

# stronger together

INTEGRATED REPORT 2022



find your  
happy



# ABOUT THIS REPORT

In mitigating the impact brought on by the pandemic, UEM Sunrise Berhad (UEM Sunrise or the Company) has intensified its digital-first approach through seamless and elevated customer experiences. Virtual tours, a revamped and optimised website with live chat and chatbot as well as the hUb Prop mobile application are among the tools and initiatives introduced as adaptable solutions in keeping with customers' needs during the current operating environment.

## COVER RATIONALE



## STRONGER TOGETHER

At UEM Sunrise, we believe in the power of unity and collaboration, which is reflected in the theme of 'Stronger Together' as we take firm and proactive action to future-proof our products and achieve greater efficacy.

We recognise the importance of strengthening our fundamentals and putting in place the relevant building blocks to rebuild stronger and drive competitiveness. By doing so, we are paving the way towards becoming a balanced real estate player that is resilient, agile and sustainable.

As a leading property developer, we remain in tune with the needs of our customers. We strive to deliver excellence and value in all that we do, and we understand that we cannot do this alone. It is only through collaboration with our customers, partners, and stakeholders that we can achieve our goals and aspirations.

Together, we can create a better future for ourselves and the communities we serve by working hand-in-hand, where we can all thrive and prosper. Stronger together, we can overcome any challenges and achieve greatness.

## SCOPE AND BOUNDARIES

This Integrated Report describes our financial and non-financial performances during the period from 1 January 2022 to 31 December 2022. It covers all aspects of UEM Sunrise's businesses in Malaysia, particularly in the Central and Southern regions and internationally, namely Australia and South Africa. Apart from reporting on performance, the report considers challenges to the business, and opportunities and risks that could impact our value creation process.

## MATERIALITY

The principle of materiality is applied in assessing what information is to be included in our Integrated Report. This report focuses particularly on those issues, opportunities and challenges that may materially impact UEM Sunrise and our ability to be a sustainable business that consistently delivers value to our shareholders and stakeholders. These material issues are reviewed each year during the course of the strategic planning process.

## COMBINED ASSURANCE

We employ a combined assurance model to manage various aspects of our business operations, including elements of external reporting. The assurance for this report is provided by management, our internal auditors, and independent external service providers, as well as oversight by our Board of Directors.

## BOARD RESPONSIBILITY STATEMENT

UEM Sunrise acknowledges its responsibility to ensure the integrity of this Integrated Report. We believe that the report addresses all material matters and provides a balanced view of UEM Sunrise's strategy and its ability to create and preserve value in the short, medium, and long-term. We confirm that this report has been prepared in accordance with the <IR> Framework and has been authorised for release on 28 April 2023.

## SUSTAINABILITY

In 2022, UEM Sunrise produced a Sustainability Statement in line with our progress to aligning our reporting practices more closely with Integrated Reporting. Thus, while there are specific sections with disclosures about our economic, environmental and social initiatives, narratives of these elements will also be embedded throughout the Integrated Report. This year, you will find the following sustainability content in these sections.

- Our Approach to Sustainability pages 4 to 5
- Sustainability Statement pages 130 to 173
- Our Material Matters pages 74 to 77
- Sustainability Governance pages 136 to 137 and 209

## FEEDBACK

We value your feedback as we continuously strive to improve our reporting. For feedback and enquiries regarding our reporting suite and information contained within, please contact our Investor Relations team at: [ir@uemsunrise.com](mailto:ir@uemsunrise.com)

## FORWARD-LOOKING STATEMENTS

Throughout the Integrated Report, we use forward-looking statements that relate to the plans, goals, strategies and future operations and performance of our organisation. These statements are not guarantees of future performance, as they involve risks and assumptions in the context of potential scenarios. While we endeavour to progress with our strategies and plans, changes in macroeconomic and operating landscapes may require us to adapt to follow suit.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDG)

As part of UEM Sunrise's strategy, we have prioritised the following SDG to ensure our business is environmentally, socially and economically sustainable:



For more information on our Sustainable Development Goals (SDG), please visit our website [uemsunrise.com/sustainability](https://uemsunrise.com/sustainability)

## NAVIGATION ICONS

### Our Capital

- F** Financial Capital
- M** Manufactured Capital
- H** Human Capital
- S** Social and Relationship Capital
- I** Intellectual Capital
- N** Natural Capital

### Material Matters

- M1** Customer Management
- M2** Economic Presence
- M3** Ethical Business Practices
- M4** Employee Management
- M5** Health and Safety
- M6** Data Privacy and Cybersecurity
- M7** Climate Change
- M8** Local Community
- M9** Waste
- M10** Supply Chain Management
- M11** Human Rights
- M12** Market Presence
- M13** Materials

### Key Risks

- R1** Global Pandemic Risk
- R2** Competition Risk
- R3** People Risk
- R4** Regulatory and Corruption Risk
- R5** Financial Risk
- R6** Operational Risk

### Our Strategic Thrust

- Triage**
- Sustain**
- Stabilise**

### Key Stakeholders Groups

- Customers and Tenants
- Employees
- Investors, Shareholders, Analysts
- Business Partners (MoU, Joint Venture)
- Government Agencies, Authorities
- Banks, Rating Agencies, Sukuk Holders
- Service Providers (Vendors, Suppliers, Contractors, Lawyers)
- Media
- Local Communities



CHIEFs Hafrizam, Ailing, Syaza and Yuki embracing the CHIEFs' core values of Caring, Honest, Involved, Enthusiastic and Fun-loving

# WHAT'S INSIDE



This Integrated Report is available at [uemsunrise.com](http://uemsunrise.com)

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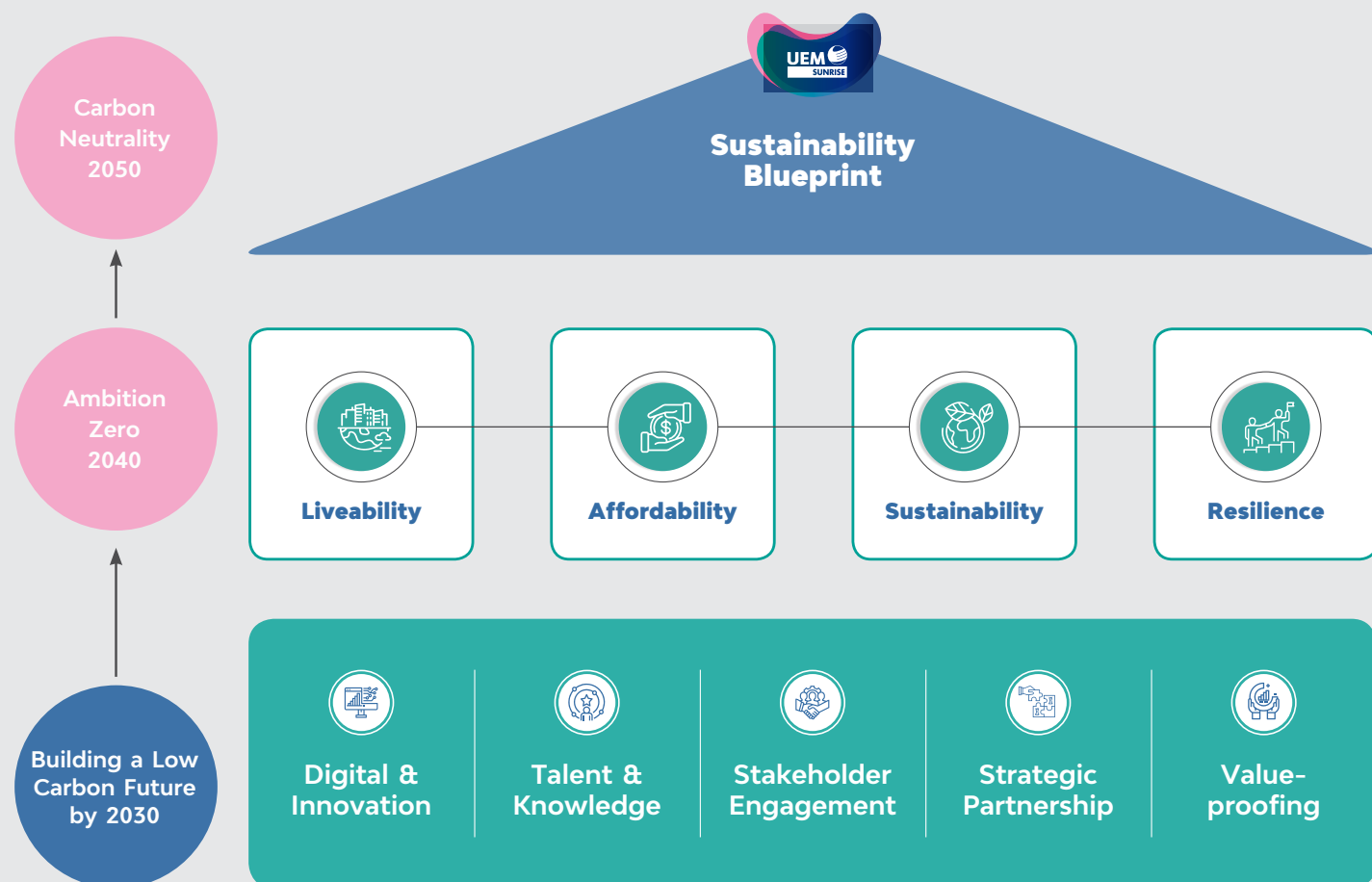
# SUSTAINABILITY @ UEM SUNRISE

UEM Sunrise continues to create value and positive impacts for our business and stakeholders as we embrace sustainability in every step of decision-making. As a responsible developer, we have long recognised the need to balance contributions to the environment, society and economy, which are all crucial in preserving our long-term growth. As such, we are committed to long-term value generation with our developments and continue to design townships that fulfil communities' social, physical and spiritual needs.

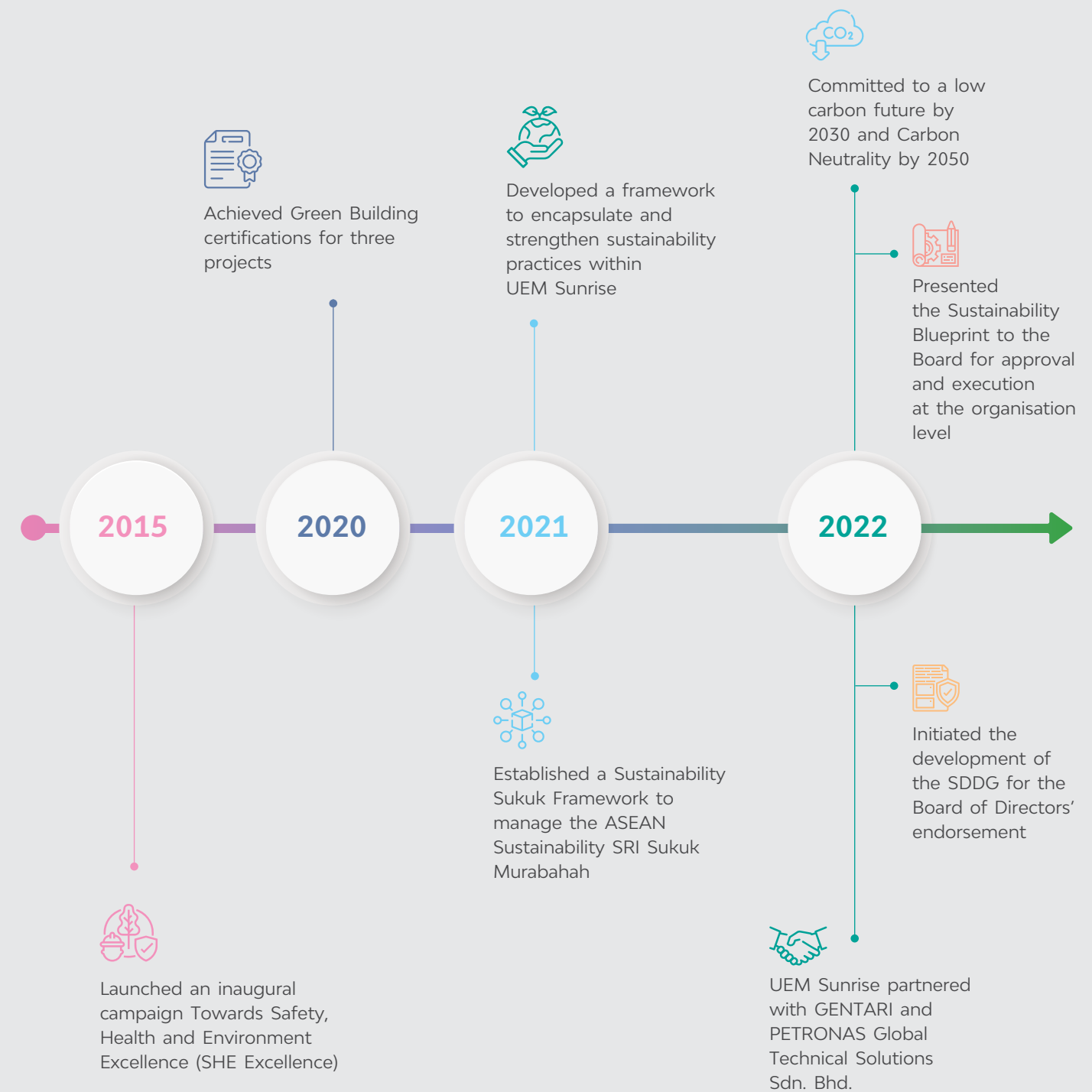
We adopt a holistic approach to our sustainability agenda, as guided by the UEM Sunrise Sustainability Blueprint 1.0 (Sustainability Blueprint). The blueprint is anchored on our four pillars for sustainability: Liveability, Affordability, Sustainability and Resilience.

Among the action plans under the Sustainability Blueprint is to improve the sustainability of our design processes via the development of Sustainable Development Design Guidelines (SDDG). The SDDG will be a reference guide for us to comply with when integrating sustainability elements into our design decision. As we are committed to delivering our aspirations under the Sustainability Blueprint, we place high importance on the development of the SDDG.

The SDDG is currently being devised. We plan to seek the Board's consent upon completion and target to distribute it to relevant stakeholders, i.e. our designers and engineers, for them to entrench into their design processes directly contributing to our sustainability movement.



## UEM SUNRISE SUSTAINABILITY MILESTONES



# OVERVIEW OF UEM SUNRISE



## Who We Are

UEM Sunrise is a public-listed company and one of Malaysia's leading property developers. It is the flagship company for the township and property development 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. It is the master developer of Iskandar Puteri, Johor, envisioned to become one of the largest fully integrated urban development in Southeast Asia. UEM Sunrise is also renowned as the pioneer award-winning developer of Mont'Kiara, an upmarket and affluent neighbourhood in Kuala Lumpur and has continued its success in numerous other areas in the Greater Klang Valley. The Company has since extended its mark internationally with acclaimed development projects in Singapore, Australia, Canada and South Africa.



## Vision

Building communities of the future with you and for you.

## Mission

UEM Sunrise brings together the talented and skilled, the imaginative and the courageous. We create sustainable environments loved by homeowners, acclaimed by investors and recognised by the industry. We believe in thinking big and acting quickly to unlock potential; to thrive in a changing world.

## Values

We are CHIEF Happiness Officers; our values inspire us to create excitement and bring joyful experiences to all.

UEM Sunrise's brand essence comes from the belief that everyone has a right to happiness. Therefore, the Company will continue to create opportunities for others to find their happiness conscientiously, guided by the ethos and tagline "Find Your Happy" and driven by the core values of CHIEF (Caring, Honest, Involved, Enthusiastic, and Fun-loving) to inspire joy and happiness in one space at a time.

### ✓ Caring

We care about others as much as doing good work. We take pride in what we do and have the desire to do the best we can consistently while conscientiously finding ways to improve. We find joy in the work we do, the people we do it with and the environment we create to do it in. We care for people, the places we create, and our planet.

### ✓ Honest

This interest we have in inspiring others in their quest for happiness must come from a place of honesty. Through honesty with an intent to build, we create trust. This becomes the foundation from which our business is built on and prospers. We are here to inspire and help others find their happy through the environment we create, the products we offer, the services we provide and the initiatives we do – one space at a time.

### ✓ Involved

We are actively involved in supporting our customers and stakeholders on their Find your Happy journey regardless of whether it is a masterplan we are developing, a residential tower we are building, a commercial centre we are constructing, a space we are creating or a child whose education we are helping. When we are actively involved and genuinely interested, we will always find ways to help inspire hopefulness in our customers', stakeholders' and colleagues' Find your Happy journey.

### ✓ Enthusiastic

We remain optimistic and enthusiastic on the outcome and effect our efforts are contributing to the lives of all the people we touch in their Find Your Happy journey. With this enthusiasm, positivity and belief comes a confidence borne out of a principled approach.

### ✓ Fun-loving

As all our ideas, creativity and decisions are made to positively impact others, we find this journey both fulfilling and enjoyable. We seek and generate ways to find the fun, excitement and happiness in everything we do, as much as we can.

# OUR PROPERTY PORTFOLIO

● Central ▲ Southern ■ International



## MASTER DEVELOPER

- ▲ Puteri Harbour ● Kiara Bay
- ▲ Iskandar Puteri
- ▲ Gerbang Nusajaya

## TOWNSHIP DEVELOPMENT

- ▲ Nusa Idaman ▲ Serimbun
- ▲ Nusa Bayu ▲ Estuari Gardens
- ▲ Senadi Hills ▲ Horizon Hills (JV)
- ▲ Aspira LakeHomes ▲ The Maris (JV)
- ▲ Aspira Gardens ● Serene Heights
- ▲ Aspira ParkHomes ● Forest Heights (JV)
- ▲ East Ledang

## NICHE & HIGH RISE DEVELOPMENT

- ▲ Almas ● Residensi Allevia
- ▲ Teega ● Residensi 22
- ▲ Imperia ● Arcoris
- ▲ Emerald Bay (JV) ● Residensi Solaris Parq
- Symphony Hills ● Radia Bukit Jelutong (JV)
- Residensi Astrea ■ Conservatory
- Residensi Sefina ■ Aurora Melbourne Central
- KAIA Heights

## PROPERTY INVESTMENT & ASSET/FACILITIES MANAGEMENT

- ▲ Puteri Harbour International Ferry Terminal
- ▲ Anjung
- ▲ Mall of Medini (JV)
- Publika Shopping Gallery
- Hyatt House Kuala Lumpur Mont'Kiara
- Carpark Management
- Club Houses

## AFFORDABLE RESIDENCES

- ▲ Bayu Nusantara
- ▲ Denai Nusantara
- ▲ Taman Nusantara
- Kiara Kasih

## INDUSTRIAL & COMMERCIAL

- ▲ Nusajaya Industrial Park
- ▲ Southern Industrial and Logistics Clusters (SiLC)
- ▲ 68° Avenue
- ▲ Senadi Square
- ▲ Aspira Square
- ▲ Nusajaya Tech Park (JV)
- Serene Square

# 2022 PERFORMANCE SNAPSHOT

## FINANCIAL HIGHLIGHTS

### Revenue

**RM1.5 Billion**

FY2022 ————— FY2021 RM1.2 Billion

### Sales Achieved

**RM923.7 Million**

FY2022 ————— FY2021 RM1,458.5 Million

### Total Assets

**RM13.1 Billion**

FY2022 ————— FY2021 RM13.0 Billion

### Net Gearing Ratio

**0.48 Times**

FY2022 ————— FY2021 0.50 Times

### Gross Profit

**RM431.2 Million**

FY2022 ————— FY2021 RM221.0 Million

## BUSINESS HIGHLIGHTS



Landbank to be developed

**8,532.5  
ACRES**

Ongoing Projects

**24 PROJECTS**

Inventories as at 31 December 2022

**RM203.0  
MILLION**

Launched GDV

**RM517.0  
MILLION**



## SUSTAINABILITY HIGHLIGHTS



### FTSE4Good

Maintained FTSE4Good, boost its ESG score to 3.5 in December 2022

UEM Sunrise has been a constituent of the FTSE4Good Bursa Malaysia Index **SINCE 2014**

MoU with Petronas' wholly owned subsidiaries, PETRONAS Global Technical Solutions Sdn. Bhd. and Gentari Sdn. Bhd., respectively towards a shared sustainability agenda, to build a low carbon future

### BY 2030

Completion of the first **BUILDING INFORMATION MODELING** (BIM) project namely Residensi Solaris Parq resulted in a variation order of less than 1%. From 2022, BIM is adopted in all UEM Sunrise's developments.

Implementation of the **DESIGN FOR MANUFACTURING AND ASSEMBLY** (DFMA) concept through design for all UEM Sunrise's projects were initiated in 2022 and resulted in the signing of a MoU with Gamuda IBS Sdn. Bhd. and Aurum Precast Sdn. Bhd. to explore on Modern Methods of Construction.

## GREEN BUILDINGS

Residensi Allevia  
GreenRE Gold

Residensi Solaris Parq  
GreenRE Bronze

KAIA Heights  
GreenRE Silver

Verdi Eco-dominiums  
GreenRE Silver

Establishment of the Sustainability Sukuk Framework; guidelines for the ASEAN Sustainability SRI Sukuk Murabahah under UEM Sunrise's programme of

### RM4.0 BILLION

Framework aligns with ASEAN **GREEN BOND** Standards, ASEAN Social Bond Standards and ASEAN Sustainability Bond Standards

### External Recognitions & Accolades:



Bronze Award for 2022 Australasian Reporting Awards



MSWG ASEAN Corporate Governance Award 2021 Property



Inaugural The Edge ESG Awards 2022 Silver under Property & REIT



Outstanding Signature Business Award SHIPBA 2022



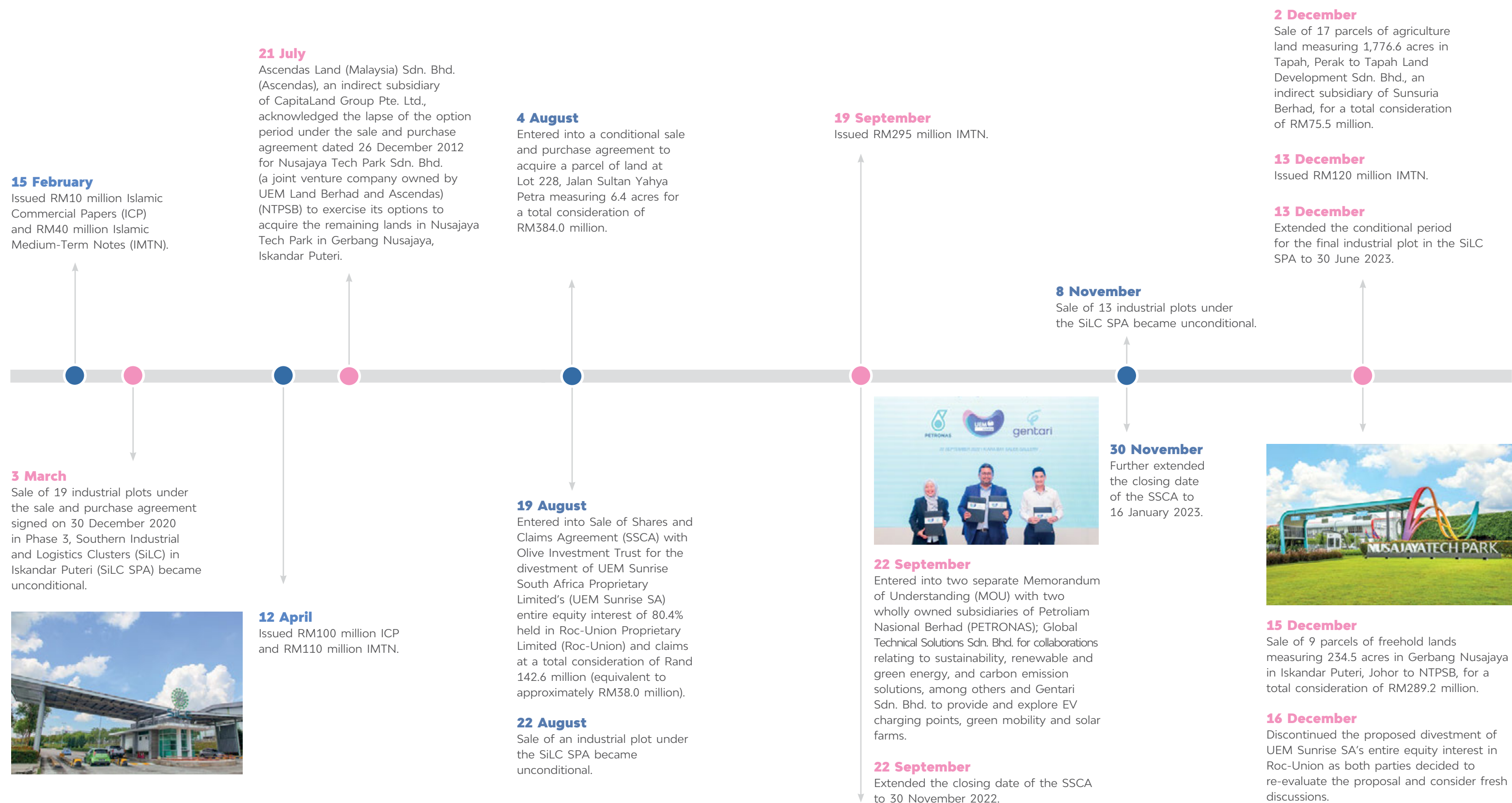
Gold assessment on the Sustainability Sukuk Framework in 2021 by MARC



"Highly Commended" Award Large Organisation category Sustainable Business Awards (Malaysia 2020/21)



# 2022 SIGNIFICANT EVENTS



# AWARDS & RECOGNITIONS

**Expert's Choice Awards  
– Chinese New Year TVC, Edition 2022**  
Top 10 Winner

**Australasian Reporting Awards (ARA) 2022**  
Bronze Award

**Pertubuhan Akitek Malaysia (PAM) Awards  
2022**  
Silver Winner – Multiple Residential Low-Rise  
*Eugenia 1, Serene Heights, Semenyih*

**StarProperty Awards 2022: Real Estate  
Developer**  
The Reader's Choice Award:  
Most Preferred Architectural Building  
*Arcoris Mont'Kiara*

Excellence Winner: The Family-Friendly Award  
*Allevia Mont'Kiara*

Excellence Winner: The Pinnacle Award  
*Allevia Mont'Kiara*

Honours Winner: The Earth Conscious Award  
*Aspira Gardens*

**Malaysia Developer Awards**  
Top-Of-The-Charts Award: Top 10 Ranking for  
Market Cap RM1 Billion & Above

**The Edge Property Excellence Awards**  
Ranked 9 - Top Property Developers  
Award 2022

**The Edge ESG Awards 2022**  
Silver Award – The Property & REIT  
Category

**Minority Shareholders Watch Group  
(MSWG) ASEAN Corporate Governance  
Award 2021 for the Property sector  
category (received in 2022)**

**PropertyGuru Asia Awards**  
Best Value Landed Development  
*Arden Hill by Sunrise MCL Land Sdn. Bhd.*

People's Choice Awards  
*Sunrise MCL Land Sdn. Bhd.*

Best Connectivity Landed Development  
*Senadi Hills*

**PUTRA Brand Awards 2022**  
Gold Winner: Property Development  
Category

**CIDB SHEQ Excellence Awards 2022**  
*Senadi Hills, Phase 1B*  
*Aspira Garden, Gerbang Nusajaya*  
*Aspira Square, Gerbang Nusajaya*



# WHAT DIFFERENTIATES US



Landbank of 8,532.5 acres with remaining pipeline GDV of RM105.8 billion – relatively large in comparison to the majority of peers.



A constituent of FTSE4Good Bursa Malaysia Index since its inception in 2014 with an overall score of 3.5 in December 2022 and the highest ESG grading band of 4.



Relatively low entry cost compared to the high entry cost of other developers in the Southern region, particularly in Iskandar Puteri; able to pick and choose which lands to develop.



Gives opportunities for customers to find the right product that meets their individual needs through its Happy+ product series; KASIH Series, RISE Series, NEST Series, CLUB Edition and LUXE Collection.



Receive strong support from its Tresorians and loyal repeat buyers who always support UEM Sunrise whenever new products are launched.



Flagship company for township and property development businesses of UEM Group and Khazanah.



Diverse product portfolio – master developer roles for township developments, high-rise and landed residential development featuring affordable, attainable, mid-market and premium products, commercial, retail and industrial.

# INDICES REPRESENTATION/ CREDIT RATINGS



FTSE4Good



MALAYSIAN RATING CORPORATION BERHAD  
(BERSEKUTUHAN) (AMBER)

## BURSA MALAYSIA

UEM Sunrise is a public listed company on Bursa Malaysia under the Main Market.

## FTSE4GOOD BURSA MALAYSIA INDEX

It is a constituent of the FTSE4Good Bursa Malaysia Index since its inception in 2014. Its score improved to 3.5 for the FTSE Russel December 2022 yearly review from 3.0 in December 2021. It maintained an ESG highest grading band of 4 and received a maximum score of 5.0 for the Governance pillar in the December 2022 review.

## FTSE4GOOD BURSA MALAYSIA SYARIAH INDEX

It is the constituent of the FTSE4Good Bursa Malaysia Syariah Index, which is assessed by the FTSE Russell.

## CREDIT RATING

The Malaysian Rating Corporation (MARC) affirmed its ratings of MARC-1IS /AA-IS on UEM Sunrise's two Islamic Commercial Papers (ICP) and Islamic Medium-Term Notes (IMTN) programmes (ICP/IMTN-1 and ICP/IMTN-2) with a total combined nominal value of RM6.0 billion. MARC also affirmed its AA-IS rating on UEM Sunrise's RM2.0 billion IMTN programme (IMTN-1). The long-term ratings carry a stable outlook.



CHIEFs Hafriz looks after Publika's bazaars, providing opportunities and support to local SMEs and entrepreneurs

# OUR STRATEGIC PARTNERS

It is important for UEM Sunrise to carefully select its partners to ensure that the partnership is mutually beneficial and aligns with the Company's goals. Some factors to consider when selecting partners include their expertise, reputation, compatibility, and potential for synergy.

Collaborating with partners can provide a range of benefits. This includes access to new markets, expertise and knowledge sharing, innovation, and cost savings through shared resources and joint initiatives. By leveraging the strengths of its partners, the Company can achieve its goals more efficiently and effectively.








One of the main aspirations when collaborating with partners is to drive growth by expanding market share and increasing revenue streams. This can be achieved through the co-development of new products or services.

Another important goal is to enhance brand recognition by collaborating with well-known brands or industry leaders. This can help increase its credibility and reputation, as well as attract new customers and opportunities.

Finally, UEM Sunrise aims to increase efficiency by reducing costs and improving profitability. This can be achieved through sharing resources, streamlining processes, or implementing joint cost-saving initiatives.

Overall, successful partnerships can be critical to the Company's success, and careful consideration should be given to selecting the right partners and defining clear goals and expectations for the partnership.

## 1 Active Joint Ventures and Associates

 Horizon Hills Development Sdn. Bhd.	 Nusajaya Tech Park Sdn. Bhd.	 Sunrise MCL Land Sdn. Bhd.	 Desaru North Course Residences Sdn. Bhd.	 Setia Haruman Sdn. Bhd.
 Cahaya Jauhar Sdn. Bhd.	 Nusajaya Premier Sdn. Bhd.	 Sime Darby Property Sunrise Development Sdn. Bhd.	 Haute Property Sdn. Bhd.	

## 2 Financiers

Partners with Maybank Islamic's Houzkey



Partners with Affin Bank's Home Step Fast/I



## 3 Vendors Partnership Programme

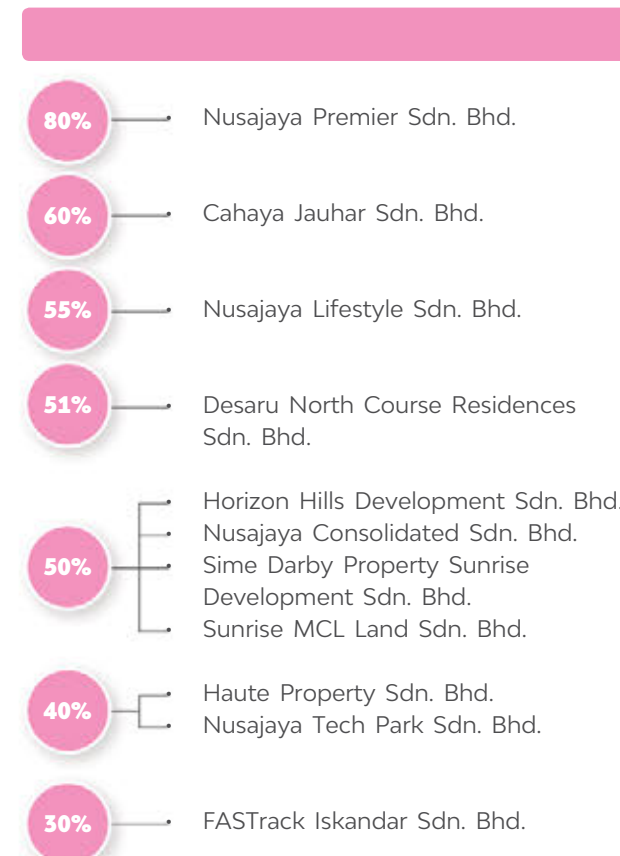
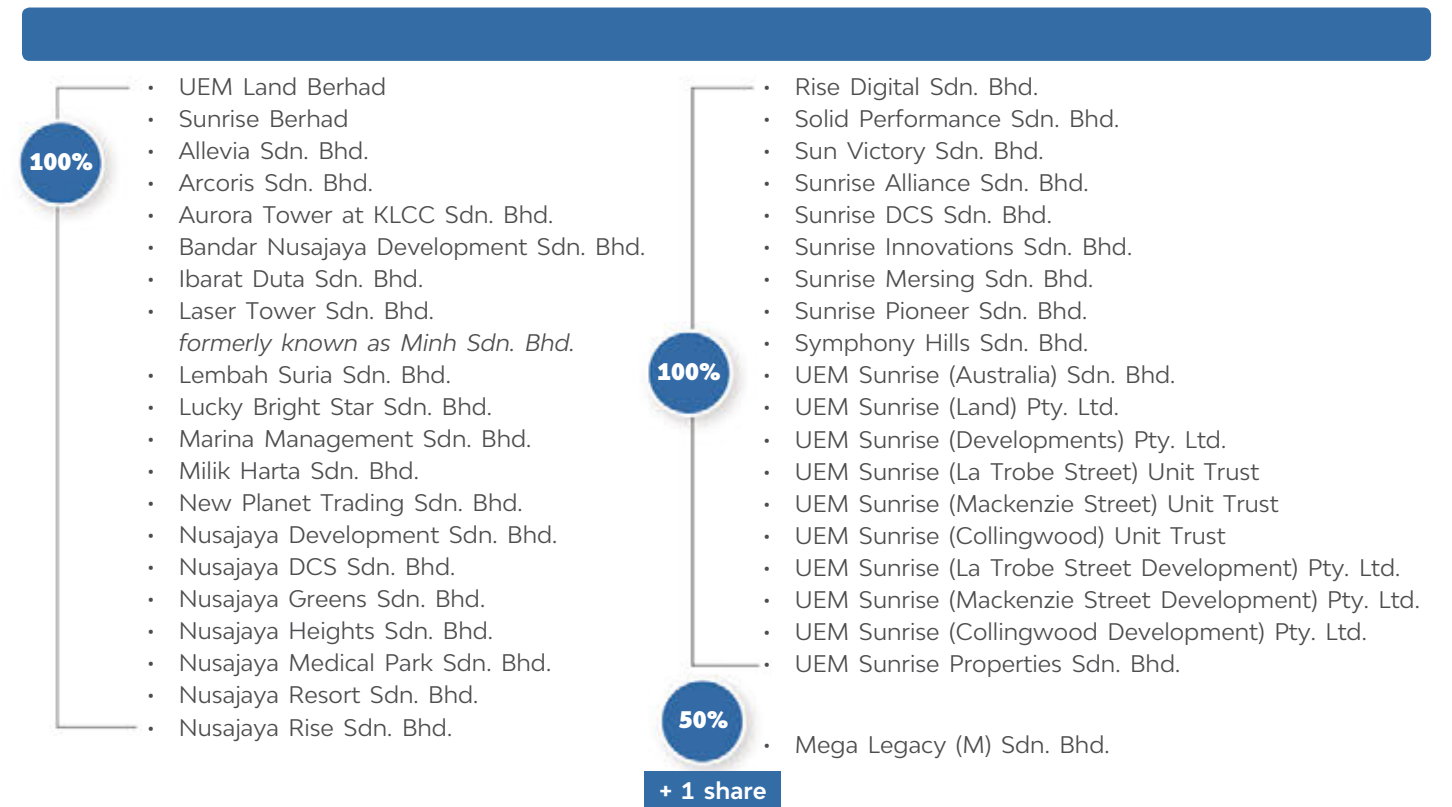
 LET'S REIMAGINE	
 The Architect Of Style	
 A member of UEM	
	
	

## 4 Sustainability Related Partners

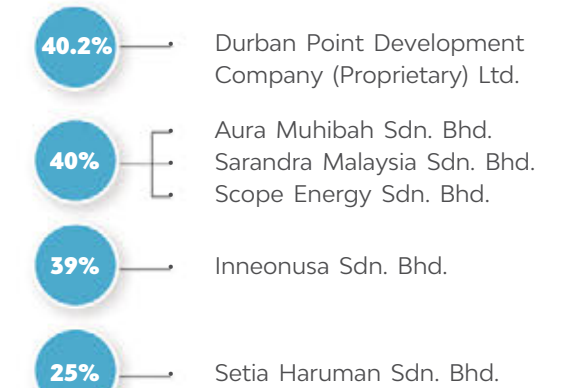



# GROUP CORPORATE STRUCTURE

AS AT 20 MARCH 2023



## Associate Companies



### Note

The complete list of subsidiaries, associates and joint ventures and their respective principal activities, country of incorporation and the Group's effective interest are shown in notes 42 to 44 of the Audited Financial Statements on pages 365 to 373 of this Integrated Report 2022.

# WHAT WE DO

## CORE BUSINESS SEGMENTS & HIGHLIGHTS



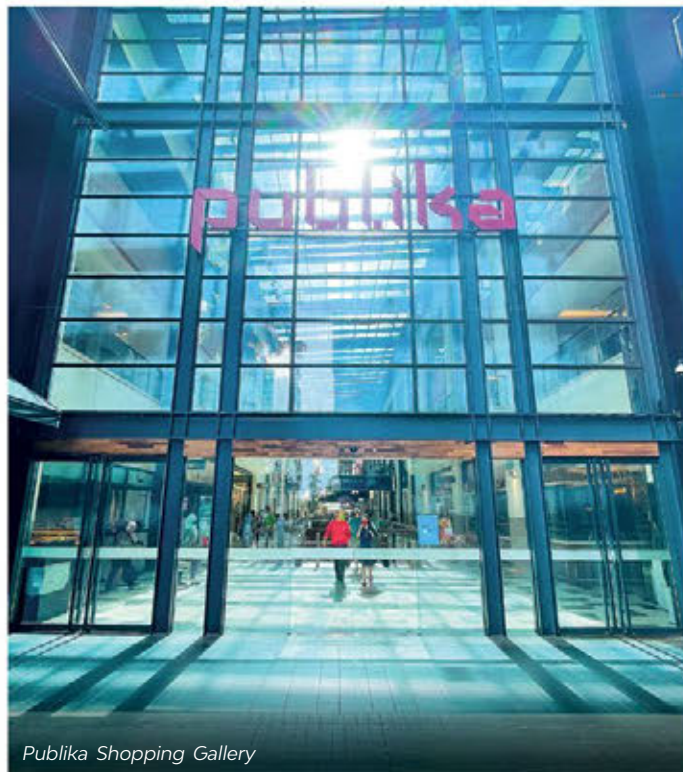
The MINH, Mont'Kiara



Verna Lake Villas, Serene Heights

UEM Sunrise is a prominent real estate developer with core competencies in macro township development, high-rise residential, commercial, retail, industrial and integrated developments. The Company's mission is to inspire happiness and joy through its developments, guided by its CHIEF values (Caring, Honest, Involved, Enthusiastic, Fun-loving).

UEM Sunrise has a strong presence in Malaysia, with award-winning high-rise residential and commercial developments in the Central and Southern regions of Peninsular Malaysia. The Company is best known for its upscale township of Mont'Kiara, which features luxury high-rise residential and commercial developments. In addition, UEM Sunrise has developed retail concepts such as the Publika Shopping Gallery in the nearby neighborhood of Dutamas.



Publika Shopping Gallery

The Company's presence extends beyond Mont'Kiara, with developments in Greater Kuala Lumpur, including Kiara Bay in Kepong, KAIA Heights in Seri Kembangan and Serene Heights in Semenyih. It is also the developer for Symphony Hills in Cyberjaya and Forest Heights in Seremban, in collaboration with MCL Land Ltd.

UEM Sunrise is the master developer of Iskandar Puteri, a fully integrated urban development in Southeast Asia that is envisioned to become one of the largest of such development in the region. The development includes residential, commercial, industrial, leisure and integrated development.

UEM Sunrise has a global presence with acclaimed properties in Australia and South Africa that are set to become skyline landmarks and benchmark developments in their respective cities.

UEM Sunrise currently has 8,532.5 acres of development land with a total Gross Development Value (GDV) pipeline of RM105.8 billion.

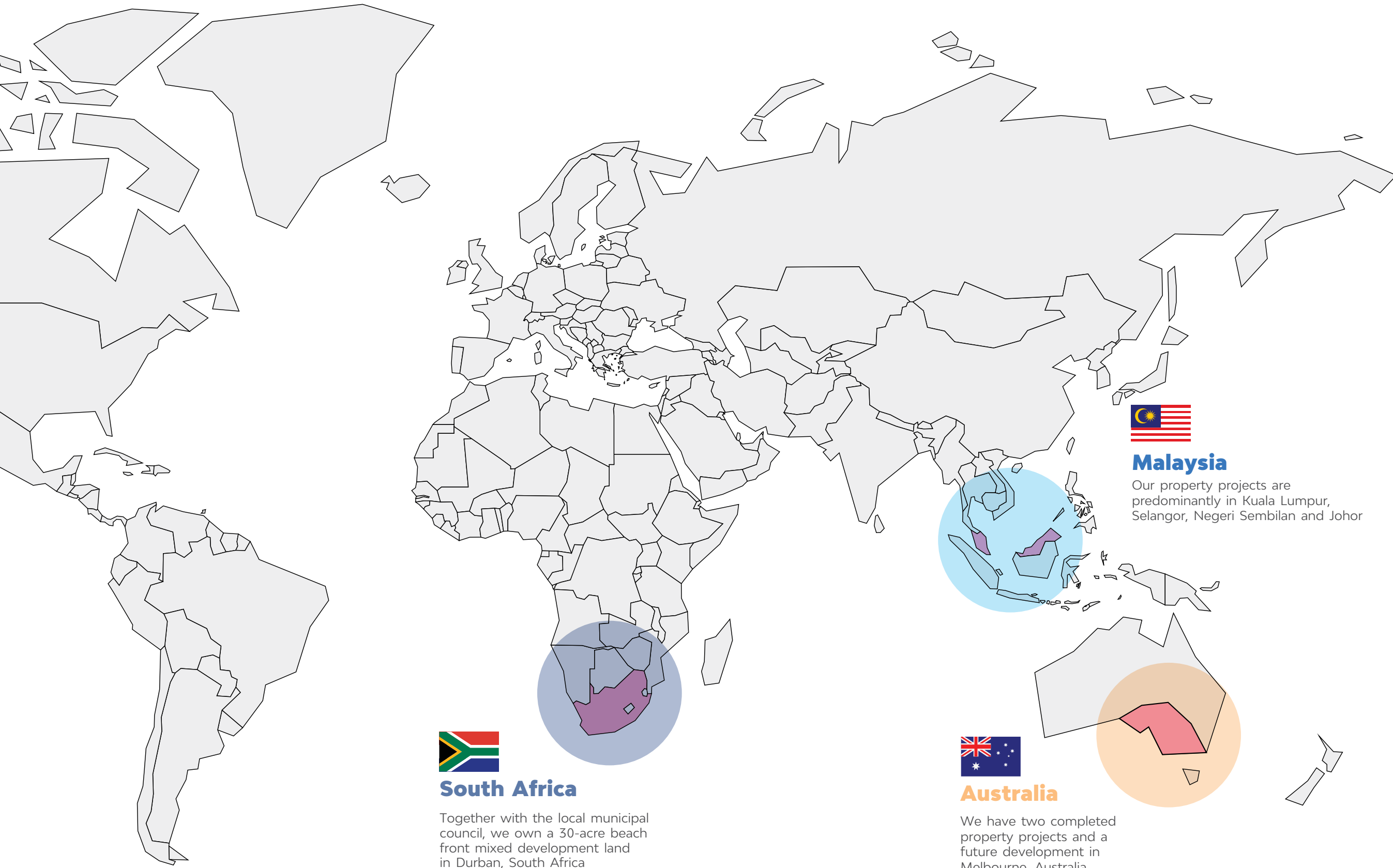
Total GDV Pipeline of  
**RM105.8 billion**

Development Landbank  
**8,532.5 acres**

Master Developer of  
**Iskandar Puteri & Kiara Bay**

Mont'Kiara  
**Upscale township featuring luxury residential and commercial developments**

# OUR PRESENCE



## South Africa

Together with the local municipal council, we own a 30-acre beach front mixed development land in Durban, South Africa



## Malaysia

Our property projects are predominantly in Kuala Lumpur, Selangor, Negeri Sembilan and Johor



## Australia

We have two completed property projects and a future development in Melbourne, Australia

### CENTRAL REGION

- Serene Heights
- Symphony Hills
- KAIA Heights
- Solaris Parq
- Residensi Astrea
- Kondominium Kiara Kasih
- Residensi Allevia
- Kiara Bay
- Radia Bukit Jelutong (JV)
- Forest Heights (JV)

### SOUTHERN REGION

- East Ledang
- Nusa Idaman
- Nusa Bayu
- Imperia
- Teega
- Almas
- Estuari
- Denai Nusantara
- Serimbun
- 68° Avenue
- Aspira LakeHomes
- Aspira ParkHomes
- Aspira Square
- Aspira Gardens
- Senadi Hills
- Mall of Medini (JV)
- Horizon Hills (JV)
- Emerald Bay (JV)
- The Maris (JV)

### INTERNATIONAL REGION

- Aurora Melbourne Central, Melbourne
- Conservatory Melbourne
- Collingwood, Melbourne
- Durban South Africa

# CHAIRMAN'S STATEMENT

**DATO' NOORAZMAN  
ABD AZIZ**  
Chairman



I am pleased to report on UEM Sunrise's recovery in 2022, following two challenging years in the wake of the pandemic. The Group has regained its momentum and returned to profitability, demonstrating our resilience and unwavering determination to rise above the uncertainty of the market environment and support the nation in rebuilding the economy.

