

12th Annual General Meeting | 9 July 2020



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*Find your
Happy*

Serene Heights
Simple Pleasures Of Life Bangi



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2019 At a Glance



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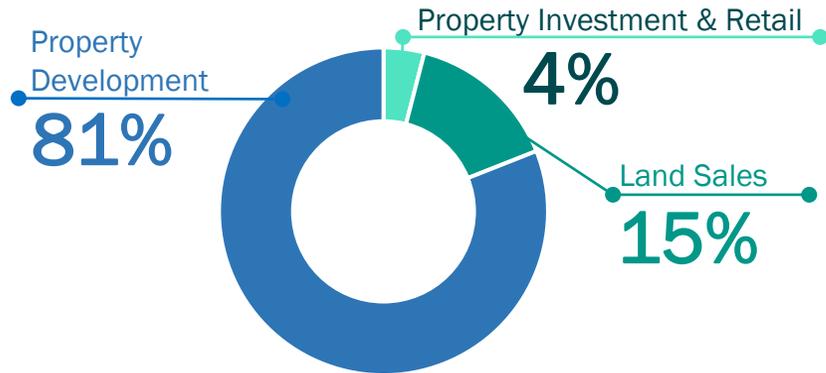
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+42% in Revenue, and RM1.1 bil in Property Development Sales

PATANCI without one off expenses RM303 mil

Revenue

Total Revenue
RM2,909.5mil
+42% vs. FY2018 (RM2.04 bil)

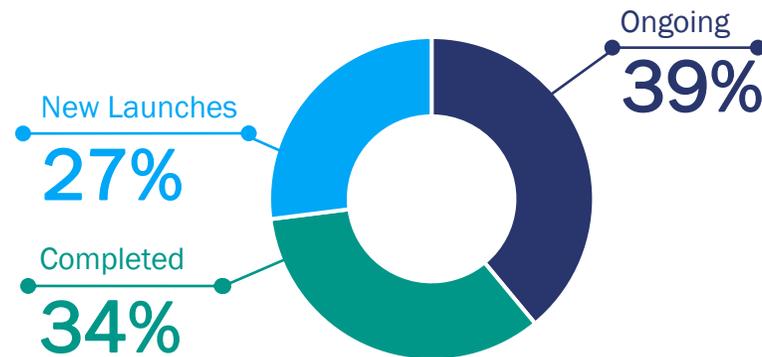


Contribution by Region (for Prop. Dev. Revenue)

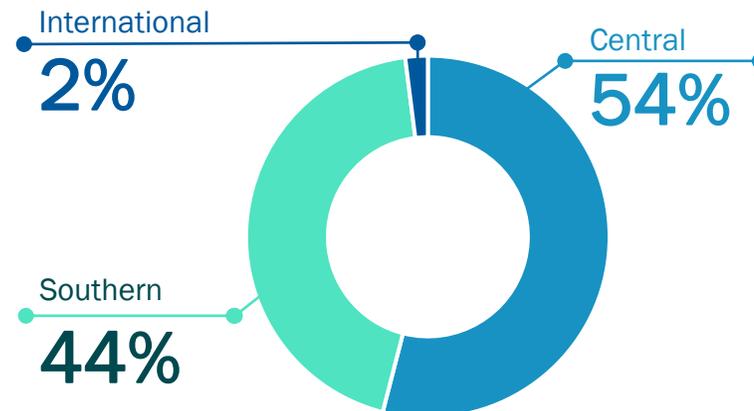


Sales

Total Sales
RM1,134mil
(-21%) vs. FY2018; 33.9% contraction from 2019 sales target

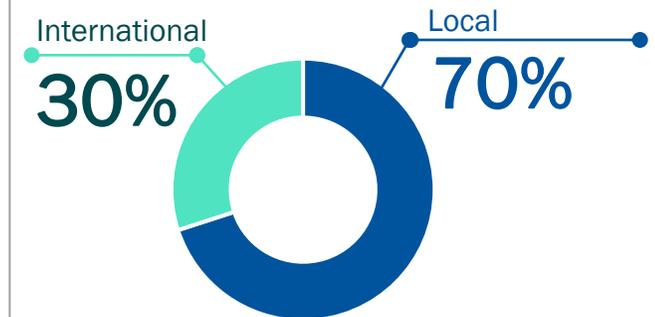


Contribution by Region (for Prop. Dev. Sales)



PATANCI
RM223.8mil
(-20%) vs. FY2018 (RM280.3 mil)

Unbilled Sales
RM1.8bil
As at 31 December 2019



Launched GDV
RM1,257.7 mil
Target GDV for 2019 = RM1.2 bil

Remaining Landbank
12,441 acres*
*including joint venture development lands as at 31 December 2019

