, retail, industrial, hospitality and leisure properties in Indonesia as well as other key markets in Pan Asia and Europe

As the largest property developer in Indonesia based on market capitalisation, the Group remains resilient despite the challenging macroeconomic environment. Leveraging on its strong fundamentals and prudent financial management, the Group continue to focus on investment, development and operations of townships, residential, commercial, retail, industrial, hospitality and leisure properties in Indonesia as well as other key markets in Pan Asia and Europe.

## OUR PORTFOLIO IN INDONESIA

Amongst the Group's three listed subsidiaries on IDX, BSDE is the largest property developer in Indonesia based on market capitalisation and has one of the largest areas of land bank in Indonesia. The flagship township, BSD City, is among Indonesia's largest privately developed townships with location permits covering a total of 5,950 hectares. Listed since 1994, DUTI is a pioneer 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 unique themes and concepts. DMAS is developer of Kota Deltamas, a 3,049 hectares self-sustainable mixed-use integrated township servicing industrial, commercial and residential customers in Cikarang, Bekasi.

The Group continues to focus on development and delivery of our key city and townships projects as well as continuously exploring new land banks in prime locations and other cities in Indonesia to grow our portfolio and market share. Currently, the Group has more than 7,000 hectares of remaining land bank for development and our properties are located within the Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) area, Palembang, Medan, Semarang, Manado, Surabaya, Balikpapan, Samarinda and Makassar.

### TOWNSHIPS

The Group has four integrated city and townships in Indonesia, namely BSD City at Tangerang, Kota Wisata at Cibubur, Kota Deltamas at Cikarang and Grand Wisata at Bekasi.

**BSD City**

The formation of BSD City can be traced back to when BSDE was established in 1984 by a consortium of shareholders to develop an integrated township on 5,950 hectares of land strategically located at Tangerang, about 25 kilometers southwest of Jakarta. BSD City started its operations in 1989 and became one of the most successful and ambitious 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 was started in 1989 while Phase 2 started since 2008, currently in the stage of development and expected to be completed in year 2020. Phase 3 is estimated to commence in 2020 and will be completed by year 2035.

**Kota Wisata**

Kota Wisata is an exclusive housing project located in Cibubur with an area of approximately 480 hectares. It is conceptualised as an idyllic urban getaway with an ideal blend of metropolitan sophistication and sweeping landscapes. The location is easily accessible from the Cibubur toll road or from Bekasi. The Group has developed approximately 373 hectares of land with 107 hectares of undeveloped land remaining.

BSD City

Kota Deltamas Township


# Kota Deltamas

**Location**
Indonesia

**Type**
Townships

Owned and developed by DMAS, Kota Deltamas is a self-sustainable mixed-use industrial focus township development, servicing industrial, commercial, and residential customers with a total development rights area of 3,049 hectares. Located strategically in Cikarang Pusat district of Bekasi Regency, Kota Deltamas is along Jakarta - Cikampek toll road with direct access at KM 37, and near to major transportation and international logistics hub, approximately 50km from Tanjung Priok (Jakarta's main international

Malibu Cluster Clubhouse


Suzuki Plant


Residential Cluster

ports), and approximately 60km from Jakarta's Soekarno-Hatta International Airport. DMAS is a long-term partnership between the Sinarmas Land Group and Sojitz Corporation. DMAS was successfully listed on IDX on 29 May 2015 and the IPO proceeds will be used for development of infrastructure and investment property, land acquisition and working capital.

Demand for quality apartments around Kota Deltamas has been rising steadily as increasing expatriates commence working in Greenland International Industrial Center (GIIC) and the surrounding industrial estates. To address the quality housing needs, DMAS has undertaken the development of a 126-rooms Serviced Apartment. Sitting on 1.25 hectares of land, the Serviced Apartment will be constructed by PT Tokyu Construction Indonesia and planned to be operational in 2016. Upon completion, the Service Apartment will have a complete range of amenities ranging from swimming pool, restaurant, meeting rooms, massage room, jacuzzi, inner garden, convenient store and laundry store.

**Grand Wisata**
The iconic Grand Wisata, known for its unique yellow arch-shaped suspension bridge at KM 21 of the Jakarta - Cikampek toll road, is strategically located in Bekasi, Greater Jakarta, holds development rights of 1,081 hectares of land, has developed approximately 240 hectares of land and acquired approximately 830 hectares of land as at 31 December 2015. This project is scheduled to be developed over 15 years from its commencement in 2005 and has 10 phases, each being a district divided into clusters. The project has facilities such as direct toll road access, sports club, commercial areas and recreation centres. To enhance the attractiveness of Grand Wisata, the Group open Go! Wet Water Park on 9 February 2015. Built on a land area of 7.5 hectares, Go! Wet Water Park is the largest water theme park in Bekasi Indonesia, featuring 7 thrilling rides as well as the largest wave pool in Indonesia.

## RESIDENTIAL

**Casa de Parco**
In February 2015, Sinarmas Land launched Cassea Tower, the fourth and last tower of the popular Casa de Parco Apartments, strategically located in the commercial district of BSD City Phase 2. This project sits on a site area of 2.1 hectares equipped with complete facilities surrounded by natural green environment and a full suite of amenities such as business center, recreational facilities, entertainment, education and shopping centers just a stone throw away. A total of 255 units each with different specification, ranging from studio units to loft room and 1 Bedroom, were launched.

**REGENTOWN**
A total of 198 units in REGENTOWN, a single cluster semi-commercial concept residential project in BSD City, were launched on 28 March 2015. Having the flexibility of 2 different types of usage (residential and commercial), REGENTOWN is yet another innovative product by Sinarmas Land. Through this new residential project, home owners are able to enjoy dual benefits from the investment as their home can also be leased out as guest or boarding house. REGENTOWN is developed on a site area of 4.2 hectares located opposite Indonesia Exhibition Convention, with AEON Mall and The Breeze BSD City a short distance away.

**NAVA Park**
On 23 March 2015, the Group launched the premium residential condominium of NAVA Park, a joint venture between BSDE and Hongkong Land on 68 hectares of prime land in BSD City. Positioned as one of the most exclusive condominiums in BSD City, "Marigold" consists of six towers, each tower consists of 14 to 16 floors, and each floor consists of six

NAVA Park


The Breeze

units. Other than the comprehensive condominiums facilities, residents in NAVA Park will also have access to the country club, 15 kilometers jogging track, 10 hectares of open green space and 3.4 hectares of artificial lake.

**AKASA Pure Living**

Jointly developed by Widjaya Karya Group and Sinarmas Land, "AKASA Pure Living" is a high-rise apartment development intended to address the housing needs of today's modern society by catering to people who crave a dynamic lifestyle complete with modern facilities while living in harmony with the environment. Built on a site area of 2.8 hectares, "AKASA Pure Living" project consist of 6 high-rise residential apartment towers with choice of units ranging from Studio to 1 Bedroom and 2 Bedrooms.

**The Elements**

In July 2015, Sinarmas Land launched the premium high-rise luxury apartment named "The Elements". Strategically located in Epicentrum, CBD Kuningan, The Elements consist of 2 towers that stand on a land area of 6,509 square meters. The 372 apartment units is equipped with various facilities, such as outdoor playground area, 3 level basement car park, multi-function room, gym, spa, swimming pool, concierge, security, lobby lounge, and access to the Epicentrum mall.

**New Vivacia**

New Vivacia, the fifth and last sub-cluster of "The Eminent" residential cluster in BSD City, was launched in October 2015 with the focus on classic contemporary living. New Vivacia decor is inspired by natural elements, using natural colours for its walls and floors. New Vivacia has close proximity to a variety of business spaces, superior education institutions and daily amenities such as Foresta Business Loft, Nanyang Jakarta School, AEON Mall, ICE, The Breeze mall and Courts Megastore.

**Vanya Park**

BSD City launched a total of 3 sub-clusters of their Vanya Park residential cluster. Built on 30 hectares of land, Vanya Park is a green residential cluster developed with a cozy urban adventure concept supported by 7 Adventure Parks that offer residents a "see-feel-touch-hear-taste" experience. Vanya Park's residential sub-clusters, Azura House and Assana House, were launched in February 2015 and May 2015 respectively. Units in these 2 sub-clusters are relatively smaller in size to meet the needs of modern families. Vanya Lakeside, a commercial cum residential cluster located along a 8 hectare natural lake, was launched in November 2015 with great success.

## 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. These strata title superblock and commercial space known as ITCs, are initially held for sales but the Group continue to retain 137,118 square meters of net leasable area throughout Indonesia as investment properties.

**The Breeze**

The Breeze BSD City is located within the 25 hectares BSD Green Office Park and is lifestyle retail mall known as the destination for alfresco dining over a panoramic view of Cisadane River, dynamic nightlife, and leisure activities. Blessed with a beautiful lush environment and a generous garden-like walkway, The Breeze has attracted a diverse mix of retailers and restaurants, offering shoppers a conducive shopping experience. Making its maiden appearance in Indonesia, shoppers of The Breeze were given a gastronomic treat when the famous Hainanese Chicken Rice restaurant, Wee Nam Kee, officially opened its doors in November 2015.

**Q-Big BSD City**

The Group introduced a new retail project in the BSD City township named Q-Big BSD City. Carrying the concept of a retail complex, Q-Big BSD City stands on a site area of 17.5 hectares with a net leasable area of 69,000 square meters and a gross floor area of 93,000 square meters. Q-Big BSD City consists of five main buildings, which are all integrated with a giant canopy iconic designed to facilitate access for visitors. Targeting families residing in Serpong and South Jakarta, Q-Big BSD City has secured tenants such as Courts Megastore, Lulu Hypermarket, and Mitra 10 to create a one-stop shopping destination to meet their household needs for hypermarkets, electronic, furniture, home center, home building materials, sport, music, branded factory outlet, cafe, and restaurants. Development of Q-Big BSD City has commenced since January 2015 and is expected to beginning operations in 2016 with an estimated occupancy rate of 80%.

**AEON Mall BSD City**

On 30 May 2015, AEON Mall BSD City, the first Indonesia AEON Mall, officially opened to the public. Located in heart of BSD City's business centre, AEON Mall BSD City is a strategic collaboration between Japan AEON Group and Sinarmas Land Group. Designed as a one-stop retail and lifestyle shopping destination catering to the needs of the entire family, the four-storey retail mall has a net leasable area of 77,000 square metres, and feature a comprehensive array of 280 stores, including 47 Japanese stores, of which 25 of them made their first foray in Indonesia. Other than shopping, visitors will be treated to a gastronomic experience with 140 restaurants and a 1,100 seater food court offering a wide range of cuisine.

**Courts Megastore BSD City**

In October 2014, Courts opened its first Megastore in Kota Harapan Indah, Bekasi, which was developed by Sinarmas Land under the 'Build-to-Suit' concept. The two-storey Megastore spans 12,900 square meters of retail space within a 2-hectare land offers shopper with over 12,000 home and lifestyle products from 200 brands. The Group will soon complete its 2nd 'Build-to-Suit' Courts Megastore in BSD City. Built on a land area of 22,694 square meters, Courts Megastore BSD City has a retail space of 20,400 square meters and an additional 4,650 square meters for the support office and regional distribution centre, making it the largest megastore in Asia when fully completed in 2016.

**Pasar Modern Intermoda**

The Group launched a scalable modern wet market named "Pasar Modern Intermoda" in BSD City Phase 2 in November 2015. In total, there was a total of 539 kiosks and counters units and 42 units of shop-houses launched. Spread over a land area of 2.6 hectares, Pasar Modern is a well-connected transportation interchange station for visitors commuting via motorcycle, car, shuttle bus and the future commuter train line LRT Cisauk. In addition, Pasar Modern Intermoda has an open area that can be used for promotional activities such as shows, expo, exhibitions, fairs and bazaars.

Pasar Modern Launch Event

AEON Mall BSD City

BSD GOP 6

BSD GOP 9

**Grand City Balikpapan**
Palladium Business District ("PBD") is located in "Metal Zone" of Grand City Balikpapan, a 220 hectares residential area with the best modern facilities in eastern Borneo. Following the earlier successful launch of Forestville and Pineville residential clusters, PBD is a dedicated commercial area for business and office activities. PBD is developed on a land area of 4.3 hectares and consists of 11 blocks of shophouses, conveniently located just 300 meters away from Grand City Balikpapan's main gate.

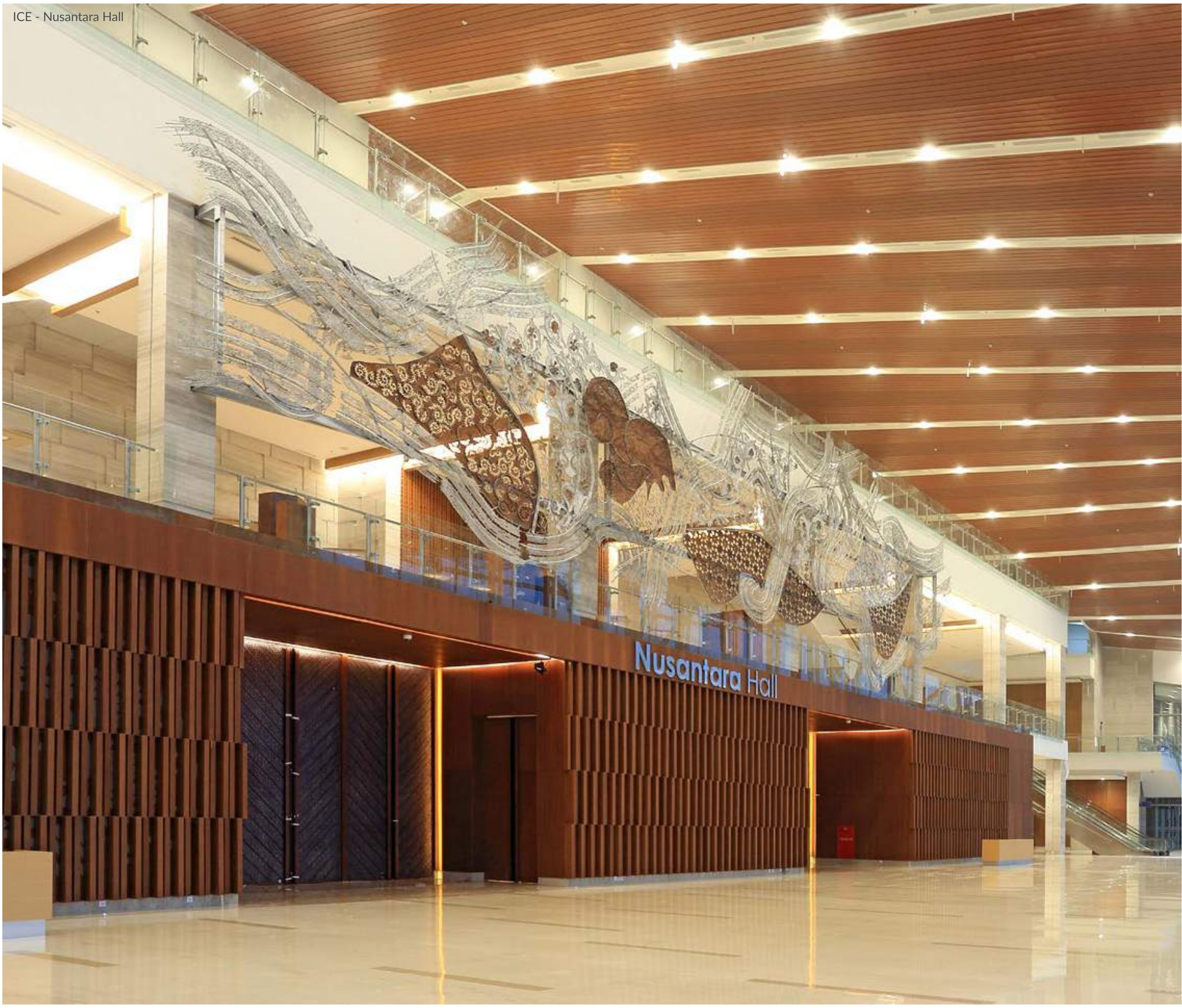
**Sinar Mas Land Plaza, Jakarta / Surabaya / Medan**
Sinar Mas Land Plaza – Jakarta is a prestigious three-tower office building with a net leasable area of 95,648 square meters strategically located within the Thamrin CBD in Jakarta. In 2015, Sinar Mas Land Plaza Jakarta continued to enjoy high average occupancy rate of 98% (2014: 99%) despite the increased supply of CBD office space.

Sinarmas Land developed and operates Sinar Mas Land Plaza - Surabaya, a 20 stories office tower with a net leasable area of 27,689 square meters, and Sinar Mas Land Plaza – Medan, a 10 stories office tower with a net leasable area of 18,573 square meters. Both office towers are leased out primarily to Indonesian and international financial institutions. In 2015, both Sinar Mas Land Plaza - Surabaya and Sinar Mas Land Plaza – Medan have an occupancy rate of 83% (2014: 86%) and 82% (2014: 90%) respectively.

**BSD GOP 6**
Sinarmas Land inaugurates the official opening of an office building Green Office Park 6 ("GOP 6") on 21 May 2015. Building on an area of 1.2 hectares, this is the fourth building in the BSD Green Office Park, the first green office park in Indonesia to receive Green Mark Gold Award from Singapore BCA (Building and Construction Authority). With a net leasable area of 18,389 square meters, GOP 6 has reached more than 90% occupancy rate having secured tenants such as Aeon Mall, International University Liaison Indonesia, John Robert Powers, Tokyu Land and Ferring Pharmaceutical.

**Mercantile Plaza**
The Group launched Mercantile Plaza on 31 May 2015 to meet the demand of quality office space in BSD City. Built on an area of 13,276 square meters, Mercantile Plaza is a mixed-used commercial development that consists of two premium office tower, equipped with modern facilities such as banking halls, ATM, coffee shop, bakery, food court, restaurants, sky garden and convenient store. As our commitment towards sustainable green development, Mercantile Plaza has obtained Gold certification by Green Building Council Indonesia (GBCI).

**BSD GOP 9**
On 10 December 2015, the Group organized a 'topping off' ceremony for the new BSD GOP 9 office building. As part of BSD Green Office Park, the first district in Indonesia-certified "Gold" Green district by BCA (Building construction Authority) Singapore, GOP 9 has obtained a Platinum certification by Green Building Council Indonesia (GBCI). GOP 9 is built on a land area of 8,400 square meters with a leasable area of 20,767 square meters and is expected to be fully completed and operational by 2016.




ICE - Nusantara Hall

# Indonesia Convention Exhibition (ICE)

**Location**
Indonesia

**Type**
Commercial

Completed in January 2015, ICE is a new emerging destination of MICE industry in Indonesia. Covering a total land area of approximately 220,000 square meters, ICE is the most spacious exhibition and convention center in Indonesia. It offers 50,000 square meters of indoor space with 10 exhibition halls of 5,000 square meters and additional 50,000 square meters outdoor exhibition space, a 4,000 square meters convention hall, 33 meeting rooms, a 12,000 square meters convenient pre-function lobby, and 5,000 car parking spaces.

To celebrate the grand opening of ICE, Sinarmas Land together with its joint venture partner, Kompas Gramedia Group, organised an event called "All Eyes to ICE" which was held from 31 July to 30 August 2015. During the one month long celebration, the committee arranged a comprehensive suite of events such as basketball

GAIKINDO Indonesia International Auto Show


President Jokowi gracing the opening of ICE

competition; ICE Run-5K; World of Gaming; Food Bazaar; Dog shows; Lego Exhibition; Nanta Cooking Show from South Korea theater group; and performances by Indonesia's top singers such as Raisa Afgan.

On 4 August 2015, the President of Indonesia, Joko Widodo (Jokowi), inaugurate the opening of ICE and the National Creative Gathering 2015. President Jokowi will see an exhibition of creative economy entitled "From Indonesia to the World," featuring various advantages of creative work Indonesia, including Application of Information and Communication Technology (ICT), Smart Home, Smart City, the Foundation Earthquake, Drone, Multifuel Engine, Robotic , Photography, Architectural Works, Handicraft, Handicrafts Precious Stones, Indonesia e-commerce, and others.

Since commencing operation in January 2015, ICE has hosted many events and music concerts by international artistes such as Michael Buble, Maroon 5, Katy Perry and South Korea's Big Bang. Of significance is GAIKINDO Indonesia International Auto Show (GIIAS), one of Southeast Asia largest auto shows. Spanning over 100,000 square meters of floor area, 34 automotive brands such as BMW, Audi, Mitsubishi and Suzuki unveiled new models and concept cars together with more than 320 exhibitors. Held from 20 to 30 August 2015, GIIAS 2015 has attracted more than 450,000 visitors, sold approximately 19,380 units and generated in excess of IDR5.7 trillion sales during the 11 days auto show.

In its maiden year, ICE won awards The 8th MICE Award 2015 category of the Best Exhibition Hall, 2015 presented by The Ministry of Tourism of Indonesia and Banten Municipal. This annual event is the only award of MICE (Meeting, Incentive, Convention and Exhibition) in Indonesia, and held in conjunction with the seminar MICE Outlook on 2 December 2015 to discuss on the conditions, opportunities, and challenges faced by the MICE industry in the years to come.


KIIC

**INDUSTRIAL**

The Group currently operates three industrial estates namely Karawang International Industrial Center (KIIC) in Karawang, West Java; Greenland International Industrial City (GIIC) in Kota Deltamas in Cikarang, Bekasi West Java and the BSD Techno Park in BSD City, Tangerang, Banten.

**KIIC**

KIIC is a green and modern industrial estate located in Karawang, West Java, with direct access at KM 47 along Jakarta - Cikampek toll road. It is a joint venture between Sinarmas Land Group and ITOCHU Corporation Japan. It encompasses an area of 1,400 hectares and contains a variety of national 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. Known for its excellent infrastructure, advanced communication systems, waste water treatment management and security system, KIIC was once again awarded the "Best Management and Services Industrial Estate" by the Ministry of Industry in 2015.

**GIIC**

GIIC encompasses an area approximately 1,437 hectares, located in Kota Deltamas. Managed by DMAS, the project is fully supported by the Sojitz Corporation Japan, in cooperation with Sinarmas Land. GIIC was designed to be an environmentally friendly industrial estate and prides itself on the many green industrial aspects of the development. GIIC has attracted various notable customers, including PT Suzuki Indomobil Motor, Mitsubishi Motors, General Motors and Maxxis Tyre, as well as other customers in the automobile manufacturing and food manufacturing industries. The 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.

**BSD Techno Park**

BSD Techno Park occupies 150 hectares at the southeast of BSD City. Comprising of industrial buildings catering to the light, non-polluting industrial and technology sectors, BSD Techno Park is an environmentally friendly industrial estate and has attracted numerous companies from the information technology sector due to the close proximity to PUSPITEK (Center of Science and Technology Development) and ITI (Indonesia Technology Institute).

## HOSPITALITY & LEISURE

**Grand Hyatt Jakarta / Le Grandeur Mangga Dua / Le Grandeur Balikpapan**
Situated in the heart of the CBD Jakarta, the Grand Hyatt Jakarta Hotel, a 428-rooms five-star luxury hotel that is owned by our associated company, PT Plaza Indonesia Realty Tbk, achieved an average occupancy rate of 60% (2014: 69%). In addition, the Group also owns and operates the Le Grandeur brand hotels in Indonesia that comprises the 346-rooms Le Grandeur Mangga Dua in Jakarta and 185-rooms Le Grandeur Balikpapan in Balikpapan. In 2015, Le Grandeur Mangga Dua and Le Grandeur Balikpapan enjoyed average occupancy rates of 54% (2014: 58%) and 43% (2014: 61%) respectively.

**Sedana Golf & Country Club**
The Group owns and operates Sedana Golf & Country Club, an 18-hole golf course located in Karawang, 47 km east of Jakarta along the Jakarta-Cikampek toll road.

## OUR PORTFOLIO IN UNITED KINGDOM

**Warwick House**
Warwick House is a freehold prime commercial office in SOHO London, a thriving cosmopolitan area and international renowned office location that has traditionally attracted the entertainment and media industries, as well as major office occupiers. Located along Great Pulteney Street, Warwick House has a net leasable area of 47,044 square feet and fully leased to a single tenant, Creston PLC.