Our strong performance is a direct result of the successful implementation of the first phase of the Company's three-phase strategic turnaround plan, consisting of **Triage** (2022-2023), **Stabilise** (2024-2025) and **Sustain** (2026 and beyond). **Triage** involves taking strategic steps to strengthen our foundations, focusing on improvements in key areas needing immediate attention. This made us more agile and better equipped to respond to the ever-changing market demands, enabling us to emerge stronger than before.

The Group's steadfast commitment to excellence has helped us navigate the current challenges with confidence. We are on track to achieve our goals and plan to execute the next two phases of our turnaround plan: **Stabilise**, which seeks to transform our people, processes, and portfolio, and **Sustain**, which aims to diversify our income stream for sustained value. At the same time, we will continue to leverage the momentum built during **Triage** to position UEM Sunrise for long-term, sustainable growth.

## REVIEW OF THE YEAR

The property market in 2022 was active and generally positive following the re-opening of the economy at the end of 2021 and international borders in April 2022. More than 389,000 transactions worth RM179.1 billion

were recorded in 2022, an increase of 29.5% in volume and 23.6% in value, respectively, compared to 2021. This was supported by a healthy gross domestic product (GDP) growth of 8.7% in 2022 compared to 3.1% in the same period in 2021. Despite the Home Ownership Campaign not being extended into 2022 and a 100-basis point increase in the Overnight Policy Rate (OPR) by Bank Negara Malaysia, the property market activity remained vibrant. The residential sector steered the performance of the overall property market. This could be attributed to the release of pent-up demand over the pandemic period and attractive deals available in the market.

However, the year also presented its fair share of challenges. Disruptions in the global logistics and supply chain and shortages of raw materials, resulted in higher material costs and labour shortages, particularly in the construction sector. This impacted progress and led to delays. The rise in inflation rates have diminished individuals' purchasing power.

Despite these challenges, UEM Sunrise remained resilient and evolved to meet the changing market demands. We use adversity as an opportunity to learn and evolve. For example, in response to the impact of COVID-19 on global wellness and the economy, UEM Sunrise introduced features in our products that support individual well-being. This includes the disinfection and sanitisation of zones at the entrance of each unit and the introduction of dedicated parcel and food collection areas that eliminate physical contact during delivery. As the work-from-home (WFH) trend continues, we have also provided co-working spaces in most of our stratified developments, ensuring that residents have access to a conducive working environment within close proximity to their homes.

Our strong performance is a direct result of the successful implementation of the first phase of the Company's three-phase strategic turnaround plan, consisting of **Triage** (2022-2023), **Stabilise** (2024-2025) and **Sustain** (2026 and beyond).

## CHAIRMAN'S STATEMENT



UEM Sunrise's Integrity Day

### STRONG GOVERNANCE

As part of our **Triage** focus on strengthening fundamentals, we have reinforced the importance of good corporate governance. Our Board of Directors has taken decisive steps to ensure the integrity of our decision-making process and promote responsible practices that align with the interests of our stakeholders.

The challenges of the pandemic have made it clear that robust governance practices are more critical than ever. By implementing these practices, we are not only better positioned to navigate difficult times and manage risks, we are also creating long-term value for our stakeholders.

We remain committed to achieving high standards of governance as we continue to demonstrate our ethics and integrity in upholding the trust in UEM Sunrise for the benefit of the Group's investors and stakeholders. We deliberate our risk management review on a quarterly basis, especially on issues relating to land matters and development plans. We also reviewed the Board Charter in March 2022, after taking into account the findings from the previous year's Board and Directors Effectiveness Evaluation and further aligned the charter with the Malaysian Code on Corporate Governance

(MCCG) and the Listing Requirements in relation to Directors' appointment effective 1 July 2022 requiring the Company to establish a Fit & Proper Policy. The policy was disclosed on the Company's website in March 2022. We place high importance on cybersecurity, having adopted digitalisation throughout the organisation. The matter is updated on a quarterly basis to our Board Governance & Risk Committee (BGRC). We have also made enhancements on our processes and structures in terms of our authority limits to ensure effective operation in line with organisational changes and business needs. Together, the Board and Management are dedicated to pursuing good corporate governance and strengthening our governance processes.

As the Chairman of UEM Sunrise, I was proud to lead the pledge alongside the Chairman of the BGRC and our Chief Executive Officer, Sufian Abdullah. The Deputy Director of Operations, Malaysian Anti-Corruption Commission (MACC) Kuala Lumpur, also witnessed the ceremony. This marks our 3<sup>rd</sup> pledge since we initiated this in 2019, and we remain fully committed to maintaining a zero-tolerance policy against all forms of corruption.

### INTEGRATING SUSTAINABILITY INTO OUR CORE

At UEM Sunrise, we recognise our responsibility as a leading property developer to embed sustainability in all our business practices. As society faces the sustainability challenges of our time, including climate change, biodiversity, rising inequalities, and corruption, we are committed to establishing strong governance to oversee our responsibility towards sustainability. We have tasked the BGRC to ensure that the sustainability plan is in alignment with our business strategy, especially since Environmental, Social and Governance (ESG) matters have become the central focus for stakeholders.

We have established robust processes and systems that focus on embedding sustainability initiatives and targets throughout our operations. Our Sustainability Blueprint aligns with Liveability, Affordability, Sustainability and Resilience. The framework guides our journey towards creating a low-carbon future by 2030, in line with the Malaysian Government's aspiration to achieve Carbon Neutrality by 2050. Among the guiding principles of the blueprint is to mitigate sustainability risks such as climate

change as well as financial and health crises across our business conduct, product design, project development, talent management, and engagements with the community and broader society.

In order for the Board to have a continuous understanding on sustainability, we took part in a workshop called "From Net Zero to Net Positive 2060 and Key Drivers for Climate Change Related Financial Disclosures" in November 2022.

We applaud Bursa Malaysia's latest efforts to enhance sustainability reporting requirements as it introduced the enhanced Sustainability Reporting Framework (SRF) in September 2022. We have taken the liberty to initiate a few of the compliance requirements and explore our position with regard to the Taskforce on Climate-Related Financial Disclosures (TCFD). We have also conducted an in-depth materiality assessment to capture stakeholders' concerns, which helps shape our sustainability decisions and enables the effective delivery of our Sustainability Blueprint.



Working alongside SIREH Park is among our primary efforts to promote green initiatives and biodiversity conservation in the area



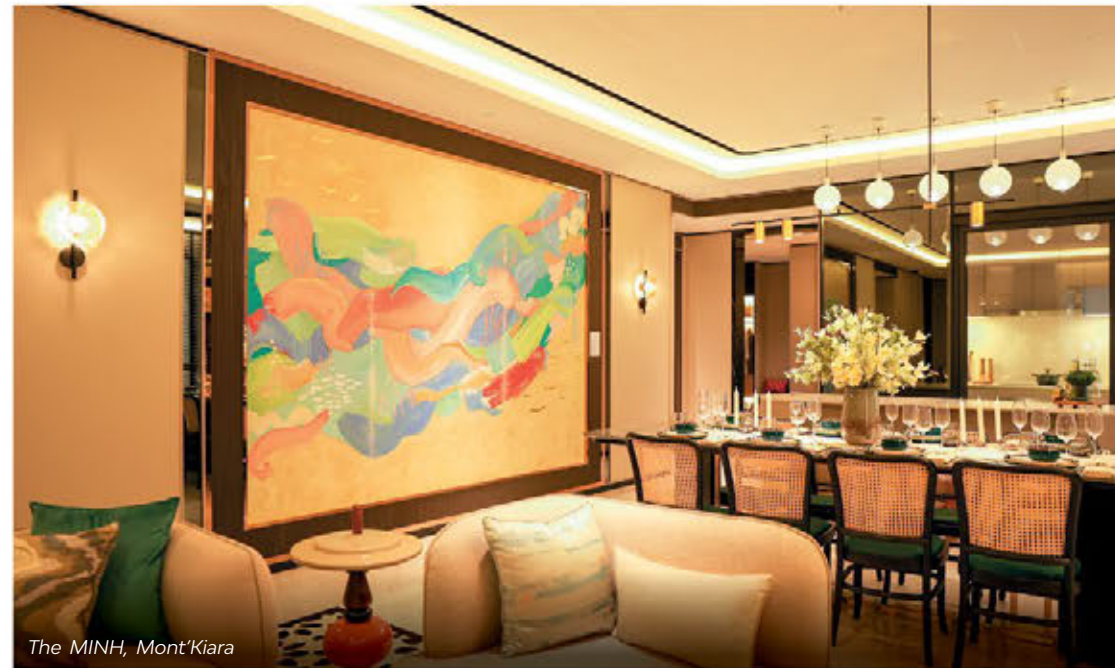
## CHAIRMAN'S STATEMENT

We are also strong advocates for social inclusion in driving best practices. To raise awareness of biodiversity to our communities and customers, we initiated a community engagement that showcased works by local artists, named "K'Artistiwa". This initiative served the dual purpose of spreading awareness on environmental and animal conservation, as well as preserving cultural heritage. In line with our commitment to conservation, we hosted the "Send Happy Tiger Home Safely" event on International Tiger Day and managed to raise funds for the Malaysian Conservation Alliance for Tigers.

We strive to provide safe working conditions for our employees, as demonstrated in UEM Sunrise's Wellness Programme 2022. This programme enables our employees to monitor their health via digital health coaching whilst receiving support from a multidisciplinary team of professional coaches and counsellors. We also promoted mental health wellness with our Mental Wellness Campaign, as we understand that our employees' mental well-being is as important as their physical.

University of Nottingham Malaysia and UEM Sunrise have partnered to offer micro-credentials that promote operational excellence that emphasise sustainability within their modules. This collaboration aims to provide valuable insights and constructive feedback from industry experts, enabling the creation of effective and relevant learning programmes that address the evolving needs of the workforce. By integrating sustainability into these micro-credentials, students will develop a deeper understanding of the importance of sustainable practices in modern business operations, leading to a more environmentally conscious and socially responsible workforce.

We are proud to report that our sustainability efforts have yielded positive results. Our overall FTSE4Good score improved to 3.5 in December 2022 from 3.0 in December 2021. The governance pillar achieved a maximum score of 5.0. We also maintained the ESG highest Grading Band of 4 in the FTSE Russell ESG Grading Band. These achievements allowed us to remain in the FTSE4Good Bursa Malaysia Index as well as the FTSE4Good Bursa Malaysia Shariah Index. We have been a constituent of the former since its inception in 2014. We were also conferred with the Minority Shareholders Watch Group (MSWG) ASEAN Corporate Governance Award 2021 for the Property sector category (received in 2022) and The Edge Malaysia ESG Awards for the Property & Real Estate



The MINH, Mont'Kiara

Investment Trusts (REIT) category in 2022 (Silver). These accomplishments reflect our commitment to sustainable business practices and our ability to deliver durable and sustainable value while maintaining the confidence of our stakeholders.

### REWARDING SHAREHOLDERS

I am delighted to announce that we will be paying dividends to our shareholders this year for their unwavering support towards UEM Sunrise. This payout is a mark of gratitude towards our shareholders, who have been our steadfast companions on this journey of growth and success. Their unwavering support has been invaluable, and we are immensely thankful for their continued trust and confidence in our Company.

We have declared a single-tier tax exempt dividend of 0.5 sen per share for the financial year that ended on 31 December 2022. This decision aligns with our Company's dividend policy, and the proposed dividend will be paid in May 2023.

This payout is also a reflection of the successful execution of our strategic initiatives. We have worked

Our overall FTSE4Good score improved to 3.5 in December 2022 from 3.0 in December 2021.

tirelessly to steer our Company towards growth, and this dividend payout is a tangible result of our efforts.

In acknowledging the crucial role that our shareholders have played in our success, this is our way of saying thank you.

### OUTLOOK

Despite the global challenges of high inflation and interest rates, the Malaysian economy is expected to experience moderate growth of between 4% to 5% in 2023. This is primarily due to the Malaysian Government's renewed focus on economic growth and its target to reduce income inequality through the revised expansionary Budget 2023, which is the largest budget in the nation's history, at RM388.1 billion.

However, we acknowledge that the current market landscape is fraught with uncertainties, including ongoing supply chain disruptions, labour shortages for selected industries and sectors, and tighter monetary policies. Amidst these challenges, we remain optimistic on UEM Sunrise's potential and believe that our transformation strategy will help us achieve our goal of becoming a well-rounded real estate player.

We are confident that our efforts to transform our people, processes, and portfolio will pave the way for a sustainable long term growth for UEM Sunrise. As we continue to navigate the volatile market conditions, we remain committed to executing our strategy and delivering value to our stakeholders.

### ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my sincere gratitude to all our stakeholders, who have been instrumental in UEM Sunrise's success thus far.

To our management team, I would like to acknowledge your unwavering commitment and dedication to driving the Company forward, even during these challenging times.

To our employees, thank you for your hard work and dedication, which have been crucial in our recovery this year. Your efforts are greatly appreciated.

To our customers, we are grateful for your trust and confidence in UEM Sunrise. We remain committed to delivering innovative and sustainable developments that cater to your evolving needs.

Lastly, to our other stakeholders, including our partners, shareholders, and the communities in which we operate in, thank you for your continued support and collaboration.

Moving forward, we will continue to build on our strengths and strive towards our vision of becoming a balanced real estate player. Our commitment to building sustainable communities remains unwavering, and we are confident in our ability to navigate the challenges ahead. Together, we will continue Building Communities for the Future.

**Dato' Noorazman Abd Aziz**  
Chairman

# FROM THE DESK OF OUR CEO

**SUFIAN ABDULLAH**  
Chief Executive Officer



## Dear valued stakeholders,

The imposition of the first phase of the strategic turnaround plan yielded positive results for the UEM Sunrise Group's financial performance in 2022. Key areas needing immediate attention were examined while solutions were diligently crafted; all to ensure that the initiatives identified under the turnaround plan were implemented efficiently to remedy the Group's pandemic-impacted performance in the past two financial years.

We have demonstrated unwavering determination and made tough decisions that have paid off. Despite operating in a challenging environment, the Group's perseverance has led us to return to profitability for the financial year under review.

We have also reaffirmed our commitment to our customers and stakeholders by prioritising liveable, affordable, and sustainable products that cater to the needs of current and future generations. Our three-phased strategic turnaround plan; starting with **Triage** to be followed by **Stabilise** and **Sustain**, respectively, has been a game-changer, and we are proud to report on our strategic progress and performance in building communities of the future.

### OUR MARKET LANDSCAPE

With the post-COVID recovery gaining momentum and supply chain obstruction began to ease, the path towards global economic recovery is inevitable. Unfortunately, the world experienced several events throughout the year that created a ripple effect across the global landscape.

One of the most significant global events during the year under review was the military conflict in Ukraine in February 2022, as well as the imposition of economic sanctions by selected nations on Russia, which disrupted global logistics and supply chains. This complicated the task of assessing the actual economic and financial implications of such developments. Despite the global events, the Malaysian economy performed well in 2022, expanding by 8.7% compared to 2021 at 3.1%. The positive performance was driven by strong domestic demand, underpinned by improvements in the labour market and income conditions, as well as ongoing policy support.

Malaysia was not spared from inflation in 2022, which peaked at 4.5% in the third quarter of the year under review. Inflation rose as economies resumed and consumer demand increased, reaching the highest level of inflation since the 1980s. The rise in prices of goods, especially food items and services, was driven by a combination of robust consumer demand and a shortage of supply. Bank Negara Malaysia put forth a monetary policy response by increasing the OPR to counter the inflation.

Despite the global events, the Malaysian economy performed well in 2022, expanding by 8.7% compared to 2021 of 3.1%. The positive performance was driven by strong domestic demand, underpinned by improvements in the labour market and income conditions, as well as ongoing policy support.

## FROM THE DESK OF OUR CEO

The supply chain disruptions and inflation led to shortages of labour and materials, and in turn, a rise in cost. This impacted project delivery timelines and compressed margins. The increase in interest rates also impacts property loan application volume. Total property purchase loans applied have consistently declined since the OPR hikes began in May 2022.

Since Malaysia lifted its COVID-19 containment measures and transitioned further into the endemic phase in April 2022, the property industry has shown positive signs of improvement. In 2022, overall transaction activity reached a record high in terms of value, indicating a very active market. In contrast to global trends, home sales in Malaysia remained strong, with residential transactions also reaching a record high in terms of total value of RM94.3 billion.

### A TURNAROUND PERFORMANCE

We have successfully turned the tide and posted a profit after tax and non-controlling interests of RM80.5 million for the financial year ended 31 December 2022 (FY2022). After two years of minimal on-ground activities that affected our construction progress, we focused on our project deliveries and managed to complete 1,051 properties for handover to our buyers. The sale of selected industrial plots in phase 3 of the Southern Industrial and Logistics Clusters (SiLC) in Iskandar Puteri executed in December 2020, also became unconditional, contributing to our FY2022 performance.

We also became more cost-conscious and observed our operating expenses vigorously to minimise leakages. The developments we held together with our joint venture partners and associates have also improved in tandem with the recovery of the economy. These efforts, along with others, helped the Group increase revenue and return to profitability in FY2022, demonstrating the effectiveness of the **Triage** initiatives.

We managed to reduce the inventories in our book by 49% and maintain strong cash balances of RM1.03 billion as at 31 December 2022.

The operations of our retail businesses are progressing well, contributing positively towards our FY2022. Anjung in Iskandar Puteri, Arcoris in Mont'Kiara, and Publika Shopping Gallery in Solaris Dutamas all enjoyed better occupancy rates following the transition to endemicity as well as the reopening of the international borders. As of March 2023, the occupancy rates of these assets are 85%, 93% and 86%, respectively. These are significant improvements in comparison to the assets' performance during the pandemic.



## FROM THE DESK OF OUR CEO

### SIGNIFICANT PROGRESS IN OUR STRATEGY

Since the launch of UEM Sunrise's strategic turnaround plan in November 2021, we have made significant headways under the first phase: **Triage**. The initiatives under **Triage** were designed to uplift the Company, restore investors' confidence, and return to profitability, which has borne fruit this year.

Key strategic achievements in 2022 include:

#### Suture Bleed

- Generated 72% of our revenue through property development, driven by higher construction progress. Notable top performers were Residensi Solaris Parq, Serene Heights, Residensi AVA, Residensi Astrea, and Senadi Hills.
- Increased revenue by selling non-strategic lands and plots with existing infrastructure, which accounted for 21% of total revenue. The land sales included pocket lands in the Central and Southern regions (RM88.3 million), agricultural lands in Mersing, Johor (RM45.1 million), and 33 industrial plots in SiLC (RM173.7 million).
- Focused on selling completed properties, resulting in 46% of total property sales in 2022. This led to a reduction in inventory by 49% from RM396.9 million in 2021 to RM203.0 million in 2022.
- Increased retail businesses' rental income by 76% compared to 2021.
- Withdrew operations of White Box and Black Box at the Publika Shopping Gallery to cut costs.
- Recorded a 27% reduction in operational expenditure (OPEX).

#### Expedite Development Programme

- Compressed the launch of Res 7, PH Avenue, The MINH, Serene Heights Phase 2 & 3.
- Brought forward the launch of KAIA Heights Block C, and Aspira Garden Phase 2B & 2C, all from 2023 to 2022.
- Set a 2023 target to launch RM2.5 billion worth of new products.
- Achieved higher construction progress and billings for our developments, specifically Residensi Solaris Parq, Serene Heights, Senadi Hills, Aspira ParkHomes and Residensi AVA.

#### Accelerate Acquisition Plans

- Acquired lands in Section 13 in Petaling Jaya, Taman Connaught, in Cheras and entered into the conditional sale and purchase agreement for the land in Jalan Sultan Yahya Petra in Kuala Lumpur to develop projects worth approximately RM4.2 billion. These acquisitions are aligned with our plan to reinforce our product portfolio and accelerate new launches.
- Scheduled the launching of the land in Section 13, Petaling Jaya for 2025, while the land in Taman Connaught is planned to be launched in the second quarter of 2023. We are however no longer pursuing the acquisition of the land in Jalan Sultan Yahya Petra. The agreements were terminated as the parties were unable to meet the conditions precedent within the conditional period. Nonetheless, we are actively searching for other lands to develop and create continuous pipeline for our business.

#### Operationalise Environmental, Social and Governance (ESG) Principles

- Entrenched the Sustainability Blueprint framework throughout the entire organisation and operations towards building a low carbon future by 2030.
- Collaborated with Petronas Global Technical Solutions Sdn. Bhd. (PGTS) and Gentari Sdn. Bhd. (GENTARI) for collaborations relating to sustainability, renewable and green energy and carbon emission solutions, among others.
- Aligned with Bursa Malaysia's requirements in taking steps to initiate our journey towards the enhanced SRF and TCFD reporting.
- Ensured that we remain a constituent of the FTSE4Good Bursa Malaysia Index.
- Improved our FTSE4Good score from 3.0 in December 2021 to 3.5 in December 2022.

#### Streamlined Product Branding

- Introduced the Happy+ product series to cater to homebuyers with varying lifestyles and life-stage needs, delivering a more streamlined customer experience and implementing innovative product features into its future products moving forward.
- Engaged with different brands for opportunities to collaborate and leverage to enrich customer experience and aid them in their homeownership journey.
- Simplified customer interaction by streamlining channels through One-Stop Centres, Customer Contact Centre (CCC), hUb Prop mobile app, and RIA virtual bot on our website. Live chat with CCC agent team was made available for immediate assistance.
- Created awareness via community enrichment programmes.

# happy+ Find your Home, Find your Happy.

by UEM Sunrise

#### Introducing Our Happy+ Product Series

In our continued efforts to help our customers find the type of properties that cater to their varying lifestyles and life-stage needs, we are proud to introduce our Happy+ product series.

Launched in February 2023, this initiative is driven by a combination of three things:

- our vision of what we want to do,
- our knowledge of the needs of various individuals at their different life cycles, and
- our capability to conceptualise, visualise and build catalytic and transformative products that appeal to the market at large.

Happy+ is anticipated to form an identifiable DNA of all our products and allow our customers to find the right properties that meet their needs. This initiative came from extensive research and years of understanding our customers' behaviour.

Representing five different product series, Happy+ is a range of inspired homes to help our customers 'Find your Happy'.

Our Happy+ product series represents our aspiration to create elements that add value to our customers, allowing us the opportunity to reach out to wider potential market segments. It is also an assurance that when a customer buys our homes, the expectations of his or her purchases are expressed through the series they select.

The series embraces ESG principles as we incorporate sustainability into our product development and delivery. The approach we have taken to design and develop these residences revolves around nurturing families, creating neighbourhoods and communities, formulating a sense of kinship, belonging and happiness for sustainable living.



#### The KASIH Series by UEM Sunrise

Starter homes programme focusing on encouraging community-centric lifestyles in line with the Government's initiative to help Malaysians realise their homeownership dreams.



#### The RISE Series by UEM Sunrise

Attainable homes embodying practical living with an environment that exudes simplicity, recreation and convenience. The homes are designed as flexible and agile spaces able to shape and shift to suit customers' lifestyle.



#### The NEST Series by UEM Sunrise

Multigenerational oriented homes designed with the customers' extended families in mind. These homes offer nurturing and secured environments as well as generous gardens and parks with recreational facilities.



#### The CLUB Edition by UEM Sunrise

Curated residences that are part of a beautifully designed hospitality with an inspired environment offering high-end features emphasising prestigious resort living.



#### The LUXE Collection by UEM Sunrise

Luxurious homes showcasing our ambitions and vision as space creators, designers, and property developers. This unique and exquisite collection of homes emphasises crafted, sophisticated and privileged living; created especially with an appreciation for the finer things in life.

## FROM THE DESK OF OUR CEO

### MEETING THE NEEDS OF OUR BUYERS

We offer a diverse product offering, catering to the needs of various market segments. Our products range from niche premium to attainable and affordable. Our experience as a master developer offers us an insight into the type of properties needed by the spectrum of our buyers. Owning approximately 8,532.5 acres, including lands which are intended for joint venture developments and phases of projects yet to launch to the market, our landbank has a total estimated pipeline GDV of RM105.8 billion. Despite the vast size of our landbank, we are constantly on the lookout for strategic land banking opportunities, particularly in the Central region, with quick turnarounds to meet the growing property needs of Malaysians.

Our focus has always been Iskandar Puteri, in Iskandar Malaysia, Johor, where we assume the role of master developer, and Mont'Kiara and Dutamas in Kuala Lumpur as the leading premium developer for the niche segment in the vicinity. We also have a presence in Cyberjaya where we still own 26.1 acres of developable land, Serene Heights in Semenyih, another 186.1 acres and Kiara Bay in Kepong, where we still have a balance of approximately 66.5 acres of future phases yet to launch to the market. In line with our portfolio rebalancing strategy in recent years, we are geographically diversifying from current habitation, making an entrance into Equine Park in Seri Kembangan with the launch of KAIA Heights and acquired prime land parcels of 9.9 acres in Section 13, Petaling Jaya, which we target to launch in 2025. We did not stop there and went ahead and acquired 6.9 acres of strategically located land in Taman Connaught in Cheras. This will be our first transit-oriented development (TOD), as the land is located next to the Taman Connaught MRT Station. Our target is to launch this development in the second quarter of 2023.

We have enhanced the way we approach master planning and are reassessing the effectiveness of our products. We approach our products with a thinking that is more elevated than product design by exploring how people choose to live, especially during the post-pandemic era.

We are also guided by our Sustainability Blueprint that aims to reduce and minimise the negative impacts of rapid urbanisation on the environment, while fulfilling the needs of stakeholders. To achieve this goal, we have standardised and streamlined processes and are developing the SDDG for all projects and contractors to implement. We are in a position to influence the way developments are conceptualised and delivered, and must now consider Liveability, Affordability, Sustainability and Resilience; the four pillars spelt out in the Sustainability Blueprint.

In order to offer our customers a sustainable lifestyle, we incorporate eco-friendly solutions into our projects. Our commitment to this vision can be seen in several of our developments, such as Imperia in Puteri Harbour and 28 Mont'Kiara in Mont'Kiara, both green building certified developments. Similarly, the Symphony Hills development in Cyberjaya features rainwater harvesting, while Aspira Gardens in Gerbang Nusajaya, Iskandar Puteri, boasts SolarReady Homes, solar street lighting, and rainwater harvesting. We are proud to have achieved Green Building certifications for four of our projects, including Residensi Allevia in Mont'Kiara and KAIA Heights. For all new projects, we intend to have all of our projects certified with green certifications. As of now, less than 10% of our projects are certified.

We also acquired 11.4 acres in Taman Pertama, Cheras, targeted originally for launch in 2021. The plan has to be set aside due to issues relating to the land in the form of a potential compulsory acquisition. As for the recent purchase of the 6.4-acre land in Jalan Sultan Yahya Petra, the agreements lapsed due to unfulfilled conditions precedent upon the expiry of the conditional period. These setbacks do not deter our intention to acquire new lands in the immediate future. We remain on the lookout for lands that provide value to our buyers and shareholders while rebuilding our sales pipeline in the short to medium term.

To ensure we are always improving our delivery and approach with our customers, we utilise a range of tools, including annual customer satisfaction surveys, to gauge our performance and identify areas where we can do better. Thanks to our unwavering commitment to customer excellence, we are proud to report that our Customer Satisfaction Score (CSS) improved from 77% to 79% in 2022. Additionally, our Net Promoter Score saw an increase from +25 to +30.

We have also successfully attained several accolades in 2022, a testimony to our achievements and hard work, cementing our position as one of the nation's leading property developers. To name a few, we collected Gold for the 2022 Putra Brand Awards; the judges were our respective Malaysian customers. We also took home three awards at the 2022 PropertyGuru Asia Property Awards. The awards were for Best Value Landed Development for Arden Hill in Forest Heights, Seremban by Sunrise MCL Land Sdn. Bhd., Best Connectivity Landed Development for Senadi Hills, Iskandar Puteri by Bandar Nusajaya Development Sdn. Bhd. and the People's Choice Awards for Sunrise MCL Land Sdn. Bhd.



Guided by Happy+, our dedicated sales representatives are dedicated to finding the right offering that suits your needs. CHIEF Zuraina here will make sure that your customer experience will be her top priority

## FROM THE DESK OF OUR CEO

### INNOVATIVE, EFFICIENT AND DIGITAL

Our quest towards enhancing customer experience, operational excellence and building sustainable communities hinges significantly on our ability to adapt, innovate and integrate digital technologies into our business.

We have transformed the property purchase customer journey with a hyper-personalised, mobile-first, dynamic, and intuitive user interface. Our customers can now engage with us through our Chatbot RIA on our website 24/7 to browse properties, make enquiries, calculate loan eligibility, find out about promotions, and more. They also have the option to speak with our customer service team via live chat if they require immediate assistance.

We have also adopted a data-driven approach to better understand our customers' wants, needs, behaviours, and interactions with us through various touchpoints. By unifying customer data from multiple platforms, we can better serve our customers with relevant information and content related to their preferences and enhance their overall experience with our brand.

The hUb Prop mobile application (app) serves as a reliable self-service channel for users to obtain information about UEM Sunrise and its products and services, including updates about product launches, latest events, sales campaigns or promotions, virtual tours, and monitoring progress billing. With over 7,000 downloads to date, users can also schedule appointments, submit defects, and explore the perks of our loyalty program called Trésor to enjoy exclusive rewards and privileges. We have collaborated with SofaX to integrate interior design customisation as part of the hUb Prop's features to allow customers to customise their dream homes. The app has also been enhanced to improve users' experience by enabling targeted Push Notification.

We have been conducting careful Pre-Delivery Inspection (PDI) since 2017 as an additional step to reinforce the quality of the unit delivered upon Vacant Possession (VP) issuance. This is to proactively reduce Defects per Unit (DPU) throughout the Defect Liability Period (DLP). The PDI process commences six months before VP or at an 80%-90% completion rate (by block or phase) for high-rise and landed developments. We also apply Building Information Modelling (BIM) to foster a more transparent design process and predict a building's operational performance even before it is built. The ability to deliver projects using BIM is now a procurement pre-requisite, and we aim to achieve BIM LOD500 for all of our projects by 2025.

**As part of our commitment to innovation, we are among the first property developers to leverage on Non-Fungible Tokens (NFTs) powered by blockchain technology to offer customers exclusive rewards and unique collectable NFTs with utilities pre-loaded with special property rewards.**

As part of our commitment to innovation, we are among the first property developers to leverage on Non-Fungible Tokens (NFTs) powered by blockchain technology to offer customers exclusive rewards and unique collectable NFTs with utilities pre-loaded with special property rewards. This demonstrates our reputation as an industry leader, embarking on innovative platforms to reach our customers and continuously engage with them while helping them find their dream homes.

### TAKING CARE OF OUR PEOPLE

At UEM Sunrise, we recognise and believe that our employees are the backbone of our success. We are constantly seeking new ways to support and develop them, and this is reflected in our policies and programmes.

For instance, after the pandemic, we curated a CHIEFs Back@Office programme to support our employees' transition back to the office environment. We also implemented a Hybrid Working Policy that offers better work-life integration to ensure that our employees are supported to perform their best work. Our CHIEF Recognition Programme recognises employees who demonstrate our company values, and our Special Recognition Awards are accorded to employees who go above and beyond in delivering work excellence. We also introduced the CHIEF Wellness Programme where we focused on the mental and physical well-being of our

people in addition to organising a number of inter-division teambuilding events for a fun-loving team bonding experience via the CHIEF Build Our Bond series.

We are committed to fostering collaboration and communication among our teams; the reason for having Townhalls, Senior Management Dialogues, festive employee engagement activities, and Innovation Challenge initiatives. These efforts help to ensure that our employees feel connected and valued.

We also understand the importance of future-proofing our employees, which is why we curated learning content from employee aspirations and market trends from LinkedIn Learning as well as other sources. We partner with departmental CHIEF Champions, who are our culture and learning advocates, to understand learning needs and tailor relevant programmes for our employees. Additionally, we encourage knowledge-sharing among teams and offer programmes on Cybersecurity Learning to help our employees stay ahead.

### CREATING POSITIVE IMPACTS

At UEM Sunrise, we are committed to consistently conforming to and aligning with international and national climate change and sustainability agendas such as the Paris Agreement and UN SDG 2030. As part of our long-term plan, we have set a target of building a low carbon future by 2030 in line with the Malaysian Government's objective to achieve Carbon Neutrality by 2050, as outlined under our Sustainability Blueprint. The blueprint is anchored on four pillars with the support of five key enablers to drive the sustainability efforts: Governance, Stakeholder Engagement, Innovation, Human Capital, and Collaboration.

As a property developer, we understand the impact our products have on the environment and society. To ensure that our products are sustainable, we are incorporating standard sustainable elements and design that will align with the pillars of our Sustainability Blueprint. Moreover, to further strengthen our commitment to sustainability, we are currently exploring and looking to develop the SDDG, which will operationalise ESG throughout our value chain. It is still in the exploratory stage, and we hope to develop a framework on this soon in line with Bursa Malaysia's requirements under the SRF and TCFD reporting.

As mentioned earlier, some of our recent developments are already embedded with sustainability elements, certifying these projects with green building certifications such as the GreenRE and GBI. Notwithstanding, UEM Sunrise also upholds biodiversity initiatives. 1,738 trees were planted in SIREH Park in 2022, and 56.9% of them were of native IUCN Red List species. IUCN is the International Union for Conservation of Nature.

We also inked two Memoranda of Understanding with PGTS and GENTARI to explore low-carbon and nature-based solutions, such as smart green energy solutions, renewable energy, circular economy, and sustainable technical and technological solutions. The collaboration contributes to our climate action efforts, as well as allow us to explore newly-innovated sustainable materials developed by PGTS. The collaboration with GENTARI will explore the introduction of low-carbon solutions, including making available electric vehicle charging points, electric forecourt at UEM Sunrise's facilities, and explore the potential of having solar farms on UEM Sunrise's lands.

Community building is an essential component of our vision. We have drafted a placemaking roadmap that details our approach to community-building for each and every development we currently have. It is still a work in progress and we intend to roll it out by the end of 2023

**We are committed to fostering collaboration and communication among our teams; the reason for having Townhalls, Senior Management Dialogues, festive employee engagement activities, and Innovation Challenge initiatives. These efforts help to ensure that our employees feel connected and valued.**

## FROM THE DESK OF OUR CEO

to 2024. As for our efforts in giving back to the society, we have clocked in 940 volunteer hours in 2022 for various programmes and activities, including donations for charity and old folks homes in Kuala Lumpur and Selangor, handout of flood reliefs, supporting our PINTAR adopted schools in both the Central and Southern regions, distribution of Iftar packages for Ramadan, skateboard contributions for the Desa Temuan community in Damansara Perdana and the UEM Sunrise corporate social responsibility (CSR) CAT Walk event with MYCAT. Assisting underserved and disaster-affected communities with food supplies has been an ongoing effort that we have been engaged in for some time. Our goal is to continue these initiatives in alignment with Sustainable Development Goal 2, which strives towards achieving zero hunger worldwide. While our efforts may be modest in scale, they are crucial steps towards realising a world without hunger.



Supporting the Malayan tiger conservation effort through a collaboration with MYCAT

## OUTLOOK

The Malaysian economy is expected to grow moderately amid the current challenging external environment in 2023. Demand from the domestic market will continue to drive the nation's growth, supported by the continued recovery in the labour market, the realisation of several investment projects and the growth of the services and manufacturing sectors. The property market performance is also expected to grow in line with the lower economic growth projected for 2023. Accommodative policies, continuous Government support, execution of planned measures outlined in the revised Budget 2023 and the implementation of strategies and initiatives under the 12th Malaysia Plan 2021-2025, are expected to remain supportive of the property sector. Despite the challenges, we remain focused on strengthening our competitive advantages and capitalising on opportunities in the various market segments we have presence in.

We are in the second year of **Triage** which spans across 2022 to 2023, and this is our current focus. During this period, we will continue to strengthen our fundamentals, streamline our core capabilities, build a pipeline of products that deliver value, drive launch programmes, improve our balance sheet quality, and further grow our profitability. Our priorities for 2023 will be expediting development programmes, speeding up execution throughout the pipeline, and streamlining product branding to meet our launch, sales, and topline targets for the year. We will also pursue further growth in profitability by adopting operational excellence and best practices across the organisation and supply chain.

We realise that a steady pipeline and a healthy product mix are critical contributors to the Group's revenue. Building on the positive momentum of 2022, we are planning to launch products worth RM2.5 billion this year. In Central, we will launch The MINH in Mont'Kiara and The Connaught One in Taman Connaught, alongside a new high-rise residential development in Kiara Bay and more landed homes in Serene Heights. In Southern, we plan to launch new phases of landed homes in Senadi Hills, Aspira LakeHomes, and a new development codenamed Res 7 in Gerbang Nusajaya. Furthermore, we are finalising plans for the AUD250 million development in Collingwood, Melbourne, which we anticipate to launch in 2023 as well. With these planned launches, we are setting a sales target of RM1.5 billion this year.

As we charter our journey towards complying with SRF and TCFD reporting, UEM Sunrise has identified five sustainability-related material matters as key performance indicators (KPI) and targets to adhere to in 2023. These KPIs and targets revolve around three main material matters: Customer Management, Health and Safety, and Employee Management.

For Customer Management, we target to achieve CSS and Service Level Agreement (SLA) performance scores of 80% and above, as well as a product quality score of 85% based on QLASSIC, a certification scheme developed by the Construction Industry Development Board (CIDB). We are also targeting a score of 80% and above to measure



In line with our HSE policies, we hold routine safety briefings for all CHIEFs at our development sites, ensuring that they are well-informed and adhere to the safety precautions set

our performance in relation to defects management. For Health and Safety, our target is to achieve a 95% score via SHASSIC, an assessment system in construction that evaluates contractors' safety and health performance. To prioritise the growth and development of our employees, we have set a target of providing 20,000 hours of comprehensive training this year for our employee management programme.

By the end of 2023, we will transition into the next phase of the strategic turnaround plan, known as **Stabilise**, taking place from 2024 to 2025. During this phase, we will capture untapped opportunities within our core business, pursue international expansion potential, drive value creation, and embrace operational excellence across the value chain with digitalisation as the key enabler.

Beyond 2025, we will move into the final phase of our transformation roadmap, known as **Sustain**, where we will be focusing on realising our aspirations to become a balanced real estate player. We have identified the necessary measures to manage the impact of climate change, and our eventual plan is to comply with the 1.5° Celsius framework by pledging to control greenhouse gas emissions below this level. Bursa Malaysia is already moving in this direction by enhancing its SRF and TCFD reporting. At UEM Sunrise, we have disclosed a few sustainability-related targets that we aim to meet this year, aspiring that the targets will contribute to our efforts to combat climate change.

**“** We realise that a steady pipeline and a healthy product mix are critical contributors to the Group's revenue. Building on the positive momentum of 2022, we are planning to launch products worth RM2.5 billion this year. **”**

## ACKNOWLEDGMENTS

I would like to take a moment to express my sincere gratitude to each and every one of you for your unwavering support and commitment to UEM Sunrise, particularly during the challenges of the past years. It is through your continued support that we have been able to bounce back stronger in 2022, and I am confident that we will continue to thrive and grow with your backing.

I would like to highlight the contributions of Mr. Siew Chee Seng, our Chief Financial Officer (CFO), whose tenure ended on 31 March 2023. His guidance and tenacity were instrumental in narrowing the Group's loss in 2021 and leading the Company's performance turnaround for the year under review. On behalf of the Company, I extend our deepest gratitude to Mr. Siew for his invaluable leadership and commitment to making the Finance team the cohesive unit it is today.

I would also like to extend a warm welcome to our two new key members, Saniman Md Apandi (Chief Operations Officer, Southern) and Irwin Mohd Eusoff (Chief Strategy & Transformation Officer).

Thank you once again for your trust in UEM Sunrise. As we move forward, we remain steadfast in our commitment to building communities of the future, and we look forward to working together with you to achieve our shared vision.

**Sufian Abdullah**  
Chief Executive Officer



VALUE CREATION AT

# UEM Sunrise

*Our CHIEFs put their thinking caps on during one of our numerous cross-department workshops in 2022. Organising these workshops allows us to gather various perspectives across departments in addressing critical issues*



# INTEGRATED APPROACH TO VALUE CREATION

To create sustainable and inclusive value, we adopt a holistic approach in the way we conduct our business. Our strategies and decisions are shaped by a range of factors, from market trends to evolving stakeholder needs. This integrated thinking enables us to effectively utilise financial and non-financial capitals to achieve meaningful growth.

## 01 LEARNING FROM OUR ENVIRONMENT

### Operating Context










See pages 68 to 71

Property development is a dynamic sector that faces rapid change. To remain competitive, it is important that we stay ahead of the evolving market and unprecedented events.

### Stakeholder Needs

See pages 57 to 63

The needs of our diverse stakeholders are constantly changing. Therefore, we regularly engage with key stakeholders to align and balance their expectations with our business priorities.

 Customers and Tenants	 Banks, Rating Agencies, Sukuk Holders
 Employees	 Service Providers (Vendors, Suppliers, Contractors, Lawyers)
 Investors, Shareholders, Analysts	 Media
 Business Partners (MoU, Joint Venture)	 Local Communities
 Government Agencies/Authorities	

### Risks & Opportunities

See pages 78 to 80

Our long-term growth and success are exposed to a range of risks and opportunities. In response, we have a robust risk management system in place to help us mitigate these risks while leveraging on growth opportunities.



Imperia Tower, Iskandar Puteri

## 02 DEVELOPING A DISCIPLINED APPROACH

### The Six Capitals

See pages 48 to 56

Our performance and growth rely on the disciplined allocation of the following capitals:

- H Human:** The skills, abilities and expertise of our workforce.
- F Financial:** The pool of funds generated via financing or created through activities or investments.
- M Manufactured:** The physical assets, properties and infrastructure that are essential to our operations.
- I Intellectual:** The intangible assets that give us a competitive edge, such as our intellectual properties and branding.
- S Social & Relationship:** The support and trust of our stakeholder relationships.
- N Natural:** The natural processes and resources (including land, minerals, water, and biodiversity) that may be replenished or depleted over time.

### Material Matters

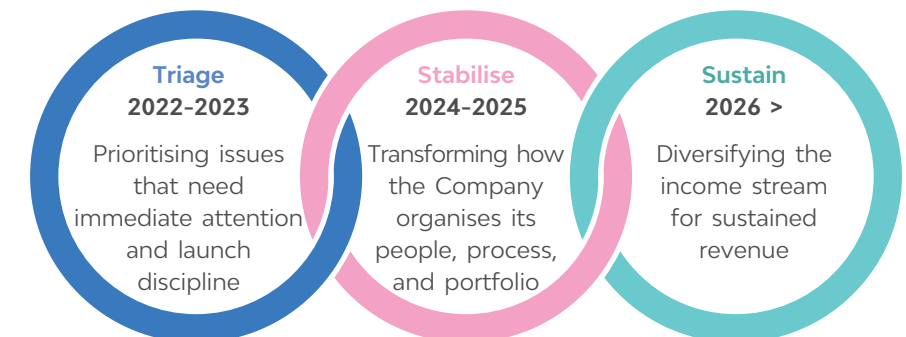
See pages 74 to 77

Our performance and the value we provide to our stakeholders might be affected by ESG considerations. We seek to identify and understand these material matters to develop and execute our strategies effectively.