We performed better in 2019 vs 2018, in generating our topline and improving net gearing

RM mil	FY2018	FY2019	
Revenue	2,044	2,909	a
Gross Profit	741	797	b
Expenses	(420)	(426)	
One-off Expenses	-	(77)	c
PATANCI ¹	280	224	d
Net Gearing Ratio	0.51x	0.32x	e

- Higher revenue driven by **full settlement of Aurora Melbourne Central** of RM1.3 bil compared to RM273 mil in FY2018
- Higher gross profit on the back of higher revenue and project development savings; offset by lower margin from land disposal
- Includes **staff separation scheme** following a workforce review (RM25.9 mil) and **impairment loss** (RM50.7mil) from 40% JV Malaysian Bio-XCell, which is currently being liquidated
- FY2018 higher due to **land disposals in Iskandar Puteri** where land cost is lower
- Reduced mainly due to the **full settlement of international borrowings** for Aurora Melbourne Central & Conservatory

¹Excluding the Staff Separation Scheme & One-off impairment, unrealized foreign exchange losses among others, PATANCI stood at RM303 mil

We unveiled Kiara Bay, our newest integrated mixed development set to be the new heartbeat of Kuala Lumpur

RM15bil GDV

over 15-20 years with 11,000 residential units expected

- **Residensi AVA** launched in Nov 2019 (GDV : RM656 mil; 870 units)
- *The Beat* retail space to launch in Q1 2021
- Discussion with potential investors for education and wellness offerings
- Shopping mall



RM1.2 bil GDV (1,645 units) of properties launched in 2019

Southern



Aspira ParkHomes
(19 Jan '19)

- Total GDV RM306.5mil
- 452 units
- RM534k-RM740k/unit



Aspira Square
(23 Aug '19)

- Total GDV RM68.4mil
- 59 units
- RM1,159k/unit



The Maris Phase 1
(23 Nov '19)

- Total GDV RM52.6mil
- 66 units
- RM797k/unit



Aspira Gardens
(14 Dec '19)

- Total GDV RM33.0mil
- 36 units
- RM916k/unit

Central



Dahlia Phase 2
(11 May '19)

- Total GDV RM57.5mil
- 74 units
- RM778k/unit



Eugenia Phase 2
(20 Oct '19)

- Total GDV RM65.6mil
- 88 units
- RM745k/unit



Residensi AVA
(23 Nov '19)

- Total GDV RM656.0mil
- 870 units
- RM567k - 881k/unit



We fulfilled our promise to the customers with 1,874 keys delivered on time and with quality standards in mind