Warwick House

Operations Review

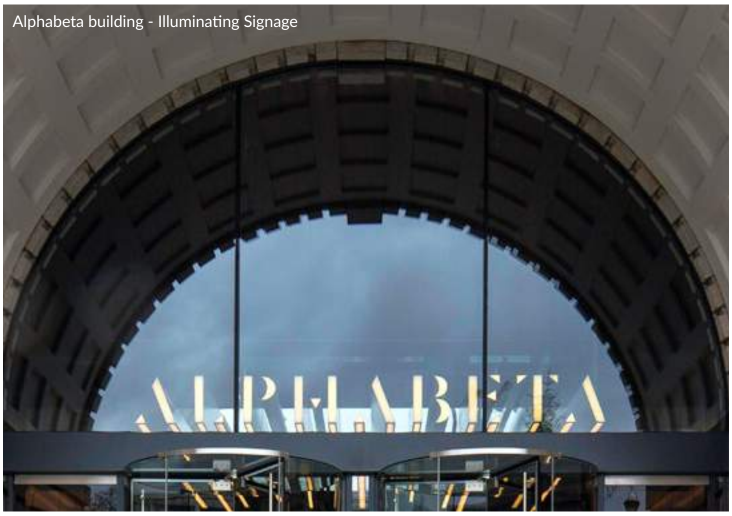

Alphabeta building - Entrance

# Alphabeta building

**Location**
United Kingdom

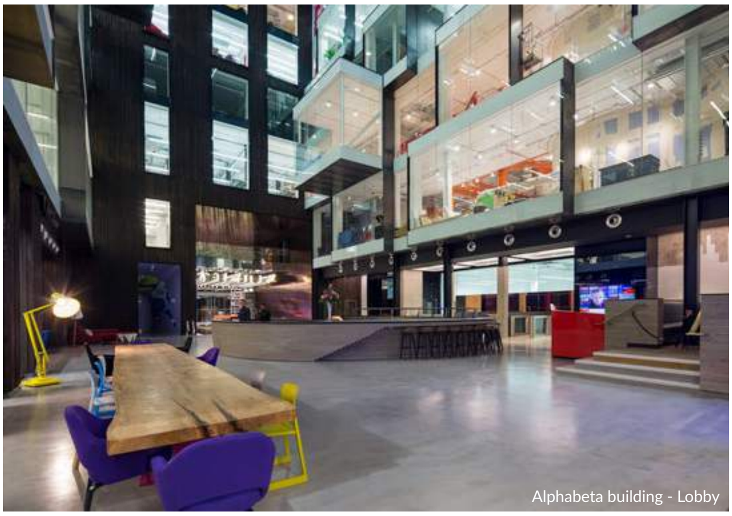
**Type**
Commercial

Outside Indonesia and complementing the existing portfolio of investment properties, we deepened our presence in London by acquiring our third commercial property, Alphabeta building in October 2015 for a total consideration of £259.6 million (S$544.2 million). Located at the heart of Shoreditch area that is fast becoming an internationally recognised centre for creative and commercial innovation in London and touted to become the next 'Silicon Valley' of London, the completely refurbished landmark building is the first 'cycle-in' office building in United



Alphabeta building - Illuminating Signage


Alphabeta building - Bicycle Ramp


Alphabeta building - Lobby

Kingdom. Alphabeta building, which has a dedicated entrance ramp that allow cyclists to ride directly into the building straight off the street, is fully leased out to tenants including SEI, Open Table and Barry's Bootcamp over a net leasable area of 247,670 square feet that comprised nine levels of high quality Grade A accommodation on lower ground to eighth floors, as well as 250-space bicycle storage area and an indoor basketball court at the basement level. The building has a weighted average lease expiry of 12 years, with market rent reviews during the lease terms.

Following the acquisition of Alphabeta building, the Group's portfolio of international investment properties has strengthened significantly with long-term leases to reputable tenants providing stable recurring rental income. As at 31 December 2015, the Group has transacted over S$1 billion in London over a relatively short period of 2.5 years since making its maiden London acquisition back in June 2013. The Group will continue to leverage on its track record in asset management and value enhancement to its UK portfolio and seek out growth opportunities in other European markets.

Li Shui Jin Yang

## OUR PORTFOLIO IN CHINA

**丽水金都 – Li Shui Jin Du**

Our Chengdu project, 丽水金都 "Li Shui Jin Du", is located in Xindu, a suburban town in Chengdu city, Sichuan province. This high-rise condominium project is sited on 4.8 hectares of land, consisting of nine blocks of 1,205 residential apartments with total built-up area of 138,278 square meters, one block of retail space with built-up area of 3,301 square meters; and 499 car park lots. As of 31 December 2015, 100% of the residential and retail components have been fully sold, with 59% of car park lots remaining in the inventory.

**丽水金阳 - Li Shui Jin Yang**

Our Shenyang project, 丽水金阳 "Li Shui Jin Yang", is located in Tie Xi district, a suburban town in Shenyang city in Liaoning province. This project is situated in the Shenyang Tie Xi Economic and Technological Development Zone. With a site area of approximately 9 hectares, this high–rise condominium project consists of 23 blocks of 2,450 residential apartments with total area of 201,165 square meters, 80 retail units with total area of 9,034 square meters and a 168-room hotel.

This project is developed in several phases. Phase 1 comprising a total 1,052 residential units and 37 retail units, was about 99% (2014: 98%) sold as of 31 December 2015. Phase 2 comprising a total of 1,398 residential units and 24 retail units, was about 93% (2014: 90%) sold as of 31 December 2015. Construction for Phase 3, which comprises the 168 –room hotel and 19 retail units and 84 SOHO (small office home office) units, was completed in October 2014 and pre-sales for Phase 3 commenced from 3rd quarter of 2014 onwards, sold 11% as of 31 December 2015.

## OUR PORTFOLIO IN SINGAPORE, MALAYSIA AND BATAM

### SINGAPORE

The Group is the single largest strata owner controlling 21% of the total strata area in Orchard Towers, a mixed-use commercial development along Orchard Road. Orchard Tower remained resilient throughout 2015 with both office and retail occupancy rates averaging above 90%. The apparent slowdown in the economy, coupled with attractive alternatives in the suburban markets, Singapore office market showed signs of weakness in terms of negative absorption rates and decreasing rentals. With this, management implemented key initiatives throughout 2015 to retain existing tenants and attract new ones looking for excellent value in a central location. These initiatives included aggressive marketing campaign and major improvement of existing facilities by installing new air conditioning units and water proofing.

### JOHOR BAHRU

The Group owns and operates the 54-hole Palm Resort Golf and Country Club and 330 deluxe rooms Le Grandeur Hotel in Johor, strategically located within Iskandar Malaysia Flagship Zone E and next to Johor Senai International Airport.

In 2015, Palm Resort's business faced a challenging year as Malaysia grappled with severe economic headwinds coupled with weaknesses in commodity prices and a depreciating currency. Nonetheless, Le Grandeur Johor achieved 57.4% occupancy rate (2014: 59.4%) despite total tourist arrival in Malaysia declining 15.7% in 2015. As the largest golf and country club in the state of Johor, Palm Resort continues to be the preferred destination as it hosted The Kids Golf World Championship for the third consecutive year. In 2015, a total of 92,852 rounds of golf (2014: 96,165) were played on our well-maintained championship golf courses.

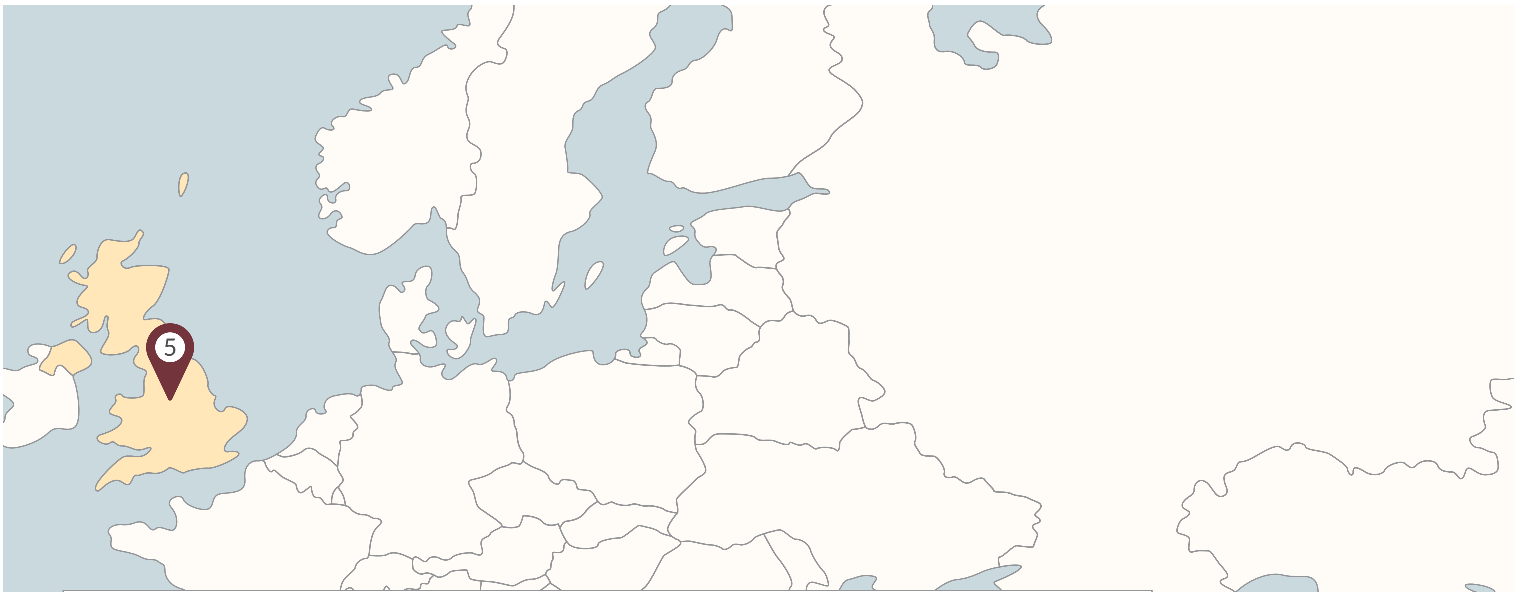
**BATAM**

On 13 December 2015, the Group unveiled the development plans for "Nuvasa Bay", Batam's first luxury integrated residential and mixed-use development, during "PALM SPRINGS OPEN II – 2015 FUN GOLF TOURNAMENT" held at Palm Springs Golf & Country Club. The 228 hectares re-branded Nuvasa Bay lies on the spectacular beachfront of Nongsa, Batam, the largest city in the Riau Islands Province of Indonesia. Surrounded by an international golf course along a 1.2km long beachfront, Nuvasa Bay combines the scenic natural beauty of Batam Island together with its strategic location and convenience to create the best upscale integrated residential community in Batam

Nuvasa Bay is the first development project undertaken by the Group which integrates exclusive residential area with comprehensive resort facilities surrounded by long curvy beaches and golf courses. It consists of high-end residential development that includes modern houses / townhouses, floating water bungalows, lavish villas, condominiums, a 1.2 hectare man-made lagoon within the residential enclave, senior living apartments, premium serviced apartments, commercial, retail outlets & entertainment area and a wide range of hotel and condotels to suit different segments and preferences. In addition, Nuvasa Bay will feature an extensive list of resort facilities suitable for all such as golf, beach bar and pool, a floating water theme park, hiking track, shooting range and forest survival science centre.
Strategically located in the Nongsa area, Nuvasa Bay is only a short 30 minutes' ferry ride from Singapore and 15 minutes' drive from Batam's Hang Nadim airport. With the Batam city government plan to build a new outer ring road and link bridge development, this will further improve the accessibility of Nuvasa Bay, reducing travel times to 15 minutes and 30 minutes to Batam City Center and Nagoya Hill respectively.

Palm Springs Golf & Country Club continue to be the preferred choice for golfers seeking excellent club facilities, warm hospitality and first class services in Batam. In 2015, a total of 36,968 rounds of golf (2014: 37,170) were played on the hallmark 27-hole golf course that integrates slopes and feature a breathtaking view of the beachfront.


Nuvasa Bay




## PORTFOLIO OVERVIEW

**4**
CITY & TOWNSHIP PROPERTIES

**12**
RESIDENTIAL PROPERTIES

**16**
COMMERCIAL PROPERTIES

**3**
INDUSTRIAL PROPERTIES

**20**
RETAIL & TRADE CENTRES

**1**
CONVENTION CENTRE

**13**
HOTELS, RESORT PARKS & GOLF COURSES

## BREAKDOWN BY LOCATION

### 1. Indonesia

**Sumatra**
- Medan ★
- Palembang ■

**Kalimantan**
- Balikpapan ■ ⬟
- Samarinda ●

**Java**
- Jakarta ▲ ★ – X ⬟
- Bekasi ▲
- Bogor ■
- Cibubur ▲
- Cikarang ▲
- Cipanas ■
- Depok –
- Karawang ■ ★ ● ⬟
- Puncak X
- Sawangan ■
- Semarang ● –
- Surabaya ■ ★ –
- Tangerang ▲

**Bali**
- Pecatu ⬟

**Sulawesi**
- Makasaar ■ ★ –
- Manado ⬟

**Riau Island**
- Batam ■ ⬟

### 2. Malaysia

**Johor**
- Senai ⬟

### 3. Singapore

- Orchard Road ★

### 4. China

- Shenyang ■ ★ – ⬟
- Chengdu ■ –

### 5. United Kingdom

- London ★

# NETWORK *of* OPERATIONS

# Property Portfolio

The Group's diversified property portfolio, comprising integrated townships, residential properties, commercial office buildings, convention hall, industrial estates, retail malls & trade centers, hotels, resorts & golf courses, are owned through our subsidiaries, associates and joint ventures. Our major properties are as follow:

Wisata Bukit Mas

Alphabeta

BSD City

Grand Wisata

Indonesia Convention Exhibition (ICE)

Palm Springs Golf & Country Club

# CITY & TOWNSHIP

## PROPERTY PORFOLIO

PROJECT SPOTLIGHT

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 |
| REMAINING SITE AREA (SQ.M) | 23,000,000 | 17,290,000 | 5,909,700 | 1,072,600 |
| EXPECTED COMPLETION DATE | 2035 | 2030 | 2020 | 2021 |
| APPROXIMATE PERCENTAGE HELD (%) | 51.4 | 44.5 | 24.4 | 45.5 |

# RESIDENTIAL

## PROPERTY PORFOLIO

PROJECT SPOTLIGHT

### Legenda Wisata

| PROJECT | Banjar Wijaya | Wisata Bukit Mas | Wisata Bukit Mas II | Taman Pertama Buana |
|---|---|---|---|---|
| DESCRIPTION | A residential development | A luxury European style development | A luxury European style development | A classic residential development in West Jakarta |
| COUNTRY | Indonesia | Indonesia | Indonesia | Indonesia |
| LOCATION | Jl. Cipondoh Raya, Tangerang, West Java | Jl. Menganti Lidah Wetan, Surabaya, East Java | Jl. Menganti Lidah Wetan, Surabaya, East Java | Jl. Kembangan, West Jakarta |
| REMAINING SITE AREA (SQM) | 183,174 | 104,351 | 13,405 | 17,448 |
| EXPECTED COMPLETION DATE | 2019 | 2023 | 2017 | 2020 |
| APPROXIMATE PERCENTAGE HELD (%) | 45.5 | 55.5 | 41.6 | 36.4 |

| PROJECT | Legenda Wisata | Bale Tirtawana | The Elements @ Rasuna | Grand City Balikpapan |
|---|---|---|---|---|
| DESCRIPTION | A luxury residential project in Cibubur | A residential enclave in Bogor | Premium high-rise luxury apartment in CBD Kuningan | A residential and commercial project in Balikpapan |
| COUNTRY | Indonesia | Indonesia | Indonesia | Indonesia |
| LOCATION | Cibubur, Greater Jakarta | Bogor, West Java | Jl. Epicentrum Utama Raya | Balikpapan, Kalimantan |
| REMAINING SITE AREA (SQ.M) | 24,347 | 3,264,757 | 6,509 | 2,050,000 |
| EXPECTED COMPLETION DATE | 2018 | 2030 | 2016 | 2029 |
| APPROXIMATE PERCENTAGE HELD (%) | 45.5 | 51.4 | 51.4 | 66.2 |

| PROJECT | NAVA Park | Nuvasa Bay | Li Shui Jin Yang |
|---|---|---|---|
| DESCRIPTION | Premium luxury residential development | Batam's first luxury residential development | A residential and commercial project in Shenyang |
| COUNTRY | Indonesia | Indonesia | China |
| LOCATION | BSD City | Nongsa, Batam | Tie Xi District, Shenyang City, Liaoning Province |
| REMAINING SITE AREA (SQM) | 501,267 | 2,280,000 | Fully developed |
| EXPECTED COMPLETION DATE | 2025 | 2030 | 2015 |
| APPROXIMATE PERCENTAGE HELD (%) | 26.2 | 65.0 | 100.0 |

# COMMERCIAL

## PROPERTY PORFOLIO

PROJECT SPOTLIGHT

### Indonesia Convention Exhibition


| | | | | |
|---|---|---|---|---|
| PROJECT | Sinar Mas Land Plaza - Jakarta | Sinar Mas Land Plaza - Jakarta | Sinar Mas Land Plaza - Jakarta | Sinar Mas Land Plaza - Medan |
| DESCRIPTION | (a) Tower I - a 12 storey office building, a basement level and a 7-storey carpark building | (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 |
| COUNTRY | Indonesia | Indonesia | Indonesia | Indonesia |
| LOCATION | Jl. M.H. Thamrin Kav. 51, Central Jakarta | Jl. M.H. Thamrin Kav. 51, Central Jakarta | Jl. M.H. Thamrin Kav. 51, Central Jakarta | Jl. Diponegoro, North Sumatra |
| APPROXIMATE NET LEASABLE AREA (SQM) | 11,002 | 70,469 | 14,177 | 27,689 |
| APPROXIMATE PERCENTAGE HELD (%) | 59.3 | 55.6 | 55.6 | 59.3 |




| PROJECT | Sinar Mas Land Plaza - Surabaya | Sinar Mas Land Plaza - BSD City | Wisma BCA BSD City | Green Office Park 6 |
|---|---|---|---|---|
| DESCRIPTION | A 20-storey office building, a basement level and 11-storey carpark building | A 4 storey building in BSD City | A 5 storey building | A 5 storey building in BSD City |
| COUNTRY | Indonesia | Indonesia | Indonesia | Indonesia |
| LOCATION | Jl. Permuda, Surabaya | Jl. BSD Green Office Park, BSD City | Jl. Kapten Soebianto Djojohadikusumo, BSD City | Jl. BSD Green Office Park, BSD City |
| APPROXIMATE NET LEASABLE AREA (SQM) | 18,573 | 21,000 | 6,579 | 18,389 |
| APPROXIMATE PERCENTAGE HELD (%) | 59.3 | 51.4 | 51.4 | 51.4 |




| PROJECT | Green Office Park 9 | The Plaza Office Tower | Kusumasentral Kencana | Indonesia Convention Exhibition |
|---|---|---|---|---|
| DESCRIPTION | A 5 storey building in BSD City | 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 |
| COUNTRY | Indonesia | Indonesia | Indonesia | Indonesia |
| LOCATION | Jl. BSD Green Office Park, BSD City | Jl. M.H. Thamrin Kav 28-30, Central Jakarta | Rasuna Said, Jakarta | Jl. BSD Grand Boulevard, BSD City |
| APPROXIMATE NET LEASABLE AREA (SQM) | 21,224 | 56,447 | 55,000 | 220,000 |
| APPROXIMATE PERCENTAGE HELD (%) | 51.4 | 18.4 | 46.4 | 25.2 |

# COMMERCIAL

## PROPERTY PORFOLIO

PROJECT SPOTLIGHT

### Alphabeta building

| PROJECT | Orchard Towers | Warwick House | Alphabeta building |
|---|---|---|---|
| DESCRIPTION | SML owns 21 percent of the total strata area in this 18-storey office cum retail building | A quality office building in SOHO London | A newly refurbished office building in Shoreditch Area, London |
| COUNTRY | Singapore | United Kingdom | United Kingdom |
| LOCATION | 400 Orchard Road | 8 to 13 Great Pulteney Street and 13 to 23 (odd) Lexington Street, London | 14-18 Finsbury Square, London |
| APPROXIMATE NET LEASABLE AREA (SQM) | 8,375 | 4,371 | 23,018 |
| APPROXIMATE PERCENTAGE HELD (%) | 100.0 | 100.0 | 100.0 |

# INDUSTRIAL

PROPERTY
PORFOLIO

PROJECT SPOTLIGHT

## Karawang International Industrial City (KIIC)


| |  |  |  |
|---|---|---|---|
| PROJECT | Karawang International Industrial City (KIIC) | Greenland International Industrial Center (GIIC) | BSD Techno Park |
| 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 |
| REMAINING SITE AREA (SQM) | 1,281,680 | 4,540,000 | 353,173 |
| EXPECTED COMPLETION DATE | 2019 | 2030 | 2020 |
| APPROXIMATE PERCENTAGE HELD (%) | 42.2 - 49.7 | 44.5 | 51.4 |

# RETAIL

## PROPERTY PORFOLIO

PROJECT SPOTLIGHT

### The Breeze Mall








| PROJECT | Epicentrum Walk Mall | DP Mall | The Breeze Mall | Mixed Use Properties |
|---|---|---|---|---|
| DESCRIPTION | Retail Mall in Central Jakarta | Retail Mall in Semarang | Multi-award retail mall at BSD City | Various ITC Brand Trade Centers |
| COUNTRY | Indonesia | Indonesia | Indonesia | Indonesia |
| LOCATION | Jl. H.R. Rasuna Said | Jl. Pemuda, Semarang, Central Java | Serpong, Tangerang, West Java | Throughout Indonesia |
| APPROXIMATE NET LEASABLE AREA (SQM) | 10,722 | 18,300 | 29,040 | 137,118 |
| APPROXIMATE PERCENTAGE HELD (%) | 51.4 | 45.5 | 51.4 | 45.5 |

| PROJECT | Courts Megastore Bekasi | Courts Megastore BSD City | Q-Big BSD City | AEON Mall BSD City |
|---|---|---|---|---|
| DESCRIPTION | Build-to-suit electronics megastore for Courts | Build-to-suit electronics megastore for Courts | A retail complex in BSD City | The first AEON Mall in Indonesia owned by our joint venture company, PT AMSL Indonesia |
| COUNTRY | Indonesia | Indonesia | Indonesia | Indonesia |
| LOCATION | Kota Harapan Indah, Jawa Barat | Serpong, Tangerang, West Java | Serpong, Tangerang, West Java | Jl. BSD Raya Utama |
| APPROXIMATE NET LEASABLE AREA (SQM) | 12,900 | 25,050 | 69,000 | 77,000 |
| APPROXIMATE PERCENTAGE HELD (%) | 51.4 | 51.4 | 51.4 | 17.0 |

| PROJECT | Plaza Indonesia Shopping Center | Mall Balikpapan Baru |
|---|---|---|
| DESCRIPTION | Indonesia luxurious and up-market retail mall | Retail family mall in Balikpapan |
| COUNTRY | Indonesia | Indonesia |
| LOCATION | Jl. M.H. Thamrin | Balikpapan, East Kalimantan |
| APPROXIMATE NET LEASABLE AREA (SQM) | 40,591 | 9,750 |
| APPROXIMATE PERCENTAGE HELD (%) | 18.4 | 66.2 |

# HOTEL, RESORT & GOLF COURSE

## PROPERTY PORFOLIO

PROJECT SPOTLIGHT

### Le Grandeur Mangga Dua Hotel

| PROJECT | Le Grandeur Mangga Dua Hotel | Le Grandeur Balikpapan Hotel | Grand Hyatt Jakarta | Le Grandeur Palm Resort Johor |
|---|---|---|---|---|
| DESCRIPTION | A 4-star hotel in the trading district of Jakarta | A 4-star hotel overlooking the Makassar Strait | 5-star hotel in CBD Thamrin | A 4-star hotel in one of the most complete resort destinations Malaysia |
| COUNTRY | Indonesia | Indonesia | Indonesia | Malaysia |
| LOCATION | Jl. Mangga Dua Raya | Jl. Jenderal Sudirman, Balikpapan, East Kalimantan | Jl. M.H. Thamrin, Central Jakarta | Senai, Johor Bahru, Malaysia |
| ROOMS | 346 | 185 | 428 | 330 |
| APPROXIMATE PERCENTAGE HELD (%) | 45.5 | 45.5 | 18.4 | 99.2 |

| PROJECT | Keraton At The Plaza | Sedana Golf | Palm Springs Golf & Country Club | Palm Resort Golf & Country Club | PROJECT |
|---|---|---|---|---|---|
| DESCRIPTION | A luxury collection hotel in CBD Thamrin owned by our associated company, PT Plaza Indonesia Realty Tbk | A 18-hole golf course | A 27-hole golf course and beach resort | A 54-hole golf course | DESCRIPTION |
| COUNTRY | Indonesia | Indonesia | Indonesia | Malaysia | COUNTRY |
| LOCATION | Jl. M.H. Thamrin, Central Jakarta | Karawang, East Jakarta | Nongsa, Batam | Senai, Johor Bahru, Malaysia | LOCATION |
| ROOMS | 140 | 750,000 | 2,280,000 | 3,122,720 | SITE AREA (SQM) |
| APPROXIMATE PERCENTAGE HELD (%) | 18.4 | 98.1 | 65.0 | 99.2 | APPROXIMATE PERCENTAGE HELD (%) |

| PROJECT | Ocean Park, BSD City | Go! Wet Water Park | Pecatu |
|---|---|---|---|
| DESCRIPTION | A recreational water theme park | A recreational water theme park | A prime development site for hotel and resort |
| COUNTRY | Indonesia | Indonesia | Indonesia |
| LOCATION | Serpong, Tangerang, West Java | Bekasi Regency, West Java | Pecatu Bali |
| SITE AREA (SQM) | 85,000 | 75,000 | 803,540 |
| APPROXIMATE PERCENTAGE HELD (%) | 51.4 | 24.4 | 84.4 |

# Investor Relations

The Group has a dedicated investor relations team that supports the management in promoting consistent, effective and fair communication with shareholders and prospective investors on a regular basis and attends timely to their enquiries and feedbacks

Sinarmas Land is committed to adopt a non-discriminatory approach in providing our shareholders and the investment community with transparent and accurate information necessary to make well-informed investment decisions and to ensure a level playing field.

