

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

# **SINARMAS LAND PATMI INCREASED 44.4% TO S\$35.3 MILLION IN 2Q 2016**

**Singapore – 11 August 2016** – Singapore Exchange (SGX) Mainboard listed **Sinarmas Land Limited** (“SML” and together with its subsidiaries, the “Group”), today announced Profit After Tax and Minority Interests (“PATMI”) for the second quarter ended 30 June 2016 increased 44.4% to S\$35.3 million due to higher profit attributable to the owners as a result of increased stake in PT Puradelta Lestari Tbk (“DMAS”) and higher rental income from investment properties.

### **FINANCIAL HIGHLIGHTS**

	<b>2Q 2016 (S\$'000)</b>	<b>2Q 2015 (S\$'000)</b>	<b>Variance (%)</b>	<b>1H 2016 (S\$'000)</b>	<b>1H 2015 (S\$'000)</b>	<b>Variance (%)</b>
Revenue	222,786	233,021	(4.4)	402,671	518,379	(22.3)
Gross Profit	154,234	153,327	0.6	272,989	358,260	(23.8)
EBITDA <sup>1</sup>	119,300	118,764	0.5	210,925	294,227	(28.3)
Net Profit for the period	71,448	72,283	(1.2)	112,096	230,952	(51.5)
Net Profit attributable to owners of the Company	35,265	24,417	44.4	50,988	104,200	(51.1)
Earnings Per Share (SGD cents) <sup>2</sup>	0.83 <sup>3</sup>	0.56 <sup>4</sup>	48.2	1.20 <sup>3</sup>	2.40 <sup>4</sup>	(50.0)

Revenue for the half year ended 30 June 2016 decreased 22.3% to S\$402.7 million while 2Q 2016 revenue slipped 4.4% to S\$222.8 million, both on the back of lower sales of land for commercial and industrial purposes in Indonesia and lesser amount of residential units

<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.

<sup>2</sup> Based on a fully diluted basis

<sup>3</sup> Based on weighted average of 4,255,862,496 ordinary shares

<sup>4</sup> Based on weighted average of 4,347,502,098 ordinary shares

handed over to buyers in BSDE due to the change in cash collection pattern by extending a longer instalment payment scheme.

The dip in revenue was cushioned by a 28.6% increase in rental income in 1H 2016 to S\$73.7 million which derived from the recently acquired Alphabeta building in London, as well as higher rental income from our Indonesia investment properties due to improving average rental rates.

Revenue from the UK property division surged 407.1% to S\$14.2 million in 1H 2016 (1H 2015: S\$2.8 million) following the acquisition of Alphabeta building in October 2015. Likewise, recurring income from our Indonesia property division in 1H 2016 improved with the commencement of new rental income stream, mainly from the newly completed 2<sup>nd</sup> built-to-suit 'Courts Megastore BSD City', QBig and Green Office Park 9.

The Group's gross profit inched up 0.6% to S\$154.2 million in 2Q 2016 with higher margin of commercial shophouses and industrial land sales from our Indonesia division. However, gross profit declined 23.8% to S\$273.0 million in 1H 2016 due to a higher infrastructure cost incurred for the development of new industrial land area in the previous quarter. The lower margin for the sales of land parcel led to lower gross profit margin of 67.8% in 1H 2016 (1H 2015: 69.1%). The Group's 1H 2016 EBITDA decreased 28.3% to S\$210.9 million due by lower gross profit, mitigated by our UK division EBITDA which increased 380.0% to S\$12.0 million.

The Group recorded a foreign exchange loss of S\$18.3 million in 1H 2016 as opposed to S\$1.8 million gain in the previous corresponding period due to unrealised translation loss arising from the weakening of U.S. Dollar against the Indonesia Rupiah and Singapore Dollar. Lower profit recognized from Indonesia division, coupled with higher foreign exchange loss and higher finance costs, PATMI decreased 51.1% to S\$51.0 million in 1H 2016. However, 2Q 2016 PATMI rose 44.4% to S\$35.3 million following the acquisition of additional equity stake in DMAS. Net cash generated from operations improved to S\$188.0 million in 1H 2016 compared to S\$148.6 million in the same period last year.

The Group's balance sheet remained healthy as at 30 June 2016 with total assets of S\$5,454.7 million, having cash and cash equivalents of S\$833.9 million and a net debt to equity ratio of 18.6%.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: *"Indonesia economy is beginning to grow faster after prolonged period of economic slowdown. Led by the slew of economic stimulus packages introduced by Indonesian government, the economy is expected to benefit from loosening monetary stance from Bank*

*Indonesia, greater regulatory certainties, accelerating public infrastructure developments and improving consumer sentiments.”*

*“The Group continues to operate in a challenging environment and will adopt a defensive stance towards implementing its business strategies. One of such strategies will be to balance the exposure in property development income volatility by building a stronger portfolio of investment properties both in Indonesia and internationally that generate new stable recurring income.”* 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, China, Malaysia, Singapore and United Kingdom.

In Indonesia, SML is the largest property developer in terms of strategic land bank and market capitalization. SML operates chiefly through three public listed Indonesian subsidiaries, namely PT Bumi Serpong Damai Tbk (BSDE), PT Duta Pertiwi Tbk (DUTI) and PT Puradelta Lestari Tbk (DMAS) – with a combined market capitalization 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. SML has long-term investments in commercial buildings, hotels and resorts, is involved in property development and has a presence in Singapore, Malaysia, China and United Kingdom.

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