

SINARMAS LAND LIMITED (REG. NO. 199400619R)

Half Year Financial Statement And Dividend Announcement

A Condensed interim consolidated income statement and consolidated statement of comprehensive income

**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2021**

	<u>Note</u>	<u>1st Half 2021 S\$'000</u>	<u>1st Half 2020 S\$'000</u>	<u>Change %</u>
Revenue	E4	359,294	287,574	24.9
Cost of sales		<u>(121,409)</u>	<u>(105,537)</u>	15.0
Gross profit		<u>237,885</u>	<u>182,037</u>	30.7
Operating expenses				
Selling expenses		(38,913)	(40,349)	(3.6)
General and administrative expenses		<u>(56,527)</u>	<u>(71,751)</u>	(21.2)
Total operating expenses		<u>(95,440)</u>	<u>(112,100)</u>	(14.9)
Operating profit		<u>142,445</u>	<u>69,937</u>	103.7
Other income/(expenses)				
Finance income		28,563	38,345	(25.5)
Finance costs		(92,400)	(99,093)	(6.8)
Foreign exchange loss		(2,556)	(6,752)	(62.1)
Share of results of associated companies		2,666	(961)	n.m.
Share of results of joint ventures		5,871	(2,572)	n.m.
Other operating income		<u>11,450</u>	<u>5,580</u>	105.2
Other expenses, net		<u>(46,406)</u>	<u>(65,453)</u>	(29.1)
Exceptional items				
Gain on disposal/deconsolidation of a subsidiary	E20	24,419	18,423	32.5
Negative goodwill	E20	<u>15,089</u>	<u>-</u>	n.m.
Exceptional items, net		<u>39,508</u>	<u>18,423</u>	114.4
Profit before income tax	E5	135,547	22,907	491.7
Income tax	E6	<u>(12,506)</u>	<u>(21,541)</u>	(41.9)
Profit for the period		<u>123,041</u>	<u>1,366</u>	n.m.
Attributable to:				
Owners of the Company		85,602	(2,362)	n.m.
Non-controlling interests		<u>37,439</u>	<u>3,728</u>	904.3
		<u>123,041</u>	<u>1,366</u>	n.m.

Note: n.m. – not meaningful.

A Condensed interim consolidated income statement and consolidated statement of comprehensive income (cont'd)

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021**

	1st Half 2021 S\$'000	1st Half 2020 S\$'000
Profit for the period	<u>123,041</u>	<u>1,366</u>
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation differences		
- arising from consolidation	(60,918)	16,710
- reclassification adjustment from disposal of a subsidiary	25	-
Share of other comprehensive income of associated companies	31	-
Share of other comprehensive income of joint ventures	256	-
	<u>(60,606)</u>	<u>16,710</u>
<u>Item that will not be reclassified subsequently to profit or loss:</u>		
Actuarial loss on post-employment benefits	<u>(5,259)</u>	<u>-</u>
Total comprehensive income for the period	<u>57,176</u>	<u>18,076</u>
Total comprehensive income attributable to:		
Owners of the Company	54,840	7,426
Non-controlling interests	2,336	10,650
	<u>57,176</u>	<u>18,076</u>

ADDITIONAL INFORMATION

Earnings before income tax, non-controlling interests, interest on borrowings, depreciation, foreign exchange loss, share of results of associated companies and joint ventures and exceptional items ("EBITDA")

	1st Half 2021 S\$'000	1st Half 2020 S\$'000	Change %
Earnings before income tax, non-controlling interests, interest on borrowings, depreciation, foreign exchange loss, share of results of associated companies and joint ventures and exceptional items ("EBITDA")	210,462	139,924	50.4
Interest on borrowings	(92,400)	(99,093)	(6.8)
Depreciation	(28,004)	(26,062)	7.5
Foreign exchange loss	(2,556)	(6,752)	(62.1)
Exceptional items	39,508	18,423	114.4
Share of results of associated companies	2,666	(961)	n.m.
Share of results of joint ventures	5,871	(2,572)	n.m.
Profit before income tax	<u>135,547</u>	<u>22,907</u>	491.7

Note: n.m. – not meaningful.

B Condensed interim statements of financial position

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>As at 30/06/2021 S\$'000</u>	<u>As at 31/12/2020 S\$'000</u>	<u>As at 30/06/2021 S\$'000</u>	<u>As at 31/12/2020 S\$'000</u>
<u>Assets</u>					
Current Assets					
Cash and cash equivalents	E9	1,263,901	1,403,851	72,074	5,307
Short-term investments	E10	150,907	220,735	-	-
Trade receivables		13,268	19,207	-	-
Other current assets	E11	342,187	410,002	83,208	53,435
Inventories, at cost		614	637	-	-
Properties held for sale		1,324,819	1,241,785	-	-
		<u>3,095,696</u>	<u>3,296,217</u>	<u>155,282</u>	<u>58,742</u>
Non-Current Assets					
Subsidiaries		-	-	2,398,582	2,408,443
Associated companies		479,718	490,267	-	-
Joint ventures	E12	154,148	175,594	7	7
Long-term investments	E13	206,000	228,947	-	-
Properties under development for sale		1,775,946	1,790,478	-	-
Investment properties	E14	1,590,049	1,701,682	-	-
Property, plant and equipment		130,794	137,914	2,237	1,738
Long-term receivables		11,964	9,375	-	-
Deferred tax assets		262	266	-	-
Intangible assets		284,200	235,946	-	-
		<u>4,633,081</u>	<u>4,770,469</u>	<u>2,400,826</u>	<u>2,410,188</u>
Total Assets		<u>7,728,777</u>	<u>8,066,686</u>	<u>2,556,108</u>	<u>2,468,930</u>