Denai Nusantara, Iskandar Puteri



Date of 1 st VP	23 Jan
Total Units	1,217
Region	Southern

Almas Retail, Iskandar Puteri



Date of 1 st VP	13 May
Total Units	44
Region	Southern

Residensi Sefina, Mont Kiara



Date of 1 st VP	16 May
Total Units	245
Region	Central

Camellia, Serene Heights Bangi



Date of 1 st VP	28 Jun
Total Units	162
Region	Central

Aspira LakeHomes (Ph1&2) Iskandar Puteri

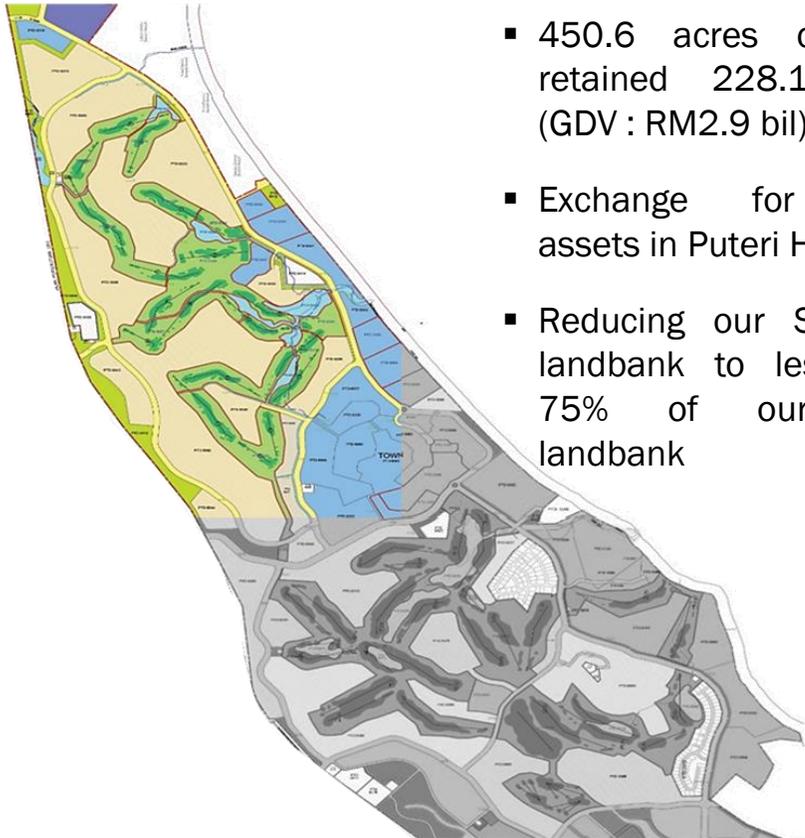


Date of 1 st VP	18 Nov
Total Units	206
Region	Southern



We divested a sizeable land in Desaru to rebalance our landbank portfolio, and increase our retail assets in Puteri Harbour

Desaru Disposal



- 450.6 acres divested, retained 228.1 acres (GDV : RM2.9 bil)
- Exchange for retail assets in Puteri Harbour
- Reducing our Southern landbank to less than 75% of our total landbank

Puteri Harbour Rejuvenation



- *Marina Walk* is an addition to our retail portfolio, which is a key catalyst to drive demand

- Balance GDV of RM12.6bil with an expected 15,600 of residential units by 2035
- Ability to influence total masterplan together with other key components which includes *Estuari*, *Almas*, *Emerald Bay*, *One Degree 15*, among others



We reassessed the viability of Mayfair due to changing market conditions, and decided to divest with gain

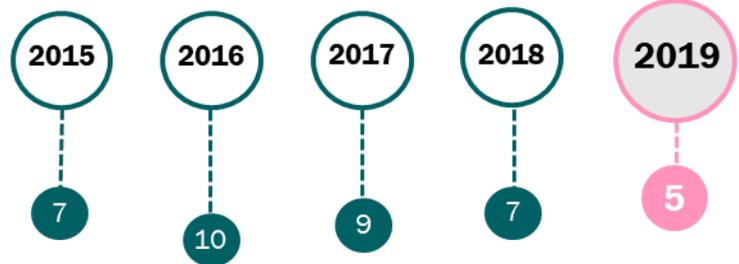


Selling Price	: AUD107 mil
Gain	: AUD19 mil
Revenue FY2019	: RM305 mil



We have continuously improved our position as a leading property developer in Malaysia

THE EDGE Top Property Developers Awards 2019



Qualitative Ranking	2015	2016	2017	2018	2019
Overall	14	10	8	6	5
Value Creation Capital Appreciation	12	8	6	8	5
Product Quality Service, Finishing, Timeliness	15	9	8	5	5
Image Management Styles, Credibility, Effectiveness	14	9	8	6	5
Innovation & Creativity Product, Marketing	14	6	7	5	5
Expertise Management, Experience	14	16	11	9	6