### Strategy

See pages 81 to 86

Our Three-Phased Strategy is designed to accelerate our transformation into an effective and balanced real estate player. The strategic turnaround plan's key focus areas include:



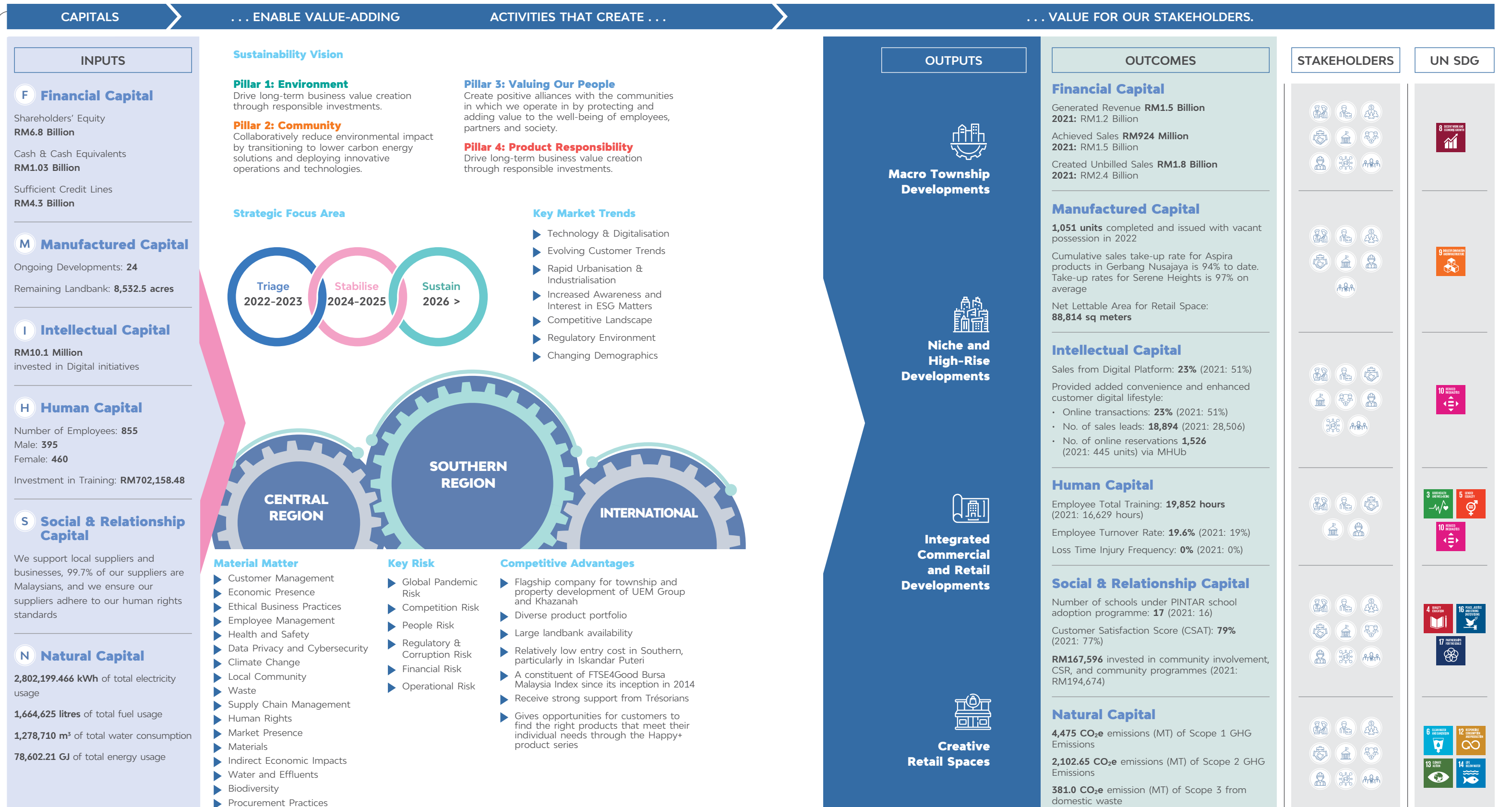
## 03 CREATING MEANINGFUL VALUE & GROWTH

# OUR VALUE CREATION MODEL

**Vision** ▶ Building communities of the future with you and for you.

**Mission** ▶ UEM Sunrise brings together the talented and skilled, the imaginative and the courageous. We create sustainable environments loved by homeowners, acclaimed by investors and recognised by the industry. We believe in thinking big and acting quickly to unlock potential; to thrive in a changing world.

**Value** ▶ We are CHIEF Happiness Officers; our values inspire us to create excitement and bring joyful experiences to all.



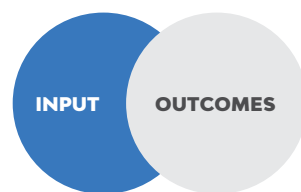
# PERFORMANCE BY CAPITALS

Our ability to create value depends on a strong stock of six financial and non-financial capitals. We adopt a holistic view in the utilisation of these capitals so that we can effectively transform and enhance the capital according to our business and stakeholders' needs. This contributes to our long-term growth and success as it enables us to create lasting value for our diverse stakeholders.

## FINANCIAL CAPITAL

The pool of funds needed to finance our strategic objectives and growth, which may be received via financing or created through business activities and investments.

- RM13.1 billion total assets
- RM4.3 billion sufficient credit lines to-date
- RM1.3 billion market capitalisation as of end of March 2023
- RM6.9 billion in net assets
- RM6.8 billion shareholders' equity
- RM1.03 billion cash and cash balances and deposit
- RM1.8 billion in unbilled sales
- RM203.0 million in available inventories



	2021	2022
Operating (Loss)/Profit (RM'000)	(82,190)	<b>249,022</b>
Dividend Payout/Profit Ratio (%)	Nil	<b>Nil</b>
Return-on-Equity (%)	(3.1)	<b>1.2</b>
(Loss)/Earnings Per Share (Sen)	(4.2)	<b>1.6</b>
(Loss)/Earnings Before Interest and Tax (RM'000)	(104,906)	<b>219,755</b>
Attributable (Loss)/Profit (RM'000)	(213,047)	<b>80,539</b>
Cash Generated by Operating Activities (RM'000)	(43,386)	<b>382,905</b>
Owned new landbanks in Petaling Jaya and Cheras totalling (acres)	16.8	-
Achieved Sales (RM mil)	1,459	<b>924</b>

### Key Constraints

- Postponed launches resulted in lower sales and impacted UEM Sunrise's sales target of RM1.5 billion.
- Delays in obtaining authority approvals influenced the completion of land sales transactions and extended the anticipated window for receiving cash payments, thus impacting cashflow gains and revenue recognition.
- Lack of commitment from potential buyers for UEM Sunrise's non-strategic lands, particularly pocket lands, may result in non-signing or non-completion of sales and purchase agreements.
- Dampened support from capital providers (bank loans, bridge loans, and Sukuk) following the aftermath of the pandemic environment, locally and globally.
- A four-fold rise in OPR by Bank Negara Malaysia in 2022 impacted buying and investing sentiments.
- Change in customers' priorities with regard to buying properties in view of the uncertainty in the current market environment.

### Actions To Enhance Outcomes

- Ensure that the planned projects for launches in 2023 will be launched as per the 2023 GDV target of RM2.5 billion.
- Endeavour that the RM1.5 billion sales target is achievable following the GDV target, demonstrating a rise in sales and enhancing the profitability of core businesses and assets in the mid to long term.
- Chased for higher construction progress of local developments where main revenue contributors were Residensi Solaris Parq, Serene Heights, Residensi AVA, Residensi Astrea, Senadi Hills and Residensi Allevia.
- Recognised revenue from land sales amounting to RM307.1 million for the financial year ended 2022 mainly from the sale of 33 industrial plots in phase 3 of SiLC, 431.1 acres in Mersing, Johor, 1.9 acres in Seputeh, Kuala Lumpur and other pocket lands in Iskandar Puteri.
- Ensured constant communication with shareholders and investors to manage their expectations of our financial/corporate-related choices.
- Assured shareholders and investors of our profitability for 2022.
- Enhanced governance and compliance to reduce risks of losses, such as corruption or fines.
- Explored the idea of introducing product branding for each specified target market to manage customers' expectations and needs.
- Maintained effective working capital management to maintain liquidity.

### Trade-Offs

Our long-term development objectives, which include using financial resources, are at odds with the interests of short-term investors who aim to maximise short-term returns. Investments in development lands and selected fixed assets are made possible by financial capital, which helps other capitals expand over the long run. This may lower our short-term Financial Capital. We may mitigate this by applying tight cost-saving initiatives via improvements in procurement processes and the Vendors Partnership Programme amongst others, and discipline to guarantee effective working capital management.



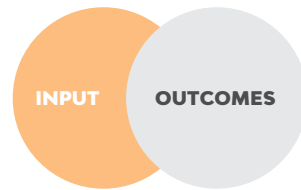
CHIEF Tan Bee Geok plays an essential role in maintaining the Company's healthy cash flow through effective credit management while retaining a high level of customer satisfaction and loyalty

## PERFORMANCE BY CAPITALS

### MANUFACTURED CAPITAL

As a property developer, the resiliency and relevancy of our physical assets/established infrastructure is a core aspect of our business.

- 8,532.5 acres of development landbank
  - Southern : 92.3%
  - Central : 7.3%
  - International : 0.4%
- RM1.2 billion investments in new landbanks for the past five years (2018-2022)
- RM114.0 million budgeted infrastructure cost
- RM517.0 million GDV launched in 2022
- RM4.1 billion projects launched for the past five years (2018-2022)
- RM105.8 billion in remaining pipeline GDV



	2021	2022
Take-up rate for Aspira products in Gerbang Nusajaya (%)	88	<b>94</b>
Take-up rate for Serene Heights in Semenyih (%)	95	<b>97</b>
2.5km spine road, Persiaran Putra Bayu from Kiara Bay to nearest MRT stations (Kepong Baru MRT Station and Jinjang MRT station, both part of the Sungai Buloh-Serdang-Putrajaya Line)	Under construction	<b>Opened</b>
Gerbang Nusajaya Interchange	Under construction	<b>Under construction. Target to be operational in 3Q 2023.</b>

#### Key Constraints

- The rising cost of building supplies coupled with increasing labour scarcity negatively affects our development plans.
- Challenges in obtaining appropriate project financing for new developments in view of the uncertainty in the current operating environment.
- Diminishing strategic landbank in the Central region.
- Delays in securing authority approvals resulted in the unfulfilled conditions precedents of the land in Jalan Sultan Yahya Petra within the six months conditional period. On 7 February 2023, UEM Sunrise decided to allow the agreements to lapse, be rescinded and terminated.
- Necessary improvements to the Gerbang Nusajaya and Iskandar Puteri master plans, as well as a refinement of the Puteri Harbour master plan to meet the demands of the current market environment.
- Challenges in advocating (and in certain cases, to jump-start) current joint venture (JV) projects. JV partners have distinct priorities and urgencies since they are not master developers like UEM Sunrise. As such, they have different priorities.



CHIEFs hard at work

#### Actions To Enhance Outcomes

- Maintained the plan for rebalancing the landbank portfolio, securing strategic landbanks in the Central region, and using the funds from land sales to purchase new prospective lands and pare down debt. The latest was the acquisition of land in Jalan Sultan Yahya Petra for RM384.0 million in August 2022. However, the Company decided not to extend the conditional period of the acquisition due to the unfulfillment of certain conditions precedent under the agreements. It will actively pursue other proposals that are more complementary to its growth strategies under its strategic turnaround plan.
- Ensured we met the needs of the present market while providing the same feeling of luxury as our higher-end items at a more reasonable price.
- Implemented energy-efficient construction methods, green building design, BIM, System Formwork, and Industrialised Building System (IBS), which contribute to a more environmentally friendly and economically viable approach to real estate development.
- Established an Integrated Management System (IMS) that is benchmarked to worldwide standards to produce quality products and services.

#### Trade-Offs

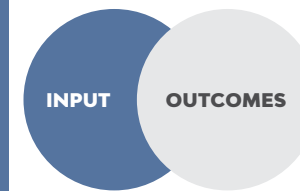
We had to balance the allocation of the Financial Capital between land acquisitions and development activities. This is the cycle of our business. The former will reinforce our Manufactured Capital (properties and products), and in time replenish our Financial Capital when we attain sales performance and achieve consistent construction progress in our property development activities. The selling of land will boost our Financial Capital while lowering our Manufactured Capital. Furthermore, the effective management of the creation and preservation of value before the sale of any assets requires the use of Human and Intellectual Capitals.

### INTELLECTUAL CAPITAL

The intellectual properties and other intangibles related to our expertise and branding that gives us a competitive advantage.

#### Innovative & Proprietary Platforms

- Customer Database Platform (CDP)
- Non-Fungible Tokens (NFTs) worth up to RM100,000
- ChatBot RIA; additional channel for customer interaction to provide continuous communication
- EstateMaster, a digital tool to automate feasibility analysis and real estate evaluation
- Big Data & Analytics
- Centralised Dashboard
- Protracker and ProSus; tracking apps on project and sustainability activities



	2021	2022
Investments in Digital Initiatives (RM)	RM11.4 mil	<b>RM10.1 mil</b>
Total Sales in 2022 from digital platform	51%	<b>23%</b>
No. of sales leads	28,506	<b>18,894 (↓ 34%)</b>
No. of online reservation via MHub	445	<b>1,526 (↑ 242%)</b>
Customer Data Platform Campaign targeting CDP vs non-CDP scorecard:		
a) Lower Cost Per Lead		<b>10% savings</b>
b) Higher Click Through Rate		<b>22%</b>
c) Higher Click to Lead Rate		<b>32%</b>

#### Key Constraints

- Modifications in consumer behaviour and expectations for real estate development.
- Managing the overall cost of acquiring and deploying new solutions and technology or upgrading current processes.
- Adoption of the solutions and technologies requires patience as well as ongoing education and awareness.

#### Actions To Enhance Outcomes

- Integrated all accessible data points into our CDP to allow for a more comprehensive customer profile generation.
- Implemented several awareness sessions to promote the new application or technology and increase acceptance.
- Promoted a collaborative and information-sharing culture inside the Company to stimulate the exchange of ideas and knowledge, as in the case of trained business analysts who received ongoing support from the digital team to advance their education and professional development.

#### Trade-Offs

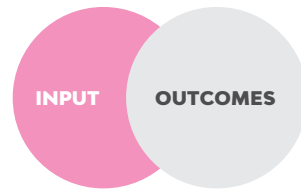
To achieve operational and organisational efficiency, we use technologies such as BIM, prefabrication homes, and the IBS. While this has lowered our short-term Financial Capital, it will increase our long-term Intellectual Capital.

## PERFORMANCE BY CAPITALS

### H HUMAN CAPITAL

Our workers' abilities and expertise enable UEM Sunrise to offer strategic projects, products and services that contribute to our long-term growth.

- RM97 million in staff costs
- 15 engagement sessions
- 9 total Board members
- 33% of women Board members



	2021	2022
Employee Turnover Rate (%)	19	<b>19.6</b>
Salaries & Benefits (RM'000)	100,955	<b>97,190</b>
No. of Employees Trained	925	<b>981</b>
No. of Employees Promoted	82	<b>71</b>
Average Training Per Employee (manhours)	18	<b>20</b>
Board Members Attendance Rate (%)	100	<b>99.8</b>
Loss Time Injury Frequency Rate (LTIFR)	0	<b>0</b>
Total Recordable Case Frequency (per million manhours)	0	<b>0</b>
Health and Safety Incidents	0	<b>0</b>
No. of Fatalities	0	<b>0</b>

#### Key Constraints

- Managing change fatigue and inculcating resilience to support focused and urgent delivery.
- Lack of engagement or morale in the workforce to changes in working arrangements since the onset of the pandemic.

#### Actions To Enhance Outcomes

- Deliver competitive remuneration and benefits to all employees.
- Introduced the CHIEF Recognition Programme to recognise the efforts of our employees.

#### Trade-Offs

Future-proofing our workforce requires investing in training and development programmes that equip employees with the necessary skills to thrive in the long term. Furthermore, we need to ensure that all our development sites are equipped with health and safety processes as well as procedures to protect our people against any injuries or accidents. Any health and safety issues can negatively impact our reputation as a trusted and responsible organisation, thus reducing our Social & Relationship Capital. Investments in people-related programmes and initiatives may reduce some of our Financial Capital stock in the near term, but a skilled and engaged workforce will replenish all other forms of capitals in the longer-term.



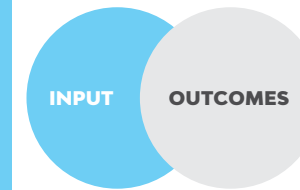
Fun-loving CHIEFs

## PERFORMANCE BY CAPITALS

### S SOCIAL & RELATIONSHIP CAPITAL

Our success depends on the support and trust of our strong network of stakeholder groups.

- RM167,596 in community involvement, CSR and community programmes
- 6 organisations backed
- Contributed to 5 NGOs
- 940 total volunteer hours



	2021	2022
Number of schools under PINTAR school adoption programme	16	<b>17</b>
Net Promoter Score (NPS)	25	<b>30</b>
Customer Effort Score (CES)	71	<b>69</b>
Cores Value Engagement Score (CVES)	73	<b>74</b>
Customer Satisfaction Score (CSAT)	77	<b>79</b>

#### Key Constraints

- Low-income and rural students face higher challenges in obtaining and participating in excellent education.
- Ensuring the efficacy of each community involvement and its influence on stakeholders.
- Raising environmental and social awareness amongst our internal and external stakeholder groups.
- Social media challenges in view of comments or remarks made online, which impacted the Company's efforts in community building, on occasions resulting in negative vibes and perception.

#### Actions To Enhance Outcomes

- Delivered free educational programmes to assist disadvantaged populations.
- Engaged with additional stakeholders to cooperate, discuss and communicate to ensure that the social programmes executed are appropriate.
- Implemented awareness programmes about climate change, deforestation, endangered species and more.
- Continuous engagements with groups of stakeholders to correct perceptions either virtual, physical or via holding statements.

#### Trade-Offs

To increase our Social & Relationship capital, we invest our Financial Capital into a variety of programmes and initiatives that create value for stakeholders. These include investments in customer experience, corporate social responsibility (CSR) programmes and supplier development. Although the expenditures associated with these activities will temporarily reduce our Financial Capital, they foster a sense of loyalty and trust among stakeholders. Also, it strengthens our standing in the industry, enabling us to maintain and grow our clients over time and therefore increasing our Financial Capital.



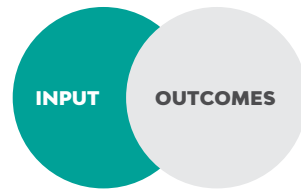
CHIEFs demonstrate active volunteerism during the skateboard contribution to the Desa Temuan Orang Asli community



### NATURAL CAPITAL

We rely on natural resources and processes for our operations, such as land, minerals, water and energy. These may be depleted or replenished over time.

- 1,637,145 litres of diesel usage for projects
- 27,480 litres of petrol usage for projects
- 78,602.21 GJ of total energy use in UEM Sunrise
- 1,264,534 m<sup>3</sup> of potable water consumption for projects
- 30,011 m<sup>3</sup> of non-potable water consumption for projects
- 14,176 m<sup>3</sup> of potable water consumption for office



	2021	2022
Scope 1 GHG Emissions (tCO <sub>2</sub> e)	146.0	<b>4,475.0</b>
Scope 2 GHG Emissions (tCO <sub>2</sub> e)	2,146.0	<b>2,102.65</b>
Scope 3 GHG Emissions (tCO <sub>2</sub> e)	-	<b>381.00</b> (from domestic waste generation to landfill)
Hazardous Waste Generated (tonnes)	0.200	<b>0.316</b>
Non-Hazardous Waste Generated (tonnes)	405.100	<b>9,345.22</b>
Potable Water Consumption (m <sup>3</sup> )	768,044	<b>1,278,710</b>
Non-Potable Water Consumption (m <sup>3</sup> )	-	<b>30,011.4</b>

#### Key Constraints

- Balancing business growth with our environmental performance and climate change risk mitigation.
- Managing environmental data requires coordination from parties across our value chain.
- Pending achievement of economies of scale may require high upfront costs, putting a strain on funds.

#### Actions To Enhance Outcomes

- Implemented a measurement and tracking system to assess and manage natural resources.
- Identified a few non-financial material sustainability-related matters as the Company's KPIs and targets for 2023 to chart journey towards complying with the Bursa Malaysia's enhanced SRF and TCFD reporting. The three material matters are Customer Management, Employee Management and Health & Safety.
- Embedded the sustainability philosophy and understanding in the organisation's operations, culture and employees via the Sustainability Blueprint.

#### Trade-Offs

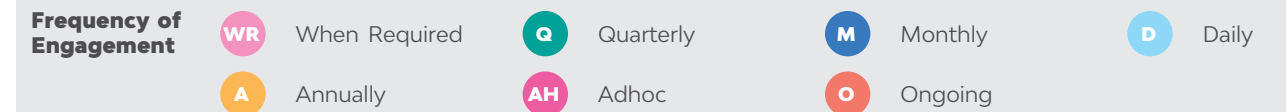
We need Financial Capital to finance sustainability and reduce our Natural Capital effect. This is important for our future's generation, in line with Malaysia's undertaking to achieve Carbon Neutrality by 2050, and our Sustainability Blueprint established in 2022, to build a low carbon future by 2030.



CHIEFs in action during the CAT Walk by MYCAT

# STAKEHOLDER ENGAGEMENT & VALUE CREATION

Our long-term success depends on our ability to create value for a range of stakeholders that impact and influence our business. Therefore, we embrace a stakeholder-centric approach to value creation. This means regularly engaging with our stakeholders to capture their feedback, thus enabling us to co-evolve with their changing expectations.



### EMPLOYEES

#### WHY ARE THEY IMPORTANT

We rely on the skills, knowledge and dedication of our employees to drive our strategy forward. At the same time, as their employer, we contribute to their livelihoods and professional development.

#### FREQUENCY ENGAGEMENT ACTIVITIES/PLATFORM

- Quarterly townhall sessions and Senior Management Dialogues
- Competitive benefits and remuneration packages
- Implementation of flexible working hours and casual dress code
- Hybrid Working Policy for WFH or WIO implemented
- Corporate subscription to e-learning platforms
- Team building, sports and recreation activities

#### KEY CONCERNS

- Minimal collaboration among employees, especially cross-divisional in undertaking selected tasks.
- Differing work arrangement needs post-MCO.
- Lack of awareness of ethical industrial practices.

#### RESPONSE

- Implemented employee engagement activities.
- Offered options and policies on flexible work arrangements.
- Regularly briefed employees on UEM Sunrise's Code of Conduct.

#### VALUE CREATED FOR STAKEHOLDERS

- Opportunities and platforms for collaborations.
- Improved staff wellbeing and productivity.
- Awareness of good industrial relations practice.

#### VALUE CREATED FOR UEM SUNRISE

- Collaborative efforts that are integrated and quicker to execute.
- Productive and high-performing workforce.
- Better employment relationship between employers and employees.

## CUSTOMERS AND TENANTS

### WHY ARE THEY IMPORTANT

We depend on the support and purchasing decisions of our customers, which contribute to our financial performance and growth. On the other hand, they expect world-class, sustainable real estate that meets their property needs.

FREQUENCY	ENGAGEMENT ACTIVITIES/PLATFORM
-----------	--------------------------------

- |    |   |
|----|---|
| AH | • Customer and community engagement through Trésor Loyalty Programme and Fun Zone XD  |
| Q  |   |
| M  |   |
| D  | • Customer interaction through One Stop Centres, Customer Contact Centre and social media platforms                                   |
| A  | • CSS which includes surveys on CSAT, NPS, CES, CVES  |
| WR | • Focus Group Discussions (FGD) with identified customers   |
| O  | • A series of mobile apps that provide a more digitalised and customer-centric experience for customers and the public                |
| O  | • Revamp user-friendly website with enhanced functionalities: customers can now select multiple properties and view them side-by-side |

### KEY CONCERNS

- Meeting the multi-generational and ever-changing customer expectations.
- Low search trends, media engagement, and digital content across platforms due to budget constraints.
- All service discussions, including complaints, are visible on social media.

### VALUE CREATED FOR STAKEHOLDERS

- Introduction of new products with features in alignment with current market needs and environment, e.g. in view of the pandemic; home office spaces, flexible convertible spaces, reset of the existing build environment, healthy architecture and urban design approaches – customers are spoilt for choices.
- New opportunities for business and investment as well as product offering.
- Competition results in developers coming up with good products at affordable prices; creating continuous vibrancy in the industry.

### RESPONSE

- Developed action plans to address customers’ feedback based on the survey results.
- Improved internal stakeholder communications and media buys to promote digital presence.
- Reinforced Salesforce Social Studio community management and social media management agency to track and manage interactions.

### VALUE CREATED FOR UEM SUNRISE

- Allow UEM Sunrise to introduce the Happy+ product series - The KASIH Series, The RISE Series, The NEST Series, The CLUB Edition and The LUXE Collection to meet various customer segments’ need. This was launched in February 2023.
- Enhance consumer brand experience by offering home-based information, contact, and communication.
- Increase efficiency in complaints management, ultimately improving the Company’s bottom line.
- Face-to-face interaction lets customers discover our products, offers, and ideal homes.



CHIEF Maztaihafiyaina welcomes the mall visitors with her warm smile, pleasant personality and is always ready to help

## STAKEHOLDER ENGAGEMENT & VALUE CREATION

### INVESTMENT-RELATED STAKEHOLDERS INVESTORS, SHAREHOLDERS, ANALYSTS

#### WHY ARE THEY IMPORTANT

This group of investment-related stakeholders provide us with the resources necessary to execute our strategy and achieve growth. In return, we need to operate responsibly, thus delivering strong and sustainable financial returns.

FREQUENCY	ENGAGEMENT ACTIVITIES/PLATFORM
A WR	• Annual General Meetings (AGM)/ Extraordinary General Meetings (EGM)
Q WR	• Engagement through analyst briefings and conferences
O	• Engagements conducted with the investment community mainly via virtual platforms comprising meetings, webinars, conferences and teleconferences during the COVID-19 pandemic

#### KEY CONCERNS

- The ability of UEM Sunrise to carry out the Strategic Turnaround Plan – **Triage, Stabilise, and Sustain (TSS)**.
- Downward trend in GDV launches.
- Lack of visibility of the future plans for Iskandar Puteri and the Southern region as a whole.
- UEM Sunrise’s commitment towards ESG and Sustainability.

#### RESPONSE

- Disclose achievements accomplished under **TSS** in press releases, publications, websites or social media.
- Regularly hold financial results briefings and engagements to clarify announcements and major developments.
- Invite groups of investors for a visit to our properties and developments in Iskandar Puteri to educate and create awareness of the Southern region’s progress.

#### VALUE CREATED FOR STAKEHOLDERS

- Dedication to long-term investment value stabilisation as targeted via **TSS**.
- Low entry cost (low stock valuation) makes it easier for new investors to own UEM Sunrise’s shares.
- Maintained in the FTSE4Good Bursa Malaysia Index, boost its ESG score to 3.5 in December 2022, a reflection of UEM Sunrise’s commitment to sustainability and ESG practices.

#### VALUE CREATED FOR UEM SUNRISE

- Transparency in information disclosures allows investors to make decisions with regard to their investment choices.
- Positive perception and sentiment coupled with low entry cost led to interest by investors to become shareholders.
- Received positive feedback and support for Iskandar Puteri.
- Commitment to ESG and Sustainability attracts ESG funds. As at 31 March 2023, 0.005% of UEM Sunrise’s shareholders are ESG investors.

### BANKS/RATING AGENCIES/ SUKUK HOLDERS

#### WHY ARE THEY IMPORTANT

This group of funders are required to provide and facilitate the raising of funds for working capital required in the day-to-day functioning of the business, ensuring that the financial resources are adequately efficient for the development and growth of the Company.

FREQUENCY	ENGAGEMENT ACTIVITIES/PLATFORM
WR	• Non-deal roadshows (for new Sukuk issuances)
WR	• Request for proposal (fund raising)
WR	• Update meeting with bankers

#### KEY CONCERNS

- UEM Sunrise’s capability to commit to its debt repayment obligation.
- UEM Sunrise’s ability to raise financing.
- Funders’ appetite and/or views toward UEM Sunrise and the property sector.

#### RESPONSE

- Consistently settle obligations as per schedule and have not defaulted any payment to date.
- Provide all information and supporting documents to support the funding request.
- Frequent updates of the Company’s progress and prospect to funders.

#### VALUE CREATED FOR STAKEHOLDERS

- Positive perception leads to funders having more confidence in UEM Sunrise.
- Have insight of the Company’s progress and prospect.

#### VALUE CREATED FOR UEM SUNRISE

- Ability to maintain credit worthiness of the Company.
- UEM Sunrise has no issue obtaining the required fundings.
- Ability to keep abreast with the current market outlook and the funders’ appetite and/or views toward UEM Sunrise, peers and the property sector.

### SERVICE PROVIDERS VENDORS, SUPPLIERS, CONTRACTORS, LAWYERS

#### WHY ARE THEY IMPORTANT

Our suppliers and contractors provide high-quality goods and services that need to operate and function. It is important that they are fairly treated and compensated, ensuring we contribute to own business development and well-being.

#### FREQUENCY ENGAGEMENT ACTIVITIES/PLATFORM

WR	• Mandate Letter of Declaration by all vendors committing to adhere to UEM Sunrise’s Code of Conduct for Business Partner
WR	• Mandate all suppliers, contractors and subcontractors to provide details of their approach in keeping with the Company’s standard operating procedures on QHSE

#### KEY CONCERNS

- Creating a sustainable business relationship which is based on key principles of integrity, honesty, accountability and compliance with applicable laws and regulations.
- Uphold governance and transparency in procurement processes.
- Nurturing QHSE awareness in business operations.

#### RESPONSE

- Embedded good business ethics principles in the Code of Conduct for Business Partners and secured vendors’ commitment to adhere to the requirement by making it as part of their obligations under the contract.
- Request employees, consultants and vendors to declare conflict of interest before they can participate in procurement process and to update the status of conflict as and when a conflict of interest arises.
- Establish a sustainable procurement policy and ISOPs for procurement to uphold governance and transparency in the process considering business operation needs for timely award of contract and competitive/reasonable pricing.
- Sustainability Department established QHSE Policy and vendors are required to comply with the QHSE requirements including submittals where applicable. Such adherence to QHSE Policy be made part of the vendor’s obligations under the Code of Conduct for Business Partners and the contract.

#### VALUE CREATED FOR STAKEHOLDERS

- Produce good business ethics, avoiding a breach of laws and maintaining a good reputation and business opportunities.
- Nurture good ethics amongst employees and management.
- Avoid hidden or unnecessary costs, as acts of corruption may be restricted.
- Fair treatment by UEM Sunrise and provide an equal platform for bidding.
- Maintain quality in products and services. Meet customer expectations and avoid unnecessary costs of rectification.

#### VALUE CREATED FOR UEM SUNRISE

- Transparent and visible business ethics resulting in a good reputation.
- Produce ethical employees and management.
- Restrict cases of corruption.
- Position itself alongside other industry players who embrace ESG.
- Maintain quality in product and services and meet customer expectations.
- Result in competitiveness, improving sales and resulting in sustainability of business in the long run.






## STAKEHOLDER ENGAGEMENT & VALUE CREATION

### BUSINESS PARTNERS MOU, JOINT VENTURE AND ASSOCIATES

#### WHY ARE THEY IMPORTANT

The joint ventures, collaborations, and associates that we have formed are invaluable to the development of both of our companies.

#### FREQUENCY ENGAGEMENT ACTIVITIES/PLATFORM

-  Active sales and marketing initiatives
-  Proactive prospecting of business partners for existing and pipeline projects
-  Exploration of opportunities for both parties to leverage on, particularly in areas relating to low carbon emission solutions and cost savings

#### KEY CONCERNS

- Partner selection and management buy-in.
- Ensuring fair agreements and plan implementation by both parties.
- Ways to maintain the relationships for the benefit of UEM Sunrise and its respective partners/associates.

#### RESPONSE

- Improve existing relationships.
- Actively seek partners and create collaborations.
- Encourage transparency at the onset of the collaboration to avoid unease, distrust, and discomfort as the collaborations progress.

#### VALUE CREATED FOR STAKEHOLDERS

- Discussions and negotiations are easier, fulfilling the needs and requirements of all parties involved.
- Branding position is enhanced, creating a positive perception of the collaboration in the market.
- Creation of long-term relationships results in the ability to tap onto the association of either parties' networking.

#### VALUE CREATED FOR UEM SUNRISE



- Faster decision-making process.
- Ability to leverage on partners' brands and reputations to create competitiveness in the market.
- Able to tap into partners' contacts and networking for exploration of new business opportunities.

### GOVERNMENT AGENCIES/AUTHORITIES

#### WHY ARE THEY IMPORTANT

By maintaining close ties with the government and regulatory bodies, we are able to guarantee that all of our activities are compliant with the law and that we are always aware of any new or amended legislation.

#### FREQUENCY ENGAGEMENT ACTIVITIES/PLATFORM

-  Active engagements with relevant ministries, regulators and authorities
-  Ensure full compliance with economic, environmental and social areas regardless of the sector of business operations

#### KEY CONCERNS

- Appointment of highly competent consultants is important to ensure the approvals are obtained promptly.
- Confusion in reaching out to several and/or other authority bodies or regulators, causing delays in obtaining approvals.
- Different understanding (by the authority bodies) of certain subject matter leads to different ways of doing things.

#### RESPONSE

- Improve the frequency of engagements.
- Conduct engagements with various authority bodies and regulators prior to submissions.

#### VALUE CREATED FOR STAKEHOLDERS

- Understand the importance of UEM Sunrise's projects to the market and community, and eventually towards nation building.
- Buyers and property investors get to enjoy variety of products launched to the market due to faster approval processes.

#### VALUE CREATED FOR UEM SUNRISE



- Good rapport and understanding of UEM Sunrise's objectives allows it to work closely with ministries and authority bodies/regulators, creating value for the community and the States governments in which UEM Sunrise has projects in.
- Faster approvals process, able to expedite launching programmes at a faster pace and create the sales required.

### LOCAL COMMUNITIES

#### WHY ARE THEY IMPORTANT

Since our activities might have unintended consequences for locals, it is crucial that we hear their voices and address their concerns. This will also shine a light on our civic engagement and contribute to the development of the community.

#### FREQUENCY ENGAGEMENT ACTIVITIES/PLATFORM

-  Active engagements with the communities in which UEM Sunrise has projects in
-  CSR events and initiatives

#### KEY CONCERNS

- Budget constraints.
- Events held may disturb residents.
- Current areas used for community events are on lands that are likely identified for sale.

#### RESPONSE

- Solicit ideas with partners to co-inject funds and share events with partners.
- Establish a vigorous framework to determine events' needs and value to manage budgets.
- Engage with respective communities and manage their expectations based on selected event criteria.
- Create contingency plans for other sites rather than rely on existing current areas.

#### VALUE CREATED FOR STAKEHOLDERS

- Encourage property buying and/or investment activities and asset value.
- UEM Sunrise's popularity bodes well for the local communities it has a presence in, as the neighbourhood will have access to UEM Sunrise's CSR activities and funds.
- Create a platform for conscientious people to connect and live sustainably.

#### VALUE CREATED FOR UEM SUNRISE


- Enhance UEM Sunrise's brand and reputation.
- Increase the public's awareness of UEM Sunrise's social initiatives, leading to the improvements of the social pillar score for ESG scores in FTSE4Good Bursa Malaysia Index.
- Strengthen neighbourhood bonds following the community services taken under UEM Sunrise's CSR programmes.

### MEDIA

#### WHY ARE THEY IMPORTANT

The media serves as a crucial link in the chain of communication between the Company and its constituents. They play a crucial role in spreading important news about our Company and our brand.

#### FREQUENCY ENGAGEMENT ACTIVITIES/PLATFORM

-  Consistent engagement through press releases, networking sessions, press conferences and interviews

#### KEY CONCERNS

- Miscommunication resulting in headline or media content mistakes.
- Some media/journalists may spin UEM Sunrise's news negatively.

#### RESPONSE

- Ensured continuous clarification, communication and casual meetings to build bonds.
- Immediately reach out to respective media to rectify errors and messaging.

#### VALUE CREATED FOR STAKEHOLDERS

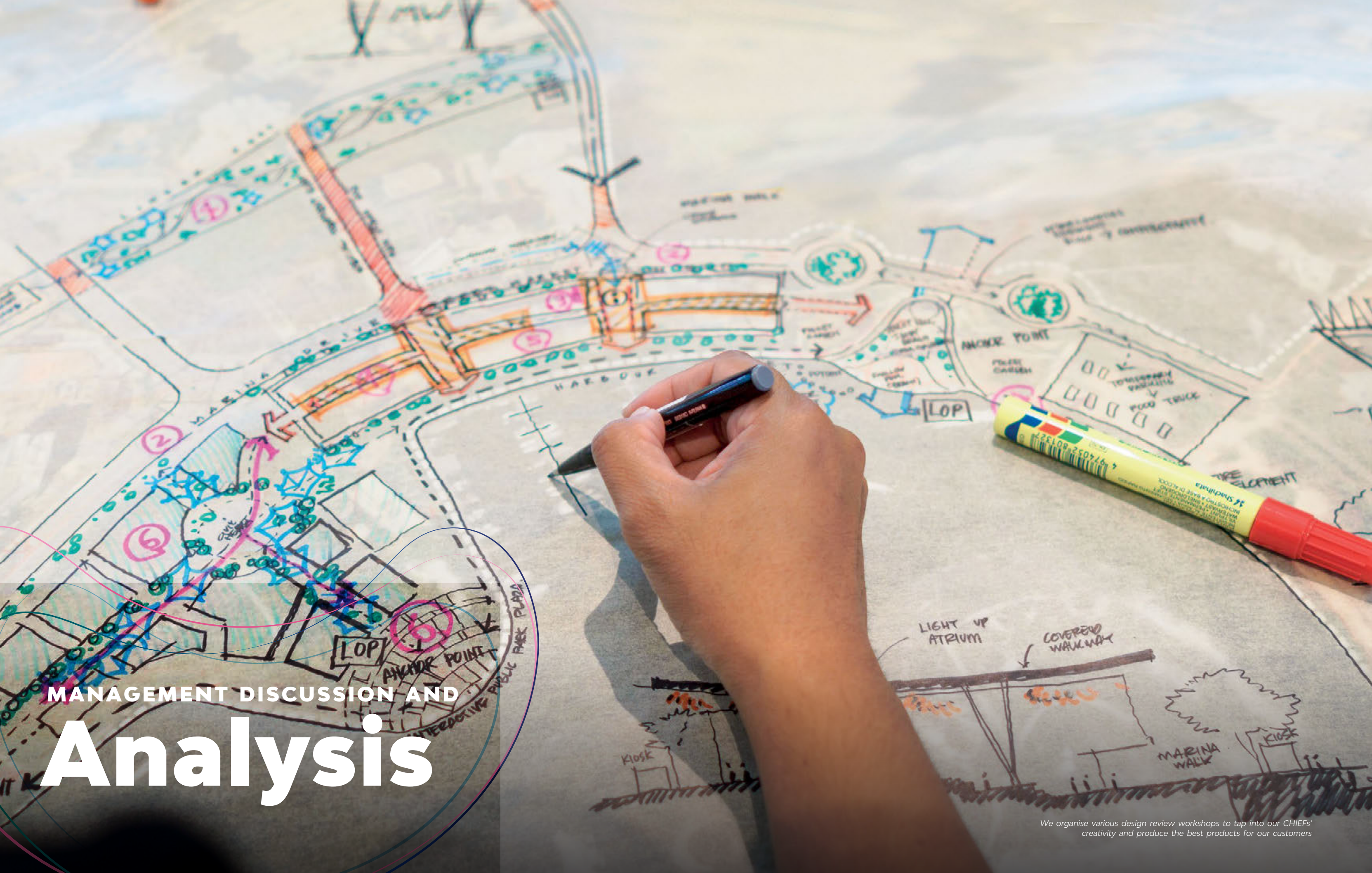
- Create continuous awareness of UEM Sunrise to the general public.
- Continuously enhance reputation in terms of products, branding, new launches, quality, corporate deals and strategic initiatives.

#### VALUE CREATED FOR UEM SUNRISE

- Exposures boost continuous interest from the public, increasing our rating in terms of positive perception.
- Public disclosures and transparencies allow its shareholders and investment community to be well-informed on the Company's latest developments.



CHIEFs Arman, Ifwat, Hafizul and Usarani are among our auxiliary police team who place the safety, security and well-being of our customers and assets as one of our top priorities



MANAGEMENT DISCUSSION AND

# Analysis

We organise various design review workshops to tap into our CHIEFs' creativity and produce the best products for our customers

# PROPERTY MARKET & OUTLOOK

## PROPERTY MARKET OVERVIEW

### Global Economy

The continued recovery in the global economy at the onset of 2022, as countries gradually transitioned towards normalcy, is viewed with optimism. With the post-COVID recovery gaining momentum and supply chain bottlenecks beginning to ease, the path towards global economic recovery is inevitable. However, the positiveness in the economic outlook required several trade-offs between short-term growth and inflation to secure more sustainable growth in the medium term. The world experienced several events throughout the year that created a ripple effect across the global landscape. Inflation rose as economies restarted and consumer demand increased, reaching the highest level of inflation since the 1980s. This became the main global concern, especially in the year's second half.

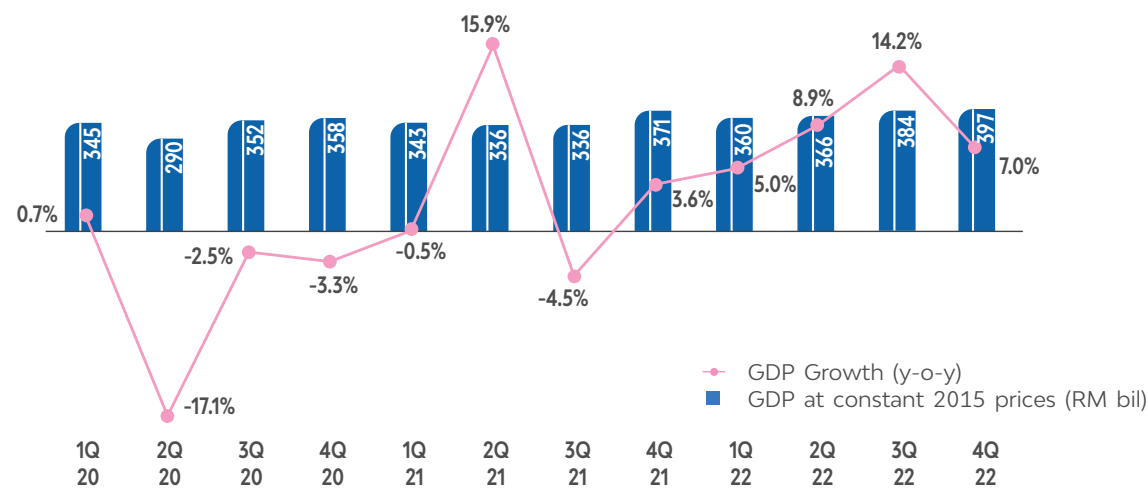
The most significant global event of 2022 was the military conflict that sparked in Ukraine in February 2022. The timing was particularly crucial as economies were reopening and demand was increasing. The conflict created disruptions in global logistics and supply chains with closures of shipping routes and ports, and sanctions by Western economies on Russia, a major oil producer and exporter, led to Brent crude oil prices surging to over US\$130/barrel, which has not been seen since the 2008 financial crisis. This exacerbated the already present supply chain disruptions earlier caused by the pandemic, leading to further increases in freight charges, and shortages of containers and warehousing space.

The global economy continues to be weighed down by elevated cost pressures, higher interest rates, and COVID-related disruptions in China. These factors more than neutralise the support from positive labour market conditions, and the full reopening of economies and international borders. Headline inflation moderated slightly from high levels in recent months, although core inflation remains above historical averages. By the end of the year, economists predict that most countries are likely to face a recession in 2023, with recovery occurring towards the end of the year.

### Domestic Economy

Despite the global events, the Malaysian economy performed well in 2022, expanding by 8.7% compared with 3.1% in 2021. This is partly attributed to the low base of 2021, which was still impacted by COVID-19. Overall, however, the economic performance of 2022 surpassed the pre-pandemic 2019 level by 5.8% [2019: RM1,424 billion; 2022: RM1,507.3 billion, in constant 2015 prices]. The positive performance was driven by strong domestic demand, underpinned by improvements in the labour market and income conditions, as well as ongoing policy support. Exports were supported by strong demand for electrical and electronic products, and the transition to endemicity on 1 April 2022, further easing of restrictions and reopening of international borders, spurred tourism recovery. Overall, growth was supported mainly by the services and manufacturing sectors, which expanded 10.9% and 8.1% year on year (y-o-y), respectively.