B Condensed interim statements of financial position (cont'd)

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021 (cont'd)

	Note	Group		Company	
		As at 30/06/2021 S\$'000	As at 31/12/2020 S\$'000	As at 30/06/2021 S\$'000	As at 31/12/2020 S\$'000
Liabilities and Equity					
Current Liabilities					
Trade payables		64,310	106,006	-	-
Other payables and liabilities	E15	808,769	729,721	428,841	348,184
Bonds and notes payable	E16	-	456,052	-	-
Lease liabilities	E16	880	1,091	176	189
Borrowings	E16	223,337	205,596	-	-
Income taxes payable		4,484	8,343	-	-
		<u>1,101,780</u>	<u>1,506,809</u>	<u>429,017</u>	<u>348,373</u>
Non-Current Liabilities					
Bonds and notes payable	E16	755,805	745,080	-	-
Lease liabilities	E16	2,762	2,964	1,156	1,246
Borrowings	E16	883,556	966,374	-	-
Long-term liabilities		366,787	267,014	-	-
Deferred tax liabilities		9	9	-	-
		<u>2,008,919</u>	<u>1,981,441</u>	<u>1,156</u>	<u>1,246</u>
Total Liabilities		<u>3,110,699</u>	<u>3,488,250</u>	<u>430,173</u>	<u>349,619</u>
Equity attributable to Owners of the Company					
Issued capital	E17	2,057,844	2,057,844	2,057,844	2,057,844
Treasury shares	E17	(170,567)	(170,567)	(170,567)	(170,567)
Foreign currency translation deficit		(1,471,115)	(1,443,296)	-	-
Other reserves		249,322	252,265	-	-
Fair value reserve		3,285	3,285	-	-
Retained earnings		2,221,791	2,140,019	238,658	232,034
		<u>2,890,560</u>	<u>2,839,550</u>	<u>2,125,935</u>	<u>2,119,311</u>
Non-Controlling Interests		<u>1,727,518</u>	<u>1,738,886</u>	-	-
Total Equity		<u>4,618,078</u>	<u>4,578,436</u>	<u>2,125,935</u>	<u>2,119,311</u>
Total Liabilities and Equity		<u>7,728,777</u>	<u>8,066,686</u>	<u>2,556,108</u>	<u>2,468,930</u>

C Condensed interim statements of changes in equity

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

	← Attributable to Owners of the Company →						Total	Non-Controlling Interests	Total Equity
	Issued capital	Treasury shares	Foreign currency translation deficit	Other reserves	Fair value reserve	Retained earnings			
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.1.2021	2,057,844	(170,567)	(1,443,296)	252,265	3,285	2,140,019	2,839,550	1,738,886	4,578,436
Profit for the period	-	-	-	-	-	85,602	85,602	37,439	123,041
Foreign currency translation differences	-	-	(27,844)	-	-	-	(27,844)	(33,074)	(60,918)
Other comprehensive (loss)/income	-	-	25	(2,943)	-	-	(2,918)	(2,029)	(4,947)
Total comprehensive income/(loss) for the period	-	-	(27,819)	(2,943)	-	85,602	54,840	2,336	57,176
Dividends paid (Note E18)	-	-	-	-	-	(3,830)	(3,830)	-	(3,830)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(13,720)	(13,720)
Capital subscribed by non-controlling shareholders	-	-	-	-	-	-	-	16	16
Balance at 30.06.2021	<u>2,057,844</u>	<u>(170,567)</u>	<u>(1,471,115)</u>	<u>249,322</u>	<u>3,285</u>	<u>2,221,791</u>	<u>2,890,560</u>	<u>1,727,518</u>	<u>4,618,078</u>
Balance at 1.1.2020	2,057,844	(170,460)	(1,364,330)	(22,322)	3,256	2,055,526	2,559,514	2,139,157	4,698,671
Profit/(Loss) for the period	-	-	-	-	-	(2,362)	(2,362)	3,728	1,366
Foreign currency translation differences	-	-	9,788	-	-	-	9,788	6,922	16,710
Total comprehensive income/(loss) for the period	-	-	9,788	-	-	(2,362)	7,426	10,650	18,076
Changes in interest in subsidiaries	-	-	-	253,788	-	-	253,788	(253,788)	-
Dividends paid (Note E18)	-	-	-	-	-	(16,170)	(16,170)	-	(16,170)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(49,417)	(49,417)
Deconsolidation of a subsidiary	-	-	-	-	-	-	-	(17,457)	(17,457)
Shares buy back and held as treasury shares (Note E17)	-	(107)	-	-	-	-	(107)	-	(107)
Balance at 30.06.2020	<u>2,057,844</u>	<u>(170,567)</u>	<u>(1,354,542)</u>	<u>231,466</u>	<u>3,256</u>	<u>2,036,994</u>	<u>2,804,451</u>	<u>1,829,145</u>	<u>4,633,596</u>

C Condensed interim statements of changes in equity (cont'd)

