



sinarmas land

***“Building for a better
future”***

ANNUAL GENERAL MEETING
28 April 2021



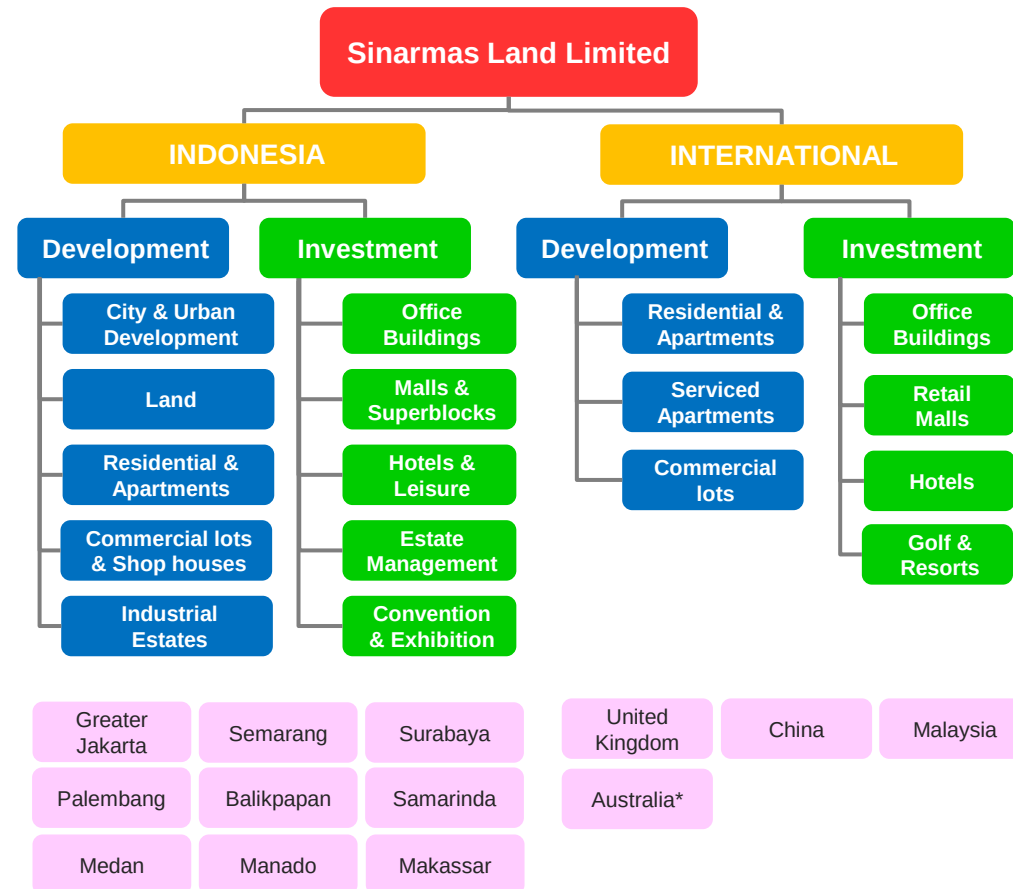
01. COMPANY OVERVIEW

02. 2020 YEAR IN BRIEF

03. FINANCIAL HIGHLIGHTS

Well-entrenched market leader in Indonesia property sector with growing geographical diversification

- 1** **Diversified property developer** with interests across various sub-sectors: townships, residential, commercial, retail, industrial, hospitality and leisure in Indonesia, China, Malaysia and the United Kingdom.
- 2** 3 listed subsidiaries on Indonesia Stock Exchange, namely PT Bumi Serpong Damai Tbk ("BSDE"), PT Duta Pertiwi Tbk ("DUTI") and PT Puradelta Lestari Tbk ("DMAS") with a combined **market capitalization of approximately S\$4.81 billion[^]**.
- 3** Over **49 years of proven track record** of delivering quality city & township developments and commercial space in Indonesia.
- 4** SML's Indonesian operations (outside BSDE) comprised 34.6% of FY 2020 revenue and international operations[#] (outside Indonesia) contributed 5.1% of FY 2020 revenue.
- 5** Ongoing strategic initiatives to **diversify its geographical exposure by expanding into other mature and emerging property markets**. (e.g. acquisition of 33 Horseferry Road in London in 2017 and residential development project in Taicang, China in 2019 etc.)



Notes:

[^] : As at 31 March 2021

[#] : Comprises of China, Malaysia and the United Kingdom

^{*} : Investment into an Australian commercial grade A office REIT



- 01. COMPANY OVERVIEW
- 02. 2020 YEAR IN BRIEF**
- 03. FINANCIAL HIGHLIGHTS

Year in Brief



FEB 2020

SML ENTERED INTO A JOINT VENTURE WITH SUMITOMO FORESTRY, KUMAGAI GUMI AND HARJOHN TIMBER



APR 2020

SML PARTNERED WITH VARIOUS STAKEHOLDERS TO SUPPORT EFFORT AGAINST COVID-19

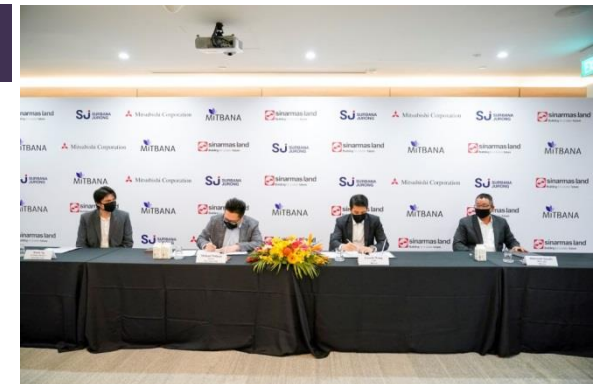
MAR 2020



**MOVE IN
QUICKLY**

SML INTRODUCED MOVE-IN-QUICKLY MARKETING PROGRAM

SEP 2020



STRATEGIC PARTNERSHIP WITH MITSUBISHI CORPORATION-SURBANA JURONG JOINT VENTURE

Year in Brief



NOV 2020

BSDE ENTERED INTO A JOINT VENTURE WITH MITBANA PTE LTD



DEC 2020

SINARMAS LAND LIMITED WAS NAMED COMPANY OF THE YEAR (REAL ESTATE SECTOR) IN THE EDGE SINGAPORE CENTURION CLUB 2020

NOV 2020



PARTNERSHIP WITH JAPAN OVERSEAS INFRASTRUCTURE INVESTMENT CORPORATION FOR TRANSPORT & URBAN DEVELOPMENT ("JOIN")

DEC 2020

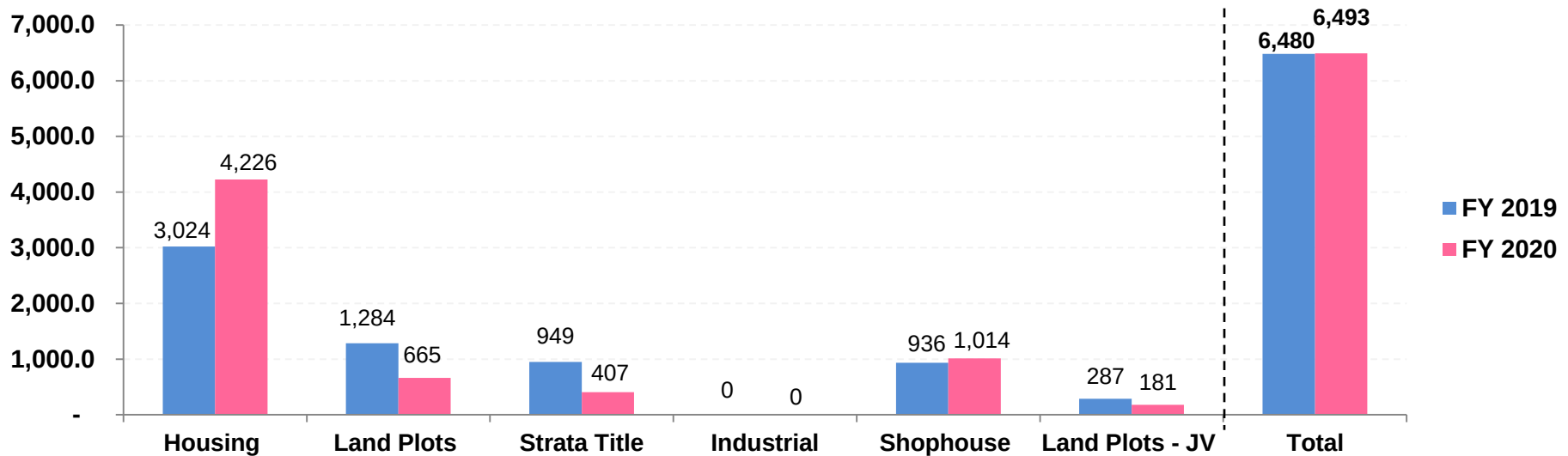


BSD CITY WELCOMES MONASH UNIVERSITY, THE FIRST INTERNATIONAL FOREIGN-OWNED UNIVERSITY IN INDONESIA

Indonesia Property Division – BSDE achieved 90% marketing sales of full-year sales target for FY 2020