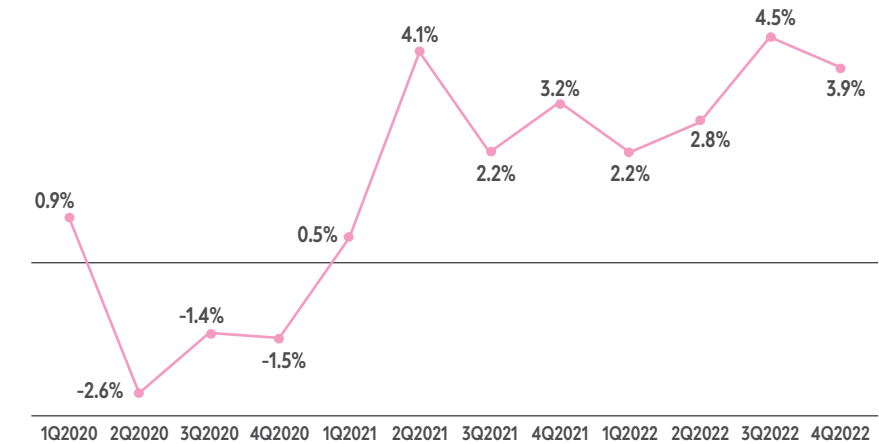
Malaysia Quarterly GDP Growth, 1Q 2020 - 4Q 2022



Source: Department of Statistics Malaysia

Malaysia was not spared from the inflationary surge in 2022, which peaked at 4.5% in the third quarter of the year under review. The rise in prices of goods, especially food items and services, was driven by a combination of robust consumer demand and a shortage of supply. Bank Negara Malaysia responded with monetary policy adjustments, increasing interest rates to moderate inflation.

Malaysia Quarterly Headline Inflation Rate, 1Q 2020 - 4Q 2022

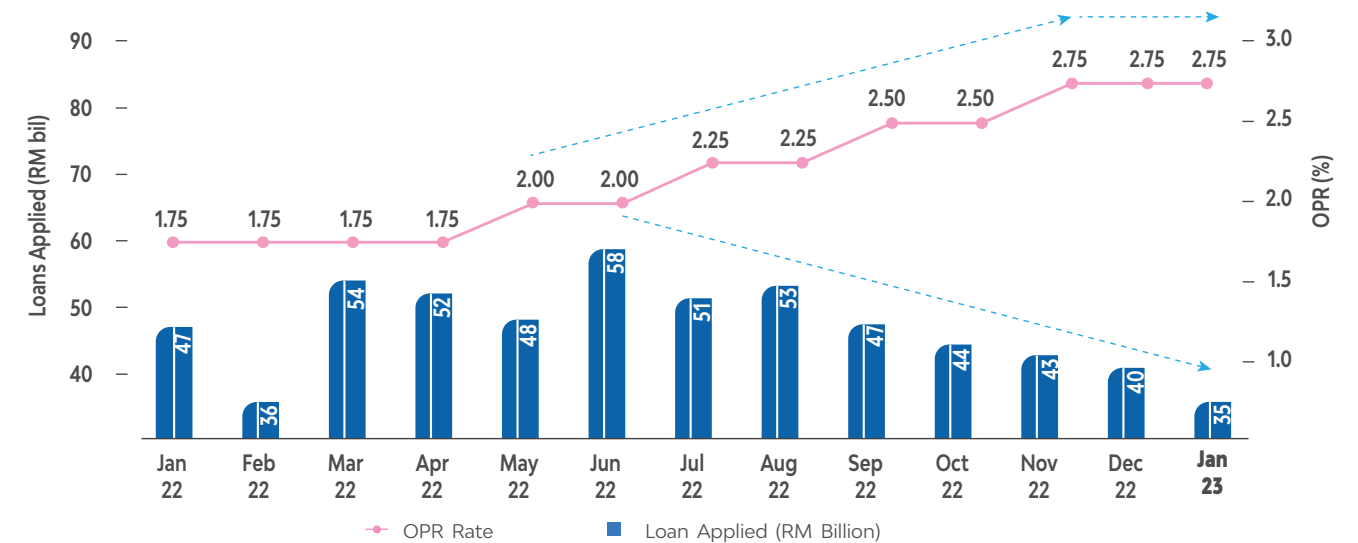


Source: Department of Statistics Malaysia

## IMPACT ON PROPERTY DEVELOPMENT

The ongoing labour shortage situation was exacerbated as the industry faced delays and challenges in getting workers back post-pandemic, while supply chain disruptions led to a shortage of materials, which caused the rise in materials cost and inflation. This impacted project delivery timelines and squeezed profit margins. The increase in interest rates also impacted the property loan application amount. Total loans applied have consistently declined since the OPR hikes began in May 2022.

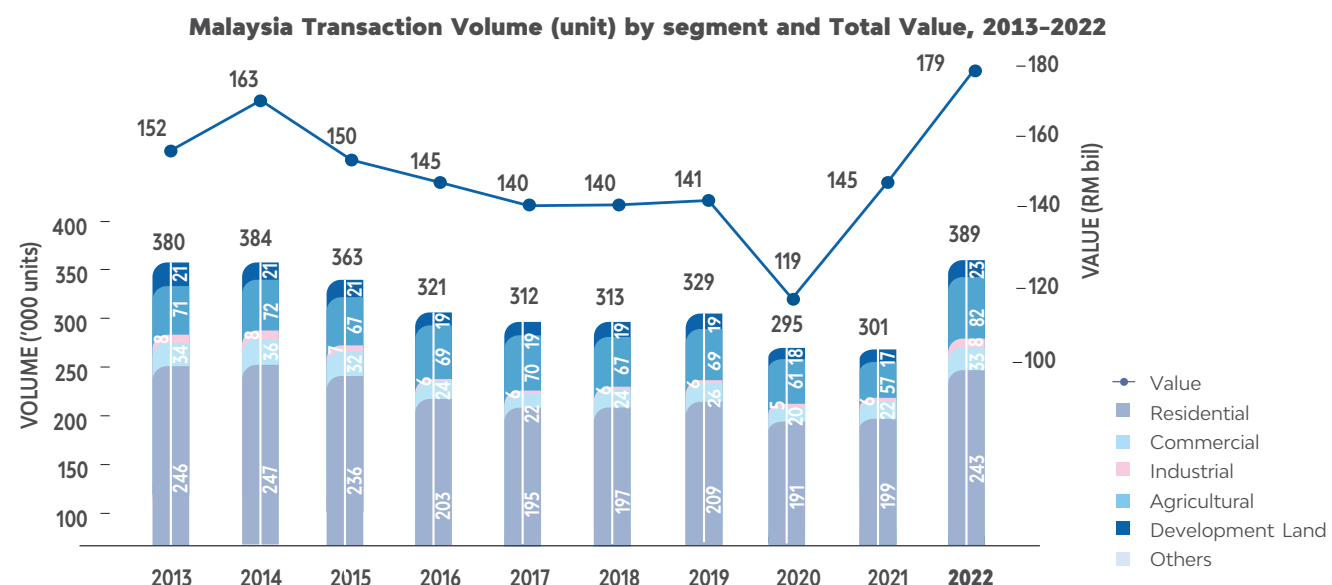
OPR & Property Purchase Loan Application



Source: Bank Negara Malaysia

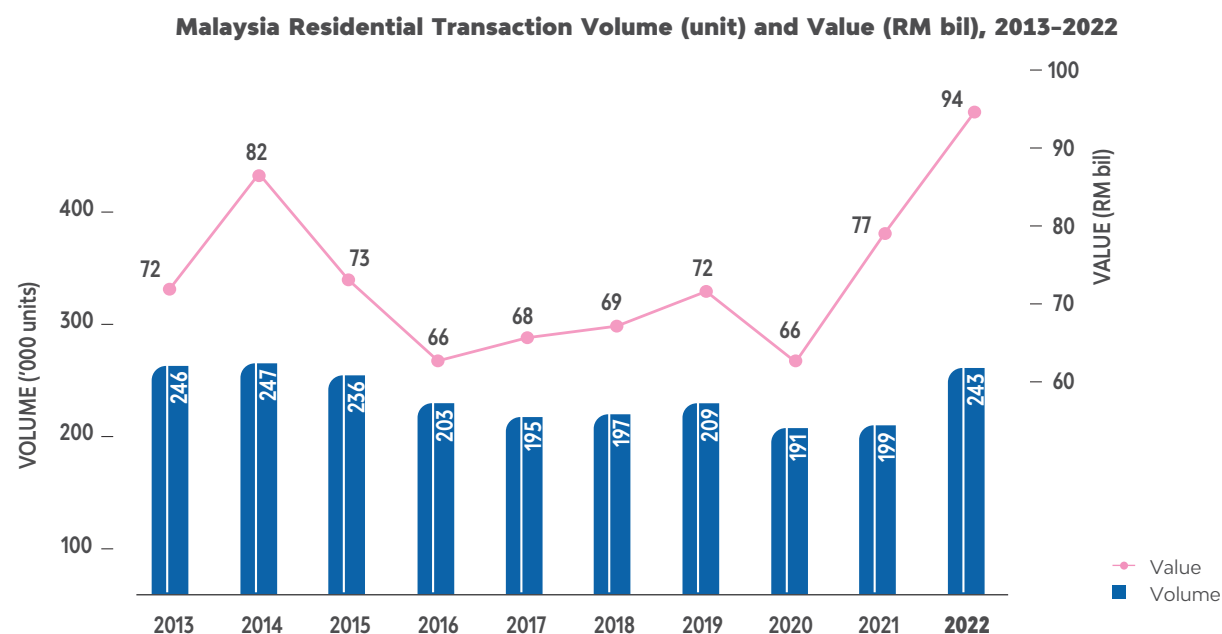
## PROPERTY MARKET & OUTLOOK

However, since the nation lifted the COVID-19 containment measures at the end of 2021 and transitioned further into the endemic phase in April 2022, the property industry has shown signs of improvement. Generally, the market has been very active, as reflected by the overall transaction activity reaching a record high in value (RM) in 2022 at a total of RM179.1 billion, (+23.6% y-o-y), while volume reached close to the early-2010s' market peak levels at 389,107 units (+29.5% y-o-y), with growth recorded in all segments.



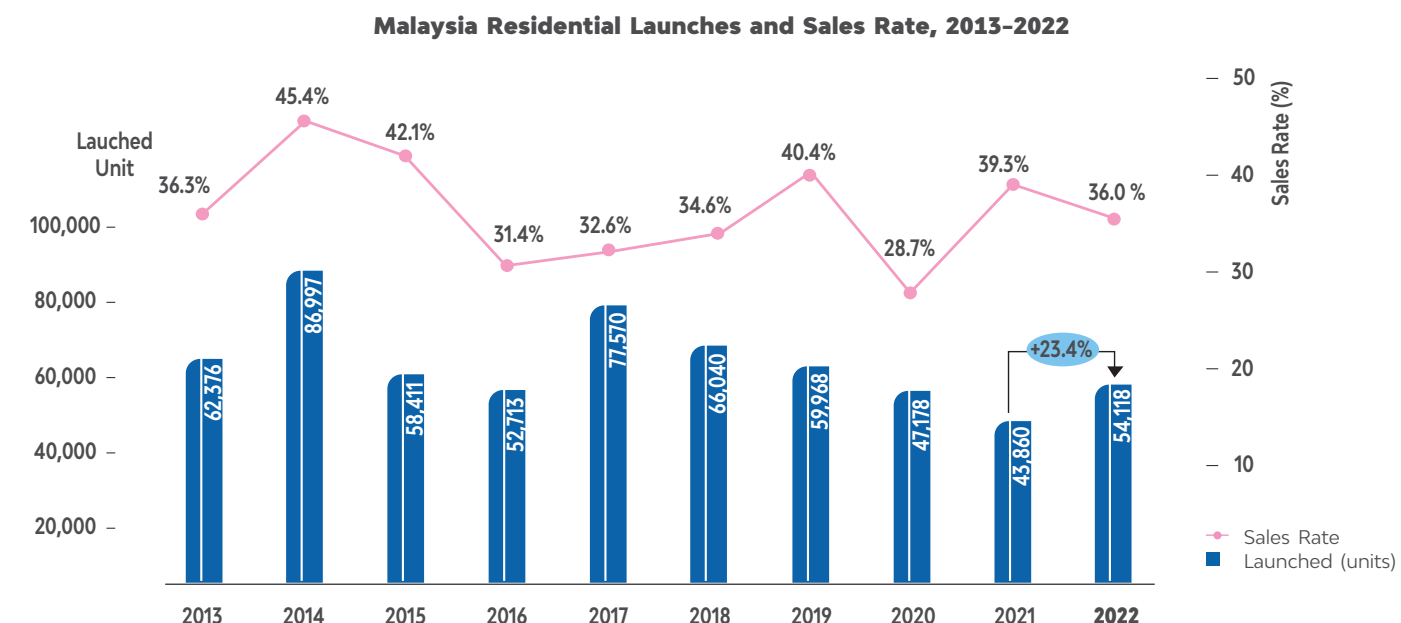
Source: NAPIC

Although global home sales fell, this was not the case in Malaysia. The residential segment recorded the largest absolute growth of RM17.3 billion (+22.6%) from the previous year, reaching a historical high of RM94.3 billion worth of transactions in total in 2022; while volume rose by 44,378 units (+22.3%) to register a total of 243,190 units, numbers not seen since the early- to mid-2010s.



Source: NAPIC

However, new launch activity was not exceptionally high in 2022. The National Property Information Centre (NAPIC) recorded 54,118 residential units launched in 2022, an increase of 23.4% (10,258 units) from 2021, albeit still lower than the average pre-pandemic annual launches. With sales performance of 36%, the effective new launch take-up was only 19,482 units or 8% of the total residential transactions for the year. This indicates that the surge in activity was mainly in the secondary or sub-sale market, where property buyers may have found better value properties or received attractive deals from owners who are seeking to offload their assets, and of ongoing projects launched in the last couple of years over the COVID-19 period.



Source: NAPIC

Residential, industrial and agricultural transactions also hit historical highs of RM21.2 billion (+24.8% y-o-y) and RM17.9 billion (+50.5% y-o-y) respectively. The industrial segment is still in a growth phase, as demand continues to be high, driven by expansions in the manufacturing, warehousing & logistics, and data centre subsegments. The growth in the agriculture segment was also notable, which is likely to also include land banking activities of agricultural land for future development.

### OUTLOOK

Amid the lingering environment of high inflation and interest rates globally, the Malaysian economy is set for a moderate 4% to 5% growth in 2023. With the new Malaysian Government in place, which recently announced the revised expansionary Budget 2023 – the largest budget in the nation's history of RM388.1 billion – we are expected to continue on the path of economic recovery as the Government is focused on boosting the Malaysian economy and reducing income disparity.

Nevertheless, we are very much aware that the market landscape continues to be challenging, and many concerns remain. The inflation rate is expected to be stable but will surely rise if the global supply chain uncertainty is not resolved. External factors such as the tightening monetary policy, supply chain disruptions and labour shortage issues would likely linger into 2023.

As at April 2023, the OPR, which was anticipated to further increase in the early part of 2023, has remained unchanged at 2.75%, as inflation is expected to moderate in 2023 with upward pressures to be partly contained by price controls and fuel subsidies. Bank Negara Malaysia is also assessing the impact of its 100 basis points (bps) hike in 2022 on the Malaysian economy before taking any further action. Riding on the momentum of high activity in 2022, property market recovery is expected to be backed by positive sentiments on the political front and general stability in terms of the pandemic. Even so, this will be at a more moderate pace, as we continue to face headwinds. The market has shown signs of softening following the OPR hikes and remains generally weighed down by a large overhang.

# KEY MARKET TRENDS SHAPING OUR BUSINESS

## TECHNOLOGY AND DIGITALISATION

### HOW IT IMPACTS OUR BUSINESS

- Improved efficiency and productivity.
- Increased competition due to technology and digitalisation.
- Optimised workforce through technology and automation.

### HOW IT IMPACTS OUR STAKEHOLDERS

#### Customer

- Shift in customer behaviour: More customers are researching, comparing prices, and purchasing products online.

#### Employee

- Upskilling of employees with latest technology and tools.
- Enable employees to work more effectively and efficiently.

### KEY RISKS & OPPORTUNITIES

#### Risks

- Cybersecurity exposure due to evolving IT and digital adoption.

#### Opportunities

- Utilising technology and digitalisation to reach new customers through online platforms.
- Marketing products through NFTs to attract younger generations and enhancing customer experience.
- Improving efficiency and productivity.

### OUR APPROACH

- Strengthen cybersecurity by implementing robust measures.
- Use digital applications to eliminate, reduce or automate manual tasks using digital applications.
- Leverage on social media to market to younger customers.



## EVOLVING CUSTOMER TRENDS

### HOW IT IMPACTS OUR BUSINESS

- Increasing demand for sustainable and environmentally friendly properties due to changing customer preferences.
- Higher competition among developers as more players enter the market and try to differentiate their offerings.
- Potential impact on financial performance due to changes in demand and prices of properties.

### HOW IT IMPACTS OUR STAKEHOLDERS

#### Shareholders & Investors

- Shifting demand for the Company's products and services impacts financial performance.

#### Employees

- Changing the skills and knowledge required to meet customer expectations and preferences.

#### Suppliers & Partners

- Changing the demand for specific products, services, or technologies.

### KEY RISKS & OPPORTUNITIES

#### Risks

- Customer loss due to failure to meet their needs.

#### Opportunities

- Increased business, investment, and access to new markets.
- Opportunity for gaining new skills and knowledge.

### OUR APPROACH

- Focus on enhancing customer experience.
- Increase marketing efforts and product offerings; introduced the Happy+ product series in February 2023, a brand collective for all of UEM Sunrise's new products in the residential category.
- Use customer feedback to make informed decisions and create product development strategies.



## RAPID URBANISATION & INDUSTRIALISATION

### HOW IT IMPACTS OUR BUSINESS

- Explore e-commerce segments like co-working space and co-living.
- Land banking strategy will focus on urbanised and urbanising locations.
- Explore horizontal opportunities from rapid industrialisation such as data centre, warehousing, and logistics.
- Need to expand aging-in-place and senior living segment.

### HOW IT IMPACTS OUR STAKEHOLDERS

#### Regulators

- Increased interest from foreign investors to set up their businesses in Malaysia.
- New compliance requirements from authorities pertaining ESG matters.

### KEY RISKS & OPPORTUNITIES

#### Risks

- Decreased development margin due to increasing land prices and sluggish product prices caused by oversupply.
- Reduced livability due to higher density development required to cater to rapid urbanisation.

#### Opportunities

- Venture into new commercial segments.
- Land banking in areas with potential for urbanisation.
- Venture into more sustainable development concepts.

### OUR APPROACH

- Implement more robust due diligence to carefully select land for development.
- Engage with industrial players to explore potential collaboration and business arrangements.
- Sell non-strategic landbanks for monetisation purposes and realign landbank portfolio to become an effective balanced real estate player.
- Re-strategise retail tenant mix to reflect short to medium-term retail trends.



## INCREASED PRESSURE ON ESG

### HOW IT IMPACTS OUR BUSINESS

- The need to incorporate ESG into business operations, organisation and project developments.
- Stronger ESG disclosures are required to maintain stakeholder trust and credibility.

### HOW IT IMPACTS OUR STAKEHOLDERS

#### Customer

- Demand for greener and more sustainable property development.

#### Employee

- Upskilling of employees with ESG knowledge.
- Provide platform/infrastructure for employees to incorporate ESG as part of work process.

#### Shareholders & Investors

- Increasing demand from ESG funds and investors for companies with strong ESG practices.

#### Regulators

- Rise in interest from foreign investments in view of the sustainable property market.

### KEY RISKS & OPPORTUNITIES

#### Risks

- Potential regulatory scrutiny and legal action due to failure to meet ESG expectations.
- Talent shortage in sustainability-related skills.
- Risk of non-compliance with social or environmental regulations leading to penalties and reputational damage.
- Loss of potential investments by investors who make ESG their priorities.

#### Opportunities

- Quick and accurate response to revenue and profit drivers by incorporating ESG elements and stakeholder goals.
- Incorporating sustainable and green building practices to differentiate offerings and appeal to environmentally conscious customers.
- Cost reduction and increased project efficiency through sustainable practices.

### OUR APPROACH

- Drive the business model and integrate ESG into strategy and operations. The Sustainability Blueprint is the Board-approved framework in embedding sustainability throughout the organisation.
- Implement eco-friendly designs, circular construction, waste recycling, solar transition, and other low-carbon measures.
- Link senior management remuneration to climate change and ESG KPIs to boost the ESG agenda.



# OUR MATERIAL MATTERS

## Materiality Methodology

During the year under review, we underwent a thorough materiality determination process to revise our existing material matters. This involved a careful analysis of the feedback and viewpoints expressed by our stakeholders, enabling us to identify the issues that carry the greatest significance and influence for both our business and stakeholders.

### STEP 1

#### IDENTIFICATION

- Identified and prioritised UEM Sunrise's key stakeholders
- Created an inventory of material matters

### STEP 2

#### PRIORITISATION

- Ranked the importance of each matter to key stakeholders
- Assessed the likelihood and magnitude of impact for each material matter
- Developed a materiality matrix

### STEP 3

#### VALIDATION

- Presented material matters to the senior management for validation and approval



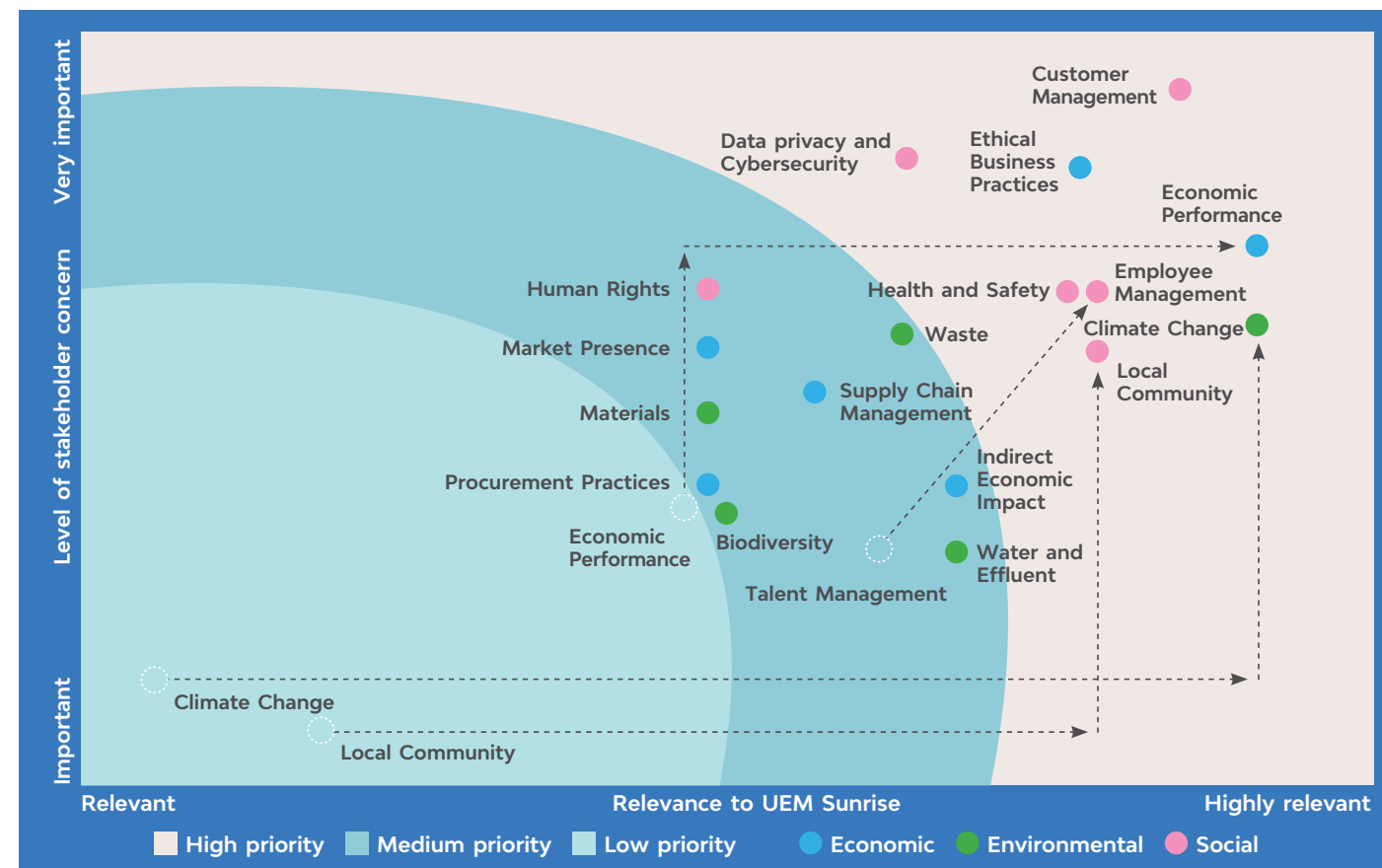
Establishing a culture of safety is part of CHIEF Amirul's focus in maintaining a safe workplace environment

## OUR MATERIAL MATTERS

Our approach to value creation is facilitated by our material matters, which are identified through active engagement with our key stakeholders. Through this process, we are able to identify topics that may have both positive and negative impacts on our business and stakeholders. By staying ahead of stakeholder expectations and delivering sustainable value over the long term, we can ensure that our strategy remains effective and aligned with our overall goals.

### Materiality Matrix & Results

#### UEM Sunrise Materiality Matrix



Our materiality assessment revealed a total of 17 critical matters, spanning across economic, environmental, social, and governance issues. As shown on the materiality matrix, eight matters were determined to be of high importance, thus requiring the most focus. We remain committed to addressing these highly material matters with a sense of purpose and urgency, as we strive to enhance our impact on both our business and stakeholders.

#### Material Matters identified in FY2022

##### High Priority

01 Customer Management	05 Health and Safety
02 Economic Performance	06 Data Privacy and Cybersecurity
03 Ethical Business Practices	07 Climate Change
04 Employee Management	08 Local Community

##### Medium Priority

09 Waste	14 Indirect Economic Impact
10 Supply Chain Management	15 Water and Effluents
11 Human Rights	16 Biodiversity
12 Market Presence	17 Procurement Practices
13 Materials	

Legend: ● Economic ● Environmental ● Social

## OUR MATERIAL MATTERS

Based on the materiality exercise, which commenced in late 2022 and finalised in April 2023, there have been some changes in the material matters of UEM Sunrise. Our last materiality assessment was conducted in 2020 before the pandemic of COVID-19:

- ➔ There has been a significant increase in the importance of climate change, indicating that stakeholders are now more concerned about its impact on the environment and society.
- ➔ Local community engagement has also become more critical, suggesting that stakeholders expect UEM Sunrise to have a positive impact on the communities where it operates.
- ➔ Talent management has increased in ranking, which means that stakeholders now view the Company's ability to attract, develop and retain skilled employees as more important than before.
- ➔ Materials and supply chain management have been introduced as new topics, reflecting stakeholders' increasing concern about our sustainable material sourcing and supplier management practices.

These movements are highlighted in the UEM Sunrise Materiality Matrix, as seen from the arrows depicted in the matrix. We are cognisant of the growing importance of environmental and social issues in our operations, with stakeholders expecting us to play a bigger role in promoting sustainable development. By addressing these issues, we are in a better position to ensure business sustainability, build stakeholder trust and contribute to a sustainable future.

### DEFINITION & SCOPE

For more information on how we address our material matters, please see pages 74 to 77.

Material Matter	Definition & Scope	More Information
<b>Economic Performance</b>	▶ Economic value generated and distributed (EVG&D) by UEM Sunrise and financial implication and other risks and opportunities due to climate change.	Page 139
<b>Market Presence</b>	▶ UEM Sunrise's contribution to economic development in the local areas or communities where it operates, which can include UEM Sunrise's approaches to remuneration or local hiring. Also includes market expansion as a subset of the broader context of sustainable business strategy.	Page 139
<b>Indirect Economic Impact</b>	▶ The impact of UEM Sunrise's infrastructure investment and services support on its stakeholders and the economy.	Page 139
<b>Procurement Practices</b>	▶ Percentage of UEM Sunrise's procurement budget used for significant locations of operation that are spent on suppliers local to that operation.	Page 143
<b>Ethical Business Practices</b>	▶ UEM Sunrise operates its business in an ethical manner in adherence to all laws, regulations, guidelines, and specifications relevant to its business processes.	Page 144

Material Matter	Definition & Scope	More Information
<b>Supply Chain Management</b> <i>Supplier Environment &amp; Social Assessment</i>	▶ Ensuring the supply chain is aligned with UEM Sunrise's policies and practices in the delivery of products through management of the environmental and social impact.	Page 143
<b>Materials</b>	▶ Materials used as inputs in the production of UEM Sunrise's services and solutions, including the sourcing and composition of materials used in the services and solutions delivery.	Page 155
<b>Water &amp; Effluents</b>	▶ UEM Sunrise's consumption and efficiency of water usage for industrial processes and general purposes.	Page 155
<b>Biodiversity</b>	▶ UEM Sunrise's identification and assessment of risk associated with biodiversity and the potential impact on terrestrial, freshwater, and marine environment that lies within, contains, or is adjacent to areas with high biodiversity value.	Page 155
<b>Waste</b>	▶ UEM Sunrise's management of hazardous and non-hazardous waste, as well as effluent disposed of as waste or wastewater.	Page 155
<b>Climate Change</b> <i>Energy &amp; Emissions</i>	▶ Management and reduction of greenhouse gasses in the atmosphere including UEM Sunrise's action to achieve climate-related targets via energy and emissions reduction.	Page 149
<b>Employee Management</b>	▶ The overall management and fair treatment of UEM Sunrise's employees include labour practices, promoting employee growth, training, and well-being, and being an inclusive employer that embraces diversity in the workplace.	Page 164
<b>Health and Safety</b>	▶ Maintaining a safe work environment by recognising, evaluating, and controlling hazards that could arise and could impair the health and safety of employees, workers, and customers.	Pages 164 & 168
<b>Human Rights</b>	▶ UEM Sunrise protects and respects human rights within our operations and through business relationships.	Page 164
<b>Local Communities</b>	▶ UEM Sunrise's management of communities in any areas that are economically, socially or environmentally impacted (positively or negatively) by its operations, as well as voluntary contributions made to enhance socio-economic benefits and create a positive social impact.	Pages 139 & 166
<b>Customer Management</b>	▶ Provision of quality products and transparent information for customers to make informed decisions and to meet or exceed customer expectations to enhance customer satisfaction.	Page 170
<b>Data Privacy and Cybersecurity</b>	▶ Safeguarding customer privacy and ensure the safety of all UEM Sunrise's data with robust cybersecurity controls.	Page 173



# KEY RISKS AND MITIGATIONS

UEM Sunrise operates in a dynamic and constantly changing business environment, which presents a variety of risks that may have a material impact on the Company's ability to create value and achieve its strategic objectives. To manage these risks effectively, we have identified the principal risks that may most likely affect our operations and financial performance, and have developed strategies to mitigate or manage these risks.

## KEY RISK NO. 1

### GLOBAL PANDEMIC RISK

#### DEFINITION

The global pandemic risk has led to movement restrictions, supply chain disruptions, reduced demand for certain products/services, and increased uncertainty in the business environment, resulting in financial losses for many companies.

#### Stakeholders



#### Material Matters



#### IMPACT ON VALUE

- Fewer buyers or renters in real estate due to movement restrictions.
- Delays in building, inspection, and permission processes on real estate.

#### MITIGATION MEASURES

- Establish Business Continuity Plans (BCP) and COVID-19 Control Plans that aim to reduce business impacts.
- Proactively monitor COVID-19 severity and review necessary control approaches.
- Provide regular email and intranet updates for employees.

#### OUTLOOK

##### Short-Term

The short-term outlook for global pandemics is characterised by ongoing waves and the emergence of new variants, resulting in continued economic disruption. With widespread vaccination, the pandemic is gradually becoming more manageable. However, the situation remains unpredictable, and businesses must remain vigilant and flexible in their strategies to adapt to the evolving landscape.

##### Medium to Long-Term

The risk of pandemics is expected to increase in the longer term due to factors such as climate change, urbanisation, and globalisation, which increase the likelihood of new diseases emerging and spreading rapidly. Therefore, the Group will continuously strengthen our risk management strategies to mitigate the impact of future pandemics on our operations and stakeholders.

## KEY RISK NO. 2

### COMPETITION RISK

#### DEFINITION

The Group competes with other property developers in terms of land acquisition, access to critical talent, raw materials, labour, property types, and pricing. This risk is compounded by market or systemic risks, as the majority of the Company's revenue is derived from the property development sector.

#### Stakeholders



#### Material Matters



#### IMPACT ON VALUE

- Increased rivalry for investments leading to funding issues.
- High land prices make it challenging to find appealing locations.
- Reduced sales whereby inventory increases and revenue decreases.

#### MITIGATION MEASURES

- Set strategic plans and detailed budgets to identify objectives, targets, and resources and evaluate performance.

#### OUTLOOK

##### Short-Term

Malaysia's real estate market will remain challenging due to an oversupply of residential properties, stricter lending regulations, and a weakened economy. The COVID-19 pandemic has also impacted the global property market, which may increase market volatility in Malaysia. Businesses operating in the real estate sector must remain vigilant and adopt effective risk management strategies to navigate the challenging market conditions.

##### Medium to Long-Term

Malaysia's housing market is expected to recover from its current status with the implementation of tax breaks and affordable housing programmes, while population growth and urbanisation are also expected to drive demand. These factors are anticipated to have a positive impact on the property market in the near future.

## KEY RISK NO. 3

### PEOPLE RISK

#### DEFINITION

To succeed in the business environment of the Fourth Industrial Revolution (IR 4.0), companies require a growth-oriented workforce with appropriate bench strength and strong leadership. UEM Sunrise aims to upskill its personnel continually, ensuring it has the talent needed to face future challenges and implement effective succession planning.

#### Stakeholders



#### Material Matters



#### IMPACT ON VALUE

- Project delays, reduced productivity and development quality due to loss of talent.
- Lack of skilled labour availability or employee retention.
- Higher personnel costs due to changes in Employment Act and tighter talent supply.

#### MITIGATION MEASURES

- Enhance KPI monitoring and assessment in the Performance Management Framework.
- Implement structured leadership and talent programmes to develop emerging leaders, high-potential individuals, and current leaders.
- Organise talent management and succession planning discussions to address developmental gaps for higher worker productivity.

#### OUTLOOK

##### Short-Term

The pandemic has impacted the Malaysian economy, resulting in job losses and potentially reducing the skilled workforce available to UEM Sunrise. This may lead to challenges in hiring and retaining talent. Additionally, remote work conditions may present difficulties in managing and retaining employees.

##### Medium to Long-Term

The growth of urbanisation in Malaysia and the consequent increase in housing demand may attract skilled employees to the property development industry. This could make it easier for UEM Sunrise to hire and retain talent. Government policies like affordable housing may also boost skilled labour in the long term as concerns of not being able to own a home is alleviated by the supply of affordable houses.

## KEY RISK NO. 4

### REGULATORY & CORRUPTION RISK

#### DEFINITION

The Group manages regulatory and corruption risks by complying with relevant laws and regulations, such as the Malaysian Anti-Corruption Commission (MACC) Act 2009. It prioritises stakeholder accountability, transparency, and ethics in all processes and activities.

#### Stakeholders



#### Material Matters



#### IMPACT ON VALUE

- Corporate liabilities that impact our bottom line.
- Reputational damage or loss of public confidence due to poor governance.
- Financial losses from fines, penalties and reduction in share price.

#### MITIGATION MEASURES

- Conduct a Gap Analysis Exercise on Adequate Procedures.
- Continuously improve associated anti-corruption policies and procedures.
- Organise Integrity Day and conduct various integrity and anti-corruption awareness initiatives, including monthly newsletters, talks and training sessions as well as Integrity Month initiatives.
- Appoint CHIEF Integrity Advocates (CIA) and establish the CIA programme to improve ethics and integrity.
- Deliver regular email and intranet updates to employees.

#### OUTLOOK

##### Short-Term

The Group aims to mitigate regulatory and corruption risk by conducting a comprehensive corruption risk assessment, evaluating and certifying their Anti-Bribery Management System (ABMS), and enhancing their policies and procedures in accordance with the Adequate Procedures standards. This ensures compliance with the National Anti-Corruption Plan and increases their competitiveness for government contracts.

##### Medium to Long-Term

In order to mitigate Regulatory and Corruption risk, the Group aims to promote integrity and ethical behaviour by implementing anti-corruption procedures and awareness campaigns for the Board of Directors, employees, and stakeholders. This includes evaluating and enhancing corruption policies and processes in accordance with Adequate Procedures.

## KEY RISKS AND MITIGATIONS

### KEY RISK NO. 5

#### FINANCIAL RISK

##### DEFINITION

The Group faces financial risks such as credit, liquidity, and cash flow concerns. Inability to maintain credit ratings, meet funding obligations, and manage business and earnings risks may lead to unacceptable losses and harm financial management and operations.

##### Stakeholders



##### Material Matters



##### IMPACT ON VALUE

- Delays in land transactions could affect revenue and profit recognition.
- Financial constraints prevent landbank development and construction progress billings.
- Lawsuits by creditors or tax authorities affect profitability.
- Borrowing money would cost more as interest rates rise and affect profitability.
- Changes in tax legislation or finance restrictions might make it harder to secure project funding.

##### MITIGATION MEASURES

- Implement GDV launch plans and off-load non-strategic lands as well as non-core assets to generate value and boost liquidity.
- Monitor and disclose financial risks to optimise liquidity.
- Monetise inventory.
- Increase digital marketing and help clients secure financing.
- Monitor and contact debtors to guarantee timely payments.
- Monitor financial covenants and borrowing repayment maturity profiles.

##### OUTLOOK

###### Short-Term

The pandemic has increased financial market uncertainty, making funding acquisition more difficult. Bank Negara Malaysia's decision to raise the OPR by 25 basis points to 2.75% in November 2022 has also increased interest rates, which may lead to difficulty in obtaining loans. However, government policies that encourage property development, such as affordable housing, may boost demand for properties and aid in securing funding in the short term.

###### Medium to Long-Term

Malaysia's property market could improve as the economy recovers from the pandemic. Government initiatives to boost the property sector may also increase demand and funding opportunities. However, fluctuating interest rates could impact long-term business prospects, potentially affecting property sales and profitability.

### KEY RISK NO. 6

#### OPERATIONAL RISK

##### DEFINITION

The Group's outsourced project development tasks pose a risk as third-party failures could disrupt operations. Effective internal processes and systems are crucial for delivering quality products and controlling costs and time. The Company also acknowledges and mitigates risks associated with the evolving IT and digital landscape.

##### Stakeholders



##### Material Matters



##### IMPACT ON VALUE

- Delays in projects, higher expenses and lower product quality due to supplier issues.
- Cyberattacks or system failures might interrupt business and cost money.
- Ineffective internal procedures and systems can delay projects, raise expenses, and lower profitability.

##### MITIGATION MEASURES

- Improve processes and project management by embedding technology and digitisation.
- Benchmark Management System and SOPs ISO 9001:2015 and other applicable standards and best practises.
- Identity Access Management, End Point Protection and Unified Threat Management at the end user and gateway levels to safeguard against security threats.

##### OUTLOOK

###### Short-Term

The Group may face supply chain disruptions and delays from third-party contractors and suppliers, resulting in higher costs and delayed project completion. Market volatility and virus-prevention measures may also disrupt internal processes, systems, and remote working, causing inefficiencies and delays.

###### Medium to Long-Term

The Group faces the risk of third-party non-performance, potentially delaying projects, and lowering product quality. Additionally, adopting new technologies to keep up with the digital world may pose significant risks that need to be evaluated and addressed.

## OUR STRATEGY

As a responsible organisation, we are cognisant that our main objective is to provide sustainable value to all our stakeholders. To meet such expectations, we have adopted and deployed the UEM Sunrise three-phased Strategic Turnaround Plan i.e. **Triage, Stabilise and Sustain (TSS)**, which intends to accelerate our transformation into a formidable balanced real estate player over the next five years and beyond.



The Strategic Turnaround Plan consists of clear objectives and a set of action plans that would transform UEM Sunrise to become a more resilient and sustainable business entity in the future.

#### Triage

**Triage** is the initial phase whereby gaps in key business fundamentals are identified and addressed. The desired outcome is to ensure UEM Sunrise immediately return to profitability. This is to be achieved by revitalising our launch pipeline and delivering products that are tailored towards our customers' needs and aspirations. In order for us to consistently deliver value to our customers, we have also identified areas where greater efficiency can be obtained.

2022-2023

#### Stabilise

In **Stabilise**, we shall carry through the momentum from **Triage** including enhancing our launch pipeline and expanding our product offerings beyond just residential and commercial real estate. This would pave a more sustainable growth trajectory for the business. Digitalisation and innovation would be the key enablers for further efficiency in our operations. Above all, our People strategy shall reinforce our culture, values and talent management, hence, making UEM Sunrise the employer of choice.

2024-2025

#### Sustain

**Sustain** will be focusing on realising our aspiration to become a balanced real estate player. UEM Sunrise's portfolio shall be significantly diversified – potentially venturing into investment management as well as offering real estate related services. We shall also have a more prominent geographic presence, both domestically and internationally. Sustainability shall be the key differentiating element for us to compete and stay relevant in the future.

2026 and Beyond

# STRATEGIC PERFORMANCE REVIEW

## STRENGTHEN CORE REVENUE STREAM

### What It Means

Focusing on property development – strengthening its position as the main source of revenue stream core revenue stream.

### Our Approach

Enhancing our project launch readiness, ensuring steady project pipeline.

### What We Did

- Review master plans to optimise land use to generate the required returns on investment.
- Acquire new lands in strategic areas to reinforce future pipelines.
- Off-load non-strategic lands and divest non-core assets.
- Emphasise on securing authority approvals prior to launch.

### Link to

Capitals



Material Matters



Stakeholders



### Value Created for the Business

- Market confidence following a profit after tax and non-controlling interests of RM80.5 million for the financial year ended 31 December 2022 (FY2022) after two years of losses due to COVID-19 and various containment measures.

### Value Created for the Stakeholders

#### Shareholders & Investors:

- Long-term value and returns for the interest of shareholders and investors. Declared a single-tier tax-exempt dividend of 0.5 sen per ordinary share for FY2022 of RM25.3 million to be paid on 22 May 2023.
- Higher organisation growth potential as new land acquisitions at strategic locations demonstrate our commitment towards building pipelines and reinforcing product launches for long-term sustainability.

#### Customers:

- Increased product value with enhanced masterplans.
- Better living environment for stakeholders in terms of amenities, connectivity, open space and others.

### Outlook

Our 2023 focus is to achieve our GDV target of RM2.5 billion and sales target of RM1.5 billion. We will accelerate development programs, execute planned pipelines, streamline product branding, and implement innovative product features. We also plan to launch two products in the second quarter of 2023: The MINH in Mont'Kiara under the CLUB Edition series and The Connaught One in Cheras under the RISE Series.

Additionally, we aim to improve profitability through a stronger core revenue stream and drive operational excellence across the organisation and supply chain. We will achieve balance sheet improvements primarily through divesting non-core assets and selling non-strategic land sales, monetising existing inventories, realigning JV portfolios with corporate objectives, and paring down borrowings.

The value creation exercise during **Triage** would help build our capabilities and readiness to pursue strategic initiatives in the later phase of **Stabilise** (2024-2025). This includes strategic land acquisition, industrial play, international expansion, and digital enablement. These initiatives are key growth drivers as we enter the **Sustain** phase (2026 and beyond).

## MANAGE RISK

### What It Means

Assessment of potential threats and identification of action plans to mitigate industry challenges and facilitate operations.

### Our Approach

- Review, monitor and enhance operational processes.
- Monitor sales funnel, inventory levels, development plans and ensure the execution of the identified key deliverables to maintain adequate cash flow requirements and adequate buffers of liquidity throughout the year.

### What We Did

- Set up new divisions for operational excellence:
  - The Development division reviewed masterplans and drove product innovation;
  - The Commercial division drove commercial real estate, strategic land management, consolidated land management activities, optimised assets, and managed JVs;
  - The Sustainability division drove the sustainability agenda, steered process improvement, and managed quality; and
  - The Liaison & Land Management division improved engagement with authorities.
- Off-load non-strategic landbanks to focus on core activities and land banking for future pipelines, and identified selected non-core assets for potential divestment.
- Improved cost structure through strategic procurement initiatives such as bulk purchases and Vendors Partnership Programme.
- Drove pipeline building by reviewing existing master plans to optimise land use.

### Link to

Capitals



Material Matters



Stakeholders



### Value Created for the Business

- Increased productivity, a higher focus on core business, and cost savings.
- Steady project pipelines.
- Clarity of land use planning.

### Value Created for the Stakeholders

#### Shareholders & Investors:

- Deliver sustained growth and long-term value and returns for the interest of shareholders and investors.
- Higher organisation growth potential by streamlining operations, divesting non-core assets, and improving cost structures.

