



sinarmas land

***“Building for a better
future”***

2Q & 1H 2016

Financial Results Presentation

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01. KEY HIGHLIGHTS

02. FINANCIAL PERFORMANCE

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Key Highlights for 2Q & 1H 2016

- The Group's 2Q and 1H 2016 revenue decreased 4.4% and 22.3% respectively to S\$222.8 million and S\$402.7 million on the back of lower sales of land for commercial and industrial purposes in Indonesia as well as lower number of residential units handed over to buyers due to the change in revenue recognition pattern
- Rental revenue* rose 28.6% to S\$73.7 million in 1H 2016 with new contribution from Indonesia division's 'Courts Megastore BSD City', QBig, Green Office Park 9, as well as London's Alphabeta building
- Financial position remained healthy as at 30 June 2016 with total assets of S\$5,454.7 million, bolstered with cash and cash equivalents of S\$833.9 million and a net debt to equity ratio of 18.6%
- BSDE's 2Q 2016 marketing sales increased 10.4% Q-o-Q to Rp 1.3 trillion. Achieved Rp 2.5 trillion of marketing sales for 1H 2016, 37% of full year Rp 6.9 trillion marketing sales target
- DMAS achieved Rp 232 billion (11.0 hectares of land area) of marketing sales for 1H 2016
- SML has signed a Memorandum of Understanding ("MOU") to develop parts of Nuvasa Bay, a high-end integrated residential and mixed-use development in Nongsa, Batam, with KOP Properties

01. KEY HIGHLIGHTS

02. FINANCIAL PERFORMANCE

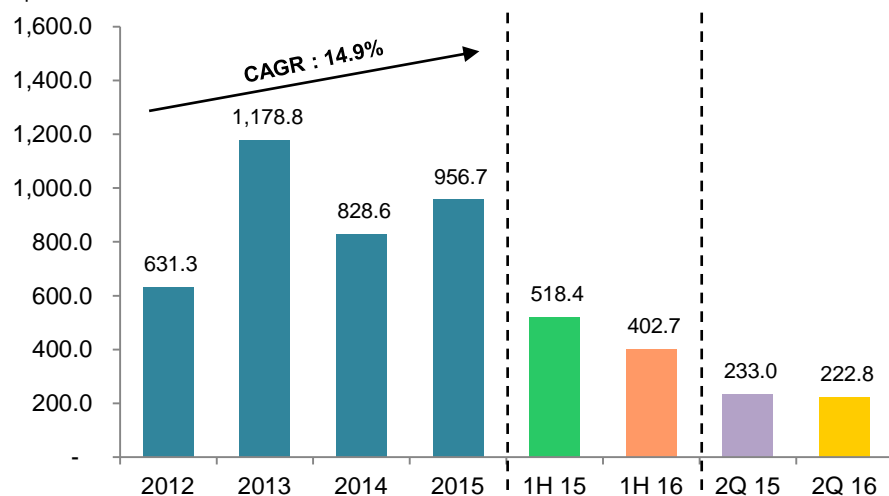
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2Q & 1H 2016 Financial Highlights

Revenue

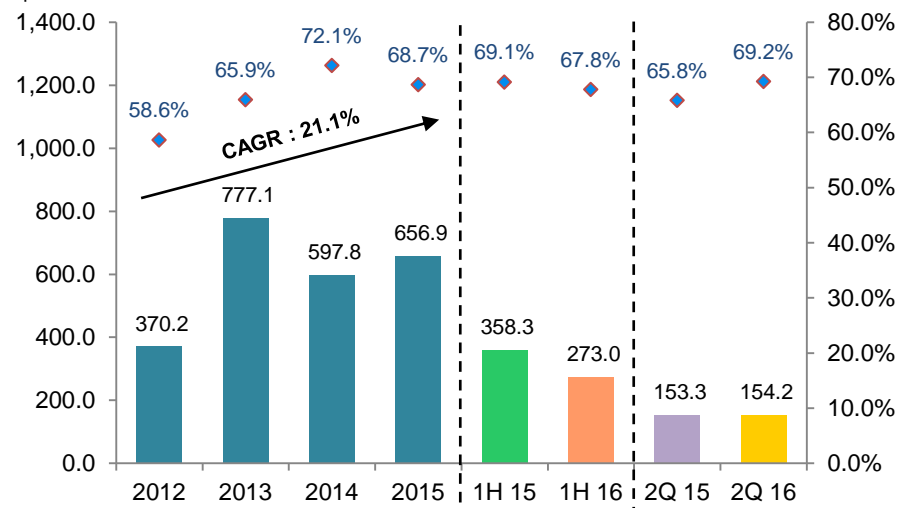
S\$ million



- Total revenue in 2Q & 1H 2016 decreased 4.4% and 22.3% respectively to S\$222.8 million and S\$402.7 million due to lower sales of land for commercial and industrial purposes in Indonesia and lesser amount of residential units handed over to buyers in BSD City
- The decrease was partially offset by increased leasing income from the UK division, as well as higher leasing income from our investment properties in Indonesia due to better average rental rates
- UK division's revenue rose 407.1% in 1H 2016 to S\$14.2 million, mainly deriving from Alphabet Building

Gross Profit and Gross Profit margin

S\$ million

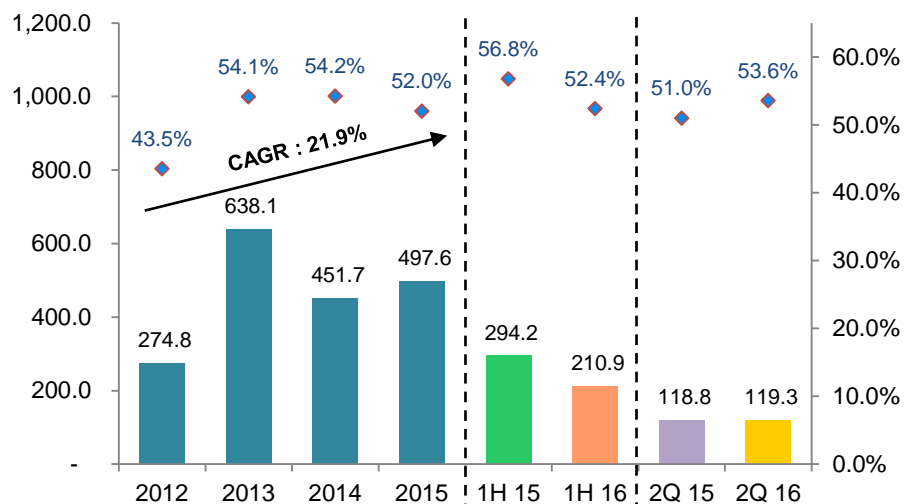


- The higher recognition of commercial shophouses and industrial land sales from our Indonesia division in 2Q 2016 has led to a 0.6% gain in gross profit to S\$154.2 million, as well as a 3.4 percentage point increased in gross profit margin
- Despite the gain in 2Q 2016 gross profit, 1H 2016 gross profit decreased 23.8% to S\$273.0 million on the back of higher infrastructure cost incurred for the development of new industrial land area. This has resulted in gross profit margin slipping 1.3 percentage point to 67.8%

