

RESPONSE TO SGX REGCO QUERIES ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Sinarmas Land Limited ("SML" or the "Company" and together with its subsidiaries, the "Group") sets out its response to the queries raised by SGX RegCo in relation to the Company's Annual Report for the financial year ended 31 December 2021 ("Annual Report"), as follows:

SGX Query 1:

It is disclosed on Page 22 that the Board comprises 9 directors, of whom 5 are executive and 4 are non-executive. Please clarify if the Company intends to replace the non-executive director who had resigned effective 31 December 2021, and to meet the requirements of Provisions 2.2 and 2.3 of the Code of Corporate Governance, and provide justifications should the Company not intend to do so.

Company's Response to Query 1:

Independent Directors ("IDs") currently make up 4 of the Board size of 9. This deviates from the majority requirement under Provision 2.2 of the 2018 Code of Corporate Governance ("CG Code") where the Chairman is not independent, and the Board's view was described in items 2.1 and 3.2 of pages 22 and 23 of the Annual Report, as reproduced in *italics* below:

"2.1 Director independence 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. Given the size of the Board and measures in place as set out in item 3.2 below, the Board is of the view that it is not necessary or cost-effective for the time being to have non-executive or Independent Directors make up a majority of the Board as there is a strong and independent element on the Board with more than one-third of the Board comprising Independent Directors (4 out of 9) as reflected under item 1.8 above."

"3.2 To address the issue of the Executive Chairman and the CEO being immediate family members, the LID position and role were created, as set out in item 2.3 above, where, in addition to holding the position of AC Chairman, he also is NC Chairman and a member of the RC. Further, the AC, NC and RC are chaired by a Non-executive, Independent Director."

Non-executive Directors ("NED") (who comprise all the Independent Directors) also make up 4 of the Board size of 9, and deviates from the majority requirement under Provision 2.3 of the CG Code where NEDs are to make up a majority of the Board.

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For the IDs and NEDs to make up a majority of the Board, will require appointing at least 2 additional new Non-executive Independent Directors to the Board, thus increasing the Board size from current 9 to 11. The Board is presently more comfortable with a Board size of between 9 and 10, and views a number beyond 10 as being too large for effective decision making. The increase will also incur additional related costs, eg. directors' fees, training and orientation, travels.

In terms of operations, approximately 85% of the Group's total assets are located in Indonesia as of 31 December 2021, operating mainly through three Indonesian subsidiaries of the Group which are all listed on the Indonesia Stock Exchange ("IDX"), which has to comply with the IDX rules and they have their respective board of commissioners with supervisory role over their board of directors.

The Board is of the view that not having a majority of Independent Directors on the SML Board should not affect the Company's commitment to observing high standards of corporate governance.

As part of its roles and responsibilities, the Nominating Committee will continue to review the board composition having regard to the requirements of the CG Code, in particular, Provisions 2.2 and 2.3, and make its recommendation to the Board.

SGX Query 2:

Note 44 to the Financial Statements discloses that Singapore-incorporated subsidiaries such as Goldmount Holdings Pte Ltd and Jurong Golf & Sports Complex Pte Ltd are not audited by Moore Stephens LLP. Please clarify how the Company has complied with Rule 715 and / or Rule 716.

Company's Response to Query 2:

Both Goldmount Holdings Pte Ltd ("Goldmount") and Jurong Golf & Sports Complex Pte Ltd ("Jurong Golf") are inactive subsidiaries of the Group. The Audit Committee and the Board of the Company are satisfied that the appointment of CA Practice PAC as auditor for Goldmount and Jurong Golf would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Company has complied with Rule 715 and / or Rule 716.

By Order of the Board
SINARMAS LAND LIMITED

Robin Ng Cheng Jiet
Director
25 April 2022