



## **MEDIA RELEASE**

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### **FOR IMMEDIATE RELEASE**

#### **REVENUE 36% HIGHER IN THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 SUPPORTED BY HIGHER PROPERTY DEVELOPMENT AND STRONGER SALES PERFORMANCE**

- *Revenue 36% higher compared to the first nine months of 2020.*
- *Sales more than doubled prior year's performance largely contributed by Residensi Ava, Kiara Bay, a significant surge of 422% compared to 2020.*
- *Future revenue anchored by RM2.2 billion unbilled sales.*

**Digital Media:** *UEM Sunrise Berhad's revenue of RM715 million as of 30 September 2021 was up by 36% compared to the first nine months of 2020 supported by local property development activities. Sales increased by 145% sustained mainly by ongoing projects led by Residensi AVA in Kiara Bay which saw a substantial surge of 422% compared to last year's corresponding period while its future revenue is anchored by a RM2.2 billion unbilled sales. It however recorded a loss after non-controlling interests of RM62 million for the nine months of 2021 and remain vigilant in view of the uncertain market posed by the ongoing pandemic.*

**Full Release : KUALA LUMPUR, 24 November 2021** – UEM Sunrise Berhad (“UEM Sunrise” or the “Company”) today announced its financial results for the nine months ended 30 September 2021. The Company recorded an improved revenue of RM715 million compared to the revenue in the nine months of 2020 of RM525 million driven by higher construction progress and billings mainly from Residensi Solaris Parq in Dutamas, Serene Heights Bangi, Aspira ParkHomes in Gerbang Nusajaya, and higher inventory sales of Estuari Gardens in Puteri Harbour.

In tandem with the revenue, the Company recorded an operating profit of RM39 million compared to a loss of RM20 million in the same period last year. Although supported by favourable contributions from its joint ventures and associates mainly Horizon Hills in Iskandar Puteri and Forest Heights in Seremban, the profit was insufficient to cushion



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finance costs amongst others, leading to a loss after tax and non-controlling interest of RM62 million for the period.

Property sales improved substantially to RM915 million in the current period compared to RM374 million in the same period last year; 78% contributed by the collective performance of the Company's top five properties driven by Residensi AVA, followed by Residensi Allevia, Senadi Hills, Estuari Gardens and Serene Heights Bangi. 68% of the total sales for the nine months period was contributed by projects in the Central region, with the remaining 32% from Southern.

Approximately RM550 million worth of properties was launched to-date, all in Central. Depending on the current conditions, the Company is launching a new phase of attainable products in Senadi Hills in Iskandar Puteri before the end of 2021. In view of delayed authority and regulatory approvals due to the prolonged movement control order, some projects are deferred to 2022. Its unbilled sales as of 30 September 2021 is RM2.2 billion.

UEM Sunrise was making progress in terms of recovery having improved its operations and construction activities, exhibiting strong sales performance in the first half of 2021. The full movement control order imposed on 1 June 2021 followed by the measures enforced under phase 1 of the National Recovery Plan or NRP impacted the Company's recovery trajectory, affecting its operations due to the cease of construction and retail activities, as well as closure of sales galleries. The recent reopening of the economy as Klang Valley and Johor enter into phases 2 and 3 of the NRP, saw the easing of a number of restrictions, encouraging the Company to resume construction and boost operations at full velocity.

Commenting on the financial results, Sufian Abdullah, Chief Executive Officer of UEM Sunrise said, "The Company's performance is commendable having improved revenue by



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36% compared to the same period last year irrespective of lockdown, coupled with better sales performance of RM915 million. Our sales galleries were opened in stages from 26 August and we have seen sales picking up in view of the anticipation that property sales in general are expected to rebound induced by pent-up demand from buyers keen to leverage on the low interest rate environment and the Home Ownership Campaign which is ending on 31 December 2021. This robust sales anticipation should augur well for us in achieving the RM1.2 billion sales target for the year”.