2Q & 1H 2016 Financial Highlights

EBITDA and EBITDA margin

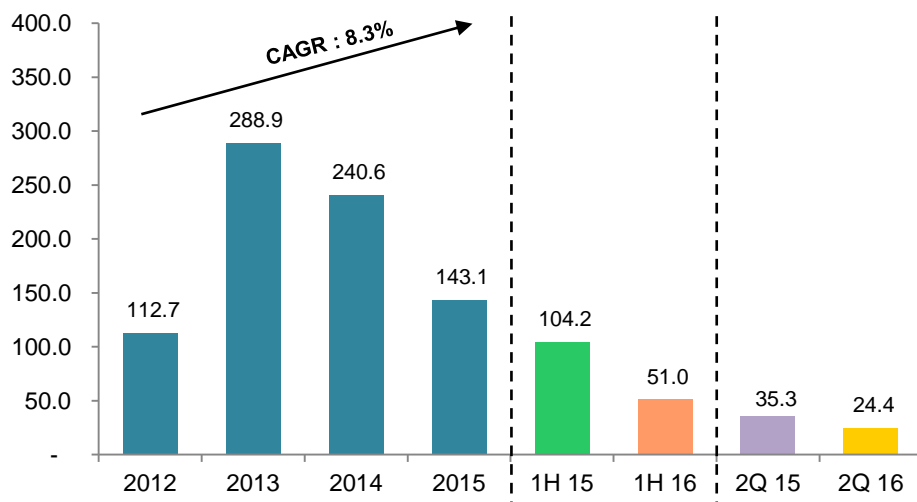
S\$ million



- EBITDA rose 0.5% to S\$119.3 million in 2Q 2016 due to an increased revenue contribution from UK division, offsetting the lower contribution from Indonesia division. This drove EBITDA margin up by 2.6 percentage points to 53.6%
- However, EBITDA dipped 28.3% to S\$210.9 million in 1H 2016 due to the decreased in revenue contribution from Indonesia division which was offset by higher contribution from UK division. In line with the decrease in EBITDA, 1H 2016 EBITDA margin slid 4.4 percentage points to 52.4%

Profit attributable to Owners of the Company

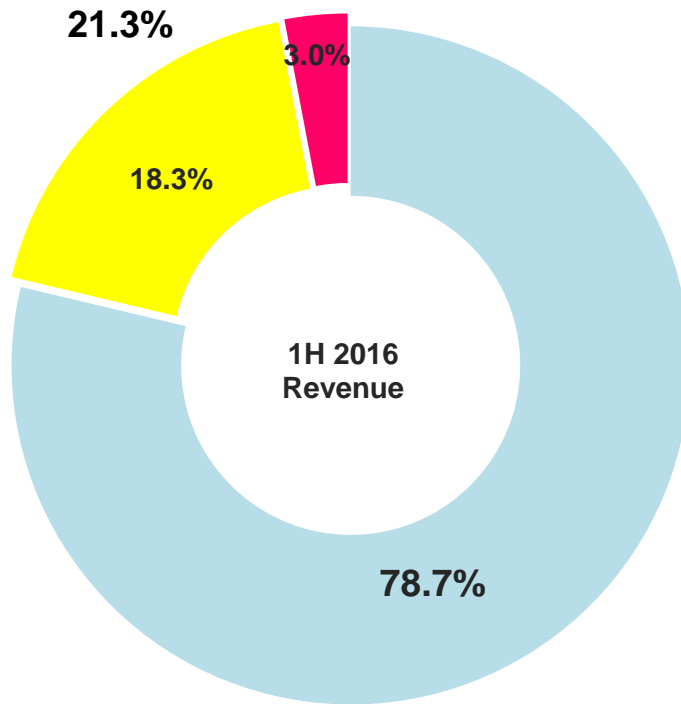
S\$ million



- Profit attributable to owners of the Company increased 44.4% to S\$35.3 million in 2Q 2016 due to higher profit attributable to the owners as a result of an increased stake in PT Puradelta Lestari Tbk ("DMAS") and higher rental income from investment properties
- Profit attributable to owners of the Company decreased 51.1% to S\$51.0 million in 1H 2016 due to foreign exchange loss and increased interest expenses

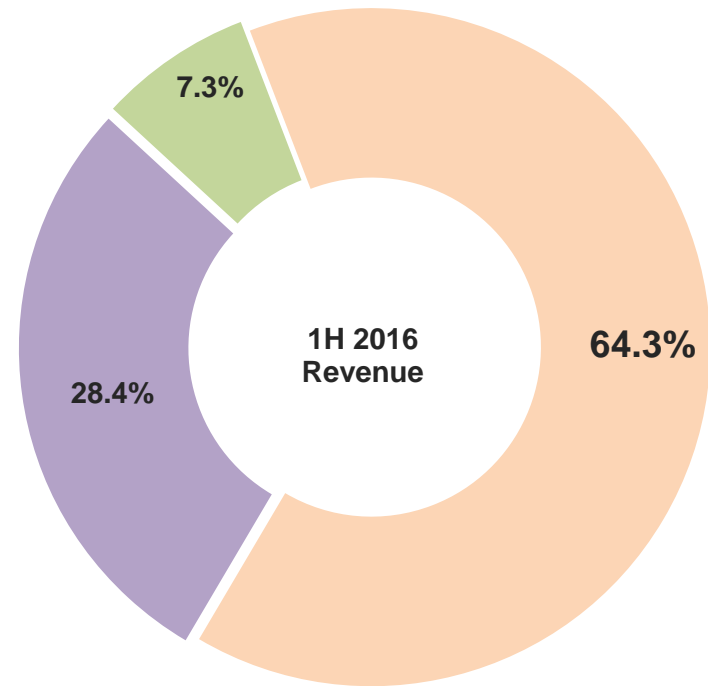
1H 2016 Revenue Breakdown

Revenue – Product Breakdown (%)



- Sales of Development Properties and Land
- Rental Income
- Others

Revenue – Geographical Breakdown (%)