UNAUDITED STATEMENT OF CHANGES IN EQUITY (cont'd) FOR THE PERIOD ENDED 30 JUNE 2021

<u>The Company</u>	<u>Issued capital</u>	<u>Treasury shares</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 January 2021	2,057,844	(170,567)	232,034	2,119,311
Profit for the period, representing total comprehensive income for the period	-	-	10,454	10,454
Dividends paid for 2020 (Note E18)	-	-	(3,830)	(3,830)
Balance at 30 June 2021	<u>2,057,844</u>	<u>(170,567)</u>	<u>238,658</u>	<u>2,125,935</u>
Balance at 1 January 2020	2,057,844	(170,460)	138,991	2,026,375
Profit for the period, representing total comprehensive income for the period	-	-	81,816	81,816
Dividends paid for 2019 (Note E18)	-	-	(16,170)	(16,170)
Shares buy back and held as treasury shares (Note E17)	-	(107)	-	(107)
Balance at 30 June 2020	<u>2,057,844</u>	<u>(170,567)</u>	<u>204,637</u>	<u>2,091,914</u>

D Condensed interim consolidated statements of changes of cash flows

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

	1st Half 2021 S\$'000	1st Half 2020 S\$'000
Cash flows from operating activities		
Profit before income tax	135,547	22,907
Adjustments for:		
Depreciation	28,004	26,062
Interest expense	92,400	99,093
Negative goodwill	(15,089)	-
Gain on disposal/deconsolidation of a subsidiary	(24,419)	(18,423)
Loss on disposal of certain interest in a joint venture	-	48
Gain on disposal of property, plant and equipment	(222)	(188)
Property, plant and equipment written off	-	22
Share of results of associated companies	(2,666)	961
Share of results of joint ventures	(5,871)	2,572
Allowance for/(Write back of) impairment loss on:		
Trade and other receivables	961	98
Completed properties held for sale	(54)	(67)
Changes in fair value of financial assets at fair value through profit or loss	(1,474)	3,820
Unrealised foreign exchange loss	6,434	8,796
Interest income	(28,563)	(38,345)
Operating cash flows before working capital changes	184,988	107,356
Changes in working capital:		
Trade receivables	4,931	26,893
Other current assets and receivables	69,643	(19,490)
Inventories	23	204
Trade payables	(41,858)	(16,059)
Other payables and liabilities	136,806	74,720
Cash generated from operations	354,533	173,624
Interest paid	(65,074)	(60,944)
Interest received	45,002	34,743
Tax paid	(28,334)	(18,485)
Net cash generated from operating activities	306,127	128,938

D Condensed interim consolidated statements of changes of cash flows (cont'd)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021 (cont'd)

	1st Half 2021 <u>S\$'000</u>	1st Half 2020 <u>S\$'000</u>
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired (Note E20)	(5,979)	-
Acquisition of a joint venture	(681)	-
Additional investment in a joint venture	(1,941)	(524)
Net cash inflow/(outflow) from disposal/deconsolidation of a subsidiary (Note E20)	126,630	(48)
Proceeds from disposal of property, plant and equipment	357	312
Proceeds from disposal of certain interest in a joint venture	-	12,971
Return of capital from a joint venture	3,704	-
Capital expenditure on investment properties	(285)	(9,371)
Capital expenditure on property, plant and equipment	(1,606)	(2,099)
Capital expenditure on properties under development and held for sale	(58,121)	(12,565)
Dividend from an associated company and joint ventures	9,171	6,249
Proceeds from/(Payment for) investment in financial assets, net	99,445	(144,140)
Payment for intangible assets	(43,990)	(22,303)
Increase in long-term receivables	(1,103)	-
Net cash generated from/(used in) investing activities	<u>125,601</u>	<u>(171,518)</u>
Cash flows from financing activities		
Proceeds from borrowings	59,713	26,371
Payment for borrowings	(139,478)	(58,413)
Proceeds from issuance of bonds and notes	-	407,962
Payment for bonds and notes	(462,518)	-
Increase in time deposits pledged	(16,429)	(1,769)
Payment for lease liabilities	(648)	(510)
Payment for deferred bond charges	-	(5,995)
Payment for dividends	(17,550)	(65,587)
Payment for shares buy back (Note E17)	-	(107)
Capital subscribed by non-controlling shareholders	16	-
Net cash (used in)/generated from financing activities	<u>(576,894)</u>	<u>301,952</u>
Net (decrease)/increase in cash and cash equivalents	(145,166)	259,372
Cash and cash equivalents at beginning of the period	1,321,546	1,031,455
Effect of exchange rate changes on cash and cash equivalents	(11,213)	18,375
Cash and cash equivalents at end of the period (Note E9)	<u>1,165,167</u>	<u>1,309,202</u>

E Notes to the condensed interim consolidated financial statements

1 Corporate information

Sinarmas Land Limited (the “Company”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). 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 disclosed in Note 44, Note 45 and Note 20 to the financial statements for the financial statements for the year ended 31 December 2020 respectively. These condensed interim consolidated financial statements as at and for half year ended 30 June 2021 comprise the condensed financial statements of the Company and its subsidiaries (the “Group”).

2 Basis of preparation

The condensed interim consolidated financial statements of the Group for half year ended 30 June 2021, have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34, *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 December 2020.

The condensed interim consolidated financial statements are presented in Singapore dollar, which is the Company’s functional currency that reflects the primary economic environment in which the Company operates. All financial information presented in Singapore dollars have been rounded to the nearest thousand (\$’000) unless otherwise indicated.

