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**FOR IMMEDIATE RELEASE**

### **UEM SUNRISE BERHAD ANNOUNCES FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021**

- *Revenue 7% higher compared to 2020.*
- *Property sales performance of RM1.5 bil exceeded target of RM1.2 billion by 22%.*
- *Future revenue anchored by RM2.4 billion unbilled sales.*

**Digital Media:** *UEM Sunrise Berhad's revenue of RM1.2 billion as of 31 December 2021 was up by 7% compared to 2020 supported largely by higher local property development contribution and part recognition of the sale of phase 3 of the Southern Industrial & Logistics Clusters. The RM1.5 billion property sales exceeded its 2021 target by 22%, higher by 30% compared to the sales achieved in 2020 of RM1.1 billion. Its future revenue is anchored by a RM2.4 billion unbilled sales mainly from the Central region projects. It however recorded a loss after non-controlling interests of RM214 million for the financial year ended 2021 partly due to impairment of assets and inventories.*

**Full Release : KUALA LUMPUR, 23 February 2022** – UEM Sunrise Berhad (“UEM Sunrise” or the “Company”) today announced its financial results for the financial year ended 31 December 2021 (“FY2021”). UEM Sunrise recorded a higher revenue of RM1.2 billion compared to RM1.1 billion for the financial year ended 2020 (“FY2020”) driven by higher construction progress and billings mainly from Residensi Solaris Parq in Dutamas, Aspira ParkHomes in Gerbang Nusajaya, Iskandar Puteri, Serene Heights Bangi and Kiara Kasih in Mont’Kiara in addition to inventory sales of Estuari Gardens in Puteri Harbour, Iskandar Puteri. The completion of the sale of several industrial plots in phase 3 of the Southern Industrial & Logistics Clusters to Pentagon Land Sdn Bhd in December 2020 also contributed towards FY2021 total revenue.

Property sales improved substantially to RM1.5 billion in 2021 compared to RM1.1 billion in 2020, reflecting a positive contribution to unbilled sales and creation of future revenue. 73% of the total property sales was from the collective performance of the Company’s top



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five properties driven by Residensi AVA in Kiara Bay which saw a significant surge of 347% compared to its sales performance in 2020, followed by Residensi Allevia in Mont'Kiara, Serene Heights Bangi, KAIA Heights in Equine Park, Seri Kembangan and Estuari Gardens. 71% of the total sales for 2021 was contributed by projects in the Central region, with the remaining 29% from Southern.

The Company recorded a loss after tax and non-controlling interests of RM214 million for FY2021 after making impairment provisions for its inventories as well as its assets and properties amounting to RM88 million. These provisions in particular have affected the Company's margins in the fourth quarter of 2021. Excluding these impairment provisions, UEM Sunrise saw an improvement in operating expenses of 10% compared to FY2020 and an operating profit of RM4.6 million. Favourable contributions from its joint ventures & associates which saw an improvement in FY2021 of RM13 million compared to a loss of RM65 million in FY2020, were also insufficient to cushion operating loss. Note that these impairments have no effect on the Company's cashflow position.

The current environment of prolonged COVID-19 pandemic and various lockdowns impacted the Company's operations especially in the second half of the year after the positive movement in the market in the second half of 2020. This was triggered by the imposition of the full movement control order on 1 June 2021 which later transitioned into various phases of the National Recovery Plan or NRP. The environment also affected the market value of several assets and properties requiring these assets and properties to be written down to current market value, significantly affecting UEM Sunrise's overall profitability.



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RM550 million worth of properties were launched in 2021 comprising new phases in Serene Heights Bangi and KAIA Heights Tower A and B, both developments in Central. Its unbilled sales as of 31 December 2021 is RM2.4 billion.

Commenting on the financial results, Sufian Abdullah, Chief Executive Officer of UEM Sunrise said, “The circumstances revolving around the pandemic for the past two years have impacted our operations and the way we conduct business. UEM Sunrise was making progress in terms of recovery and was narrowing its losses in the first half of 2021 compared to the same period in 2020. However, the full lockdown imposed on 1 June 2021 compelled the Company to stop construction activities, cease operations of retail complexes and shut down sales galleries. Our product launches were delayed which resulted in only RM550 million worth of GDV launched in 2021”.

He continued, “Our biggest priority for now is to reinforce our product pipeline in making it resilient with a degree of product diversification catering to the current market environment. Plans to organise and systemise our affairs during this ‘Triage’ period are expected to progress until 2023; tackling issues relating to launches, cost efficiencies, prioritisation of projects with high capital outlays and value creations, among others. Hence, we target to launch a total GDV of RM3.3 billion in 2022”.

Touching on its property sales performance, “We are pleased to have exceeded our target of RM1.2 billion and are prepared to target a higher number in 2022 of RM1.5 billion, in line with what we achieved last year. Although we foresee challenges ahead and this includes the absence of the Home Ownership Campaign, the rise in prices of construction materials and the likelihood of an interest rate hike, we feel that property sales in general remains strong premised on our current sales bookings and the type of products we intend to launch this year. Improvements in buying sentiment are expected this year



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strengthening property sales as buyers continue to be on a lookout for properties leveraging on current property prices and low interest rate; while it still lasts. This is anticipated to improve our current RM2.4 billion unbilled sales, which should augur well for our profit and loss in the coming years”.

“We are also upbeat with Residensi AVA’s sales performance which is 91% sold to-date and look forward to launch the next phase in Kiara Bay. KAIA Heights’ sales are also progressing well alleviated further with the official opening of its sales gallery on 19 January this year. Furthermore, our latest sales campaign; Chinese New Year Duo Duo, which runs from 16 January to 22 March helps maintain interest as we have repackaged our sales incentives for selected products to cater to specific market segments. We will also be launching a product branding series that will cluster our products according to the customer profile, ensuring that there is something for everyone”.

On the Company’s plans in the immediate term, “Our landbanking portfolio rebalancing strategy remains intact. We have identified a few non-strategic lands for divestment this year and continue to source for new landbanks with quick turnaround to create new pipelines. Sustainability also remains a priority. We plan to entrench the ideology throughout the organisation in accordance with a sustainability blueprint aligning it with current global movements and sustainability plans detailed out under the 12<sup>th</sup> Malaysia Plan. Our gearing as of 31 December 2021 is still at a manageable level of 0.50x. We will try to improve on it over time”.

He further added, “The ‘Triage period’, a crucial part of our three-prong strategy, alongside Stabilise (reorganisation and transformation of our people, process and portfolio) and Sustain (income diversification for sustained revenue) is important for the Company’s performance recovery. The Company has started making great strides on its digital



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transformation journey with full adoption of Virtual Reality / Augmented Reality and the use of big data analytics to understand go-to-market and customer needs better. Rectification and improvements in key areas are critical for the next stage of the Company's transformation into a balanced real estate player. Upon overcoming the current challenges, we will be in a better position to create elements to Stabilise and Sustain the Company's performance".

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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. 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)