



## **MEDIA RELEASE**

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**FOR IMMEDIATE RELEASE**

### **UEM SUNRISE BERHAD ANNOUNCES ITS FIRST QUARTERLY FINANCIAL RESULTS FOR THE YEAR**

- *Foreign exchange losses affected earnings for the quarter.*
- *Current balance sheet strong to withstand turbulence.*
- *Property sales lower while ongoing projects are at early stages of construction.*
- *Acquired new site in Melbourne to strengthen future product pipeline.*

**Digital Media:** *Revenue of RM196 million for the quarter was down by slightly more than half compared to the first quarter of 2019 mainly due to lower property sales while ongoing projects are at the early stages of construction progress. A loss of RM22 million was recorded for the current quarter mainly due to the impact of foreign exchange losses, amongst others. The Company is focusing to further strengthen its balance sheet and work towards normalising profitability in anticipation of market uncertainties ahead. The Company also recently acquired a new site in Melbourne to strengthen future product pipeline.*

**Full Release : KUALA LUMPUR, 19 June 2020** – UEM Sunrise Berhad (“UEM Sunrise” or the “Company”) today announced its financial results for the first quarter ended 31 March 2020. The Company recorded a loss of RM22 million for the quarter mainly due to the impact of the foreign exchange losses amounting to RM18 million arising from the weak Australian Dollar and South African Rand. Revenue for the quarter decreased from RM419 million in the same quarter last year to RM196 million. The majority of the Company’s projects in 2019 was launched in the second half. This led to lower revenue as these ongoing projects are at the early stages of construction progress during the period under review. Revenue was also affected by lower sales for the period, mainly attributable to the absence of new project launches in the quarter.

In terms of revenue breakdown, 78% was contributed by property development, 17% by property investment while the balance 5% was from others. 42% of the total property



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development revenue was contributed by the Central region mainly from Residensi Solaris Parq in Dutamas, Serene Heights Bangi and Kondominium Kiara Kasih in Mont'Kiara. 31% was from the Southern region primarily by Aspira ParkHomes in Gerbang Nusajaya, 68<sup>o</sup> Avenue opposite the Southern Industrial Logistics Cluster and East Ledang near Educuity; all in Iskandar Puteri, Johor. The balance 27% was from Aurora Melbourne Central and Conservatory in Melbourne, Australia. Sales for the quarter was RM97 million led by Southern developments mainly Aspira ParkHomes, Estuari Gardens in Puteri Harbour and Denai Nusantara near Gerbang Nusajaya representing 48% of the total sales, while 43% was from the Central region largely Residensi Solaris Parq, Residensi Astrea in Mont'Kiara and Residensi AVA in Kiara Bay, Kuala Lumpur. The balance 9% was from Conservatory. As at 31 March 2020, the Company's unbilled sales stood at RM1.8 billion. It will be substantially recognised over the next two financial years.

Commenting on the financial results, Anwar Syahrin Abdul Ajib, Managing Director/Chief Executive Officer of UEM Sunrise said, "Approximately 90% of the projects launched last year, in terms of GDV, was offered to the market in the second half of 2019. The progress completion of the majority of these ongoing projects are still at the early stages of construction with completion at the earliest in May 2021 in the case of Aspira Square while the latest tentatively in June 2024 for Residensi AVA. This resulted in a shortfall of revenue consequently affecting our earnings. We had planned to launch the latest phase of Serene Heights Bangi and a new residential development in Iskandar Puteri, but the plan did not materialise as Malaysia enforced the Movement Control Order ("MCO") on 18 March as ways to curb the spread of COVID-19. This resulted in the closure of our offices and retails, delays in our project launches and puts a stop to our construction activities. Economic movements have already slowed down. The weakened Australian Dollars against Ringgit Malaysia towards the end of the quarter, worked against us".



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Touching on sales, “Our focus is to capitalise on the re-introduction of the Home Ownership Campaign as recently announced by the Prime Minister under the Short Term Economic Recovery Plan or PENJANA and maximise the incentives given under the campaign. Other inducements such as the removal of the Real Property Gains Tax and the uplift of the maximum loan to value ratio of 70% for third properties allow us to access a wider target market. In terms of delivery, we will continue to leverage on digital channels and online platforms in addition to physical project launches. This is key in rebuilding our sales funnel. As at to-date, reservations and bookings are close to RM300 million. 58% is from the Central region projects mainly Serene Heights Bangi’s latest installment of landed mid-market homes; Frischia, which was opened for registration during the MCO and Verdi Ecodominium in Symphony Hills, Cyberjaya. The balance 42% is from the Southern region mainly the yet to be launched mid-market landed Senadi Hills followed by Aspira ParkHomes. Senadi Hills is a new residential precinct with a total GDV of RM399 million featuring double storey terrace homes near Horizon Hills in Iskandar Puteri. We target to launch both Frischia and Senadi Hills before the end of this month and convert these registrations and bookings into signed agreements soon”.

“I am also happy to announce that we just acquired another freehold development site at 21-53 Hoddle Street, Collingwood measuring 5,390 square meters in Melbourne. This development is expected to give us a GDV of AUD250 million. International ventures is part of our strategies and we will continue to look for good development opportunities particularly in Australia”.

Focused on further strengthening the Company’s balance sheet, “Our balance sheet must be strong to ride the turbulence so that we can work towards normalising profitability. Our cash and bank balance of RM864 million gives us assurance when cash is required whilst



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our low net and gross gearing of 0.35x and 0.47x, respectively provide headroom to raise funds and borrow more, should such opportunities avail. Our untapped credit facilities is RM1.9 billion as at the end of the quarter including SUKUK of RM1.4 billion. We continue to explore the acquisition of strategic landbanks both local and overseas for the sustainability of the business and remain steadfast in selling non-strategic lands to raise additional cash. We also target to reduce operating expenses through a cost optimisation exercise. On top of that, the incentives under PENJANA coupled with the current low interest rate regime, should augur well for the property market ahead ”.

The Company foresees that its earlier sales and GDV targets of RM2.0 billion each for 2020 are likely to be impacted by the economic uncertainty and is evaluating the targets pending the finalisation of its numbers. Meanwhile, it will continue to exercise prudence in managing the challenging environment.

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### **About UEM Sunrise**

UEM Sunrise Berhad ("UEM Sunrise" or the "Company") is a public-listed Company and one of Malaysia's leading property developers. It is the flagship Company for township and property development businesses of UEM Group Berhad ("UEM Group") and Khazanah Nasional Berhad ("Khazanah"). The Company has core competencies in macro township development; high-rise residential, commercial, retail and integrated developments; as well as property management and project & construction services.

UEM Sunrise is the master developer of Iskandar Puteri, one of the five flagship zones of Iskandar Malaysia. Iskandar Puteri is envisioned to become the largest fully integrated urban development in Southeast Asia that will provide significant investment, financial and business opportunities to the economic growth and development of the region. In the Central Region, the Company is renowned for its award-winning and up-market developments, located largely in the affluent Mont'Kiara enclave, Serene Heights Bangi, Bukit Jelutong in Shah Alam, Symphony Hills in Cyberjaya and Seremban as well as the creative retail in Solaris Dutamas, known as Publika. The Company is currently undertaking a flagship development in the 73-acre Kiara Bay in Kepong.

Internationally, the Company extends into Australia, with Aurora Melbourne Central – one of the tallest buildings in the country - and the 42-storey Conservatory, an iconic landmark located in the heart of Melbourne CBD. In Durban, South Africa, the Company has 30 acres of joint venture beachfront mixed development land.

Please visit our website at [www.uemsunrise.com](http://www.uemsunrise.com).

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