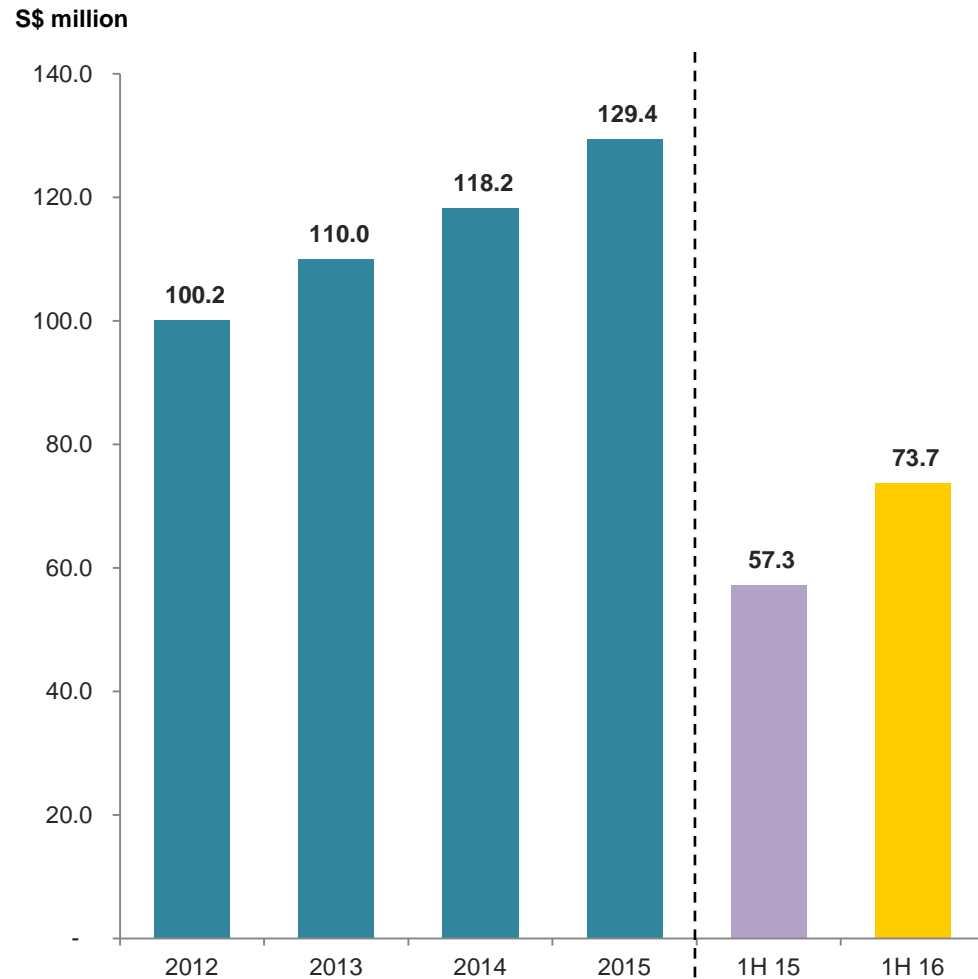


- BSDE
- Non-BSDE
- International*

* : Other countries include China, Singapore, Malaysia and United Kingdom

1H 2016 Recurring Income Breakdown

Increasing recurring income* base (S\$ million)

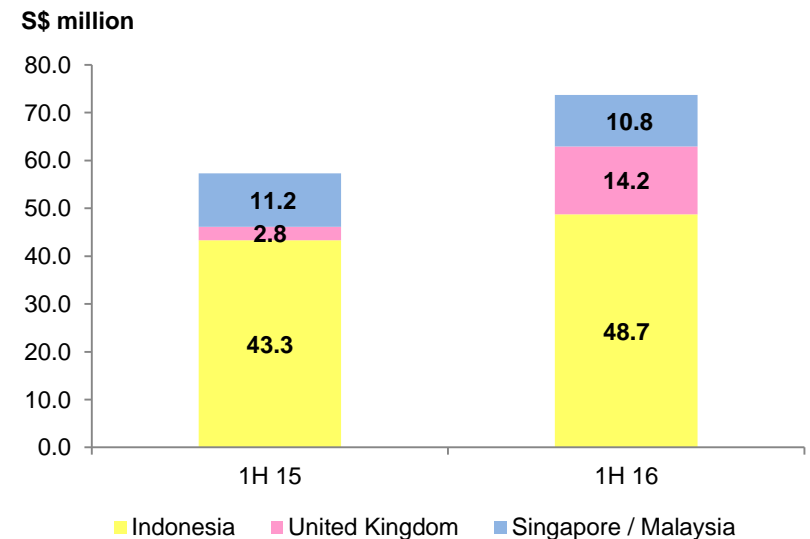


* : Recurring income includes rental income, hotel revenue and revenue from golf and resort operations

Recurring Income – Product Breakdown



Recurring Income – Geographical Breakdown

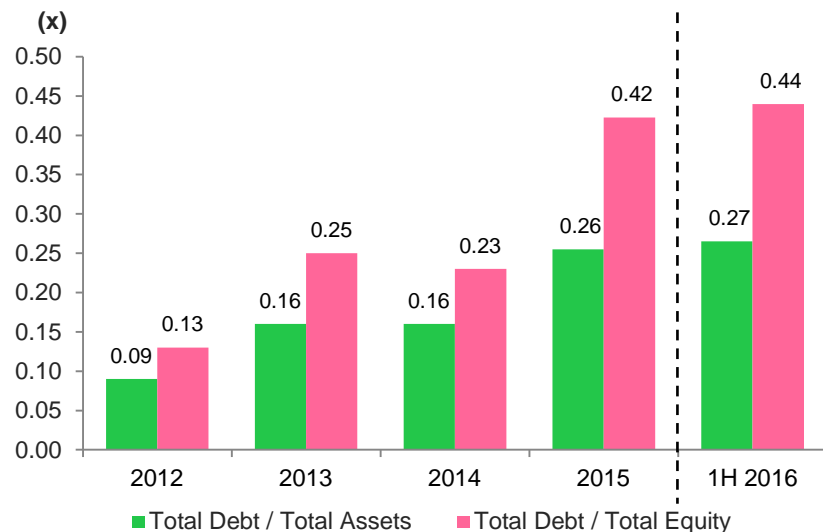


1H 2016 – Financial Snapshot

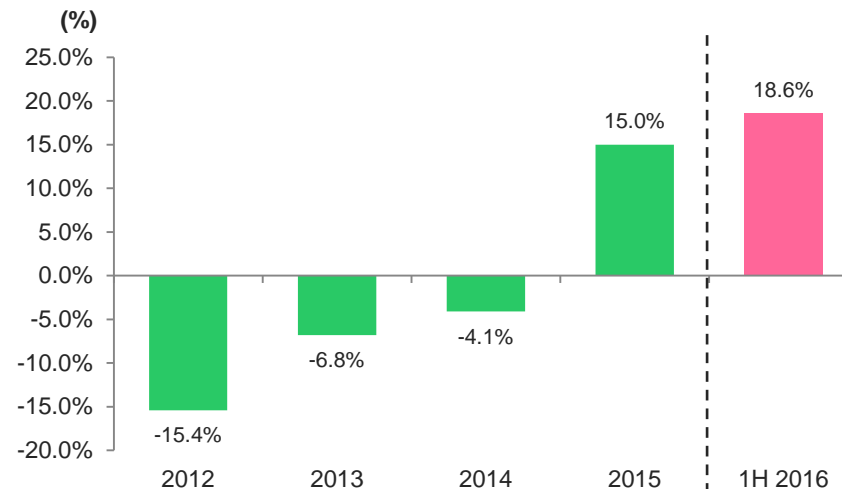
(S\$ '000)	As at 30 Jun 2016	As at 31 Dec 2015
Assets		
Cash and cash equivalents	833,850	907,985
Investment properties	1,012,534	1,072,872
Properties held for sale	1,108,243	994,589
Properties under development for sale	1,637,681	1,590,507
Other assets	862,358	952,071
Total Assets	5,454,666	5,518,024
Liabilities		
Borrowings	747,588	782,638
Bond Payables	684,772	607,596
Other liabilities	732,534	797,568
Total Liabilities	2,164,894	2,187,802
Equity		
Total Capital and reserves	1,761,571	1,748,683
Non-controlling Interest	1,528,201	1,581,539
Total Equity	3,289,772	3,330,222