Awards & Recognition



Highest Growth in Profit After Tax Over Three Years

Industry Excellence Award - Property

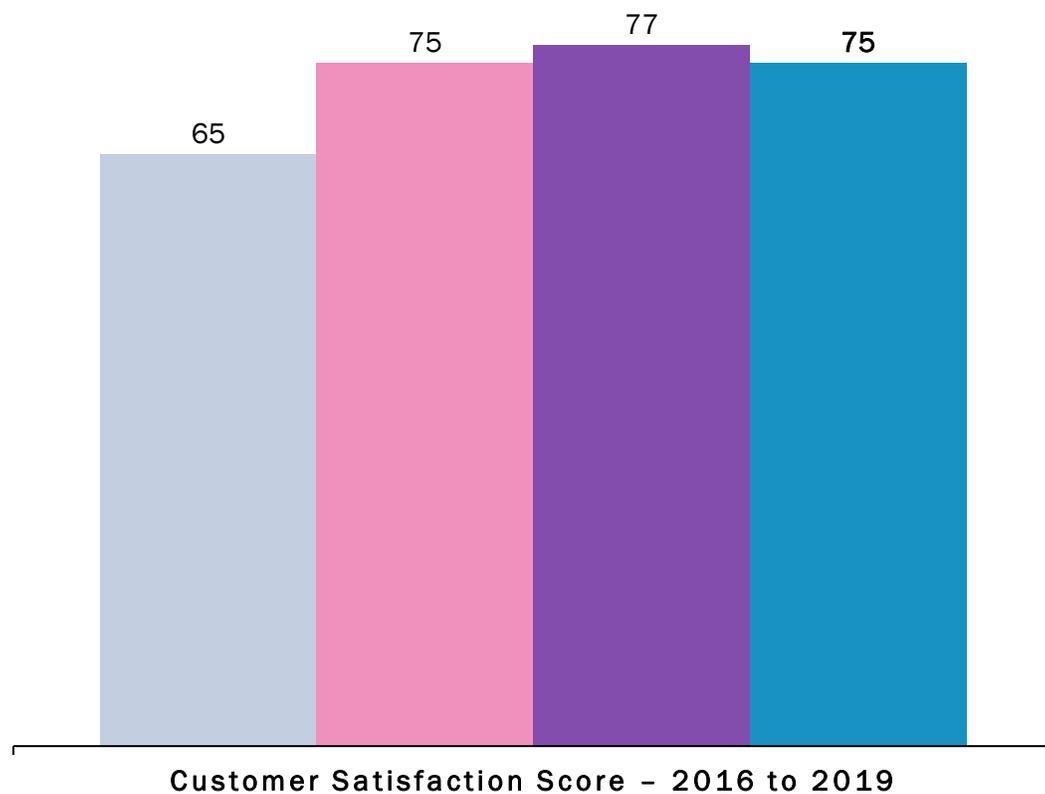


Our customer indicators remain strong over the past 3 years

Customer Satisfaction Score (CSS) – scores are 75% or higher

Percentage (%)