To signify the responsibility and commitment of Sinarmas Land towards stakeholders' communication, the Group has a dedicated investor relations ("IR") team that supports the management in promoting consistent, effective and fair communication with shareholders and prospective investors on a regular basis and attends timely to their enquiries and feedbacks. In addition, the IR team undertakes the responsibility to actively promotes interest and raises awareness of the Group through various communication channels and events which include investor conferences, one-on-one and group meetings, local and overseas non-deal roadshows (NDRs), quarterly analyst and media briefings as well as site visits to our key projects in Indonesia.

## PROACTIVE ENGAGEMENT

During 2015, the IR and management team made presentations and met with over 150 potential and existing institutional investors and financial analysts at investor conferences and NDRs held in Singapore, Malaysia, Hong Kong, Thailand and Taiwan. These regular engagements allow the investment community to raise questions on the Group's business performance and promote better understanding of the Group's strategic directions and keeping them abreast of the latest developments as well as the market outlook while receiving feedbacks from investors.

Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) serve as important platforms for shareholders to interact with the Board of Directors and senior management. During the meeting, participants are provided with opportunities to raise questions to clarify any ongoing concerns on the agenda items.

The Group welcomes enquires and feedback from shareholders and the investment community. Enquiries can be addressed to the IR team at investor@sinarmasland.com.sg

## CONSISTENT DISCLOSURES

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

## COMMITMENT TOWARDS GOOD CORPORATE GOVERNANCE

As a listed company, Sinarmas Land remains committed towards upholding high standards of corporate governance. During the 6th Singapore Corporate Governance Week organized by Securities Investors Association Singapore (SIAS), the Group demonstrate to all investors and shareholders its commitment by pledging a statement of support towards excellence in corporate governance.

Jointly launched by The Business Times and NUS Business School's Centre for Governance, Institutions and Organisations (CGIO) and supported by CPA Australia, Governance and Transparency Index (GTI) is an annual ranking exercise conducted to assess the financial transparency of companies based on their annual announcements and matters relating to corporate governance. In GTI 2015, Sinarmas Land ranked 98th among 639 Singapore-listed companies, a significant improvement from the previous year ranking of 169th.

Board of Directors - April 2015 Annual General Meeting

## 2015 INVESTORS RELATIONS ACTIVITIES

### 1Q 2015

- FY 2014 results announcement
- RHB OSK DMG Asean & Hong Kong Corporate Day – Singapore & Kuala Lumpur
- CLSA ASEAN Conference – Bangkok
- UOB Kay Hian ASEAN Conference 2015 – Taipei
- Analysts and Investors Site Visits to Indonesia

### 2Q 2015

- 1Q 2015 results announcement
- Annual General Meeting
- Singapore Non-Deal Roadshows
- Barclays Select Series: SGX Corporate Day – Singapore
- Barclays Select Series: Asia Financial and Property Conference – Hong Kong

### 3Q 2015

- 2Q 2015 results announcement
- Singapore Non-Deal Roadshows
- CLSA Investors Forum – Hong Kong

### 4Q 2015

- 3Q 2015 results announcement
- Singapore Non-Deal Roadshows

## 2016 INVESTORS RELATIONS ACTIVITIES

| | |
|---|---|
| **FY 2015 Results Announcement** | February 2016 |
| **Annual General Meeting** | April 2016 |
| **1Q 2016 Results Announcement** | May 2016 |
| **2Q & 1H 2016 Results Announcement** | August 2016 |
| **3Q & 9M 2016 Results Announcement** | November 2016 |
| **FY 2016 Results Announcement** | February 2017 |

# Corporate Social Responsibility

As a leader in the property industry, sustainability has always been an integral part of our strategic business and we recognize our vital role in the well-being of our employees and communities where we operate. We believe that the management and the development of property project is one of the most effective ways to create jobs and alleviate poverty in Indonesia

BSD Green Office Park



As a leader in the property industry, sustainability has always been an integral part of our strategic business and we recognize our vital role in the well-being of our employees and communities where we operate. We believe that the management and the development of property project is one of the most effective ways to create jobs and alleviate poverty in Indonesia. Hence, it has the potential to empower and improve the livelihood of the community, particularly the future generation.

For Sinarmas Land, community acceptance and support is the key foundation for our sustainable growth. We have learned that developing good relations with the community is significant both to our business and our aspirations of contributing to Indonesia's economic and social development.

In 2015, Sinarmas Land was conferred the CSR Leadership Award (Bronze) in the 7th Annual Global CSR Summit & Awards 2015 for demonstrating


Tree Planting

leadership, sincerity and ongoing commitments in incorporating ethical values, compliance with legal requirements, and respect for individuals, communities and the environment in the way businesses are operated. Sinarmas Land was also awarded Best CSR Program in Social Sector (Company Category) by the City Municipal of South Tangerang, Indonesia.

In essence, our Corporate Social Responsibility initiatives come in 4 main thrusts: Green Developments, Environmental Conservation, Enabling Communities and, Safe and Healthy Workplace Environment.

## GREEN DEVELOPMENTS

Sinarmas Land is a founding corporate member of the non-profit organization Green Building Council Indonesia since its establishment in 2009. Our key role in the council is to ensure that our property development activities are sustainable and environment friendly.

**BSD Green Office Park**

As a manifestation of Sinarmas Land's commitment to realize its Corporate Social Responsibility mission in implementing developments with an environmental cause, BSD Green Office Park, Indonesia's first green office park, was developed in BSD City with an area of 25 hectares.

Designed to reduce the number of population in Tangerang who commute to Jakarta to earn their living by providing a place to work right within BSD City, BSD Green Office Park will feature 11 five-storey buildings and a park-like ambience for its tenants. To complement the surrounding BSD Green Office Park, schools and residences, The Breeze, a lifestyle retail mall offers a comprehensive array of stores, generous garden-like walkway and alfresco dining options where visitors can enjoy the panoramic views of Cisadane River.

BSD Green Office Park has complied with international green standards for incorporating advanced green architectures to conserve energy, water and natural resources. All its buildings maximize sunlight penetration while reducing solar heat, thus boosting energy efficiencies, and optimizing air circulation. For its eco-friendly practices, BSD Green Office Park has been awarded with Green Mark Gold Award from the Building and Construction Authority (BCA) Singapore.

In 2015, Sinarmas Land, for the third time, won the ASEAN Energy Awards 2015 for the Green Building category—a clear recognition of the company's green initiatives not only in Indonesia but also in the ASEAN region. Previously, BSD Green Office Park was awarded Gold Winner in World FIABCI Prix d'Excellence Award 2013 in Taiwan under the Category Sustainable Development. In 2012, our BSD Green Office Park also received the International Property Awards Asia Pacific 2012 for Office Development.

Green Festival

**Indonesia Convention Exhibition ("ICE")**
ICE is the largest convention and exhibition centre in Indonesia and has become a benchmark for environmental sustainability and energy efficiency in Indonesia. ICE has incorporated green and energy-efficient features such as infiltration wells to hold ground water, landscaping with many tall trees together with insulated roofs and laminated glass to reduce solar heat as well as usage of low-energy LED lightings.

In 2015, ICE was conferred the Energy Saving Building in National Energy Efficiency Award 2015 by Directorate General of Renewable Energy and Energy Conservation (EBTKE) - The Ministry of Energy and Mineral Resources.

**Orchard Towers**
Orchard Towers ("OT"), the Group's investment property in Singapore, was awarded the BCA Green Mark Award (Certified). OT is a freehold mixed-use development comprising 2 towers of strata-titled office, retail and residential units, located on the corner of Orchard Road and Claymore Road within the prime shopping district of Singapore. The property was developed and completed in 1975. Being the single largest owner of the property, the Group currently owns 21% of its strata-titled units comprising mostly office units. The award marks our commitment to maintain sustainable buildings through working closely with the Management Corporation Strata Title and other strata owners to achieve this.

**Alphabeta building**
Being the latest addition to the Group's investment property portfolio, Alphabeta building ("AB") is a brand new refurbished building and the first 'cycle-in' office in the UK. With a secure, 250-space cycle store at the lower ground floor level, the building encourages cycling to work – the most sustainable form of transport in London. AB has its own dedicated entrance ramp as well as associated shower facilities with male and female changing rooms. In terms of sustainability, AB is fully loaded with a comprehensive set of energy saving features and is targeting a 'Very Good' BREEAM low-energy rating.

## ENVIRONMENTAL CONSERVATION

Green environment has always been our inspiration and commitment. We are conscious that building and sustaining green lifestyle within our projects, is part of our dream building for a better future for our children. This dream has motivated us in contributing and supporting environmental conservation activities.

**Green Festival**
Since 2004, Sinarmas Land has held BSD City Green Festival annually in June to campaign for the importance of protecting and conserving the environment among the local

community. The BSD City Green Festival is often held together with the Environment Campaign organized by Banten Province Government, Tangerang Regency Government and South Tangerang City Government.

On 13 June 2015, Sinarmas Land held the 12th annual Festival Hijau or Green Festival with the theme “Towards an Environmental Friendly Culture”. Understanding that creating an environmental-friendly culture would require a sustained collective effort, numerous workshops and activities were organized during the 2 day festival to educate participants so that green lifestyle become a normal way of life.

In addition, Sinarmas Land donated 1,000 trees to Tangerang Regency and Tangerang Selatan City community.

**Green Activities**
Over the course of the year, Sinarmas Land has planted and delivered more than 1,200 trees to various district government bodies across the Banten Province.

Aside from delivering and planting trees, the Green Activities also aims to promote and educate society to adopt a green and healthy lifestyle. This was done through various activities such as environmental painting competitions, blood donations together with BSD Society, communal exercise and an exhibition on recycling and performing arts.

## ENABLING COMMUNITIES

Our strategy is to mobilize stakeholders such as local communities, government institutions, and to deploy our financial resources. The leadership of BSD City is implemented through active participation and the implementation of integrated community programs in education, economy, health and infrastructure with aim to help community development in a healthy and harmonious environment.

**BSD CITY SMART HOUSE (Rumah Pintar)**
Development started in 2013 and was inaugurated by then First Lady Ani Yudhoyono in May 2014, Rumah Pintar was built as a non-formal education centre targeted at increasing interest in reading, art and culture and fosters creativity. It has now become a part of home education as well as a community empowerment centre.

Each Rumah Pintar is designed as a community learning centre focusing on early childhood education, education of women in empowerment activities, nurturing of family health, leadership training for young people and cultural exchanges. It comes with a library, a playroom and arts and culture corner, and is equipped with computers and multimedia stations.

**Nurturing the Future**
Children are our future. Sinarmas Land recognized the importance of education and supports children in achieving their aspirations.

To allow students to have a better conducive environment to study and learn, Sinarmas Land together with Tangerang Regent undertook a School Renovation Program to renovate more than 10 elementary schools in Kota Tangerang Selatan and Kabupaten Tangerang.

On 29 May 2015, Sinarmas Land organized an Education Festival in The Breeze BSD City filled with fun activities such as colouring and dancing competition, as well as educational workshop for both students and teachers. During the Education Festival, Sinarmas Land also handed out a total of 279 education scholarship amounting to IDR399.6 million (S$41,159) to deserving students in Tangerang region and Tangerang Selatan City.

To commemorate Indonesia 70th year of Independence and ICE Grand

Education Festival

opening, Sinarmas Land invited more than 5,000 students from over 40 schools in Tangerang region and Tangerang Selatan City to ICE to visit the exhibition on Indonesia's creative works in smart home, smart city, foundation for earthquake resistant, drones, animation, robotics, photographs, architectural works, handicraft, craft precious stones, craft footwear and textiles, fashion industry (bags, clothing, batik) and Indonesia e-commerce development.

Our Palm Resort Malaysia's management team visited the children of De Shan Orphanage in Taman Pelangi, Johor Bahru before Chinese New Year to give away much-needed provisions. Chinese New Year is an important occasion for a get-together with loved ones and these orphans should not be left out during this festive period. The team from Palm Resort not only gave cheer and love to the children but also presented them with milk, rice, biscuits, rice, noodles and other foodstuffs.

**Supporting Social Activities**
On 14 February 2015, Sinarmas Land donated rice packs, mineral waters, biscuits, instant noodles and other daily necessities to affected flood victims.

In March 2015, Sinarmas Land organized a cooking oil festival where more than 5,000 litres of cooking oil were distributed and sold at a low price to the public in Serpong, South Tangerang City.

To support government program to alleviate poverty, Sinarmas Land issues more than 250 boxes of cooking oil in a social charity event in Tangerang on 28 September 2015. Other than cooking oil, many activities such as free medical treatment, blood donation, and distribution of basic necessity food, wheelchair and spectacles were issued to local communities.


Run4Fund

In 2015, Sinarmas Land donated a total of IDR536 million (S$55,208) to various community support and mosques in Tangerang.

On 7 November 2015, more than 600 runners participated in the 8-km Run4Fund charity run and raised a total of RM 20,000 (S$6,666) for the Palliative Care Association of Johor Baru (PCA JB). Jointly organised by the Group's Malaysian subsidiary, Palm Resort Berhad and TJ Mart Kulai, the charity run on a route within Palm Resort Golf & Country Club's Melati course aimed to give non-golfer participants the opportunity to have first-hand experience of a golf course while running in a safe environment, free from road perils.

## SAFE AND HEALTHY WORKING ENVIRONMENT

Fostering a safe and healthy working environment has always been an important focal point for Sinarmas Land. The Group believes that creating a conducive working environment through close collaboration with our employees and stakeholders would assist us in achieving our goals.

Sinarmas Land has in place a comprehensive set of policies for employees training and education on health and safety matters in workplace areas. In addition, the Group strives to fulfil the rights and obligations of employees in accordance with the applicable laws and regulations.

To promote individual well-being and improvement toward work life balance, the Group has developed facilities such as library, prayer rooms and sports recreation area, as well as organizing social group events, sports and other outdoor activities.

# Human Capital


Synergy Day 2016

At Sinarmas Land, we believe that people strategy is business strategy and regards human resources are our most important asset towards organizational success. Committed to the development of our people, Sinarmas Land has focused its people strategy around harnessing each employee's potential by providing a work environment that is conducive to improving and enhancing their skills, personal development, morale and retention.

### TALENT MANAGEMENT

Talent identification has become increasingly challenging and competitive in a shrinking labor market. Many organizations have undertaken tedious high-potential talent identification process to seek out those with aspiration and capabilities to meet their current and future business needs. Likewise in Sinarmas Land, we have placed similar emphasis on talents identification, maximize each of their potential, coach and monitor their performance, and fulfill their aspirations alongside with the Company's needs. Sinarmas Land started its Talent Forum this year and calibrated the strength of its talent pool. Customized programs as well as job assignments and/or rotations are mapped out for each employee at managerial levels and above in pursuance of ensuring that their strengths are multiplied and their improvement areas covered. Succession planning has become more imperative for the competitiveness and growth of Sinarmas Land.

### ENHANCEMENT OF EMPLOYEE MANAGEMENT SYSTEMS THROUGH SAP HCM

Sinarmas Land continues its architecture of integrated Human Capital Management (HCM) with the objectives of facilitating faster and more accurate decision making, measuring progress and productivity for the entire organization. In 2015, Sinarmas Land has completed 90% of its total HCM modules including enhancements on first year modules. Time management, personnel administration, approvals, performance management, talent and development database and many other modules are at now at our fingertips. Nationwide network of SAP implementation has been widened to ensure full integration. The system also allows for the submission, tracking and approval of manpower requests to be performed online. More importantly, Performance Management System using SAP is now available to ensure that employee performance is monitored, reviewed and evaluated at a timely manner. The implementation of this integrated SAP HCM greatly improves productivity and significantly reduces circulation time, paper usage as well as potential document loss.

### RETENTION OF TALENT

This year, Sinarmas Land has launched a Car Ownership Program (COP) and Home Ownership Program (HOP) in order to increase the Company's hiring competitiveness while retaining its employees. At Sinarmas Land, we believe that retaining a positive and well-motivated workforce is critical to the organization's success. Our talent retention program makes sure the key personnel who stay in the company maintain their high-performance and productivity. With our Performance Talent Management Database in SAP in place, the Company can now easily review, update personal data, tracks the development as well as the movement of key talents. Developing people is a form of retention where its investment is expected to return with more skills, knowledge and good judgement to support Company's aspirations.

### COMPANY VISION

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

| Mandatory | Technical | Non-Technical |
|---|---|---|
| Executive Development Program | Construction Management | Leadership |
| Advance Development Program | Urban Technical Planning | Managerial |
| Managers Development Program | Property Management | Personal |
| Supervisory Development Program | Financial, HC, Sales, Others | Others |

| Integrity | Positive Attitude | Commitment | Cont. Improvement | Innovation | Loyalty |
|---|---|---|---|---|---|

### SINAR MAS SHARED VALUES

Leadership Excellence — Organizational Effectiveness

## LEADERSHIP CAPABILITY BUILDING

The Company is committed to continuously build the next generation of leaders. In order to achieve this, a structured training and development program from the lower level up to senior management level has been developed. SML Leadership journey starts from Supervisor (SDP), Managers (MDP), Senior Managers (Advance) Program, up to the Executive level. Other programs, including technical and non-technical Knowledge Sharing sessions have also been organized for the employees.

Sinarmas Land sends its selected talents to prestigious Leadership Programs in 2015 as commitment of people focus. The program consists of sending its C-suite overseas to a benchmarking company.

Continuing Shared Values Campaign as part of of a three year program, the internalization of values has increased understanding and awareness seen from the increased scores. Employees participated in surveys, Best Employees and Top Leaders Awards based on the values. The culminating event will be held during SML Synergy Day where the winners will be announced and presented with their awards. We believe that the Integrity, Positive Attitude, Commitment, Continuous Improvement, Innovative, and Loyalty must be shown in our day-to–day behaviours.

## REVIEW ON ORGANIZATION AND KEY PERFORMANCE INDICATORS (KPIs)

The ultimate objective of the Company is to grow market share and continue to be the market leader. Sinarmas Land constantly reviews its structure in order to achieve these objectives. Business models, processes, role mandates, job descriptions and KPIs have been modified and adapted based on the new structure to give room for acceleration and expansion. The impact of this change is expected to give empowerment to the Strategic Business Units in strategizing, making decisions, and as a result accelerating the achievement of objectives. Needless to say, a Company needs to keep evolving in order to anticipate and address constant market changes.

Lastly, the whole People Strategy must be supported and carried by all employees from top to bottom as we believe that the success of the business strategy is largely dependent on the relevance and effectiveness of its people strategy.

Kota Bunga

Green Office Park 6

Alphabeta building - Façade

# Financial Contents

# Directors' Statement

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 2015 and the statement of financial position of the Company as at 31 December 2015.

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 89 to 161 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 2015, 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
Foo Meng Kee
Kunihiko Naito
Rodolfo Castillo Balmater

**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.

**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 |
| **Related Corporations** | | | | |
| PT Bumi Serpong Damai Tbk | | Shares of IDR100 each | | |
| Franky Oesman Widjaja | - | - | 70,333,840* | 70,333,840* |
| Muktar Widjaja | - | - | 70,333,840* | 70,333,840* |
| 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* | 10* |
| Muktar Widjaja | - | - | 10* | 10* |

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

| | Shareholdings registered in the name of directors or their spouse | | Shareholdings in which directors are deemed to have an interest | |
|---|---|---|---|---|
| Name of directors in which interests are held | At the beginning of the year or date of appointment if later | At the end of the year | At the beginning of the year or date of appointment if later | At the end of the year |
| **Related Corporations** | | | | |
| PT Inti Tekno Sukses Bersama | | Shares of IDR1,000,000 each | | |
| Franky Oesman Widjaja | - | - | 1* | 1* |
| Muktar Widjaja | - | - | 1* | 1* |
| PT Mustika Candraguna | | Shares of IDR1,000,000 each | | |
| Franky Oesman Widjaja | - | - | 2,328* | 2,328* |
| Muktar Widjaja | - | - | 2,328* | 2,328* |

* 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 2016.

**4 Warrants and Share Options of the Company**

On 19 November 2010, the Company issued 1,520,978,744 warrants pursuant to a bonus issue on the basis of one warrant for every two existing ordinary shares held in the capital of the Company. Each warrant carries the right to subscribe for one new ordinary share ("New Share") of the Company at the exercise price of $0.10 each and may only be exercised on the fifth (5$^{th}$) anniversary of the date of issuance (i.e. 18 November 2015) ("Exercise Date"). Warrants remaining unexercised after the Exercise Date shall lapse and cease to be valid.

On the Exercise Date, a total of 1,507,359,759 warrants were exercised, while the remaining 13,618,985 warrants which were not exercised have lapsed. Pursuant to the exercise of the warrants, 1,507,359,759 New Shares were allotted and issued on 23 November 2015, and were listed and quoted on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 24 November 2015. There are no outstanding warrants as at 31 December 2015.

The net proceeds of approximately $150.7 million from the exercise of 1,507,359,759 warrants has been fully utilised towards settlement of the consideration for the acquisition by the Group of additional shares in a subsidiary, PT Puradelta Lestari Tbk for a total consideration of IDR1,467,388,650,000 (equivalent to approximately $152.6 million) in February 2016.

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.