#### Employees:

- Better-defined roles and responsibilities for employees, allowing them to contribute more effectively to the Company's growth.
- Create more opportunities for employees to grow and develop their careers.

#### Customers:

- Deliver increased value to customers through sustainable and eco-friendly buildings, as well as greater transparency and accountability of operations.

### Outlook

UEM Sunrise will continuously strengthen its project management capabilities via review, monitoring and enhancement of operational processes and embedding the use of technology and digitisation to improve overall efficiency.

Integrated Management Systems and Standard Operating Procedures are benchmarked against ISO 9001:2015, as well as other applicable standards and best practices, to ensure the quality of the products and services offered.

## STRATEGIC PERFORMANCE REVIEW

### OFFER CLEAR VALUE PROPOSITIONS

#### —○ What It Means

Creating attractive products and services according to the needs of various market segments, which indirectly demonstrates UEM Sunrise's strength and competencies in offering diverse products to respective buyers and individuals.

#### —○ Our Approach

- Strengthen product portfolio to respond to market needs and future-proof products to cater to changes brought on by the pandemic and other shifts in the immediate to long term.
- Enhanced the functions of the current Customer Experience team to lead customer-centricity initiatives, curate positive and personalised experiences, and nurture long-term relationships at every touchpoint during the customer journey.
- Implement the Trésor loyalty programme with rewards, privileges, and enriching experiences, focusing on an end-to-end customer journey.

#### —○ What We Did

- Customise unique selling propositions for each product, catering to the needs of each target market. For example, products in Mont'Kiara are premium (except for Kiara Kasih) with a tinge of luxury, while products in Kiara Bay are for the mid-market or attainable segment, although still with unique selling propositions.
- Introduced the Happy+ product series featuring five categories for homebuyers with varying lifestyles and life-stage needs, delivering a more streamlined customer experience and implementing innovative product features into future products.
- Improved ESG score for the FTSE4Good Bursa Malaysia Index since its inception in 2014, achieving a score of 3.5 out of 5.0 and maintaining an ESG highest Grading Band of 4.
- Conducted masterplan reviews considering the market and highest best-use studies.
- Collaborated with like-minded partners to provide an enriched customer experience, such as the MOU with PETRONAS' wholly owned subsidiaries, PGTS and Gentari, to explore opportunities for collaboration in driving green energy, and the vendors partnership programme with the likes of Electrolux Malaysia Sdn. Bhd., Cement Industries of Malaysia Berhad, Signature Cabinet Sdn. Bhd. and Aurum Precast Sdn. Bhd.

#### —○ Link to

Capitals



Material Matters



Stakeholders



#### —○ Value Created for the Business

- UEM Sunrise's products have unique selling propositions and are of good quality, giving the buyers satisfaction to select their desired homes and enjoy the quality.
- Almost all products have good take-up rates, with inventory reduced by 49% compared to the financial year ended 31 December 2021, facilitating the Company's sales performance.
- 1,051 properties were completed due to rapid construction progress in 2022, benefiting buyers eager to move in post-COVID-19.
- Sales and rapid construction progress contribute to revenue and profitability.
- Enhanced development plans improve land use efficiency and margin improvements.
- The Happy+ product series have clear target market profiles.

#### —○ Value Created for the Stakeholders

##### Customers:

- Clear product segmentation for easier selection of desired properties.
- Enjoy personalised experiences and customer journeys.

##### Community:

- Experience living in a safe and sustainable neighbourhood.

##### Employees:

- Benefit from a clear marketing strategy, with visibility on potential product launches, providing clear direction on managing buyers' expectations.

#### —○ Outlook

We will continue enhancing our product offering, ensuring products are able to cater to market demand. Our Happy+ product series represents five product branding to cater to all market segments. It is easier for buyers to associate themselves with the properties they prefer. Our value proposition is also an assurance of quality services and products. It represents our philosophies, including embracing ESG principles and incorporating sustainability into our product development and delivery.

### ASSET PORTFOLIO REPRIORITISATION

#### —○ What It Means

After a thorough review of our asset portfolio, we are taking the conscious decision to reprioritise our development programme, including monetising some assets within the portfolio i.e. to be divested for other opportunistic purposes.

#### —○ Our Approach

- Identify and prioritise strategic lands for development to further enhance our pipeline.
- Off-loading of non-strategic assets. This comprises lands which are least prioritised for development i.e. non-contiguous and low potential returns; and divestment of selected non-core assets.
- Proceeds from this off-loading exercise are then utilised to acquire potential strategic lands for development as well as pare down debt.

#### —○ What We Did

- Sell the industrial plots in phase 3 of SiLC and recognised RM173.7 million (33 industrial plots) for FY2022 and sell non-strategic lands in Mersing, Johor and Seputeh, Kuala Lumpur, as well as a few pocket lands amounting to RM133.4 million also in FY2022.
- Continue to identify non-strategic lands and non-core assets for sale and divestment, respectively.

#### —○ Link to

Capitals



Material Matters



Stakeholders



#### —○ Value Created for the Business

- Contributed 21% towards the Company's total revenue for FY2022.
- Transparent land banking portfolio rebalancing strategy as the Company actively increases its exposure in the Central region for a more sustainable product pipeline – gives a clear message to the public and investment community on the steps UEM Sunrise is taking to ensure long-term growth and sustainability.
- Allow for cost reduction as there is now lesser asset holding cost, manpower cost and operation cost; improving profitability.
- Proceeds received allow for the paring down of debt and new land acquisition; the Company does not have to take on more loans to acquire new landbanks – potential improvements in borrowing position.

#### —○ Value Created for the Stakeholders

##### Shareholders & Investors

Improvement in cash flows following the monetisation initiatives is an indication that our liquid assets are increasing enabling us to consider paring down borrowings, reinvesting in the business, paying dividends, paying expenses and providing buffers against future financial challenges. This is a positive sign for the stakeholders.

#### —○ Outlook

Regardless of the monetisation initiatives, we strive to strengthen our core businesses and property development activities whilst focusing on operational excellence for our business to grow. Our operational and commercial excellence initiatives are not just about bottom-line efficiencies and productivity; it is also about top-line growth. We plan to continue to develop a robust strategy to reinforce pipelines and grow our retail, including exploring complementary retail to support our monetisation strategy.

# STRATEGIC PERFORMANCE REVIEW

## EMBED SUSTAINABILITY

### What It Means

Embracing and aligning organisation practices with corporate strategy to reduce negative impacts on environmental, social and governance resulting from the operations.

### Our Approach

Constantly driven by these pillars: Economic, Environmental, Social and Governance and the goal to minimise the risks associated with climate change, support the communities in which we operate and protect people and the planet while creating stakeholder value. The Company monitors ESG metrics as best as it can so that its performance can be tracked over time.

### What We Did

- Create a more holistic sustainability agenda with the establishment of the Company's Sustainability Policy and the Sustainability Blueprint. The Board approved the latter in March 2022 and aims to integrate the principles of sustainability throughout the Company.
- Alignment of the Company's ESG metrics with the UN SDG and obtain the ESG metric's final approval for the materiality assessment for further operational sustainability target setting, chartering our journey towards complying with Bursa Malaysia's enhanced SRF whilst exploring the recommendations of the TCFD.
- Promote human rights and avoid exploitation of child labour.
- Increased acceptance of eco-friendly designs to build a low-carbon future by 2030 and achieve Carbon Neutrality by 2050, as aspired by the Malaysian Government.
- Created high-quality products and services that aligned with the brand promise.

### Value Created for the Business

- Develop a sustainability-conscious workforce whose beliefs and aspirations will ensure that the objectives of the Sustainability Blueprint are complied with and taken seriously.
- Develop long-term relationships with ESG investors, financing partners and funders.
- Protect society and the planet from pollution and degradation.
- Increase public confidence and trust due to transparent communication.

### Value Created for the Stakeholders

#### Employees:

- Offered flexible working arrangements.
- Provided a safe working environment to our employees.

#### Community:

- Created a platform for conscientious people to connect and live sustainably.
- Increased asset value and investment for property buyers.

### Outlook

We are committed to combatting climate change by incorporating sustainable design principles in our townships and residential and commercial developments to further reduce carbon emissions during construction and operations. Thus, our commitment is attached to keeping global warming to no more than 1.5° Celsius – as per the Paris Agreement – with targets to reduce carbon emissions by 2030 and achieve Carbon Neutrality by 2050. To ensure the agenda is embedded into the products thoroughly, we aim to develop the SDDG as a reference to design sustainable products with lower carbon footprint whilst creating positive social impacts with high-value creations.

### Link to

#### Capitals



#### Material Matters



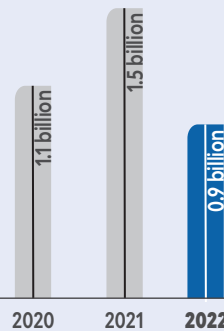
#### Stakeholders



# KEY PERFORMANCE INDICATORS

## FINANCIAL KPIS

### Sales Performance



Unit: RM

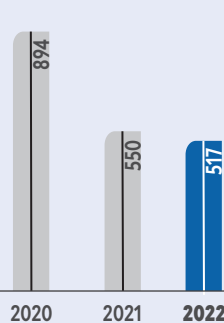
#### Objective:

To monitor and quantify annual sales achievement for improvements in revenue and profitability.

#### 2023 Target:

**RM1.5 billion**

### GDV Launched



Unit: RM million

#### Objective:

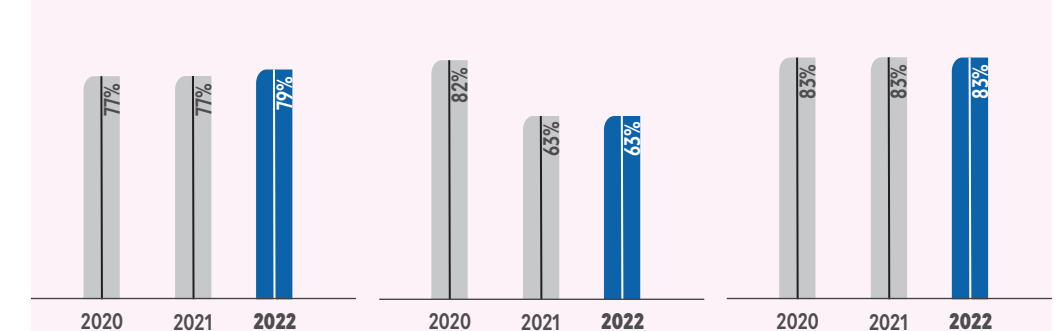
To create sales which will later translate into revenue upon the execution of the relevant definitive agreements between UEM Sunrise and the customers. The size of the annual GDV launched is important for the Company's long term sustainable growth.

#### 2023 Target:

**RM2.5 billion**

## NON-FINANCIAL KPIS

### Customer Management



Customer Satisfaction Score (CSS) based on the Annual Customer Satisfaction Survey

#### Objective:

To deliver quality and sustainable homes and ensure the safety and satisfaction of our customers while enhancing customer journey, building lasting relationships, delivering value, and earning their trust and loyalty.

#### 2023 Target:

**80%**

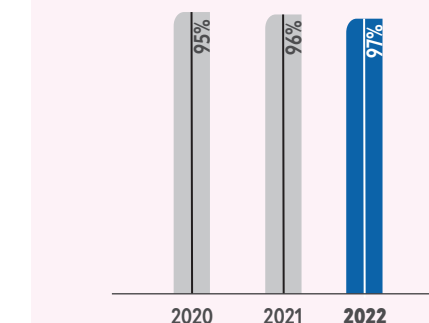
#### 2023 Target:

**80%**

#### 2023 Target:

**85%**

### Health and Safety



Safety and Health Assessment System in Construction (SHASSIC)

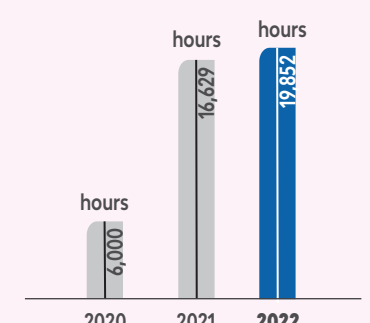
#### Objective:

To strive to provide safe working conditions for our employees and ultimately developing a high-performing workforce

#### 2023 Target:

**95%**

### Employee Management



Total hours of training for all employees in a year

#### Objective:

To uphold inclusivity and diversity within our workforce to ensure that comprehensive learning and development are available to all by implementing fair opportunities and the values of CHIEF.

#### 2023 Target:

**20,000 hours**



RESTORING THE NATURAL

# Ecosystem

*UEM Sunrise is committed to mitigating any adverse effects caused by our developments, which is why reinvigorating the natural ecology is a vital area of focus in our sustainability agenda*

# FINANCIAL REVIEW

by **CHIEF FINANCIAL OFFICER**



**Siew Chee Seng** | Chief Financial Officer

Our focus on strengthening UEM Sunrise’s fundamentals in response to the COVID-19 operating environment has materialised as planned. Towards the end of 2021, we introduced a three-phased Strategic Turnaround Plan, focusing on the initiatives identified under **Triage**, which has resulted in a rebound in our financial performance after two years of losses.

UEM Sunrise returned to profitability for the year under review, supported mainly by stronger property development activities, the sale of non-strategic and pocket lands, and the recognition of the sale of 33 industrial plots in phase 3, SiLC, among others. The Group’s revenue for the year under review increased by 24% compared to the revenue for the financial year ended 31 December 2021 (FY2021), while gross profit doubled in contrast to FY2021. Together with the drop of approximately 27% in the Group’s operating expenses and the improvements in the performance of our joint ventures and associates, the Group recorded a profit after tax and non-controlling interests of RM80.5 million, compared to a loss of RM213.1 million in FY2021. Our balance sheet remains resilient, with cash balances of RM1.03 billion as of 31 December 2022, while our net gearing remains manageable at 0.48x.

These achievements are a testament to the effectiveness of the initiatives taken under **Triage**. The strategy has helped us return to profitability, ultimately positioning ourselves towards long-term sustainable growth. The outcomes reflect our unwavering commitment to enhancing shareholders’ value and delivering high-quality products and services to our customers. We remain dedicated to executing our strategic plan and pursuing growth opportunities while maintaining the financial discipline required and risk management practices to ensure long-term success.

## REVENUE AND EARNINGS: OUR TURNAROUND IN FY2022

In FY2022, we recognised a total revenue of RM1,473.4 million, with the property development segment contributing 72% of the total revenue. Residensi Solaris Parq in Dutamas led the way, followed by Serene Heights, Residensi AVA in Kiara Bay, Residensi Astrea in Mont’Kiara, and Senadi Hills in Iskandar Puteri, to name a few. The accelerated speed of our development’s construction progress was made possible after the lifting of the containment measures as the country entered the endemic phase of COVID-19. Works resumed on-site, operating at a faster pace to make up for the loss of progress during the pandemic period. For our projects in Melbourne, the removal of the containment measures in the state of Victoria, Australia, also made it easier for us to push for the settlement of our projects in Melbourne. We fully settled and handed over 22 residential units in Conservatory to respective buyers, contributing 4% towards the Group’s total revenue.

Land sales revenue for the year under review was RM307.1 million, a 41% increase from the amount recorded in FY2021. This included recognising the sale of industrial plots in SiLC of RM173.7 million and non-strategic lands in Seputeh, Kuala Lumpur, and Mersing, Johor, as well as other smaller pocket lands in Iskandar Puteri, totalling RM133.4 million.

It should be noted that even if we excluded the land sales revenue, the Group’s property development revenue for FY2022 was higher by 21% compared to the property development revenue in FY2021.

The property investment, facilities management and other segments also recorded a 19% growth compared to its performance in FY2021. The principal contributor to this segment came from our retail assets and car park operations following the improvements in our retail and rental income. Customers have returned to retail premises. In 2022, our retail assets enjoyed an increase in footfall as well as better occupancy rates after the dismal performance during the pandemic. As of the end of March 2023, Anjung in Iskandar Puteri, Arcoris in Mont’Kiara, and Publika in Dutamas attained occupancy rates of 85%, 93%, and 86%, respectively.



The strategy has helped us return to profitability, ultimately positioning ourselves towards long-term sustainable growth. The outcomes reflect our unwavering commitment to enhancing shareholders’ value and delivering high-quality products and services to our customers.



**24%**

REVENUE

**RM1,473.4**  
million

2021: RM1,184.5 million



**138%**

PROFIT/(LOSS)  
AFTER TAX & NON  
CONTROLLING  
INTERESTS

**RM80.5** million

2021: (RM213.1 million)



**95%**

GROSS PROFIT

**RM431.2**  
million

2021: RM221.0 million

## FINANCIAL REVIEW BY CHIEF FINANCIAL OFFICER

Operating expenses were lower during the year under review due to lower selling and distribution expenses as we only launched approximately RM517.0 million worth of projects to the market in 2022. Other factors which contributed to the drop in operating expenses are lower general and administrative costs, lower employees' costs due to the lower headcount in 2022 and cost savings efforts of several identified projects. The Group also recorded a minimal provision of impairment for assets and inventories, unlike the impairments, which amounted to RM88.1 million, including the write-down of RM29.2 million in inventories in FY2021. These costs were absent in FY2022.

The Group recorded a favourable share of results from joint ventures and associates, registering positive gains of RM28.0 million in FY2022 compared to RM13.0 million in FY2021. Among the contributing elements to the gains included the improved performances of our joint venture companies, particularly Horizon Hills Development Sdn. Bhd., the developer of Horizon Hills, Nusajaya Tech Park Sdn. Bhd. (NTPSB), the developer of Nusajaya Tech Park; both developments in Iskandar Puteri, and Sunrise MCL Land Sdn. Bhd., the developer of Forest Heights, a residential township development in Seremban, Negeri Sembilan.

### KEY DRIVERS OF PERFORMANCE: RECALIBRATING OUR FOCUS

The success of our financial performance in FY2022 can be attributed to several key drivers, with the steadfast execution of the **Triage** phase of our strategic turnaround plan being at the forefront.

01

**Off-load Non-Strategic Lands and Divest Non-Core Assets:** Allowed us to streamline our portfolio and focus on core activities.

02

**'Suture the Bleed':** Focused on property development activities, off-loading non-strategic lands, terminating non-essential commitments and improving project cost savings, among others.

03

**Expedite Development:** Launched approximately RM517.0 million worth of projects with an additional pipeline of RM2.5 billion set for launch in 2023 to reinforce pipelines for the creation of future revenue and long-term sustainable growth.

04

**Accelerate Acquisition Plans:** Expand portfolio and actively seek opportunities to acquire new landbank for the creation of new pipelines as a means to increase revenue and improve profitability in the long run.

### STRONG BALANCE SHEET: PAVING THE WAY FOR GROWTH

Our balance sheet remained resilient, with total cash and cash equivalents of RM1.03 billion as of 31 December 2022. This is an improvement from our position at the end of December 2021 of RM853.0 million, reflecting an improved liquidity position. This gives us an opportunity to assess potential investment opportunities and navigate market challenges. Total borrowings remained manageable, although they increased slightly by 2% to RM4.3 billion in FY2022 compared to RM4.2 billion in FY2021. This increase was mainly due to funding for our construction activities, in addition to commitments relating to the acquisition of new landbank and others.

As our focus under **Triage** is on strengthening fundamentals, our goal is to balance the Group's level of borrowings simultaneously with our business operations so that, as an organisation, we can obtain the optimum outcome regarding our gearing level and performance growth.

Our net gearing level declined slightly to 0.48x as of 31 December 2022, from 0.50x on 31 December 2021. We anticipate gearing to increase slightly this year before reducing in the next one to two years as we settle our project loans for developments which are nearing completion and approach the **Stabilise** phase. We aim to complete and deliver our Kiara Kasih in Mont'Kiara, a few of the Verna series in Serene Heights, phases in Senadi Hills, and the Aspira series in Gerbang Nusajaya this year. Our prudent financial management and ability to manage a healthy balance between borrowing and spending are a testament to the Company's financial stability.

Our efforts in inventory management have been successful, as reflected in the 49% reduction of our inventory level in FY2022, from RM396.9 million to RM203.0 million; the lowest in the past seven years. We will continue to enforce effective measures and undertake vigorous inventory monetisation exercises to manage our level of inventory since more projects are expected to be completed this year.

Our operating cash flows have also improved tremendously in tandem with the improvements in the projects' construction progress. We also received proceeds from the sale of non-strategic lands and pocket lands, and higher rental collection from our retail assets, among others.

For FY2022, the net cash generated from our operating activities was RM382.9 million, in contrast to the negative operating cash flow of RM43.4 million in FY2021. We did not acquire any new landbank in 2022 after allowing the acquisition of the 6.4-acre land in Jalan Sultan Yahya Petra to lapse on the grounds of unfulfilled conditions precedent at the expiry of the conditional period. The deal was signed in August 2022. The monies allocated for the land can be utilised for other means. As we are still in this second stage of **Triage**, we will continue to monetise selected non-strategic and pocket lands and commence our plans to divest non-core assets this year.

### SALES & NEW PRODUCT LAUNCHES: MAKING STRIDES IN DEVELOPMENT

Our sales for 2022 were RM923.7 million, a 38% drop compared to RM1,485.5 million in 2021. This is mainly attributable to fewer product launches in 2022. 15% of the total sales were from new product launches, such as the new phases in Serene Heights, Aspira Gardens, and Senadi Hills, while 46% of the sales were from completed properties, in particular Estuari Gardens, Symphony Hills, Teega, and Residensi Solaris Parq. The remaining 39% were from ongoing developments, namely Residensi Allevia, Residensi AVA, Senadi Hills, and Residensi Astrea, to name a few.

To reinforce our pipelines, we launched projects with a GDV of RM517.0 million during the year. Delays in securing authorities' approval affected our planned launch schedule for The MINH and The Connaught One, which were originally planned for launch in 2022. The pending finalisation of the development plans for our site in Collingwood, Melbourne, has also hindered our intention to launch our project there in 2022. These projects are now slated to be launched in the first half of this year, in addition to new phases of current ongoing projects, such as Serene Heights, Senadi Hills, and Aspira LakeHomes. We plan to launch developments with a GDV of RM2.5 billion this year and are setting a sales target of RM1.5 billion to leverage the volume of the products to be launched.

### MOVING FORWARD: A PROMISING OUTLOOK

We will continue to have a steady stream of revenue and cash flows in the coming periods. It is worth noting that more than half of our ongoing developments, which are currently at various stages of construction progress, have an average take-up rate to date exceeding 80%, indicating a potential steady stream of revenue in the immediate future.

Our performance this year will also be supported by land sale transactions entered into during the previous years. This includes the sale of the remaining lands we own in Tapah, Perak of 1,777 acres which we are selling to Tapah Land Development Sdn. Bhd. for a total consideration of RM75.5 million and the sale of 67.7 acres identified as plot B, in Nusajaya Tech Park, Iskandar Puteri to NTPSB for a total consideration of RM85.6 million. Both transactions were entered into in December 2022 and are expected to become unconditional in the current year, contributing towards this year's profitability and cashflows. Phase 2 of the lands that we are selling to NTPSB measures at 166.8 acres. It has a total consideration of RM203.6 million and the revenue will be recognised upon fulfilment of all conditions precedent to the agreement.

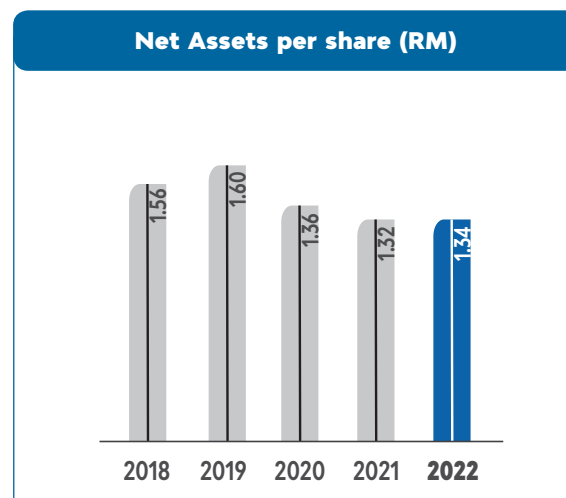
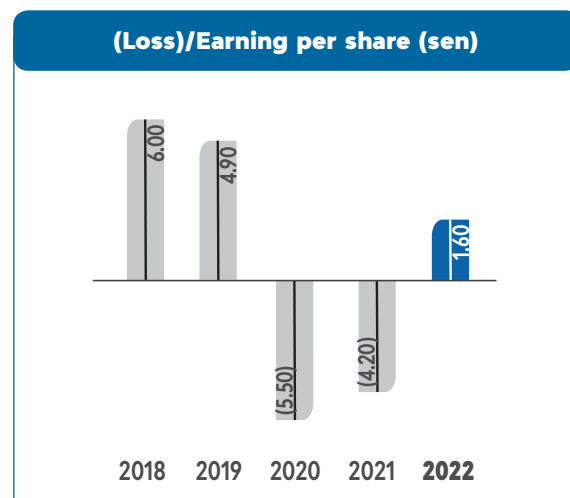
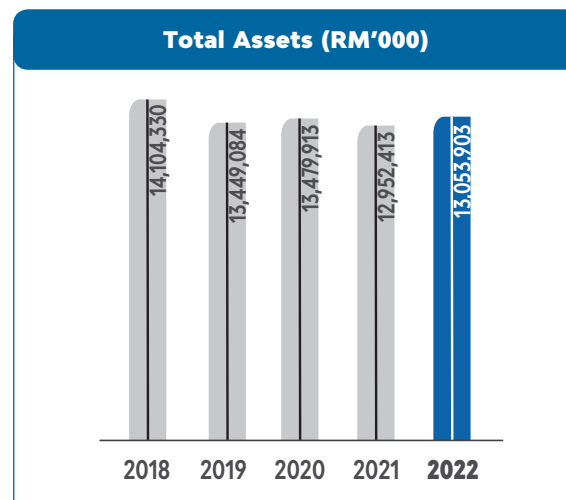
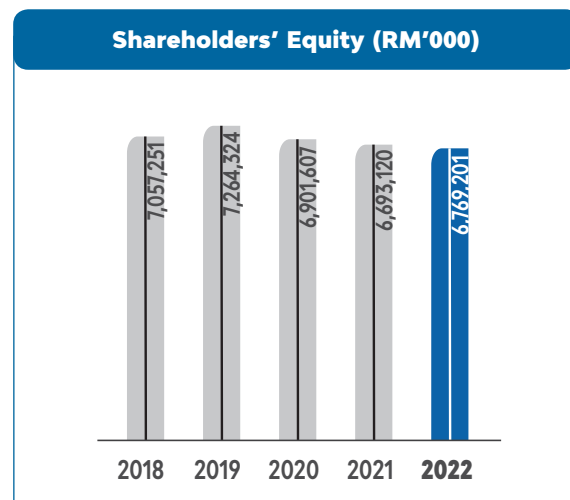
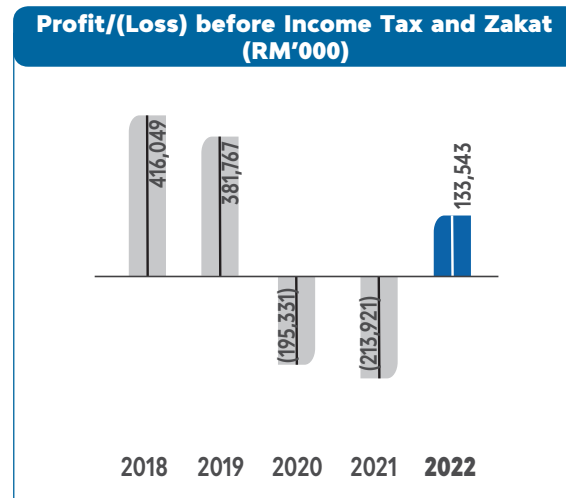
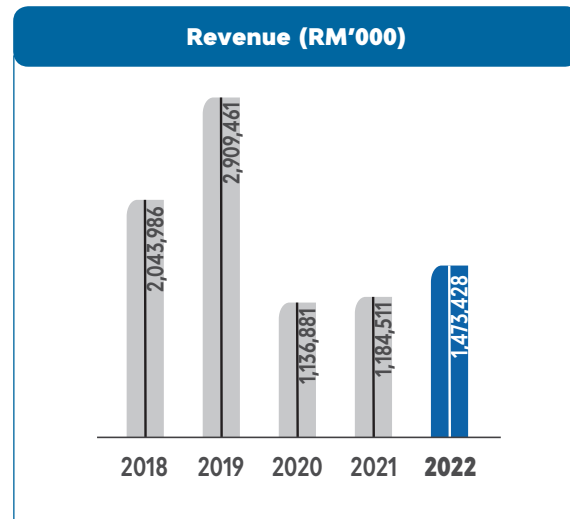
Our unbilled sales of RM1.8 billion as of 31 December 2022 indicate our expected future revenue stream, which is anticipated to be substantially recognised over the next 18 to 36 months, depending on the billings and projects' construction progress. This adds to our earnings visibility and underscores our strong financial footing. Overall, our strong balance sheet and strategic initiatives are positioning the Company for long-term sustainability and growth.

We are also excited at the prospect of introducing our products based on the Happy+ product series, which we launched in February 2023. Engagements with different market segments based on our product series allow us to collaborate and leverage to enrich customer experience and facilitate them in owning our properties. We are kickstarting the series by launching The MINH as the first launch under the CLUB Edition product series, while The Connaught One will be under the RISE series.

Through our efforts to diversify our revenue streams, optimise our landbank, and expand our development pipeline, we are confident that we will continue to achieve robust financial performance. In addition, our ongoing efforts to promote sustainable development practices across our operations are aligned with our commitment to building communities that are not only thriving but also environmentally and socially responsible. We firmly believe that by putting our stakeholders first and investing in sustainable development, we can create long-term value for all parties involved.



# FIVE-YEAR FINANCIAL HIGHLIGHTS



# FIVE-YEAR GROUP PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM'000	2022	2021	2020	2019	2018
Revenue	<b>1,473,428</b>	1,184,511	1,136,881	2,909,461	2,043,986
Cost of sales	<b>(1,042,246)</b>	(963,483)	(838,105)	(2,103,636)	(1,302,726)
Operating expenses	<b>(247,286)</b>	(340,748)	(372,729)	(402,030)	(339,652)
<b>Operating profit/(loss)</b>	<b>183,896</b>	<b>(119,720)</b>	<b>(73,953)</b>	<b>403,795</b>	<b>401,608</b>
Other income	<b>65,126</b>	37,530	76,150	75,598	74,347
Finance costs	<b>(143,470)</b>	(144,712)	(132,850)	(117,509)	(100,966)
Share of net results of associates & joint ventures	<b>27,991</b>	12,981	(64,678)	19,883	41,060
<b>Profit/(loss) before income tax and zakat</b>	<b>133,543</b>	<b>(213,921)</b>	<b>(195,331)</b>	<b>381,767</b>	<b>416,049</b>
Profit/(loss) attributable to owners of the parent	<b>80,539</b>	(213,047)	(277,284)	221,597	279,998
Shareholders' equity	<b>6,769,201</b>	6,693,120	6,901,607	7,264,324	7,057,251
Earnings per share (sen)	<b>1.6</b>	(4.2)	(5.5)	4.9	6.0
Return on equity	<b>1.2%</b>	-3.1%	-4.0%	3.1%	4.0%

# FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

AS AT 31 DECEMBER

In RM'000	2022	2021	2020	2019	2018
<b>TOTAL ASSETS</b>					
Property, plant and equipment and investment properties	<b>1,209,105</b>	1,252,419	1,319,957	1,330,196	1,174,255
Land held for property development and property development costs	<b>6,137,158</b>	6,283,488	6,790,979	6,484,009	6,526,850
Interests in associates, joint ventures & others	<b>1,781,176</b>	1,748,701	1,697,559	1,522,078	1,605,770
Inventories	<b>305,101</b>	456,887	580,532	948,947	1,293,609
Receivables	<b>1,669,003</b>	1,446,291	1,127,448	1,198,200	1,516,919
Goodwill	<b>621,409</b>	621,409	621,409	621,409	621,409
Deferred tax asset	<b>283,003</b>	290,191	255,760	286,799	286,917
Deposits, cash and bank balances	<b>1,025,551</b>	853,027	1,086,269	1,057,446	1,078,601
Asset held for sale	<b>22,397</b>	-	-	-	-
<b>Total assets</b>	<b>13,053,903</b>	<b>12,952,413</b>	<b>13,479,913</b>	<b>13,449,084</b>	<b>14,104,330</b>
<b>TOTAL EQUITY AND LIABILITIES</b>					
Share capital	<b>4,960,276</b>	4,960,276	4,960,276	5,110,276	5,110,276
Merger relief reserves	<b>34,330</b>	34,330	34,330	34,330	34,330
Other reserves	<b>78,340</b>	82,798	78,238	13,671	64,216
Retained profits	<b>1,696,255</b>	1,615,716	1,828,763	2,106,047	1,848,429
Non-controlling interests	<b>104,467</b>	102,931	468,974	468,332	363,722
<b>Total equity</b>	<b>6,873,668</b>	<b>6,796,051</b>	<b>7,370,581</b>	<b>7,732,656</b>	<b>7,420,973</b>
Borrowings	<b>4,315,248</b>	4,213,970	4,113,823	3,416,955	4,683,501
Income tax liabilities	<b>15,769</b>	3,981	19,008	71,760	48,880
Payables	<b>1,328,633</b>	1,379,581	1,446,130	1,579,015	1,182,508
Provisions and others	<b>520,585</b>	558,830	530,371	648,698	768,468
<b>Total equity and liabilities</b>	<b>13,053,903</b>	<b>12,952,413</b>	<b>13,479,913</b>	<b>13,449,084</b>	<b>14,104,330</b>
Net asset per share attributable to owners of the parent (RM)	<b>1.34</b>	1.32	1.36	1.60	1.56

# GROUP QUARTERLY PERFORMANCE

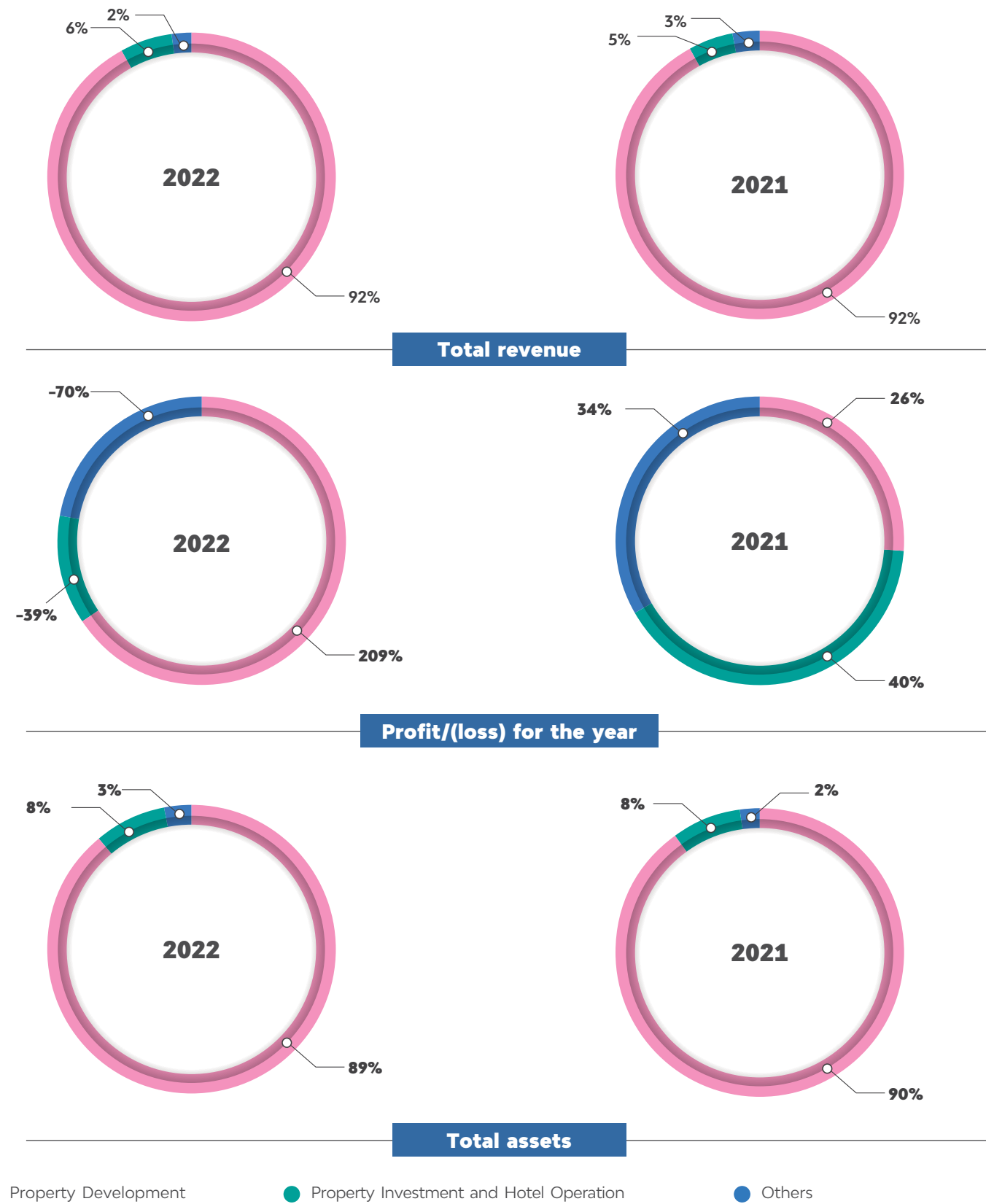
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM'000	First Quarter 31/03/2022	Second Quarter 30/06/2022	Third Quarter 30/09/2022	Fourth Quarter 31/12/2022	Year Ended 31/12/2022
Revenue	416,451	365,000	355,759	336,218	<b>1,473,428</b>
Cost of sales	(317,587)	(250,630)	(261,150)	(212,879)	<b>(1,042,246)</b>
Operating expenses	(59,652)	(70,560)	(50,311)	(66,763)	<b>(247,286)</b>
<b>Operating profit</b>	<b>39,212</b>	<b>43,810</b>	<b>44,298</b>	<b>56,576</b>	<b>183,896</b>
Other income	20,072	13,949	11,831	19,274	<b>65,126</b>
Finance costs	(34,936)	(35,615)	(36,326)	(36,593)	<b>(143,470)</b>
Share of net results of associates & joint ventures	11,431	10,091	5,421	1,048	<b>27,991</b>
<b>Profit before income tax</b>	<b>35,779</b>	<b>32,235</b>	<b>25,224</b>	<b>40,305</b>	<b>133,543</b>
Profit attributable to owners of the parent	19,020	20,701	20,354	20,464	<b>80,539</b>
Shareholders' equity	6,916,172	6,742,189	6,752,327	6,769,201	<b>6,769,201</b>
Earnings per share (sen)	0.4	0.4	0.4	0.4	<b>1.6</b>
Return on equity*	1.1%	1.2%	1.2%	1.2%	<b>1.2%</b>

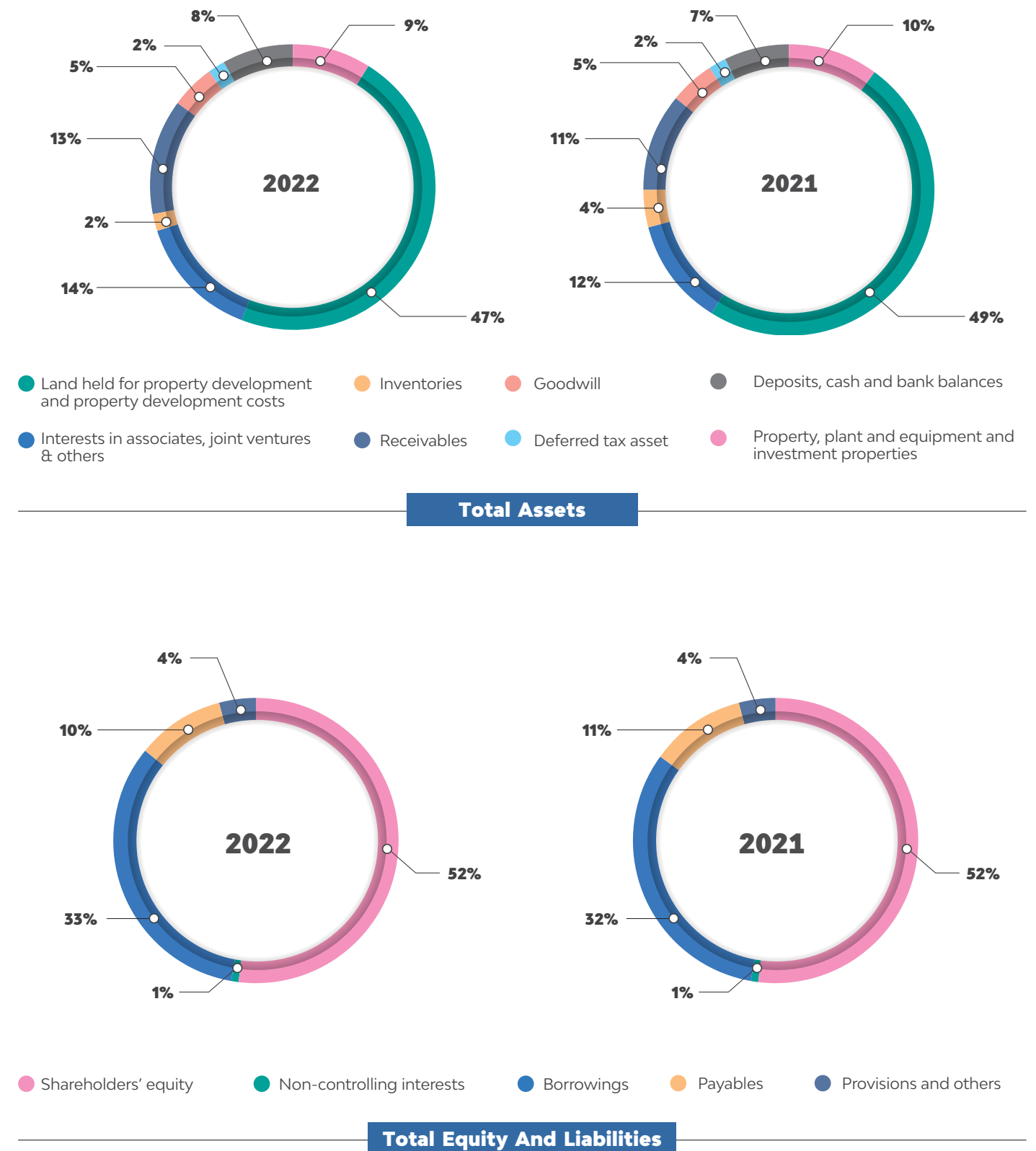
\* annualised

# SEGMENTAL ANALYSIS

AS AT 31 DECEMBER 2022

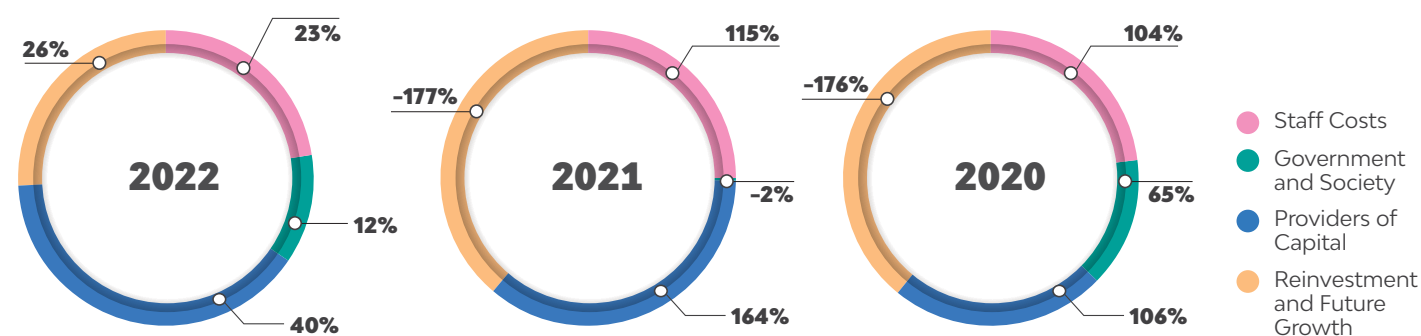


# SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION



# STATEMENT OF VALUE ADDED

	2022 RM'000	2021 RM'000	2020 RM'000
<b>VALUE ADDED:</b>			
Revenue	1,473,428	1,184,511	1,136,881
Purchase of goods and services	(1,139,958)	(1,146,967)	(1,023,240)
Value added by the Group	333,470	37,544	113,641
Other income	65,126	37,530	76,150
Share of result of associates	4,043	11,154	(7,628)
Share of result of joint ventures	23,948	1,827	(57,050)
<b>Total value added available for distribution</b>	<b>426,587</b>	<b>88,055</b>	<b>125,113</b>
<b>DISTRIBUTION:</b>			
To employees			
- salaries and other staff costs	97,190	100,955	130,632
To government			
- income tax	51,479	(1,796)	80,305
- zakat	-	-	1,080
To provider of capital			
- finance cost	143,470	144,712	132,850
Retained for future reinvestment & growth			
- depreciation & amortisation	52,384	56,309	56,962
- retained profits	80,539	(213,047)	(277,284)
- minority interest	1,525	922	568
<b>Total distributed</b>	<b>426,587</b>	<b>88,055</b>	<b>125,113</b>
<b>RECONCILIATION</b>			
Profit for the year	82,064	(212,125)	(276,716)
Add: Depreciation & amortisation	52,384	56,309	56,962
Finance costs	143,470	144,712	132,850
Staff cost	97,190	100,955	130,632
Income tax	51,479	(1,796)	80,305
Zakat	-	-	1,080
<b>Total value added</b>	<b>426,587</b>	<b>88,055</b>	<b>125,113</b>



# FINANCIAL CALENDAR



After the 2022 virtual AGM, our Board member, CHIEF Christina (third from the left) together with CHIEFs Kenny, Siew and Irene proudly showcased our first full fledged Integrated Report for the financial year 2021 as part of our efforts to continuously improve the quality of our disclosures and promote greater transparency and accountability to our stakeholders

Consolidated results for the financial year ended 31 December 2021.