Key Financial Ratios

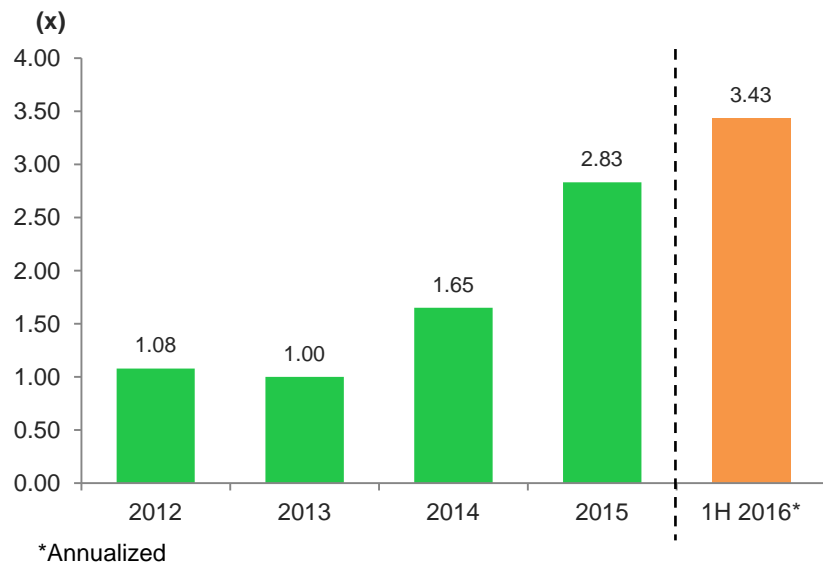
Debt / Assets and Debt / Equity



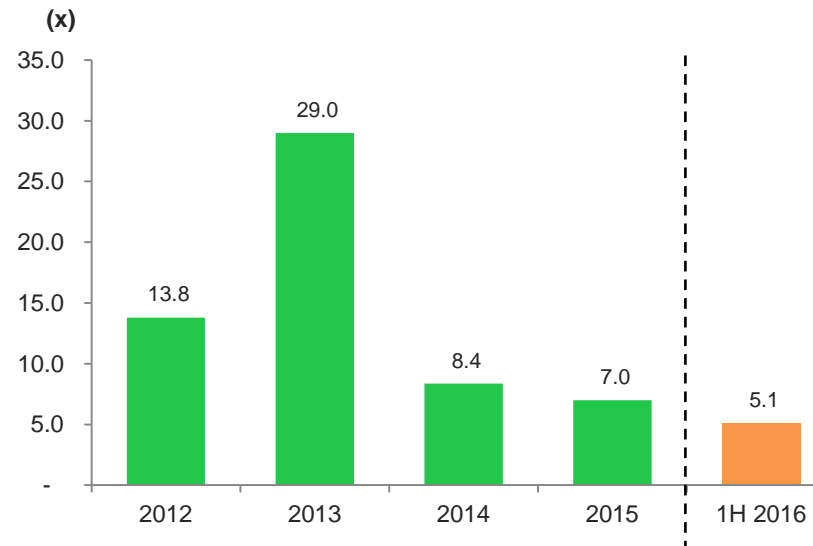
Net Debt / Equity



Total Debt / EBITDA

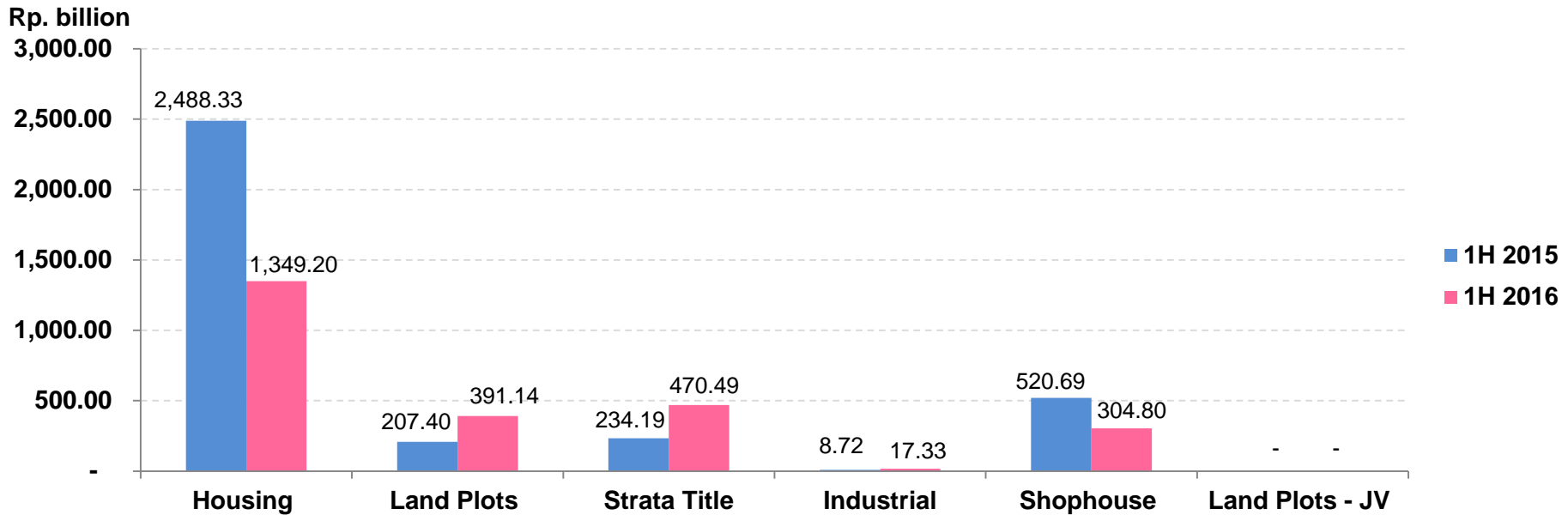


EBITDA / Interest Expense



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Indonesia Property Division – BSDE achieved Rp 2.5 trillion for 1H 2016 Marketing Sales