**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 Interested Person Transactions Disclosure**

The aggregate value of all interested person transactions during the financial year ended 31 December 2015 is as follows:

| Name of interested person | 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) | Aggregate value of all interested person transactions conducted under shareholders' mandate* pursuant to Rule 920 (excluding transactions less than S$100,000) |
|---|---|---|
| | S$ | S$ |
| PT Bank Sinarmas Tbk[a] | - | 120,532,262 |
| PT Bank Sinarmas Tbk[b] | - | 10,166,562 |
| PT Bumipermai Lestari | - | 1,118,990 |
| PT Dian Swastatika Sentosa Tbk | - | 882,238 |
| PT DSSP Power Sumsel | - | 1,803,704 |
| PT Global Media Telekomindo | - | 491,169 |
| PT Ivo Mas Tunggal | - | 1,766,650 |
| PT Paraga Artamida | 232,073 | - |
| PT Sinarmas Asset Management | - | 2,366,656 |
| PT Sinarmas Futures | - | 116,576 |
| PT Sinar Mas Multiartha Tbk | - | 1,465,746 |
| PT Sinar Mas Agro Resources and Technology Tbk | - | 33,757,487 |
| PT Sumber Indahperkasa | - | 1,118,990 |
| Total | 232,073 | 175,587,030 |

Notes:

[a] Principal amount of placements as at 31 December 2015 is approximately $26.9 million.

[b] This relates to leasing contracts signed with PT Bank Sinarmas Tbk as lessee.

* Renewed at the annual general meeting on 24 April 2015 pursuant to Rule 920 of the Listing Manual of the SGX-ST.

**7 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:

Foo Meng Kee (AC Chairman)
Rodolfo Castillo Balmater
Kunihiko Naito

The AC has the explicit authority to investigate any matter within its terms of reference.

**7 Audit Committee** (cont'd)

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 (such review can be carried out internally or with the assistance of any competent third parties).

(c) Reviewing the 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.

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 re-appointed for the ensuing year subject to shareholders' approval at the forthcoming annual general meeting.

**8 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

18 March 2016

# INDEPENDENT AUDITORS' REPORT

To The Members Of Sinarmas Land Limited
Company Registration No. 199400619R
(Incorporated in Singapore)

We have audited the accompanying financial statements of Sinarmas Land Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 89 to 161, which comprise the statements of financial position of the Company and of the Group as at 31 December 2015, 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 a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide 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.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*Opinion*

In our opinion, the statement of financial position of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

# INDEPENDENT AUDITORS' REPORT

*(cont'd)*

*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.

**MOORE STEPHENS LLP**
Public Accountants and
Chartered Accountants

Singapore

18 March 2016

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

| | Note | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|---|
| **Revenue** | 6 | 956,721 | 828,552 |
| Cost of sales | | (299,827) | (230,760) |
| **Gross profit** | | 656,894 | 597,792 |
| | | | |
| **Operating expenses** | | | |
| Selling expenses | | (64,343) | (52,871) |
| General and administrative expenses | | (161,177) | (152,461) |
| Total operating expenses | | (225,520) | (205,332) |
| | | | |
| **Operating profit** | | 431,374 | 392,460 |
| | | | |
| **Other income/(expenses)** | | | |
| Finance income | 7 | 33,708 | 39,168 |
| Finance costs | 8 | (71,247) | (54,063) |
| Foreign exchange loss | | (11,902) | (2,894) |
| Share of profits of associated companies | | 11,860 | 2,244 |
| Share of profits of joint ventures | | 2,567 | 10,142 |
| Other operating income/(expenses) | 9 | 2,668 | (640) |
| Other expenses, net | | (32,346) | (6,043) |
| | | | |
| **Exceptional items** | | | |
| Negative goodwill | 41(b) | - | 8,669 |
| Gain on equity interest | 41(b) | - | 3,381 |
| Gain on disposal of subsidiaries | 41(c) | - | 76,572 |
| Exceptional items, net | | - | 88,622 |
| | | | |
| **Profit before income tax** | 10 | 399,028 | 475,039 |
| Income tax | 11 | (69,398) | (46,859) |
| **Total profit for the year** | | 329,630 | 428,180 |
| | | | |
| **Attributable to:** | | | |
| Owners of the Company | | 143,117 | 240,592 |
| Non-controlling interests | | 186,513 | 187,588 |
| | | 329,630 | 428,180 |
| | | | |
| **Earnings per share (cents)** | | | |
| Basic | 12(a) | 4.58 | 7.91 |
| Diluted | 12(b) | 4.58 | 5.59 |

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

# CONSOLIDATED STATEMENT *of* COMPREHENSIVE INCOME

For the year ended 31 December 2015

| | Note | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|---|
| **Total profit for the year** | | 329,630 | 428,180 |
| | | | |
| **Other comprehensive (loss)/income:** | | | |
| Item that will not be reclassified subsequently to profit or loss: | | | |
| Actuarial loss on post employment benefit | 13 | (1,823) | (3,146) |
| Share of other comprehensive (loss)/income of: | | | |
| - associated companies | | (118) | 22 |
| - joint ventures | | 29 | (11) |
| | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Foreign currency translation differences | | (231,470) | 242,922 |
| Reclassification of foreign currency translation differences on disposal of subsidiaries | 41(c) | - | (16,900) |
| Changes in fair value of available-for-sale financial assets | | (369) | 176 |
| **Other comprehensive (loss)/income, net of tax** | | (233,751) | 223,063 |
| | | | |
| **Total comprehensive income for the year** | | 95,879 | 651,243 |
| | | | |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | 57,585 | 344,656 |
| Non-controlling interests | | 38,294 | 306,587 |
| | | 95,879 | 651,243 |

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

# STATEMENTS *of* FINANCIAL POSITION

As at 31 December 2015

| | Note | Group 2015 S$'000 | Group 2014 S$'000 | Company 2015 S$'000 | Company 2014 S$'000 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 14 | 907,985 | 874,787 | 3,712 | 45,677 |
| Short-term investments | 15 | 15,802 | 17,804 | - | - |
| Trade receivables | 16 | 15,537 | 13,560 | - | - |
| Other current assets | 17 | 389,194 | 233,778 | 423,865 | 247,224 |
| Inventories, at cost | | 1,201 | 1,249 | - | - |
| Properties held for sale | 18 | 994,589 | 841,986 | - | - |
| | | 2,324,308 | 1,983,164 | 427,577 | 292,901 |
| Non-Current Assets | | | | | |
| Subsidiaries | 19 | - | - | 1,836,808 | 1,714,120 |
| Associated companies | 20 | 220,652 | 223,276 | - | - |
| Joint ventures | 21 | 91,354 | 103,888 | - | - |
| Long-term investments | 22 | 2,182 | 2,403 | - | - |
| Properties under development for sale | 23 | 1,590,507 | 1,738,500 | - | - |
| Investment properties | 24 | 1,072,872 | 496,508 | - | - |
| Property, plant and equipment | 25 | 167,087 | 157,930 | 71 | 113 |
| Long-term receivables | 26 | 46,947 | 36,940 | - | - |
| Deferred tax assets | 27 | 331 | 336 | - | - |
| Goodwill | 28 | 1,784 | 1,784 | - | - |
| | | 3,193,716 | 2,761,565 | 1,836,879 | 1,714,233 |
| **Total Assets** | | 5,518,024 | 4,744,729 | 2,264,456 | 2,007,134 |

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

# STATEMENTS *of* FINANCIAL POSITION (CONT'D)

As at 31 December 2015

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | S$'000 | S$'000 | S$'000 | S$'000 |
| **Liabilities and Equity** | | | | | |
| Current Liabilities | | | | | |
| Trade payables | 29 | 37,935 | 23,964 | - | - |
| Other payables and liabilities | 30 | 566,957 | 612,259 | 100,645 | 71,332 |
| Bonds and notes payables | 31 | - | 33,016 | - | - |
| Obligations under finance leases | 32 | 6,757 | 1,909 | 14 | 21 |
| Borrowings | 33 | 218,030 | 157,325 | 18,020 | - |
| Income taxes payable | | 2,502 | 1,388 | - | - |
| | | 832,181 | 829,861 | 118,679 | 71,353 |
| Non-Current Liabilities | | | | | |
| Bonds and notes payables | 31 | 607,596 | 309,524 | - | - |
| Obligations under finance leases | 32 | 10,858 | 3,628 | - | 14 |
| Borrowings | 33 | 564,608 | 239,025 | - | - |
| Long-term liabilities | 34 | 172,548 | 169,451 | - | - |
| Deferred tax liabilities | 27 | 11 | 12 | - | - |
| | | 1,355,621 | 721,640 | - | 14 |
| Total Liabilities | | 2,187,802 | 1,551,501 | 118,679 | 71,367 |
| Equity attributable to Owners of the Company | | | | | |
| Issued capital | 35 | 2,057,844 | 1,907,108 | 2,057,844 | 1,907,108 |
| Treasury shares | 35 | (170,460) | - | (170,460) | - |
| Foreign currency translation deficit | | (1,256,967) | (1,173,050) | - | - |
| Goodwill on consolidation | | (62,122) | (62,122) | - | - |
| Asset revaluation reserve | | 6,518 | 6,518 | - | - |
| Other reserves | | (18,945) | (28,916) | - | - |
| Fair value reserve | | (197) | 58 | - | - |
| Retained earnings | | 1,193,012 | 1,065,105 | 258,393 | 28,659 |
| | | 1,748,683 | 1,714,701 | 2,145,777 | 1,935,767 |
| Non-controlling interests | | 1,581,539 | 1,478,527 | - | - |
| Total Equity | | 3,330,222 | 3,193,228 | 2,145,777 | 1,935,767 |
| **Total Liabilities and Equity** | | 5,518,024 | 4,744,729 | 2,264,456 | 2,007,134 |

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

# CONSOLIDATED STATEMENT *of* CHANGES IN EQUITY

For the year ended 31 December 2015

| | Attributable to Owners of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Issued capital | Treasury shares | Foreign currency translation deficit | Goodwill on consolidation | Asset revaluation reserve | Other reserves | Fair value reserve | Retained earnings | Total | **Non-Controlling Interests** | **Total Equity** |
| **Group** | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Balance at 1.1.2015 | 1,907,108 | - | (1,173,050) | (62,122) | 6,518 | (28,916) | 58 | 1,065,105 | 1,714,701 | 1,478,527 | 3,193,228 |
| Profit for the year | - | - | - | - | - | - | - | 143,117 | 143,117 | 186,513 | 329,630 |
| Other comprehensive loss | - | - | (83,917) | - | - | (1,360) | (255) | - | (85,532) | (148,219) | (233,751) |
| Total comprehensive income/(loss) for the year | - | - | (83,917) | - | - | (1,360) | (255) | 143,117 | 57,585 | 38,294 | 95,879 |
| Shares buy back and held as treasury shares (Note 35) | - | (170,460) | - | - | - | - | - | - | (170,460) | - | (170,460) |
| Issuance of shares pursuant to warrants exercised (Note 35) | 150,736 | - | - | - | - | - | - | - | 150,736 | - | 150,736 |
| Dividends (Note 36) | - | - | - | - | - | - | - | (15,210) | (15,210) | - | (15,210) |
| Dividends paid to non-controlling shareholders | - | - | - | - | - | - | - | - | - | (103,799) | (103,799) |
| Capital subscribed by non-controlling shareholders | - | - | - | - | - | 7,114 | - | - | 7,114 | 96,744 | 103,858 |
| Changes in interest in subsidiaries (Note 41(d)) | - | - | - | - | - | 4,217 | - | - | 4,217 | 71,773 | 75,990 |
| Balance at 31.12.2015 | 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 |

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 2015

| | Attributable to Owners of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Issued capital | Foreign currency translation deficit | Goodwill on consolidation | Asset revaluation reserve | Other reserves | Fair value reserve | Retained earnings | Total | **Non-Controlling Interests** | **Total Equity** |
| **Group** | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Balance at 1.1.2014 | 1,907,108 | (1,278,594) | (62,122) | 6,518 | 8,730 | (65) | 839,723 | 1,421,298 | 1,182,528 | 2,603,826 |
| Profit for the year | - | - | - | - | - | - | 240,592 | 240,592 | 187,588 | 428,180 |
| Other comprehensive income/(loss) | - | 105,544 | - | - | (1,603) | 123 | - | 104,064 | 118,999 | 223,063 |
| Total comprehensive income/(loss) for the year | - | 105,544 | - | - | (1,603) | 123 | 240,592 | 344,656 | 306,587 | 651,243 |
| Dividends (Note 36) | - | - | - | - | - | - | (15,210) | (15,210) | - | (15,210) |
| Dividends paid to non-controlling shareholders | - | - | - | - | - | - | - | - | (21,225) | (21,225) |
| Disposal of subsidiaries (Note 41(c)) | - | - | - | - | - | - | - | - | (685) | (685) |
| Acquisition of subsidiaries (Note 41(b)) | - | - | - | - | - | - | - | - | 19,081 | 19,081 |
| Capital subscribed by non-controlling shareholders | - | - | - | - | - | - | - | - | 11,198 | 11,198 |
| Capital returned to non-controlling shareholders | - | - | - | - | - | - | - | - | (55,000) | (55,000) |
| Change in interest in subsidiaries (Note 41(e)) | - | - | - | - | (36,043) | - | - | (36,043) | 36,043 | - |
| Balance at 31.12.2014 | 1,907,108 | (1,173,050) | (62,122) | 6,518 | (28,916) | 58 | 1,065,105 | 1,714,701 | 1,478,527 | 3,193,228 |

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

# Consolidated Statement *of* Cash Flows

For the year ended 31 December 2015

| | Note | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before income tax | | 399,028 | 475,039 |
| | | | |
| Adjustments for: | | | |
| Depreciation of investment properties | 24 | 13,906 | 10,781 |
| Depreciation of property, plant and equipment | 25 | 15,928 | 9,972 |
| Interest expense | 8 | 71,247 | 54,063 |
| Gain on disposal of property, plant and equipment | 9 | (304) | (120) |
| Gain on disposal of subsidiaries | 41(c) | - | (76,572) |
| Negative goodwill | 41(b) | - | (8,669) |
| Gain on equity interest | 41(b) | - | (3,381) |
| Share of profits of associated companies | | (11,860) | (2,244) |
| Share of profits of joint ventures | | (2,567) | (10,142) |
| Allowance for impairment loss on: | | | |
| Trade receivables | 16 | 359 | 74 |
| Other receivables | 17 | 396 | - |
| Completed properties held for sale | 18 | 4,046 | - |
| Changes in fair value of financial assets at fair value through profit or loss | 9 | 65 | (482) |
| Unrealised foreign exchange loss/(gain), net | | 13,904 | (17,664) |
| Interest income | 7 | (33,708) | (39,168) |
| Property, plant and equipment written off | 9 | 29 | - |
| Long-term investment written off | 10 | - | 1,219 |
| **Operating cash flows before working capital changes** | | 470,469 | 392,706 |
| Changes in working capital: | | | |
| Trade receivables | | (2,336) | (4,612) |
| Other current assets and receivables | | (175,293) | 31,213 |
| Inventories | | 38 | (233) |
| Trade payables | | 13,971 | 5,149 |
| Other payables and liabilities | | 5,038 | (4,638) |
| **Cash generated from operations** | | 311,887 | 419,585 |
| Interest paid | | (70,416) | (50,111) |
| Interest received | | 33,368 | 39,167 |
| Tax paid | | (81,277) | (65,962) |
| **Net cash generated from operating activities** | | 193,562 | 342,679 |

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

# CONSOLIDATED STATEMENT *of* CASH FLOWS (CONT'D)
For the year ended 31 December 2015

| | Note | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Acquisition of subsidiaries, net of cash acquired | 41(a),(b) | (546,741) | (26,596) |
| Acquisition of additional interest in associated companies | | (16,393) | (15,367) |
| Acquisition of a joint venture | | - | (16,830) |
| Additional investments in joint ventures | | - | (8,415) |
| Investments in available-for-sale financial assets | | - | (12,221) |
| Proceeds from capital reduction in an associated company | | 200 | - |
| Proceeds from disposal of property, plant and equipment | | 351 | 174 |
| Proceeds from disposal of subsidiaries, net | 41(c) | - | 233,724 |
| Acquisition of and capital expenditure on investment properties | 24 | (72,074) | (152,084) |
| Capital expenditure on property, plant and equipment | | (23,034) | (31,931) |
| Capital expenditure on properties under development and held for sale | | (230,324) | (319,355) |
| Dividends from associated companies and joint ventures | | 17,595 | 9,830 |
| **Net cash used in investing activities** | | (870,420) | (339,071) |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | 427,640 | 209,152 |
| Proceeds from issuance of bonds and notes, net | | 275,466 | - |
| Proceeds from warrants exercised | | 150,736 | - |
| Proceeds from disposal of certain interest in subsidiaries | | 76,390 | - |
| Capital subscribed by non-controlling shareholders, net | | 103,858 | 11,198 |
| Capital returned to non-controlling shareholders | | - | (55,000) |
| Decrease/(Increase) in time deposits pledged | | 5,591 | (17,348) |
| Payments of borrowings | | (31,020) | (155,056) |
| Payments for shares buy back | | (170,460) | - |
| Payments of dividends | | (119,009) | (36,435) |
| Payments of obligations under finance leases | | (6,848) | (41) |
| **Net cash generated from/(used in) financing activities** | | 712,344 | (43,530) |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | 35,486 | (39,922) |
| **Cash and cash equivalents at the beginning of the year** | | 802,876 | 761,658 |
| **Effect of exchange rate changes on cash and cash equivalents** | | 3,303 | 81,140 |
| **Cash and cash equivalents at the end of the year** | 14 | 841,665 | 802,876 |

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

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 Securities Trading Limited. 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 43, 44 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 2015 were authorised for issue by the Board of Directors on 18 March 2016.

## 2 New and Revised Financial Reporting Standards ("FRSs")

(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 amendments to FRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2015. The adoption of these amendments to FRSs has had no material financial impact on the financial performance and financial position of the Group. They did however give rise to additional disclosures as discussed below.

*Annual Improvements to FRSs (January 2014)*

The Group has adopted the amendment to FRS 108, Operating Segments included in the Annual Improvements to FRSs (January 2014) in the current financial year. This amendment requires an entity to disclose the judgement made by management in applying the aggregation criteria to operating segments. It also clarifies that reconciliation of the total reportable segments' assets to the entity's total assets is required to be disclosed only if segment assets are regularly reported to the chief operating decision maker. The Group has included the additional required disclosures in Note 42 of the financial statements.

**2 New and Revised Financial Reporting Standards ("FRSs")** (cont'd)

(b) New and Amended FRSs issued but not yet effective

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

| Description | Effective for annual periods beginning on or after |
|---|---|
| FRS 109, *Financial Instruments* | 1 January 2018 |
| FRS 115, *Revenue from Contracts with Customers* | 1 January 2018 |
| Amendment to FRS 1, *Presentation of Financial Statements: Disclosure Initiative* | 1 January 2016 |
| Amendment to FRS 27, *Equity Method in Separate Financial Statements* | 1 January 2016 |
| Amendments to FRS 110 and FRS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | 1 January 2016 |
| Amendment to FRS 111, *Accounting for Acquisition of Interest in Joint Operations* | 1 January 2016 |
| Improvements to FRSs (2014) | |
| • FRS 19*, Employee Benefits* | 1 January 2016 |
| • FRS 105*, Non-current Assets Held for Sale and Discontinued Operations* | 1 January 2016 |

Except for FRS 109 and FRS 115, the directors of the Company expect that the adoption of the other standards above will have no material financial impact on the financial statements in the period of initial application.

*FRS 115, Revenue from Contracts with Customers*

FRS 115 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). FRS 115 replaces the previous revenue standards, FRS 18, *Revenue* and FRS 11, *Construction Contracts* and the relevant interpretations on revenue recognition, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfer of Assets from Customers*, and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, 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 FRS 115 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 include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress towards satisfaction of a performance onligation, recognising contract cost assets and addressing disclosures requirements.

The Group is currently assessing the impact of FRS 115 and plans to adopt the new standards on the required effective date.

**2 New and Revised Financial Reporting Standards ("FRSs")** (cont'd)

(b) New and Amended FRSs issued but not yet effective (cont'd)

*FRS 109, Financial Instruments*

FRS 109 was introduced to replace FRS 39, *Financial Instruments: Recognition and Measurement*. FRS 109 changes the classification and measurement requirements for financial assets and liabilities, and also introduces a three-stage impairment model that will impair financial assets based on expected losses regardless of whether objective indicators of impairment have occurred. FRS 109 also provides a simplified hedge accounting model that will align more closely with companies' risk management strategies.

The Group is currently assessing the impact of FRS 109 and plans to adopt the new standards on the required effective date.

**3 Summary of Significant Accounting Policies**

(a) Basis of Preparation

The financial statements, which are expressed in Singapore dollar, are prepared in accordance with the historical cost convention, 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 and presentation currency that reflects the primary economic environment in which the Company operates. All values are rounded to the nearest thousand ($'000) except when otherwise indicated.

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

(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.

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:

(i) assets and liabilities are translated at the closing rate at the end of the reporting period;

(ii) share capital and reserves are translated at historical exchange rates; and

(iii) 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.

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

(d) Basis of Consolidation (cont'd)

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's consolidated statement of comprehensive income, statement of financial position and consolidated statement of changes in equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

Changes in the Group's interest in a subsidiary that do not result in loss of control are accounted for as transactions with equity owners of the Company. Any difference between the change in carrying amounts of the non-controlling interest and the value of consideration paid or received is recognised in other reserves on the statement of financial position, within equity attributable to the owners of the Company.

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

(e) Subsidiaries

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

(i) the size of the Group's holding of the voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) potential voting rights held by the Group, other vote holders or other parties;

(iii) rights arising from other contractual agreement; and

(iv) 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.

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

(f) Joint Ventures

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.

Investments in joint ventures are initially recognised at cost. 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. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint venture over the Group's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its joint ventures' 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 joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an joint venture equals to or exceeds its interest in the 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 joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless transactions provide evidence of impairment of the assets transferred. The accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(g) Associated Companies

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.

Investments in associated companies are initially recognised at cost. 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. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments. If the Group's share of the fair value of the identifiable net assets of the associated company exceeds 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.

In applying the equity method of accounting, the Group's share of its associated companies' 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 are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments to behalf of the associated company. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policy adopted by the Group.

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

(g) Associated Companies (cont'd)

Unrealised gain on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is re-measured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in the income statement. Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in the income statement.

(h) Deferred Charges

Deferred charges comprise certain expenditures, whose benefits extend over a period of more than one year, are initially recognised at cost are subsequently carried at cost less accumulated amortisation and any impairment loss. These costs are amortised to the income statement over the periods benefited using the straight-line method.

(i) 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.

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

(j) 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 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. 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 to allocate the depreciable amounts over the estimated useful lives of 20 to 60 years.

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.

(k) Property, Plant and Equipment

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

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

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

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

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

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

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

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

(l) Cash and Cash Equivalents

Cash and cash equivalents classified under current assets 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.

(m) 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.

(n) 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. On the completion of the development, the accumulated cost will be reclassified as properties held for sale under current assets whereas properties held for investment purposes will be reclassified as investment properties under non-current assets.

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.

(o) 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.

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

(o) Financial Assets (cont'd)

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.

(p) 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.

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

(p) Impairment of Non-Financial Assets excluding Goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any depreciation) had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(q) 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 payables and trade and other payables. The accounting policies adopted for finance lease obligations and convertible bonds are outlined in Note 3(r) and Note 3(s) respectively.

Interest-bearing borrowings and bonds payables are recorded at the proceeds received, net of direct issue costs. Direct issue costs are amortised over the period of the bonds. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Interest-bearing borrowings and bonds payables 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 as 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.

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

(r) Leases

(i) 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 leases 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.

(ii) 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.

(s) 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.

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

(t) 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.

(u) 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.

(v) 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.

(w) 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.

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

(w) Post Employment Benefits (cont'd)

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.

(x) 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.

(y) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised in the income statement as follows:

(i) 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 possible return of units sold.
(ii) Revenue from rental of investment properties under operating leases is recognised on a straight-line basis over the terms of the lease contracts.
(iii) 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.
(iv) Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.
(v) Dividend income from investments is recognised on the date the dividends are declared payable by the investees.
(vi) Revenue arising from sales of goods is recognised when the products are delivered to the customers and collectability of the related receivables is probable.
(vii) Club membership revenue is recognised over the term of the membership period.

(z) 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.

