

**PRESS RELEASE – FOR IMMEDIATE RELEASE**

## **SINARMAS LAND ACHIEVED A RECORD PATMI OF S\$387.5 MILLION IN FY2019 FROM TOTAL REVENUE OF S\$1,172.9 MILLION**

**Singapore – 27 February 2020** – Singapore Exchange (SGX) Mainboard listed **Sinarmas Land Limited** (“SML” and together with its subsidiaries, the “Group”), announced today that its unaudited consolidated revenue for the fourth quarter and full year ended 31 December 2019 (“4Q2019” & “FY2019”) increased 36.1% and 35.7% to S\$375.7 million and S\$1,172.9 million respectively on the back of 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 housing apartment units and undeveloped land parcels in BSD City, Indonesia.

**FINANCIAL HIGHLIGHTS**

|                           | <b>4Q2019<br/>(S\$'000)</b> | <b>4Q2018<br/>(S\$'000)</b> | <b>Variance<br/>(%)</b> | <b>FY2019<br/>(S\$'000)</b> | <b>FY2018<br/>(S\$'000)</b> | <b>Variance<br/>(%)</b> |
|---------------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|-------------------------|
| Revenue                   | 375,738                     | 276,168                     | 36.1                    | 1,172,871                   | 864,134                     | 35.7                    |
| Gross Profit              | 220,681                     | 176,715                     | 24.9                    | 753,610                     | 598,106                     | 26.0                    |
| EBITDA <sup>1</sup>       | 180,980                     | 139,983                     | 29.3                    | 615,996                     | 460,160                     | 33.9                    |
| Net Profit for the period | 98,751                      | 119,529                     | (17.4)                  | 724,384                     | 229,122                     | 216.2                   |
| PATMI                     | 42,342                      | 58,617                      | (27.8)                  | 387,516                     | 119,028                     | 225.6                   |

The Group recurring income grew 2.0% to S\$165.0 million led by increased contribution from its commercial office portfolio in Indonesia.

In line with higher revenue, the Group’s 4Q2019 and FY2019 gross profit gained S\$44.0 million and S\$155.5 million respectively to S\$220.7 million and S\$753.6 million. However, higher development and land sales related cost incurred by the Indonesia division resulted in the Group’s gross profit margin to decrease slightly from 69.2% in FY2018 to 64.3% in FY2019.

Operating expenses comprised of selling expenses, and general and administrative expenses. Through the exercise of prudent financial management and the focus to instil operational cost discipline, operating expenses only increased marginally of S\$4.4 million or 1.7% to S\$269.6 million

<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.

despite the significant increase in revenue.

Mirroring the gain in revenue, the Group's FY2019 EBITDA reported an increase of 33.9% to S\$616.0 million. However, despite lower gross profit margin, EBITDA margin decreased by a marginal 0.8 percentage point from 53.3% to 52.5% in FY2019 due to prudent management of operating expenses.

Net finance expenses comprised interest expenses (net of interest income) and amortisation of deferred bond and loan charges. Net finance expenses increased partially from S\$100.3 million to S\$103.9 million in FY2019 mainly attributable by higher average borrowings offset by the increase in interest income. The Group recorded a foreign exchange loss of S\$12.0 million in FY2019 as compared to a gain of S\$5.7 million in FY2018 mainly attributable to unrealised translation loss arising from weakening of U.S. Dollar ("USD") against Indonesian Rupiah ("IDR") and Singapore Dollar ("SGD") during the current year.

Due to higher sales of residential units in certain joint ventures in Indonesia, share of profit in joint ventures recorded a gain of S\$8.9 million in FY2019, reversing a loss of S\$3.7 million in FY2018. However, shares of results from associated company decreased 46.0% to S\$6.1 million following a reversal of an unrealised gain adjustment of S\$12.6 million that represents the Group's portion gain on sales of land parcel to associated companies for future development.

In 2Q2019, PT Plaza Indonesia Realty Tbk ("PLIN") spun-off its core assets into in Dana Investasi Real Estat ("DIRE", similar to Real Estate Investment Trust) Simas Plaza Indonesia ("DIRE PI"). Hence, PT Bumi Serpong Damai Tbk restructured its stake in PLIN by acquiring units in DIRE PI, as well as the acquisition of shares in PT Plaza Indonesia Mandiri ("PIM") which now holds the non-core assets of PLIN. This resulted in the Group recording a one-off exceptional item aggregating to S\$373.7 million for FY2019. In tandem with the gain in revenue, prudent operating expenses management and one-off exceptional item, the Group achieved Profit After Tax and Minority Interests ("PATMI") of S\$387.5 million in FY2019.

The Group's balance sheet remains strong as at 31 December 2019 with total assets increasing from S\$6,560.5 million as at 31 December 2018 to S\$7,757.5 million. The gain is mainly attributed from the acquisition units in DIRE PI, investment into Taicang Rongguan Real Estate Development Co. Ltd (a new associated company in China), short-term investments and recognition of intangible assets pertaining to the cost incurred for a toll road concession project in Indonesia. The Group is also in a strong liquidity position with cash and cash equivalents of S\$1,090.3 million and net debt-to-equity ratio of 20.5% at the end of FY2019.

On the back of stellar performance for FY2019, SML is proposing a first and final dividend of 0.38 Singapore cents per share to be paid on 24 June 2020, subjected to shareholders approval.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: *"The global economy ended the year with the conclusion of a partial trade deal between United States and China, followed by the UK formally leaving the EU on 31 January 2020. This has undoubtably given investors and companies around the globe a much-needed reprieve from the cloud of uncertainty over the past year.*

*In Indonesia, the economy grew 5.02 percent annually for 2019, slowing from 5.17 percent in 2018 mainly from weakening investments and exports. The country's economic expansion in the fourth quarter slowed to 4.97 percent year-on-year, the slowest since 2016's fourth quarter, and contracted 1.74 percent compared to the previous quarter. However, our Indonesian listed subsidiaries managed to ride against the headwind and delivered stellar marketing sales figures. Both PT Bumi Serpong Damai Tbk (BSDE) and PT Puradelta Lestari Tbk (DMAS) exceeded its full-year target marketing sales for FY 2019, having recorded marketing sales of IDR6.5 trillion and IDR2.97 trillion respectively. These marketing sales are expected to contribute positively to both subsidiaries' revenue and profits in the coming year.*

*With the ongoing outbreak of the new coronavirus impacting global economic recovery, Bank Indonesia has cut its seven-day reverse repo rate by 25 basis points to 4.75 percent on 20 February 2020 to mitigate the impact to Indonesia's economic growth. The Group expect its businesses, especially in the first half of 2020, to be negatively affected on the back of dented consumer sentiments.*

*Outside Indonesia, the Group's International Division recently announced that it has invested AUD40 million in Mapletree Australia Commercial Trust, a private trust which owns 10 Grade A office assets that are strategically located in key Australian gateway cities. This has marked the Group's maiden entry into the Australian commercial office market and opened the opportunity to work with an established government-linked sponsor in the real estate investment trust sector. The new investment is expected to improve the Group's investment income outside Indonesia going forward and we will continue to seek out new investments, particularly in commercial sector in matured key markets such as Australia and Europe."* 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 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\$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, Australia and the United Kingdom.

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