- BSDE achieved **Rp 2.5 trillion of marketing sales for 1H 2016**, 37% of full year Rp 6.9 trillion marketing sales target.
- Despite decreasing 27% y-o-y, **2Q 2016 marketing sales increased 10.4% Q-o-Q to Rp 1.3 trillion**
- **1H 2016 marketing sales pattern is similar to previous years** where approximately 40% of the full year marketing sales target are met in the first half of each year
- In terms of products composition, landed houses contributed most of the marketing sales (53%) with the remaining 47% deriving from strata title (19%), land plots (15%), shop-houses (12%) and industrial (1%)
- In terms of portfolio, BSD City Serpong contributed 74%, Grand Wisata Bekasi (5%), Taman Banjar Wijaya (5%), Kota Wisata Cibubur (5%), Nava Park BSD City (5%) and the remaining 6% came from Legenda Wisata, Grand City Balikpapan and Element Rasuna Jakarta CBD

Indonesia Property Division – BSDE – Launch Update – Vanya Park “Asatti”



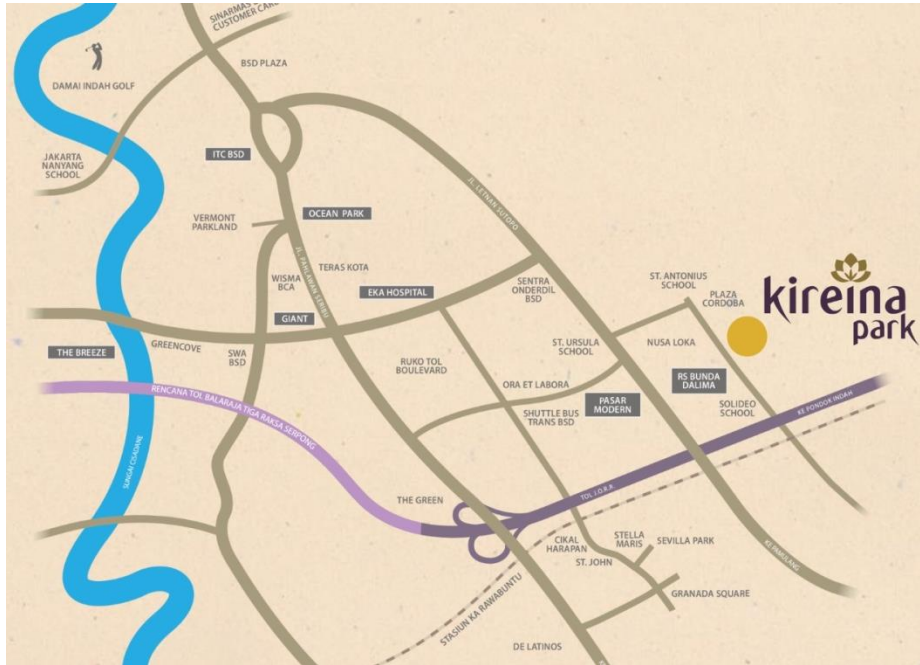
- Vanya Park “Asatti”, a **resort and leisure concept cluster**, mixed by garden houses with floating deck swimming pool including garden terrace and a block of landed houses was launched on 16th April 2016
- There are four types of garden house: Agate, Aventurine, Carnelian, and Chalcedony with price per unit starting from Rp 563 million – 1.9 billion and building size of 31 to 106 sqm
- A series of landed house type in “Asatti” is called Amethyst with price per unit of Rp 1.9 billion, 67.5 sqm land area and 111 sqm building area
- On the first day launch, 440 units of 576 launched units or 76% were sold out, generated Rp 335 billion of marketing sales

Indonesia Property Division – BSDE – Launch Update – Grand Wisata La Monte “Monte Aviolo””



- BSDE launched a new development cluster in Grand Wisata named La Monte on 30th April 2016
- La Monte is a 7 hectares of residential development located in the new main gate of Grand Wisata
- **The first cluster, “Monte Aviolo”, is a 1.2 hectares of landed residential development**, surrounded by existing facilities of Grand Wisata such as Hermina Hospital, Club House, Farmers Market, Go Wet Water Park, IPEKA School, Al Azhar School, and Modern Market.
- Monte Aviolo offered several types of landed house with land size ranging from 66 to 84 sqm and building size ranging from 42 to 69 sqm. Price starting from Rp 688 million to Rp 928 million per unit.
- On the first day launch, **100% of the 79 units launched were sold, contributed Rp 64 billion pre sales.**

Indonesia Property Division – BSDE – Launch Update – BSD City Kireina Park



- BSD City launched an extension cluster called “Kireina Park” on 5th June 2016
- **Kireina Park is located at 1st phase of BSD City**, surrounded by St. Antonius School, Bunda Dalima Hospital, Solideo Christian School and access to/from Jakarta – Serpong Toll Road.
- **Kireina Park is a landed residential development**, facilitated with spacious zen garden, swimming pool, and jogging track, situated in 2.9 hectares of land area.
- There are several landed house specification starting from 60 to 105 sqm of land area and 65 to 85 sqm of building size. Prices ranges from Rp 792 million to Rp 1.5 billion per unit.
- On the first day launch, **143 units sold out of 156 units launched**, generated Rp 164 billion pre sales.



Indonesia Property Division – BSDE – Major Launch Updates



- BSD City plans to launch an extension cluster of “De Latinos” called “Buenos Park” on 23rd July 2016
- Buenos Park is located at 1st phase of BSD City, nearby Rawa Buntu train station (commuter line to Jakarta CBD), access to/from Jakarta - Serpong toll gate, modern market, and various schools
- **Buenos Park is a landed residential development**, facilitated with jogging track, pedestrian, Atlantis Sport Club, and Atlantis Sport Palace
- Spread over 4 hectares of land area, Buenos Park offers 149 units available for sale
- Buenos Park offers several landed house specification starting from 60 to 135 sqm of land area with 65 to 85 sqm of building size, with price range from Rp 927 million to Rp 2.3 billion

Indonesia Property Division – DMAS Achieved Rp 232 billion of Marketing Sales in 1H 2016



- **DMAS** (also known as Kota Deltamas) achieved **Rp 232 billion** (11.0 hectares of land area) of marketing sales for 1H 2016
- Despite stagnant inquiries in the first quarter of this year, demands for industrial land has picked up gradually in the second quarter.
- The Company has completed the development of 126-rooms service apartment, and poised to start operations in August 2016

