

PRESS RELEASE – FOR IMMEDIATE RELEASE

SINARMAS LAND PATMI JUMPED 78.7% TO S\$63.0 MILLION IN 2Q 2017

Singapore – 14 August 2017 – Singapore Exchange (SGX) Mainboard listed **Sinarmas Land Limited** (“SML” and together with its subsidiaries, the “Group”), announced today that Profit After Tax and Minority Interests (“PATMI”) for the second quarter ended 30 June 2017 (“2Q 2017”) surged 78.7% to S\$63.0 million on the back of higher revenue and better operating performance from its Indonesia division.

FINANCIAL HIGHLIGHTS

	2Q 2017 (S\$'000)	2Q 2016 (S\$'000)	Variance (%)	1H 2017 (S\$'000)	1H 2016 (S\$'000)	Variance (%)
Revenue	299,311	222,786	34.3	536,442	402,671	33.2
Gross Profit	244,862	154,234	58.8	404,595	272,989	48.2
EBITDA ¹	207,415	119,300	73.9	339,814	210,925	61.1
Net Profit for the period	127,878	71,448	79.0	213,437	112,096	90.4
PATMI	63,033	35,265	78.7	100,234	50,988	96.6

Total revenue for the half year ended 30 June 2017 (“1H 2017”) rose 33.2% to S\$536.4 million contributed mainly by higher sales of land parcels, a larger number of residential units handed over to homebuyers as well as increased revenue recognition from apartments in BSD City, Indonesia.

In 2Q 2017, the Group recognised S\$117.3 million of revenue from sales of land parcel to its joint venture with Mitsubishi Corporation (PT BSD Diamond Development) for further joint development. The gain arising from this transaction that is attributable to the interests of the

¹ EBITDA is earnings before income tax, non-controlling interests, interest on borrowings, depreciation and amortization, foreign exchange loss, exceptional item and share of results of associated companies and joint ventures.

Group has not been recognised in the Group's income statement in accordance with the requirement of Singapore Financial Reporting Standards, and the reversal of unrealised gain of S\$42.7 million that represents the Group's portion for gain on sales of land parcel to the joint venture adjustments have been made in the share of results of joint ventures, resulting in a loss of S\$36.6 million for 1H 2017. Without this reversal adjustment, the Group will record share of profit in joint ventures of S\$6.1 million in 1H 2017 as compared to share of loss of S\$4.5 million in 1H 2016 due to better operating performance from higher sales of residential units in the other joint ventures.

The Group's recurring income increased 2.8% to S\$75.8 million in 1H 2017 with higher rental income deriving from Indonesia division, partially offset by lower rental contribution from UK division due to the translation effect of a weakened British Sterling Pound.

Mirroring the increase in revenue, 2Q 2017 and 1H 2017 gross profit increased 58.8% and 48.2% respectively to S\$244.9 million and S\$404.6 million. Due to higher profit margin deriving from sales of land parcels in Indonesia, as well as sales of retail and garage space from its China division, the Group recorded an increase of 12.6 percentage point in gross profit margin for 2Q 2017 to 81.8% (2Q 2016: 69.2%) while 1H 17 gross profit margin gained 7.6 percentage points to 75.4% (1H 2016: 67.8%). Despite higher general and administrative expenses, the Group's EBITDA jumped 73.9% to S\$207.4 million in 2Q 2017 and increased 61.1% to S\$339.8 million in 1H 2017. EBITDA margin climbed 15.7 percentage points in 2Q 2017 to 69.3% (2Q 2016: 53.6%) and 11.0 percentage points to 63.4% in 1H 2017 (1H 2016: 52.4%).

In line with higher revenue contribution and better operating performance from its Indonesia division, the Group's PATMI jumped 78.7% to S\$63.0 million in 2Q 2017 and 96.6% in 1H 2017 to S\$100.2 million.

The Group's balance sheet remained healthy as at 30 June 2017. Following the acquisition of 33 Horseferry Road, the Group's total assets increased S\$134.2 million to S\$6,214.1 million, while bolstering cash and cash equivalents of S\$845.0 million and a net debt to equity ratio of 21.4%. Total borrowings increased by S\$280.8 million to S\$1,639.7 million mainly due to issuance of new USD bonds, debt incurred on the acquisition of investment properties and borrowings on capital expenditures.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: *"Cooling commodity prices and lethargic private consumption lead by both global economy uncertainties and increased international protectionism sentiments continue to weigh on the growth of Indonesia's economy. However, Indonesia possess sound domestic*

fundamental that remains a key attraction to the view of many foreign investors, resulting in 10.6% year-on-year growth in foreign direct investment. With a narrow current account deficit, a stable Rupiah currency and Indonesia's government commitment to increase infrastructure spending and introduction of more economic stimulus packages, the Group is cautiously expecting a stronger growth recovery."

"As prolonged periods of lacklustre economic performance continue to take a toll on Indonesia's property sector, the Group has adopted a defensive stance to focus on achieving its marketing sales target and ensuring timely handing over of completed units. Confident on the long-term growth potential of the property sector, the Group will embark on land sales and strategic alliances to accelerate future growth, while focusing strategically on increasing recurring income contribution through development and acquisition of commercial properties."

"In June 2017, the Group has further expanded its international foothold into the United Kingdom with the acquisition of 33 Horseferry Road for £188.6 million. 33 Horseferry Road was a rare investment opportunity with the Property substantially let to the UK Government's Secretary of State for Transport with a weighted average lease expiry of approximately 17 years. Combining with our earlier UK acquisitions, the Group currently own and manage assets in excess of S\$1 billion and this will strengthen our future recurring income and international real estate portfolio. Going forward, the Group will continue to actively pursuing investment opportunities in London, Europe and other global cities to boost recurring income from its International division" added Ms. Widjaja.

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About Sinarmas Land Limited (www.sinarmasland.com)

Sinarmas Land Limited (“SML” and together with its subsidiaries, the “Group”) is, listed on the Singapore Exchange and headquartered in Singapore, is engaged in the property business through its operations in Indonesia, China, Malaysia, Singapore and United Kingdom.

In Indonesia, SML is the largest property developer in terms of strategic land bank and market capitalisation. SML operates mainly through three public listed Indonesia subsidiaries, namely PT Bumi Serpong Damai Tbk (BSDE), PT Duta Pertiwi Tbk (DUTI) and PT Puradelta Lestari Tbk (DMAS) – with a combined market capitalisation in excess of S\$6.0 billion. Its Indonesia property division is engaged in many sub-sectors of the property business, including township development, residential, commercial, industrial and hospitality-related properties. Outside Indonesia, SML has development projects and long term investments in commercial and hospitality assets, across markets including Singapore, Malaysia, China and the United Kingdom.

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