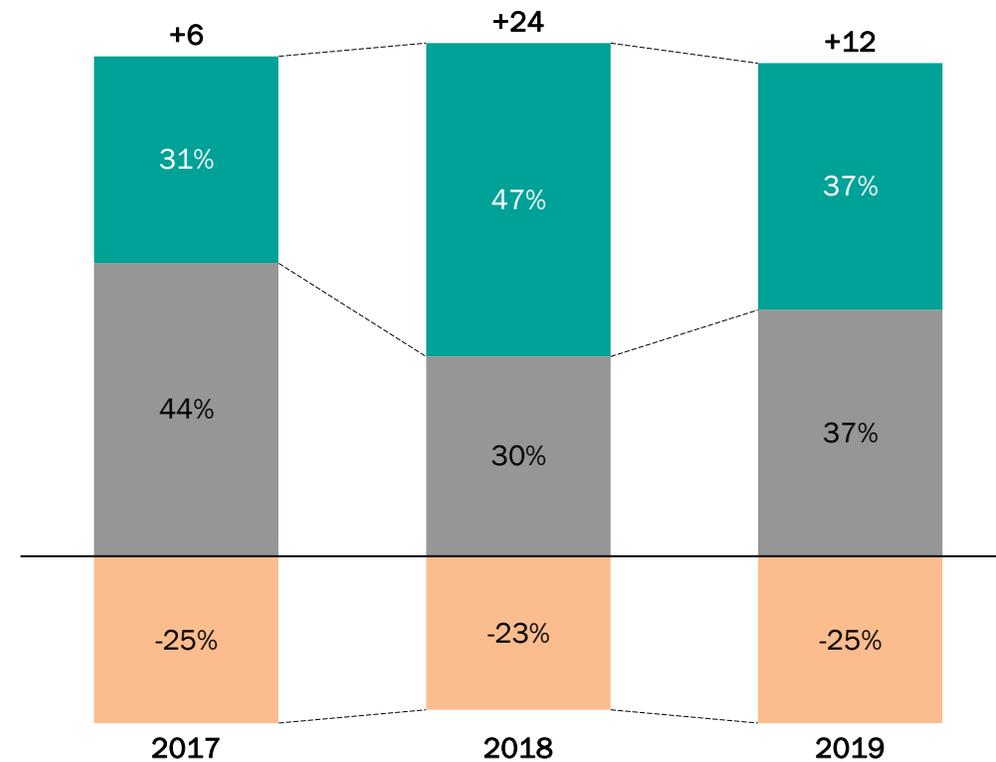
2016 2017 2018 2019



NPS Comparison – net scores are positive

Score

Promoters Passives Detractors





teega

PUTERI HARBOUR



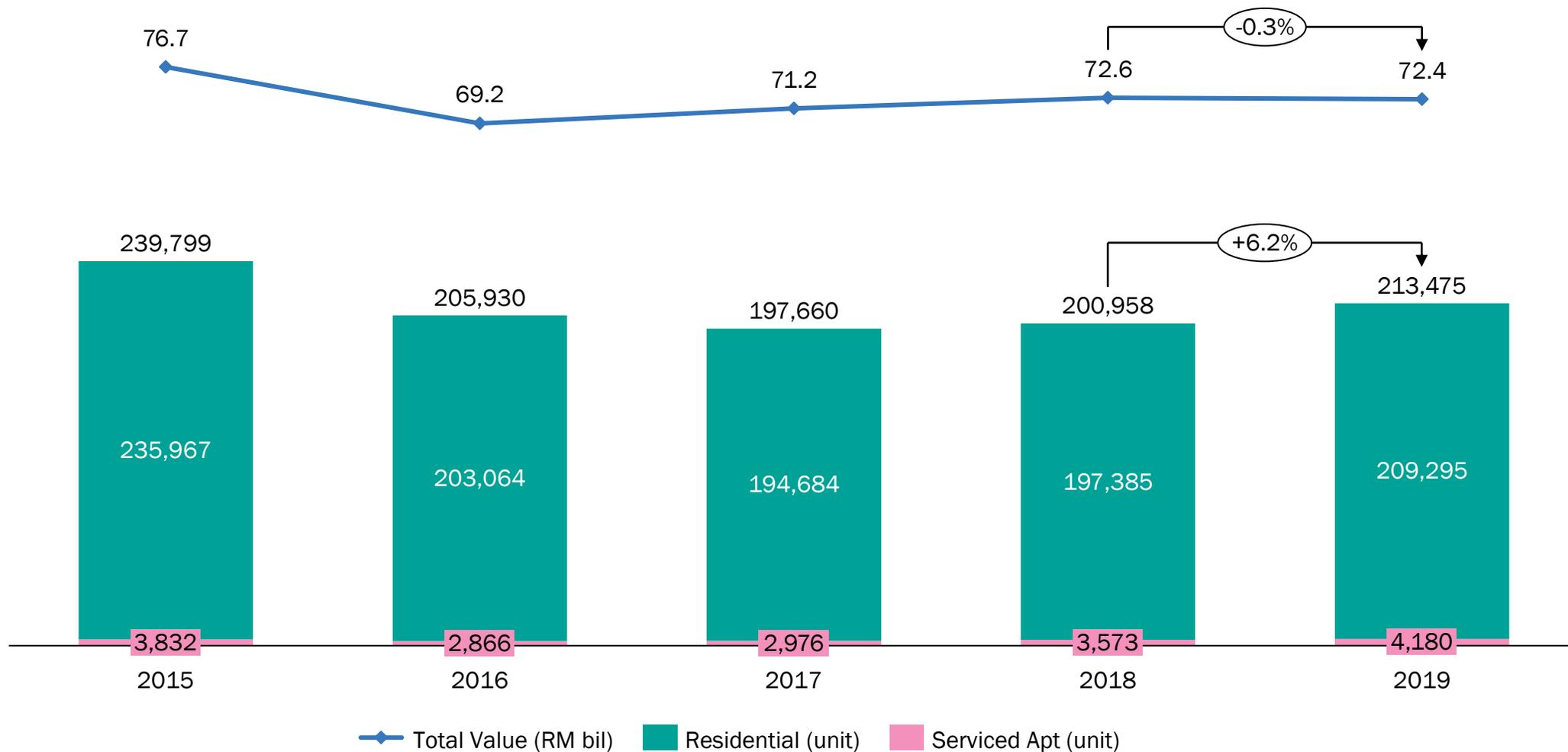
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Market Outlook



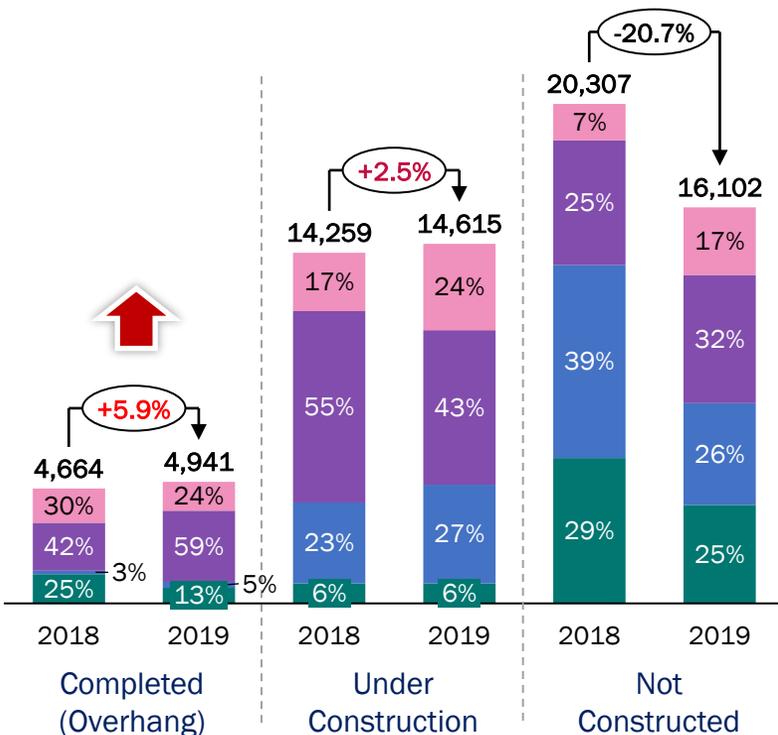
In 2019, property transaction volume (units) increased with values (RM) declined marginally