Indonesia Property Division – DMAS Exceeds 2016 Marketing Sales Target



AHM
PT. Astra Honda Motor

- **DMAS has exceeded its 2016 industrial land marketing sales target of 50 hectares after entering into a 38.3 hectares land sales agreement with PT Astra Honda Motor (AHM)**
- Together with 1H 2016 industrial land marketing sales of 10.4 hectares and a 2 hectares of land sales in July 2016, **DMAS has sold a total 51 hectares of industrial land to date**
- AHM is located in Greenland International Industrial Centre (GIIC), the industrial estate of Kota Deltamas. The entry of AHM will strengthen Kota Deltamas' GIIC industrial estate position as an automotive industry hub in Indonesia, having attracted numerous reputable automotive manufacturers such as Suzuki, Mitsubishi, and SAIC GM Wuling
- With improving macroeconomic conditions and accelerating infrastructure development, DMAS remains positive on the outlook for Indonesia industrial land

Sinarmas Land Signs MOU With KOP Properties To Jointly Develop Nuvasa Bay



- On 31 July 2016, SML announced the signing of a **Memorandum of Understanding (“MOU”)** to develop parts of Nuvasa Bay, a high-end integrated residential and mixed-use development in Nongsa, Batam, **with KOP Properties**
- With this MOU, SML and KOP will **develop various parts of Nuvasa Bay’s beachfront and lagoon areas for landed houses, low-rise condominiums as well as other mixed-use commercial and hospitality developments.**
- **Mr. Abdurrahman Mohammad Fachir, Vice-Minister for Foreign Affairs of Republic of Indonesia, Mr. I Gede Ngurah Swajaya, The Ambassador of the Republic of Indonesia to Singapore, Mr. Tan Hung Seng, Singapore Permanent Representative to ASEAN in Jakarta, together with more than 60 international key delegates and distinguished guests were present to grace the signing ceremony**

- The **nine-month tax amnesty programme (from July 2016 to March 2017)** was approved on 28 June 2016 by parliament
- This strategy is poised to boost state tax income by (temporarily) granting amnesty as well as offering attractive incentives to tax evaders who has not previously declared their assets at home or abroad. In return, the tax dodgers have to declare and (if wanted) repatriate their offshore assets into Indonesia
- The Indonesian government hopes assets worth Rp 4,000 trillion (\$409 billion) will be declared and Rp 1,000 trillion (\$102 billion) will be repatriated
- **Funds that are repatriated** through the tax amnesty program are **required to remain in Indonesia for at least three years**. The following investment instruments are available:
 - Government bonds
 - State-owned enterprises' bonds
 - Corporate bonds
 - Time deposits and savings at designated lenders (probably the big state-controlled banks)
 - Mutual funds
 - Collective investment contracts
 - Real estate investment trust (REIT)
 - Property investment through a private equity scheme (RDPT).

○ Applicable Rates Summary Table:

For Individual Taxpayers	Submission Period	Redemption Payment Rates (%)
Repatriated Assets or Onshore Assets <i>(subjected to the requisite 3-year investment / retention requirement)</i>	July 2016 – September 2016	2
	October 2016 – December 2016	3
	January 2017 – March 2017	5
Foreign Assets – Not Repatriated	July 2016 – September 2016	4
	October 2016 – December 2016	6
	January 2017 – March 2017	10

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2Q 2016 vs 2Q 2015

Consolidated Income Statement

2Q 2016 versus 2Q 2015 Consolidated Income Statement

(S\$ '000)	2Q 2016	2Q 2015	Change %
Revenue	222,786	233,021	(4.4)
Cost of Sales	(68,552)	(79,694)	(14.0)
Gross Profit	154,234	153,327	0.6
<i>Operating Expenses</i>			
Selling Expenses	(15,527)	(15,532)	-
General and administrative expenses	(38,222)	(38,787)	(1.5)
Operating profit	100,485	99,008	1.5
Finance income	6,487	9,681	(33.0)
Others	(18,957)	(22,486)	(15.7)
Profit before income tax	88,015	86,203	2.1
Income tax	(16,567)	(13,920)	19.0
Profit for the period	71,448	72,283	(1.2)
Attributable to:			
Owners of the Company	35,265	24,417	44.4
Non-controlling interests	36,183	47,866	(24.4)

1H 2016 vs 1H 2015

Consolidated Income Statement

1H 2016 versus 1H 2015 Consolidated Income Statement

(S\$ '000)	1H 2016	1H 2015	Change %
Revenue	402,671	518,379	(22.3)
Cost of Sales	(129,682)	(160,119)	(19.0)
Gross Profit	272,989	358,260	(23.8)
<i>Operating Expenses</i>			
Selling Expenses	(27,851)	(30,704)	(9.3)
General and administrative expenses	(72,142)	(70,374)	2.5
Operating profit	172,996	257,182	(32.7)
Finance income	13,189	16,454	(19.8)
Others	(47,785)	(7,465)	540.1
Profit before income tax	138,400	266,171	(48.0)
Income tax	(26,304)	(35,219)	(25.3)
Profit for the period	112,096	230,952	(51.5)

Attributable to:

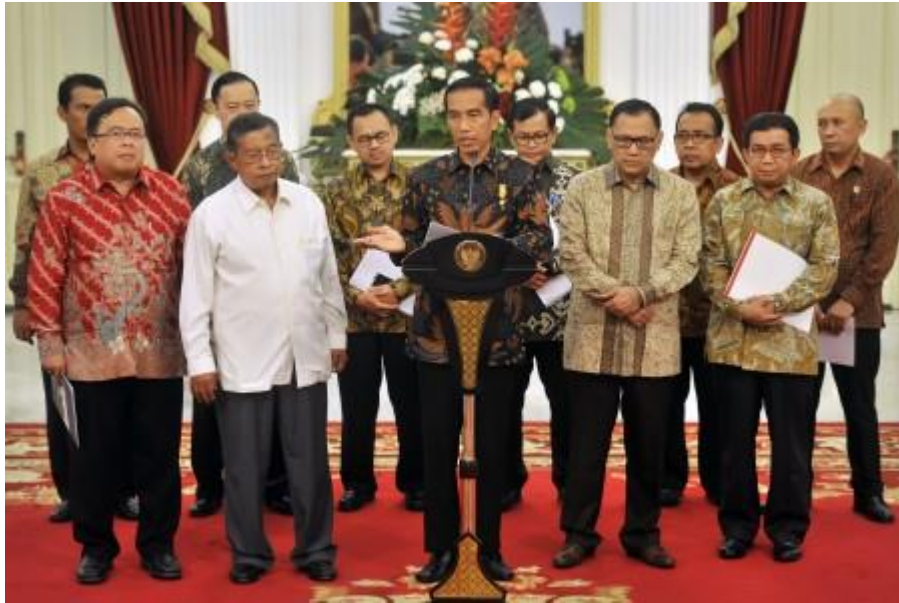
Owners of the Company	50,988	104,200	(51.1)
Non-controlling interests	61,108	126,752	(51.8)

