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UEM SUNRISE BERHAD EXCEEDED ITS LAUNCH AND SALES TARGETS FOR 2023; ANNOUNCES FIRST HALF FINANCIAL RESULTS

- Total revenue of RM605 million; 76% from property development activities.
- Operating expenses dropped by 11% in contrast to the first half of 2022.
- Profit after tax and non-controlling interests improved to RM40 million.
- Earnings visibility backed by RM2.7 billion unbilled sales.
- Launched RM2.7 billion GDV to-date; exceeded 2023 target of RM2.5 billion.
- Achieved 2023 sales target of RM1.5 billion; on track to exceed target.

Digital Media: UEM Sunrise Berhad's revenue of RM605 million as of 30 June 2023 was 76% contributed by property development activities. Operating expenses dropped by 11% in contrast to the first half of 2022, while operating profit improved by 17%, leading to a profit after tax and non-controlling interests of RM40 million for the first half under review. Earnings visibility is backed by its unbilled sales of RM2.7 billion. It exceeded its launch target of RM2.5 billion GDV with the launches of The MINH, The Connaught One, Collingwood and a new phase in Senadi Hills. It has also achieved RM1.5 billion in sales and is on track to exceed this year's sales target. The Company continues with **Triage**, the first part of its three-phase strategic turnaround plan and is on schedule to enter the second phase **Stabilise** towards the end of the year.

Full Release: KUALA LUMPUR, 18 August 2023 – UEM Sunrise Berhad (“UEM Sunrise” or the “Company”) today announced its financial results for the first half ended 30 June 2023 (1H 2023). The Company recorded a revenue of RM605 million driven by higher construction progress from local developments, mainly Residensi AVA in Kiara Bay, Residensi Allevia in Mont’Kiara, Serene Heights in Semenyih, Residensi Astrea in Mont’Kiara and KAIA Heights in Equine Park, Seri Kembangan. This is in addition to the revenue secured from land sales, which contributed 14% towards the total revenue and revenue from property investments, facilities management, and others.



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Its gross profit margin improved to 37% in 1H 2023 in comparison to 27% in the first half of 2022 (1H 2022), mainly due to the recognition of project cost savings in the first quarter of 2023. Its operating expenses have dipped by 11% compared to 1H 2022, while its operating profit improved by 17%. In tandem with the higher gross profit, after including the positive performance of its joint ventures and associates, the Company recorded a profit after tax and non-controlling interests of RM40 million for 1H 2023.

Its inventories were further reduced by 28% to RM146 million as of 30 June 2023 (RM203 million as of 31 December 2022), while its cash balances remained strong at RM1.5 billion, a 50% increase from its position of RM1.0 billion as of 31 December 2022. Its net gearing remained moderate at 0.46x as of 30 June 2023.

Property sales in the first half were RM1.5 billion; 32% from Central, mainly from The MINH in Mont'Kiara, The Connaught One in Cheras, and Residensi Allevia, while 9% was from Southern, mostly from Senadi Hills, Estuari Gardens and Aspira Square, all in Iskandar Puteri. International projects contributed a significant portion towards secured sales this period, with the sale of the Collingwood development in Melbourne, Australia, to Greystar Real Estate Partners amounting to AUD277.3 million (or RM873.7 million). As of 30 June 2023, UEM Sunrise has unbilled sales of RM2.7 billion.

Zooming into the financial results, UEM Sunrise Chief Executive Officer Sufian Abdullah said: "We are on track as far as our pipeline of new launches worth RM2.5 billion to the market. Our sales as of 30 June 2023, have amounted to RM1.5 billion, with 32% derived from Central comprising The MINH in Mont'Kiara, The Connaught One in Cheras, and Residensi Allevia, while 9% was from Southern, mainly Senadi Hills, Estuari Gardens and Aspira Square, all in Iskandar Puteri."

He added: "Our international projects have contributed a significant portion towards secured sales this review period, with the sale of our Collingwood development in Melbourne, Australia, to Greystar Real Estate Partners amounting to AUD277.3 million. We remain confident that we will be able to maintain a positive earnings position for the quarter under review whilst strengthening the fundamentals and our stakeholders' confidence in the Company."

Concurrently, the Company is progressing into the second stage of **Triage** this year after achieving the majority of the initiatives rolled out last year. **Triage** is the first part of our



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three-phase strategic turnaround plan and takes place from 2022 to 2023. This will be followed by **Stabilise** (2024 to 2025) and **Sustain** (2026 and beyond).

As for the key new launches in 2023, Sufian said: “The launches of our latest development in Mont’Kiara, The MINH in May and our first transit-oriented development in June to the public were met with very warm receptions. With a GDV of RM979 million and RM743 million, respectively, The MINH and The Connaught One contribute to our 2023 goal of achieving RM 2.5 billion in GDV launches. Both developments are also the first of their kind in our Happy+ product series, with The MINH under the CLUB Edition while The Connaught One under the RISE Series.”