Marketing Sales in IDR billion

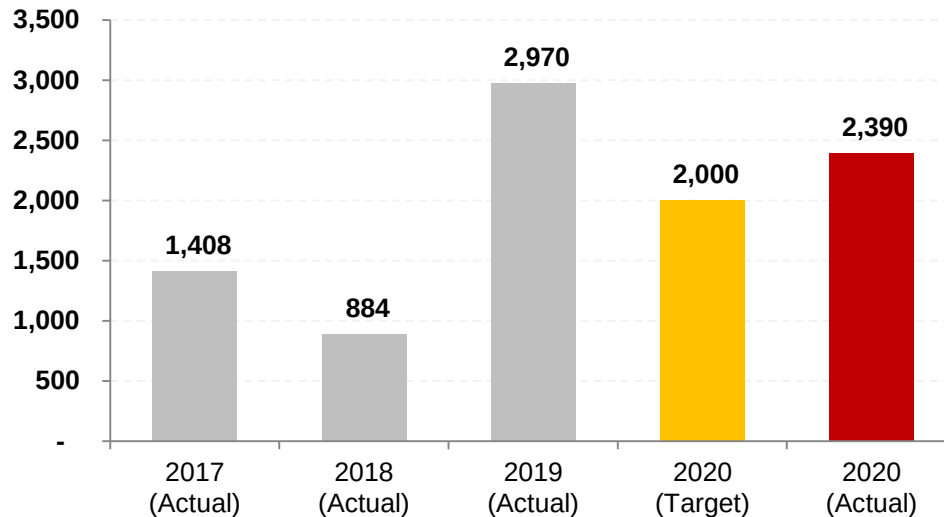


- BSDE achieved **IDR6.5 trillion of marketing sales for FY 2020** or 90% of its full-year marketing sales target of IDR7.2 trillion mainly due to the slump of marketing activities.
- FY 2020 marketing sales, however, recorded a marginal increase compared to FY 2019. The positive result was from higher sales contribution from Housing and also supported by successful launches of Shophouses.
- Housing and Shophouses sale bounced back strongly in the second half of FY 2020 and was further boosted by BSD's latest program "Move-In-Quickly" since the end of March 2020. This initiative promotes ready to move in properties and under constructions products and offers attractive discounts for cash and mortgage buyers. Existing development areas including Mozia, Savia, Greenwich, Nava Park, Zora and Grand Wisata Bekasi in Greater Jakarta continues to contribute to the overall sales figure.

Indonesia Property Division – DMAS surpass full-year sales target for FY 2020



Marketing Sales in IDR billion



Land Bank Update as of 31 December 2020

Segment	In hectares
Industrial	354
Commercial	494
Residential	376
Total	1,224

- PT Puradelta Lestari Tbk. (DMAS) is an integrated township developer of Kota Deltamas, located in Central Cikarang, with total development area of approximately 3,200 hectares. Kota Deltamas is a prime township at east of Jakarta with strategic location, vast land bank, direct toll access, and equipped with comprehensive facilities and infrastructures
- DMAS managed to achieved **marketing sales of IDR2.39 trillion for FY 2020**, exceeding the full-year 2020 marketing sales target of IDR2 trillion by 19% despite the restriction of marketing activities due to the Covid-19 pandemic.
- DMAS experienced strong sales primarily from 119.5 ha of industrial land in FY 2020. The land sold in FY 2020 were to various industries including Automotive, Food & Beverage and Information Technology (Data Centre) sector.

Bank Indonesia's LTV Ratio Relaxation

Revised LTV/FTV Ratio on Non-Green Property Loans



Facility	NPL/NPF Criteria Met				NPL/NPF Criteria Not Met*					
	Property Loans/Financing based on Murabahah and Istishna Contracts		Property Financing based on MMQ and IMBT Contracts		Property Loans/Financing based on Murabahah and Istishna Contracts		Property Financing based on MMQ and IMBT Contracts		Property Financing based on MMQ and IMBT Contracts	
	1	≥2	1	≥2	1	2	≥3	1	2	≥3
Landed House										
Type >70	100%	100%	100%	100%	95%	90%	90%	95%	90%	90%
Type >21 - 70	100%	100%	100%	100%	95%	95%	95%	95%	95%	95%
Type ≤21	100%	100%	100%	100%	100%	95%	95%	100%	95%	95%
Apartment										
Type >70	100%	100%	100%	100%	95%	90%	90%	95%	90%	90%
Type >21 - 70	100%	100%	100%	100%	95%	95%	95%	95%	95%	95%
Type ≤21	100%	100%	100%	100%	100%	95%	95%	100%	95%	95%
Shop House/Office House	100%	100%	100%	100%	95%	90%	90%	95%	90%	90%

Source: Bank Indonesia

Revised LTV/FTV Ratio on Green Property Loans



Facility	NPL/NPF Criteria Met				NPL/NPF Criteria Not Met*					
	Property Loans/Financing based on Murabahah and Istishna Contracts		Property Financing based on MMQ and IMBT Contracts		Property Loans/Financing based on Murabahah and Istishna Contracts		Property Financing based on MMQ and IMBT Contracts		PP Bdsr Akad MMQ & Akad IMBT	
	1	≥2	1	≥2	1	2	≥3	1	2	≥3
Landed House										
Type >70	100%	100%	100%	100%	95%	90%	90%	95%	90%	90%
Type >21 - 70	100%	100%	100%	100%	95%	95%	95%	95%	95%	95%
Type ≤21	100%	100%	100%	100%	100%	95%	95%	100%	95%	95%
Apartment										
Type >70	100%	100%	100%	100%	95%	90%	90%	95%	90%	90%
Type >21 - 70	100%	100%	100%	100%	95%	95%	95%	95%	95%	95%
Type ≤21	100%	100%	100%	100%	100%	95%	95%	100%	95%	95%
Shop House/Office House	100%	100%	100%	100%	95%	90%	90%	95%	90%	90%

- On 18 February 2021, Bank Indonesia (“BI”) announced the easing of loan-to-value (“LTV”) and financing-to-value (“FTV”) ratios for property and motor vehicles loan
- From 1 March 2021 – 31 December 2021, homebuyers can apply for housing loans/financing with a 100% LTV ratio on all residential property (landed houses, apartments and shop houses/office houses)
- However, BI indicated that this regulation is only for banks with non-performing loan (“NPL”) ratios of below 5%. As for banks with NPL ratios of higher than 5%, an LTV ratio of 90-95% will apply, with the exception of first-time house purchases and apartments with areas less than 21sqm.

2021 – Notable Transactions

Disposal of 10 Great Pulteney Street

- The Group has disposed the entire issued and paid-up share capital of SML Great Pte Limited, which in turn owns the property known as Unlimited House, 10 Great Pulteney Street, London for cash consideration of GBP72 million (equivalent to approximately SGD131.8 million)
- The Property provides 44,116 sq. ft. of Grade A freehold office and a self-contained five-unit freehold residential block of 2,928 sq. ft
- Assuming that the Disposal had been effected on 31 December 2020 and based on the Consideration and Pro Forma NAV of GBP56.5 million (equivalent to approximately SGD103.3 million), the Group would have recorded a gain on Disposal of approximately GBP15.6 million (equivalent to approximately SGD28.5 million).



