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SINARMAS LAND REVENUE GREW 16.9% TO S$592.5 MILLION FOR 1H 2023

Singapore – 11 August 2023 – Singapore Exchange (SGX) Mainboard-listed **Sinarmas Land Limited** ("SML" and together with its subsidiaries, the "Group") announced today its unaudited revenue for the half-year ended 30 June 2023 ("1H 2023") increased 16.9% to S$592.5 million driven primarily by higher sales of commercial land parcels in BSD City and residential land parcels in Kota Deltamas Indonesia, coupled with higher revenue recognised from residential units, apartments and commercial shophouses.

FINANCIAL HIGHLIGHTS

	1H 2023 (S$'000)	1H 2022 (S$'000)	Variance (%)
Revenue	592,464	506,835	16.9
Gross Profit	372,386	386,542	(3.7)
EBITDA[1]	303,394	316,323	(4.1)
Net Profit for the period	185,558	171,373	8.3
PATMI[2]	109,453	127,493	(14.1)

Revenue breakdown	**1H 2023 (S$'000)**	**1H 2022 (S$'000)**
Revenue from sale of development properties	487,179	392,130
Rental and related income	63,826	63,201
Revenue from hotel and golf operations	8,908	6,194
Building management fees	17,719	16,967
Revenue from service concession arrangements	10,723	27,269
Revenue from toll road operation	2,278	-
Others	1,831	1,074
Total	**592,464**	**506,835**

[1] EBITDA is earnings before income tax, non-controlling interests, i2nterest on borrowings, depreciation and amortisation, foreign exchange gain/(loss), exceptional item and share of results of associated companies and joint ventures

[2] PATMI is Profit After Tax and Minority Interests

In line with higher revenue, the Group's recurring income improved by 4.8% year-on-year to S$72.7 million, driven by higher hospitality and rental income. The Group's hospitality business has witnessed a moderate increase in revenue and occupancy, as well as improved golf rounds following the return of international golfers. Likewise, rental income also grew marginally due to rent review in 1H 2023 from the UK property group. However, the Group's gross profit decreased by 3.7% to S$372.4 million in the current period following the sale land parcels with lower profit margins.

Total operating expenses, comprising selling, general and administrative expenses, increased 11.6% to S$150.9 million during the current period compared to S$135.3 million in the previous corresponding period. The increase in selling expenses was attributed to higher promotion and marketing expenses corresponding with the higher revenue achieved by the Indonesia segment in 1H 2023. General and administrative expenses also posted an 11.1% increase compared to 1H 2022 due to higher salaries and related expenses. Nonetheless, total operating expenses increased at a smaller proportion compared to revenue increase, demonstrating the Group's prudent ability to rein in operational costs.

Impacted by the decrease in gross profit, the Group's 1H 2023 EBITDA reported a reduction of 4.1% to S$303.4 million. The EBITDA margin also slips 11.2 percentage points to 51.2% in 1H 2023.

Net finance expenses decreased from S$70.8 million in 1H 2022 to S$57.4 million in 1H 2023, mainly attributed to increased interest income arising from higher interest rates and lower interest expenses following the repayment of certain bonds.

The Group recorded a share of profit from joint ventures to the tune of S$15.8 million compared to a loss of S$11.0 million year-on-year, mainly due to higher sales of completed residential and commercial units, as well as higher recognition of realised profit on sales of land parcels in certain joint ventures in Indonesia. The Group also recorded a share of profit in associated companies of S$6.9 million in 1H 2023 compared to S$2.7 million in 1H 2022. The increase was mainly due to a higher share of fair value investment gain in an associated company in Indonesia.

Other operating income comprised mainly property and estate management income (net of expenses), fair value gain on financial assets, management and lease coordination fee, net of provision for expected credit loss. In 1H 2023, Other operating income increased to $19.4 million mainly due to a fair value gain of $3.3 million on interest rate hedge on Sterling Pound loan.

In 1H 2023, the Group achieved an overall Profit attributable to Owners of the Company of S$109.5 million, a 14.1% drop for 1H 2023 compared to S$127.5 million in 1H 2022. Profit attributable to non-controlling interests was higher at $76.1 million in 1H 2023 mainly due to higher profits recorded in certain non-wholly owned subsidiaries during the current period.

The Group's balance sheet remained healthy as of 30 June 2023, with total assets of S$8,324.5 million and cash and cash equivalents of S$1,692.9 million. The Group maintain a net cash position for its net debt-to-equity ratio, demonstrating the strong solvency of the Group to meet future liabilities.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: "The global economy is gradually recovering from COVID-19 health crisis, with supply chains returning to pre-pandemic levels, resilient economic activities and robust labour markets. However, there are still challenges abound over the horizon. The contractionary monetary policy by central banks in their battle against persistent inflation has brought interest rates into highs not seen in the last 15 years, and the lagging effect started to weigh on economic activities, increasing households' interest payments and putting pressure on companies' borrowing costs. The ongoing Russia and Ukraine conflict and the slowing down of China's economy also threaten to dampen global economic growth momentum.

Despite global macroeconomic headwinds, the Indonesian economy remained resilient with a 2Q 2023 GDP growth of 5.17% year-on-year, the highest in three quarters, driven by strong household and government spending, even as commodity-led exports weaken following the easing of commodity prices and slower global demand. However, slower growth is expected for the rest of the year as sticky inflation, elevated policy rates, muted growth amongst its trading partners and businesses potentially delaying investments ahead of the upcoming general elections. Nonetheless, we remain cautiously optimistic about the business outlook, as evidenced by the steady performance of our Indonesian listed subsidiaries.

Outside of Indonesia, the Group continue to explore new investments opportunities ranging from real estate development to investment properties as well as seeking out partnerships opportunities with strong local partners focusing on asset enhancement, driving positive rental reversion for better yield and riding on our track record of delivering profitable investment." 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 and investments in Indonesia, Malaysia, China, Australia 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"). 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, Australia and United Kingdom.

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