“We are also targeting to launch our latest development in Kiara Bay in Kepong, allowing those who missed out on Residensi AVA to own a residence near the majestic Kepong Metropolitan Park. Named Residensi ZIG, this upcoming development is slated as our third Happy+ product this year and has a biophilic design concept. The three-tower development will feature 1,126 residential units with sizes ranging between 42m² to 140m² (450 to 1,508 ft²). With an estimated GDV of RM646 million, this will be our second RISE series product this year after The Connaught One.”

“In the Southern region, we announced early this month that Phase 2A of our freehold neighbourhood of Senadi Hills has registered strong demand among the public, with its 44 non-Bumiputera units all fully sold shortly after its launch on 18 June, and its Bumiputera lots all fully registered, further reiterating the public’s continuing confidence in the Company.”

Meanwhile, the Company will continue to launch new phases of its existing developments, mainly double-storey landed homes in Serene Heights, Semenyih as well as further phases in Senadi Hills and Gerbang Nusajaya, both in Iskandar Puteri.

On 16 June 2023, the Company launched a successful, nationwide integrated marketing initiative called the Happy Hunt campaign, which encapsulates a range of participating, new and ongoing developments situated in the central region such as The MINH, Allevia, KAIA Heights, Serene Square, and The Connaught One, and in the Southern region such as Senadi Hills Phase 2A, Aspira Gardens Phase 2 and Aspira Square.

The goal of the campaign is to provide more opportunities for the public to earn and win attractive rewards upon purchasing their preferred properties. Prospective homebuyers



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are offered cash rewards and prizes worth up to RM350,000, on top of other incentives and other cash rewards, prizes in the form of home appliances up to RM150,000 when they purchase a UEM Sunrise property until 31 December 2023.

Positive movements, strengthening presence in Australia

Apart from its steady sales and string of launches in the first half of 2023, the Company has also shown positive, notable movements, with the introduction of new faces in its boardroom and management and active expansion plans in Australia, amid overall signs of improvement in the macroeconomic climate.

In a bid to make a further mark in Australia, in June, the Company partnered up with global leader in the investment, development and management of rental housing, Greystar Real Estate Partners, LLC, to develop the first 'Build-to-Rent' (BTR) project in the inner-Melbourne suburb of Collingwood with a value transaction of approximately AUD\$277.3 million. This is the first BTR project carried out by a Malaysian developer in a bid to strengthen the group's presence there.

The proposed development is expected to include approximately 400 apartment units across two buildings, with a mix of studios and one-, two- and three-bedroom apartments suitable for multi-generational living.

Further expanding its foothold in Australia, the Company acquired its first residential development site in Subiaco East in Perth, Western Australia on 15 August 2023, for AUD\$22.185 million and will deliver two landmark apartment buildings.

The Company has purchased Lots 1 and 2 of The Oval precincts at Subiaco East from DevelopmentWA as part of the state's most significant urban redevelopment project at the iconic former Subiaco Oval. Subiaco is a verdant suburb known for its eclectic architecture, quaint, leafy residential streets, premier shopping, and multicultural dining scene.

The upcoming mixed-use residential precinct will comprise the delivery of sleek dual towers with approximately 430 apartments across Lots 1 and 2, subject to development approval, with further details to be firmed up. The project will include up to 12% affordable housing as well. Construction is expected to commence in 2026. The acquisition in Perth signifies the Company's plans to expand its presence in Australia.



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Meanwhile, the Company continues to pursue its sustainability agenda as guided by the UEM Sunrise Sustainability Blueprint 1.0 and will be producing its own Sustainable Development Design Guidelines to act as a reference for stakeholders to comply with when integrating sustainability elements into its design procedures. It remains committed to the sustainability agenda and will engage and collaborate with relevant stakeholders to raise awareness and adopt sustainability practices.

In earlier Bursa filings, the Company has announced new appointments of Datuk Hisham Hamdan as Chairman and Reagan Chan as Director, effective 1 July 2023. Subsequently, the Company has also named Hafizuddin Sulaiman as the new CFO, effective 1 August 2023.

The Company aims to remain financially sound given its gross and net gearing of 0.68x and 0.46x, respectively, and cash balances of RM1.5 billion as of 30 June 2023. Unbilled sales of RM2.7 billion as of 30 June 2023 will be substantially recognised over the next 18 to 48 months.

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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 CHIEF (Caring, Honest, Involved, Enthusiastic, Fun-loving).

Please visit our website at www.uemsunrise.com for more information.

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