23 February 2022

Announcement of Notice of 14<sup>th</sup> AGM.

28 April 2022

Issuance of Integrated Report for the financial year ended 2021.

29 April 2022

First quarter consolidated results for the financial period ended 31 March 2022.

25 May 2022

14<sup>th</sup> AGM held virtually.

23 June 2022

Second quarter consolidated results for the financial period ended 30 June 2022.

24 August 2022

Third quarter consolidated results for the financial period ended 30 September 2022.

23 November 2022

# INVESTOR INFORMATION

UEM Sunrise stands firm in our values, which is putting our stakeholders at the centre of our purpose. We remained fully committed to disseminate transparent and consistent information with clarity, equal access, accuracy, timeliness and comprehensiveness on continuous updates with regard to the Company's business operations, financial performance, key development progress, strategic direction and future plans. We custom-made our engagement strategic plans to meet key stakeholders' value expectations. Throughout the year, we actively engaged with investment communities and other stakeholders regularly in line with the recommendation of the Malaysian Code on Corporate Governance and other relevant regulatory bodies. This enabled us to better understand the stakeholders' changing needs and allow them to make informed investment decisions, resulting in the forging of strong relationships, maintaining the trust of the local and international investment communities in UEM Sunrise.

As our focus on ESG grows, we are committed to creating and preserving sustained values for all our stakeholders through our integrated strategy. It is also increasingly crucial to engage with stakeholders to ensure that they understand our objectives, goals and expectations, enabling them to make informed decisions.

The Investor Relations (IR) team is an integral part of UEM Sunrise's corporate governance initiatives. Our IR team supports the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) in their engagement efforts to cultivate a strong relationship with shareholders, investors and other stakeholders. We pride ourselves in consistently maintaining a direct and open communication with our stakeholders and keep the market informed of all information which may have or could be expected to have a material impact on the value of UEM Sunrise's securities.

The modes of communication used by the IR team are set out below:

## 14<sup>th</sup> Annual General Meeting

Primary engagement platform for the Board and shareholders. It provided an avenue for shareholders to seek clarification and gain a deeper understanding of the Company's financial performance and strategies.

**Engagement Date**  
23 June 2022

**Audience**  
862 shareholders and proxies

**Meeting type**  
Virtual

## Analyst Briefing

We hosted regular quarterly investor conference calls presided by the CEO, CFO together with the IR team. The briefings took place immediately after the quarterly financial results are released to Bursa Malaysia.

**Engagement Date**  
Q4 2021 – 23 February 2022  
Q1 2022 – 25 May 2022  
Q2 2022 – 24 August 2022  
Q3 2022 – 23 November 2022

**Audience**  
Analysts and Fund Managers

**Meeting type**  
Virtual

Briefings are also held to clarify issues relating to a public disclosure. An example of this was the virtual briefing held after the announcement of the acquisition of the land in Jalan Sultan Yahya Petra in Kuala Lumpur on 5 August 2022 (the day after the disclosure). The purpose was to explain the rationale of the acquisition and provide further clarity.

## Investment Community Engagement

The IR team hosted meetings of various formats to suit the occasion including one-on-one meetings, group meetings as well as site visits to our projects in the Southern region specifically in Iskandar Puteri as well as projects within the Central region.

**Engagement Date**  
Throughout the year

**Audience**  
Analysts and Fund Managers

**Meeting type**  
Physical or virtual meeting

## Other Communication Channels

As means to also disseminate relevant information on the Company to stakeholder and the public, UEM Sunrise uses the following communication channels to reach out to targeted groups more effectively and efficiently.

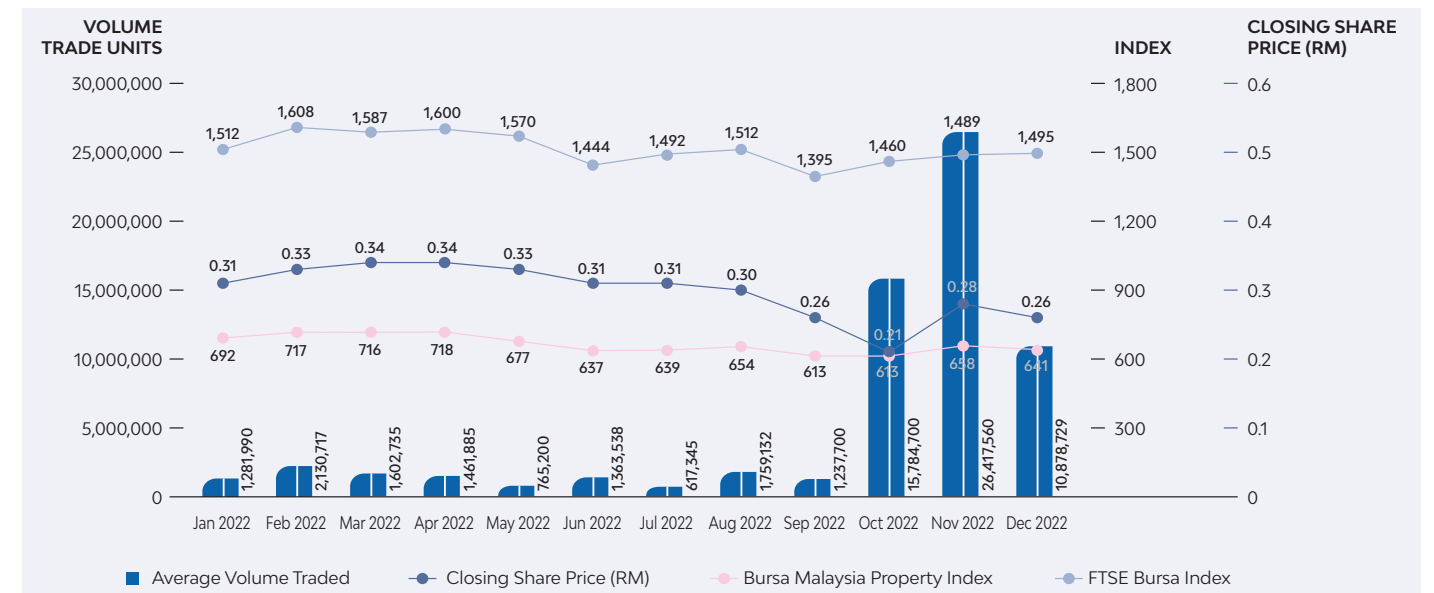
**Website**  
uemsunrise.com/corporate/  
investor-relations

**Email**  
ir@uemsunrise.com

**Social Media**  
LinkedIn: UEM Sunrise Berhad  
Instagram: uem\_sunrise  
Facebook: UEM Sunrise  
Twitter: UEMSUNRISE\_MY

## SHARE PRICE PERFORMANCE

UEM Sunrise Share Price Movement and Monthly Volume Traded



Month	FY2022						
	Highest Share Price for the Month (RM)	Lowest Share Price for the Month (RM)	Average Share Price for the Month (RM)	<sup>1</sup> Closing Share Price (RM)	Monthly Average Volume Traded	<sup>1</sup> FTSE Bursa Index	<sup>1</sup> Bursa Malaysia Property Index
Jan 2022	0.35	0.31	0.33	0.31	1,281,990	1,512	692
Feb 2022	0.37	0.32	0.33	0.33	2,130,717	1,608	717
Mar 2022	0.35	0.30	0.32	0.34	1,602,735	1,587	716
Apr 2022	0.36	0.33	0.35	0.34	1,461,885	1,600	718
May 2022	0.34	0.32	0.33	0.33	765,200	1,570	677
Jun 2022	0.35	0.31	0.32	0.31	1,363,538	1,444	637
Jul 2022	0.31	0.30	0.30	0.31	617,345	1,492	639
Aug 2022	0.32	0.30	0.31	0.30	1,759,132	1,512	654
Sep 2022	0.30	0.26	0.28	0.26	1,237,700	1,395	613
Oct 2022	0.27	0.19	0.22	0.21	15,784,700	1,460	613
Nov 2022	0.30	0.19	0.22	0.28	26,417,560	1,489	658
Dec 2022	0.29	0.25	0.26	0.26	10,878,729	1,495	641

<sup>1</sup> Data is at the end of each respective month

## UEM SUNRISE'S COVERAGE

1. AmInvestment Bank Berhad
2. CGS-CIMB Securities Sdn. Bhd.
3. Hong Leong Investment Bank Berhad
4. Maybank Investment Bank Berhad
5. MIDF Amanah Investment Bank Berhad
6. Public Investment Bank Berhad
7. RHB Research Institute Sdn. Bhd.
8. UOB Kay Hian Securities (Malaysia) Sdn. Bhd.



We organised a visit to Iskandar Puteri for representatives from Permodalan Nasional Berhad's departments of Investment Analysis, Fund Management and Economics, together with CLSA Malaysia



DELIVERING DREAM  
**Homes**

# BUSINESS REVIEW



**SANIMAN MD APANDI**  
Chief Operations Officer, Southern

**LIONG KOK KIT**  
Chief Operations Officer, Central

# BUSINESS REVIEW

**LIONG KOK KIT**  
Chief Operations Officer, Central



## Central Region

UEM Sunrise is known for its award-winning and upmarket residential, commercial and mixed-use developments in the Central region. Our presence is spread across Mont'Kiara, Semenyih, Shah Alam, Cyberjaya, Kuala Lumpur, Seri Kembangan, and Seremban. Our developments at each location offer their own unique selling propositions. It is with this competence that we are able to develop the Happy+ product series that appeal to everyone at their different stages of life with designs that are premised upon a thorough and well-researched understanding of the various market segments' needs and desires.

Our focus in Central is primarily residential development. Mont'Kiara products are usually high-rise premium while those in Kuala Lumpur, the likes of Kiara Bay in Kepong and KAIA Heights in Equine Park, Seri Kembangan, are high-rise mid-market. We would expect to see more of such products when we launch The Connaught One in Cheras in the second quarter of 2023. Developments in Serene Heights, Semenyih are mainly landed mid-market residences, while Symphony Hills in Cyberjaya is a combination of premium landed homes and high-rises. Radia Bukit Jelutong, Shah Alam is a mixed integrated development whereas Forest Heights, Seremban is a residential township development featuring mainly landed mid-market residences. Both Radia Bukit Jelutong and Forest Heights are joint venture developments.

We have also built commercial and retail offerings to support community living within our developments. Among these is our creative retail space known as Publika Shopping Gallery in Solaris Dutamas, neighbouring Mont'Kiara as well as a four-star extended stay hotel, Hyatt House Kuala Lumpur Mont'Kiara. We also developed and own Arcoris in Mont'Kiara located adjacent to the hotel as well as Mercu Summer Suites, an integrated business venue with retail outlets on the lower floor, at the intersection of Jalan Sultan Ismail and Jalan Ampang in Kuala Lumpur.

As of February 2023, our remaining landbank in the Central region is 623.7 acres representing 7.3% of our total landbank. This includes land for projects planned under joint ventures, future developments, and phases of ongoing developments yet to launch. The pipeline GDV for the land is estimated at RM29.9 billion. This includes future phases of Serene Heights, Kiara Bay, balance development lands in Mont'Kiara and Segambut, and the potential development of Section 13, Petaling Jaya.



## BUSINESS REVIEW

### CENTRAL REGION PROJECTS

#### RESIDENSI SOLARIS PARQ | DUTAMAS



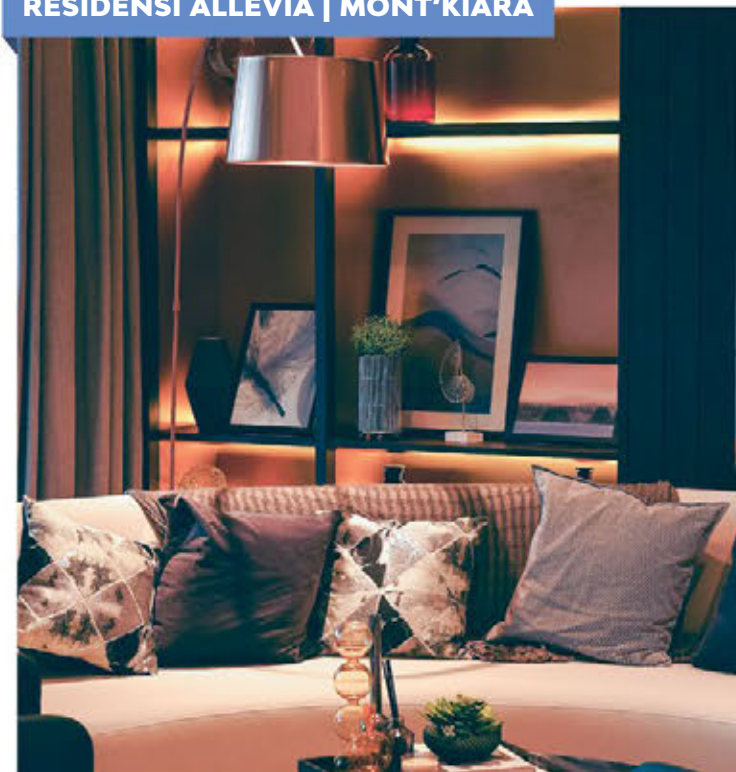
LAUNCHED GDV  
**RM781.9**  
MILLION

PROGRESS  
• Blocks A and B  
**completed**

TAKE-UP RATE AS OF TO DATE **100%**

**Residensi Solaris Parq | Dutamas** is the first phase of Solaris Parq, an integrated mixed development on a sprawling 18.8 acres freehold land that bears semblance to the highly sought-after Solaris Dutamas. Residensi Solaris Parq has two 41-storey towers housing a total of 576 units (288 units in each tower). It was completed and handed over in stages to buyers starting from end December 2022. The remaining phases of Solaris Parq has an estimated GDV of RM1,655.8 million from the total estimated GDV of RM2,437.7 million. The development comprises residential, retail, and office spaces that are integrated with a 2-acre park. We are studying to improve the components of the remaining phases of Solaris Parq for a higher GDV. The estimated GDV disclosed herein is subject to change.

#### RESIDENSI ALLEVIA | MONT'KIARA



LAUNCHED GDV  
**RM545.8**  
MILLION

PROGRESS  
• Expected Completion:  
**2025**

TAKE-UP RATE AS OF TO DATE **69%**

**Residensi Allevia | Mont'Kiara** is a residential high-rise with a hotel-like concept on a 2.9-acre land in Mont'Kiara. The development boasts 294 units and a total GDV of RM545.8 million. With a dedicated access via Jalan Kiara 4 and accessible by four developments, Residensi Allevia offers an elevated living experience and privacy that is second to none. It is also within walking distance to amenities such as international schools and commercial hubs.

LAUNCHED GDV  
**RM324.9**  
MILLION

PROGRESS  
• Expected Completion: **2024**

TAKE-UP RATE AS OF TO DATE **96%**

**Residensi Astrea | Mont'Kiara**, a 36-storey condominium development situated on a 2.4-acre land along Jalan Kiara 5 in Mont'Kiara. With a total GDV of RM324.9 million, the development houses 240 units and is endowed with facilities such as sun lounges, saltwater infinity pool, Jacuzzi, and BBQ pavilion. Others include a garden, water feature, maze garden, pavilion, koi pond and residents' lounge.

#### RESIDENSI ASTREA | MONT'KIARA



LAUNCHED GDV  
**RM215.7**  
MILLION

PROGRESS  
• Expected Completion: **2023**

TAKE-UP RATE  
AS OF TO DATE **100%**

**Kondominium Kiara Kasih | Segambut** is a 40-storey attainable housing development. With a total GDV of RM215.7 million, the development is a RUMAWIP scheme (now known as Residensi Wilayah) and sits on a 2.1-acre land. It has 719 residential units and is priced at RM300,000 per unit; equivalent to RM353 psf. The development has a swimming pool, outdoor gym, BBQ area, and aroma garden.

#### KONDOMINIUM KIARA KASIH | SEGAMPUT



## BUSINESS REVIEW

### CENTRAL REGION PROJECTS

#### SERENE HEIGHTS | SEMENYIH



**Serene Heights | Semenyih** is a mixed residential development sprawling across a vast 448-acre land that features bungalows, terraces, apartments, shop lots as well as public amenities. The estimated total GDV of the development is RM3,682.0 million. To date, RM980.2 million has been launched to the market featuring 1,291 units.

LAUNCHED GDV  
**RM980.2**  
MILLION

TAKE-UP RATE AS OF TO DATE  
**97%**

REMAINING GDV  
**RM2,701.8**  
MILLION

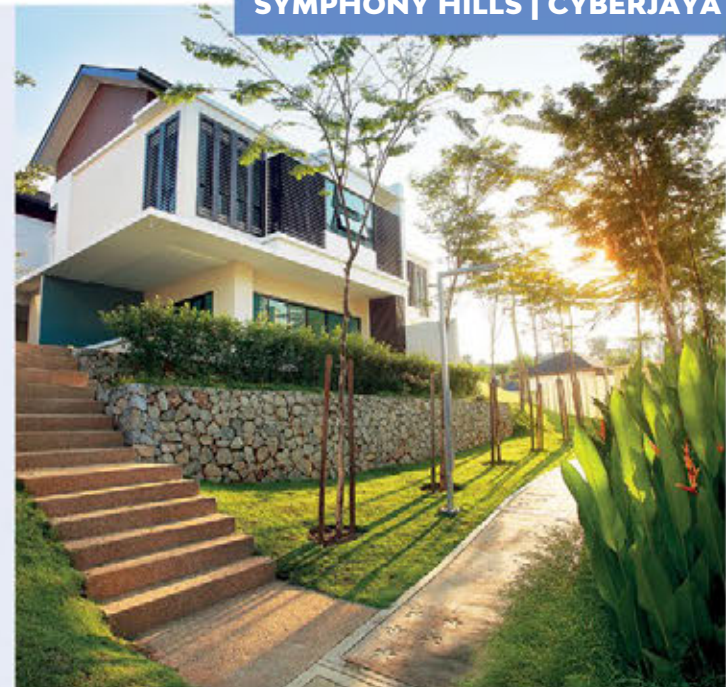
PROGRESS  
• Earlier launched phases **completed**  
• Expected Completion: **2030**

LAUNCHED GDV  
**RM1,263.2**  
MILLION

PROGRESS  
• Earlier launched phases **completed**  
• Expected Completion: **2025**

TAKE-UP RATE AS OF TO DATE **98%**

**Symphony Hills | Cyberjaya** is a high-end residential development on a 98-acre land in Cyberjaya. With a total GDV of approximately RM1,263.2 million, the development features 2,500 mixed strata and landed residential units.



#### SYMPHONY HILLS | CYBERJAYA

LAUNCHED GDV  
**RM655.1**  
MILLION

PROGRESS  
• Expected Completion: **2024**

TAKE-UP AS OF TO DATE **98%**

**Residensi AVA | Kepong** is a 41-storey service apartment consisting of 870 units in two towers. It has a total GDV of RM655.1 million and is the first development launched in Kiara Bay, a new integrated development on a 4.4-acre land next to the Kepong Metropolitan Park. The development offers a wide range of facilities, including a garden, Al-Fresco, retail units, leisure pod, surau, reading room, nursery, games rooms, multi-purpose hall, outdoor fitness spots, playground, kids' play pool, BBQ area, pool island, dining hall, landscape terrace, sun deck, a 50-metre infinity edge lap pool, meditation, taichi and yoga decks, gymnasium, sauna and half basketball court.

#### RESIDENSI AVA | KEPONG



#### KAIA HEIGHTS | EQUINE PARK



LAUNCHED GDV  
**RM674.0**  
MILLION

PROGRESS  
• Expected Completion: **2026**

TAKE-UP RATE AS OF TO DATE **38%**

**KAIA Heights | Equine Park** is a hilltop condominium residence in Equine Park, located along Jalan Equine 9, Taman Equine in Seri Kembangan. The development is the first and only of its kind in the area, standing as the tallest landmark, occupying 19.2 acres of land. It is a low-density development with a total of 924 units, and an estimated total GDV of RM674.0 million. The development encompasses a six-acre nature reserve and eight-acre landscape and facilities, including a multi-sports area.

## BUSINESS REVIEW

### CENTRAL REGION PROJECTS

#### RADIA | BUKIT JELUTONG



**Radia | Bukit Jelutong** is a 50:50 joint venture project with Sunrise Development Sdn. Bhd. It is built on 20.9 acres of land and has a total GDV of RM2.0 billion. Radia boasts a unique hand fan-shaped design inspired by a fusion of Mediterranean and Asian themes. The mixed development comprises serviced apartments, retail shops, and strata offices, with a total of 1,060 units consisting of 640 residential units, 238 office units, and 182 retail units. The total gross floor area is about 295,335 square meters (3.2 million square feet).

LAUNCHED GDV  
**RM990.2**  
MILLION

TAKE-UP RATE AS OF TO DATE  
**86%**

REMAINING GDV  
**RM1,017.8**  
MILLION

PROGRESS  
• Expected Completion: **2030**



Residensi Solaris Parq, Dutamas

#### FOREST HEIGHTS | SEREMBAN



**Forest Heights | Seremban** is a joint venture project with MCL Land Ltd. of Hong Kong. It is situated on a 488-acre land in Seremban, Negeri Sembilan. The township comprises single-storey and double-storey link houses, bungalows, and retail shop offices, with a total of 2,859 units and a total GDV of RM2,017.0 million. 1,448 units have been launched to date valued at RM677.5 million.

LAUNCHED GDV  
**RM677.5**  
MILLION

TAKE-UP RATE AS OF TO DATE  
**96%**

REMAINING GDV  
**RM1,339.5**  
MILLION

PROGRESS  
• Expected Completion: **2030**

### OUTLOOK

We are gearing up for an exciting year ahead with a focus on expanding our presence and portfolio in the Central region. Despite the challenges brought about by the pandemic and the impediment associated with the online applications for the advertising permit and developer's licence in addition to other relevant approvals, we remain committed to creating stronger pipelines and strengthening future revenue streams.

Among the projects we have lined up for launches this year in Central is the unveiling of the much awaited The MINH in Mont'Kiara. Valued at a total estimated GDV of RM947.0 million, The MINH features 496 residential units with built-up sizes ranging between 149 square meters (1,607 square feet) to 279 square meters (3,010 square feet). It is the first development to be launched under the Happy+ product series branding. Designated as a 'CLUB Edition by UEM Sunrise' product, The MINH is a harmonious combination of French Colonial design and the traditions of vernacular design in Vietnam. It is located next to Bukit Kiara Hills. The MINH offers a balance of outdoor and indoor living integrating new norm features with ESG characteristics, which are embedded into its development design. It comes with resort-style facilities, including a private lift lobby, express ramp to multi-level parking, EV charger bay and an

automated waste collection system. We target to launch The MINH in the second quarter of 2023.

The next launch in Central is the introduction of The Connaught One in Taman Connaught, Cheras. The RM743.0 million GDV project will be directly connected to the Cheras-Kajang Highway, Jalan Cheras with a short drive to the Middle Ring Road 2. It is near the Taman Connaught MRT station of the MRT Kajang Line and will be our first mixed transit-oriented development. It is our second Happy+ product series, under the 'RISE series by UEM Sunrise'. With built-up sizes between the ranges of 42 square meters (452 square feet) to its biggest 118 square meters (1,270 square feet), we are planning to infuse all 1,334 residences and 15 retail units, flexible and attainable living as part of the proposal to future-proof our products. We anticipate to launch the project towards the end of the second quarter of 2023.

We will also launch a new high-rise residential development in Kiara Bay and more landed homes in Serene Heights.

We continue to actively seek strategically located new landbanks in the Central region with quick turnaround features.

## BUSINESS REVIEW



**SANIMAN MD APANDI**  
Chief Operations Officer, Southern

# Southern Region

We are the master developer of Iskandar Puteri, one of the five flagship zones of Iskandar Malaysia in the Southern region. As the master developer and largest landowner in Johor, we are in a strong position to cater to various market segments, offering a variety of products to meet market demand, subject to the planned growth trajectory for Iskandar Puteri, which transpired from the Iskandar Puteri development master plan. We also have a development in Desaru, Johor; The Maris, currently owned together with our JV partner, Desaru North Course Berhad, a subsidiary of Destination Resorts and Hotels Sdn. Bhd. (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd.). The 228-acre development has a total estimated GDV of RM2.0 billion. Precinct 1; a GDV of RM53.0 million, comprises 66 cluster houses. We also have a presence in Kulai through our collaboration with KLK Land Sdn. Bhd., a subsidiary of Kuala Lumpur Kepong Berhad for the development of a 2,500-acre land, currently pending development.

In recent years, we have been focusing on mid-market and attainable landed homes, which appear to be the current appetite of the population in the Southern region. We have also master planned key development projects including Puteri Harbour, Afiat Healthpark, SiLC, and the latest addition to the list of our master planned projects in Iskandar Puteri; Gerbang Nusajaya.

Gerbang Nusajaya is a 4,551-acre development designed as a hub for economic activity featuring residential, industrial and commercial developments. As a master developer for Gerbang Nusajaya, we are developing the area into a sustainable and well-connected township supported by regional connectivity due to its close proximity to Singapore, via Tuas and the Senai International Airport by means of the Second Link Expressway. We are currently completing the construction of the Gerbang Nusajaya Interchange tentatively targeted in May 2023, opening it to the public in the third quarter of this year. The interchange will connect directly to the Second Link Expressway making connectivity effortless for the population of Gerbang Nusajaya.

We also own numerous commercial and retail properties in Iskandar Puteri specifically the retail strip Marina Walk in Puteri Harbour, commercial neighbourhood Anjung within the East Ledang development, and F&B and leisure retail centre Mall of Medini next to the LEGOLAND Malaysia Resort jointly owned with Iskandar Investment Berhad.

As of February 2023, our remaining landbank in the Southern region is 7,877.3 acres representing 92.3% of our total landbank. This includes land for projects planned under joint ventures, future developments, and phases of ongoing developments yet to launch. The pipeline GDV for the land is estimated at RM75.1 billion. This includes future developments of Gerbang Nusajaya, Puteri Harbour, Senadi Hills, joint venture projects yet to launch and remaining phases of ongoing developments yet to launch to the market.

## BUSINESS REVIEW

### SOUTHERN REGION PROJECTS

#### ALMAS & TEEGA | PUTERI HARBOUR



##### Almas

LAUNCHED GDV

**RM581.4**  
MILLION

TAKE-UP AS OF TO DATE

**88%**

##### Teega

LAUNCHED GDV

**RM1,314.1**  
MILLION

REMAINING GDV

**RM1,385.5**  
MILLION

PROGRESS

- Almas Phase 1 **completed**
- Almas Expected Completion: **2030**

TAKE-UP RATE AS OF TO DATE

**100%**

**Almas & Teega | Puteri Harbour**, where Almas is a residential mixed development on a 12.2-acre land featuring residences, suites, offices and retail boulevard components. Phase 1 comprising a 34-storey residential block; Almas Suites of 544 units, 20-storey office towers and 44 retail units, have all been launched and completed. Phase 2 consists of two blocks of residential towers has yet to be launched. Almas has a total GDV of RM2.0 billion. Excluding components which have been delivered, we still have a remaining GDV of RM1.4 billion in Almas. Teega, on the other hand, is a three-tower residential development with minimal commercial, retail and office suites. The RM1.4 billion GDV development with 1,343 residential units in total was completed and delivered in 2017.

#### ASPIRA LAKEHOMES, ASPIRA GARDENS, ASPIRA PARKHOMES, AND ASPIRA SQUARE | GERBANG NUSAJAYA, ISKANDAR PUTERI

**Aspira LakeHomes, Aspira Gardens, Aspira ParkHomes, and Aspira Square | Gerbang Nusajaya, Iskandar Puteri** are our Aspira-themed houses. They form part of our sustainable residential development in Gerbang Nusajaya, featuring design features aimed at reducing the carbon footprint of individuals in a single home. Aspira Gardens, one of our Aspira-themed residential development, features 'solar ready' houses with solar street lighting, rainwater harvesting for the semi-detached houses, low Volatile Organic Compounds (VOC) paints, and water-saving sanitary fittings. The houses also come with an Integrated Smart and Secure System, a built-in security system that minimises or eliminates crime within the neighbourhood. Aspira Square is Gerbang Nusajaya's first commercial development featuring 59 units of two to three-storey shop offices and completed in 2021.

LAUNCHED GDV

**RM263.6**  
MILLION

TAKE-UP RATE AS OF TO DATE

**99%**

REMAINING GDV

**RM223.3**  
MILLION

PROGRESS

- Earlier launched phases **completed**
- Expected Completion: **2028**

##### Aspira LakeHomes, Gerbang Nusajaya



LAUNCHED GDV

**RM306.6**  
MILLION

TAKE-UP RATE AS OF TO DATE **97%**

PROGRESS

- Phase 1 **completed**
- Expected Completion: **2023**

##### Aspira ParkHomes, Gerbang Nusajaya



LAUNCHED GDV

**RM107.9**  
MILLION

TAKE-UP RATE AS OF TO DATE **100%**

PROGRESS

- Expected Completion: **2025**

##### Aspira Gardens, Gerbang Nusajaya



## BUSINESS REVIEW

### SOUTHERN REGION PROJECTS

#### SENADI HILLS | ISKANDAR PUTERI



**Senadi Hills | Iskandar Puteri** is a multi-generational living residential located 2 km away from LEGOLAND Malaysia Resort. Its design and concept are friendly to the elderly and less-abled and the enclave has wheelchair-friendly spaces. Only Phase 1A and Phase 1B totalling 116 units were launched; a combined GDV of RM172.4 million. Vacant possession of the former was in 2022, while the latter was early this year. Excluding its commercial component; Senadi Square, Senadi Hills have a remaining GDV of RM199.0 million to launch.

LAUNCHED GDV  
**RM203.3**  
MILLION

TAKE-UP RATE AS OF  
TO DATE  
**99%**

REMAINING GDV  
**RM199.0**  
MILLION

PROGRESS  
• Phase 1A and 1B  
**completed**

LAUNCHED GDV  
**RM651.8**  
MILLION

TAKE-UP RATE AS OF  
TO DATE  
**99%**

**Estuari Gardens | Iskandar Puteri** is an eco-living concept that pursues the interface between land and water – enabling customers to live in harmony with nature. Situated on 47.7 acres of land in Puteri Harbour, Estuari Gardens registers a total of 350 units with a GDV of RM651.8 million. It is a secured, guarded and exclusive residential haven with built-ups ranging from 251 square meters (2,708 square feet) to 464 square meters (4,990 square feet).

#### ESTUARI GARDENS | ISKANDAR PUTERI



REMAINING GDV  
**RM3,850.6**  
MILLION

PROGRESS  
• Phase 1 **completed**  
• Expected Completion: **2045**

LAUNCHED GDV  
**RM1,661.5**  
MILLION

TAKE-UP RATE AS OF  
TO DATE  
**97%**

REMAINING GDV  
**RM1,683.7**  
MILLION

PROGRESS  
• Earlier launched phases  
**completed**  
• Expected Completion:  
**2035**

**East Ledang | Iskandar Puteri** is a luxurious residential development that spans over 348 acres with a total GDV of RM3.3 billion. The development is themed around gardens, and has 31 beautifully landscaped gardens with a lake and wetlands. The development comprises of link duplexes, twin villas, townhouses, bungalows, high-rise apartments, a clubhouse, and a retail centre.

#### EAST LEDANG | ISKANDAR PUTERI



#### NUSA IDAMAN | ISKANDAR PUTERI



LAUNCHED GDV  
**RM946.4**  
MILLION

TAKE-UP RATE AS AT  
TO-DATE  
**100%**

REMAINING GDV  
**RM223.4**  
MILLION

PROGRESS  
• Earlier launched phases  
**completed**  
• Expected Completion:  
**2031**

**Nusa Idaman | Iskandar Puteri** is a residential development that caters to the medium to medium-high income group. Sprawled across about 251 acres with a total GDV of approximately RM1.2 billion, this development offers a range of residential components to suit different lifestyles and preferences. It includes double-storey terraces, semi-detached homes, bungalows, and high-rise condominiums. With a variety of retail outlets nearby, the development offers convenience and accessibility to residents.

## BUSINESS REVIEW

### SOUTHERN REGION PROJECTS

#### NUSA BAYU | ISKANDAR PUTERI



**Nusa Bayu | Iskandar Puteri** is a residential development for first-time homebuyers on a 258-acre land with a total GDV of RM1.2 billion. It is designed to cater to the community's needs and offers access to primary and secondary schools, a mosque, a community centre, and shopping facilities. It also has recreational facilities, including a 3.7-acre football field, 550-metre jogging path, and a 7.5-acre lake.

LAUNCHED GDV  
**RM750.9**  
MILLION

TAKE-UP RATE AS OF  
TO DATE  
**100%**

REMAINING GDV  
**RM447.4**  
MILLION

PROGRESS  
• Earlier launched phases **completed**  
• Expected Completion: **2031**

#### HORIZON HILLS | ISKANDAR PUTERI



**Horizon Hills | Iskandar Puteri** is more than just a township development – it is a lifestyle. Built in collaboration with Gamuda Land, it boasts an 18-hole par 72 designer golf course that is sure to impress golf enthusiasts. The development features a range of residential properties, including double-storey terraces, semi-detached homes, bungalows, shophouses, and a luxurious clubhouse.

LAUNCHED GDV  
**RM5,520.3**  
MILLION

TAKE-UP RATE AS OF  
TO DATE  
**96%**

REMAINING GDV  
**RM1,563.7**  
MILLION

PROGRESS  
• Expected Completion: **2030**

#### 68° AVENUE | ISKANDAR PUTERI

**68° Avenue | Iskandar Puteri** is a contemporary development that presents spacious 2-storey and 3-storey shop-lots/shop-offices which feature a scenic central courtyard designed for community activities and a comfortable common space for both tenants and visitors. Surrounded by greenery and pocket garden spaces, the development epitomises harmony between nature and business activities. The development has been completed and delivered in 2021.

LAUNCHED GDV  
**RM167.7**  
MILLION

TAKE-UP RATE AS OF  
TO DATE  
**96%**



#### EMERALD BAY | PUTERI HARBOUR



**Emerald Bay | Puteri Harbour** is the epitome of luxury waterfront living. A 40:60 joint venture with BRDB Developments Sdn Bhd (formerly known as Bandar Raya Developments Berhad), this development offers an exclusive selection of waterfront canal homes that provide stunning views of the surrounding area.

LAUNCHED GDV  
**RM413.4**  
MILLION

TAKE-UP RATE AS OF  
TO DATE  
**88%**

REMAINING GDV  
**RM3,246.6**  
MILLION

PROGRESS  
• Expected Completion: **2032**

## BUSINESS REVIEW

### THE MARIS | DESARU

**The Maris | Desaru** is a true gem in the heart of a tropical paradise. Jointly-owned with Desaru North Course Berhad, this project is the first residential phase in Desaru Coast, an idyllic getaway destination overlooking the South China Sea. Other components in Desaru Coast include luxury hotels, a water park, and a conference centre.

LAUNCHED GDV

**RM52.6**  
MILLION

TAKE-UP RATE AS OF  
TO DATE

**100%**

REMAINING GDV

**RM1,852.4**  
MILLION

PROGRESS

• Expected Completion:  
**2030**



## OUTLOOK

Based on the data by NAPIC, property market activity recorded growth in 2022. A substantial number of new properties were launched to the market, with Johor coming in as the third highest state after Selangor and Kuala Lumpur. Residential overhang numbers have also reduced by 24.7% and 19.2% in terms of volume and value, respectively, nation-wide. Although Johor recorded the highest numbers in the country, the overhang volume and value have reduced by 14.2% and 13.5%, respectively.

As a master developer and landowner for major developments in Iskandar Puteri, we fully understand the market sentiment and the buyers' preferences when it comes to selecting the properties of their choice in the Southern region. Buyers in Southern prefer landed mid-market and attainable properties. We have temporarily ceased the launches of high-rise developments unless they are attainable products, the last being Denai Nusantara launched in January 2016. Denai Nusantara is sold out and delivered to our buyers in January 2019.

For 2023, we plan to launch a few series of new landed residential properties in Senadi Hills and Aspira LakeHomes, as well as introduce a new development codenamed Res 7 in Gerbang Nusajaya. All these are mainly double-storey homes. We also realise that with sustainability becoming increasingly important for all stakeholders, it is imperative for UEM Sunrise to ensure that our aspirations under the Sustainability Blueprint are entrenched in all our masterplans, products and design for all components across all levels of society. This will elevate the quality of life for our stakeholders in the Southern region.

Driving happiness for our buyers through our brand is central to our revenue and business performance. We will continue to work closely with our contractors, suppliers, and other stakeholders to maintain a transparent and cost-effective business or project development process, upholding the principles of integrity. We look forward to continue building on our successes and driving growth in the Southern region in the coming year.



# International

UEM Sunrise's international property development portfolio is an exciting and dynamic part of our business. Despite the challenging economic environment in 2022, the Australian property market has remained resilient throughout COVID-19. As economists predict that the market will continue to stabilise throughout 2023 and 2024, we are optimistic on our future development pipeline in Australia.



## BUSINESS REVIEW

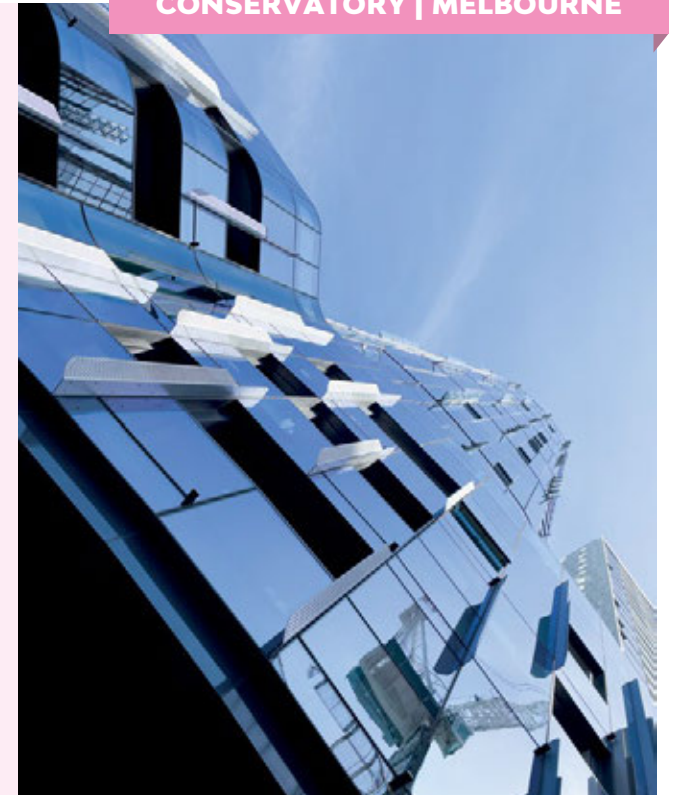
### AURORA MELBOURNE CENTRAL | MELBOURNE



#### Aurora Melbourne Central | Melbourne

is located at the intersection of La Trobe Street and Swanston Street in Melbourne CBD. Spread across 0.8 acres, the development has 959 residential apartments, 252 serviced apartments, 3,848 square meters (41,420 square feet) of strata office spaces, and 2,123 square meters (22,852 square feet) of signature retail areas on the Ground Floor and Lower Ground valued at a GDV of RM2.2 billion. Part of the Lower Ground Floor is leased to Paddle Battle as the anchor tenant. The first and second phases (or separable portions) of Aurora Melbourne Central were completed and handed over in 2018. The final phase was completed and delivered towards the end of 2019.

### CONSERVATORY | MELBOURNE



**Conservatory | Melbourne** is a landmark development located at Mackenzie Street between the northern fringe of Melbourne CBD and Carlton Gardens. Spread over approximately 0.5 acres of land, this RM1.0 billion GDV development boasts 446 residential apartments, 300 square meters (3,229 square feet) of signature retail spaces, and 123 podium car parking spaces. With a grand ground-level pedestrian entry and lobby, Conservatory is set to become a highly sought-after address for those looking to experience the best of Melbourne's vibrant lifestyle. Conservatory was completed and handed over towards the end of 2018.

### INTERNATIONAL PROJECTS

Our projects in Melbourne, Australia meet and exceed the sustainability rating targets required by local authorities as part of the planning permit process. We take sustainability seriously, and our developments are designed to be practical and cost-effective while benefiting the long-term operations of the building and the well-being of residents. Our features include bike park areas, end-of-trip facilities, energy-efficient fittings, and high thermal-performance facade glass systems.

In early 2022, we signed up with Paddle Battle, which is interested in leasing up to 1,680 square meters (18,083 square feet) of our retail area on the Lower Ground Floor of Aurora Melbourne Central. Paddle Battle is one of the brands owned by Home of Hospitality, with head offices in Texas, Australia and Victoria, Australia; a group of experts in the hospitality industry specialising in restaurants, bars and cafes. It is a table tennis social club complemented by a luxury dining experience, making it the first eatertainment of its kind in Australia. With sophisticated food, beverage, and entertainment offerings, the experience is designed to suit social occasions as well as corporate events. Paddle Battle is expected to be operational in the second half of 2023.

As of February 2023, our remaining landbank in Australia is the 1.3-acre land at 21-53 Hoddle Street, Collingwood in Melbourne. It is planned for a mixed-use development, featuring approximately 80% residential and 20% commercial components. The proposed development has a total estimated GDV of AUD250.0 million.

### OUTLOOK

UEM Sunrise is always on the lookout for new and exciting development opportunities, not just in Melbourne, but also in other major cities like Sydney and Perth. We are considering both small boutique projects for quick turnaround and medium to large-scale developments for long-term planning. Our campaign to launch the development in Collingwood is currently in the due diligence stage with a potential investor. We target a successful partnership and expect the same accomplishments as our other two projects in Melbourne.

We are also excited to partner with Bourne Local to bring the Collingwood Artisan Market to Melburnians. This unique event celebrates the Collingwood community and supports local businesses. Bourne Local's remarkable markets have showcased the best of Victorian businesses, making them the ideal partner to activate our Collingwood site. While we are always exploring new opportunities, we are also mindful of making informed decisions that align with our business goals and values.

UEM Sunrise remains committed to delivering exceptional developments that enrich communities, enhance lifestyles, and exceed expectations. We look forward to continuing to build strong partnerships and making a positive impact in the places where we operate.