Statement of Financial Position

Statement of Financial Position

(S\$ '000)	As at 30 Jun 2016	As at 31 Dec 2015
Current Assets		
Cash and cash equivalents	833,850	907,985
Properties held for sale	1,108,243	994,589
Other current assets	321,318	421,734
Total Current Assets	2,263,411	2,324,308
Non-Current Assets		
Associated companies	219,653	220,652
Joint ventures	94,457	91,354
Properties under development for sale	1,637,681	1,590,507
Investment properties	1,012,534	1,072,872
Property, plant and equipment	175,913	167,087
Other non-current assets	51,017	51,244
Total Non-Current Assets	3,191,255	3,193,716
Total Assets	5,454,666	5,518,024
Short-term borrowings	224,470	218,030
Short-term payables and liabilities	549,540	614,151
Bonds payables	684,772	607,596
Long-term borrowings	523,118	564,608
Long-term liabilities	182,994	183,417
Total Liabilities	2,164,894	2,187,802
Total Capital and reserves	1,761,571	1,748,683
Non-controlling Interest	1,528,201	1,581,539
Total Equity	3,289,772	3,330,222
Total Liabilities and Equity	5,454,666	5,518,024

Indonesia Property Division – Indonesia Economic Stimulus Policy Package #1



- Indonesia president Joko “Jokowi” Widodo unveiled **Indonesia’s 1st economic policy package** on 9 September 2015 that **aims to boost Indonesia’s mid to long term economy**
- **89 regulations are to be revised** as they are considered to burden the country’s business environment
- Simplify the process for companies to obtain business permits, **cut red tape, curtail overlapping regulations**, enhance the **use of electronic-based services**
- Government will empower the micro, small and mid-sized businesses through **subsidized loans with low interest rates of 12 percent only** (from 22-23 percent currently)
- **Accelerate and increase the flow of central government funds to the local governments.** These funds are specifically for infrastructure development in the regions.
- Local government will become important powers to **speed up realization of strategic projects** of national interest
- **Investment in the property sector needs to be encouraged**, including friendly policies for low-income communities

Indonesia Property Division – Indonesia Economic Stimulus Policy Package #2



- **2nd economic policy package** unveiled on 29 September 2015 focuses on **establishment of bonded logistics zone and import tax cut**
- Time required to process **investment permits** for investments in Indonesia's industrial estates will be **curtailed from eight days to only three hours**
- Preparing **two bonded logistic zones**, one in **Cikarang (West Java)** and the other in **Merak (Banten)** as it aims to offer more efficient industrial facilities
- The zone in **Cikarang** is designed to serve the **logistics-related manufacturing industry**, while the zone in **Merak** is to function as a **storage facility for fuel logistics**.
- These zones should serve as a **hub for capital goods, intermediary goods, and raw materials**
- Bonded zones are attractive as the government provides several taxation facilities, such as the **exemption of value-added tax (VAT) and sales tax on imported intermediary goods**, as well as the possibility to postpone import duty payments
- Indonesian government **scrapped VAT** for imports of aircraft components and aviation safety equipment
- This exemption applies to both airlines and those third-party companies that import such aircraft components. The move will support companies engaged in the aviation sector.



- **3rd economic policy package** unveiled on 7 October 2015 focuses on **micro-financing and cheaper diesel & electricity**
- **Indonesian street vendors and small businesses** (that operate in designated areas) can obtain a leasehold certificate through which they can **secure cheap government-backed micro loan** to expand their business since many lack assets to secure a loan
- Boost the industrial sector by **cutting the diesel price by IDR 200 to IDR 6,700 (USD \$0.48) per liter**
- **Electricity tariffs** (for industries) are to be **cut by 30 percent** between 11 pm and 8 am
- Companies that are in **financial trouble** will be **allowed to delay the payment of up to 40 percent** of its electricity bills until the next year with condition that the company **agrees not to layoff employees.**



- **4th economic policy package** unveiled on 15 October 2015 focuses on **boosting labour and employment in Indonesia**
- **Implementation of a new fixed formula** that will be applied by the government to determine increases in labour wages across the 34 provinces of the Archipelago
- **Currently, minimum wage growth is not fixed** but depends on negotiations between local governments and labour unions and is also based on the basic costs of living index in each 34 provinces
- Every year the basic costs of living index (which involves 60 essential monthly expenditures) is surveyed. The result of this index is highly influential in determining the new minimum wage as it forms a recommendation to the local Governor.
- As a result, sudden big jumps in minimum wages occurs. This is not good news for the business climate as it increases uncertainty for business owners and investors.
- The **new formula** is designed to provide **more certainty to business owners** regarding minimum wage growth
- Every year, wages will be allowed to increase **based on the provincial inflation rate and economic growth pace**



- **5th economic policy package** unveiled on 22 October 2015 focuses on **tax incentive for revaluation of fixed assets and removal of double taxation**
- New tax incentive **encourage companies to revalue assets**, hence increasing their leverage. With higher-valued assets and larger capital, these **companies can borrow more from banks**, hence having **more room to invest**
- Previously, companies had to pay a 10% tax on the company's fixed asset growth. From **now till 31 Dec 2015, the tax rate is 3%**; increasing to 4% from 1 Jan 2016 to 30 Jun 2016; and 6% from 1 Jul 2016 to 31 Dec 2016
- **Scrap double taxation on real estate investment trusts** that are being established in Indonesia in an effort to boost the domestic capital market
- The government is going to **encourage the growth of the Islamic finance industry** by simplifying the regulatory and licensing for products of Islamic banking.
- There will be codification of Islamic products, in which **some certain code licences will be exempted**.



- **6th economic policy package** unveiled on 5 November 2015 focuses **tax incentives for investment in Indonesia's special economic zone**
 - **Special economic zones** are defined as designated areas **where natural resources** (mined in or around the zone) **are processed**
 - Investors can get income **tax discounts of between 20 and 100 percent** for a duration **up to 25 years** with a minimum investment value
 - These generous tax holidays are designed to attract investment in the country's manufacturing industry
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- **Foreign investors are allowed to own property** in these special economic zones and investors will be able to **import raw materials without being charged value-added tax (VAT)**
 - **Goods manufactured** in these special economic zones are to be **exempted from VAT when sold domestically**, but remain subject to customs and excise fees.
 - The Indonesian government assigned the special economic zone status to eight areas: Tanjung Lesung (Banten), Sei Mangkei (North Sumatra), Palu (Central Sulawesi), Bitung (North Sulawesi), Mandalika (West Nusa Tenggara), Morotai (North Moluccas), Tanjung Api-Api (South Sumatra), and Maloi Batuta Trans Kalimantan (East Kalimantan).