2.1 New and revised Singapore Financial Reporting Standards (International) (“SFRS(I)s”)

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with the SFRS(I)s, except for the adoption of new and revised SFRS(I)s effective for annual periods beginning on 1 January 2021. The adoption of the new and revised SFRS(I)s has had no material financial impact on the condensed interim financial statements of the Group. The Group has not early adopted any other new and revised SFRS(I)s that have been issued but are not yet effective.

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may actually differ from these estimates. The significant judgements made in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

E Notes to the condensed interim consolidated financial statements (cont'd)

4 Segment and revenue information

	<u>1st Half 2021</u>	<u>1st Half 2020</u>
	S\$'000	S\$'000
Revenue from sale of development properties	270,532	205,505
Rental and related income	54,607	59,253
Revenue from hotel and golf operations	4,736	7,202
Revenue from service concession arrangements	14,087	-
Others	15,332	15,614
	<u>359,294</u>	<u>287,574</u>

Revenue from sale of development properties included sale of land parcels to joint ventures of \$8,458,000 (1H2020: Nil), on terms agreed between the parties. The Group has not recognised the gain arising from the sale transactions that is attributable to its interests. The unrealised gain of \$2,909,000 (1H2020: Nil) was therefore adjusted against the share of results in joint ventures in the Group's income statement.

Management manages and monitors the business in the two primary areas, namely, Indonesia (excluding Batam) and International (excluding Indonesia and including Batam). 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, ownership and leasing of investment property in Singapore and financial assets as long-term investment in Australia. 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 meets the quantitative thresholds required by SFRS(I) 8 for reportable segments. Others operations include the investment holding and corporate office. Segment information about these businesses is presented below:

	Indonesia Property	International Property	United Kingdom Property	Others/ Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>1st Half 2021</u>					
Total revenue	338,276	2,907	18,214	-	359,397
Inter-segment revenue	(43)	(60)	-	-	(103)
Revenue from external customers	<u>338,233</u>	<u>2,847</u>	<u>18,214</u>	<u>-</u>	<u>359,294</u>
EBITDA	<u>198,777</u>	<u>1,525</u>	<u>12,966</u>	<u>(2,806)</u>	<u>210,462</u>
<u>Other Information</u>					
Additions to investment properties and property, plant and equipment	1,374	2	-	787	2,163
Depreciation expenses	(22,338)	(776)	(4,695)	(195)	(28,004)
Interest income	24,293	4,249	-	21	28,563
Interest expenses	(83,547)	(5,027)	(5,013)	1,187	(92,400)
Allowance for impairment loss on trade and non-trade receivables	19	(171)	(809)	-	(961)
Gain on disposal of property, plant and equipment	34	-	-	188	222
Gain on disposal of a subsidiary	-	-	24,419	-	24,419
Negative goodwill	15,089	-	-	-	15,089
Share of profit/(loss) of:					
Associated companies	(47)	2,713	-	-	2,666
Joint ventures	5,916	(45)	-	-	5,871

E Notes to the condensed interim consolidated financial statements (cont'd)

4 Segment and revenue information (cont'd)

	Indonesia Property S\$'000	International Property S\$'000	United Kingdom Property S\$'000	Others/ Eliminations S\$'000	Total S\$'000
<u>At 30.6.2021</u>					
<u>Assets</u>					
Segment assets	6,081,696	368,445	874,497	(229,727)	7,094,911
Investment in:					
Associated companies	459,321	20,397	-	-	479,718
Joint ventures	153,048	1,100	-	-	154,148
Total assets	<u>6,694,065</u>	<u>389,942</u>	<u>874,497</u>	<u>(229,727)</u>	<u>7,728,777</u>
<u>Liabilities</u>					
Segment liabilities	<u>2,705,634</u>	<u>359,733</u>	<u>486,584</u>	<u>(441,252)</u>	<u>3,110,699</u>
<u>1st Half 2020</u>					
Total revenue	263,230	5,543	18,906	-	287,679
Inter-segment revenue	(45)	(60)	-	-	(105)
Revenue from external customers	<u>263,185</u>	<u>5,483</u>	<u>18,906</u>	<u>-</u>	<u>287,574</u>
EBITDA	<u>131,689</u>	<u>2,237</u>	<u>15,208</u>	<u>(9,210)</u>	<u>139,924</u>
<u>Other Information</u>					
Additions to investment properties and property, plant and equipment	13,476	47	-	227	13,750
Depreciation expenses	(20,429)	(816)	(4,656)	(161)	(26,062)
Interest income	34,068	4,308	9	(40)	38,345
Interest expenses	(87,529)	(7,271)	(6,673)	2,380	(99,093)
Allowance for impairment loss on trade and non-trade receivables	-	(89)	(9)	-	(98)
Gain on disposal of property, plant and equipment	127	-	-	61	188
Gain on deconsolidation of a subsidiary	18,423	-	-	-	18,423
Share of loss of:					
Associated companies	(568)	(393)	-	-	(961)
Joint ventures	(2,491)	(81)	-	-	(2,572)

5 Profit before income tax

Significant items not disclosed elsewhere in condensed interim consolidated financial statements:

	<u>1st Half 2021</u> S\$'000	<u>1st Half 2020</u> S\$'000
Depreciation of property, plant and equipment	(6,140)	(6,821)
Depreciation of investment properties	(21,864)	(19,241)
Gain on disposal of property, plant and equipment	222	188
Allowance for impairment loss on trade and non-trade receivables	(961)	(98)
Reversal of allowance for impairment loss on completed properties held for sale	54	67
Fair value gain/(loss) on financial assets at fair value through profit or loss	<u>1,474</u>	<u>(3,820)</u>

