ANNUAL GENERAL MEETING: RESPONSES TO QUESTIONS FROM SHAREHOLDERS

Sinarmas Land Limited (the "**Company**" or "**SML**" and together with its subsidiaries, the "**Group**") refers to:

(1) the annual report of the Company for the financial year ended 31 December 2023 ("**2023 Annual Report**"); and

(2) the Notice of Annual General Meeting ("**AGM**") dated 2 April 2024 relating to the Company's AGM to be held on 23 April 2024 at 11.00 am.

The Company would like to thank shareholders for submitting their questions in advance of our AGM.

Please see below for the Company's responses to questions received from shareholder(s) as of 11 April 2024:

Question 1

What is the Group's plan for listed entities such as PT Duta Pertiwi Tbk ("DUTI") and PT Puradelta Lestari Tbk ("DMAS") after they complete their major cities and townships from 2025 to 2030?

Company's response:

The Group's publicly listed Indonesian subsidiaries have been actively expanding their township and portfolio of developments in Indonesia. They are conserving cash to replenish their land bank inventory and preparing for the next phase of development around the country.

Question 2

The Group holds S$3.2 billion worth of properties for sale, including properties under development. Could you please explain in layman's terms the differences between these two types of properties?

Company's response:

Properties under development for sale comprise undeveloped land banks. Upon commencement of development, the value of the land bank under development is transferred to properties held for sale.

Properties held for sale consist of land with developments ready for sale (apartments, shophouses, and buildings with strata title), as well as land and buildings under development.

Question 3

The site area of BSD city is 47M square meters, with a remaining site area of 21M square meters. I would like to know if the Group has fully paid for and owns the 21M square meters, including owning the title deed, as part of the S$3.2 billion worth of properties held for sale and under development, or if payments to the state or government are progressive. Also, are there any differences between BSD city and other townships?

Company's response:

PT Bumi Serpong Damai Tbk ("BSDE"), a public listed subsidiary of SML, and its subsidiaries, has fully paid for and owns the 21 million sqm of land for development as of 31 December 2023 and forms part of the S$3.2 billion worth of Properties under development for sale and Properties held for sale.

BSD City is BSDE's flagship development and one of Indonesia's largest privately developed townships. While the other townships may be smaller in scale, the Group endeavours to develop all its townships holistically to become a well-connected, self-sustaining, smart city for living, working and leisure.

Question 4

In DUTI's FY2022 annual report, the occupancy rates of ITCs and superblocks were significantly lower than those reported in the FY2017 annual report. In FY2017, ITC Famawati had the lowest occupancy rate at 81%, while the rest had occupancy rates above 90%. However, in FY2022, none of these properties had an occupancy rate above 90%, and a few had occupancy rates below 60%. Could Management share the ongoing structural changes for ITCs and superblocks?

Company's response:

The occupancy of the various ITCs took a hit in FY2020 due to the onslaught of COVID-19. Up to FY2022, there were upticks in occupancy at our ITCs as Indonesia emerged from the pandemic, though the recovery was uneven. The Group is of the opinion that the superblock concept, which integrates shopping centres with residential units, office spaces, or public transportation hubs, is still in demand. The Group plans to progressively rejuvenate the ITCs, support our tenants through various promotion programs and partner with them to stay relevant to the needs of a post-pandemic market.

Question 5

The leasehold for Bakrie Tower expires in March 2026. What options will be available once the leasehold expires?

Company's response:

The lease for Bakrie Tower is currently being renewed.

Question 6

An impairment of S$260 million was recognized at the company level for one of its subsidiaries to write down the value to recoverable value. Although this has no impact on the group results, could you provide more details about this substantial impairment and which business it is related to?

Company's response:

The impairment recorded at the Company level was as a result of an internal debt restructuring exercise between the Company and one of its subsidiaries whose principal activity is that of investment holding. A corresponding gain of S$265 million (please refer to Note 38 of the audited financial statements), arising from the waiver of debt due to its subsidiary, was also recorded at the Company level, nullifying the impairment recorded. The net effect of this internal restructuring of intercompany balances did not materially impact on the Company's and did not impact the Group's results and cash flows.

Question 7

In Note 20, Joint Venture, there is a negative S$216 million share of post-acquisition reserves, net of dividends received, which reduced the cost of investment in the joint venture from S$427 million to S$160 million. Could you explain the negative S$216 million and its connection to unrecognised downstream sales?

Company's response:

The negative S$216 million share of post-acquisition reserves arose mainly due to the consolidation adjustment at the Group level to eliminate unrealised gains from the downstream sale of development properties ("downstream sales") to joint ventures ("JVs") to the extent of the Group's interest in the JVs.

When the Group sells land or development properties to JVs for development, revenue and related cost of sales from the downstream sale are recognised by the Group to the extent of the unrelated investor interest in the JVs. Any unrealised gains from these downstream sales pertaining to the Group's interest in the JVs will be fully recognised as revenue and related cost of sales, the negative share of post-acquisition reserves will be reversed out when the development properties are eventually sold to external parties by the JVs.

Question 8

I appreciate the Management's efforts in buying up PT Bumi Serpong Damai Tbk ("BSDE") and DUTI shares from the open market at a cheap valuation over the years to increase the group's effective interest. However, what is the Management's view on BSDE declaring dividends upwards for Sinarmas Land to buy back shares, which, in my view, is the most undervalued listed entity within the whole group?

Company's response:

BSDE, while a subsidiary of SML, has its own dividend policy, and the directors of BSDE may propose the amount, if any, of dividends to be declared considering all relevant factors such as its net profit attributable to shareholders, financial performance, future capital expenditure requirements, business expansion plans and general economic conditions. Another reason is that dividends from Indonesia to Singapore typically attract between 10% to 20% withholding tax. We appreciate our shareholder's suggestions and will explore other cost-effective means to increase shareholder value.

By Order of the Board
SINARMAS LAND LIMITED

Robin Ng Cheng Jiet
Director
17 April 2024