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SINARMAS LAND RECORDED REVENUE OF S$910.5 MILLION IN FY2020

Singapore – 24 February 2021 – Singapore Exchange (SGX) Mainboard-listed **Sinarmas Land Limited** ("SML" and together with its subsidiaries, the "Group"), announced today its unaudited consolidated revenue for the full year ended 31 December 2020 ("FY2020") decreased 22.4% to S$910.5 million. Nationwide social restriction was imposed by Indonesia government to curb the spread of COVID-19 has significantly disrupted the Group core business and construction activities. This resulted in lower land sales for commercial and industrial purposes, and a reduced number of residential and apartments units handed over to buyers.

FINANCIAL HIGHLIGHTS

	FY2020 (S$'000)	FY2019 (S$'000)	Variance (%)
Revenue	910,476	1,172,871	(22.4)
Gross Profit	572,907	753,610	(24.0)
EBITDA[1]	428,155	615,996	(30.5)
Net Profit for the period	175,931	724,384	(75.7)
PATMI[2]	100,663	387,516	(74.0)

The Group's recurring income slide 24.8% year-on-year to S$125.2 million as increasing number of tenants either terminated their leases or negotiated for lower rental rates. As countries close their border and restricting all non-essential domestic and international travel, the Group has permanently ceased the operations of two hotels in Indonesia, namely Le Grandeur Balikpapan and Le Grandeur Mangga Dua, on 7 April 2020 to mitigate any further negative impact to the Group's hospitality business. Likewise, in Malaysia, the Group's Le Grandeur Palm Resort hotel and golf business was significantly hit by the Movement Control Order imposed by the Malaysia government and has also embarked on a downsizing and retrenchment exercise since May 2020.

[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.
[2] PATMI is Profit After Tax and Minority Interests

The Group's FY2020 gross profit dropped from S$753.6 million to S$572.9 million, in line with lower revenue. Higher development costs and the absence of higher-margin land sales resulted in the Group's gross profit margin to decrease from 64.3% in FY2019 to 62.9% in FY2020.

Operating expenses comprised of selling expenses, and general and administrative expenses. The Group continues to employ cost discipline, reducing its operating expenses by 11.6% to S$238.3 million in FY2020 from lower marketing commission, salary and related cost, office expenses and utilities.

Mirroring the dip in revenue, the Group's FY2020 EBITDA reported a decline of 30.5% to S$428.2 million. The EBITDA margin also decrease by 5.5 percentage point to 47.0% in FY2020 as a result of lower gross profit margin and a net other operating expense as compared to a net operating income in FY2019 due to loss on changes in fair market value of investment recognised during the year.

Net finance expenses comprised interest expenses (net of interest income) and amortisation of deferred bond and loan charges. Net finance expenses increased from S$173.8 million in FY2019 to S$195.9 million in FY2020 due to increase borrowings from bond issuances during the year.

The share of profit in joint ventures and associated companies decreased in the current period with reduced construction and development activities in Indonesia.

The Group recorded a net profit attributable to owners of S$100.7 million in FY2020 compared to S$387.5 million profit in FY2019 due to the absence of the one-off effects of the restructuring of an associated company in FY2019, as well as the revenue drop in FY2020 and loss on changes in fair value of investment.

The Group's balance sheet remains healthy with total assets of S$8,066.7 million as at 31 December 2020, boosted by cash and cash equivalents of S$1,403.9 million and a net debt-to-equity ratio of 21.3%.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: "Global economic recovery is uncertain despite vaccinations being rolled out in many countries. In Indonesia, the economy recorded a GDP contraction of 2.19% in the last quarter of 2020, showing signs of economic recovery from the earlier slump of 5.32% contraction in 2Q2020 and 3.49% in 3Q2020. Throughout 2020, the Indonesian government had implemented various fiscal and monetary policies to cushion the pandemic's impact.

The Group has delivered a set of commendable results amidst a challenging pandemic period by adopting prudent financial discipline and flexibility in confronting adversity. In March 2020, the Group launched a "Move in Quickly" program by offering discounts and subsidies to our customers seeking to own a home during the pandemic period. The success of this marketing program coupled with numerous subsequent quality project launches allowed our Indonesian listed subsidiary, PT Bumi Serpong Damai Tbk (BSDE), to achieve 90% of its full-year 2020 marketing sales target.

Despite the ongoing pandemic, investors continue to be attracted by Indonesia's strong underlying fundamental and pro-business initiative from the Indonesia government. Our subsidiary, PT Puradelta Lestari Tbk (DMAS) exceeded its FY 2020 marketing sales target by 19% to IDR 2.39 trillion due to increasing demand for industrial land. During the second half of 2020, the Group entered into 2 strategic collaboration. The first was a strategic collaboration with Mitbana, a joint venture fund management company of Mitsubishi Corporation and Surbana Jurong, to foster the creation of smart and sustainable Transit-Oriented Developments (TODs) over a land area of 100 hectares in BSD City. The second was a joint venture agreement with Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development ("JOIN") to jointly source and originate specific infrastructure projects, pooling together opportunities primarily for Japanese companies to participate and engage in overseas infrastructure business, particularly in Indonesia. Both of these collaboration serves as a testament to the Group's brand equity as a leading Indonesia real estate developer known for its quality and trustworthiness.

On 18 February 2021, Bank Indonesia cut the benchmark rate to 3.5%, the lowest level since the rate was introduced in 2016, and allowing 100% loan-to-value (LTV) ratios for all residential property loans/financing. Coupled with easing mortgage loan disbursement to property developers, these initiatives are expected to stimulate growth for Indonesia property sector. Nonetheless, the Group is exercising cautious optimism in sector recovery with BSDE and DMAS setting their marketing sales target for 2021 at IDR 7.0 trillion and IDR 2.0 trillion respectively, and shall continue to adopt a defensive stance amidst the challenging environment by maintaining its prudent financial discipline and cost management." 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") – with a combined market capitalisation in excess of S$5.09 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, Australia and the United Kingdom.

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