E Notes to the condensed interim consolidated financial statements (cont'd)

5 Profit before income tax (cont'd)

Related party transactions

	<u>1st Half 2021</u> S\$'000	<u>1st Half 2020</u> S\$'000
(i) Interest income from:		
Associated companies	588	690
Joint ventures	372	-
Related parties	66	59
(ii) Sales of goods and services:		
Management fee from:		
Associated companies and joint ventures	1,995	1,703
Rental income from:		
Associated company and joint venture	240	247
Related parties	12,369	16,423
(iii) Dividend income from:		
Associated company	6,738	-
Joint ventures	2,433	6,249
(iv) Purchase of goods and services		
Insurance premium to a related party	1,742	1,668

6 Income tax

	<u>1st Half 2021</u> S\$'000	<u>1st Half 2020</u> S\$'000
Tax expense is made up of:		
Current income tax		
- current year	13,124	11,414
- (over)/under-provision in respect of prior years	(618)	27
Withholding tax expenses	-	10,100
	<u>12,506</u>	<u>21,541</u>

7 Earnings per share

	1st Half 2021	1st Half 2020
Earnings/(Loss) per ordinary share for the period:		
(i) Based on weighted average number of ordinary shares	SGD2.01cents	(SGD0.06cents)
Weighted average number of shares (excluding treasury shares)	4,255,159,396	4,255,497,534
(ii) On a fully diluted basis	Not applicable	Not applicable
Weighted average number of shares (excluding treasury shares)	Not applicable	Not applicable

8 Net asset value per share

	<u>The Group</u>		<u>The Company</u>	
	<u>30.6.2021</u>	<u>31.12.2020</u>	<u>30.6.2021</u>	<u>31.12.2020</u>
Net asset value (total assets less total liabilities) per ordinary share based on issued share capital (excluding treasury shares) of 4,255,159,396 shares	S\$1.09	S\$1.08	S\$0.50	S\$0.50

E Notes to the condensed interim consolidated financial statements (cont'd)

9 Cash and cash equivalents

	Group		Company	
	<u>30.6.2021</u>	<u>31.12.2020</u>	<u>30.6.2021</u>	<u>31.12.2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Cash on hand, cash in banks and time deposits in the statements of financial position	1,263,901	1,403,851	72,074	5,307
Time deposits pledged as security for credit facilities granted to the subsidiaries	<u>(98,734)</u>	<u>(82,305)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents in the statement of cash flows	<u>1,165,167</u>	<u>1,321,546</u>	<u>72,074</u>	<u>5,307</u>

10 Short-term investments

	Group	
	<u>30.6.2021</u>	<u>31.12.2020</u>
	S\$'000	S\$'000
Financial assets at FVPL:		
Quoted funds	13,774	37,962
Unquoted equity funds	2,755	4,254
Unquoted debts instruments	<u>134,378</u>	<u>178,519</u>
	<u>150,907</u>	<u>220,735</u>

11 Other current assets

	Group		Company	
	<u>30.6.2021</u>	<u>31.12.2020</u>	<u>30.6.2021</u>	<u>31.12.2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Non-trade receivable from:				
Related parties	27,332	28,201	83,145	53,361
Third parties	<u>119,467</u>	<u>220,721</u>	<u>-</u>	<u>-</u>
	146,799	248,922	83,145	53,361
Purchase advances	92,934	97,153	-	-
Others	<u>102,454</u>	<u>63,927</u>	<u>63</u>	<u>74</u>
	<u>342,187</u>	<u>410,002</u>	<u>83,208</u>	<u>53,435</u>

12 Joint ventures

	Group	
	<u>30.6.2021</u>	<u>31.12.2020</u>
	S\$'000	S\$'000
Unquoted equity investment in joint ventures	<u>154,148</u>	<u>175,594</u>

Movement during the financial period as follows:

	S\$'000
Balance as at 1.1.2021	175,594
Share of profit for period	5,871
Share of other comprehensive income	256
Reclassification to subsidiary (Note E20)	(21,400)
Return of capital, net of Group's contributions	(1,082)
Dividends received	(2,433)
Currency realignment	<u>(2,658)</u>
Balance as at 30.6.2021	<u>154,148</u>

E Notes to the condensed interim consolidated financial statements (cont'd)

13 Long-term investments

	<u>Group</u>	
	<u>30.6.2021</u>	<u>31.12.2020</u>
	S\$'000	S\$'000
Financial assets at FVPL:		
Unquoted funds	197,646	220,467
Financial assets at FVOCI:		
Unquoted equity investments	8,354	8,480
	<u>206,000</u>	<u>228,947</u>

14 Investment properties

	<u>Group</u>	
	<u>30.6.2021</u>	<u>31.12.2020</u>
	S\$'000	S\$'000
Cost	1,822,582	1,919,340
Less: Accumulated depreciation	(232,533)	(217,658)
Net carrying amount	<u>1,590,049</u>	<u>1,701,682</u>
Movement during the financial period as follows:		S\$'000
Balance as at 1.1.2021		1,701,682
Additions		285
Depreciation		(21,864)
Disposal of a subsidiary (Note E20)		(103,618)
Currency realignment		13,564
Balance as at 30.6.2021		<u>1,590,049</u>