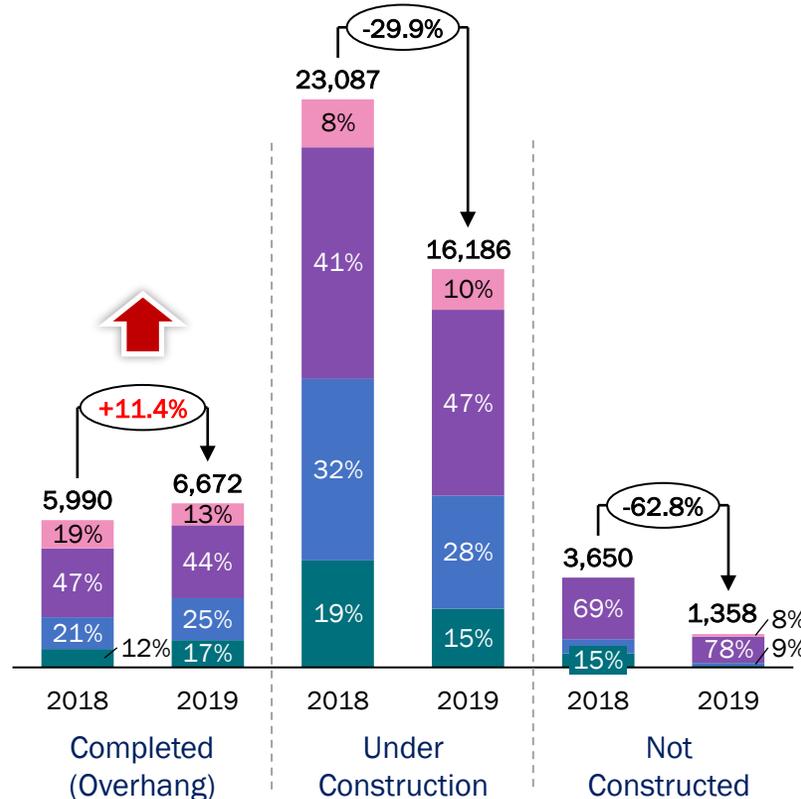
In the current market conditions, it will take at least 3 years to clear existing stocks