Realisation of Investment in Chengdu Youxing Garden Co., Ltd

- The Group has ended the Investment, after it realised a pre-tax return of RMB101.3 million (equivalent to SGD20,872,798) on the Investment based on the total consideration of RMB497.03 million (equivalent to SGD102,740,019)
- The Consideration was arrived at on a willing buyer willing seller basis, based on an estimated pre-tax internal rate of return (IRR) of approximately 10%, which has been fully settled in cash



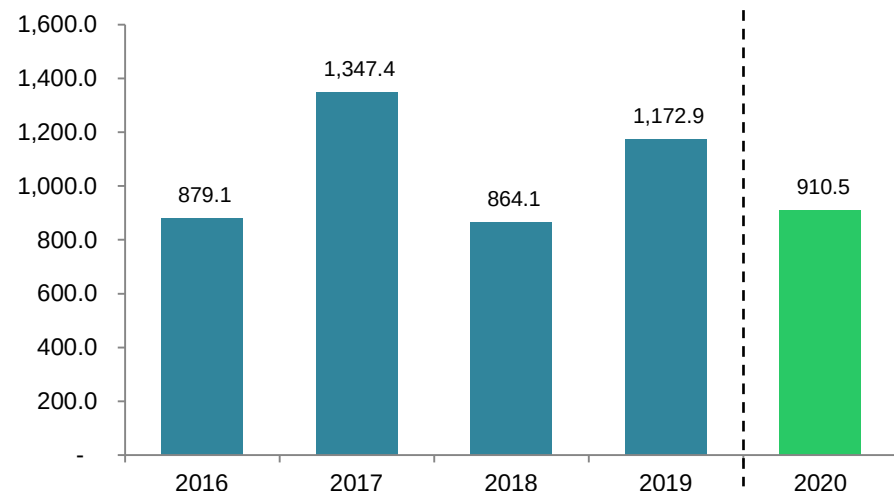


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FY 2020 Financial Highlights

Revenue

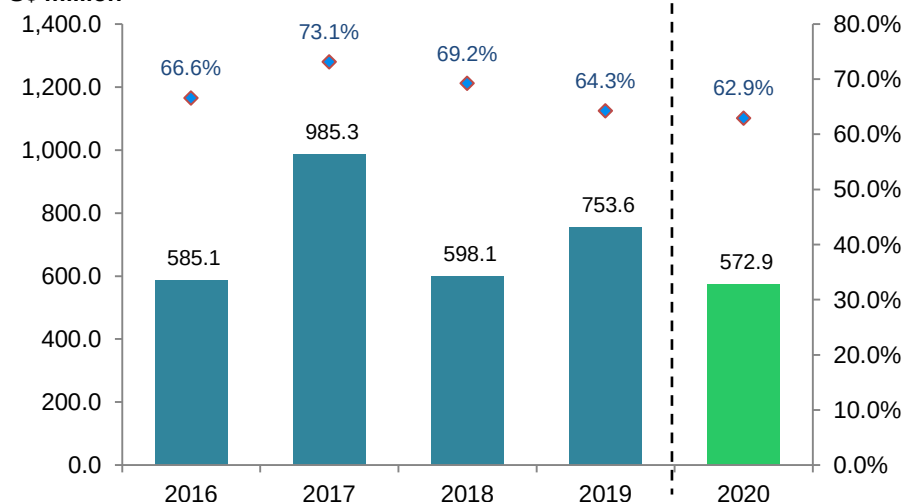
S\$ million



- Total revenue in FY 2020 decreased by 22.4% to S\$910.5 million from S\$1,172.9 million in FY 2019
- Lower revenue was mainly attributable to lower sales of commercial and industrial land parcels, as well as lower revenue from residential and apartments in Indonesia.
- In addition, the Group's generated lesser recurring income on the back of poorer contribution from its hospitality business, coupled with lower occupancy and rental rates from our investment properties

Gross Profit and Gross Profit margin

S\$ million

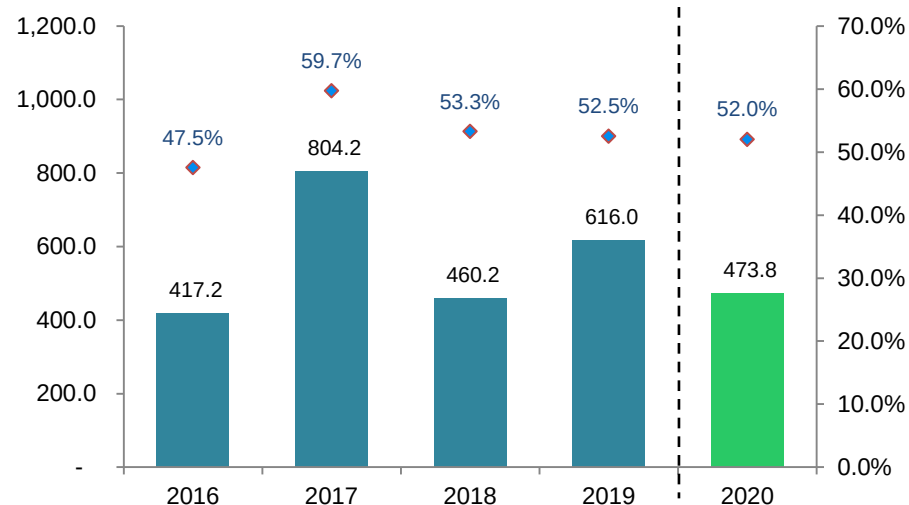


- In line with lower revenue, the Group's FY 2020 gross profit dipped from S\$753.6 million to S\$572.9 million. The Group's gross profit margin also decrease from 64.3% in FY 2019 to 62.9% in FY 2020
- The decline in gross profit margin was as a result of higher recognition from sales of apartments and sales of industrial land which generated lower margin due to their higher development cost
- The absence of higher profit margin land parcel sales in BSD City also contributed to the Group's drop in gross profit margin

FY 2020 Financial Highlights

EBITDA and EBITDA margin

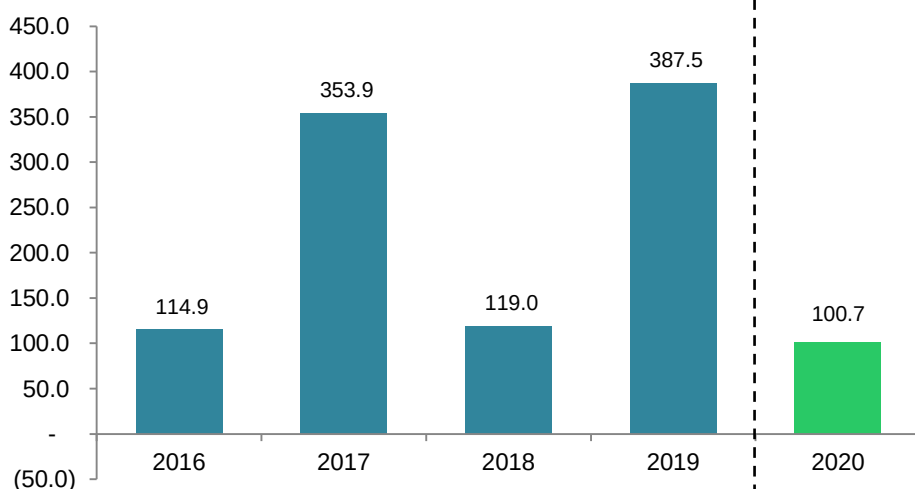
S\$ million



- EBITDA decreased 23.1% to S\$473.8 million in FY 2020 from S\$616.0 million in FY 2019 following the lower revenue contribution from the Group's Indonesia division
- EBITDA margin slid marginally to 52.0% in FY 2020 as compared to the corresponding period of 52.5% due to lower gross profit margin, coupled with lower other operating income and lower share of results from associated companies and joint ventures.