15 Other payables and liabilities

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2021</u>	<u>31.12.2020</u>	<u>30.6.2021</u>	<u>31.12.2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Payable to:				
Related parties	1,302	1,962	428,576	347,350
Third parties	72,967	80,972	15	-
Derivative payables	9,939	10,497	-	-
Other taxes payables	10,019	13,270	-	-
	<u>94,227</u>	<u>106,701</u>	<u>428,591</u>	<u>347,350</u>
Advances and deposits received on:				
Development properties, rental and others	695,284	595,783	-	-
Accruals	9,869	17,632	159	735
Others	9,389	9,605	91	99
	<u>808,769</u>	<u>729,721</u>	<u>428,841</u>	<u>348,184</u>

E Notes to the condensed interim consolidated financial statements (cont'd)

16 Borrowings

	Group	
	<u>30.6.2021</u> S\$'000	<u>31.12.2020</u> S\$'000
Current liabilities		
Short-term borrowings	223,337	205,596
Bonds and notes payable	-	456,052
Lease liabilities	880	1,091
	<u>224,217</u>	<u>662,739</u>
Non-current liabilities		
Long-term borrowings	883,556	966,374
Bonds and notes payable	755,805	745,080
Lease liabilities	2,762	2,964
	<u>1,642,123</u>	<u>1,714,418</u>
	<u>1,866,340</u>	<u>2,377,157</u>

	<u>30.6.2021</u> S\$'000			<u>31.12.2020</u> S\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less	152,128	72,089	224,217	185,729	477,010	662,739
Amount repayable after one year	805,378	836,745	1,642,123	860,699	853,719	1,714,418
Total	<u>957,506</u>	<u>908,834</u>	<u>1,866,340</u>	<u>1,046,428</u>	<u>1,330,729</u>	<u>2,377,157</u>

Certain time deposits, properties under development for sale, investment properties, and property, plant and equipment have been pledged to the creditors to obtain the above secured borrowings.

17 Issued Capital and Treasury Shares

<u>Group and Company</u>	No. of ordinary shares		Amount	
	Issued capital '000	Treasury shares '000	Issued capital S\$'000	Treasury shares S\$'000
Balance at 1.1.2020	4,549,319	(293,457)	2,057,844	(170,460)
Treasury shares purchased	-	(703)	-	(107)
Balance at 31.12.2020	<u>4,549,319</u>	<u>(294,160)</u>	<u>2,057,844</u>	<u>(170,567)</u>
Balance at 1.1.2021 and 30.6.2021	<u>4,549,319</u>	<u>(294,160)</u>	<u>2,057,844</u>	<u>(170,567)</u>

There were no movements in the Company's issued capital since 30 June 2020.

18 Dividends

	<u>1st Half 2021</u> S\$'000	<u>1st Half 2020</u> S\$'000
Final dividend paid in respect of previous year of S\$0.0009 (1H2020: S\$0.0038) per share	<u>3,830</u>	<u>16,170</u>

E Notes to the condensed interim consolidated financial statements (cont'd)

19 Financial Instruments

Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and cash equivalents, short-term investments, trade and other receivables, trade and other payables, short-term bonds and notes payable, short-term borrowings and short-term lease liabilities 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 lease liabilities, bonds and notes payable and borrowings) are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the end of the reporting period. As at 30 June 2021 and 31 December 2020, the carrying amounts of the long-term receivables and long-term borrowings approximate their fair values.

Fair Value Hierarchy

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (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: Unobservable inputs for the asset or liability

The following table gives information about how the fair values of the Group's financial assets are determined:

Group	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 30 June 2021				
Financial assets at FVOCI	-	-	8,354	8,354
Financial assets at FVPL	13,774	170,634	164,145	348,553
Total	13,774	170,634	172,499	356,907
At 31 December 2020				
Financial assets at FVOCI	-	-	8,480	8,480
Financial assets at FVPL	37,962	240,986	162,254	441,202
Total	37,962	240,986	170,734	449,682

Methods and Assumptions Used to Determine Fair Values

The methods and assumptions used by management to determine fair values of financial assets and financial liabilities are as follows:

- (a) Level 1 fair value measurements

The fair value of securities traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

- (b) Level 2 fair value measurements

The fair values of unquoted funds and debt securities are determined by reference to fund statements provided by non-related fund manager.

- (c) Level 3 fair value measurements

The fair values of financial assets at FVPL were determined by reference to price of recent transaction, discounted cash flow method and valuation report prepared by independent professional valuer. The fair values of financial assets at FVOCI were determined by reference to valuation reports provided by independent external valuers.

E Notes to the condensed interim consolidated financial statements (cont'd)

20 Acquisition and disposal/dissolution of subsidiaries

(a) Disposal of a subsidiary during the current financial period

In April 2021, the Group completed the disposal of its entire shareholding in SML Great Pte Limited, a company owns a property known as Unlimited House, 10 Great Pulteney Street, London, W1F 9NB, for cash consideration of GBP72 million (equivalents of approximately S\$127,058,000). The Group recognised a gain of disposal of S\$24,419,000 and included as exceptional items in the consolidated income statement. The following table summarises the carrying amount of major classes of identifiable assets and liabilities disposed:

	S\$'000
Cash and cash equivalents	428
Investment properties	103,618
Other payables	(1,432)
Net assets disposed	102,614
Net foreign currency reserve realised upon disposal	25
Gain on disposal of a subsidiary	24,419
Total consideration from disposal of a subsidiary	127,058
Less: Cash and cash equivalents from disposed subsidiary	(428)
Net cash inflow on disposal of a subsidiary	126,630