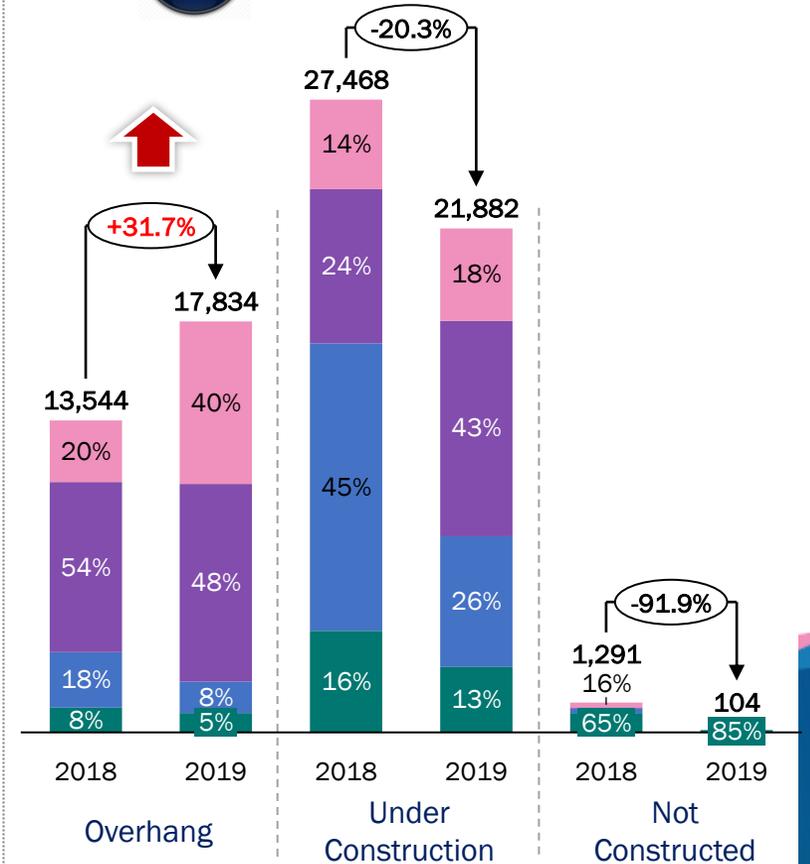
Kuala Lumpur | 2019: 35,658 units



Selangor | 2019: 24,216 units



Johor | 2019: 39,820 units

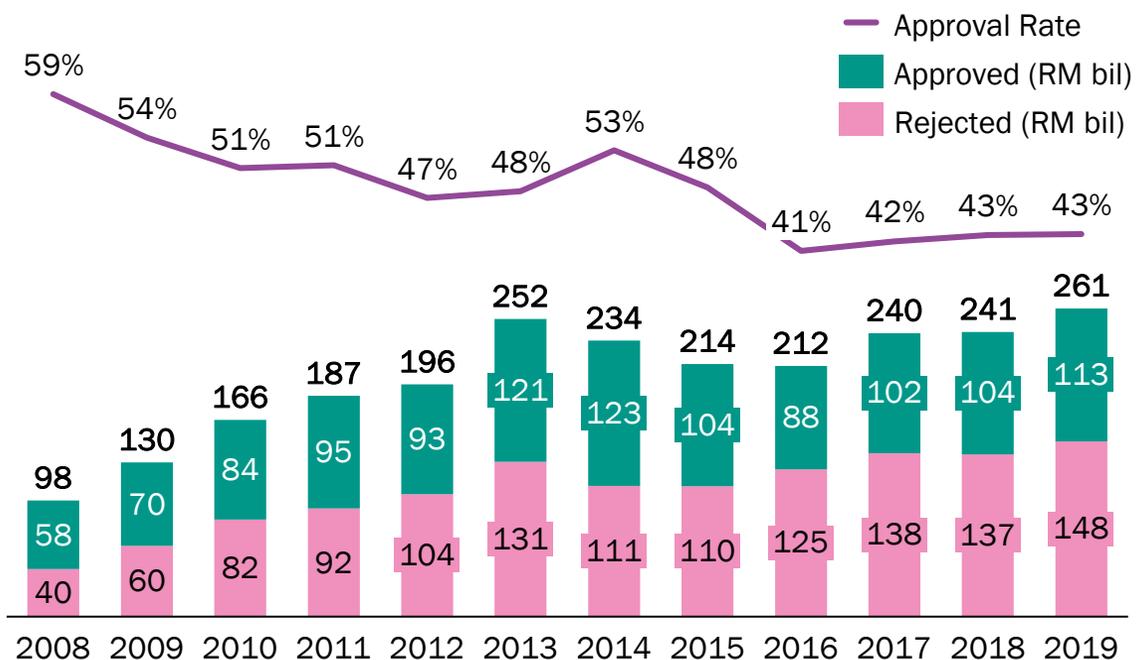


Source: National Property Information Centre (NAPIC), UEM Sunrise analysis

...with banks expected to remain cautious in lending

Housing Loans Applied and Approved

2019 residential loan amounts applied and approved increased by 8% and 9% respectively, against 2018



Housing loan **approval rates have been flat** for the past few years. It is expected to worsen with financial institutions vigilant in approving new applications bearing in mind the **increase in unemployment**.

Consumers tend to hold back on large ticket purchases amid **concerns of losing jobs and income**. The cautious attitude will only be lifted once clearer signals on market recovery appear.

Unemployment reached 5% as at April 2020

Covid-19 adds to the market uncertainties

Unemployment - 2015-2019 & Jan-April 2020



- Employers now undergoing **restructuring and rationalization** of staff
- Even those currently employed face **uncertainty over their job status and prospects** in the next one to two years
- This **affects consumers' income**, hence, their ability and confidence to purchase big ticket items such as houses
- Due to the uncertainty of future income, **renting** would be deemed less risky

We keep up-to-date with customer trends and preferences

Facing economic uncertainties and Covid-19 effects

Price sensitive

- **Selling price** is a key criteria for property purchase;
- Preference price is between **RM300k to RM700k** with sizes up to **2,500 sq. ft** (landed) or **1,500 sq. ft** (high rise)



Product preference

- Preference towards **larger spaces**, in both landed and high-rise properties
- **Location** and **security** are key



Market recovery

- Customers believe that market would recover between **1 to 3 years**





KIARA BAY

KUALA LUMPUR

SORRENTO

KIARA BAY



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Moving Forward



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We continue to deliver our planned strategy in 2020 & 2021

Pushing the Boundaries

- Technology & Digitisation
 - Strategic Partnership
 - New Ventures
 - Sustainability



Defending Our Topline

- Launch Portfolio
- Sales Funnel – Inventory & New Launches
- Land Acquisition & Divestment
- Brand Enhancement