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

(aa) 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.

(bb) 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 2014.

Neither the Group nor the Company is subject to any externally imposed capital requirements.

The directors of the Company review the capital structure using gearing ratio 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 as well as the issue of new debt or the redemption of existing debt.

The Group's debt includes borrowings, bonds and notes payables and obligations under finance leases. Total equity includes all capital and reserves of the Group. The gearing ratio, net debt and total equity as at 31 December 2015 and 2014 are as follows:

| | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|
| Debt | 1,407,849 | 744,427 |
| Cash and cash equivalents | (907,985) | (874,787) |
| Net debt/(cash) | 499,864 | (130,360) |
| Total equity | 3,330,222 | 3,193,228 |
| Gearing ratio | 15% | - * |

* Not meaningful as the Group was in a net cash position.

**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.

At 31 December 2015, 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 $741,000 (2014: $2,247,000) and $579,000 (2014: $1,643,000) 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:

| | 2015 | 2014 |
|---|---|---|
| | S$'000 | S$'000 |
| Financial assets | | |
| Fixed rate | 144,890 | 119,564 |
| Variable rate | 896,893 | 707,881 |
| Non-interest bearing | 103,763 | 127,981 |
| | 1,145,546 | 955,426 |
| Financial liabilities | | |
| Fixed rate | 636,952 | 491,447 |
| Variable rate | 748,638 | 258,528 |
| Non-interest bearing | 130,238 | 102,084 |
| | 1,515,828 | 852,059 |

(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.

**4 Financial Risk Management** (cont'd)

(b) Financial Risk Management (cont'd)

(ii) Foreign Currency Risk (cont'd)

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 | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| SGD against functional currency of USD | 11,847 | 17,869 |
| USD against functional currencies of SGD, RM and IDR | (11,541) | (12,162) |
| IDR against functional currencies of SGD and USD | (3,994) | (8,378) |
| GBP against functional currencies of SGD and USD | (10,463) | (5,313) |

(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.

(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.

**4 Financial Risk Management** (cont'd)

(b) Financial Risk Management (cont'd)

(iv) Credit Risk (cont'd)

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 | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Corporate guarantees provided to financial institutions on borrowings of subsidiaries: | | |
| - Total facilities | 504,230 | 173,852 |
| - Total outstanding | 497,152 | 171,792 |

(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.

| | Less than 1 year | 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Group** | | | | |
| At 31 December 2015 | | | | |
| Debt* | 296,299 | 951,989 | 407,818 | 1,656,106 |
| Other financial liabilities | 107,979 | - | - | 107,979 |
| Total financial liabilities | 404,278 | 951,989 | 407,818 | 1,764,085 |
| | | | | |
| At 31 December 2014 | | | | |
| Debt* | 234,593 | 572,334 | 73,536 | 880,463 |
| Other financial liabilities | 93,283 | 14,349 | - | 107,632 |
| Total financial liabilities | 327,876 | 586,683 | 73,536 | 988,095 |

* Includes principal and estimated interest until maturity.

**4 Financial Risk Management** (cont'd)

(b) Financial Risk Management (cont'd)

(v) Liquidity Risk (cont'd)

The table below analyses the maturity profile of the Company's financial guarantees provided to financial institutions on subsidiaries' borrowings that shows the remaining contractual maturities:

| | Less than 1 year | 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Company** | | | | |
| At 31 December 2015 | | | | |
| Financial guarantee contracts | 1,147 | 100,588 | 395,417 | 497,152 |
| At 31 December 2014 | | | | |
| Financial guarantee contracts | 1,125 | 95,375 | 75,292 | 171,792 |

**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 2015, the Group's income taxes payable and income tax expense amounted to $2,502,000 (2014: $1,388,000) and $69,398,000 (2014: $46,859,000) respectively.

(b) Critical Judgement in Applying Accounting Policies

Classification of Properties Held for Sale and Properties under Development for Sale

The Group presents its properties held for sale and properties under development for sale as current and non-current, depending on when it expects to realise the development properties. The Group classifies its properties held for sale as current when it expects to realise the assets in its normal operating cycle and/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 2015, the carrying amount of the Group's development properties expected to be realised within the next 12 months and after 12 months was $994,589,000 (2014: $841,986,000) and $1,590,507,000 (2014: $1,738,500,000) respectively.

## 6 Revenue

| | Group 2015 | Group 2014 |
|---|---|---|
| | S$'000 | S$'000 |
| Sale of development properties | 795,487 | 685,766 |
| Rental income | 99,627 | 84,525 |
| Hotel revenue | 8,457 | 11,069 |
| Golf and resort operations | 21,336 | 22,632 |
| Others | 31,814 | 24,560 |
| | 956,721 | 828,552 |

## 7 Finance Income

| | Group 2015 | Group 2014 |
|---|---|---|
| | S$'000 | S$'000 |
| Interest income from: | | |
| Cash and cash equivalents | 30,625 | 38,195 |
| Finance lease | 1,824 | 479 |
| Available-for-sale financial assets | 1,259 | 494 |
| | 33,708 | 39,168 |

## 8 Finance Costs

| | Note | Group 2015 | Group 2014 |
|---|---|---|---|
| | | S$'000 | S$'000 |
| Interest expense on: | | | |
| Loan payable | | 63 | 291 |
| Obligations under finance leases | | 577 | 246 |
| Borrowings | | 28,437 | 23,813 |
| Bonds payables | | | |
| - bond interest | | 38,694 | 26,893 |
| - amortisation of discount on bonds | 31 | 2,170 | 2,380 |
| - amortisation of deferred bond charges | 31 | 1,306 | 440 |
| | | 71,247 | 54,063 |

## 9 Other Operating Income/(Expenses)

| | Group 2015 S$'000 | Group 2014 S$'000 |
|---|---|---|
| Management and lease co-ordination fees | 1,483 | 1,056 |
| Cancellation fees | 1,320 | 1,244 |
| Fair value gain on derivative payables | 2,613 | - |
| Property and estate management income/(expenses), net | 601 | (646) |
| Gain on disposal of property, plant and equipment | 304 | 120 |
| Property, plant and equipment written off | (29) | - |
| Changes in fair value of financial assets at fair value through profit or loss | (65) | 482 |
| Others | (3,559) | (2,896) |
| | 2,668 | (640) |

## 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 2015 S$'000 | Group 2014 S$'000 |
|---|---|---|
| Audit fees paid/payable to: | | |
| Auditors of the Company | 266 | 248 |
| Auditors of the subsidiaries | 611 | 468 |
| Non-audit fees paid/payable to: | | |
| Auditors of the Company | - | 35 |
| Long-term investment written off | - | 1,219 |
| Cost of inventories recognised as an expense (included in cost of sales) | 2,560 | 3,184 |
| Allowance for impairment loss on completed properties held for sale | 4,046 | - |

## 11 Income Tax

| | Group 2015 S$'000 | Group 2014 S$'000 |
|---|---|---|
| Tax expense is made up of: | | |
| Current income tax | | |
| - current year | 69,340 | 46,684 |
| - under-provision in respect of prior years | 93 | 332 |
| | 69,433 | 47,016 |
| Deferred income tax | (35) | (157) |
| | 69,398 | 46,859 |

Substantially all the Group's operations are located in Indonesia. Accordingly, the Indonesia statutory tax rate of 25% (2014: 25%) is used in the reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate.

**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 | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Profit before income tax | 399,028 | 475,039 |
| Less: Share of profits of associated companies | (11,860) | (2,244) |
| Less: Share of profits of joint ventures | (2,567) | (10,142) |
| | 384,601 | 462,653 |
| Tax calculated at a tax rate of 25% (2014: 25%) | 96,150 | 115,663 |
| Non-deductible items | 16,103 | 13,424 |
| Non-taxable items | (16,765) | (35,771) |
| Effect of different tax rate categories | (37,013) | (54,408) |
| Utilisation of previously unrecognised deferred tax assets | (2,140) | (1,542) |
| Unrecognised deferred tax assets | 4,545 | 8,171 |
| Witholding tax on dividend distributed by subsidiaries | 8,470 | 931 |
| Under-provision in prior years' income tax | 93 | 332 |
| Others | (45) | 59 |
| | 69,398 | 46,859 |

As at 31 December 2015, the amount of unutilised tax losses and capital allowances available for offsetting against future taxable profits are as follows:

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Unutilised tax losses | 183,749 | 208,677 |
| Unabsorbed capital allowances | 47,319 | 65,230 |
| | 231,068 | 273,907 |

The breakdown of unutilised tax losses and capital allowance is as follows:

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Expiry dates | | |
| 31 December 2015 | - | 11,735 |
| 31 December 2016 | 12,622 | 18,090 |
| 31 December 2017 | 3,667 | 3,826 |
| 31 December 2018 | 14,142 | 17,251 |
| 31 December 2019 | 13,493 | 14,713 |
| Thereafter | 27,691 | 21,351 |
| No expiry dates subject to terms and conditions | 159,453 | 186,941 |
| | 231,068 | 273,907 |

**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 2015, the deferred tax benefit arising from unutilised tax losses and unabsorbed capital allowances of $231,068,000 (2014: $273,907,000) has not been recognised in the financial statements.

Deferred tax liabilities of $53,507,000 (2014: $63,640,000) have not been recognised for taxes that would be payable on the remittance to Singapore of unremitted retained earnings of $535,068,000 (2014: $636,405,000) 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) Basic Earnings Per Share

Basic 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 during the financial year.

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| Net profit attributable to owners of the Company (S$'000) | 143,117 | 240,592 |
| Weighted average number of ordinary shares (excluding treasury shares) ('000) | 3,124,064 | 3,041,959 |
| Basic earnings per share (cents per share) | 4.58 | 7.91 |

(b) Diluted Earnings Per Share

Diluted earnings per share is calculated by dividing net profit attributable to the owners of the Company by the weighted average number of ordinary shares during the year after adjustment for the effect of all diluted potential ordinary shares.

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| Net profit attributable to owners of the Company (S$'000) | 143,117 | 240,592 |
| Weighted average number of ordinary shares (excluding treasury shares) ('000) | 3,124,064 | 3,041,959 |
| Adjustment for warrants ('000) | - | 1,258,289 |
| | 3,124,064 | 4,300,248 |
| Diluted earnings per share (cents per share) | 4.58 | 5.59 |

**12 Earnings Per Share and Net Asset Value Per Share** (cont'd)

(c) Net Asset Value Per Share

As at 31 December 2015, 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 (2014: 3,041,959,437) ordinary shares (excluding treasury shares) is $0.41 (2014: $0.56).

**13 Staff Costs and Retirement Benefit Obligations**

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Staff costs: | | |
| Wages and salary | 51,300 | 51,568 |
| Employer's contribution to defined contribution plans | 696 | 598 |
| Retirement benefit expenses | 4,009 | 2,856 |
| | 56,005 | 55,022 |

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

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | % | % |
| Discount rate | 9.0 – 9.1 | 8.0 – 8.5 |
| Salary growth rate | 7.0 – 10.0 | 7.0 – 10.0 |

The components of the retirement benefit expenses recognised in the Group's income statement are as follows:

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Current service costs | 2,064 | 2,714 |
| Past service costs | (584) | (2,264) |
| Interest costs | 2,529 | 2,406 |
| Retirement benefit expenses recognised in the income statement | 4,009 | 2,856 |

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

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Actuarial loss arising from changes in financial assumptions | 1,369 | 1,092 |
| Actuarial loss arising from experience adjustment | (727) | 2,054 |
| Unrecognised actuarial loss arising from previous years | 1,181 | - |
| Net retirement benefit expenses recognised in other comprehensive income | 1,823 | 3,146 |

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

Movements in the retirement benefits obligations are as follows:

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| At the beginning of the year | 30,223 | 22,455 |
| Retirement benefit expenses for the year recognised in: | | |
| - income statement | 4,009 | 2,856 |
| - other comprehensive income | 1,823 | 3,146 |
| Acquisition of a subsidiary | - | 268 |
| Payments made during the year | (1,266) | (840) |
| Currency realignment | (2,860) | 2,338 |
| At the end of the year | 31,929 | 30,223 |
| Less: Current portion classified as current liabilities (Note 30) | (828) | (663) |
| Non-current portion (Note 34) | 31,101 | 29,560 |

## 14 Cash and Cash Equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Cash on hand | 589 | 634 | 2 | 2 |
| Cash in banks | 99,264 | 163,618 | 3,710 | 45,675 |
| Time deposits | 808,132 | 710,535 | - | - |
| Cash and cash equivalents in the statements of financial position | 907,985 | 874,787 | 3,712 | 45,677 |
| Time deposits pledged as security for credit facilities granted to the subsidiaries (Note 33) | (66,320) | (71,911) | - | - |
| Cash and cash equivalents in the statement of cash flows | 841,665 | 802,876 | 3,712 | 45,677 |

Cash and cash equivalents include balances with a related party of $26,919,000 (2014: $13,169,000).

Cash and cash equivalents are denominated in the following currencies:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| United States Dollar | 568,131 | 374,497 | 1,782 | 2,715 |
| Indonesian Rupiah | 277,902 | 304,631 | - | - |
| Chinese Renminbi | 45,910 | 42,520 | - | - |
| British Pound | 9,070 | 128,179 | 340 | 42,516 |
| Singapore Dollar | 4,382 | 3,025 | 1,590 | 446 |
| Others | 2,590 | 21,935 | - | - |
| | 907,985 | 874,787 | 3,712 | 45,677 |

## 14 Cash and Cash Equivalents (cont'd)

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | % | % | % | % |
| United States Dollar | 0.5 – 3.5 | 0.2 – 3.5 | - | - |
| Indonesian Rupiah | 5.3 – 11.0 | 5.3 – 11.0 | - | - |
| Chinese Renminbi | 2.4 – 3.0 | 4.9 | - | - |
| British Pound | 0.1 – 0.5 | 0.4 – 0.5 | - | - |
| Singapore Dollar | 0.8 | - | - | - |

## 15 Short-Term Investments

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Financial assets at fair value through profit or loss: | | | | |
| Mutual funds, denominated in Indonesian Rupiah | 1,096 | 1,275 | - | - |
| Available-for-sale financial assets: | | | | |
| Quoted bonds in a related party, denominated in Indonesian Rupiah | 14,706 | 16,529 | - | - |
| | 15,802 | 17,804 | - | - |

## 16 Trade Receivables

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Third parties | 27,131 | 25,136 | - | - |
| Related parties | 2,604 | 2,976 | - | - |
| | 29,735 | 28,112 | - | - |
| Less: Allowance for impairment loss | (14,198) | (14,552) | - | - |
| | 15,537 | 13,560 | - | - |

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | Gross | Impairment loss | Gross | Impairment loss |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Group** | | | | |
| Not past due | 3,991 | - | 4,645 | - |
| Past due 0 – 3 months | 8,659 | - | 6,278 | - |
| Past due more than 3 months | 17,085 | 14,198 | 17,189 | 14,552 |
| | 29,735 | 14,198 | 28,112 | 14,552 |

## 16 Trade Receivables (cont'd)

Allowance for impairment was made on certain trade receivables that are past due for more than 3 months as the recovery is remote. Movements in the allowance for impairment loss during the financial year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| At the beginning of the year | 14,552 | 15,249 | - | - |
| Impairment loss included as general and administrative expenses during the year | 359 | 74 | - | - |
| Written off against allowance | (248) | (19) | - | - |
| Currency realignment | (465) | (81) | - | - |
| Disposal of subsidiaries | - | (671) | - | - |
| At the end of the year | 14,198 | 14,552 | - | - |

Trade receivables are denominated in the following currencies:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Indonesian Rupiah | 10,930 | 10,291 | - | - |
| British Pound | 2,075 | - | - | - |
| United States Dollar | 1,672 | 2,074 | - | - |
| Others | 860 | 1,195 | - | - |
| | 15,537 | 13,560 | - | - |

## 17 Other Current Assets

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Receivable from: | | | | |
| Subsidiaries | - | - | 423,814 | 247,070 |
| Related parties | 54 | 46 | - | - |
| Third parties | 156,950 | 9,774 | - | 91 |
| Finance lease receivable from a third party (Note 26) | 89 | 112 | - | - |
| | 157,093 | 9,932 | 423,814 | 247,161 |
| Prepayments | 81,308 | 76,199 | 8 | 20 |
| Purchase advances | 147,276 | 146,295 | - | - |
| Others, net | 3,517 | 1,352 | 43 | 43 |
| | 389,194 | 233,778 | 423,865 | 247,224 |

As at 31 December 2014, the unsecured amounts receivable from subsidiaries included $62,715,000 which bore interest at rates ranging from 3% to 3.5% per annum and were repayable on demand.

The amounts receivable from related parties are advances in nature which are unsecured, interest-free and repayable on demand.

The amounts receivable from third parties included $138,572,000 (2014: Nil) which bear interest at rate of 3.0% per annum and repayable in 2016.

During the current financial year, an impairment loss of $396,000 (2014: Nil) was made on other receivables where the recovery is remote.

**17 Other Current Assets** (cont'd)

Other current assets are denominated in the following currencies:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Indonesian Rupiah | 228,639 | 223,962 | - | - |
| United States Dollar | 146,041 | 3,716 | 138,166 | 10,824 |
| British Pound | 11,263 | 12 | 1,272 | 70,115 |
| Chinese Renminbi | 1,736 | 1,145 | - | - |
| Singapore Dollar | 1,340 | 1,354 | 284,408 | 166,264 |
| Others | 175 | 3,589 | 19 | 21 |
| | 389,194 | 233,778 | 423,865 | 247,224 |

**18 Properties Held for Sale**

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Properties held for sale | 994,589 | 841,986 | - | - |

The properties held for sale shown above was net of allowance for impairment loss of $4,046,000 (2014: Nil) which was recognised in cost of sales as the carrying amount of certain properties held for sale was higher than the net realisable value. During the current financial year, borrowing costs of $733,000 (2014: $612,000) was capitalised into properties held for sale at capitalisation rates ranging from 6.9% to 12.0% (2014: 8.7% to 9.3%) per annum.

As at 31 December 2015, properties under development for sale of the Group amounting to $7,026,000 (2014: $6,843,000) have been pledged as security for bonds issued by a subsidiary and credit facilities granted by a bank to a subsidiary (Notes 31 and 33).

**19 Subsidiaries**

| | Company | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Unquoted equity shares, at cost | 1,269,573 | 1,269,610 |
| Loans receivable | 667,235 | 544,510 |
| | 1,936,808 | 1,814,120 |
| Less: Impairment loss | (100,000) | (100,000) |
| | 1,836,808 | 1,714,120 |

Particulars of the subsidiaries are disclosed in Note 43 to the financial statements. The Company recognised an accumulated loss of $100,000,000 to write down the carrying amount of one of the subsidiaries to its recoverable amount. The recoverable amount of the 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. Except for loans of $227,442,000 (2014: $181,186,000) which bear interest at rates ranging from 2.5% to 3.5% (2014: 3%) per annum, the above loans receivable from subsidiaries are unsecured, interest-free and not expected to be repaid within the next 12 months.

**20 Associated Companies**

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Quoted equity shares, at cost | 214,115 | 199,191 | - | - |
| Unquoted equity shares, at cost | 67,025 | 65,660 | - | - |
| | 281,140 | 264,851 | - | - |
| Currency realignment | (143,926) | (125,303) | - | - |
| Capital reserve on acquisition | 32,528 | 32,528 | - | - |
| Share of post-acquisition reserves, net of dividend received | 50,910 | 51,200 | - | - |
| | 220,652 | 223,276 | - | - |
| Fair value classified under Level 1 of Fair Value Hierarchy (Note 40): | | | | |
| Quoted equity shares | 507,057 | 501,123 | - | - |

As at 31 December 2015, the accumulated loss not recognised for an associated company amounted to $5,416,000 (2014: Nil) as such loss is in excess of the Group's interest in this associated company.

Particulars of the associated companies are disclosed in Note 44 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:

| | 2015 | 2014 |
|---|---|---|
| | S$'000 | S$'000 |
| Total profit for the year | 11,111 | 44,941 |
| Other comprehensive (loss)/income | (68) | 196 |
| Total comprehensive income for the year | 11,043 | 45,137 |

**21 Joint Ventures**

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Unquoted equity shares, at cost | 207,051 | 207,051 | - | - |
| Share of post-acquisition reserves, net of unrealised profit and dividend received | (83,252) | (80,238) | - | - |
| Currency realignment | (32,445) | (22,925) | - | - |
| | 91,354 | 103,888 | - | - |

**21 Joint Ventures** (cont'd)

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

| Name of company and country of incorporation | Principal activities | The Group's Cost of investment | | Effective percentage of equity held by the Group | |
|---|---|---|---|---|---|
| | | 2015 | 2014 | 2015 | 2014 |
| | | S$'000 | S$'000 | % | % |
| Badan Kerja Sama, Pasar Pagi – ITC Mangga Dua Indonesia | Manage and operate shopping centre | 56 | 56 | 18.20 | 18.24 |
| BKS Binamaju Multikarsa Indonesia | Housing development | 147 | 147 | 41.60 | 41.62 |
| PT Bumi Parama Wisesa Indonesia | Real estate development | 127,755 | 127,755 | 26.20 | 26.27 |
| PT Indonesia International Expo Indonesia | Property development | 62,263 | 62,263 | 25.18 | 25.24 |
| PT Itomas Kembangan Perdana Indonesia | Property management | 16,830 | 16,830 | 18.56 | 18.61 |
| | | 207,051 | 207,051 | | |

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:

| | 2015 | 2014 |
|---|---|---|
| | S$'000 | S$'000 |
| Total profit for the year | 381 | 15,491 |
| Other comprehensive gain/(loss) | 44 | (12) |
| Total comprehensive income for the year | 425 | 15,479 |

**22 Long-Term Investments**

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | 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 | 9 | - | - |
| | 2,182 | 2,403 | - | - |

## 23 Properties Under Development for Sale

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Properties under development: | | | | |
| Land cost | 239,576 | 248,356 | - | - |
| Development cost incurred to date | 407,790 | 445,870 | - | - |
| | 647,366 | 694,226 | - | - |
| Land held for development | 943,141 | 1,044,274 | - | - |
| | 1,590,507 | 1,738,500 | - | - |

As at 31 December 2015, certain properties under development for sale of the Group amounting to $68,242,000 (2014: $37,778,000) 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 $4,983,000 (2014: $753,000) were capitalised into properties under development for sale at capitalisation rates ranging from 1.75% to 6.75% (2014: 1.75%) per annum.

## 24 Investment Properties

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Cost: | | | | |
| At the beginning of the year | 592,514 | 617,998 | - | - |
| Additions | 72,074 | 152,084 | - | - |
| Acquisition of subsidiaries (Note 41(a),(b)) | 544,075 | 9,055 | - | - |
| Transfer to properties under development for sale | - | (42,524) | - | - |
| Transfer (to)/from property, plant and equipment (Note 25) | (833) | 7,628 | - | - |
| Transfer from properties held for sale | 161 | - | - | - |
| Disposal of subsidiaries (Note 41(c)) | - | (182,070) | - | - |
| Currency realignment | (31,117) | 30,343 | - | - |
| At the end of the year | 1,176,874 | 592,514 | - | - |
| | | | | |
| Accumulated depreciation: | | | | |
| At the beginning of the year | 96,006 | 82,631 | - | - |
| Depreciation | 13,906 | 10,781 | - | - |
| Transfer from property, plant and equipment (Note 25) | - | 2,862 | - | - |
| Disposal of subsidiaries (Note 41(c)) | - | (4,887) | - | - |
| Currency realignment | (5,910) | 4,619 | - | - |
| At the end of the year | 104,002 | 96,006 | - | - |
| | | | | |
| Net carrying amount | 1,072,872 | 496,508 | - | - |

As at 31 December 2015, certain investment properties of the Group amounting to $729,650,000 (2014: $188,870,000) 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 (cont'd)

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

| | Group | |
| --- | --- | --- |
| | 2015<br>S$'000 | 2014<br>S$'000 |
| Rental income | 86,011 | 74,792 |
| Direct operating expenses arising from investment properties that generated rental income | 17,830 | 16,841 |
| Property tax and other operating expenses arising from investment properties that did not generate rental income | 709 | 677 |

| | Group | |
| --- | --- | --- |
| | 2015<br>S$'000 | 2014<br>S$'000 |
| Fair value of investment properties located in: | | |
| Indonesia | 655,110 | 672,623 |
| Singapore | 212,810 | 212,810 |
| United Kingdom | 716,308 | 117,825 |
| Fair value classified under Level 2 of Fair Value Hierarchy (Note 40) | 1,584,228 | 1,003,258 |

As at 31 December 2015, 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 in 2015 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 fair values of investment properties located in Singapore and United Kingdom were based on external valuation reports prepared by the independent professional valuers with appropriate qualifications and experience in the valuation of properties in the relevant locations, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Knight Frank LLP and Montagu Evans LLP respectively in 2015 based on open market value approach whereby the basis of comparable transaction is from direct comparison with transaction prices of similar properties.

