

UEM Sunrise Announces Revenue Of RM2.9 Billion, Almost Doubled Its Profits For The Financial Year Ended 31 December 2017

- Revenue up by 58% compared to 2016 supported by strong local and international property development activities
- Profit after tax and non controlling Interest almost doubled compared to previous year



UEM Sunrise's Managing Director/Chief Executive Officer, Anwar Syahrin Abdul Ajib and Chief Financial Officer Mohamed Rastam Shahrom

KUALA LUMPUR, 27 February 2018 – UEM Sunrise Berhad (“UEM Sunrise” or the “Company”) today announced its financial results for the financial year ended 31 December 2017 (“FY2017”) where total revenue recorded for the year increased to RM2,903.4 million compared to RM1,841.5 million reported for the financial year ended 31 December 2016 (“FY2016”), an increase of approximately 58%. Profit after tax and non-controlling interests for the year increased to RM280.1 million, an increase of approximately 90% compared to RM147.3 million for FY2016 on the back of strong revenue growth.

Property development activities contributed a total of RM2,249.4 million representing 77% of total revenue for the year, an improvement of approximately 40% compared to the property development revenue in FY2016 of RM1,611.5 million. The three largest contributors for the year were Aurora Melbourne Central followed by Residensi22 Mont’Kiara and Conservatory. International projects contributed the highest; constituting 43% of property development revenue followed by 35% from the central region and 22% from the south.

Revenue from land disposal contributed about 19% from the total revenue mainly from the land disposal in Richmond, Canada to South Street Development Group, a Canadian- based real estate developer in addition to the disposal of several pocket lands in Iskandar Puteri. Unbilled sales as at 31 December 2017 stood at RM4.8 billion.

Property development sales for the year was RM1,491.7 million, higher by 24% than its sales target of RM1.2 billion for 2017, contributed mainly from its inventory monetisation initiatives, the newly launched Solaris Parq Residences in Dutamas, followed by the Company's latest overseas venture, Mayfair in Melbourne. Sales from the central region represented 44% of the total property development sales followed by the Company's international projects at 29% whilst the remaining 27% was from the southern region.

The Company exceeded its 2017's Gross Development Value ("GDV") target of RM1.7 billion having launched a total GDV of approximately RM2.0 billion for the year.

UEM Sunrise is proposing a first and final single tier dividend of 1.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2017.

Commenting on the financial results, Anwar Syahrin Abdul Ajib, Managing Director/Chief Executive Officer of UEM Sunrise said, "We are very pleased with our performance as the revenue for FY2017 sets a new record high since the Company was listed in 2008. Property development revenue contributed significantly to the Group revenue, charting its highest contribution driven by strong construction progress locally and internationally.

The Group continue to embark aggressively in its asset monetisation and divestment strategy to generate funds required to increase presence in the central region. In executing our strategy to rebalance our land portfolio, we have acquired Equine Park land in Seri Kembangan, Selangor measuring 19.2 acres last year. We are currently exploring other opportunities to increase our landbank in the Central region."

Observing its project deliverables, he explained, "We completed 3,153 units of high-rise residential and mixed integrated products in both the central and southern regions in 2017. Arcoris Mont'Kiara, the Company's integrated mixed development was handed over in stages starting in July whilst high-rise Residensi22 Mont'Kiara commenced handover in December. Teega, the Company's high-rise residential development in Puteri Harbour was handed over in stages starting from March while the affordable high-rise Bayu Angkasa in Nusa Bayu was handed over in September."



Anwar added, “The recent launch of Solaris Parq Residences has been remarkable, with high take up rate, amidst the soft market sentiment where buyers’ preference is skewed towards the mid-market and affordable products. Selling from RM870,000 per unit, we launched 576 units totalling a GDV of RM760 million in October last year and as at to- date, take up including bookings is 73%. Contribution from our luxurious Mayfair in Melbourne has been encouraging with take-up of about 32% to-date. Targeting 50% local Australians, at present close to 40% of our existing buyers are locals.”

Touching on the Company’s delivery for 2018, he said, “We expect to complete Estuari Gardens and Denai Nusantara both in Iskandar Puteri in the second quarter of 2018. Renovations and fitting works for the 4-star Hyatt House hotel in Arcoris Mont’Kiara is progressing well with anticipation to commence operation towards the end of the second quarter of 2018. In Melbourne, the first deck of our maiden project, Aurora Melbourne Central comprising 210 units in levels 10 to 32, with a GDV of AUD133 million, is expected to be completed in the second half of 2018 while Conservatory, with a GDV of AUD320 million, is also on track to complete this year. We hope to deliver all 446 units of Conservatory to our buyers before year end.”

“We will also continue to drive the overall vibrancy of our projects in Iskandar Puteri. Besides rejuvenating waterfront development Puteri Harbour, in January this year we appointed Atkins, a world-class master planner for the development of an International Land Use Master Planning for Gerbang Nusajaya’s Transit Oriented Development (“TOD”) for the lands surrounding the Iskandar Puteri High-Speed Rail station in Gerbang Nusajaya. This will be the next growth catalyst for Iskandar Puteri. The potential spill over benefits is immense, and we hope it will enhance the economic and social potential of Iskandar Puteri and Iskandar Malaysia as a whole.”

Commenting on the current property market sentiment, “We take full cognisance of the challenges that lie ahead but we remain positive and will continue to leverage on the Company’s strategic imperatives for the next 12 to 18 months. We will always be on a lookout for opportunities to landbank a sizeable area for a mixed integrated township development in the Klang Valley. Our mission is to develop the next Mont’Kiara but at more affordable prices.”

“Meeting the market expectations on supplying affordable and mid-range products is also among our pursuits. Serimbun, a 215 units of double storey link houses with built-ups ranging from 1,993 to 2,117 square feet starting from RM630,000 per unit near the matured area of Bukit Indah in Iskandar Puteri was successfully launched on 10 February.

We plan to launch a new high-rise residential apartment called Kondominium Kiara Kasih in Kuala Lumpur towards end of March this year. New phases of Serene Heights Bangi will continue to be unveiled, with the next one most likely in the third quarter of this year. Overall, we are targeting to launch a GDV of RM1.0 billion for 2018 mainly comprising these mid-market products. We are however ready to activate further launches depending on market condition.”

The Company plans to remain prudent in its targets for 2018 despite exceeding its 2017’s sales target. For 2018, UEM Sunrise’s sales target remains at RM1.2 billion.

Source from: <http://www.uemsunrise.com/press-release>