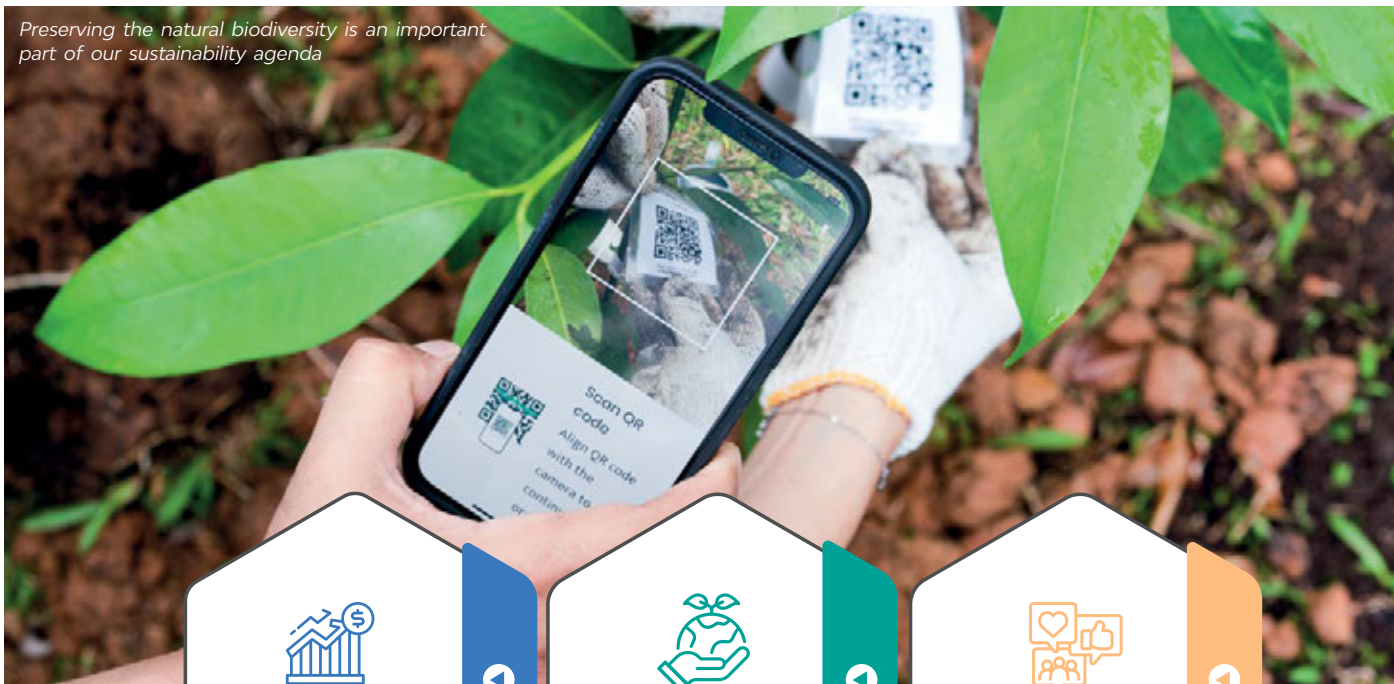


# Sustainability

*CHIEF Faisal manages various educational and collaborative environmental programmes in SIREH Park, a green lung for the community in Iskandar Puteri, Johor, together with CHIEF Syaza and CHIEF Ailing who is a member of the Board of Directors for the Malaysia Network of the United Nations Global Compact (UNGC), representing both Malaysia and Brunei*

# SUSTAINABILITY STATEMENT

At UEM Sunrise, sustainability is an integral part of our core values that inspires us to make responsible and efficient choices in all our operations. Our unwavering commitment to sustainability is evident in our comprehensive solutions spanning across Products, Environment, and Community. We firmly believe that by working together, we can unlock a brighter and better tomorrow for all.



Preserving the natural biodiversity is an important part of our sustainability agenda



**Indirect Economic Impact**

- 1,051 units completed and issued
- 6 projects completed
- 17 PINTAR schools adopted

**Regulatory Compliance**

- Zero non-compliances for anti-competitive behaviour, anti-trust, and monopoly practices

**Anti-Corruption**

- Zero cases of corruption and bribery

**Building a Low-Carbon Future by 2030**

- 6,959 tCO<sub>2</sub>e for Scope 1, 2 and 3
- 16.63 tCO<sub>2</sub>e avoided from recycling programmes

**Health & Safety**

- Zero cases of health and safety at head offices, including Loss Time Injury Frequency (LTIF) and Total Recordable Case Frequency
- 95% in Safety Performance Score using SHASSIC

**Employee Management**

- 19,852 training hours of training delivered
- 20 hours of training on average per employee
- 19.6% employee turnover rate

**Customer Management**

- 79% in Customer Satisfaction Score (CSS)
- 63% in Service Level Agreement (SLA)
- 83.2% in Product Quality Score using QLASSIC
- Zero breaches in cybersecurity or data loss

## SUSTAINABILITY BLUEPRINT 1.0

At the heart of our sustainability strategy lies the Sustainability Blueprint, a comprehensive document outlining our corporate goals and plans for achieving sustainability across our operations. One key area of focus within this blueprint is enhancing the sustainability of our design processes. To achieve this, we are developing the SDDG – a framework that will integrate sustainability considerations into every design decision we make.





Our designers, engineers, and other professionals will use the SDDG as a reference guide to ensure that our designs are not just beautiful and functional, but also environmentally and socially responsible. With a focus on topics like resource efficiency, waste reduction, biodiversity, and social equity, our SDDG will be an essential tool in driving positive change within our corporation and contributing to the broader sustainability movement.

As a critical KPI or target for our corporation, the development and implementation of the SDDG is one of the most important measures of our success in achieving our sustainability goals. Approval of the SDDG by our Board of Directors is an essential step in demonstrating our commitment to sustainability and ensuring that our design processes align with our overall sustainability strategy.

By embedding sustainability principles into our design processes, we can create more resilient, efficient, and equitable products, services, and infrastructure that benefit not just our business and stakeholders, but the planet as a whole.



## SUSTAINABILITY STATEMENT

KEY SUSTAINABILITY PILLARS	STAKEHOLDERS	WHAT IT MEANS	OUR COMMITMENT
 <b>Liveability</b>	<ul style="list-style-type: none"> <li>Customers and Tenants</li> <li>Employees</li> <li>Local Communities</li> <li>Government Agencies/ Authorities</li> </ul>	Providing a liveable city space with healthy, high-quality and human-centered smart spaces that enhance well-being, productivity and human experience.	Providing buildings and liveable places that create and enhance living experiences, and enable residents and communities to thrive.
 <b>Affordability</b>	<ul style="list-style-type: none"> <li>Customers and Tenants</li> <li>Service Providers</li> <li>Banks, Rating Agencies, Sukuk Holders</li> <li>Government Agencies/ Authorities</li> </ul>	Providing inclusive and accessible quality spaces to all to minimise the effects of inequality.	Ensuring financial access such as affordable rents or fair down payment requirements, and providing appropriate asset standards such as sufficient spaces as well as convenient locations with access to basic services including education and healthcare.
 <b>Sustainability</b>	<ul style="list-style-type: none"> <li>Government Agencies/ Authorities</li> <li>Business partners</li> <li>Customers and Tenants</li> <li>Investors, Shareholders, Analysts</li> <li>Sukuk Holders</li> </ul>	Decarbonising spaces through a life cycle strategy and strategic alliances to achieve Carbon Neutrality by 2050. In the coming years, possibly beyond 2025, we expect to do Life Cycle Analysis (LCA) in our product design.	Integrating sustainability practices into our business activities and products such as retrofitting old buildings with energy-saving fittings to lower energy consumption, prioritising renovation or repurposing of buildings instead of demolition, and embedding sustainability in design, construction and operation and maintenance.
 <b>Resilience</b>	<ul style="list-style-type: none"> <li>Government Agencies/ Authorities</li> <li>Investors, Shareholders, Analysts</li> <li>Banks, Rating Agencies, Sukuk Holders</li> <li>Media</li> <li>Local Communities</li> <li>Customers and Tenants</li> </ul>	Developing buildings and spaces that are resilient and adaptable to change in form and function with minimal intervention needed to the existing structure.	Ensuring all developments, including cities and buildings, are future-proofed and resilient against various risks such as climate and health crises.

In support of our Sustainability Blueprint, we also have the UEM Sunrise's Sustainability Sukuk Framework. This Sustainability Sukuk Framework is established to set out clear and transparent guidelines for issuances of the ASEAN Sustainability Sustainable and Responsible Investment (SRI) Sukuk Murabahah under UEM Sunrise's Islamic commercial papers programme and Islamic medium-term notes programme, both with a combined aggregate limit of up to RM4.0 billion in nominal value, based on the Shariah principle of Murabahah (via Tawarruq arrangement).

In line with our commitment to embracing and supporting the UN SDG, the framework has been designed to be aligned in accordance with several guidelines and framework including the ASEAN Green Bond Standards issued by the ASEAN Capital

Markets Forum (ACMF), ASEAN Sustainability Bond Standards issued by the ACMF and others.

The eligibility criteria of our Sukuk includes:

- Green Buildings
- Energy Efficiency and Renewable Energy
- Affordable Housing
- Pollution Prevention and Control
- Sustainable Water and Wastewater Management
- Socioeconomic Advancement and Empowerment Source

For more information on our Sustainability Sukuk Framework, please see:

<https://uems.irplc.com/investor-relations/re-revamp/corporate-governance/pdf/Policies/Sustainability-Sukuk-Framework.pdf>




### SUSTAINABILITY COMMITMENT: BUILDING A LOW-CARBON FUTURE

We recognise the importance of taking action to address climate change and reduce our carbon footprint. With this in mind, we have set our sights on achieving Carbon Neutrality 2050, with a clear plan to kickstart our journey by building a low-carbon future by 2030. This is in line with the Government of Malaysia's aspiration of achieving net zero emissions by 2050 as well as the Paris Agreement of limiting global temperature rise to 1.5° Celsius.

Achieving Carbon Neutrality 2050 requires a concerted effort, which is why we have set an interim goal of reaching Ambition Zero 2040. This goal reflects our commitment to continuously improving our sustainability practices and achieve a zero-carbon future. We believe that by taking proactive steps towards reducing our carbon emissions, we can make a positive impact on the environment and contribute to a sustainable future for all.

### CONTRIBUTING TO THE UN SDG

We align our sustainability efforts to the UN SDG by incorporating them into our business strategy, operations and projects.

UN SDG	Material Matters	Contributed by UEM Sunrise
	Ethical Business Practices, Local Community, Human Rights, Employee Management	<ul style="list-style-type: none"> <li>Support local communities through volunteering, donations to local charities, and supporting small businesses.</li> <li>UEM Sunrise donated RM5,000 to an orphanage and organised a Hari Raya celebration for the children.</li> <li>UEM Sunrise donated a total amount of RM20,150 worth of essential goods during the Enhanced Movement Control Order (EMCO).</li> </ul>
	Local Community, Human Rights	<ul style="list-style-type: none"> <li>Collaboration with Foodpanda by making food available for purchase at a discounted price, where it can provide more affordable options for people who may not have access to nutritious food. This programme could potentially reduce food insecurity and help to achieve the Zero Hunger goal.</li> </ul>
	Local Community, Human Rights, Employee Management	<ul style="list-style-type: none"> <li>The UEM Sunrise CHIEF Wellness helps employees in achieving the healthiest and best-self through digital health coaching and support by a multidisciplinary team of professional coaches and counsellors by Naluri. In addition, UEM Sunrise promotes mental health wellness through series of talks and online learning.</li> <li>UEM Sunrise strives to provide safe working conditions for our employees. Safety campaigns are consistently carried out for all employees, such as safety workplace inspection, emergency drills, first aid training to first aider and safety awareness workshops and training including On-the-Job Training (OJT) to improve employees competency and safe practices.</li> </ul>

### Progress in 2022




#### Climate Risk Analysis:

Our team has been assigned to identify and quantify climate Value-at-Risk (VaR) based on worst-case scenarios as part of our annual risk analysis. This enables us to implement appropriate measures to reduce and adapt to these risks.

#### Internal Carbon Pricing:

We are exploring the adoption of the Internal Carbon Pricing framework to manage potential transitional risks from climate-related issues. This mechanism helps our business divisions understand their exposure to external carbon pricing schemes and guides our investment decisions. It puts a value on our greenhouse gas (GHG) emissions in a way that drives positive change. These findings and criteria will be applied in the selection process for new properties to be developed.

## SUSTAINABILITY STATEMENT

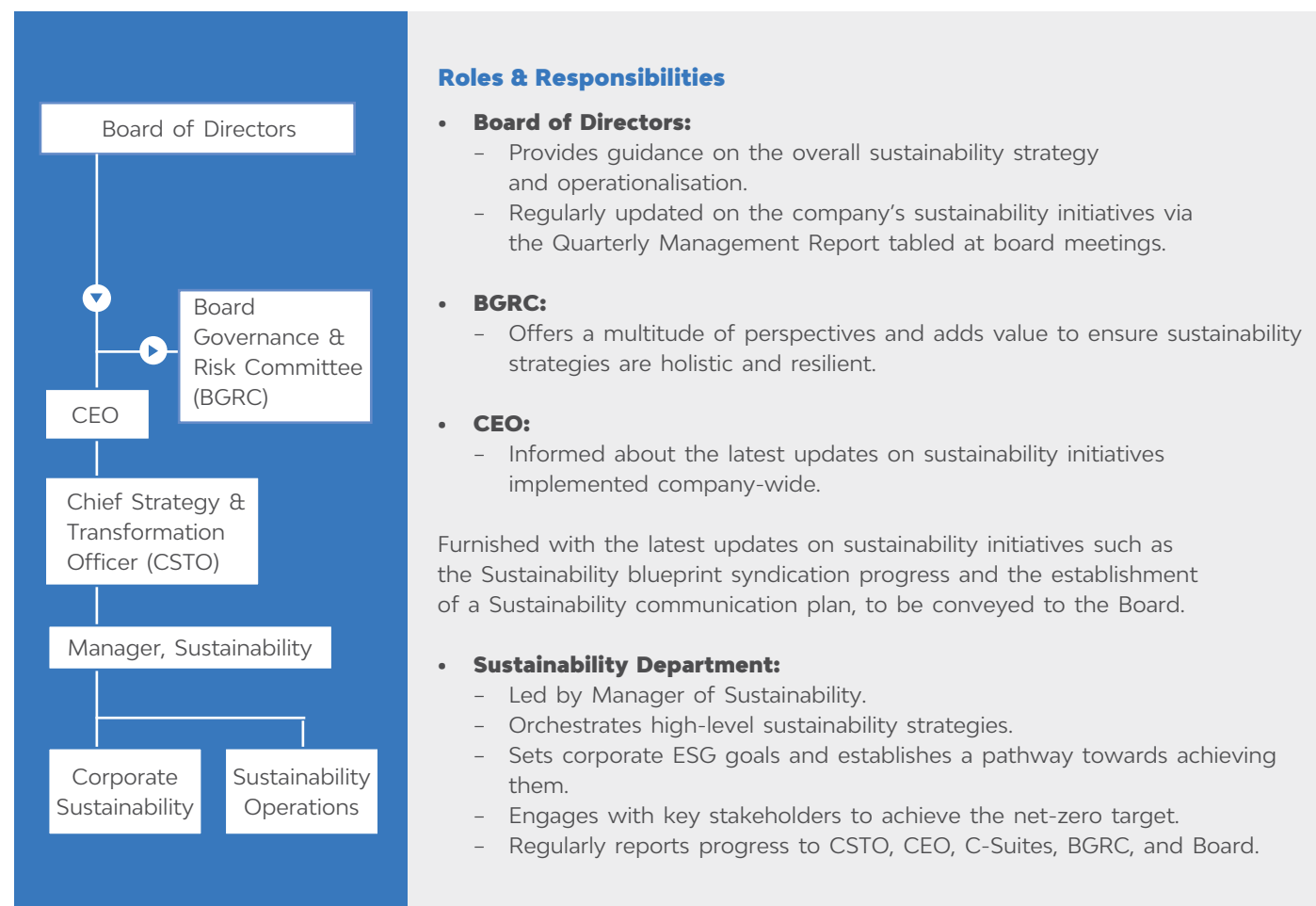
UN SDG	Material Matters	Contributed by UEM Sunrise
	Local Community, Human Rights, Employee Management	<ul style="list-style-type: none"> <li>Joined the PINTAR School adoption programme.</li> <li>Launched the BukuHub community library project in partnership with the Ministry of Housing and Local Government (KPKT).</li> <li>Supported the University of Nottingham Business Management Programme.</li> </ul>
	Ethical Business Practices, Local Community, Human Rights, Employee Management	<ul style="list-style-type: none"> <li>Implemented a Diversity, Equity &amp; Inclusion Policy.</li> <li>Promoted gender equality by advocating for women's rights, challenging gender stereotypes, and supporting female-led businesses.</li> </ul>
	Homebuyers, Economic Performance, Employee Management, Market Presence, Indirect Economic Impact, Procurement Practices, Supply Chain Management	<ul style="list-style-type: none"> <li>Implementation of water-efficient practices in building design, construction, and operation, such as installing low-flow toilets and showerheads, water-efficient irrigation systems, and drought-resistant landscaping.</li> </ul>
	Homebuyers, Economic Performance, Employee Management, Market Presence, Indirect Economic Impact, Procurement Practices, Supply Chain Management	<ul style="list-style-type: none"> <li>Buildings designed with energy-efficient features such as insulation, high-performance windows, and energy-efficient lighting and appliances. This can reduce the amount of energy needed to operate buildings and make them more affordable to maintain.</li> <li>Obtained green building certification such as GreenRE/GBI to ensure that the buildings meet strict energy efficiency and sustainability standards.</li> </ul>
	Economic Performance, Employee Management, Market Presence, Indirect Economic Impact, Procurement Practices, Supply Chain Management	<ul style="list-style-type: none"> <li>Established a Code of Conduct for Business Partners.</li> <li>Implemented QLASSIC assessment to ensure high-quality products are delivered.</li> <li>Employees and contractors are treated decently and have adequate working conditions including providing safe and healthy workplaces, paying fair salaries, and providing opportunity for professional growth and career advancement.</li> <li>Investing in new development projects which can create jobs and generate economic activity in the communities where the projects are located.</li> </ul>
	Economic Performance, Employee Management, Market Presence, Indirect Economic Impact, Procurement Practices, Supply Chain Management	<ul style="list-style-type: none"> <li>Adoption of sustainable building practices, including using energy-efficient materials and designs, reducing waste, and promoting renewable energy.</li> <li>Implemented a Diversity, Equity &amp; Inclusion Policy.</li> <li>Established a Code of Conduct for business partners.</li> </ul>

UN SDG	Material Matters	Contributed by UEM Sunrise
	Economic Performance, Employee Management, Market Presence, Indirect Economic Impact, Procurement Practices, Supply Chain Management	<ul style="list-style-type: none"> <li>Built affordable housing like Kiara Kasih/Denai Nusantara, UEM Sunrise provides a safe and comfortable place to live for individuals and families who might otherwise be priced out of the market.</li> </ul>
	Climate Change, Waste, Supply Chain Management, Materials, Water and Effluents, Procurement Practices, Local Communities	<ul style="list-style-type: none"> <li>Implemented our Sustainability Blueprint.</li> <li>Executed our GHG reduction, water, and waste management programmes.</li> </ul>
	Climate Change, Waste, Supply Chain Management, Materials, Water and Effluents, Procurement Practices, Health and Safety	<ul style="list-style-type: none"> <li>Use of sustainable products made from sustainable or recycled materials that are free from harmful chemicals.</li> <li>Encouraging employees to adopt sustainable practices, such as turning off lights when not in use, which can help to reduce energy consumption.</li> </ul>
	Climate Change, Waste, Supply Chain Management, Materials, Water and Effluents, Procurement Practices	<ul style="list-style-type: none"> <li>Reduced carbon footprint by reducing fuel and electricity use at office buildings and project sites.</li> <li>Took action on climate change by implementing renewable energy, water conservation, and waste reduction plans.</li> </ul>
	Biodiversity, Climate Change, Waste, Water and Effluents	<ul style="list-style-type: none"> <li>Using materials that are sustainably sourced, reducing water and energy consumption, and using environmentally friendly construction practices like DfMA.</li> <li>Water filtration minimises the impact on marine ecosystems.</li> <li>Reduced waste by implementing recycling, reducing the amount of waste that ends up in the ocean.</li> </ul>
	Biodiversity, Climate Change	<ul style="list-style-type: none"> <li>Allocated green areas in development and plant trees according to local authorities' requirements.</li> <li>Supported tree planting activities at SIREH Park.</li> </ul>
	Ethical Business Practices, Local Community, Human Rights, Employee Management	<ul style="list-style-type: none"> <li>Collaborated with NGOs to raise awareness and funds for biodiversity matters.</li> <li>Advocated for peace by supporting organisations that promote peace and non-violence and speaking out against violence and conflict.</li> </ul>
	Climate Change, Waste, Supply Chain Management, Materials, Water and Effluents, Procurement Practices, Health and Safety	<ul style="list-style-type: none"> <li>In September 2022, UEM Sunrise entered into two partnerships; with PGTS and Gentari for collaborations relating to sustainability, renewable and green energy and carbon emission solutions, among others; aligned with the objectives under the Sustainability Blueprint that will drive the ambition towards reducing our GHG emissions and achieving net zero carbon emissions by 2050.</li> </ul>

# SUSTAINABILITY GOVERNANCE

## GOVERNANCE STRUCTURE

We have established a robust sustainability governance structure to ensure effective development and implementation of sustainability decisions. The structure adopts a top-down approach with strong leadership oversight.



## Improvements Made to Our Sustainability Governance in 2022:

### 1. UEM Sunrise Sustainability Policy:

We established the UEM Sunrise Sustainability Policy to further institutionalise ESG within the company. It aims to reduce risks associated with climate change while creating value for stakeholders. The policy is geared towards supporting the communities where the company operates and protecting the environment.

UEM Sunrise's Sustainability Policy is available on the Company's website:  
<https://uems.irplc.com/investor-relations/re-revamp/corporate-governance/pdf/Policies/Sustainability-Policy.pdf>

### 2. ESG Performance Incentives:

We incorporated ESG material management into the KPIs of senior management, tying them to their remuneration. This means top executives' compensation is connected to climate change and ESG performance, such as their management of sustainability risks and opportunities.

The KPIs are matched with UEM Sunrise's Sustainability 2030 Goals and Targets and will be cascaded to employees, tracked, and reported annually.

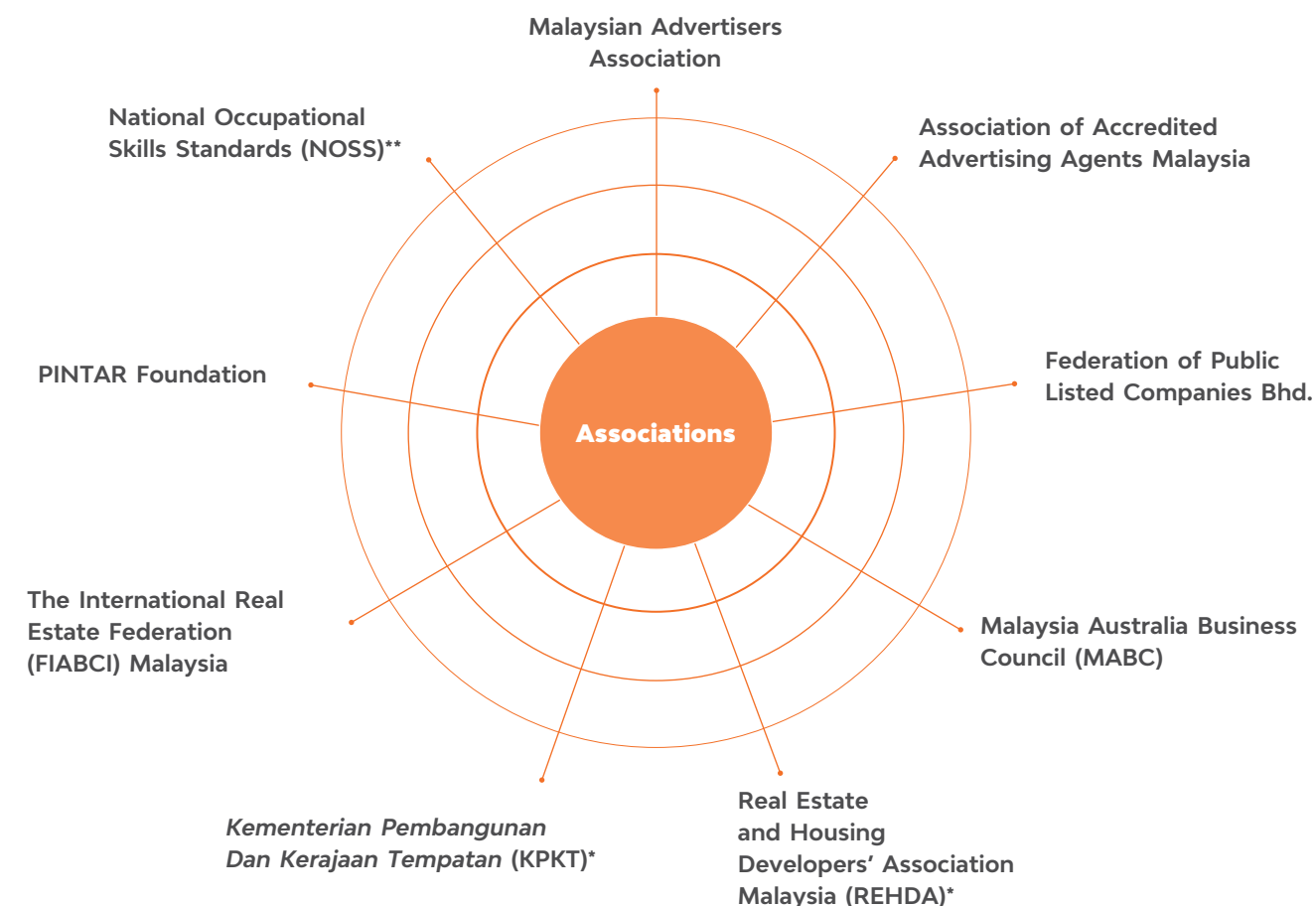
### 3. Sustainability Syndications:

In 2022, we held a series of syndications with internal stakeholders from various business units. The goal was to raise staff awareness of sustainability and ESG understanding.

The programme covered a variety of topics, including the UN SDG, environmental implications of business activities, Sustainability Blueprint, and creating sustainability targets for specific company functions.

## MEMBERSHIP AND ASSOCIATIONS

We actively participate in various memberships and associations to ensure we stay at the forefront of sustainable practices and make meaningful contributions towards a more sustainable future.



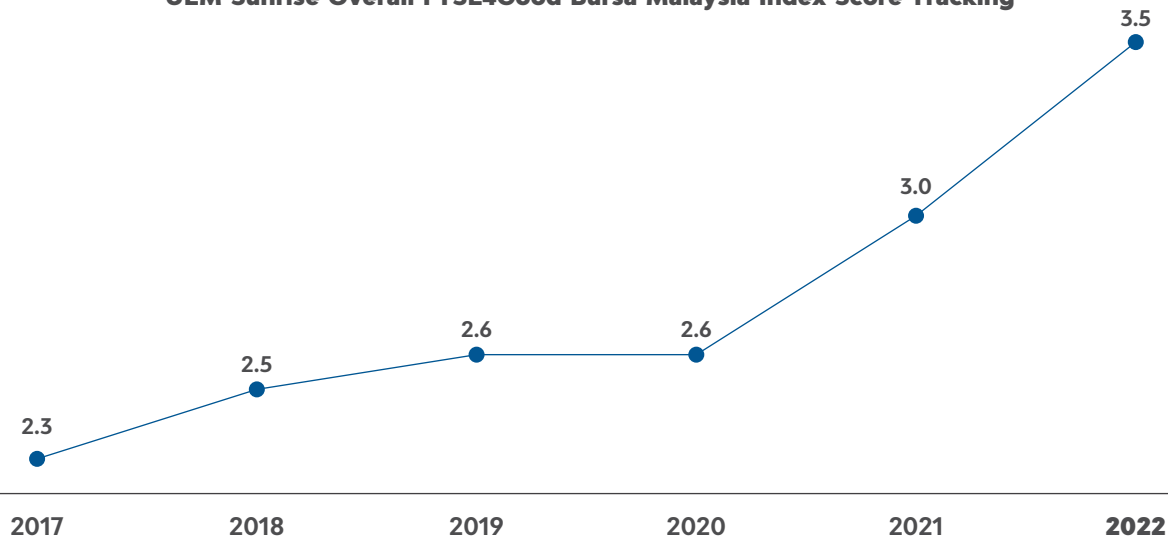
\* CEO appointed as a committee member

\*\* A task force member in reviewing Occupational Skills Standards

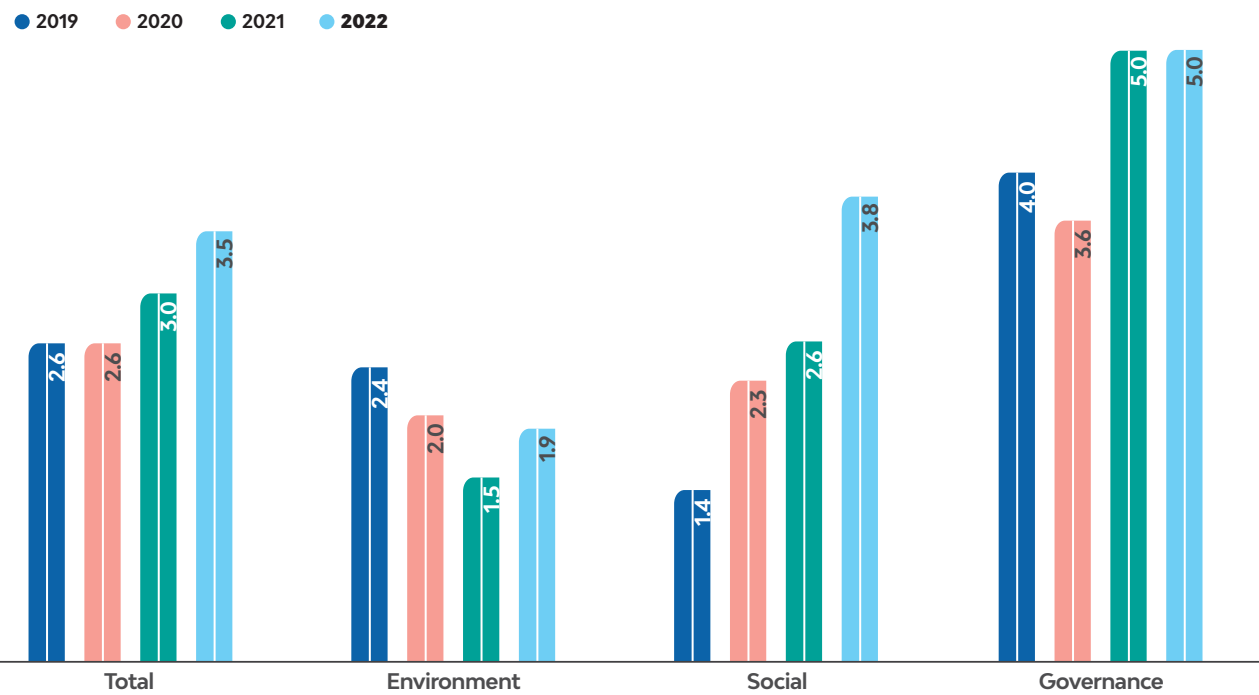
# SUSTAINABILITY RISK MANAGEMENT

We are proud to announce that UEM Sunrise has improved its total ESG score from 3.0 in 2021 to 3.5 in 2022 in the FTSE4Good Bursa Malaysia Index. This achievement reflects our effective ESG risk management and commitment to sustainability.

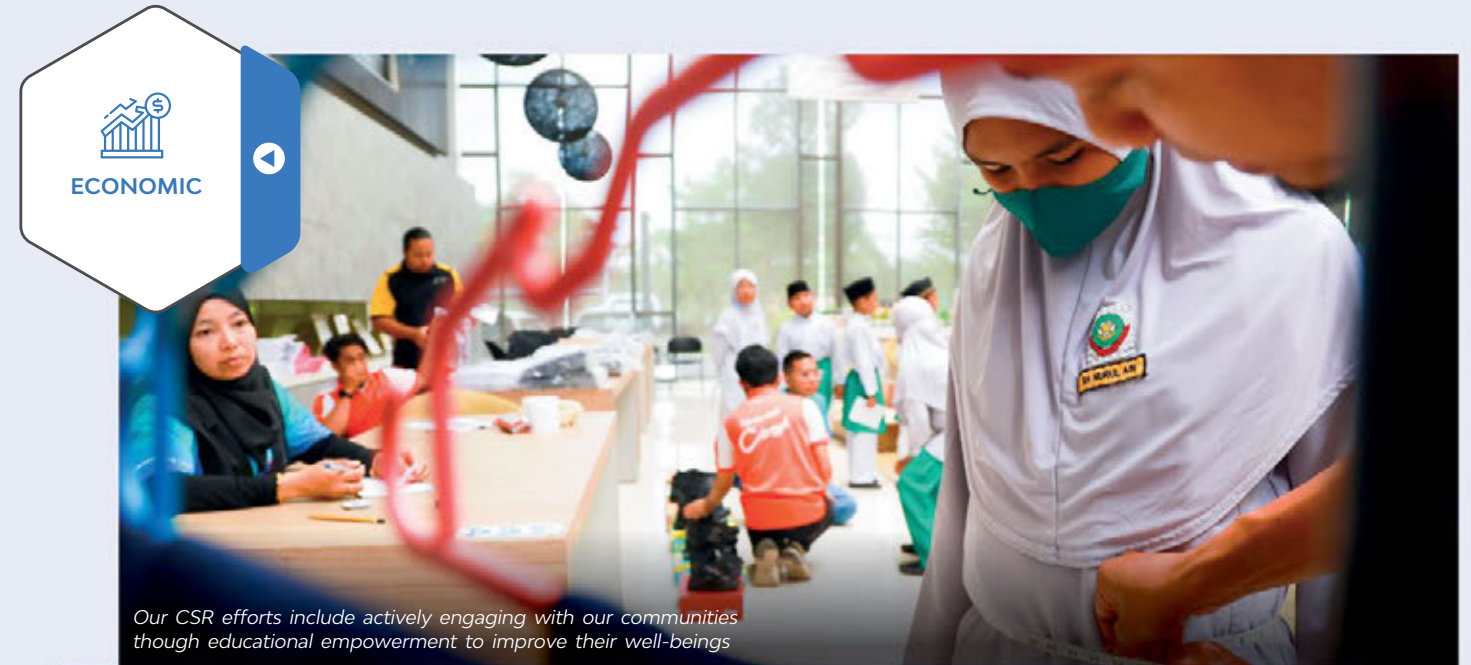
UEM Sunrise Overall FTSE4Good Bursa Malaysia Index Score Tracking



UEM Sunrise FTSE4Good Bursa Malaysia Index ESG Pillar Score



# ECONOMIC IMPACT



Our CSR efforts include actively engaging with our communities through educational empowerment to improve their well-beings

Our commitment to sustainability extends beyond just environmental and social impact. We understand that our operations have an economic impact as well, and we take that responsibility seriously. As a leading property developer, we play a key role in contributing to the growth and development of the local economy, and we strive to do so in a way that is sustainable and responsible. By incorporating economic sustainability into our agenda, we are able to create long-term value not only for our business but for the communities in which we operate.

## CONTRIBUTING TO THE NATION

Related Material Matters: M2 M8 M12 M14

As a property developer, UEM Sunrise's success in generating economic growth and maintaining a strong market presence is essential for our sustainability agenda and our role in contributing to the development of the nation. Our economic performance directly affects our ability to deliver quality projects that meet the needs of our stakeholders while driving growth in the communities we serve. We also invest in local communities that can benefit both property developers and the people in many ways. When we choose to develop a new area, our operations have the ability to boost socio-economic values in the surrounding community. Through our indirect economic impact, we also create job opportunities and drive economic activity, both of which are critical to building a prosperous and sustainable future for Malaysia. As we continue to grow and expand, we remain committed to achieving our sustainability goals and contributing to the broader mission.

## Our Progress in 2022

Throughout the year, we implemented various programmes and initiatives that aim to empower communities and contribute to local economic development. These include:

- PINTAR - Improving Education for Underperforming Schools**  
 PINTAR is a joint social responsibility initiative led by Khazanah, aimed at motivating and encouraging the success of students from underperforming schools through education. UEM Sunrise supports this initiative and actively participates in it, by providing resources and volunteer support to the schools involved in the programme. Through this initiative, we aim to create equal opportunities for all students to receive a quality education, regardless of their socio-economic background. Since 2008, we have supported the PINTAR school adoption programme and implemented the Foundation's four core modules in conducting our programmes.

2021	2022
16	17

Number of schools adopted under PINTAR

## ECONOMIC IMPACT



Our CHIEFs are enthusiastic to create a positive impact through volunteerism

- **Donation to Flood Victims**

UEM Sunrise donated RM25,000 to support flood victims. This contribution was made in response to the floods that occurred in various parts of Malaysia, which caused significant damage to properties and displaced many individuals. The donation was intended to help those affected by the floods by providing financial support to assist them in rebuilding their lives.

- **Hari Raya Celebration with Orphanage**

UEM Sunrise donated RM5,000 to an orphanage and organised a Hari Raya celebration for the children. This initiative was aimed at spreading joy and happiness to the less fortunate during the festive season. The donation and celebration aimed to create a positive impact on the lives of the children and to encourage others to support similar initiatives.

- **Supporting Affordable Housing Initiative**

UEM Sunrise has supported the Johor State Government's Public Private Partnership (PPP) initiatives for affordable housing. The partnership is aimed at providing affordable housing to the public, particularly to those who are from low to medium-income groups. Through this partnership, UEM Sunrise contributes to the government's efforts to increase the supply of affordable housing and improve the living standards of the people.

- **Vendors Partnership Programme**

UEM Sunrise has implemented a Vendors Partnership Programme that forms a closer cooperation between the company and local companies. This partnership aims to identify business opportunities that lead to cost-saving benefits and a shared aspiration towards ESG goals. Through this programme, UEM Sunrise aims to support local companies and promote sustainable practices within the industry.

- **BukuHub**

UEM Sunrise has launched a community library project called BukuHub since 2019. This initiative aims to provide access to reading materials to the local community, particularly to those who may not have the resources to purchase books. The library also serves as a community hub, providing a space for people to gather, interact, and learn.

Our latest BukuHub launch was at the Forest Heights Property Gallery in Seremban in November 2022.

Through our efforts, we were able to reach 63,663 beneficiaries and distributed shared value to all our stakeholders.

Contribution to Communities	2020	2021	2022
Total Contribution to Social Programmes (RM)	445,000	194,674	<b>167,596</b>
Number of NGOs supported	11	9	<b>5</b>

**Note:** We will continuously track and report the number of beneficiaries reached through our community programmes from 2022 onwards to strengthen accountability and transparency.

Economic Value Distributed to:	2020 RM'000	2021 RM'000	2022 RM'000
Suppliers: Operating Costs	1,023,240	1,146,967	<b>1,139,958</b>
Employees: Salaries and Benefits	130,632	100,955	<b>97,190</b>
Lenders: Payments to Lenders	132,850	144,712	<b>143,470</b>
Payments to Governments	81,385	(1,796)	<b>51,479</b>
<b>TOTAL</b>	1,368,107	1,390,838	<b>1,432,097</b>

Indirect Economic Impact	2020	2021	2022
Number of units completed and issued with vacant possession	469	431	<b>1,051</b>
Number of projects completed	3	5	<b>6</b>
Take-up rate for Aspira products in Gerbang Nusajaya (%)	71	88	<b>94</b>
Take-up rate for Serene Heights (%)	98	95	<b>97</b>
Take-up rate for Residensi AVA (%)	25	91	<b>98</b>



## ECONOMIC IMPACT

### Volunteer Hours

#	Programme	Programme Date	Programme Duration	Total Volunteers	Total Hours for each volunteer	Total Volunteer Hours (each programme)
1	Distributions of #CaringsMyHappy Kit to PINTAR Schools (Central)	25 January 2022	9:00 am-1:00 pm	4	4	16
2	SPM Wishing Wall @SMK Kiaramas	2 March 2022	1:00 pm-3:00 pm	4	2	8
3	UEM Sunrise x DBKL KL Car Free Morning (KLFCM) Happy Space @Lot 149	6 March 2022	6:00 am-9:00 am	8	4	32
4	Official Activation of Happy Space @Lot 149 in Conjunction with International Day of Happiness	20 March 2022	6:00 am-9:00 am	26	3	78
5	Distributions of #CaringsMyHappy Kit to PINTAR Schools (Southern)	28 & 29 March 2022	9:00 am-5:00 pm	4	16	64
6	Distribution of Iftar Packages for Ramadan & Hari Raya Programmes 2022 @Maahad Tahfiz Al-Quran Dan Rumah Anak Anak Yatim Al Sagaff	21 April 2022	5:30 pm-6:30 pm	3	1	3
7	Distribution of Iftar Packages for Ramadan & Hari Raya Programmes 2022 @Baitul Ulfah Centre Pusat Kebajikan, Pendidikan & Tahfiz	26 April 2022	5:30 pm-6:30 pm	3	1	3
8	Handover of Go The Distance Fund Chief Edition: Donation for Charity Homes @Pertubuhan Kebajikan Rumah Warga Emas Gemilang, Kepong	21 July 2022	2:00 pm-4:00 pm	6	2	12
9	Inspiring Malaysia Live Art Painting Volunteer	27 August 2022	10:00 am-12:00 pm	15	2	30
10	MBSJ Car Free Day	4 September 2022	7:00 am-9:00 pm	13	2	26
11	Handover of Go The Distance Fund Chief Edition: Donation for Charity Homes @Pertubuhan Kebajikan Amal Warga Emas Sejati KL & Selangor, Kepong	12 September 2022	3:30 pm-4:30 pm	4	1	4
12	UEM Sunrise CSR CAT Walk with MYCAT	6-8 September 2022	8:00 am-6:00 pm	20	30	600
13	Handover of Skateboard Contribution to Desa Temuan Community, Damansara Perdana	25 September 2022	2:00 pm-4:00 pm	10	2	20
14	Flood Relief: Distribution of Essential Items to The Maris homeowners in Desaru Coast	21 December 2022	2:00 pm-6:00 pm	11	4	44
<b>TOTAL VOLUNTEER HOURS</b>						<b>940</b>

### RESPONSIBLE SUPPLY CHAIN

Related Material Matters: M10 M17

We have a duty to ensure that our supply chain practices align with our sustainability agenda. We believe that responsible supply chain management is essential for sustainable business growth and for creating a positive impact on the communities in which we operate. One of our key priorities is to focus on local suppliers. We believe that by working with local suppliers, we can contribute to the growth of the local economy and support the development of the communities in which we operate. Our approach to responsible supply chain management is guided by our ESG priorities.

We also prioritise suppliers that share our commitment to sustainability. We evaluate potential suppliers including but not limited to their environmental impact, labour practices, and commitment to social responsibility. They are encouraged to adopt sustainable business practices. We provide them with training and support to help them develop their sustainability initiatives. By working collaboratively with our suppliers, we can create a more sustainable and responsible supply chain.

#### Our Progress in 2022

- Protecting Our Suppliers – Our Policy Commitments**  
 As part of our commitment to ensure ethical, legal, and socially-responsible practices throughout our value chain, we have established a Code of Conduct for Business Partners and the UEM Sunrise Procurement Policy to protect the rights of our suppliers. Our policies set the standard for ethical behaviour, and we are proud to work with suppliers who share our values.
- Building Strong Partnerships – Our Vendors Partnership Programme**  
 We believe that strong partnerships are the key to success. Through our Vendors Partnership Programme, we collaborate with local companies to create a mutually beneficial relationship. We leverage our strengths and expertise to explore new marketing and branding opportunities, develop innovative products and services, and identify cost-saving benefits. We work closely with our partners to ensure that we are aligned with our goals and that we are making the most of our collaboration. Our Vendors Partnership Programme is more than just a business arrangement – it is an opportunity for us and our partners to build something greater than ourselves.



We signed a MoU with nine local companies to strengthen, promote and develop a mutually beneficial relationship and cooperation

## ECONOMIC IMPACT

### Quality and Safety Above All - Our Commitment to Selecting the Best Vendors

Quality and safety are the cornerstones of our business. This is why we carry out rigorous QHSE (Quality, Health, Safety, and Environment) assessments to ensure that our vendors meet our high standards for performance. By doing so, we can be confident that the final products we produce are of the highest quality and meet the strictest health, safety, and environmental standards.

Our QHSE assessment process is comprehensive and covers everything from supplier performance to product quality, safety, and environment. We work closely with our vendors to identify areas for improvement and provide them with the support they need to achieve our high standards.

		2020	2021	2022
Total Number of Suppliers	▶	5,199	5,677	<b>6,086</b>
Percentage of Suppliers from Local Companies (%)	▶	95	99.7	<b>95</b>
Total Contribution to Suppliers (RM)	▶	424,886,258	604,695,199	<b>364,753,045</b>
Proportion of Spending on Local Suppliers (%)	▶	99	99	<b>99</b>
Percentage of Suppliers that were screened using Environmental Criteria (%)	▶	60	60	<b>60</b>
Percentage of Suppliers that were screened using Social Criteria (%)	▶	100	100	<b>100</b>

## STRONG ETHICS AND GOVERNANCE

### Related Material Matters: M3

Ethical business practices are essential for building a strong and sustainable business. We are committed to operating our business in an ethical manner and adhering to all relevant laws and regulations. We recognise the damaging effects of corruption and other unethical business practices on our stakeholders, including our employees, customers, shareholders, and the wider community. Therefore, we have put in place robust anti-corruption measures to ensure that our business operations are free from any form of corrupt behaviour.

To protect our Company and stakeholders against unethical practices, we are committed to ensuring that our people, processes, and operations comply with all applicable policies and laws, including the Malaysian Anti-Corruption Commission Act 2009. Our Integrity, Governance, Risk & Compliance Department (IGRC) has established a Group Risk Management Framework that

outlines our objectives, responsibilities, and accountabilities. This framework guides our policies and processes for managing risk and ensures that we can achieve our strategic objectives. We also have a zero-tolerance policy towards all forms of corruption. We are committed to conducting our business with the utmost integrity and will not tolerate any behaviour that violates our commitment to ethical and legal business practices.

In addition to our commitment to compliance and integrity, we are also committed to ensuring full compliance with economic, environmental, and social regulations, regardless of the sector of our business operations. We recognise that our business has an impact on the communities and environment in which we operate, and we are committed to operating in a way that minimises this impact and maximises the benefits to our stakeholders.