## 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 1.1.2015 | 35,045 | 87,835 | 71,929 | 18,706 | 60,533 | 34,667 | 308,715 |
| Additions | - | 721 | 1,692 | 1,808 | 20,814 | 14,256 | 39,291 |
| Disposals | - | - | - | (144) | (889) | - | (1,033) |
| Reclassification | 306 | 8,491 | - | 13,719 | 32 | (22,548) | - |
| Transfer from investment properties (Note 24) | - | 833 | - | - | - | - | 833 |
| Written off | - | - | (29) | (204) | (7) | - | (240) |
| Currency realignment | (5,245) | (8,299) | 454 | (1,157) | (4,816) | (3,140) | (22,203) |
| At 31.12.2015 | 30,106 | 89,581 | 74,046 | 32,728 | 75,667 | 23,235 | 325,363 |
| Accumulated depreciation: | | | | | | | |
| At 1.1.2015 | - | 43,067 | 51,280 | 11,570 | 44,868 | - | 150,785 |
| Depreciation | - | 3,963 | 6,830 | 2,146 | 2,989 | - | 15,928 |
| Disposals | - | - | - | (144) | (842) | - | (986) |
| Written off | - | - | - | (204) | (7) | - | (211) |
| Currency realignment | - | (3,745) | 666 | (921) | (3,240) | - | (7,240) |
| At 31.12.2015 | - | 43,285 | 58,776 | 12,447 | 43,768 | - | 158,276 |
| Net book value: | | | | | | | |
| At 31.12.2015 | 30,106 | 46,296 | 15,270 | 20,281 | 31,899 | 23,235 | 167,087 |
| Cost: | | | | | | | |
| At 1.1.2014 | 32,884 | 82,040 | 77,506 | 17,199 | 47,030 | 9,923 | 266,582 |
| Additions | 1,716 | 384 | 269 | 591 | 10,660 | 23,813 | 37,433 |
| Disposals | - | - | - | (1) | (532) | - | (533) |
| Acquisition of subsidiaries (Note 41(b)) | - | - | - | - | 28 | - | 28 |
| Disposal of subsidiaries (Note 41(c)) | - | - | (1,957) | - | - | - | (1,957) |
| Transfer to investment properties (Note 24) | - | - | (7,628) | - | - | - | (7,628) |
| Written off | - | - | - | (170) | (25) | - | (195) |
| Currency realignment | 445 | 5,411 | 3,739 | 1,087 | 3,372 | 931 | 14,985 |
| At 31.12.2014 | 35,045 | 87,835 | 71,929 | 18,706 | 60,533 | 34,667 | 308,715 |
| Accumulated depreciation: | | | | | | | |
| At 1.1.2014 | - | 36,450 | 50,581 | 10,515 | 39,468 | - | 137,014 |
| Depreciation | - | 3,702 | 2,100 | 964 | 3,206 | - | 9,972 |
| Disposals | - | - | - | (1) | (478) | - | (479) |
| Disposal of subsidiaries (Note 41(c)) | - | - | (810) | - | - | - | (810) |
| Transfer to investment properties (Note 24) | - | - | (2,862) | - | - | - | (2,862) |
| Written off | - | - | - | (170) | (25) | - | (195) |
| Currency realignment | - | 2,915 | 2,271 | 262 | 2,697 | - | 8,145 |
| At 31.12.2014 | - | 43,067 | 51,280 | 11,570 | 44,868 | - | 150,785 |
| Net book value: | | | | | | | |
| At 31.12.2014 | 35,045 | 44,768 | 20,649 | 7,136 | 15,665 | 34,667 | 157,930 |

**25 Property, Plant and Equipment** (cont'd)

As at 31 December 2015, certain property, plant and equipment of the Group amounting to $22,683,000 (2014: $21,322,000) has been pledged as security for credit facilities granted by banks to the subsidiaries (Note 33).

During the financial year 2015, the additions to property, plant and equipment included motor vehicles, furniture and fixtures of $16,257,000 (2014: $5,502,000) acquired under finance leases.

| Company | Leasehold improvements | Plant and equipment | Motor vehicles, furniture and fixtures | Total |
|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Cost: | | | | |
| At 1 January 2015 | 144 | 469 | 1,230 | 1,843 |
| Written off | - | (112) | - | (112) |
| At 31 December 2015 | 144 | 357 | 1,230 | 1,731 |
| Accumulated depreciation: | | | | |
| At 1 January 2015 | 144 | 469 | 1,117 | 1,730 |
| Depreciation | - | - | 42 | 42 |
| Written off | - | (112) | - | (112) |
| At 31 December 2015 | 144 | 357 | 1,159 | 1,660 |
| Net book value: | | | | |
| At 31 December 2015 | - | - | 71 | 71 |
| Cost: | | | | |
| At the beginning and end of the year | 144 | 469 | 1,230 | 1,843 |
| Accumulated depreciation: | | | | |
| At 1 January 2014 | 144 | 469 | 1,074 | 1,687 |
| Depreciation | - | - | 43 | 43 |
| At 31 December 2014 | 144 | 469 | 1,117 | 1,730 |
| Net book value: | | | | |
| At 31 December 2014 | - | - | 113 | 113 |

**26 Long-Term Receivables**

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Loans receivable from a joint venture, denominated in Indonesian Rupiah | 23,505 | 11,057 | - | - |
| Finance lease denominated in Indonesian Rupiah | 23,442 | 25,883 | - | - |
| | 46,947 | 36,940 | - | - |

The loans receivable from a joint venture are unsecured, interest-free and with maturity dates ranging from 2019 to 2020.

## 26 Long-Term Receivables (cont'd)

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

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Gross receivables due: | | |
| Within one year | 1,854 | 2,548 |
| Between one year to five years | 7,874 | 8,254 |
| More than five years | 39,352 | 45,733 |
| | 49,080 | 56,535 |
| Less: Unearned finance income | (25,549) | (30,540) |
| Net investment in finance lease | 23,531 | 25,995 |
| | | |
| Current portion, classified as other current assets (Note 17) | 89 | 112 |
| Non-current portion | 23,442 | 25,883 |
| Net investment in finance lease | 23,531 | 25,995 |

## 27 Deferred Income Tax

| Group | Accelerated tax depreciation S$'000 | Retirement benefit obligations S$'000 | Others/ Valuation allowance S$'000 | Total S$'000 |
|---|---|---|---|---|
| Deferred tax assets/(liabilities) | | | | |
| At 1 January 2015 | (72) | 396 | - | 324 |
| (Charged)/Credited to income statement | (2) | 47 | (10) | 35 |
| Currency realignment | 7 | (45) | (1) | (39) |
| At 31 December 2015 | (67) | 398 | (11) | 320 |
| | | | | |
| At 1 January 2014 | (64) | 226 | (12) | 150 |
| (Charged)/Credited to income statement | (2) | 144 | 15 | 157 |
| Currency realignment | (6) | 26 | (3) | 17 |
| At 31 December 2014 | (72) | 396 | - | 324 |

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:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Deferred tax assets | 331 | 336 | - | - |
| Deferred tax liabilities | (11) | (12) | - | - |
| Net | 320 | 324 | - | - |

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 2015 S$'000 | Group 2014 S$'000 | Company 2015 S$'000 | Company 2014 S$'000 |
|---|---|---|---|---|
| At the beginning and end of the year | 1,784 | 1,784 | - | - |

## 29 Trade Payables

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

| | Group 2015 S$'000 | Group 2014 S$'000 | Company 2015 S$'000 | Company 2014 S$'000 |
|---|---|---|---|---|
| Indonesian Rupiah | 31,930 | 17,651 | - | - |
| Singapore Dollar | 2,012 | 1,921 | - | - |
| Chinese Renminbi | 1,941 | 2,914 | - | - |
| Others | 2,052 | 1,478 | - | - |
| | 37,935 | 23,964 | - | - |

## 30 Other Payables and Liabilities

| | Group 2015 S$'000 | Group 2014 S$'000 | Company 2015 S$'000 | Company 2014 S$'000 |
|---|---|---|---|---|
| Payables to: | | | | |
| Third parties | 42,382 | 39,255 | - | - |
| Related parties | 3,486 | 2,956 | 24 | 24 |
| Subsidiaries | - | - | 99,663 | 70,104 |
| Derivative payables | 10,292 | 12,119 | - | - |
| Interest payable | 8,942 | 5,871 | 129 | 376 |
| Other taxes payable | 4,942 | 9,118 | - | - |
| | 70,044 | 69,319 | 99,816 | 70,504 |
| Advances and deposits received on: | | | | |
| Development properties | 442,584 | 481,465 | - | - |
| Rental | 18,398 | 15,333 | - | - |
| Estimated liabilities for future improvements | 14,454 | 18,802 | - | - |
| Provision for claims | 2,055 | 2,055 | - | - |
| Accruals | 16,872 | 23,336 | 738 | 828 |
| Retirement benefit obligations (Note 13) | 828 | 663 | - | - |
| Others | 1,722 | 1,286 | 91 | - |
| | 566,957 | 612,259 | 100,645 | 71,332 |

The non-trade payables to related parties and subsidiaries are unsecured and repayable on demand.

As at 31 December 2014, included in the non-trade payables to third parties was $15,360,000 which bore interest rate at 1.93% per annum. This amount was fully repaid during the current financial year.

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).

## 30 Other Payables and Liabilities (cont'd)

Estimated liabilities for future improvements represent the estimated cost which will be incurred by the Group in future periods for road paving, bridge, landscaping, electricity and water installation, land grading and other costs on the land sold.

Movements in estimated liabilities for future improvements during the financial year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| At the beginning of the year | 18,802 | 17,933 | - | - |
| Amount incurred | (2,639) | (924) | - | - |
| Currency realignment | (1,709) | 1,793 | - | - |
| At the end of the year | 14,454 | 18,802 | - | - |

Other payables are denominated in the following currencies:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Indonesian Rupiah | 542,797 | 575,576 | - | - |
| Singapore Dollar | 10,515 | 12,575 | 858 | 856 |
| British Pound | 6,510 | 3,326 | - | - |
| Chinese Renminbi | 2,532 | 891 | 14,505 | 14,173 |
| United States Dollar | 2,304 | 1,897 | 82,382 | 53,594 |
| Others | 2,299 | 17,994 | 2,900 | 2,709 |
| | 566,957 | 612,259 | 100,645 | 71,332 |

## 31 Bonds and Notes Payables

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Interest-bearing Bonds/Notes: | | | | |
| Secured: | | | | |
| BSD Bonds Program (a) | | | | |
| 8% Phase 1 A series due 2015 | - | 9,350 | - | - |
| 9.25% Phase 1 B series due 2017 | 47,900 | 52,690 | - | - |
| 9.5% Phase 1 C series due 2019 | 43,600 | 47,960 | - | - |
| 8.375% Phase 2 due 2018 | 175,000 | 192,500 | - | - |
| | 266,500 | 302,500 | - | - |
| Unsecured: | | | | |
| 10% PAM Bonds due 2015 (b) | - | 17,600 | - | - |
| 10% PAM Bonds due 2018 (b) | 16,000 | - | - | - |
| | 16,000 | 17,600 | - | - |
| 6.75% GPC Notes due 2020 (c) | 310,388 | - | - | - |
| | 592,888 | 320,100 | - | - |

**31 Bonds and Notes Payables** (cont'd)

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Interest-bearing Bonds/Notes | 592,888 | 320,100 | - | - |
| Zero Percent Convertible Bonds: | | | | |
| PAM Bonds due 2018 (d) | 22,370 | 24,607 | - | - |
| Less: Unamortised discount | (4,240) | (6,530) | - | - |
| | 18,130 | 18,077 | - | - |
| PAM Bonds due 2015/2020 (e) | 5,700 | 6,270 | - | - |
| Less: Unamortised discount | (1,571) | (186) | - | - |
| | 4,129 | 6,084 | - | - |
| | 615,147 | 344,261 | - | - |
| Less: Deferred bond charges | (7,551) | (1,721) | - | - |
| | 607,596 | 342,540 | - | - |
| Less: Current portion classified as current liabilities | - | (33,016) | - | - |
| Non-current portion | 607,596 | 309,524 | - | - |

Movements in unamortised discount on bonds are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| At the beginning of the year | 6,716 | 8,309 | - | - |
| Addition | 1,812 | - | - | - |
| Amortisation during the year | (2,170) | (2,380) | - | - |
| Currency realignment | (547) | 787 | - | - |
| At the end of the year | 5,811 | 6,716 | - | - |

Movements in deferred bond charges are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| At the beginning of the year | 1,721 | 1,973 | - | - |
| Addition | 6,796 | - | - | - |
| Amortisation during the year | (1,306) | (440) | - | - |
| Currency realignment | 340 | 188 | - | - |
| At the end of the year | 7,551 | 1,721 | - | - |

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

**31 Bonds and Notes Payables** (cont'd)

(a) In June 2012, PT Bumi Serpong Damai Tbk ("BSD") has established a fixed rate IDR Bond Program ("Bond Program") up to IDR3 trillion. On 4 July 2012, BSD has issued the Phase 1 of the Bond Program amounting to IDR1 trillion (2015: equivalent to $100 million; 2014: equivalent to $110 million), which consist of 3-year A series bonds of IDR85 billion due in July 2015, 5-year B series bonds of IDR479 billion due in July 2017 and 7-year C series bonds of IDR436 billion due in July 2019 with fixed annual interest rate of 8%, 9.25% and 9.5% respectively, payable quarterly. All Phase 1 bonds were issued at face value and listed on the Indonesia Stock Exchange.

In June 2013, BSD has issued the Phase 2 of the Bond Program amounting to IDR1.75 trillion (2015: equivalent to $175 million; 2014: equivalent to $192.5 million) due in June 2018. All Phase 2 bonds were issued at face value and listed on the Indonesia Stock Exchange.

The bonds were secured by certain properties held for sale and properties under development for sale of the Group (Notes 18 and 23).

During the current financial year, the Phase 1 A series bonds of IDR85 billion were fully redeemed. As at 31 December 2015 and 2014, the total outstanding bonds of Bond Program was IDR2,665 billion (equivalent to $266.5 million) and IDR2,750 billion (equivalent to $302.5 million) respectively.

(b) In June 2012, PT Paraga Artamida ("PAM") issued unsecured bearer bonds due June 2015 amounting to IDR270 billion. The bonds were renewed for another 3 years from June 2015 to June 2018. Interest on the bonds accrues at a fixed rate of 10% per annum and is payable on a quarterly basis. As at 31 December 2015 and 2014, the outstanding bearer bonds amounting to IDR160 billion (2015: equivalent to $16.0 million; 2014: equivalent to $17.6 million).

(c) In April 2015, Global Prime Capital Pte. Ltd. ("GPC"), issued unsecured 6.75% senior notes of US$225 million at par due in April 2020. As at 31 December 2015, the outstanding senior notes was US$225 million (equivalent to $310,388,000).

(d) In June 1998, PAM issued Zero Percent Convertible Bonds due 2003 amounting to US$138.5 million to its shareholders or their assignees. In January 2002, the unredeemed bonds of US$137.6 million were converted into IDR1,431,441 million. The bonds were renewed for another 5 years on the maturity dates in June 2003, June 2008 and June 2013 respectively. The renewed bonds will mature in June 2018 and 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 PAM at an exercise price based on 70% of the net tangible asset value of PAM at the exercise date.

As at 31 December 2015 and 2014, the bonds held by a subsidiary in the Group amounted to IDR716,227 million (equivalent to $71.6 million) and IDR1,207,737 million (equivalent to $132.9 million) respectively while the bonds held by related parties amounted to IDR223,704 million (2015: equivalent to $22.4 million; 2014: equivalent to $24.6 million).

(e) In May 2005, PAM issued Zero Percent Convertible Bonds due May 2010 amounting to IDR57 billion (2015: equivalent to $5.7 million; 2014: equivalent to $6.3 million) to a related party. The bonds were renewed for another 5 years on the maturity dates in May 2010 and May 2015 respectively. The renewed bond is 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 PAM at an exercise price based on 70% of the net tangible asset value of PAM at the exercise date.

## 32 Obligations Under Finance Leases

| | Minimum lease payments | | Present value of minimum lease payments | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Group** | | | | |
| Amounts payable under finance leases: | | | | |
| Within one year | 7,233 | 2,112 | 6,757 | 1,909 |
| Between one year to five years | 11,519 | 3,790 | 10,858 | 3,628 |
| | 18,752 | 5,902 | 17,615 | 5,537 |
| Less: Future finance charges | (1,137) | (365) | - | - |
| Present value of lease obligations | 17,615 | 5,537 | 17,615 | 5,537 |
| Less: Amount due for settlement within 12 months | | | (6,757) | (1,909) |
| Amount due for settlement after 12 months | | | 10,858 | 3,628 |
| Net book value of assets under finance leases | | | 17,048 | 6,334 |
| Interest rate per annum for finance leases | | | 2.9% – 4.2% | 2.9% – 4.2% |

| | Minimum lease payments | | Present value of minimum lease payments | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Company** | | | | |
| Amounts payable under finance leases: | | | | |
| Within one year | 18 | 27 | 14 | 21 |
| Between one year to five years | - | 18 | - | 14 |
| | 18 | 45 | 14 | 35 |
| Less: Future finance charges | (4) | (10) | - | - |
| Present value of lease obligations | 14 | 35 | 14 | 35 |
| Less: Amount due for settlement within 12 months | | | (14) | (21) |
| Amount due for settlement after 12 months | | | - | 14 |
| Net book value of assets under finance leases | | | - | - |
| Interest rate per annum for finance leases | | | 2.9% | 2.9% |

The obligations under finance leases of the Group and the Company are secured by the lessor's charge over the leased assets.

The obligations under finance leases are denominated in the following currencies:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| United States Dollar | 17,473 | 5,478 | - | - |
| Malaysia Ringgit | 128 | 24 | - | - |
| Singapore Dollar | 14 | 35 | 14 | 35 |
| | 17,615 | 5,537 | 14 | 35 |

## 33 Borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Secured borrowings denominated in: | | | | |
| British Pound | 401,152 | 75,792 | - | - |
| Indonesian Rupiah | 205,680 | 167,531 | - | - |
| Singapore Dollar | 96,000 | 96,000 | - | - |
| United States Dollar | 18,020 | 57,027 | 18,020 | - |
| | 720,852 | 396,350 | 18,020 | - |
| Unsecured borrowing denominated in: | | | | |
| United States Dollar | 61,786 | - | - | - |
| | 782,638 | 396,350 | 18,020 | - |
| Less: Current portion classified as current liabilities | (218,030) | (157,325) | (18,020) | - |
| Non-current portion | 564,608 | 239,025 | - | - |

The interest rates per annum for the above borrowings are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | % | % | % | % |
| British Pound | 1.9 – 2.9 | 2.9 | - | - |
| Indonesian Rupiah | 8.0 – 12.0 | 8.5 – 11.5 | - | - |
| Singapore Dollar | 2.0 – 3.7 | 2.0 – 2.2 | - | - |
| United States Dollar | 1.5 – 2.4 | 1.5 | 2.4 | - |

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 2015 | | | | | |
| Borrowings repayable in: | | | | | |
| 2016 | 1,988,628,000 | 547 | - | 12,744 | 218,030 |
| 2017 | - | 547 | - | - | 1,147 |
| 2018 | 68,172,000 | 547 | 92,000 | - | 99,964 |
| 2019 | - | 547 | 4,000 | 43,696 | 66,933 |
| 2020 | - | 547 | - | - | 1,147 |
| Thereafter | - | 188,654 | - | - | 395,417 |
| Total | 2,056,800,000 | 191,389 | 96,000 | 56,440 | 782,638 |
| Current portion | (1,988,628,000) | (547) | - | (12,744) | (218,030) |
| Non-current portion | 68,172,000 | 190,842 | 96,000 | 43,696 | 564,608 |
| As at 31 December 2014 | | | | | |
| Borrowings repayable in: | | | | | |
| 2015 | 1,420,000,000 | 547 | - | - | 157,325 |
| 2016 | - | 547 | - | - | 1,125 |
| 2017 | - | 547 | - | - | 1,125 |
| 2018 | 103,011,000 | 547 | 92,000 | - | 104,457 |
| 2019 | - | 547 | 4,000 | 43,169 | 62,152 |
| Thereafter | - | 34,111 | - | - | 70,166 |
| Total | 1,523,011,000 | 36,846 | 96,000 | 43,169 | 396,350 |
| Current portion | (1,420,000,000) | (547) | - | - | (157,325) |
| Non-current portion | 103,011,000 | 36,299 | 96,000 | 43,169 | 239,025 |

**33 Borrowings** (cont'd)

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 end of the financial year, there is no breach of loan covenants.

**34 Long-Term Liabilities**

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Advances and deposits received on development properties | 134,591 | 121,450 | - | - |
| Retirement benefit obligations (Note 13) | 31,101 | 29,560 | - | - |
| Security deposits | 6,809 | 3,996 | - | - |
| Loans payable to third parties | - | 14,349 | - | - |
| Others | 47 | 96 | - | - |
| | 172,548 | 169,451 | - | - |

As at 31 December 2014, the unsecured loans payable to third parties bore interest at rate of 1.93% per annum and was fully repaid during the current financial year.

Long-term liabilities are denominated in the following currencies:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Indonesian Rupiah | 170,659 | 154,767 | - | - |
| United States Dollar | 1,807 | 202 | - | - |
| Singapore Dollar | 82 | 133 | - | - |
| Japanese Yen | - | 14,349 | - | - |
| | 172,548 | 169,451 | - | - |

## 35 Issued Capital and Treasury Shares

| Group and Company | No. of ordinary shares | | Amount | |
|---|---|---|---|---|
| | Issued capital | Treasury shares | Issued capital | Treasury shares |
| | '000 | '000 | S$'000 | S$'000 |
| Issued and fully paid: | | | | |
| Balance at 31 December 2014 and 1 January 2015 | 3,041,959 | - | 1,907,108 | - |
| Treasury shares purchased | - | (293,457) | - | (170,460) |
| Issuance of shares pursuant to warrants exercised | 1,507,360 | - | 150,736 | - |
| Balance at 31 December 2015 | 4,549,319 | (293,457) | 2,057,844 | (170,460) |

The Company acquired 293,456,700 of its own shares in the open market during the current financial year. These shares are held as treasury shares. The total amount paid to acquire the shares of $170,460,000 was presented as a component within shareholders' equity.

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.

As at 31 December 2014, the number of outstanding warrants was 1,520,978,744. Each warrant carries the right to subscribe for one new ordinary share at an exercise price of $0.10 each. On the exercise date, 18 November 2015, a total of 1,507,359,759 warrants were exercised, while the remaining 13,618,985 warrants which were not exercised have lapsed. Pursuant to the exercise of the warrants, 1,507,359,759 new ordinary shares were allotted and issued on 23 November 2015. There are no outstanding warrants as at 31 December 2015.

## 36 Dividends

| | Group and Company | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Final dividends paid in respect of the previous year of $0.005 (2014: $0.005) per share | 15,210 | 15,210 |

At the annual general meeting to be held on 21 April 2016, a first and final tax-exempted (one-tier) dividend of $0.0019 per share, amounting to $8,086,138.74 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 2016.

