

PRESS RELEASE – FOR IMMEDIATE RELEASE

SINARMAS LAND’S REVENUE INCREASED 35.6% IN 9M 2019 TO S\$797.1 MILLION

Singapore – 13 November 2019 – Singapore Exchange (SGX) Mainboard listed **Sinarmas Land Limited** (“SML” and together with its subsidiaries, the “Group”), announced today its unaudited consolidated revenue for the third quarter and nine months ended 30 September 2019 (“3Q 2019” & “9M 2019”) increased 15.9% and 35.6% to S\$236.2 million and S\$797.1 million respectively due to stronger contributions from sales of commercial and industrial land parcels in Kota Deltamas and Karawang International Industrial City, Indonesia, as well as higher sales of residential units and apartments in BSD City, Indonesia. Despite lower contribution from its hospitality-related business units, the Group’s recurring income remains resilient, generating S\$123.6 million in 9M 2019.

FINANCIAL HIGHLIGHTS

	3Q 2019 (S\$’000)	3Q 2018 (S\$’000)	Variance (%)	9M 2019 (S\$’000)	9M 2018 (S\$’000)	Variance (%)
Revenue	236,193	203,713	15.9	797,133	587,966	35.6
Gross Profit	149,152	151,291	(1.4)	532,929	421,391	26.5
EBITDA ¹	96,236	108,356	(11.2)	435,016	320,177	35.9
Net Profit for the period	38,931	31,847	22.2	625,633	109,593	470.9
PATMI	14,390	12,391	16.1	345,174	60,411	471.4

In tandem with the higher revenue, the Group’s gross profit increased from S\$421.4 million in 9M 2018 to S\$532.9 million in 9M 2019. Due to higher development cost from the Indonesia division and lower revenue from the UK division, 3Q 2019 gross profit decreased marginally from S\$151.3 million to S\$149.2 million. Coupled by higher average land costs and residential development costs, the Group’s gross profit margin dropped from 71.7% to 66.9% in 9M 2019.

Selling expenses comprised mainly advertising and marketing expenses, professional fees, and salaries and related expenses. Selling expenses decreased by 5.5% to S\$71.8 million in 9M 2019

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.

mainly due to lower advertising, promotion and marketing commission expenses incurred during the period.

General and administrative expenses comprised mainly salaries and related expenses, legal and professional fees, repairs and maintenance, depreciation, rent, tax and licenses, office supplies and utilities. These expenses increased marginally by 1.7% to S\$120.6 million in 9M 2019 mainly due to inflationary increases in salary and payroll related expenses.

With an overall increase in revenue and lower operating expenses, the Group's 9M 2019 EBITDA reported an increase of 35.9% to S\$435.0 million. Despite the lowered gross profit margin, EBITDA margin increased marginally from 54.5% to 54.6% in 9M 2019 due to lower operating expenses.

The Group reported its net finance expenses decreased slightly from S\$78.6 million to S\$77.6 million in 9M 2019. Net finance expenses comprised interest expenses (net of interest income) and amortisation of deferred bond and loan charges. The reduction of expenses was mainly attributable to higher interest income in line with higher interest-bearing receivables, partially offset by an increase in borrowing costs in 9M 2019.

Net foreign exchange loss for the Group decreased from S\$34.3 million in 9M 2018 to S\$7.1 million in 9M 2019 mainly due to unrealised translation loss on net U.S. Dollar ("USD") denominated payables as Indonesian Rupiah ("IDR") strengthened against USD during the current period.

The Group recorded a share of profit in joint ventures of S\$14.9 million in 9M 2019 as compared to a share of loss of S\$2.1 million in 9M 2018. This was mainly due to higher sales of residential units in certain Indonesian joint ventures.

In 2Q 2019, the Group's subsidiary, PT Bumi Serpong Damai Tbk completed a restructuring exercise relating to its shareholdings in PT Plaza Indonesia Realty Tbk and recorded effects of restructuring amounting to S\$368.2 million. Mirroring the gain in revenue, lower operating expenses and one-off exceptional item, the Group achieved Profit After Tax and Minority Interests ("PATMI") of S\$345.2 million in 9M 2019.

The Group's balance sheet remains strong as at 30 September 2019 with total assets increasing from S\$6,560.5 million reported as at 31 December 2018 to S\$7,519.5 million as at 30 September 2019, attributed mainly to the investment in units in Dana Investasi Real Estat Simas Plaza Indonesia, a real estate investment trust, following the restructuring in 2Q 2019, as well as investment in a new associated company in China. The Group is also in a strong liquidity position

with cash and cash equivalents of S\$1,039.6 million and net debt-to-equity ratio improving to 19.4% at the end of 9M 2019.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: *"The global economic outlook continues to be gloomy under the persisting trade war between United States and China; coupled by the uncertainty of Brexit in UK and Europe, as well as falling commodities prices. These have inevitably affected Indonesia, which recorded economic growth of 5.02% in the third quarter of 2019, its lowest in over two years with investments failing to stimulate the economy. Investment growth slowed to 4.21% year-on-year in the third quarter, considerably lower than the 6.96% recorded over the same quarter last year.*

However, our Indonesian listed subsidiaries have bucked the trend by delivering exceptional marketing sales figures. PT Puradelta Lestari Tbk (DMAS) has exceeded its full-year target of IDR1.25 trillion marketing sales for FY 2019, having recorded marketing sales of IDR1.6 trillion for 9M 2019. Also, our other Indonesian listed subsidiary, PT Bumi Serpong Damai Tbk (BSDE) has achieved marketing sales of IDR5.3 trillion for 9M 2019, or roughly 85% of its full-year target for FY 2019. These marketing sales are expected to contribute positively to both subsidiaries' revenue and profits in the coming quarters.

To support economic growth in Indonesia, the Indonesian government had announced a series of initiatives including plans to cut tax on corporates and scrap levy on dividend starting from year 2021 in a bid to attract more foreign investments. Likewise, Bank Indonesia has lowered its seven-day reverse repurchase rate for the fourth straight month to 5.0%, complementing President Joko Widodo's initiatives to boost growth such as a proposed USD178 billion budget for year 2020 that shall focus the spending on human capital. During the first half of 2019, political uncertainty arising from the Presidential Election has negatively influenced investment by the private sector as well as domestic consumption. Going forward, we expect political uncertainties to gradually fade off and sentiments to improve following the recent formation of a new "Onward Cabinet".

Outside of Indonesia, the Group is seeking new investment opportunities; and will broaden its horizon by exploring new recurring income, particularly in commercial/office sector, in other matured markets such as Australia and Europe." 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, Malaysia, China and United Kingdom.

In Indonesia, SML is the largest property developer by 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\$6.1 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 completed development projects and holds long-term investments in commercial and hospitality assets, across markets including Malaysia, China and the United Kingdom.

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