Profit / (Loss) attributable to Owners of the Company

S\$ million



- Profit attributable to Owners of the Company dropped to S\$100.7 million in FY 2020 as compared to S\$387.5 million in FY 2019 due to the absence of an one-off exceptional item amounting to S\$368.2 million from the restructuring of an associated company in 1H 2019
- Lower profit attributable to Owners of the Company was also compounded by the decline in revenue, higher finance cost and lower contribution from the shares of associated companies and joint ventures

FY 2020 vs FY 2019

Consolidated Income Statement



(S\$ '000)	FY 2020	FY 2019	Change %
Revenue	910,476	1,172,871	(22.4)
Cost of Sales	(337,569)	(419,261)	(19.5)
Gross Profit	572,907	753,610	(24.0)
<i>Operating Expenses</i>			
Selling Expenses	(85,022)	(100,941)	(15.8)
General and administrative expenses	(153,272)	(168,641)	(9.1)
Operating profit	334,613	484,028	(30.9)
Finance income	75,964	69,946	8.6
Others	(227,867)	(159,429)	42.9
Exceptional Items, net	37,884	373,701	(89.9)
Profit before income tax	220,594	768,246	(71.3)
Income tax	(44,663)	(43,862)	1.8
Profit for the year	175,931	724,384	(75.7)

Attributable to:

Owners of the Company	100,663	387,516	(74.0)
Non-controlling interests	75,268	336,868	(77.7)

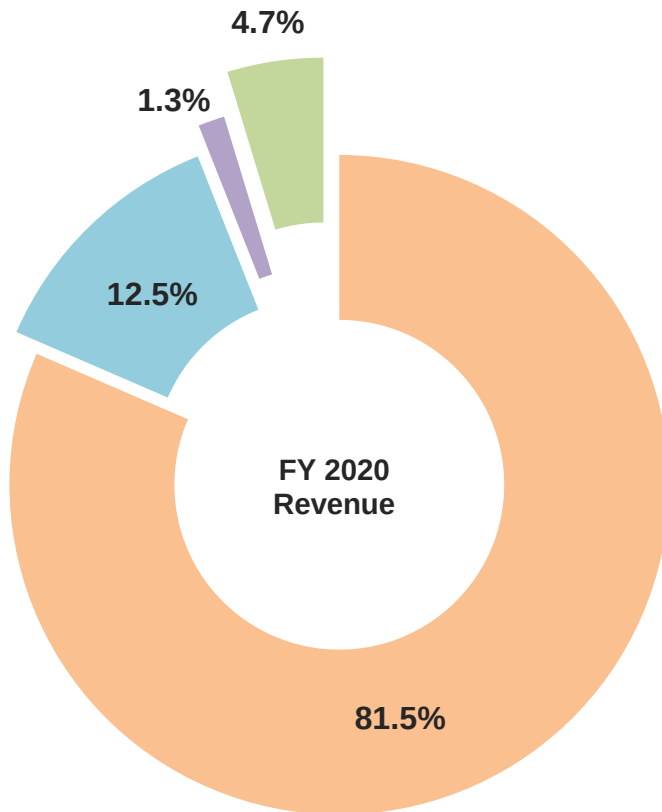
FY 2020 vs FY 2019

Statement of Financial Position

(S\$ '000)	As at 31 Dec 2020	As at 31 Dec 2019
Current Assets		
Cash and cash equivalents	1,403,851	1,090,335
Properties held for sale	1,241,785	1,328,584
Other current assets	650,581	725,405
Total Current Assets	3,296,217	3,144,324
Non-Current Assets		
Associated companies	490,267	561,091
Joint ventures	175,594	126,436
Properties under development for sale	1,790,478	1,764,906
Investment properties	1,701,682	1,711,750
Property, plant and equipment	137,914	149,209
Other non-current assets	474,534	299,827
Total Non-Current Assets	4,770,469	4,613,219
Total Assets	8,066,686	7,757,543
Short-term borrowings	205,596	63,174
Short-term payables and liabilities	845,161	769,471
Bonds payables	1,201,132	815,866
Long-term borrowings	966,374	1,173,138
Long-term liabilities	269,987	237,223
Total Liabilities	3,488,250	3,058,872
Total Capital and reserves	2,839,550	2,559,514
Non-controlling Interest	1,738,886	2,139,157
Total Equity	4,578,436	4,698,671
Total Liabilities and Equity	8,066,686	7,757,543

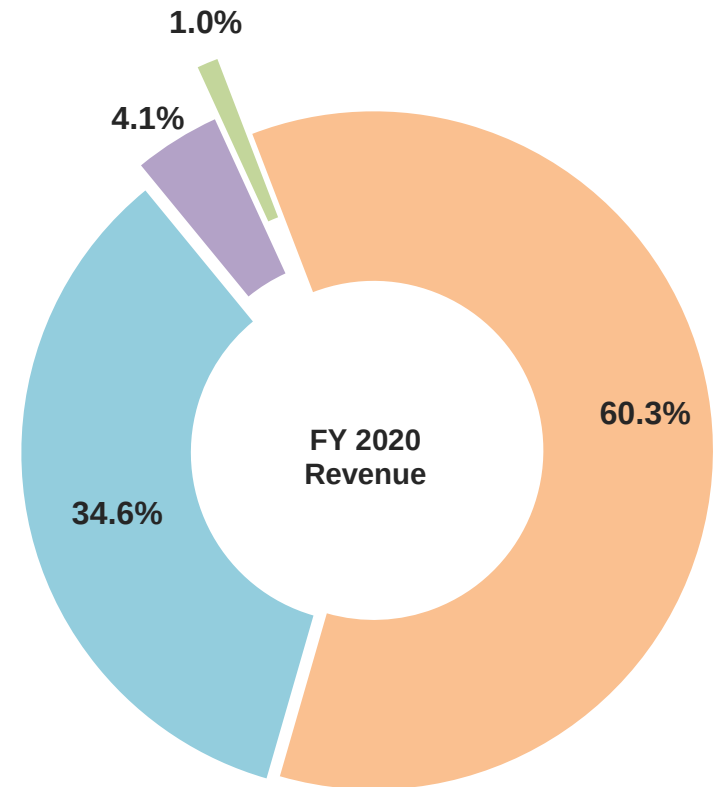
FY 2020 Revenue Breakdown

Revenue – Product Breakdown (%)



■ Sales of Development Properties ■ Rental and Related Income
■ Hotel and Golf Operations ■ Others

Revenue – Geographical Breakdown (%)

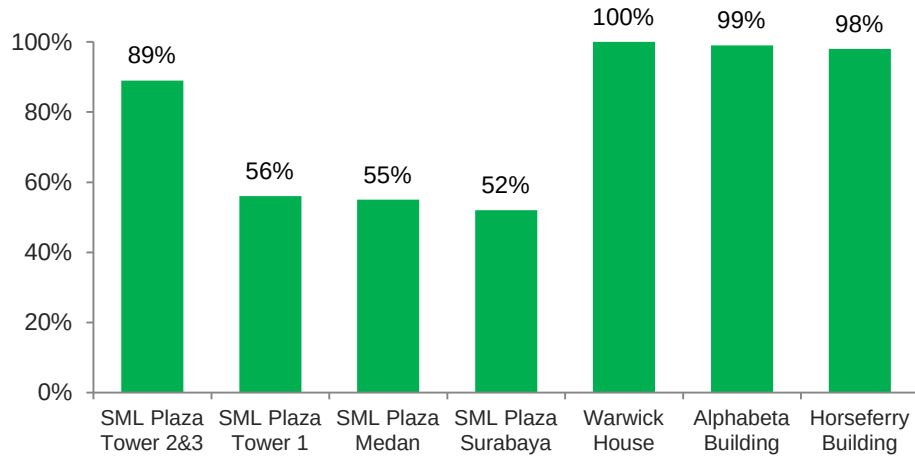


■ BSDE (Indo) ■ Non-BSDE (Indo) ■ UK ■ Others*

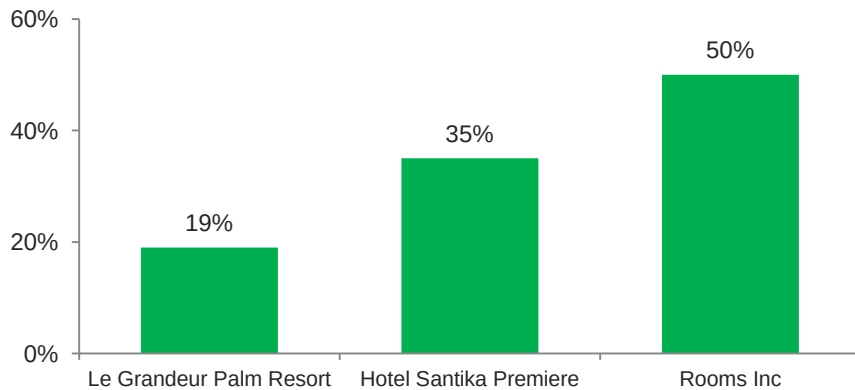
* : Other countries include China, Singapore, Malaysia and Batam