Indonesia Property Division – Indonesia Economic Stimulus Policy Package #7

- **7th economic policy package** unveiled on 4 December 2015 **focuses on waiving income tax for workers in the nation's labor-intensive industries**
- **Those who work in labor-intensive industries**, such as footwear, textiles or tobacco, and earn less than IDR 50 million (approx. USD \$3,700) per year **are eligible for exemption from paying income tax.**
- **This policy** will be maintained **for at least two years.**
- Also, the government will **grant leasehold certificates (for free)** to street vendors operating in 34 state-owned designated areas.
- The program, which will be launched in Banten (West Java), **aims to increase vendors' capital**
- Through this new policy, however, these **vendors will have access to government-backed micro-loans** unlike previously where they have difficulty obtaining loans as most vendors are working illegally and lack capital to secure a loan





- **8th economic policy package** unveiled on 21 December 2015 **focuses on Import Tax, Oil Refineries and One-Map Policy**
 - To improve the rapid expanding aviation industry, the government announced **scrapping import taxes on 21 categories of airplane spare parts**
 - The Indonesian government also announced the **opening up of oil refinery sector** that was previously only available to state-owned energy firm Pertamina or through a partnership between a private investor and Pertamina
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- **Private investors are now allowed to establish oil refineries independently** but are required to sell the end-products to Pertamina.
 - The central government will **streamline and harmonize land-acquisition for infrastructure development** across the country through the new "one-map policy"
 - **The one-map policy will imply four advantages:** **(1)** integration of the planning of land utilization with the government's Spatial Planning Document (Dokumen Rencana Tata Ruang), **(2)** easing and speeding up the completion of conflicts of land use, **(3)** one reference map will improve the information provision related to localization of economic activities, and **(4)** speed up the issuance of permits related to land usage.

Indonesia Property Division –

Indonesia Economic Stimulus Policy Package #9

- **9th economic policy package** unveiled on 27 January 2016 **aims to combat Indonesia's high logistics cost**
- Indonesia's 9th economic stimulus package **consists of four parts:**
- **(1) to integrate billing and payments for port services** conducted by state-owned enterprises into one electronic system (single billing system)
- **(2) to integrate the Indonesia National Single Window system** (which handles export and import documents) with the 'inaportnet' system (which monitors the flow of goods in harbors)
- **(3) to revise Transportation Ministry Regulation No.3/2014 on the Use of Foreign Currencies for Transportation Payments.** By revising this regulation the Indonesian government aims to make the use of the **Indonesian rupiah mandatory for payments related to transportation activities**
- **(4) to remove Communications and Information Ministry Regulation No.9/2015.** This move should **neutralize the price difference between private commercial postal services and state postal services in Indonesia.** The aforementioned regulation states that commercial postal services in Indonesia are required to be more expensive than universal (private) postal services. This regulation was a major advantage to state-owned Pos Indonesia but limited competitiveness and efficiency in the country's postal services sector.



Indonesia Property Division – Indonesia Economic Stimulus Policy Package #10

- **10th economic policy package** was unveiled on 11 February 2016 focuses on **deregulation measures and significant revisions to the negative investment list**
- Simplified the negative investment list to only 84 from 119 and opened **29 new sectors to foreign investors**
- **Allow 100 percent foreign ownership** in cold storage business, crumb rubber industry, sport-centers, film production industry, restaurants, raw materials for medicines, toll roads, and telecommunication equipment
- Revisions are designed to optimize the nation's economic growth while not causing a reduction in local competitiveness

New versus Old Maximum Allowed Foreign Ownership:

Industry	New % Share	Old % Share
Warehouse Distributor	67%	33%
Cold Storage	100%	33%
Business Training	67%	49%
Travel Agency	67%	49%
Golf Course	67%	49%
Transport Supporting Services	67%	49%
Sport Center	100%	49%
Film Production Houses	100%	49%
Crumb Rubber	100%	49%
Museums	67%	51%
Catering	67%	51%
Convention Services	67%	51%
Exhibitions & Travel Incentives	67%	51%
Restaurant	100%	51%
Construction Consultancy	67%	55%
Telecommunication Services	67%	65%
Raw Materials for Medicines	100%	85%
Toll Road	100%	95%
Telecommunication Testing Agency	100%	95%

Indonesia Property Division – Indonesia Economic Stimulus Policy Package #11



- **11th economic policy package** was unveiled on 29 March 2016 includes a **lower tax rate on property purchased by local real estate investment trusts**, the **harmonization of customs checks** across the nation's ports (curtailing dwell time), **government subsidies for loans taken up Indonesia's export-oriented small and medium enterprises**, and the **drawing of a roadmap for the nation's pharmaceutical industry**
- The Indonesian government will cut the final income tax rate on sales of property to real estate investment trusts (REITs) from **5 percent to 0.5 percent**
- Dwell time at Indonesian ports are targeted to be **reduced from 4.7 days to 3.7 days** through reforming of various procedures particularly the harmonization of customs checks among the port authorities
- Indonesian government will provide subsidized loans for those Indonesian small and mid-sized companies that are primarily export-oriented. This policy encourages the development of export-oriented industries in Indonesia and will also have a positive impact on the country's trade and current account balances
- The government aims to **boost the domestic production of medicines' raw materials**, particularly for five product categories (namely biotechnology, vaccines, herbal extracts, active pharmaceutical ingredients and medical devices)
- Indonesia government had removed the pharmaceutical industry from its negative investment list (which lists the sectors that are closed, or partially closed, for foreign ownership), implying 100 percent foreign ownership is now allowed
- Step up effort to develop the local manufacturing of medicines (including raw materials) such as offering tax holiday, development of a special economic zone as well as an integrated logistics center

Indonesia Property Division – Indonesia Economic Stimulus Policy Package #12

- **12th economic policy package** was unveiled on 28 April 2016 focuses on **enhancing the ease of doing business for the small and mid-sized companies**
- Also, the government announced the **cut in a number of procedures and permits, as well as costs** required for development of a business
- **The number of procedures required to establish a business has been cut from 94 procedures to 49, while the number of permits has been curbed from nine permits to six.** This should manage to drastically cut the time that is required to open a business in Indonesia.

Indicator	Prior to 12th Package	After 12th Package
Starting a Business	<ul style="list-style-type: none">• 12 procedures• 47 days• Costs at IDR 6.8 - 7.8 million	<ul style="list-style-type: none">• 7 procedures• 10 days• Costs at IDR 2.7 million
Construction of Building	<ul style="list-style-type: none">• 17 procedures• 210 days• IDR 86 million for 4 permits	<ul style="list-style-type: none">• 14 procedures• 52 days• IDR 70 million for 3 permits
Tax Payments	<ul style="list-style-type: none">• 54 payments	<ul style="list-style-type: none">• 10 online payments

Thank You

Ronald Ng

Investor Relations Manager

Email: ronald.ng@sinarmasland.com.sg

Tel: (65) 6885 7746

Robin Ng

Executive Director

Email: robinng@sinarmasland.com.sg

Tel: (65) 6590 0884

Ferdinand Sadeli

Executive Director and Chief Financial Officer

Email: ferdinand.sadeli@sinarmasland.com

Tel: (62) 21 5036 8368 Ext 12836