## 37 Holding Company

The directors of the Company regard Flambo International Limited, a company incorporated in the British Virgin Islands as the ultimate holding company. The controlling shareholders of the Company comprise certain members of the Widjaja family.

## 38 Related Party Transactions

(a) In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties, on terms agreed between parties, were as follows:

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2015 | 2014 | 2015 | 2014 |
| | | S$'000 | S$'000 | S$'000 | S$'000 |
| i) | Interest expense to a subsidiary | - | - | - | 368 |
| ii) | Interest income from: | | | | |
| | Subsidiaries | - | - | 6,660 | 7,975 |
| | Related parties | 1,471 | 774 | - | - |
| iii) | Dividend income from: | | | | |
| | Subsidiaries | - | - | 75,402 | 14,299 |
| | Associated companies | 11,985 | 6,090 | - | - |
| | Joint ventures | 5,610 | 3,740 | - | - |
| iv) | Sales of goods and services | | | | |
| | Management fee from subsidiaries | - | - | 3,088 | 3,182 |
| | Service fees from: | | | | |
| | An associated company | 34 | - | - | - |
| | A joint venture | 103 | - | - | - |
| | Technical fees from associated companies | - | 165 | - | - |
| | Sales of land parcels to: | | | | |
| | Associated companies | 12,006 | 66,705 | - | - |
| | A joint venture | 15 | - | - | - |
| | Rental income from related parties | 33,685 | 36,611 | 14 | 11 |
| v) | Purchase of goods and services | | | | |
| | Insurance premium to a related party | 3,439 | 1,927 | - | - |
| | Rental expense to: | | | | |
| | Subsidiaries | - | - | 180 | 167 |
| | Related parties | 243 | 243 | 243 | 243 |
| vi) | Proceeds from disposal of subsidiaries to a related party | - | 5,539 | - | - |

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

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | S$'000 | S$'000 |
| Directors' remuneration: | | |
| Directors of the Company | 8,678 | 10,711 |
| Other key management personnel | 4,639 | 2,197 |

Included in the above remuneration are post employment benefits of $966,813 (2014: $39,989).

**39 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 | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Future minimum lease payments payable: | | | | |
| Within one year | 350 | 365 | 307 | 307 |
| Between one year to five years | 281 | 66 | 243 | 4 |
| Minimum lease payments paid under operating leases | 847 | 939 | 427 | 414 |

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 | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Future minimum lease receivable: | | | | |
| Within one year | 63,851 | 36,008 | - | - |
| Between one year to five years | 138,067 | 52,638 | - | - |
| After five years | 136,689 | - | - | - |

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

(c) Expenditure commitments

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Property development | 342,780 | 126,675 | - | - |
| Capital expenditure | 57,504 | 8,736 | - | - |

## 40 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 bond payables and short-term borrowings 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 obligation under finance leases, bonds and notes payables 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 2015 and 2014, 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 |
|---|---|---|---|---|
| At 31 December 2015 | S$'000 | S$'000 | S$'000 | S$'000 |
| Financial assets at fair value through profit or loss | 1,096 | - | - | 1,096 |
| Available-for-sale financial assets | 14,706 | - | 2,182 | 16,888 |
| Total | 15,802 | - | 2,182 | 17,984 |
| | | | | |
| At 31 December 2014 | | | | |
| Financial assets at fair value through profit or loss | 1,275 | - | - | 1,275 |
| Available-for-sale financial assets | 16,529 | - | 2,403 | 18,932 |
| Total | 17,804 | - | 2,403 | 20,207 |

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

| | 2015 | 2014 |
|---|---|---|
| | S$'000 | S$'000 |
| At the beginning of the year | 2,403 | 4,300 |
| Written off during the year | - | (1,219) |
| Disposal made during the year | - | (979) |
| Foreign exchange (loss)/gain recognised in other comprehensive income | (221) | 301 |
| At the end of the year | 2,182 | 2,403 |

**41 Business Combinations**

(a) Acquisition of subsidiaries during the financial year 2015

(i) On 1 May 2015, the Group through its subsidiaries, acquired a 100% equity interest in PT Permata Kirana Lestari ("PKL") for a total consideration of IDR27.4 billion (equivalent to $2,737,000). The fair value of the identified assets and liabilities acquired amounted to $2,737,000 after taking into account the fair value adjustment of $1,517,000 based on the tax reference value of a land parcel owned by PKL. From the date of acquisition, it does not contribute significantly to the Group's revenue and profit before income tax for the financial year ended 31 December 2015. If the acquisition has been completed on 1 January 2015, management estimated that there would have been no significant changes to the Group's results.

(ii) On 8 October 2015, the Group acquired 100% of the equity interest in Agamemnon S.a r.l. and Triton Court GP Ltd ("Agamemnon Group") for a total consideration of GBP259.6 million (equivalent to $544,161,000). Agamemnon S.a r.l. and Triton Court GP Ltd own 100% of the partnership interest in Alphabeta Limited Partnership (*formerly known as Finsbury Square (Triton Court 2012) Limited Partnership*), which is the beneficial owner of a freehold property known as Alphabeta building in Central London, United Kingdom, with Triton Court GP Ltd and its wholly-owned subsidiary, Triton Court Nominee (Newco) Limited being the legal owners of this property.

The fair value of the identifiable assets and liabilities acquired amounted to $544,161,000 after taking into account the fair value adjustment of $195,590,000 on investment property based on an independent valuation report. From the date of acquisition, it contributed revenue of $10,186,000 and profit of $1,918,000 to the Group's results. If the acquisition has been completed on 1 January 2015, management estimated that there would have been no significant changes to the Group's results as the refurbishment of the investment property was completed during the third quarter of 2015.

The following table summarises the major class of consideration transferred, and the recognised fair value of identifiable assets acquired and liabilities assumed at the acquisition date:

| | PKL | Agamemnon Group | Total |
|---|---|---|---|
| | S$'000 | S$'000 | S$'000 |
| Cash and cash equivalents | 46 | 111 | 157 |
| Other current assets | - | 790 | 790 |
| Properties under development for sale | 3,424 | - | 3,424 |
| Investment property | - | 544,075 | 544,075 |
| Other payables | (733) | (815) | (1,548) |
| Total identifiable net assets/purchase consideration | 2,737 | 544,161 | 546,898 |
| Less: Cash and cash equivalents acquired | (46) | (111) | (157) |
| Net cash outflow on acquisition of subsidiaries | 2,691 | 544,050 | 546,741 |

**41 Business Combinations** (cont'd)

(b) Acquisition of subsidiaries during the financial year 2014

(i) On 27 February 2014, the Group through its subsidiary, acquired additional 4.97% equity interest in its associated company, PT Phinisindo Zamrud Nusantara ("PZN"), for a total consideration of IDR88 million (equivalent to $10,000). Subsequently on 25 June 2014, the Group further acquired an additional 22.51% equity interest in PZN for a total consideration of IDR5 billion (equivalent to $550,000) resulting in the Group controls 77.48% voting rights in PZN and it became a subsidiary of the Group. The fair value of the identifiable assets and liabilities acquired amounted to $20,153,000 after taking into account the fair value adjustments of $12,131,000 on investment property and real estate inventories based on an independent valuation report. From 25 June 2014 to 31 December 2014, it contributed revenue of $1,415,000 and profit of $1,624,000 to the Group's results. If the acquisition had occurred on 1 January 2014, management estimated that the Group's revenue and profit before income tax for the year would have been $830,044,000 and $476,580,000 respectively.

(ii) On 28 October 2014, the Group through its subsidiary, acquired a 68% equity interest in PT Phinisi Multi Properti ("PMP") for a total consideration of IDR268.3 billion (equivalent to $29,511,000). The fair value of the identifiable assets and liabilities acquired amounted to $45,448,000 after taking into account the fair value adjustments of $20,074,000 on real estate inventories based on an independent valuation report. From the date of acquisition, it contributed a loss of $21,000 to the Group's results. If the acquisition had occurred on 1 January 2014, management estimated that there would have been no significant changes to the Group's revenue and profit before income tax.

The following table summarises the major class of consideration transferred, and the recognised fair value of identifiable assets acquired and liabilities assumed at the acquisition date:

| | PZN<br>S$'000 | PMP<br>S$'000 | Total<br>S$'000 |
|---|---|---|---|
| Cash and cash equivalents | 3,441 | 24 | 3,465 |
| Trade receivables | 175 | - | 175 |
| Other current assets | 107 | - | 107 |
| Inventories | 67 | - | 67 |
| Properties held for sale | 9,498 | - | 9,498 |
| Properties under development for sale | - | 45,428 | 45,428 |
| Property, plant and equipment | 28 | - | 28 |
| Investment properties | 9,055 | - | 9,055 |
| Other payables | (1,521) | (4) | (1,525) |
| Income taxes payables | (63) | - | (63) |
| Long-term liabilities | (634) | - | (634) |
| Total identifiable net assets | 20,153 | 45,448 | 65,601 |
| Less: Transfer from investment in an associated company | (4,409) | - | (4,409) |
| Less: Non-controlling interests' proportionate share of net assets | (4,538) | (14,543) | (19,081) |
| Less: Gain on equity interest | (3,381) | - | (3,381) |
| Less: Negative goodwill | (7,275) | (1,394) | (8,669) |
| Total purchase consideration | 550 | 29,511 | 30,061 |
| Less: Cash and cash equivalents acquired | (3,441) | (24) | (3,465) |
| Net cash outflow/(inflow) on acquisition of subsidiaries | (2,891) | 29,487 | 26,596 |

**41 Business Combinations** (cont'd)

(c) Disposal of subsidiaries during the financial year 2014

(i) In April 2014, the Group disposed its entire shareholding in Integrated Investments Ltd ("Integrated") and Solid Growth Investments Ltd ("Solid") for a total consideration of USD4,400,000 (equivalent to $5,539,000). Following the disposal, Integrated Investments Ltd and Solid Growth Investments Ltd, together with their respective subsidiaries, Zhuhai Huafeng Film Co., Ltd and Zhuhai Huafeng Printing Co., Ltd, ceased to be subsidiaries of the Group.

(ii) In December 2014, the Group disposed its entire issued units in Holbrook House Unit Trust and its entire shareholding in CLOF (Holbrook House) Jersey Nominee A Limited and CLOF (Holbrook House) Jersey Nominee B Limited (collectively "CLOF Group"), being the beneficial owner and legal owners of New Brook Buildings respectively, for a total net consideration of GBP112,323,000 (equivalent to $231,498,000).

The following table summarises the carrying amount of major classes of identifiable assets and liabilities disposed:

| | Integrated and Solid | CLOF Group | Total |
|---|---|---|---|
| | S$'000 | S$'000 | S$'000 |
| Cash and cash equivalents | 405 | 2,908 | 3,313 |
| Trade receivables | - | 3,372 | 3,372 |
| Other current assets | 129 | 159 | 288 |
| Property, plant and equipment | 1,147 | - | 1,147 |
| Investment properties | 4,558 | 172,625 | 177,183 |
| Other payables | (15) | (7,238) | (7,253) |
| Net carrying amount of assets disposed | 6,224 | 171,826 | 178,050 |
| Less: Non-controlling interests | (685) | - | (685) |
| Net assets disposed | 5,539 | 171,826 | 177,365 |
| Net foreign currency reserve realised upon disposal | (5,554) | (11,346) | (16,900) |
| Gain on disposal of subsidiaries | 5,554 | 71,018 | 76,572 |
| Net proceeds from disposal | 5,539 | 231,498 | 237,037 |
| Less: Cash of disposed subsidiaries | (405) | (2,908) | (3,313) |
| Net cash inflow on disposal of subsidiaries | 5,134 | 228,590 | 233,724 |

(d) Change in ownership in subsidiaries during the financial year 2015

(i) On 28 January 2015, the Group sold 367,436,800 shares in BSD for a total consideration of IDR694.5 billion (equivalent to $76,390,000). Following this transaction, the Group's effective interest in BSD decreased from 51.50% to 49.82%. The Group recognised an increase in other reserves and non-controlling interests of $37,358,000 and $39,032,000 respectively.

Subsequently on 25 March 2015, the Group through its subsidiaries subscribed for additional 874,849,800 new shares in BSD for a total consideration of IDR1,653.5 billion (equivalent to $181,881,000). Following this transaction, the Group's effective interest in BSD increased from 49.82% to 51.38%. The Group recognised a decrease in other reserves and an increase in non-controlling interests of $34,143,000.

**41 Business Combinations** (cont'd)

(d) Change in ownership in subsidiaries during the financial year 2015 (cont'd)

(ii) On 29 May 2015, PT Puradelta Lestari Tbk ("PDL") issued 4,819,811,100 new ordinary shares to the public, pursuant to the listing of PDL's shares on the Indonesia Stock Exchange. These 4,819,811,100 new ordinary shares represent 10% of the enlarged share capital of PDL. Following this initial public offering, the Group's effective interest in PDL decreased from 49.40% to 44.46%. The Group recognised an increase in other reserves of $7,114,000 and an increase in non-controlling interests of $90,667,000.

(iii) On 30 July 2015, the Group through its subsidiary, subscribed for additional 1,500 new shares in PT Mustika Candraguna ("MCG") for a total cash consideration of IDR1.5 billion (equivalent to $150,000). Following this transaction, the Group's effective interest in MCG increased from 46.58% to 48.06%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $158,000.

(iv) On 22 December 2015, the Group through its subsidiary, acquired additional 4,000 shares in PT Karawang Tatabina Industrial Estate ("KTIE") for a total consideration of IDR4.0 billion (equivalent to $400,000). Following this transaction, the Group's effective interest in KTIE increased from 48.77% to 49.67%. The Group recognised an increase in other reserves of $844,000 and a decrease in non-controlling interests of $1,244,000.

(e) Change in ownership in subsidiaries during the financial year 2014

(i) On 12 March 2014 and 21 November 2014, the Group through its subsidiary, injected additional capital of IDR2.2 billion (equivalent to $242,000) and IDR2.8 billion (equivalent to $308,000) respectively into MCG. Following these capital injections, the Group's effective interest in MCG increased from 34.90% to 46.58%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $1,236,000.

(ii) On 14 April 2014, PT Sinar Mas Wisesa, transferred its 99.99% equity interest in PT Karya Dutamas Cemerlang ("KDC") to PT Ekacentra Usahamaju for a total consideration of IDR131.2 billion (equivalent to $14,434,000). As a result of this transfer, the Group's effective interest in KDC increased from 65.39% to 84.36%. The Group recognised a decrease in other reserves and an increase in non-controlling interests of $306,000.

(iii) On 28 April 2014, the Group through its subsidiaries, subscribed for 874,849,800 new shares in BSD for a total cash consideration of IDR1.6 trillion (equivalent to $175,145,000). Following this transaction, the Group's effective interest in BSD increased from 49.87% to 51.50%. The Group recognised a decrease in other reserves and an increase in non-controlling interests of $37,070,000.

(iv) On 29 December 2014, the Group through its subsidiary, acquired additional 800,000 shares in WPR for a total consideration of IDR1.5 billion (equivalent to $161,000), resulting in an increase in its effective equity interest in PT Wijaya Pratama Raya ("WPR") from 29.30% to 29.57%. The Group recognised an increase in other reserves and a decrease in non-controlling interests of $97,000.

## 42 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 |
| 2015 | | | | | |
| Total revenue | 914,610 | 27,262 | 15,703 | - | 957,575 |
| Inter-segment revenue | (674) | (180) | - | - | (854) |
| Revenue from external customers | 913,936 | 27,082 | 15,703 | - | 956,721 |
| EBITDA | 498,625 | (2,208) | 10,324 | (9,157) | 497,584 |
| Other Information | | | | | |
| Additions to investment properties and property, plant and equipment | 108,458 | 2,907 | - | - | 111,365 |
| Depreciation and amortisation expenses | 22,894 | 4,107 | 2,791 | 42 | 29,834 |
| Interest income | 31,697 | 2,216 | 240 | (445) | 33,708 |
| Interest expenses | 63,104 | 10,184 | 4,353 | (6,394) | 71,247 |
| Gain on disposal of property, plant and equipment | 293 | 11 | - | - | 304 |
| Share of profits of: | | | | | |
| - associated companies | 11,860 | - | - | - | 11,860 |
| - joint ventures | 2,567 | - | - | - | 2,567 |

**42 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 |
| 2015 | | | | | |
| Assets | | | | | |
| Segment assets | 5,109,351* | 264,130 | 688,290 | 1,590,277 | 7,652,048 |
| Liabilities | | | | | |
| Segment liabilities | 2,466,387 | 291,292 | 627,598 | 973,376 | 4,358,653 |
| 2014 | | | | | |
| Total revenue | 776,402 | 39,932 | 12,385 | - | 828,719 |
| Inter-segment revenue | - | (167) | - | - | (167) |
| Revenue from external customers | 776,402 | 39,765 | 12,385 | - | 828,552 |
| EBITDA | 445,806 | 6,957 | 6,607 | (7,629) | 451,741 |
| Other Information | | | | | |
| Additions to investment properties and property, plant and equipment | 64,701 | 1,106 | 123,710 | - | 189,517 |
| Depreciation and amortisation expenses | 15,361 | 4,143 | 1,206 | 43 | 20,753 |
| Interest income | 38,069 | 1,703 | 10 | (614) | 39,168 |
| Interest expenses | 45,723 | 9,645 | 5,715 | (7,020) | 54,063 |
| Exceptional gain, net | 12,050 | - | 71,018 | 5,554 | 88,622 |
| Gain on disposal of property, plant and equipment | 111 | 9 | - | - | 120 |
| Share of profits of: | | | | | |
| - associated companies | 2,244 | - | - | - | 2,244 |
| - joint ventures | 10,142 | - | - | - | 10,142 |
| Assets | | | | | |
| Segment assets | 4,755,517 * | 276,923 | 208,278 | 1,445,143 | 6,685,861 |
| Liabilities | | | | | |
| Segment liabilities | 2,219,080 | 276,119 | 150,522 | 888,074 | 3,533,795 |

* Segment assets in Indonesia Property include investments in associated companies and joint ventures of $220,652,000 and $91,354,000 (2014: $223,276,000 and $103,888,000) 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 gain/(loss), depreciation and amortisation expenses, exceptional items, share of profits 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.

**42 Segments Information** (cont'd)

A reconciliation of total EBITDA to total profit before income tax is as follows:

| | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|
| EBITDA for reportable segments | 506,741 | 459,370 |
| Other EBITDA | (9,157) | (7,629) |
| Depreciation and amortisation | (29,834) | (20,753) |
| Foreign exchange loss | (11,902) | (2,894) |
| Interest expenses | (71,247) | (54,063) |
| Exceptional items, net | - | 88,622 |
| Share of profits of associated companies | 11,860 | 2,244 |
| Share of profits of joint ventures | 2,567 | 10,142 |
| Profit before income tax | 399,028 | 475,039 |

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

| | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|
| Total assets for reportable segments | 6,061,771 | 5,240,718 |
| Other assets | 1,590,277 | 1,445,143 |
| Elimination of inter-segment receivables | (2,134,024) | (1,941,132) |
| Total assets | 5,518,024 | 4,744,729 |

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

| | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|
| Total liabilities for reportable segments | 3,385,277 | 2,645,721 |
| Other liabilities | 973,376 | 888,074 |
| Elimination of inter-segment payables | (2,170,851) | (1,982,294) |
| Total liabilities | 2,187,802 | 1,551,501 |

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

| | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|
| Indonesia | 918,029 | 780,519 |
| China | 5,258 | 15,948 |
| Malaysia | 13,408 | 15,237 |
| United Kingdom | 15,703 | 12,385 |
| Singapore | 4,323 | 4,463 |
| Consolidated revenue | 956,721 | 828,552 |

**42 Segments Information** (cont'd)

The following tables present an analysis of the carrying amount of non-current non-financial assets and additions to investment properties and property, plant and equipment, analysed by the geographical area in which the assets are located:

| | 2015 S$'000 | 2014 S$'000 |
|---|---|---|
| Indonesia | 2,058,413 | 2,143,335 |
| United Kingdom | 666,222 | 122,605 |
| Singapore | 59,296 | 61,088 |
| Malaysia | 48,062 | 54,122 |
| China | 257 | 13,572 |
| Total non-current non-financial assets | 2,832,250 | 2,394,722 |
| | | |
| Indonesia | 109,180 | 65,248 |
| Malaysia | 1,979 | 553 |
| Singapore | 203 | - |
| China | 3 | 6 |
| United Kingdom | - | 123,710 |
| Total capital expenditures | 111,365 | 189,517 |

**43 Subsidiaries**

The details of the subsidiaries are as follows:

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| 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 |
| Alluvium Finance B.V. (3) The Netherlands | De-registered | - | 37 | - | 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 |

**43 Subsidiaries** (cont'd)

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| Prime Glory Capital Limited (4),(7) Mauritius | Property investment | -* | - | 100.00 | - |
| Sinarmas Land Overseas Holding Pte. Ltd. (4),(7) Singapore | Investment holding | -* | - | 100.00 | - |
| **United Kingdom Property Division** | | | | | |
| Agamemnon S.a r.l (1),(Note 41(a)(ii)) Luxembourg | Investment holding | - | - | 100.00 | - |
| Alphabeta Limited Partnership (*formerly known as Finsbury Square (Triton Court 2012) Limited Partnership*) (1),(Note 41(a)(ii)) England and Wales | Property investment and development | - | - | 100.00 | - |
| SML Alpha S.a r.l (1),(7) Luxembourg | Property investment holding | - | - | 100.00 | - |
| SML Brook England (HK) Limited (5f) Hong Kong | Investment holding | - | -* | 100.00 | 100.00 |
| SML Jersey Properties Pte Limited (1) Jersey | Investment holding | - | -* | 100.00 | 100.00 |
| SML Jersey Brook Pte Limited (1) Jersey | Investment holding | - | -* | 100.00 | 100.00 |
| SML Brook Partners Pte Limited (1) Jersey | Investment holding | - | -* | 100.00 | 100.00 |
| SML Great Pte Limited (1) Jersey | Property investment and development | - | -* | 100.00 | 100.00 |
| Triton Court GP Ltd (1), (Note 41(a)(ii)) England and Wales | General partner | - | - | 100.00 | - |
| Triton Court Nominee (Newco) Limited (1), (Note 41(a)(ii)) England and Wales | Nominee Company | - | - | 100.00 | - |

**43 Subsidiaries** (cont'd)

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| **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. (7) Singapore | Investment holding | - | - | 51.38 | - |
| Global Prime Treasury Pte. Ltd. (7) Singapore | Treasury management and related services | - | - | 51.38 | - |
| Jermina Limited (5d) Hong Kong | Investment holding | - | - | 100.00 | 100.00 |
| 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 | - | - | 45.50 [6] | 45.61 [6] |
| 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 | - | - | 55.47 | 55.50 |
| PT Binasarana Muliajaya (4) Indonesia | Provision of management and consultancy services | - | - | 72.71 | 72.71 |
| PT Bumi Indah Asri (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Bumi Karawang Damai (1) Indonesia | Real estate development | - | - | 52.04 | 52.81 |
| PT Bumi Megah Graha Asri (1) Indonesia | Real estate and property development | - | - | 46.40 [6] | 46.40 [6] |

**43 Subsidiaries** (cont'd)

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| PT Bumi Paramudita Mas (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Bumi Samarinda Damai (1) Indonesia | Real estate development | - | - | 43.04 [6] | 43.09 [6] |
| PT Bumi Sentra Selaras (*formerly known as PT Sentra Selaras Phinisi)* (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Bumi Serpong Damai Tbk (1), (Note 41(d)(i)) Indonesia | Investment holding, construction and development of houses and buildings | - | - | 51.38 | 51.50 |
| PT Bumi Tirta Mas (1), (7) Indonesia | Real estate development | - | - | 51.38 | - |
| PT Bumi Wisesa Jaya (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Duta Cakra Pesona (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Duta Dharma Sinarmas (1) Indonesia | Real estate development | - | - | 26.20 [6] | 26.27 [6] |
| PT Duta Mitra Mas (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Duta Pertiwi Tbk (1) Indonesia | Property development, general trading and investment holding | - | - | 45.50 [6] | 45.61 [6] |
| PT Duta Semesta Mas (1) Indonesia | Property development | - | - | 45.50 [6] | 45.61 [6] |
| PT Duta Usaha Sentosa (1) Indonesia | Real estate development | - | - | 84.37 | 84.37 |
| PT Duta Virtual Dotkom (4) Indonesia | E-commerce | - | - | 44.89 [6] | 45.00 [6] |
| PT Ekacentra Usahamaju (1) Indonesia | Investment holding | - | - | 84.36 | 84.36 |
| PT Garwita Sentra Utama (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Grahadipta Wisesa (1) Indonesia | Real estate development | - | - | 66.22 | 66.29 |