Touching further on sales, “Residensi AVA, Kiara Bay is doing very well and seeing an enormous increase in sales of more than four times compared to its sales performance in the same period last year. To-date, it has secured an overall sale of RM534 million with a take-up rate of 82%. With the Home Ownership Campaign coming to an end, we anticipate higher interest from prospective buyers who have been holding out the purchase of Residensi AVA. Kiara Bay’s The Beat is also set to officially open in the first quarter of 2022, while the two football AstroTurf type pitches will be opened to the public in the second quarter. Furthermore, plans are already underway to introduce another exciting residential development in Kiara Bay. This future product is still at its early stage and will be unveiled to the market in good time. Riding on the sales momentum of Residensi AVA, we are launching a new sales gallery in Equine Park, Seri Kembangan anticipated in early 2022, to feature KAIA Heights, our latest mid-market high-rise residences and inaugural foray into the mature neighbourhood”.

On the Company’s profitability position, “Although our operating profit is a substantial improvement compared to the same period last year, the Company is still experiencing a loss for the current period. We are taking corrective measures to stem our losses. Currently, we are rushing for construction progress to gain higher billings and pressing for authorities’ approvals on some of our land divestment transactions for the Company to recognise after



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being affected by the lockdown from 1 June. We are also stabilising our pipeline and prioritising deployment of the lands recently acquired to create sustainable growth in locations preferred by the market. These acquisitions are funded via a blend of internal funds and borrowings and are imperative in creating the required growth momentum. We are aware of the escalating finance cost, and have resorted to identify our borrowing components with plans in mind to pare down debt in the mid-term. Our net gearing is still at a manageable level of 0.45x as of 30 September 2021”.

He further added, “We are also taking opportunity of the anticipated turnaround in the economy to aggressively implement curated measures in the mid to long term and transform the Company into an effective and balanced real estate player. A three-prong strategy was identified – **Triage** (prioritise issues which need immediate attention and expedite launches), **Stabilise** (reorganisation and transformation of our people, process and portfolio) and **Sustain** (income diversification for sustained revenue) – to be implemented within the organisation starting with **Triage**”.

On the Company’s sustainability agenda, “We are focusing on unlocking our ESG strategic values and institutionalising them within the group aligning our blueprint to global movements and the government’s recent Green City Action Plans developed under the 12<sup>th</sup> Malaysia Plan. The process of evaluating sustainability performance targets is also underway and will be disclosed accordingly. Being a constituent of FTSE4 Good Bursa Malaysia Index since inception in 2014 is a testament to our efforts in adopting ESG whilst the recent gold assessment assigned by the Malaysian Agency Rating Corporation on our Sustainability SUKUK Framework, further strengthen our journey in entrenching the sustainability agenda in a holistic manner”.



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The Company will continue its land portfolio rebalancing which will include improving current commercial assets, reviewing current masterplans, acquiring strategically located lands especially in the Central region and exploring new product types in new markets. It remains vigilant in view of the uncertain market posed by the ongoing pandemic.

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### **About UEM Sunrise Berhad**

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 services. UEM Sunrise is the master developer of Iskandar Puteri, Johor, envisioned to become the largest fully integrated urban development in Southeast Asia. The Company is also renowned as the pioneer developer of award-winning and upmarket developments, located largely in the affluent Mont’Kiara enclave as well as surrounding neighbourhoods in Greater Kuala Lumpur area. UEM Sunrise has extended its mark internationally with acclaimed properties in Singapore, Australia, Canada and South Africa.

Inspired by the ethos and tagline “Find Your Happy”, the Company endeavours to inspire joy and happiness one space at a time, with its people, driven by the core values of C.H.I.E.F. (Caring, Honest, Involved, Enthusiastic, Fun-loving).

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

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For media enquiries, please contact:

Emilia Azyyati at [emilia.rahman@uemsunrise.com](mailto:emilia.rahman@uemsunrise.com) / 017-380 6937 / 03-2718 7725  
Corporate Communication, UEM Sunrise Berhad 200801028815 (830144-W)

Regina Lee at [regina.lee@uemsunrise.com](mailto:regina.lee@uemsunrise.com) / 016-617 0479 / 03-2718 7660  
Corporate Communication, UEM Sunrise Berhad 200801028815 (830144-W)