Weathering the Storm

- Balance Sheet
- Cashflow Management
 - Smart Spending
 - Returns from JV

Transforming the Delivery Engine

- Customer Experience
- Operational Excellence
- Product Development
- High Growth Culture



Key Priorities for 2020 & 2021

1 Address Immediate Needs

- Monetize inventory, tapping on HOC with our marketing efforts
- Launch based on market demand
- Divest non-core assets
- Prudent in cost & cash management (capex and opex)
- Seek opportunities for niche developments

2 Prepare for Market Recovery

- Rebalance our landbank portfolio, via land acquisition in Central and International
- Pursue partnerships for business ventures
- Review and resolve unprofitable business ventures

3 Drive Operational Excellence

Our existing landbank remains important for future development

Central



Remaining Acreage: **66.54 acres**
Potential GDV: **RM14.35 bil**



Remaining Acreage: **50.12 acres**
Potential GDV: **RM3.23 bil**



Remaining Acreage: **199.21 acres**
Potential GDV: **RM3.11 bil**

Southern



Remaining Acreage: **3,314 acres**
Potential GDV: **RM39.69 bil**



Remaining Acreage: **611 acres**
Potential GDV: **RM 12.26 bil**

International



Remaining Acreage: **1.33 acres**
Potential GDV: **AUD250 mil**

¹Including JV lands but excluding planned projects

For the rest of 2020, we are timing our launches carefully with clear view of the market

Southern

Senadi Square 3A & 3B (Jul 2020)

Senadi Hills

ISKANDAR PUTERI

- Total GDV RM 24m
- 20 Units
- Type: Commercial
- RM1.2 mil/unit

Senadi Hills 1A (Jul 2020)



- Total GDV RM81 mil
- 112 units
- Type: Resi-Landed
- RM 723k/unit

Aspira Parkhomes Ph3B (Aug 2020)



- Total GDV RM61 mil
- 80 units
- Type: Resi-Landed
- RM 763k/unit

Senadi Hills 1B (Sept 2020)

Senadi Hills

ISKANDAR PUTERI

- Total GDV RM93 mil
- 120 units
- Type: Resi-Landed
- RM 775k/unit

Senadi Hills RMB-D 4A (Nov 2020)

Senadi Hills

ISKANDAR PUTERI

- Total GDV RM39 mil
- 130 units
- Type: Resi-Landed
- RM 300k/unit

Central

Serene Heights 1G (Sept 2020)

Serene Heights

Life's Simple Pleasures *Bangi*

- Total GDV RM 35m
- 47 Units
- Type: Resi-Landed
- RM745 k/unit

Serene Heights 1E (Sept 2020)

Serene Heights

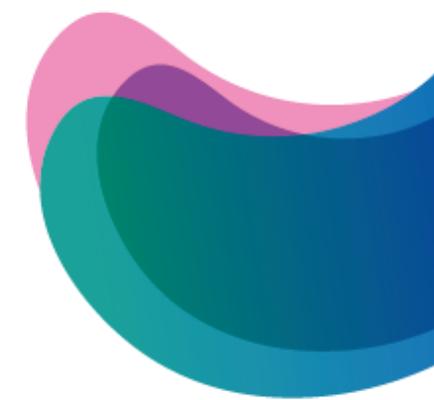
Life's Simple Pleasures *Bangi*

- Total GDV RM 43m
- 72 Units
- Type: Resi-Landed
- RM597 k/unit

Allevia (Nov 2020)



- Total GDV RM 542m
- 294 Units
- Type: Resi-High Rise
- RM1.8 mil/unit



...and will make further acquisitions in market-driven locations



Recent Acquisition

Collingwood, Melbourne

- 5,390 sq.m. / 1.33 acres for mixed development
- Estimated GDV of AUD250 mil
- Part of international expansion strategy
- Land acquired on 19th June 2020



We have been building financial strength to weather this storm



Strong Balance Sheet

Low gross gearing of 0.46x and net gearing of 0.32x, a comfortable position to increase borrowing if required.



Healthy Cashflow Position

Cash balance stood at RM1,057 mil as at end FY2019 to ensure liquidity of the company.



Financing Facilities Available

RM200 mil plus unutilized SUKUK balance of RM1.4bil, to provide adequate funding for the business.

...will remain prudent in cash and cost management

2020 & 2021 is a reset period: Clean Up and Strengthen Foundations



**Maintain
financial
discipline**



**Inventory
clearance and
timed & targeted
launches in
right segments**



**Continuous
progress in
landbank
portfolio
rebalancing**



**Focus on
operational
excellence and
productivity**



**Review and
resolve
unprofitable
business
ventures**



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