FY 2020 Recurring Income (Revenue) Breakdown

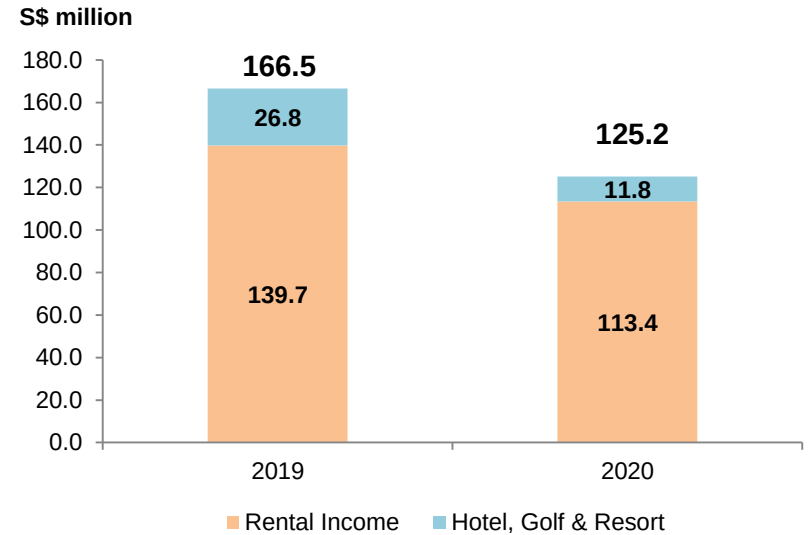
Office – FY 2020 average occupancy rates



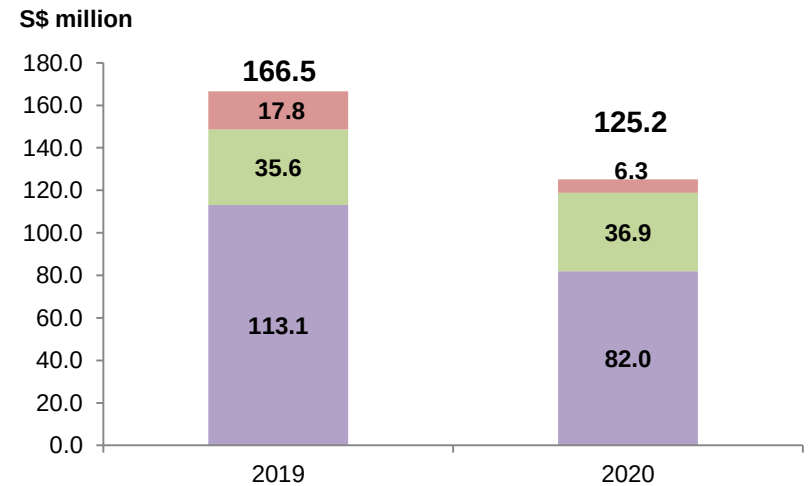
Hotels – FY 2020 average occupancy rates



Recurring Income (Revenue) – Product Breakdown



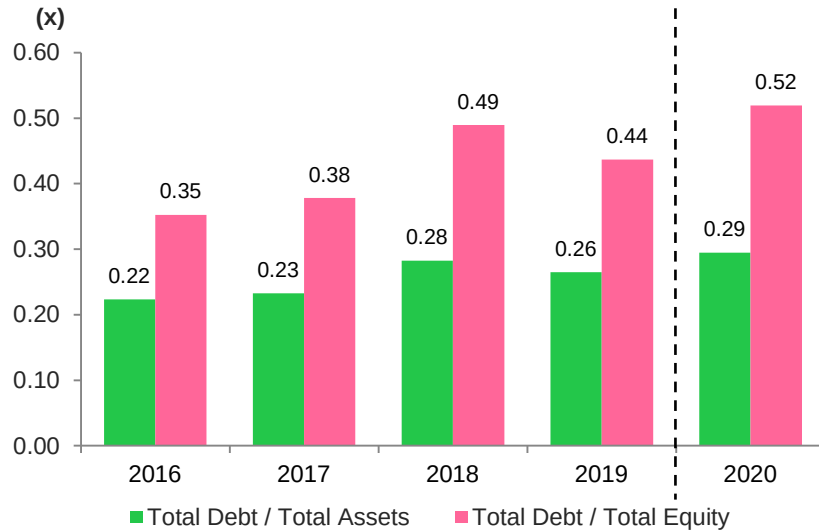
Recurring Income (Revenue) – Geographical Breakdown



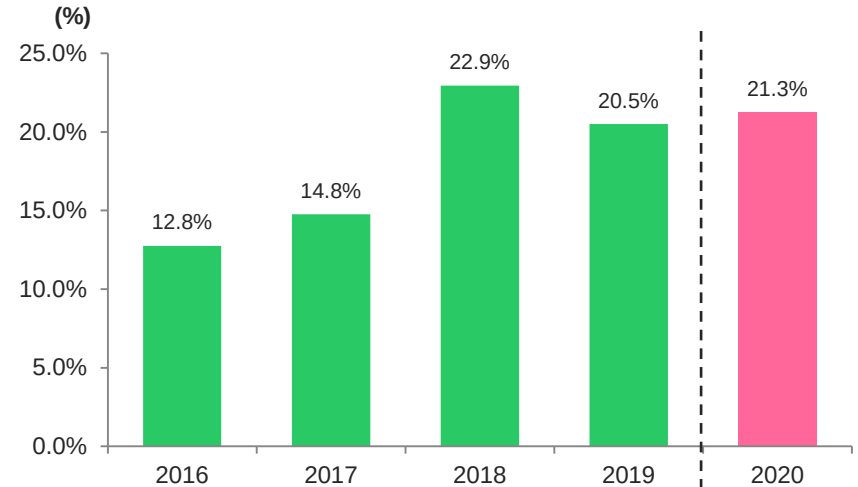
* : Recurring income (Revenue) includes rental and related income and hotel revenue and revenue from golf and resort operations

