

## **PRESS RELEASE – FOR IMMEDIATE RELEASE**

# **SINARMAS LAND’S PATMI SURGED 54.6% IN 1Q 2019 TO S\$43.3 MILLION**

**Singapore – 13 May 2019** – 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 first quarter ended 31 March 2019 (“1Q 2019”) increased 54.6% to S\$43.3 million from S\$28.0 million reported a year ago, mainly due to higher sales of commercial land plots in Indonesia.

### **FINANCIAL HIGHLIGHTS**

|                           | <b>1Q 2019<br/>(S\$’000)</b> | <b>1Q 2018<br/>(S\$’000)</b> | <b>Variance<br/>(%)</b> |
|---------------------------|------------------------------|------------------------------|-------------------------|
| Revenue                   | 199,914                      | 187,014                      | 6.9                     |
| Gross Profit              | 147,420                      | 129,983                      | 13.4                    |
| EBITDA <sup>1</sup>       | 133,397                      | 102,378                      | 30.3                    |
| Net Profit for the period | 88,509                       | 51,332                       | 72.4                    |
| PATMI                     | 43,311                       | 28,014                       | 54.6                    |

Revenue for the Group was higher at S\$199.9 million for the 3-month period ended 31 March 2019 (“1Q 2019”), as compared to S\$187.0 million in the previous corresponding period (“1Q 2018”). The Group’s revenue increased by 6.9% to S\$199.9 million in 1Q 2019 mainly attributable to higher sales of commercial land plots and higher sales of residential units in BSD City, Indonesia.

In tandem with the increase in sales of land plots, the Group’s gross profit increased from S\$130.0 million in 1Q 2018 to S\$147.4 million. Consequently, the Group’s overall gross profit margin has also increased from 69.5% to 73.7% in the current quarter.

<sup>1</sup> 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.

Selling expenses comprised mainly advertising and marketing expenses, professional fees, and salaries and related expenses. Selling expenses decreased by 12.2% to S\$19.9 million in 1Q 2019 mainly due to lower promotion and marketing expenses incurred during the current quarter.

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 decreased by 11.8% to S\$32.9 million in 1Q 2019 mainly due to lower depreciation and amortisation expense, as well as lower salaries and related expenses.

With increased revenue and enhanced operational efficiency, the Group reported an EBITDA of S\$133.4 million for 1Q 2019, leading to a 30.3% or S\$31.0 million increase as compared to EBITDA of S\$102.4 million reported in 1Q 2018. Likewise, EBITDA margin rose 12.0 percentage points in 1Q 2019 to 66.7% (1Q 2018: 54.7%).

The Group reported that net finance expenses increased from S\$16.0 million in 1Q 2018 to S\$20.5 million in the current quarter mainly attributable to higher interest expenses in line with higher average borrowings during the current period. The share of profit in associated companies increased from S\$3.4 million in 1Q 2018 to S\$6.7 million mainly attributable to foreign exchange gain recorded and higher sales of residential units in certain associated companies in Indonesia. The Group recorded a share of profit in joint ventures of S\$6.0 million in 1Q 2019 as compared to a share of loss of S\$3.0 million in 1Q 2018. This was mainly due to higher sales of residential units in certain joint ventures in Indonesia. Net operating income was higher at \$11.1 million in the current period mainly due to higher estate management fees and fair value gains on financial assets.

After attributing S\$45.2 million as the profit attributable to non-controlling interests, the Group recorded a PATMI of S\$43.3 million for 1Q 2019, translating to an EPS<sup>2</sup> of S\$1.02 cents as compared to S\$0.66 cents reported in 1Q 2018.

The Group's balance sheet remains resilient as at 31 March 2019 with total assets increasing 8.1% to S\$7,092.2 million from S\$6,560.5 million reported as at 31 December 2018. The Group remains in a strong liquidity position with cash and cash equivalents of S\$1,062.1 million and net debt to equity ratio of 22.9% at the end of Q1 2019.

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<sup>2</sup> EPS is earnings per ordinary share for the period after deducting any provision for preference dividends and based on weighted average number of ordinary shares in the current reporting period.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: *"Indonesia's GDP grew 5.07% in the first quarter of 2019, lower than economists' consensus of 5.2%. The global slowdown has also hurt Indonesia's exports which dropped 2% in the first quarter as compared to a year ago. According to quick polls, President Jokowi is expected to win the 17th April elections although official results are not published yet. If elected, it is expected that his policies will continue to support infrastructure and other government spending to boost the economy. Our Indonesia property division remains cautious for the rest of the year amidst these economic challenges and trade war tensions between China and the US.*

*Our listed subsidiary, PT Puradelta Lestari Tbk, has achieved strong marketing sales of IDR914 billion (S\$87.2 million) in the first quarter of 2019, achieving 73% of the full year target. This would help to cushion the weakness expected in the other segments of the property market. For our International property division, we continued to expand our presence in China, having invested in a 30% stake in a residential development project in Taicang city, located about 50km north-west of Shanghai Hongqiao airport."* added Ms. Widjaja.

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## **About Sinarmas Land Limited ([www.sinarmasland.com](http://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\$3.7 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.

### **For further information, please contact:**

#### **Ms. Marine Huang**

Assistant Manager, Investor Relations

Tel : (65) 6590 0804

Email : [marine.huang@sinarmasland.com.sg](mailto:marine.huang@sinarmasland.com.sg)

#### **Mr. Robin Ng**

Executive Director

Tel : (65) 6590 0884

Email : [robinng@sinarmasland.com.sg](mailto:robinng@sinarmasland.com.sg)

#### **Mr. Ferdinand Sadeli**

Executive Director and Chief Financial Officer

Tel : (62) 21 5036 8368 Ext 12836

Email : [ferdinand.sadeli@sinarmasland.com](mailto:ferdinand.sadeli@sinarmasland.com)