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SINARMAS LAND ACHIEVED PATMI OF S$20.0 MILLION IN 2Q 2018

Singapore – 13 August 2018 – Singapore Exchange (SGX) Mainboard listed **Sinarmas Land Limited** ("SML" and together with its subsidiaries, the "Group"), announced today that it achieved Profit After Tax and Minority Interests ("PATMI") of S$20.0 million for its unaudited financial results for the second quarter ended 30 June 2018 ("2Q 2018") largely due to lower revenue from its Indonesia division, increased finance cost and weakening of the Indonesian Rupiah.

FINANCIAL HIGHLIGHTS

	2Q 2018 (S$'000)	2Q 2017^ (S$'000)	Variance (%)	1H 2018 (S$'000)	1H 2017^ (S$'000)	Variance (%)
Revenue	197,239	314,850	(37.4)	384,253	560,209	(31.4)
Gross Profit	140,117	260,436	(46.2)	270,100	428,431	(37.0)
EBITDA[1]	109,443	222,139	(50.7)	211,821	362,177	(41.5)
Net Profit for the period	26,414	131,790	(80.0)	77,746	219,118	(64.5)
PATMI	20,006	65,291	(69.4)	48,020	103,327	(53.5)

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

Total revenue for 2Q 2018 and half year ended 30 June 2018 ("1H 2018") revenue decreased 37.4% and 31.4% respectively to S$197.2 million and S$384.3 million mainly due to lower number of residential units handed over to homebuyers in Indonesia. In addition, there was an absence of $117.3 million sales of land parcels to its joint venture in the corresponding period. Excluding this land sales, 1H 2018 revenue would decreased by 13.2% from $442.9 million in 1H 2017 to $384.3 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 revenue, the Group's recurring income increased 8.8% to S$82.5 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 tandem with the lower revenue, 2Q & 1H 2018 gross profit decreased 46.2% and 37.0% respectively to S$140.1 million and S$270.1 million. Due to the absence of land sales and higher cost incurred for the sales of commercial shophouses, 2Q & 1H 2018 gross profit margin fell 11.7 and 6.2 percentage points to 71.0% (2Q 2017: 82.7%) and 70.3% (1H 2017: 76.5%) respectively. Mirroring the slide in gross profit, EBITDA decreased 50.7% and 41.5% to S$109.4 million and S$221.8 million in 2Q and 1H 2018 respectively mainly due to lower revenue contribution from Indonesia division and higher finance costs. EBITDA margin slipped 15.1 percentage points to 55.5% in 2Q 2018 (2Q 2017: 70.6%) and 9.6 percentage point to 55.1% in 1H 2018 (1H 2017: 64.7%).

The Group recorded a net foreign exchange loss of S$15.5 million in 1H 2018 due to translation loss on U.S. Dollar ("USD") denominated payables following the strengthening of USD against Indonesian Rupiah during the current period. Lower sales of residential units in certain joint ventures resulted in share of loss in joint ventures amounting to S$5.1m, though the share of loss was narrowed from S$36.2 million in 1H 2017 which had included a reversal of unrealised gain adjustment of $42.7 million from the Group's portion of the gain on sales of land parcel to a joint venture in 1H 2017. Driven by the lower revenue increased finance cost and weakening of Indonesian Rupiah, the Group's PATMI decreased 69.4% to S$20.0 million in 2Q 2018 and 53.5% in 1H 2018 to S$48.0 million.

The Group's balance sheet remain strong as at 30 June 2018 with total assets increasing $497.8 million to $7,059.0 million due to increases in cash and cash equivalents, short-term investments, properties held for development and sales. The Group has cash and cash equivalents of S$1,153.8 million with net debt to equity ratio stands at 20.6% at the end of 1H 2018.

Ms. Margaretha Widjaja, SML's Executive Director and Vice-Chairman of SML Indonesia Division, said: *"Indonesia's economy grew 5.27% in the second quarter of 2018, one of the fastest growth pace in recent years, with increasing government spending on infrastructure projects and improved private household consumption. However, amidst optimism, Indonesia's economy continues to face headwind from escalating US-China trade tensions, higher US interest rates and a weaken Indonesian Rupiah currency."*

"Despite Bank Indonesia raising its benchmark interest rate by 100 basis points, it is a welcoming initiative from the central bank to revive the property sector by relaxing the loan-to-value (LTV) and financing-to-value (FTV) ratios starting from August 2018. Nonetheless, the Group remains cautiously mindful of our property sales outlook which could potentially be hampered by 2019 general elections as consumers usually adopt a wait-and-see approach during such period of uncertainty. "

"As part of our geographical expansion and earnings diversification strategy, the Group has signed a strategic collaboration framework agreement with Rong Qiao Group Co. Ltd, a China Fuzhou-based real estate group. Through this strategic collaboration, the Group is able to leverage on Rong Qiao Group's network and expertise to undertake acquisitions, mergers, land auctions or joint operations and development of real estate and related projects both inside and outside of China." 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.

For further information, please contact:

Mr. Ronald Ng
Corporate Finance Manager
Tel : (65) 6885 7746
Email : ronald.ng@sinarmasland.com.sg

Mr. Robin Ng
Executive Director
Tel : (65) 6590 0884
Email : robinng@sinarmasland.com.sg

Mr. Ferdinand Sadeli
Executive Director and Chief Financial Officer
Tel : (62) 21 5036 8368 Ext 12836
Email : ferdinand.sadeli@sinarmasland.com