Key Financial Ratios

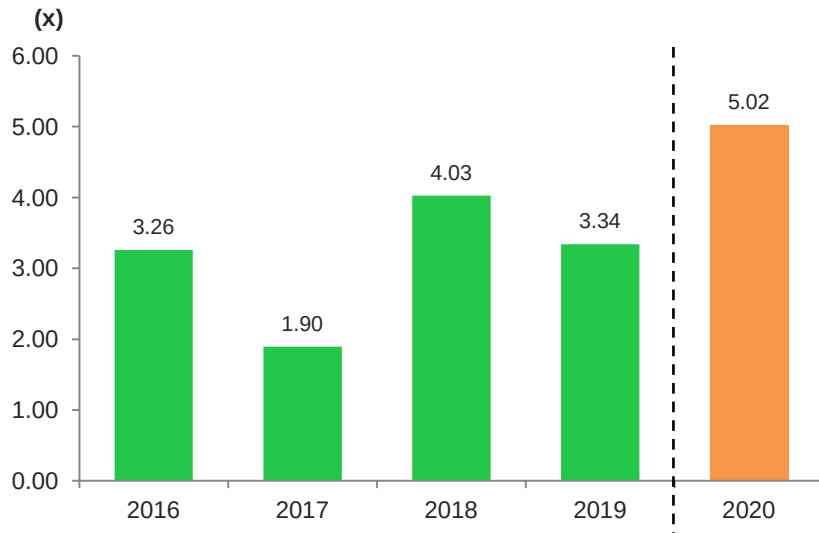
Debt / Assets and Debt / Equity



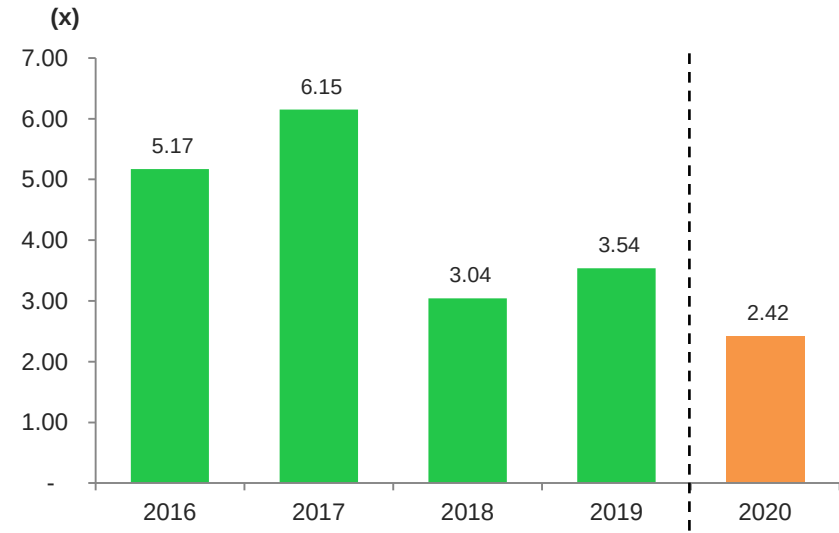
Net Debt / Equity



Total Debt / EBITDA



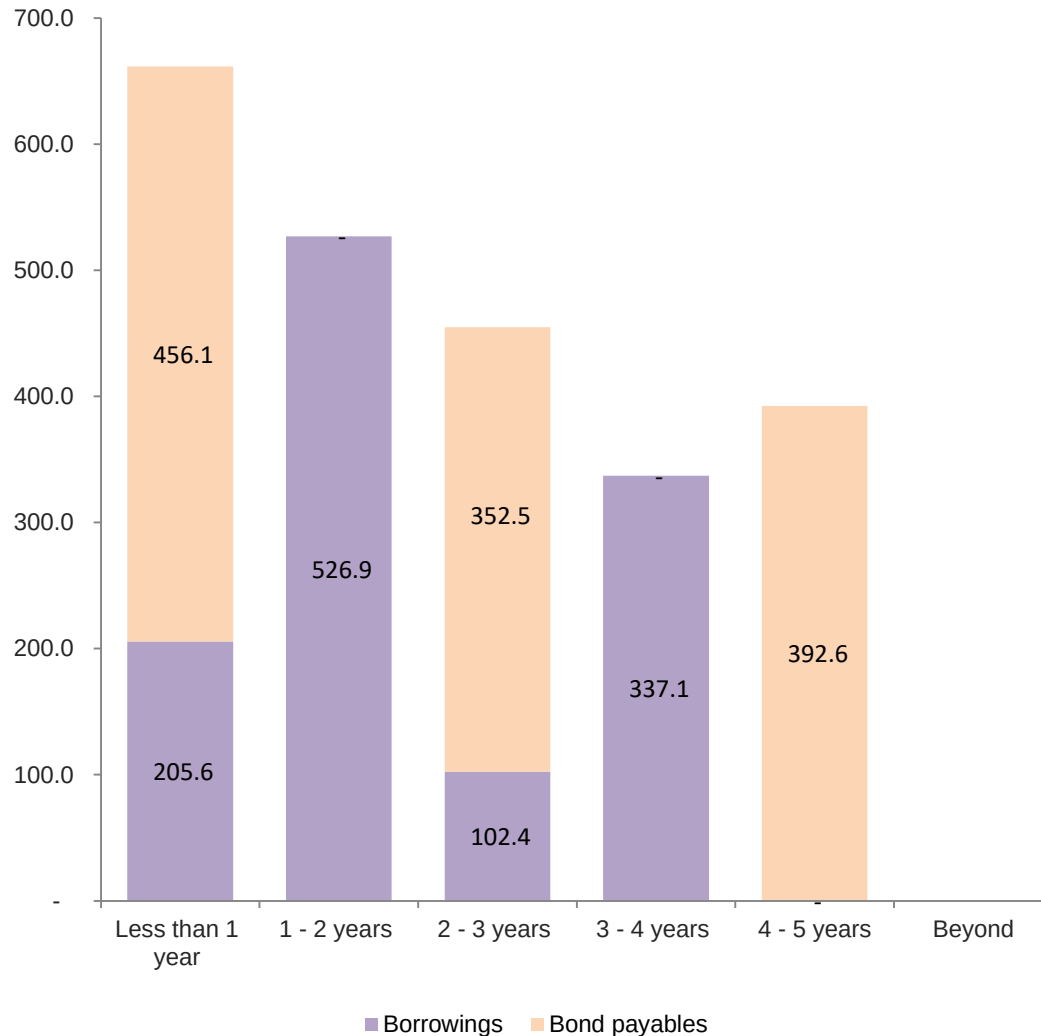
EBITDA / Interest Expense



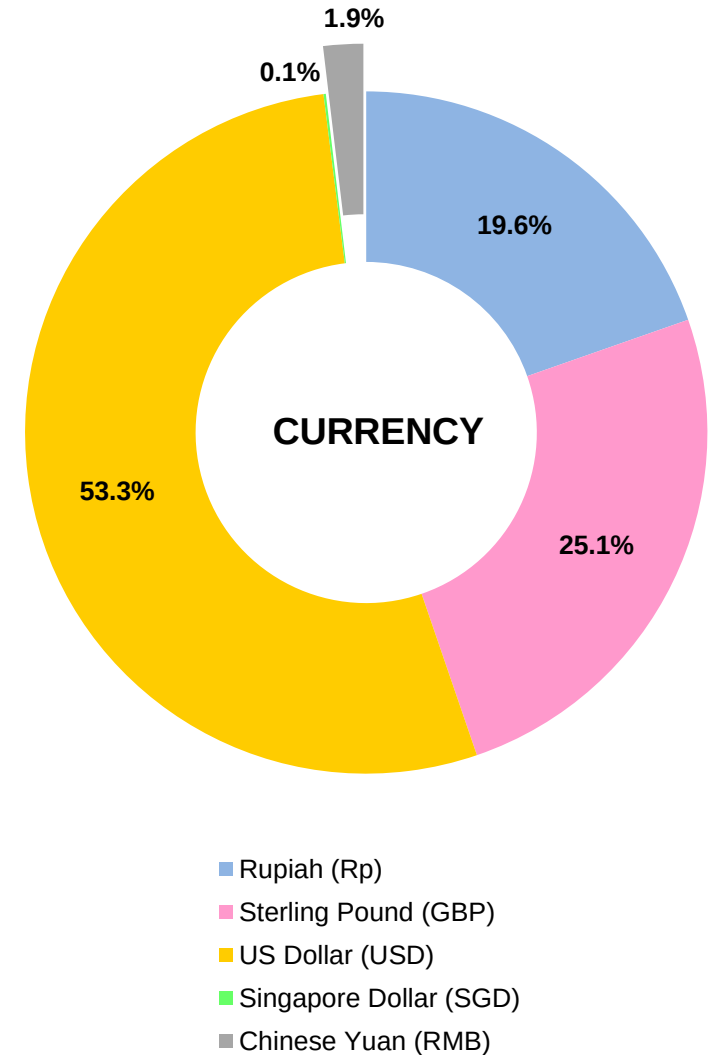
Debt Maturity Profile & Funding Mix

Debt Maturity Profile as at 31 Dec 2020

S\$ million



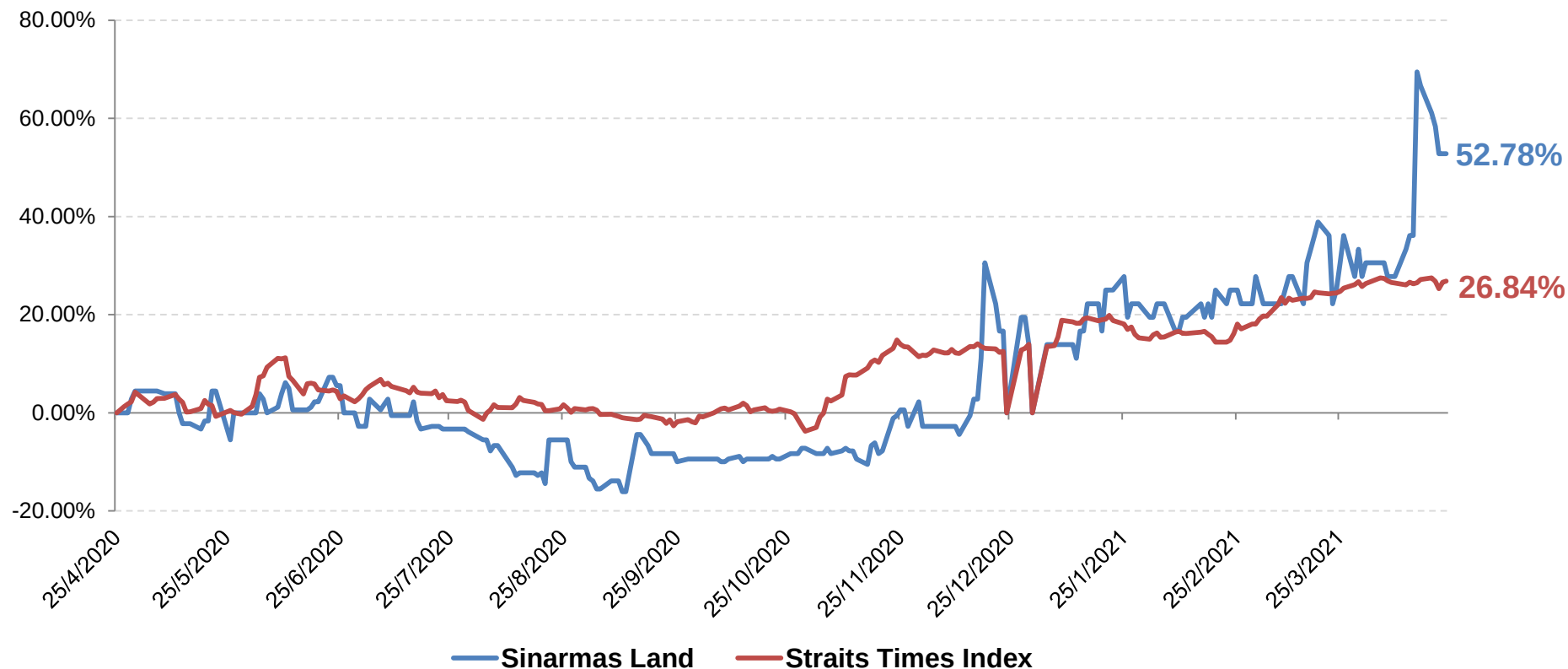
Funding Mix as at 31 Dec 2020



Share Price Performance

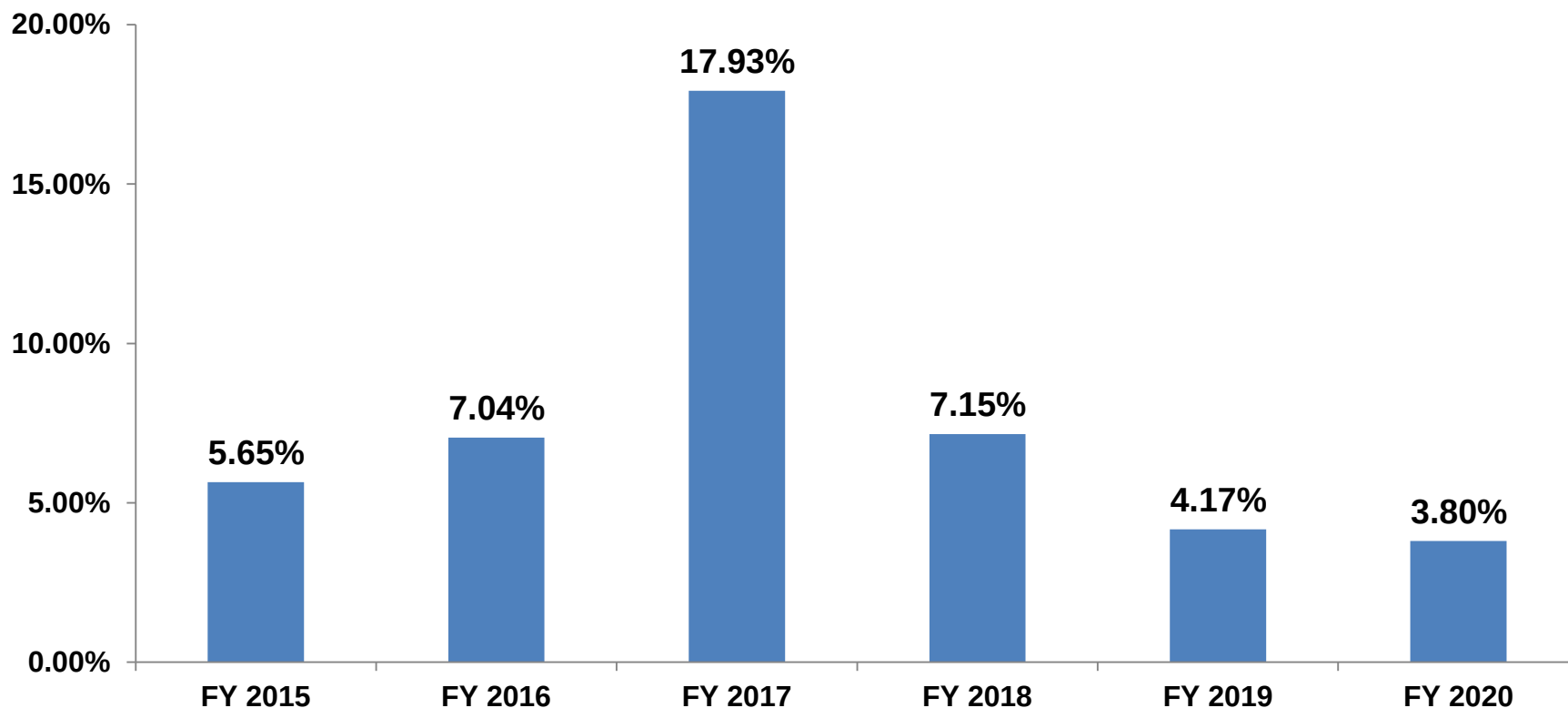


SML's share price has outperformed STI Benchmark over the past 1 year (as at 23 April 2021)



Period (as at 23 April 2021)	Sinarmas Land	Straits Times Index
1 month	12.24%	1.14%
3 month	22.22%	6.77%
Year-To-Date (YTD)	34.15%	12.32%
1 year	52.78%	26.84%

Dividend Payout Ratio



	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total Dividend (a) + (b)	\$8,086,139	\$8,086,139	\$63,837,937	\$8,511,725	\$16,172,277	\$3,829,643
-Interim Dividend (a)	-	-	\$34,046,900	-	-	-
-Final Dividend (b)	\$8,086,139	\$8,086,139	\$29,791,037	\$8,511,725	\$16,172,277	\$3,829,643
Profit Attributable to Owners of the Company (c)	\$143,117,000	\$114,908,000	\$353,892,000	\$119,028,000	\$387,516,000	\$100,663,000
Dividend Payout Ratio [(a) + (b)]/(c)	5.65%	7.04%	18.04%	7.15%	4.17%	3.80%

Thank You



Palm Resort Golf & Country Club, Malaysia

Questions & Answers

Question 1

Describe Sinarmas Land's financial performance over the past few years. What strategies have you put in place to maintain or accelerate the growth trajectory?

