

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

# **SINARMAS LAND ACHIEVED PATMI OF S\$119.0 MILLION FOR FY 2018**

**Singapore – 26 February 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 fourth quarter ended 31 December 2018 (“4Q 2018”) dipped 74.9% to S\$58.6 million, bringing the total PATMI for full year 2018 (“FY 2018”) to S\$119.0 million, mainly due to the absence of land sales for its Indonesia division and the one-off exceptional gain of S\$109.4 million from the divestment of Orchard Towers by its International division in FY2017.

### **FINANCIAL HIGHLIGHTS**

|                           | <b>4Q 2018</b><br><b>(S\$'000)</b> | <b>4Q 2017^</b><br><b>(S\$'000)</b> | <b>Variance</b><br><b>(%)</b> | <b>FY 2018</b><br><b>(S\$'000)</b> | <b>FY 2017^</b><br><b>(S\$'000)</b> | <b>Variance</b><br><b>(%)</b> |
|---------------------------|------------------------------------|-------------------------------------|-------------------------------|------------------------------------|-------------------------------------|-------------------------------|
| Revenue                   | 276,168                            | 583,914                             | (52.7)                        | 864,134                            | 1,347,437                           | (35.9)                        |
| Gross Profit              | 176,715                            | 411,157                             | (57.0)                        | 598,106                            | 985,276                             | (39.3)                        |
| EBITDA <sup>1</sup>       | 139,983                            | 358,088                             | (60.9)                        | 460,160                            | 804,162                             | (42.8)                        |
| Net Profit for the period | 119,529                            | 380,351                             | (68.6)                        | 229,122                            | 629,355                             | (63.6)                        |
| PATMI                     | 58,617                             | 233,894                             | (74.9)                        | 119,028                            | 353,892                             | (66.4)                        |

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

Total revenue for FY2018 decreased 35.9% to S\$864.1 million mainly attributable to the absence of one-off land sales in BSD City amounting to S\$471.2 million in FY2017, as well as the weakening of the Indonesian Rupiah. Excluding the one-off land sales in the corresponding comparison periods, FY2018’s revenue would have decreased marginally by 1.4% year-on-year, notwithstanding the proportionately higher drop in Rupiah against the Singapore Dollar. The dip was offset by higher revenue generated from the sales of commercial shophouses in

<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.

Indonesia and broader recurring income base from investment properties. The Group's recurring income increased 3.2% to S\$161.7 million in FY2018 with higher rental contribution from the UK division following the acquisition of 33 Horseferry Road in June 2017 and leasing income from the recently acquired investment properties in Central Jakarta in Indonesia.

In tandem with the decrease in revenue, gross profit in 4Q 2018 and FY2018 slid 57.0% and 39.3% respectively to S\$176.7 million and S\$598.1 million. Gross profit margin for the full year dipped 3.9 percentage points to 69.2% (FY 2017: 73.1%) as sales of land parcels fetched better profit margins and higher costs were incurred from sales of commercial shop houses and apartments.

Despite lower operating expenses and higher finance income, the Group's FY2018 EBITDA was dragged by the lower revenue achieved. 4Q 2018 and FY2018 EBITDA decreased 60.9% and 42.8% respectively to S\$140.0 million and S\$460.1 million. Likewise, EBITDA margin slipped 10.6 percentage points in 4Q 2018 and 6.4 percentage points in FY2018 respectively to 50.7% (4Q 2017: 61.3%) and 53.3% (FY 2017: 59.7%).

The Group recorded a net foreign exchange gain of S\$5.7 million in FY2018 due to the unrealised translation gain on inter-company loans in certain subsidiaries following the weakening of SGD against U.S. Dollar ("USD"). Share of losses in joint ventures was narrowed to S\$3.7 million from S\$45.2 million in FY2017 which had included a reversal of unrealised gain adjustment of S\$59.4 million from the Group's portion of the gain on sales of land parcel to a joint venture in FY2017. Despite the absence of last year's unrealised gain reversal, lower sales of residential units in certain joint ventures contributed to the continued losses. Coupled with lower revenue and the absence of one-off gain on the divestment of Orchard Towers, the Group's PATMI decreased 74.9% to S\$58.6 million in 4Q 2018 and 66.4% for FY 2018 to S\$119.0 million.

The Group's balance sheet remains resilient as at 31 December 2018 with total assets increasing marginally to S\$6,560.5 million. The Group remains in a strong liquidity position with cash and cash equivalents of S\$984.1 million and net debt to equity ratio of 22.9% at the end of FY2018.

In consideration of FY2018 performance, SML is proposing a first and final dividend of 0.2 Singapore cents per share, subject to shareholders' approval during the 2019 annual general meeting, and payable on 27 June 2019.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: *"2018 was a difficult year for Indonesia as the country was confronted with*

*numerous challenges that witnessed the plunging of the Indonesian Rupiah against the US dollar to its lowest level since the 1998 Asian financial crisis, the start of the trade war between United States and China., Bank Indonesia raising interest rates by a combined 175 basis points, declining commodity prices, as well as several major natural disasters. However, the Indonesian economy remained resilient and recorded a GDP growth of 5.17% for 2018, the fastest expansion rate since 2013.”*

*“Despite the economy pulling ahead against external turbulences, the real estate sector continues to face headwinds from the depreciating Indonesian Rupiah, increasing interest rate environment, dampening household consumption, as well as the upcoming 2019 general election where consumers usually put off big ticket purchases and adopt a wait-and-see strategy. Our key Indonesia Property Division subsidiaries, namely PT Bumi Serpong Damai Tbk (BSDE) and PT Puradelta Lestari Tbk (DMAS), have recently released their 2019 marketing sales targets at IDR6.20 trillion and IDR1.25 trillion respectively. Compared to 2018, this represents an almost flat growth for BSDE and a 40% increase for DMAS which is dependent on the impact on investors' appetite after the presidential elections later this year. Nevertheless, the Group will continue to study the market, increase our marketing initiatives and adopt a flexible product offering approach to better cater to our client's needs.”*

*“The ongoing geopolitical tensions including the US-China trade war and Brexit have forced the Group to adopt a cautious approach while executing its geographical expansion and earnings diversification strategy. In 2018, the Group has re-entered the Chinese market having co-invested in a mixed-use residential development project in Chengdu, China. Going forward, the Group will remain vigilant in seeking acquisition opportunities that fits into our investment strategy amidst escalating uncertainties in the current external environment.” 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.

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