

PRESS RELEASE – FOR IMMEDIATE RELEASE

SINARMAS LAND’S REVENUE SURGED 83.0% IN 2Q 2019 TO S\$361.0 MILLION

Singapore – 14 August 2019 – Singapore Exchange (SGX) Mainboard listed **Sinarmas Land Limited** (“SML” and together with its subsidiaries, the “Group”), announced today its unaudited consolidated revenue for the second quarter ended 30 June 2019 (“2Q 2019”) surged 83.0% to S\$361.0 million due to stronger contribution from the sales of commercial and industrial land parcels from its Indonesian division, namely in BSD City, Kota Deltamas and Karawang International Industrial City.

FINANCIAL HIGHLIGHTS

	2Q 2019 (S\$’000)	2Q 2018 (S\$’000)	Variance (%)	1H 2019 (S\$’000)	1H 2018 (S\$’000)	Variance (%)
Revenue	361,026	197,239	83.0	560,940	384,253	46.0
Gross Profit	236,357	140,117	68.7	383,777	270,100	42.1
EBITDA ¹	205,383	109,443	87.7	338,780	211,821	59.9
Net Profit for the period	498,193	26,414	n.m.	586,702	77,746	654.6
PATMI	287,473	20,006	n.m.	330,784	48,020	588.8

In addition, backed by higher revenue recognition for more residential units handed over to homebuyers in Indonesia, total revenue for half year ended 30 June 2019 (“1H 2019”) rose 46.0% to S\$560.9 million. The Group’s recurring income remains resilient at S\$82.5 million despite lower contribution from its hospitality-related assets.

In tandem with the higher revenue, 2Q & 1H 2019 gross profit increased 68.7% and 42.1% respectively to S\$236.4 million and S\$383.8 million. Despite higher gross profit, 2Q & 1H 2019 gross profit margin reduced marginally by 5.5 and 1.9 percentage points to 65.5% (2Q 2018:

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.

71.0%) and 68.4% (1H 2018: 70.3%) respectively due to higher average land costs in Kota Deltamas, BSD City and Karawang International Industrial City for the land parcels sold this year.

Selling expenses comprised mainly advertising and marketing expenses, professional fees, and salaries and related expenses. Selling expenses decreased by 9.2% to S\$43.6 million in 1H 2019 mainly due to lower advertising, promotion and marketing commission expenses incurred during the period.

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 7.0% to S\$70.3 million in 1H 2019 mainly due to lower depreciation and amortisation expense, as well as lower office supplies and professional fees.

With increased revenue and lower operating expenses, the Group's 2Q & 1H 2019 EBITDA reported an increase of 87.7% and 59.9% respectively to S\$205.4 million and S\$338.8 million. Due to enhanced operational efficiency which more than offsets the declined gross profit margin, the Group's EBITDA margin increased by 1.4 and 5.3 percentage points respectively to 56.9% (2Q 2018: 55.5%) and 60.4% (1H 2018: 55.1%).

The Group reported that net finance expenses increased from S\$50.2 million to S\$55.7 million in 1H 2019 mainly attributable to higher interest expenses in line with higher average borrowings during the period. Due to the translation loss on U.S. Dollar ("USD") dominated payables, as USD strengthened against Indonesia Rupiah ("IDR") in the previous corresponding period, the Group's net foreign exchange loss decreased from S\$15.2 million to S\$8.8 million in 1H 2019.

The share of profit in associated companies increased from S\$3.1 million in 1H 2018 to S\$10.4 million mainly attributable to foreign exchange gain recorded and higher revenue from our Indonesian associated companies. The Group recorded a share of profit in joint ventures of S\$3.4 million in 1H 2019 as compared to a share of loss of S\$5.1 million in 1H 2018. This was mainly due to higher sales of residential units in our Indonesia joint ventures.

Following the restructuring of PT Bumi Serpong Damai Tbk ("BSDE")'s stake in PT Plaza Indonesia Realty Tbk ("PLIN") and the acquisition of units in Dana Investasi Real Estat Simas Plaza Indonesia ("DIRE", similar to Real Estate Investment Trust) as well as acquisition of shares in PT Plaza Indonesia Mandiri ("PIM"), the Group recorded a one-off exceptional item aggregating to S\$373.7 million in 1H 2019.

As a result of improved revenue and one-off exceptional item, the Group achieved Profit After Tax and Minority Interests ("PATMI") of S\$287.5 million in 2Q 2019 and S\$330.8 million in 1H 2019.

The Group's balance sheet remains strong as at 30 June 2019 with total assets increasing from S\$6,560.5 million reported as at 31 December 2018 to S\$7,434.0 million as at 30 June 2019. The Group continues to maintain a strong liquidity position with cash and cash equivalents of S\$1,006.0 million and net debt to equity ratio of 21.2% at the end of 1H 2019.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: *"Indonesia's GDP grew at its weakest pace in two years at 5.05% in the second quarter of 2019 on the back of expansionary headwinds and global uncertainties. Indonesia, whose economy is still reliant on natural resources and foreign investments, has been negatively impacted by the persisting US-China trade war that has since suppressed commodity prices and tepid investment levels. To support economic growth, Bank Indonesia has lowered its 7-day reverse repo rate for the first time since September 2017 by 25 basis points to 5.75%. Also, with the successful re-election of President Joko Widodo for a second five-year term, we expect his economic policies to continue boosting investment into infrastructure developments, introducing tax breaks for some industries and possibly, corporate tax cut."*

"The successful election also brought back investors' confidence into Indonesia's industrial estate sector. Our listed subsidiary, PT Puradelta Lestari Tbk, has achieved IDR 1.22 trillion or 97% of its full year IDR 1.25 trillion (S\$120.5 million) marketing sales target by the end of second quarter of 2019. In addition, there are more than 150 hectares of industrial land inquiries currently under discussion. This remarkable achievement serves as a testament of the Group's market leader position being Indonesia's leading integrated real estate group."

"The ongoing uncertainty regarding Brexit and trade war between US and China has resulted in the deprecation of the British Pound and Chinese Renminbi which is expected to negatively impact our international division. Hence, the Group will closely monitor macro-economic indicators while seeking new investment opportunities outside Indonesia." 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\$5.1 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 and the United Kingdom.

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