- The Group has in placed strategies that are a combination of long-term growth and defensive in a downturn or crisis as evidenced by our resilient financial performance during the pandemic
- We pursue active target land bank acquisition strategy in Indonesia to replenish the land bank that has been sold
- The Group targets to achieve 25% of its total revenue deriving from recurring income by acquiring and developing investment properties. In 2019, the Group has expanded its international footprint by investing into Australia's commercial office space, and completed the development of Green Office Park 1 in BSD City, Indonesia, with an approximate net leasable area of 59,089 sqm
- Entering into strategic collaborations or joint ventures with reputable overseas and local business partners such as Mitbana Pte Ltd and Japan Overseas Infrastructure Investment Corporation For Transport & Urban Development (JOIN)
- In addition, the Group will continue to include value-added propositions within property developments such as TOD, Green Offices, technology and digital hubs, education and healthcare

Question 2

What are the factors that are critical to Sinarmas Land's success against competition? What differentiates Sinarmas Land from competition?

- The Group is the market leader in Indonesia with one of the largest land bank
- Largest property development company in Indonesia by marketing sales via our principal subsidiaries with strong brand name and reputation
- Despite 2020 being a challenging year due to the pandemic, two of our key subsidiaries in Indonesia, being BSDE and DMAS, have achieved 90% (or IDR6.2 trillion) and 120% (or IDR 2.39 trillion) of their full-year 2020 marketing sales target respectively. As at 31 March 2021, BSDE and DMAS have achieved 35% (or IDR2.5 trillion) and 11% (or IDR 288 billion) of their full-year 2021 marketing sales target respectively
- As a full suite developer, the Group has a well-diversified portfolio of properties across multiple real estate segments, providing end-to-end services and after sales property management services
- Our high-quality development and projects have convenient access to transport infrastructure
- Prudent financial policies and strong liquidity profile while maintaining healthy leverage ratios to support our business and maximize value for shareholders
- Experienced management team with proven track record in successfully acquiring, developing and managing high-quality and large scale property projects as well as executing strategic partnerships with renowned international companies

Question 3

What notable developments can shareholders expect from Sinarmas Land in the coming year(s)?

- In FY2020, the Group has entered into three strategic collaborations with Sumitomo Forestry, Japan Overseas Infrastructure Investment Corporation For Transport & Urban Development (JOIN) and Mitbana Pte Ltd, a joint venture company of Mitsubishi Corporation and Surbana Jurong
- In March 2021, Singapore and Indonesia's economic ministers officiated the virtual opening of Nongsa D-Town, a new "digital downtown" designed by Surbana Jurong.
- Nongsa D-Town is developed by PT Citra Sinar Global - a joint venture between Citramas Group and Sinar Mas Land. The new downtown area will include co-working and co-living spaces, alongside digital training centres, office towers, lifestyle and shopping centres, and hotels
- Going forward, shareholders can expect more strategic alliances and JVs to enhance our capabilities and expand exposure to overseas investors, moving into value adding propositions within property developments such as TOD, Green Offices, technology and digital hubs

Question 4

Low dividend payout and dividend yield have affected the performance of share price. Any plan to review this? How, and when can this be implemented? Is it going to be implemented at all in view of current economic challenges? Can the Group pay a higher dividend?

- 2020 was an unprecedented challenging year for most businesses, including Sinar Mas Land. The proposed final dividend of 0.09 Singapore cents per share was lower compared to prior year as part of our precautionary measures against the current uncertain operating environment amidst the COVID-19 pandemic
- The proposed dividend payout of \$3,829,643 is to show appreciation to our shareholders for their unwavering support during this challenging period
- Although Government and Central Banks have introduced fiscal and monetary policies to spur economic growth, as well as rolling out vaccination programs, the Group decided to exercise prudence and adopt a more conservative stance in view of an uneven global economic recovery and continuing uncertainties in the macro environment
- In addition, the Group has ongoing project and funding commitments which require higher cash retention, as well as capitalizing on future asset acquisition if the right opportunity arises

Question 5

What are some of the key Environmental, Social and Governance factors that are material to the Group?

- As reported in our FY 2019 Sustainability Report (“SR”), the Group has identified the following as being the most material issues to our business:

Sustainability Pillars	Area of Focus
Best in Class Real Estate	Providing Excellent Facilities & Services
	Setting Programs to Achieve Sustainable Development
	Attention to Customer and Occupational Health & Safety
	Compliance to All Related Regulatory Requirements
Climate Change and the Environment	Optimising Building Operation to Achieve Clean Environment
	Providing and Maintaining Green Open Space
	Providing and Facilitating Various Type of Public Transportation
	Responsible Waste Management Program
Sustainable Community	Engagement Program for All Stakeholders
	Improve Community Welfare in Surrounding Development Area
Educational Patronage	Initiating Program to Support Knowledge Enhancing
	Improving Educational Method and Facility

- The Group will release its upcoming FY2020 standalone SR by the end of May 2021

Question 6

What is Sinarmas Land's value proposition to its shareholders and potential investors? What do you think investors may have overlooked about Sinarmas Land's business?

- Shareholders and potential investors should look beyond short-term objective as Sinarmas Land is an undervalued company with long-term growth potential
- As at 31 December 2020, the Group has a net asset value per ordinary share (excluding treasury shares) of S\$1.08. With a share price of S\$0.275 (as at 23 April 2021), Sinarmas Land is trading at a steep discount of 74.5% to its NAV
- In Indonesia, the Group is one of the leading property developer with the largest township development in eastern (BSD City) and western (Kota Deltamas) Jakarta. Due to our huge land bank and broad exposure, we serve as a proxy to all sub-sectors of Indonesia real estate
- Internationally, the Group has unlocked value in its legacy assets such as the disposal of Orchard Towers and the redevelopment of Palm Spring Golf and Country Club in Batam into Nuvasa Bay, Batam's first luxury integrated residential & mixed-use development
- In addition, we have expanded our international footprint by investing into new markets such as Australia commercial offices and increasing our developments in China
- Financially, the Group has maintained its strong balance sheet by adopting a prudent approach with expenses and employed careful cash management to ensure adequate liquidity and low leverage

Question 7

How has COVID-19 affected the Group long-term recurring income target? How is the Group going to achieve it?

- The prolonged lockdown and negative impact to the economy have forced many business to downsize, relocate or foreclose their office, retail and hospitality spaces.
- Although the Group's office portfolio remained resilience, its hospitality business was significantly impacted as they rely heavily on domestic and overseas travellers. 2 hotels in Indonesia, namely Le Grandeur Balikpapan and Le Grandeur Mangga Dua Hotel, have ceased operations while the other operating hospitality assets underwent significant cost cutting measures.
- As such, the Group's FY 2020 recurring income decreased 24.8% to S\$125.2 million.
- Despite the short-term disruption brought forth by the pandemic, the Group targets to achieve 25% of its total revenue deriving from recurring income.
- Within Indonesia, the Group has actively sought to increase its recurring income base in Indonesia through acquisition and development of investment properties
- Outside of Indonesia, the Group plans to carefully seek out and make international key location acquisition/partnership to expand its investment horizon, particularly in the commercial sector in matured key markets such as Australia and Europe to generate more stable recurring income for the Group.

Question 8

What is the Group's cost of borrowing? Does the Group has sufficient liquidity to meet its upcoming short-term debt obligations?

- Referring to page 138 of our full year 2020 annual report, the cost of borrowings are as follows:
 - British Pound: 1.4 – 2.4%
 - Indonesia Rupiah: 7.0%
 - Singapore Dollar: 1.9%
 - Australian Dollar: 4.5%
 - Chinese Renminbi: 4.8%
 - United States Dollar: 3.0 – 7.6%
- As at 31 December 2020, the Group has S\$661.6 million of short-term debts with cash and cash equivalents of S\$1,403.9 million.