

PRESS RELEASE – FOR IMMEDIATE RELEASE

SINARMAS LAND 3Q 2018 EBITDA ROSE 29.2% TO S\$108.4 MILLION

Singapore – 12 November 2018 – Singapore Exchange (SGX) Mainboard listed **Sinarmas Land Limited** (“SML” and together with its subsidiaries, the “Group”), announced today that its EBITDA rose 29.2% to S\$108.4 million for its unaudited financial results for the third quarter ended 30 September 2018 (“3Q 2018”) largely due to higher interest and other operating income, as well as improved operating profits.

FINANCIAL HIGHLIGHTS

	3Q 2018 (S\$'000)	3Q 2017[^] (S\$'000)	Variance (%)	9M 2018 (S\$'000)	9M 2017[^] (S\$'000)	Variance (%)
Revenue	203,713	203,314	0.2	587,966	763,523	(23.0)
Gross Profit	151,291	145,688	3.8	421,391	574,119	(26.6)
EBITDA ¹	108,356	83,897	29.2	320,177	446,074	(28.2)
Net Profit for the period	31,847	29,886	6.6	109,593	249,004	(56.0)
PATMI	12,391	16,671	(25.7)	60,411	119,998	(49.7)

[^]Certain comparative figures have been restated to account for the retrospective adjustments arising from the adoption of SFRS(I) 15.

Total revenue for 3Q 2018 increased marginally by 0.2% to S\$203.7 million mainly due to higher sales from BSD City and Karawang International Industrial City in Indonesia, but offset by lower sales recorded in Kota Deltamas. However, revenue for the nine-month ended 30 September 2018 (“9M 2018”) decreased 23.0% to S\$588.0 million due to the weakening of Indonesian Rupiah and the absence of one-off S\$145.8 million sales of land parcels in the previous year. Excluding this land sales, 9M 2018 revenue would have instead decreased by 4.8% from S\$617.7 million in 9M 2017 to S\$588.0 million.

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.

Despite the dip in 9M 2018 revenue, the Group's recurring income increased 4.8% to S\$121.8 million with additional leasing income following the acquisition of 33 Horseferry Road Building in Central London in June 2017 and newly acquired investment properties in Central Jakarta in Indonesia.

In line with the higher revenue, gross profit in 3Q 2018 rose 3.8% to S\$151.3 million. Lower revenue due to absence of one-off land parcel sale in 9M 2018 has led to a 26.6% decrease in gross profit to S\$421.4 million. Gross profit margin dipped 3.5 percentage points to 71.7% (9M 2017: 75.2%) as sales of land parcels fetched better profit margin as well as higher cost incurred from sales of commercial shop houses and apartments.

Mirroring the increase in gross profit and higher interest income, 3Q 2018 EBITDA rose 29.2% to S\$108.4 million. Coupled with lower operating expenses, 3Q 2018 EBITDA margin gained 11.9 percentage points to 53.2% (3Q 2017: 41.3%). However, 9M 2018 EBITDA slipped 28.2% to S\$320.2 million mainly due to lower revenue contribution from Indonesia division, higher operating expenses and finance costs. That has led to a 3.9 percentage point decrease in EBITDA margin to 54.5% for 9M 2018 (9M 2017: 58.4%).

The Group recorded a net foreign exchange loss of S\$34.3 million in 9M 2018 due to translation loss on U.S. Dollar ("USD") denominated payables following the strengthening of USD against Indonesian Rupiah ("IDR") during the current period. Lower sales of residential units in certain joint ventures resulted in share of loss in joint ventures amounting to S\$2.1m, though the share of loss was narrowed from S\$42.5 million in 9M 2017 which had included a reversal of unrealised gain adjustment of S\$53.0 million from the Group's portion of the gain on sales of land parcel to a joint venture in 9M 2017. Driven by the lower revenue, increased finance cost and weakening of Indonesian Rupiah, the Group's Profit After Tax and Minority Interests ("PATMI") decreased 25.7% to S\$12.4 million in 3Q 2018 and 49.7% in 9M 2018 to S\$60.4 million.

The Group's balance sheet remains strong as at 30 September 2018 with total assets of S\$6,534.1 million despite the translation losses from the weakening of IDR against Singapore Dollar ("SGD"). The Group continues to bolster liquidity with cash and cash equivalents of S\$997.6 million and net debt to equity ratio of 23.0% at the end of 9M 2018.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: *"Globally, we are witnessing a general economic slowdown, especially among Indonesia's major economic partners. In addition, escalating US-China trade tensions, rising global crude oil prices, increasing interest rate environment and weakening of the Indonesian Rupiah have negatively impacted Indonesia's export and domestic consumption sentiment."*

Having increased Indonesia's benchmark interest rate five times since May 2018 as a measure to slow down capital outflows, this initiative by Bank Indonesia, coupled with the presently weakened Rupiah, could further dampen household consumption and property demand. In addition, the upcoming 2019 general elections could potentially hamper property sales sentiment as consumers usually adopt a wait-and-see approach during such period. Hence, the Group will continue to exercise prudent financial management and remain vigilant in view of challenges and uncertainty ahead."

"We glad that through our strong branding and marketing initiatives, our principal subsidiary, PT Bumi Serpong Damai Tbk, has achieved 75% of its full year marketing sales target and will continue to strengthen the marketing strategies to reach our goal. Also, as part of our geographical expansion and earnings diversification strategy, the Group has entered into a cooperation agreement with Rong Qiao Group Co. Ltd, a China Fuzhou-based real estate group, to co-invest in a mixed-use residential development project in Chengdu." 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\$5.0 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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