(b) Acquisition of a subsidiary during the current financial period

During the current financial period, the Group through its subsidiary, acquired the remaining interest in a joint venture, PT Itomas Kembangan Perdana for a consideration IDR87.86 billion (equivalent to S\$8,136,000). Following the acquisition, PT Itomas Kembangan Perdana became a subsidiary of the Group. The Group recognised a negative goodwill of S\$15,089,000 and included as exceptional items in the consolidated income statement. The fair values of the identifiable assets acquired and liabilities assumed at the acquisition date were as follows:

	S\$'000
Cash and cash equivalents	2,157
Properties held for development and sales	55,277
Property, plant and equipment	27
Other receivables	5,484
Other payables	(18,320)
Net assets disposed	44,625
Transfer from investment in a joint venture	(21,400)
Negative goodwill	(15,089)
Total purchase consideration	8,136
Less: Cash and cash equivalents acquired	(2,157)
Net cash outflow on acquisition of a subsidiary	5,979

(c) Striking-off/Dissolution of subsidiaries during the current financial period

During the current financial period, the subsidiaries, Palm Resort Management Pte Ltd and Linsville Limited, have been struck off and dissolved. The financial impact arising from these dissolution is insignificant.

F Other information required by Listing Rule Appendix 7.2

1 Review

The condensed interim consolidated statement of financial position of Sinarmas Land Limited (the “Company”) and its subsidiaries as at 30 June 2021 and the related condensed consolidated income statement and statement of other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for half year then ended and certain explanatory notes have not been audited or reviewed.

2 Review of performance of the Group

PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2021

The Group recorded revenue of \$359.3 million for half year ended 30 June 2021 (“1H2021”), representing an increase of 24.9% as compared to \$287.6 million for the same period in 2020 (“1H2020”). Consequently, EBITDA increased by 50.4% to \$210.5 million in 1H2021, while net profit was also higher at \$123.0 million as compared to \$1.4 million in 1H2020.

REVENUE

The Group’s revenue rose by 24.9% to \$359.3 million driven mainly by commercial land sales in BSD City, Indonesia, as well as higher sales of residential units and industrial land in Kota Deltamas. This increase was partially offset by lower hotel revenue in Indonesia and Malaysia in view of the travel restrictions, lockdown of cities and strict social distancing measures implemented.

GROSS PROFIT

In tandem with the higher land sales, the Group’s gross profit improved by 30.7% to \$237.9 million in the current period. Consequently, the overall gross profit margin was higher at 66.2% as compared to 63.3% in 1H2020.

OPERATING EXPENSES

Selling expenses of \$38.9 million comprised mainly advertising and marketing expenses, professional fees, and salaries and related expenses. General and administrative expenses of \$56.5 million comprised mainly salaries and related expenses, professional fees, repairs and maintenance, depreciation, rent, tax and licenses, office supplies and utilities. The total operating expenses decreased by 14.9% to \$95.4 million in 1H2021 mainly due to lower salaries and related costs as a result of reduction in headcounts, as well as reversal of provision for post-employment benefits following changes in Indonesian labour law requirement.

FINANCE EXPENSES, NET

Net finance expenses comprised interest expenses (net of interest income) and amortisation of deferred bond and loan charges. Net finance expenses increased from \$60.7 million in 1H2020 to \$63.8 million mainly due to decrease in interest income following the redemption and settlement of certain interest-bearing financial instruments during the current period.

SHARE OF RESULTS OF ASSOCIATED COMPANIES, NET

The Group recorded share of profit in associated companies of \$2.7 million in 1H2021 as compared to share of loss of \$1.0 million in the previous corresponding period mainly attributable to recognition of profit from sales of development properties in an associated company in China.

SHARE OF RESULTS OF JOINT VENTURES, NET

The Group recorded share of profit of \$5.9 million in 1H2021 as compared to share of loss in joint ventures of \$2.6 million in 1H2020, mainly attributable to recognition of revenue from the completed residential and commercial units in a joint venture in Indonesia.

F Other information required by Listing Rule Appendix 7.2 (cont'd)

OTHER OPERATING INCOME, NET

Net operating income comprised mainly building and estate management service income (net of expenses), investment income and fair value gain on financial instruments, management and lease co-ordination fee, net of provision for expected credit loss. Higher net operating income in the current period was mainly due to fair value gain on financial assets recognised in 1H2021 as compared to fair value loss in 1H2020.

EXCEPTIONAL ITEMS

The current period's exceptional gain comprised \$24.4 million gain on disposal of a subsidiary, SML Great Pte Limited; and \$15.1 million negative goodwill arising from consolidation of a new subsidiary, PT Itomas Kembangan Perdana following the acquisition of the remaining shareholding interest in a joint venture.

The prior period's exceptional gain represented gain on deconsolidation of a subsidiary.

INCOME TAX

Income tax expense comprised final tax on revenue derived from sales of land and properties in Indonesia, withholding tax expense and corporate income tax derived by applying the varying statutory tax rates of the different countries in which the Group operates on its taxable profit and taxable temporary difference. No group relief is available for set-off of taxable profits against tax losses of companies within the Group.

Despite higher profit reported in the current period, income tax expense was lower at \$12.5 million as compared to \$21.5 million in 1H2020. This was mainly due to absence of withholding tax expense of \$10.1 million incurred upon remittance of dividends from a subsidiary.