**43 Subsidiaries** (cont'd)

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| PT Indowisata Makmur (1) Indonesia | Property development | - | - | 84.37 | 84.39 |
| PT Inter Sarana Prabawa (1) Indonesia | Real estate development | - | - | 84.37 | 84.37 |
| PT Inti Tekno Sukses Bersama (4) Indonesia | Educational and property development | - | - | 72.71 | 72.71 |
| PT Kanaka Grahaasri (1) Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Karawang Bukit Golf (1) Indonesia | Residential estate and country club and golf club development | 47,995 | 47,995 | 98.12 | 98.12 |
| PT Karawang Tatabina Industrial Estate (1) Indonesia | Industrial estate development | 41,708 | 41,708 | 49.67 [6] | 48.77 [6] |
| PT Karya Dutamas Cemerlang (1) Indonesia | Industrial estate development | - | - | 84.36 | 84.36 |
| PT Kembangan Permai Development (1) Indonesia | Real estate development | - | - | 36.40 [6] | 36.49 [6] |
| PT Kurnia Subur Permai (1) Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Kusumasentral Kencana (1) Indonesia | Property development | - | - | 46.40 [6] | 46.40 [6] |
| PT Laksya Prima Lestari (1), (7) Indonesia | Real estate development | - | - | 51.38 | - |
| PT Masagi Propertindo (1) Indonesia | Property development | - | - | 84.14 | 84.14 |
| PT Mekanusa Cipta (1) Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Metropolitan Transcities Indonesia (1) Indonesia | Investment holding | - | - | 84.37 | 84.37 |
| PT Misaya Properindo (1) Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Mitrakarya Multiguna (1) Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |

**43 Subsidiaries** (cont'd)

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| PT Mustika Candraguna (1)<br>Indonesia | Property development | - | - | 48.06 [6] | 46.58 [6] |
| PT Mustika Karya Sejati (1)<br>Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Pangeran Plaza Utama (1)<br>Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Paraga Artamida (1)<br>Indonesia | Investment holding and provision of consultancy services | 720,727 | 720,727 | 84.37 | 84.37 |
| PT Pastika Candra Pertiwi (1)<br>Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Pembangunan Deltamas (1), (Note 41(d)(ii))<br>Indonesia | Property and real estate development | - | - | 44.46 [6] | 49.40 [6] |
| PT Permata Kirana Lestari (5f), (Note 41(a)(i))<br>Indonesia | Property development | - | - | 84.37 | - |
| PT Perwita Margasakti (1)<br>Indonesia | Property development | - | - | 45.50 [6] | 45.61 [6] |
| PT Phinisi Multi Properti (1)<br>Indonesia | Real estate development | - | - | 34.94 [6] | 35.02 [6] |
| PT Phinisindo Zamrud Nusantara (1)<br>Indonesia | Property development | - | - | 35.25 [6] | 35.34 [6] |
| PT Praba Selaras Pratama (1)<br>Indonesia | Real estate development and investment holding | - | - | 51.38 | 51.50 |
| PT Prestasi Mahkota Utama (1)<br>Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Prima Sehati (1)<br>Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Puradelta Lestari Tbk (1), (8), (Note 41(d)(ii))<br>Indonesia | Property and real estate development | - | - | 44.46 [6] | 49.40 [6] |
| PT Putra Alvita Pratama (1)<br>Indonesia | Real estate development | - | - | 24.35 [6] | 24.41 [6] |
| PT Putra Prabukarya (1)<br>Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |

**43 Subsidiaries** (cont'd)

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| PT Putra Tirta Wisata (1) Indonesia | Property management | - | - | 24.35 [6] | 24.41 [6] |
| PT Royal Oriental (1) Indonesia | Property development | - | - | 55.56 | 55.64 |
| PT Saranapapan Ekasejati (1) Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Satwika Cipta Lestari (1), (7) Indonesia | Real estate development | - | - | 51.38 | - |
| PT Sentra Selaras Lestari (1) Indonesia | Real estate development and investment holding | - | - | 51.38 | 51.50 |
| PT Sentra Talenta Utama (1) Indonesia | Real estate development and investment holding | - | - | 51.38 | 51.50 |
| PT Simas Tunggal Center (1) Indonesia | Investment holding | - | - | 81.84 | 81.84 |
| PT Sinar Mas Teladan (1) Indonesia | Property development | - | - | 59.26 | 59.35 |
| PT Sinar Mas Wisesa (1) Indonesia | Real estate development | - | - | 66.22 | 66.29 |
| PT Sinar Pertiwi Megah (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Sinar Usaha Mahitala (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Sinar Usaha Marga (1) Indonesia | Real estate development | - | - | 73.48 | 73.52 |
| PT Sinarwijaya Ekapratista (1) Indonesia | Real estate development | - | - | 45.50 [6] | 45.61 [6] |
| PT Sinarwisata Lestari (1) Indonesia | Hotel | - | - | 45.50 [6] | 45.61 [6] |
| PT Sinarwisata Permai (1) Indonesia | Hotel | - | - | 45.50 [6] | 45.61 [6] |
| PT Sumber Arusmulia (1) Indonesia | Investment holding | - | - | 53.13 | 53.13 |
| PT Sumber Makmur Semesta (1), (7) Indonesia | Real estate development | - | - | 51.38 | - |

**43 Subsidiaries** (cont'd)

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| PT Surya Inter Wisesa (1) Indonesia | Real estate development | - | - | 51.38 | 51.50 |
| PT Transbsd Balaraja (1) Indonesia | Development and operation of toll roads | - | - | 38.54 [6] | 38.63 [6] |
| PT Wahana Swasa Utama (1), (7) Indonesia | Real estate development | - | - | 51.38 | - |
| PT Wijaya Pratama Raya (1) Indonesia | Property development | - | - | 29.50 [6] | 29.57 [6] |
| Sinarmas Land (HK) Limited (5e) Hong Kong | Investment holding | -* | -* | 100.00 | 100.00 |
| Sinarmas Sentul Land Limited (3) Hong Kong | De-registered | - | -* | - | 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 (5c) People's Republic of China | Provision of management services | 918 | 918 | 100.00 | 100.00 |
| Shining Gold Real Estate (Chengdu) Co., Ltd (5c) People's Republic of China | Property investment and development | - | - | 100.00 | 100.00 |
| Shining Gold Real Estate (Shenyang) Co., Ltd (5c) People's Republic of China | Property investment and development | - | - | 100.00 | 100.00 |
| Zhuhai Huafeng Management and Consultancy Co., Ltd. (5c) 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 |

**43 Subsidiaries** (cont'd)

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| AFP Land Limited<br>Singapore | Investment holding and provision of management services | 456,751 | 456,751 | 100.00 | 100.00 |
| AFP Resort Development Pte Ltd<br>Singapore | Resort property development and investment holding | - | - | 100.00 | 100.00 |
| AFP Resort Marketing Services Pte Ltd<br>Singapore | Marketing services to resort establishments | - | - | 89.50 | 89.50 |
| Amcol (China) Investments Pte Ltd<br>Singapore | Investment holding | - | - | 100.00 | 100.00 |
| Anak Bukit Resorts Sdn Bhd (1)<br>Malaysia | Resort property development | - | - | 100.00 | 100.00 |
| Golden Bay Realty (Private) Limited<br>Singapore | Property investment | - | - | 100.00 | 100.00 |
| Goldmount Holdings Pte Ltd (5a)<br>Singapore | Investment holding | - | - | 100.00 | 100.00 |
| Jurong Golf & Sports Complex Pte Ltd (5a)<br>Singapore | Golf club and to establish, maintain and provide golf courses and recreational facilities | - | - | 99.22 | 99.22 |
| PT AFP Dwilestari (5b)<br>Indonesia | Resort development and operation | - | - | 65.00 | 65.00 |
| Palm Resort Berhad (1)<br>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)<br>Malaysia | Investment holding and treasury management | - | - | 100.00 | 100.00 |
| Palm Resort Management Pte Ltd<br>Singapore | Dormant | - | - | 99.22 | 99.22 |

**43 Subsidiaries** (cont'd)

| Name of company and country of incorporation | Principal activities | The Company Cost of investment 2015 S$'000 | The Company Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| Palm Villa Sdn Bhd (1) Malaysia | Dormant | - | - | 99.22 | 99.22 |
| Sankei Pte Ltd Singapore | Dormant | - | - | 100.00 | 100.00 |
| | | 1,269,573 | 1,269,610 | | |

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

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 was or is in the process of liquidation/dissolved.
(4) No statutory audit is required as the subsidiary is newly incorporated/inactive.
(5) Audited by other firms of accountants as follows:
    (a) CA Practice PAC
    (b) BDO Tanubrata Sutanto Fahmi & Rekan
    (c) Zhonghua Certified Public Accountants LLP
    (d) Leung Siu Wo & Co.
    (e) TCL & Company, Certified Public Accountants (Practising)
    (f) KAP Noor Salim, Nursehan & Sinarahardja

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

(7) During the financial year 2015, the following subsidiaries have been incorporated:

| Subsidiaries | Initial issued and paid up capital |
|---|---|
| Global Prime Capital Pte. Ltd. | 1 ordinary share of USD1 |
| Global Prime Treasury Pte. Ltd. | 1 ordinary share of USD1 |
| Prime Glory Capital Limited | 1 ordinary share of USD1 |
| PT Bumi Tirta Mas | 25,000 of IDR1,000 each |
| PT Laksya Prima Lestari | 25,000 of IDR1,000 each |
| PT Satwika Cipta Lestari | 25,000 of IDR1,000 each |
| PT Sumber Makmur Semesta | 100 shares of IDR1 million each |
| Sinarmas Land Overseas Holding Pte. Ltd. | 1 ordinary share of no par value |
| SML Alpha S.a r.l | 12,500 shares of GBP1 each |
| PT Wahana Swasa Utama | 25,000 of IDR1,000 each |

**43 Subsidiaries** (cont'd)

(8) Subsequent to the year end, the Group acquired additional 6,987,565,000 ordinary shares in PDL for a total consideration of IDR1,467,388,650,000 (equivalent to approximately $152,608,000). Following this transaction, the Group's effective interest in PDL increased from 44.46% to 58.96%.

(9) As at 31 December 2015, the accumulated non-controlling interests is $1,581,539,000 (2014: $1,478,527,000), of which $1,056,122,000 (2014: $986,653,000) is for 15.63% (2014: 15.63%) non-controlling interests in PT Paraga Artamida and its subsidiaries ("Paraga Group") and $458,675,000 (2014: $429,525,000) is for 55.54% (2014: 50.60%) non-controlling interests in PT Puradelta Lestari Tbk and its subsidiary ("PDL Group") respectively. The non-controlling interests in respect of other subsidiaries are individually not material.

The following table summarises the financial information relating to Paraga Group and PDL Group which has non-controlling interests ("NCI") that are material to the Group:

| | Paraga Group | | PDL Group | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Non-current assets | 1,832,737 | 1,799,001 | 468,530 | 578,408 |
| Current assets | 1,740,224 | 1,431,357 | 453,155 | 406,953 |
| Non-current liabilities | (916,866) | (739,400) | (5,350) | (36,405) |
| Current liabilities | (759,606) | (772,039) | (82,940) | (100,022) |
| Revenue | 707,377 | 565,203 | 133,921 | 169,358 |
| Profit for the year | 183,430 | 160,148 | 125,565 | 95,830 |
| Total comprehensive income for the year | 105,456 | 185,589 | 58,519 | 165,880 |
| Profit allocated to NCI | 98,914 | 107,705 | 66,272 | 48,490 |
| Dividends paid to NCI | 16,988 | 12,034 | 86,811 | - |
| Cash inflows from operating activities | 156,654 | 53,051 | 96,968 | 85,310 |
| Cash outflows from investing activities | (32,378) | (42,400) | (4,360) | (7,349) |
| Cash inflows/(outflows) from financing activities, before dividends to NCI | 137,852 | (70,783) | (124,350) | (67,215) |
| Net increase/(decrease) in cash and cash equivalents | 262,128 | (60,132) | (31,742) | 10,746 |

**44 Associated Companies**

| Name of company and country of incorporation | Principal activities | The Group Cost of investment 2015 S$'000 | The Group Cost of investment 2014 S$'000 | Effective percentage of equity held by the Group 2015 % | Effective percentage of equity held by the Group 2014 % |
|---|---|---|---|---|---|
| PT AMSL Delta Mas (2) Indonesia | Property development | 27,243 | 25,774 | 16.96 [4] | 17.00 [4] |
| PT AMSL Indonesia (2) Indonesia | Property development | 24,723 | 24,723 | 16.96 [4] | 17.00 [4] |
| PT Citraagung Tirtajatim (1) Indonesia | Property development | 1,946 | 2,146 | 18.20 [4] | 18.24 [4] |
| PT Duta Karya Propertindo (3) Indonesia | Property management | 47 | 47 | 22.75 | 22.81 |
| PT Harapan Anang Bakri & Sons (1) Indonesia | Industrial estate development | 975 | 879 | 42.18 | 37.12 |
| 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 | 3,080 | 3,080 | 22.75 | 22.81 |
| PT Plaza Indonesia Realty Tbk (2) Indonesia | Property development and hotel owner | 214,115 | 199,191 | 18.35 [4] | 17.62 [4] |
| PT Serasi Niaga Sakti (1) Indonesia | Real estate development | 4,202 | 4,202 | 42.19 | 42.19 |
| | | 281,140 | 264,851 | | |

Notes:

(1) Audited by member firms of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.
(2) Audited by Osman Bing Satrio & Eny.
(3) No statutory audit is required as the company is inactive/newly incorporated.
(4) These companies are held by non-wholly owned intermediate holding companies. The intermediate holding companies are able to exercise significant influence on its financial and operating policies.

# Shareholding Statistics
As At 8 March 2016

| | | |
|---|---|---|
| ISSUED AND FULLY PAID-UP CAPITAL (INCLUDING TREASURY SHARES) | : | S$2,057,844,076.04 |
| NO. OF SHARES ISSUED (EXCLUDING TREASURY SHARES) | : | 4,255,862,496 |
| NUMBER/ PERCENTAGE OF TREASURY SHARES | : | 293,456,700 / 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 | 137 | 1.48 | 5,526 | 0.00 |
| 100 - 1,000 | 1,161 | 12.52 | 808,002 | 0.02 |
| 1,001 - 10,000 | 5,777 | 62.31 | 25,862,311 | 0.61 |
| 10,001 - 1,000,000 | 2,159 | 23.29 | 109,057,713 | 2.56 |
| 1,000,001 & ABOVE | 37 | 0.40 | 4,120,128,944 | 96.81 |
| **Total** | **9,271** | **100.00** | **4,255,862,496** | **100.00** |

**TWENTY LARGEST SHAREHOLDERS**

| Name of Shareholders | No. of Shares | % |
|---|---|---|
| FLAMBO INTERNATIONAL LIMITED | 2,524,900,854 | 59.33 |
| RAFFLES NOMINEES (PTE) LTD | 456,224,713 | 10.72 |
| RHB SECURITIES SINGAPORE PTE LTD | 425,333,800 | 9.99 |
| GOLDEN MOMENT LIMITED | 241,293,927 | 5.67 |
| BANK OF S'PORE NOMINEES PTE LTD | 176,853,699 | 4.16 |
| UOB KAY HIAN PTE LTD | 155,601,862 | 3.66 |
| CITIBANK NOMINEES S'PORE PTE LTD | 17,290,329 | 0.41 |
| MOHAMED SALLEH S/O KADIR MOHIDEEN SAIBU MARICAR | 14,545,900 | 0.34 |
| DBS NOMINEES PTE LTD | 13,679,747 | 0.32 |
| OCBC SECURITIES PRIVATE LTD | 10,502,729 | 0.25 |
| LIEW CHEE KONG | 8,240,700 | 0.19 |
| HSBC (SINGAPORE) NOMINEES PTE LTD | 7,235,004 | 0.17 |
| TAN NG KUANG | 6,385,000 | 0.15 |
| UNITED OVERSEAS BANK NOMINEES PTE LTD | 5,958,586 | 0.14 |
| COSMIC INSURANCE CORPORATION LIMITED - SIF | 5,000,000 | 0.12 |
| WISNU KUSMIN OR DIANAWATI TJENDERA | 5,000,000 | 0.12 |
| CIMB SECURITIES (S'PORE) PTE LTD | 4,731,862 | 0.11 |
| CHEE SWEE HENG | 4,440,000 | 0.10 |
| DBS VICKERS SECURITIES (S) PTE LTD | 3,986,872 | 0.09 |
| TAN KAH BOH ROBERT @ TAN KAH BOO | 3,300,000 | 0.08 |
| **Total** | **4,090,505,584** | **96.12** |

| 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).
(2) The deemed interest of Flambo arises from its interest in 241,293,927 shares held by its wholly-owned subsidiary, Golden Moment in the Company.
(3) The deemed interest of WFMT(2) arises from its interest in 2,749,900,854 shares held by Flambo and 241,293,927 shares held by Golden Moment in the Company.

Based on the information available to the Company as at 8 March 2016, approximately 29% 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

## SINARMAS LAND LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 199400619R

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of Sinarmas Land Limited (the "**Company**" or **"SML**") will be held on **Thursday, 21 April 2016 at 1.30 p.m.** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 to transact the following business:

**AS ORDINARY BUSINESS**

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2015 together with the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final tax-exempted (one-tier) dividend of S$0.0019 per ordinary share for the year ended 31 December 2015. **(Resolution 2)**

3. To approve the Directors' Fees of S$309,000 for the year ended 31 December 2015. (FY2014: S$299,500) **(Resolution 3)**

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

   (a) Mr. Robin Ng Cheng Jiet *{please see note 1}* **(Resolution 4)**
   (b) Mr. Foo Meng Kee *{please see note 2}* **(Resolution 5)**

5. To re-appoint Mr. Kunihiko Naito as a Director of the Company. *{please see note 3}* **(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:

**<u>Renewal of the Share Issue Mandate</u>**

7A. "That pursuant to Section 161 of the Companies Act, Cap 50 and the Listing Rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed fifty percent (50%) of the total number of issued shares excluding treasury shares 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 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 4}* **(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 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 5}* **(Resolution 9)**

**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 6}*, 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 7}*
**(Resolution 10)**

By Order of the Board

Ferdinand Sadeli
Director
4 April 2016
Singapore

Notes:

(i) A member of the Company (other than a member who is a relevant intermediary as defined in Note (ii) below) shall be entitled to appoint not more than two proxies to attend and vote at the Annual General Meeting on his behalf. A member of the Company which is a corporation is entitled to appoint its authorized representative or proxy to vote on its behalf.

(ii) Pursuant to Section 181 of Companies Act, Cap. 50, as amended by the Companies (Amendment) Act 2014 (the "Act"), any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Annual General 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.

(iii) A proxy need not be a member of the Company.

(iv) The instrument appointing a proxy or proxies shall, in the case of an individual, be signed by the appointor or his attorney, and in case of a corporation, shall be either under the common seal or signed by its attorney or an authorized officer on behalf of the corporation.

(v) The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 108 Pasir Panjang #06-00 Golden Agri Plaza Singapore 118535 not less than 48 hours before the time appointed for the holding of the Annual General Meeting.

**Additional Notes relating to the Notice of Annual General Meeting:**

1. Please refer to the sections on Board of Directors and Corporate Governance Report in the Annual Report 2015 for further information on Mr. Robin Ng Cheng Jiet.

2. Mr. Foo Meng Kee, if re-appointed, will remain as the Chairman of the Audit Committee. Mr. Foo is considered to be independent. Please refer to the sections on Board of Directors and Corporate Governance Report in the Annual Report 2015 for further information on Mr. Foo.

3. Mr. Kunihiko Naito who is over the age of 70 was re-appointed as a Director to hold office from the date of the last Annual General Meeting (held on 24 April 2015) until this Annual General Meeting pursuant to Section 153(6) of the Act, which was repealed when the Companies (Amendment) Act 2014 came into effect on 3 January 2016. As his appointment lapses at this Annual General Meeting, Mr. Naito will have to be re-appointed to continue in office. Upon his re-appointment at the conclusion of this Annual General Meeting, going forward, Mr. Naito's re-appointment will no longer be subject to shareholders' approval under Section 153(6) of the Act as repealed. Mr. Naito will then be subject to retirement by rotation under the Company's Constitution.

   Upon his re-appointment at the conclusion of this Annual General Meeting, Mr. Kunihiko Naito will remain as a member of the Audit Committee. Mr. Naito is considered to be independent. Please refer to the sections on Board of Directors and Corporate Governance Report in the Annual Report 2015 for further information on Mr. Naito.

4. The Ordinary Resolution 8 proposed in item 7A above, if passed, is to empower the Directors from the date of this Annual General Meeting 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 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 of the Company.

   The percentage of the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares 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.

5. 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.

6. The mandate for transactions with Interested Persons as described in the Appendix 2 (the “Appendix 2”) to this Notice of Annual General Meeting includes the placement of deposits by the Company with financial institutions in which Interested Persons have an interest.

7. 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

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) 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), 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) 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**
(Incorporated in the Republic of Singapore)
Company Registration No. 199400619R

# 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 Notes to the Proxy Form.

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 **Thursday, 21 April 2016 at 1.30 p.m**. at **PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the 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/their discretion, as he/they may on any other matter arising at the AGM.

**Note: The Chairman of the AGM will be exercising his right under Article 61(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 2015 ("FY2015") together with the Directors' Statement and Auditors' Report | | |
| 2 | Declaration of a First and Final Dividend for FY2015 | | |
| 3 | Approval of Directors' Fees for FY 2015 | | |
| 4 | Re-election of Mr. Robin Ng Cheng Jiet | | |
| 5 | Re-election of Mr. Foo Meng Kee | | |
| 6 | Re-appointment of Mr. Kunihiko Naito | | |
| 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 __________________ 2016

| Total Number of Shares Held |
|---|
| |

______________________________

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

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE**

Fold along this line. Glue and seal firmly.

**ANNUAL GENERAL MEETING**

**PROXY FORM**

Affix Stamp Here

Fold along this line. Glue and seal firmly.

Fold along this line. Glue and seal firmly.

**The Company Secretary**
**SINARMAS LAND LIMITED**
108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

**Notes:**

Fold along this line

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 130A of the Companies Act, Cap 50), 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 Annual General Meeting. 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, Cap. 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 Company's registered office at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 not less than 48 hours before the time set for the AGM.

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.

Fold along this line

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 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, Cap 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 48 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 Annual General Meeting dated 4 April 2016.

# 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

**Foo Meng Kee**
Lead Independent Director

**Kunihiko Naito**
Independent Director

**Rodolfo Castillo Balmater**
Independent Director

## AUDIT COMMITTEE

**Foo Meng Kee**
Chairman

**Kunihiko Naito**

**Rodolfo Castillo Balmater**

## NOMINATING COMMITTEE

**Foo Meng Kee**
Chairman

**Rodolfo Castillo Balmater**

**Franky Oesman Widjaja**

## REMUNERATION COMMITTEE

**Rodolfo Castillo Balmater**
Chairman

**Foo Meng Kee**

**Kunihiko Naito**

## SECRETARY

**Kimberley Lye Chor Mei**

## 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

## 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:
Christopher Bruce Johnson
(Appointed since the financial year ended 31 December 2014)

## 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 **Rockstar Atelier**

# BUILDING *for a* BETTER FUTURE

SINARMAS LAND LIMITED ANNUAL REPORT 2015



sinarmas land


SINARMAS LAND LIMITED

Company Registration No. 199400619R

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**www.sinarmasland.com**

Sinar Mas Land @sinarmas_Land