NON-CONTROLLING INTERESTS

Profit attributable to non-controlling interests was higher at \$37.4 million in 1H2021 mainly in line with higher profit recorded for the period.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2021

Assets

The Group's total assets decreased from \$8,066.7 million as at end of previous year to \$7,728.8 million as at 30 June 2021. This was mainly attributable to decreases in investment properties, cash and cash equivalents, and investments in financial assets.

Investment properties decreased by \$111.6 million mainly due to disposal of commercial property following the disposal of a subsidiary, SML Great Pte Ltd.

Long-term and short-term investments decreased by \$92.8 million to \$356.9 million mainly due to redemption and disposal of certain financial instruments.

Other current assets decreased by \$67.8 million to \$342.2 million due to repayment of loans receivable from a project in China.

Liabilities

Total liabilities of the Group decreased from \$3,488.3 million as at end of previous year to \$3,110.7 million as at 30 June 2021. This decrease was mainly resulted from settlement of maturing bonds during the current period, partially offset by higher advances and deposits received on our development properties in Indonesia.

F Other information required by Listing Rule Appendix 7.2 (cont'd)

REVIEW OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2021

Net cash and cash equivalents (before the effect of exchange rate changes) decreased by \$145.2 million during the current period mainly as a result of cash used for settlement of maturing bonds, partially offset by cash generated from operating and investing activities. Net cash generated from operating activities was higher at \$306.1 million mainly due to improved operating results and higher advances and deposits received on our development properties.

Net cash generated from investing activities of \$125.6 million mainly related to proceeds from disposal of a subsidiary and redemption of financial assets, partially offset by capital expenditure incurred during the current period.

Net cash used in financing activities of \$576.9 million mainly related to repayment of bonds and bank borrowings during the current period.

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

4 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

After a tremulous 2020 with the world impacted by the worst health care crisis in modern history, the global economy is slowly showing signs of improvement. The successful development and rollout of the COVID-19 vaccines, boosted by the stimulus measures from governments worldwide, have buoyed the economic engine towards recovery. However, this turn for the better is expected to be patchy, especially with the new delta variant and uneven vaccination rates across the globe.

Indonesia, where our core business resides, had pulled out of recession with a 7.07% growth in the second quarter year-on-year, its first expansion in five quarters, on the back of strong exports, consumption, investments and bigger government spending. However, the sustainability of the economic recovery could be marred by the recent surge in COVID-19 infections. Despite the setback, the Group is cautiously optimistic that Indonesia will continue its path of recovery in 2021 and beyond.

In the midst of the pandemic, our Indonesian listed subsidiaries stayed resilient, with PT Bumi Serpong Damai Tbk (BSDE) achieving 65% of their full-year sales target and PT Puradelta Lestari Tbk (DMAS) achieving 45% of their full-year sales target in the first half of 2021. Nonetheless, the Group continues to maintain prudent financial discipline and employs careful cash management to ensure adequate liquidity.

During the first half of 2021 outside Indonesia, the Group has exited its investment in China's Chengdu Youxing Garden Co. Ltd and completed the disposal of SML Great Pte Ltd which owns the Unlimited House located in Central London in our UK Division. Going forward, the Group will continue to seek out new partnerships and investments, particularly in key markets, to expand our international footprint.

5 Dividend

(a) Current Financial Period Reported On

No dividend has been declared for the half year ended 30 June 2021 as the Company generally reviews its dividend policy at the end of the financial year.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared for the half year ended 30 June 2020.

F Other information required by Listing Rule Appendix 7.2 (cont'd)

6 Interested persons transactions disclosure

Name of interested person ("IP")	Nature of Relationship	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 Asuransi Jiwa Sinarmas MSIG Tbk	#1	-	4,166,718
PT Bank Sinarmas Tbk #2	#1	-	24,578,149
PT Bank Sinarmas Tbk #3	#1	-	787,569
PT Bumi Permai Lestari	#1	-	366,354
PT Dian Swastatika Sentosa Tbk	#1	-	154,879
PT Indah Kiat Pulp & Paper Tbk	#1	-	1,778,181
PT Sinarmas Asset Management	#1	-	400,860
PT Sinar Mas Agro Resources and Technology Tbk	#1	-	1,477,397
PT Sumber Indah Perkasa	#1	-	366,354
PT Sinar Mas Multiartha Tbk	#1	-	170,258
Total		-	34,246,719

Notes:

- * Renewed at SML's Annual General Meeting on 28 April 2021 pursuant to Rule 920 of the SGX-ST listing manual ("Listing Manual").
- #1 These IPs are regarded as associates of SML's controlling shareholder under Chapter 9 of the Listing Manual on interested person transactions.
- #2 Time deposits and current account placements with PT Bank Sinarmas Tbk during the year. Principal amount of placements as at 30 June 2021 is approximately SGD18.084 million.
- #3 This relates to leasing contract(s) signed with PT Bank Sinarmas Tbk as lessee.

7 Confirmation pursuant to the rule 720(1) of the listing manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

F Other information required by Listing Rule Appendix 7.2 (cont'd)

8 Confirmation pursuant to the rule 705(5) of the listing manual

We, Robin Ng and Ferdinand Sadeli, being two directors of Sinarmas Land Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the half year ended 30 June 2021 unaudited financial results to be false or misleading.

On behalf of the board of directors

Robin Ng
Director

Ferdinand Sadeli
Director

BY ORDER OF THE BOARD

Robin Ng
Director
12 August 2021

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Submitted by Kimberley Lye Chor Mei, Company Secretary on 12 August 2021 to the SGX