### Our Progress in 2022

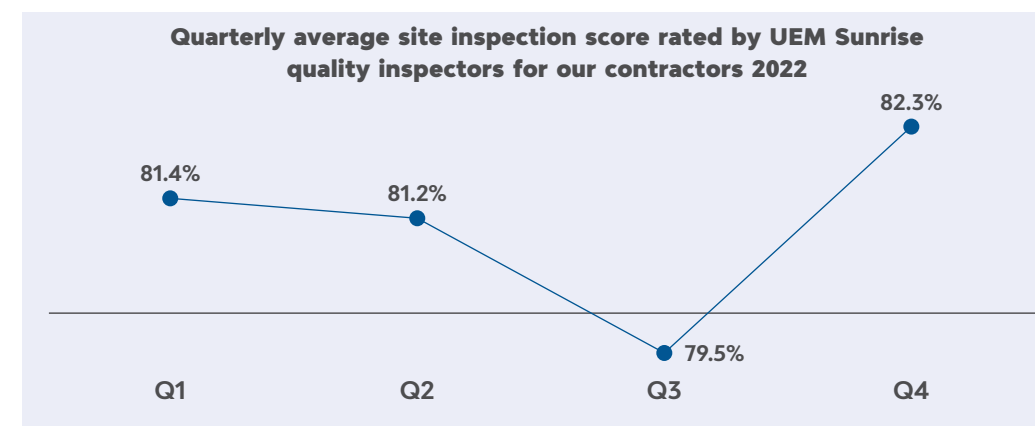
In 2022, we have taken the following steps to strengthen our ethics and integrity:

- Signed the Corruption-Free Pledge with Malaysian Anti-Corruption Commission (MACC)**  
 We have taken a strong stance against corruption by signing the Corruption-Free Pledge with the MACC. By doing so, we are publicly committing to upholding the highest standards of integrity in all its business dealings.
- Gap Analysis Exercise on Adequate Procedures of Anti-Corruption to Close the Gap**  
 To ensure that our anti-corruption procedures are effective, we embarked on an in-depth Gap Analysis Exercise. This exercise is designed to identify any weaknesses or gaps in our anti-corruption procedures and to develop appropriate measures to close these gaps.
- Awareness of Ethics and Integrity**  
 We recognise that promoting ethical business practices requires ongoing education and awareness-raising efforts. Therefore, we conduct monthly newsletters, talks, and training sessions on topics related to ethics, compliance, and anti-corruption. Additionally, we organise Integrity Month initiatives to promote awareness of the importance of ethical business practices among its employees and stakeholders. These efforts ensure our employees are equipped with the knowledge and skills necessary to conduct business in an ethical and responsible manner.

- Active Engagements with the Government**  
 Ethical business practices require a collaborative effort. With this in mind, we engage with relevant ministries, regulators, and authorities to promote best practices in anti-corruption and compliance. By working with these stakeholders, we stay up-to-date on the latest developments in anti-corruption and compliance regulations and ensure that our own policies and procedures are aligned with these standards.
- Accreditation of Workers**  
 Conducting our operations with good governance is essential for our success. To ensure that we continue to deliver high-quality products, we ensure that all of our site supervisors and skilled workers are accredited by the Construction Industry Development Board (CIDB).

This accreditation process ensures that our workers have the necessary skills and knowledge to perform their jobs to the highest standards. To ensure compliance with this initiative, we have established a quarterly quality inspection process, which is conducted by our UEM Sunrise Quality inspectors.

During these inspections, we evaluate the quality of work being performed on our sites, identify areas for improvement, and ensure that our workers are meeting the necessary standards and requirements. By doing so, we can maintain our commitment to quality and good governance in all of our operations.

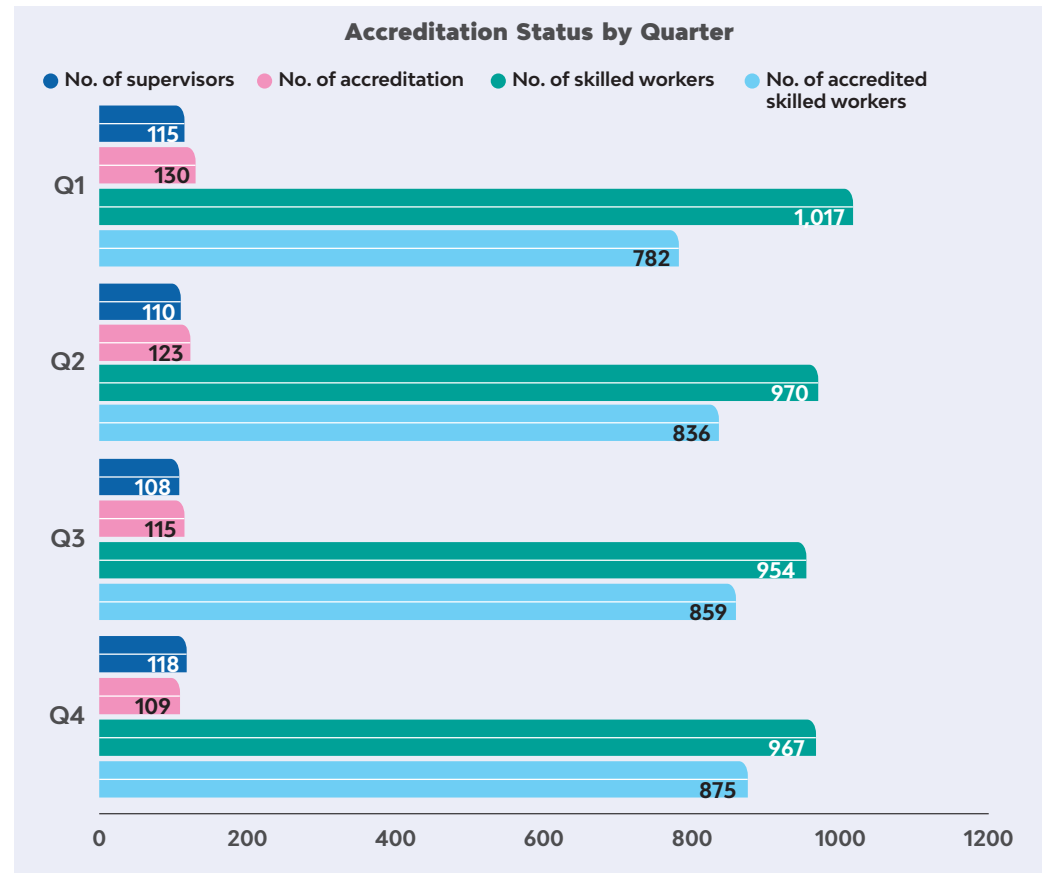


**81%**  
Annual average score



*CHIEF Nuraishah strives to care and maintain positive experiences with our customers as a dedicated Customer Experience team member*

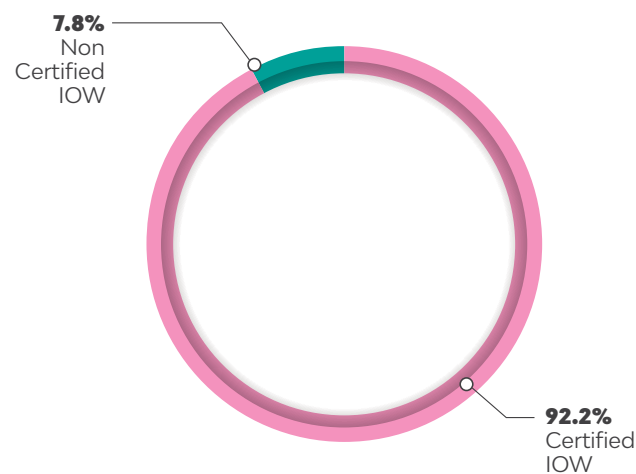
## ECONOMIC IMPACT



Accreditation For Skill Worker  
**86%**

Accreditation For Supervisor  
**91%**

Percentage of Certified Inspector of Works (IOW) 2022



### Overall Performance

	2020	2021	2022
Number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	0	0	0
Number of whistleblowing cases	15	9	9
Number of confirmed corruption incidents and actions taken	0	0	0

## ENVIRONMENTAL IMPACT



Our HSE policies are practised and monitored in all our development sites.

At the forefront of sustainable property development, our dedication to preserving the environment remains steadfast. Given the nature of our business, we understand the potential impact our operations may have on the natural environment. Therefore, we prioritise safe, efficient, and environmentally-conscious practices. We strive to minimise any negative environmental effects by embracing sustainable techniques, ensuring that we operate in a manner that is both socially and environmentally responsible.

### CLIMATE ACTION

Related Material Matters: **M7**

In today's business landscape, achieving climate-related targets has become a top priority for companies worldwide. With global warming showing no signs of abating, it is imperative that we factor in the impacts of climate change when planning our business operations. As property developers, we must also ensure that our stakeholders are shielded from the risks associated with extreme weather events, such as floods and rising sea levels. Failure to take proactive steps to mitigate climate risks could have serious consequences for our customers in the near future. Therefore, it is crucial that we maintain a high level of social accountability and transparency in our efforts to reduce our carbon footprint and energy consumption.

As part of our journey towards building a sustainable world, we are committed to transitioning to a low-carbon future by 2030, with efforts underway to align all business processes to achieving the goal. We have identified a set of actions that we intend to take in order to achieve our GHG reduction targets within the targeted timeframe. These measures specifically target the main sources of our GHG emissions, including Scope 3 emissions where applicable. This includes integrating climate-related risk management into the company-wide risk scorecard. We are also in the process of aligning our disclosures to the Taskforce on Climate-Related Financial Disclosures (TCFD) to improve our approach, oversight and transparency on climate change risks.

## ENVIRONMENTAL IMPACT

We also incorporate climate change risks and opportunities into our business and decision-making through the following:

- Mitigation**  
 We reduce our carbon footprint by implementing sustainable building practices, such as using energy-efficient materials, installing solar panels, and improving insulation. We also promote alternative modes of transportation, such as cycling and public transit, to reduce GHG emissions.
- Risk assessment**  
 We conduct a risk assessment exercise to identify how climate change may affect our operations and properties. This assessment can help us develop strategies to mitigate these risks, such as relocating properties that are at risk of flooding or developing emergency response plans for extreme weather events.
- New products**  
 We develop new products and services that address climate change, such as green building certifications, energy-efficient appliances, and sustainable landscaping services. These products help us differentiate ourselves from competitors and appeal to customers who are interested in sustainable living.
- Stakeholder engagement**  
 We continuously engage with stakeholders, such as investors, customers, and community members, to understand their perspectives on climate change and incorporate their feedback into our strategy. This engagement can help us build support for our sustainability initiatives and identify new opportunities to collaborate with stakeholders.
- Research & Development (R&D)**  
 We invest in research and development to identify new ways to mitigate climate change risks and capitalise on opportunities. For example, we research new building materials that are more resistant to extreme weather events or develop new technology that improves energy efficiency.

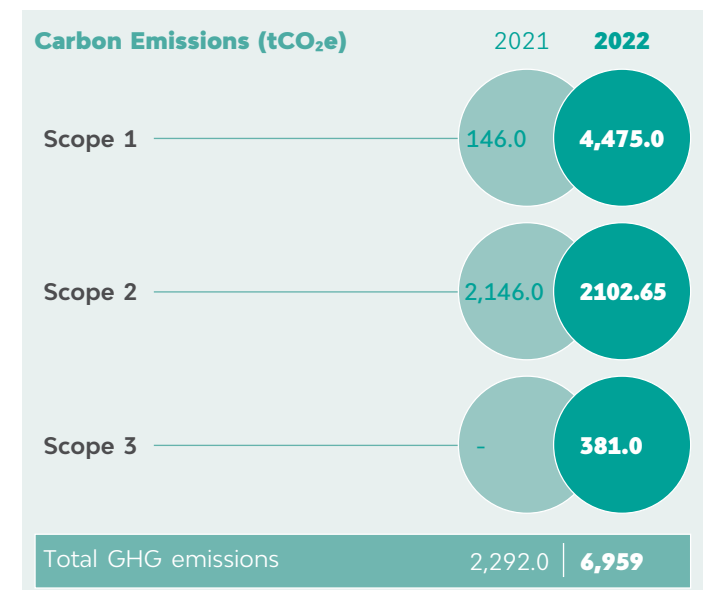
Our approach to Climate Change continues to be anchored by our four pillars of the Sustainability Blueprint:

LIVEABILITY	SUSTAINABILITY	AFFORDABILITY	RESILIENCE
Combining factors to contribute to quality life such as developing sustainable buildings and communities, focusing on human-centric and inclusive designs, and providing social, community and recreational facilities.	Accelerating climate actions and reducing the carbon emitted throughout the life cycles of assets, which starts from developing to operating and decommissioning a building.	Providing residents, tenants as well as the wider community with fair access to quality spaces to live in and to operate businesses.	Ensuring assets can withstand shocks and are able to adapt changing consumer demand throughout their life cycle.

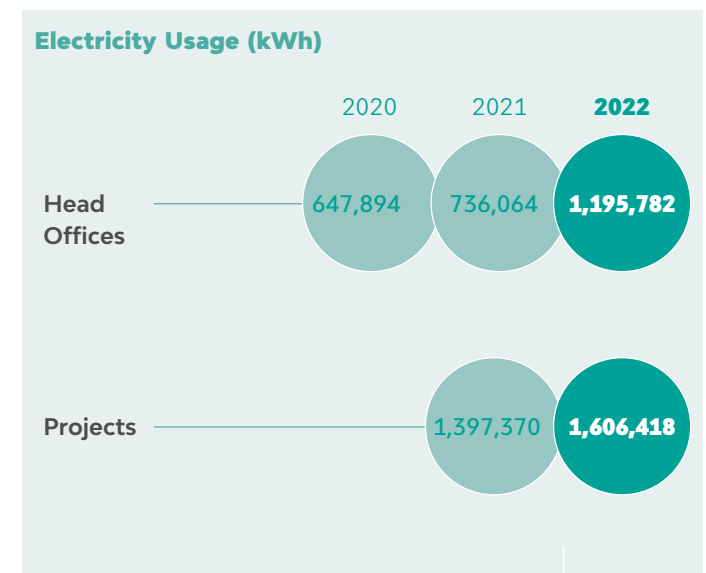
### Our Progress in 2022

- Efficient Equipment Maintenance for Corporate Offices**  
 We periodically maintain all equipment, including HVAC, to ensure efficient performance and prevent costly repairs. We also consider higher energy-efficient equipment for replacement and assess the condition and efficiency of all equipment during our annual IMS-ISO audit.
- Reducing the Footprint of Employees**  
 We understand that travelling for work can be a major contributor to carbon emissions. That's why we have implemented a hybrid working policy that allows employees to work remotely and reduce unnecessary travel. By embracing technology, we can create a smarter and more sustainable planet.  
  
 We also remind employees regularly to turn off their electronic devices when not in use to conserve energy. Employees are also encouraged to carpool to the office. By sharing rides, we can reduce the number of vehicles on the road and contribute to a greener future.
- Optimising Fuel and Electricity Use at Project Sites**  
 We work closely with our contractors to ensure efficient fuel and electricity use at project sites. Routine maintenance is performed to maximise equipment efficiency, and we install insulation on roofs to reduce the load on the HVAC system and maintain lower temperatures.
- MoU for Low Carbon and Nature-Based Solutions: Collaboration for a Greener Tomorrow**  
 We have two Memoranda of Understanding with PGTS and GENTARI to explore low carbon and nature-based solutions. Together, we will explore smart green energy solutions, renewable energy, circular economy, as well as sustainable technical and technology solutions.
- Monthly Data Collection and Analysis**  
 We collect and analyse data every month to track our progress and identify areas where we can improve. This helps us stay accountable and transparent in our sustainability efforts.
- Overall GHG Performance**  
 We continue to disclose our GHG emissions based on the data collected from across our organisation. Our emissions calculations are based on the Greenhouse Gas (GHG) Protocol established by the World Business Council for Sustainable Development (WBCSD) and World Research Institute (WRI).

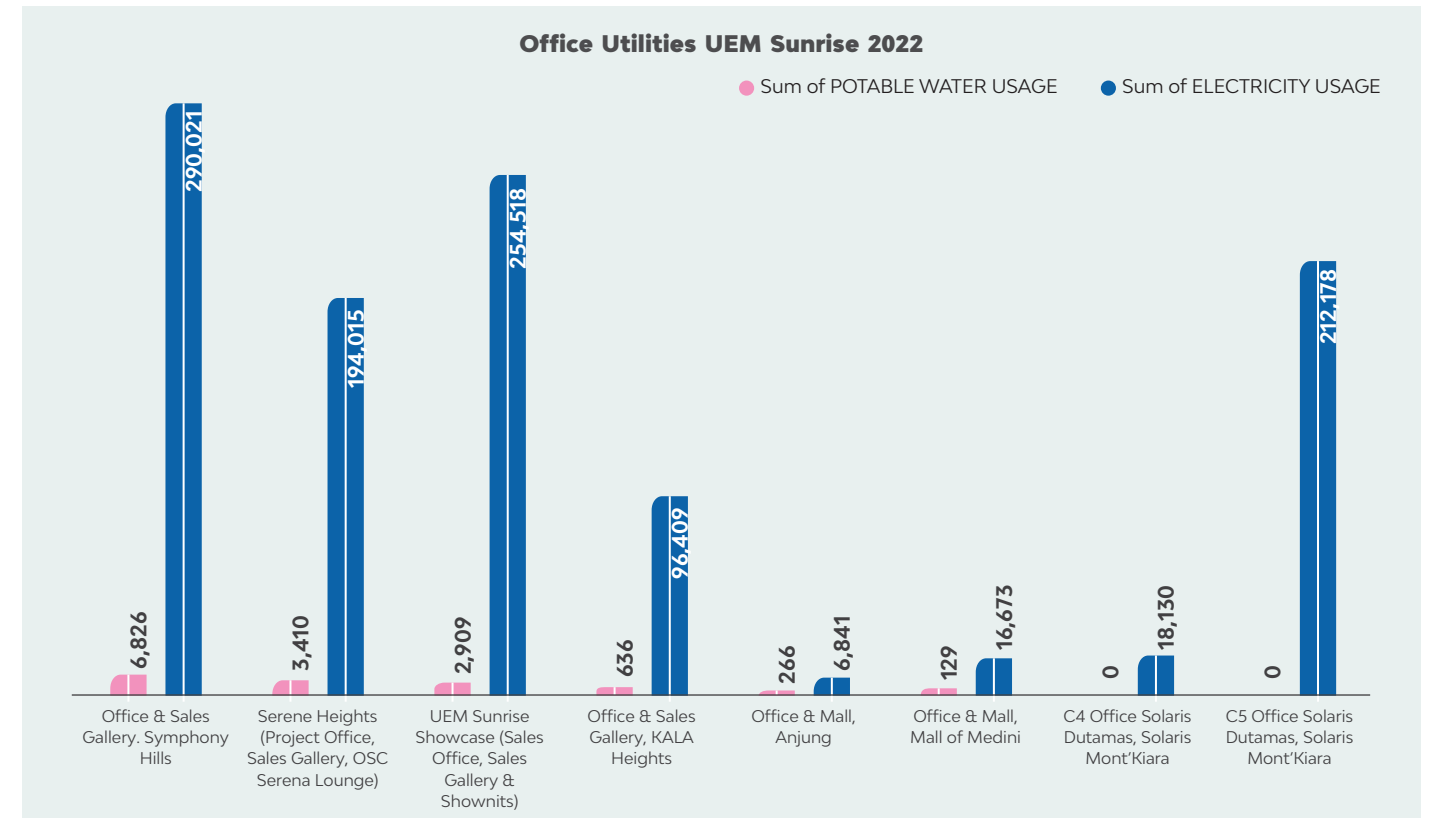
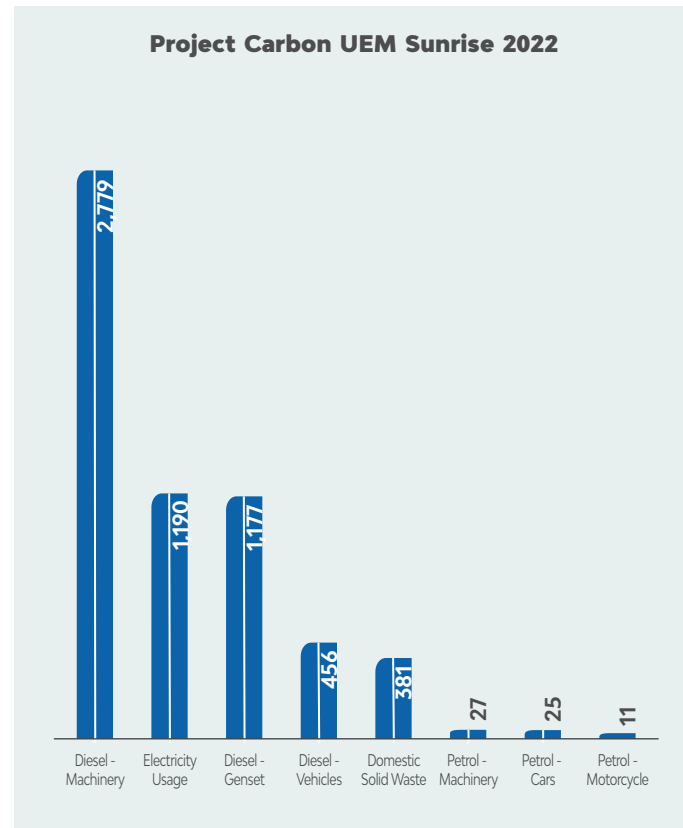
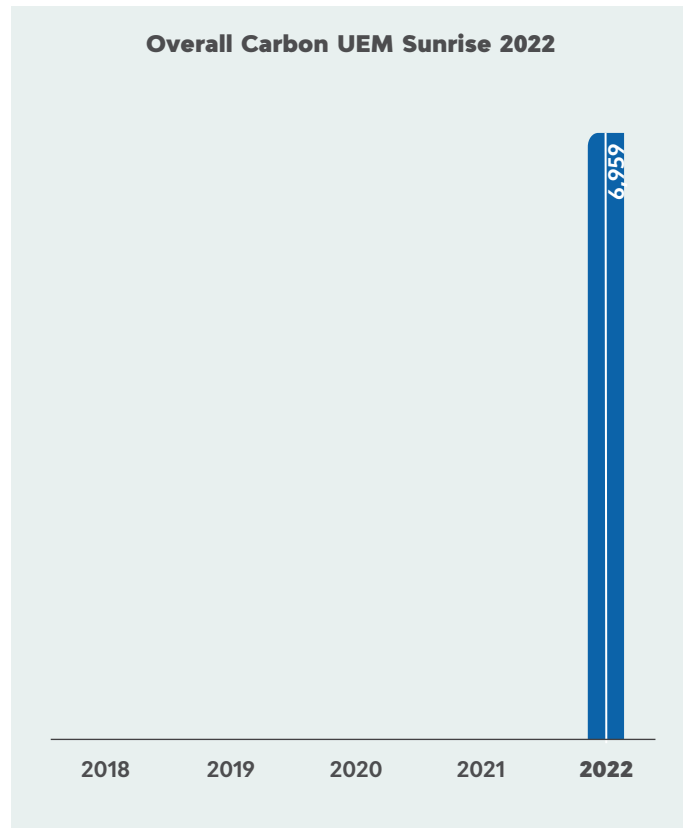
Starting this year, we extended Scope 3 GHG from our waste disposal data. We are committed towards expanding Scope 3 further as part of our disclosure improvements.



**Note:** Scope 3 emissions were only measured starting in 2022 generated from domestic waste.



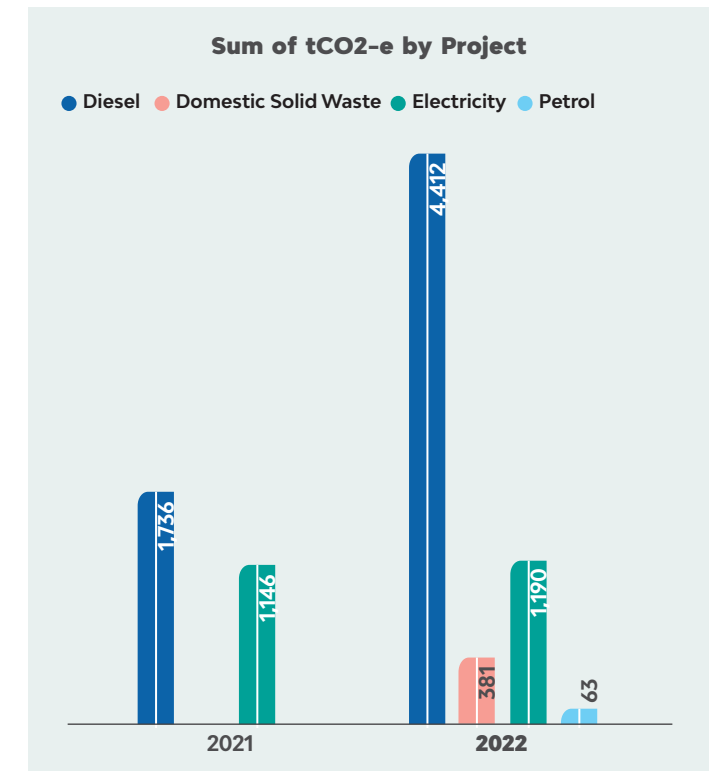
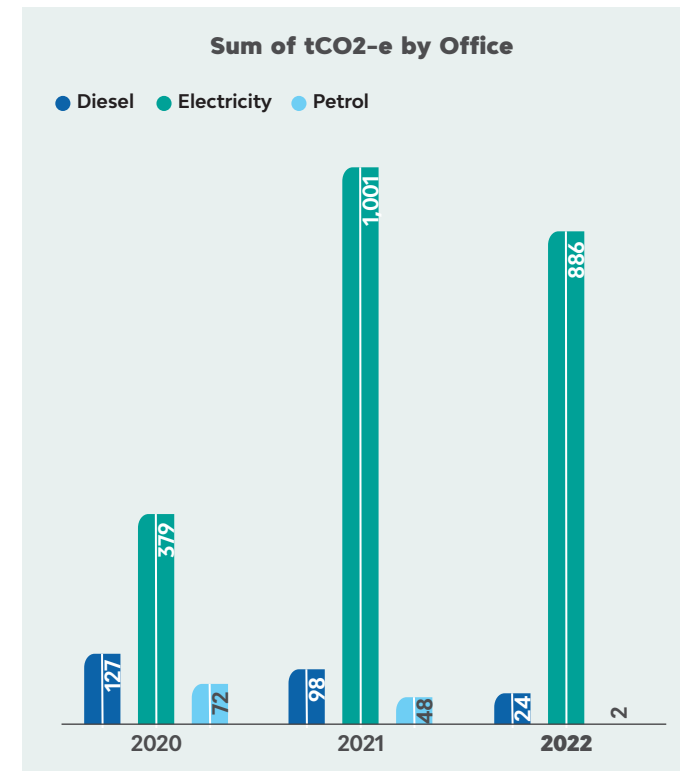
## ENVIRONMENTAL IMPACT



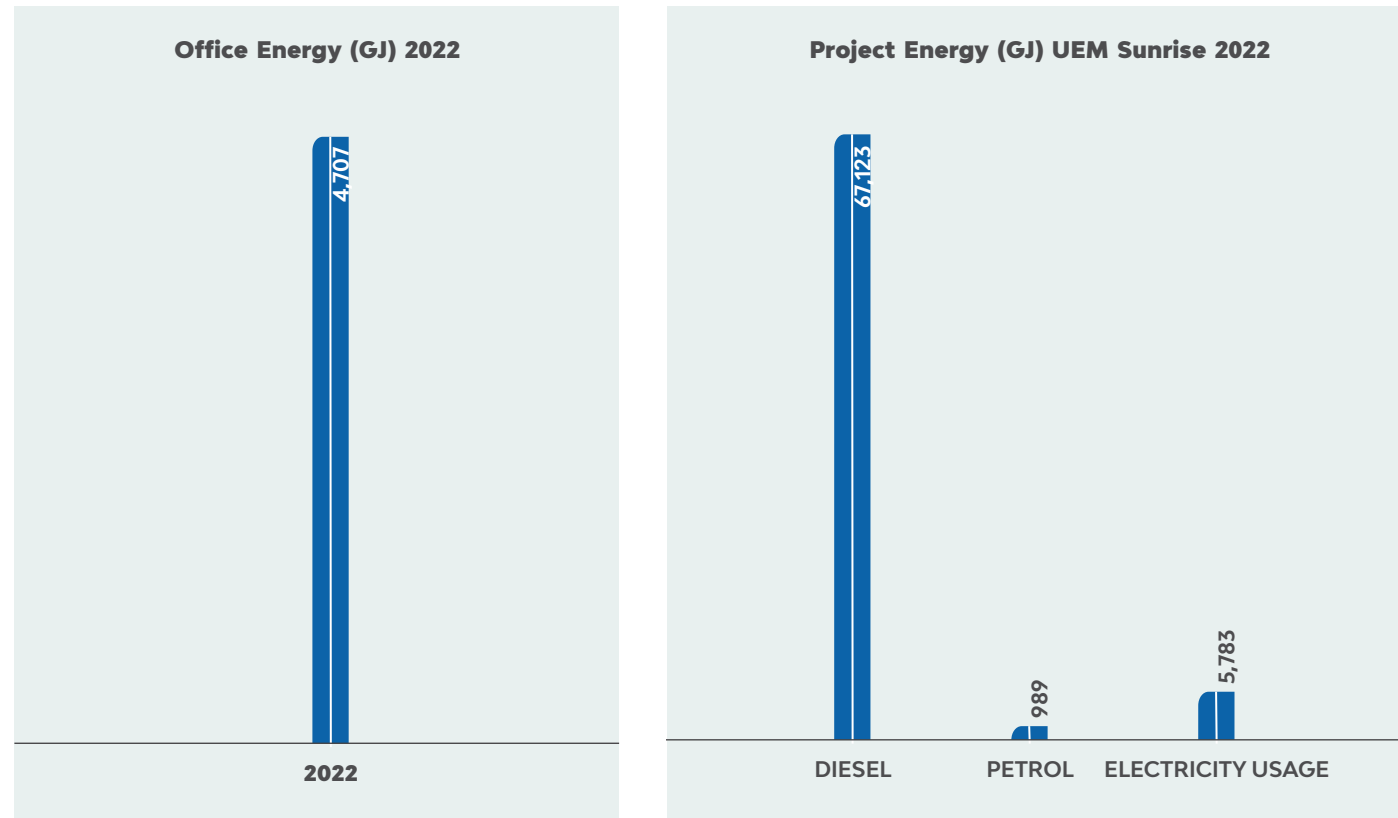
Item	2020	2021	2022
<b>NEW:</b> Emissions Avoided from Green Initiatives (tCO <sub>2</sub> e)	-	-	<b>16.63</b> (from domestic waste recycling)
Air Emissions Intensity (tonnes of pollutants)	-	-	-
Hazardous Waste Generated (tonnes)	-	0.200	<b>0.316</b>
Non-Hazardous Waste Generated (tonnes)	-	405.100	<b>9,345.22</b>
<b>NEW:</b> Recycling Total (tonnes)	-	-	<b>146.167</b>
Potable Water Consumption (m <sup>3</sup> )	5,600 (office only)	768,044	<b>1,264,534</b>
<b>NEW:</b> Non-Potable Water Consumption (m <sup>3</sup> )	-	-	<b>30,011.4</b>
Energy Generation (GJ)	-	36,803*	<b>92,385</b>

**\*Restatement:** We have taken steps to reduce our energy consumption, reviewed our calculation methodology to ensure that the data we disclose aligns with the international framework. As a result of this review, we have also adjusted our energy data, measured in gigajoules (GJ), for the year 2021 to accurately reflect our energy performance.

We will continue to use this updated calculation methodology in our future reporting years to ensure that our energy data remains consistent and reliable. This is important for tracking our progress and ensuring that we continue to make strides in reducing our energy consumption.



## ENVIRONMENTAL IMPACT

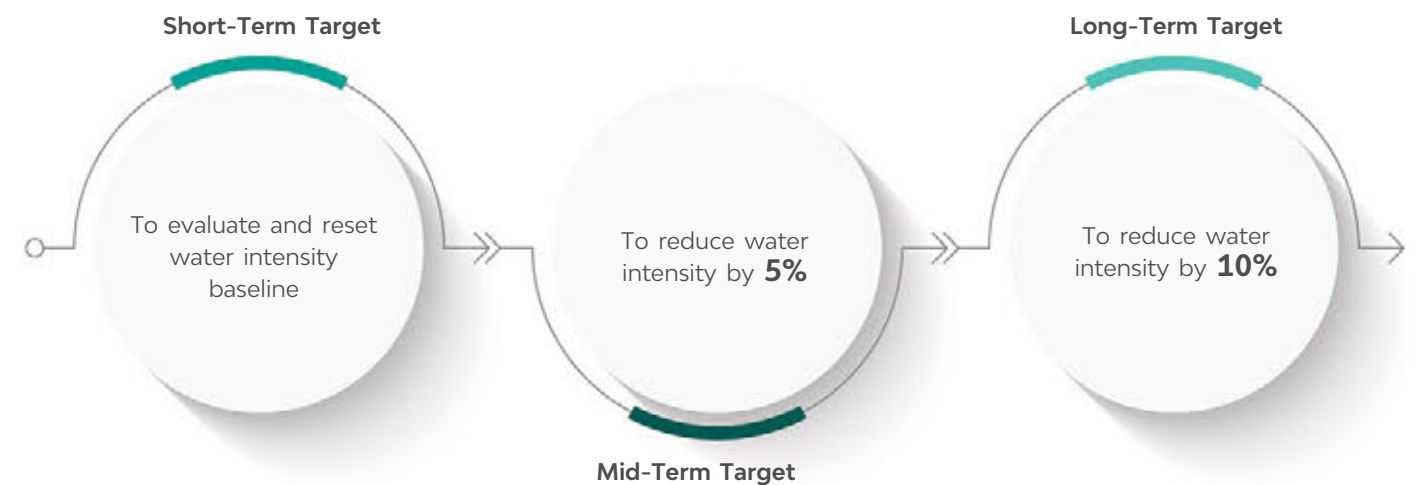


### ENVIRONMENTAL STEWARDSHIP

Related Material Matters: M9 M13 M15 M16

We recognise that our operations can have a significant impact on the planet, and that is why we are committed to adopting sustainable practices. Our approach involves minimising the negative impact of our operations on the environment and preserving natural resources for future generations. Our employees and relevant stakeholders are guided by the Group's Sustainability Policy, with 100% of our operations managed according to the ISO 14001 Environmental Management System since 2012.

We are also dedicated to responsible water management, recognising the importance of conserving and protecting our water sources. By implementing efficient water management practices, we not only reduce our water consumption but also minimise the amount of wastewater we generate. This approach is not only environmentally responsible but also financially beneficial, helping us to reduce operating costs. To accelerate our transition towards a low-carbon portfolio through efficient water consumption, we have established short, medium and long-term targets for our water usage.

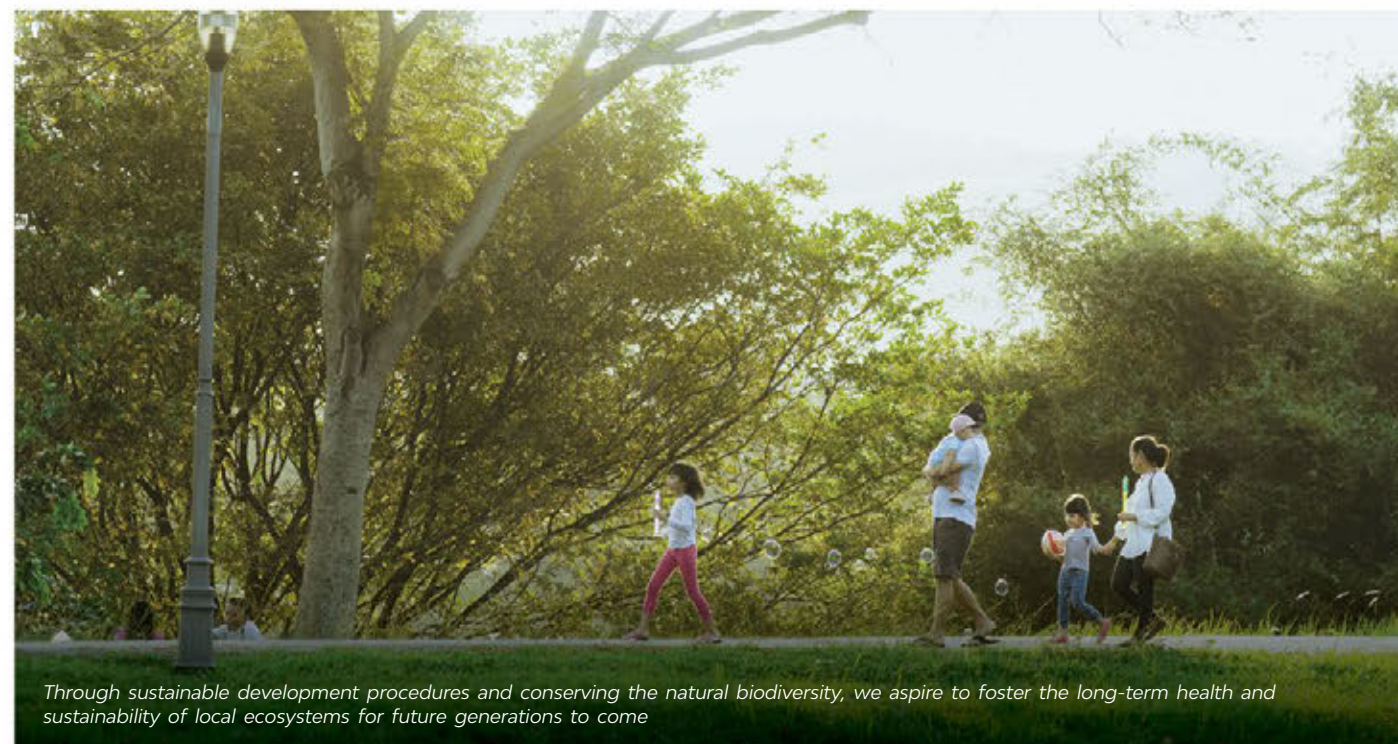


Biodiversity is another key area of focus in our sustainability agenda. We understand the impact that our developments can affect local ecosystems and are committed to mitigating any adverse effects. Through sustainable land use and development practices and preserving natural habitats, we aim to promote the long-term health and sustainability of local ecosystems.

Additionally, we place significant importance on waste management. We recognise the environmental impact of improper waste disposal and are committed to reducing waste generation, increasing recycling, and minimising our negative impact. We are currently working on setting waste-reduction targets for the Group, which will be shared in 2023.

We are in the process of establishing a Life Cycle Assessment (LCA) system to further improve the environmental footprint of our products and services moving forward. Furthermore, we have set a target to ensure 100% of our high-end buildings and premium products are green certified, particularly Green Building Index (GBI) and GreenRE certifications.

Our environmental data, including climate data, undergoes an internal verification process by our internal audit (IA) team that follows international assurance standards. Starting in 2023, we will get our data independently verified to improve the credibility and accountability of our impact on the environment.



Through sustainable development procedures and conserving the natural biodiversity, we aspire to foster the long-term health and sustainability of local ecosystems for future generations to come

## ENVIRONMENTAL IMPACT

### Our Progress in 2022

#### • Water Management

We are committed to preserving water resources and their ecological system by developing man-made lakes in two of our developments – Serene Heights in Semenyih and Aspira LakeHomes in Gerbang Nusajaya, Johor to preserve the hydrological cycle, ecological demands, and water quality.

While 100% of our operations are not in water-stressed areas, we are committed to conserving water use across all our operations. Our water is sourced from potable and non-potable water resources. To ensure efficient water consumption, we continuously monitor the monthly water consumption of our contractors, including both potable and non-potable water. Our contractors have implemented water reduction initiatives to reduce potable water dependency, avoid water wastages, and manage non-potable water for suitable usage.

This year, we extended our disclosure to non-potable water. Initiatives included the use of recycled water for outdoor washing, dust control measures, and irrigation. We also monitor and track the Group’s water consumption by recording and keeping all water bills for seven years. Finally, we carry out pipe preventive maintenance and repair pipe/meter leaks.

In 2022, we recorded zero incidents of non-compliances with water quality/quantity permits, standards and regulations.

#### 2022 Water Use



**1,278,710**  
m<sup>3</sup> of potable water



**30,011**  
m<sup>3</sup> of non-potable water



We ensure that water flowing from our development sites is not contaminated by collecting water samples from the discharge points and monitoring their TSS levels

#### • Water Discharge

Our project sites keep track of their total suspended solids (TSS) on a monthly basis through an external consultant to prevent water pollution. TSS can be caused by soil erosion, runoff, or discharges from project sites. While some streams naturally have significant quantities of suspended particles, a sudden increase in turbidity in a previously clear body of water is a cause for concern since some of our projects are near natural water resources.

We recognise that excessive suspended silt can degrade water quality for aquatic and human life, obstruct navigation, and raise flooding risks.

We aim to ensure that our TSS levels are within the permissible limit of 50mg/l or 150mg/l. All our effluents and wastewater are treated by Indah Water Konsortium (IWK) and disposed of in compliance with the National Water Services Commission (SPAN) and the requirements of other relevant local authorities.

There were no instances of non-compliance with water quality or quantity permits, rules, or regulations.

#### • Biodiversity

We actively promote biodiversity preservation, with its involvement in the SIREH Park project, where we target to plant 25,000 trees to help sequester 300,000 kg of carbon dioxide per year. We also planted 1,738 trees in SIREH Park, and has collaborated with government agencies, NGOs and corporations in tree-planting activities. Furthermore, we organise green awareness programmes, such as a ‘Grow a Tree’ programme, to promote biodiversity awareness. We also promote green spaces in urban areas and have planted 316 trees in Kiara Bay development in 2022.

#### • Environmental Monitoring

To ensure we protect the well-being and quality of life of nearby communities, we conduct regular environmental monitoring assessments surrounding our operations. We ensure the levels of air quality, water, noise and vibrations are within the safe limits as stipulated by the Department of Environment.

### Air Quality Monitoring 2022

PROJECT	REQUIREMENT	Min (µg/m <sup>3</sup> )	Max (µg/m <sup>3</sup> )
Residensi Allevia (MBW)	PM10, 100 µg/m <sup>3</sup>	22.0	57.0
Aspira Gardens	PM10, 100 µg m <sup>3</sup>	37.0	47.0
Aspira ParkHomes	PM10, 100 µg/m <sup>3</sup>	40.0	53.0
KAIA Heights Phase 1 – MBW	PM10, 100 µg/m <sup>3</sup>	42.0	55.0
KAIA Heights Phase 2 – Piling works	PM10, 100 µg/m <sup>3</sup>	45.0	55.0
Kondominium Kiara Kasih	PM10, 100 µg/m <sup>3</sup>	26.0	37.0
KMSG Grocer	PM10, 100 µg/m <sup>3</sup>	1.3	46.4
		18.9	45.3
LFC Road Work	PM10, 100 µg m <sup>3</sup>	65.0	68.0
		0.0	70.0
		27.0	38.0
		41.0	63.0
		44.0	65.0
The MINH	PM10, 100 µg/m <sup>3</sup>	39.0	40.0
The MINH Substructure	PM10, 100 µg/m <sup>3</sup>	0.0	14.3
Residensi Astrea – MBW	PM10, 100 µg/m <sup>3</sup>	24.0	33.0
Residensi Astrea	PM10, 100 µg/m <sup>3</sup>	21.0	43.0
Residensi AVA – MBW	PM10, 100 µg/m <sup>3</sup>	13.0	59.0
Residensi Solaris Parq (Plot A)	PM10, 100 µg/m <sup>3</sup>	30.0	44.0
Senadi Hills P1A	PM10, 100 µg m <sup>3</sup>	5.0	27.0
Senadi Hills P1B	PM10, 100 µg m <sup>3</sup>	6.0	39.0
Senadi Square	PM10, 100 µg m <sup>3</sup>	6.0	39.0
Serene Heights – Earthwork 2.1	PM10, 100 µg/m <sup>3</sup>	0.0	32.0
Serene Heights – P1E Verna	PM10, 100 µg/m <sup>3</sup>	21.0	59.0
Serene Heights – P1F Verna Park Terrace	PM10, 100 µg/m <sup>3</sup>	21.0	54.0
Serene Heights – P1G (Frishia)	PM10, 100 µg/m <sup>3</sup>	21.0	32.0
Serene Heights – P1H1 & P1H2 Verna Lake Villa	PM10, 100 µg/m <sup>3</sup>	10.0	74.0
Serene Heights – P1J1 Verna Garden & P1J2 Verna Twin Villa	PM10, 100 µg/m <sup>3</sup>	21.0	46.0



## ENVIRONMENTAL IMPACT

### Total Suspended Solid Monitoring 2022

PROJECT	REQUIREMENT	Min (mg/l)	Max (mg/l)
Residensi Allevia (MBW)	50 mg/l	14.0	35.0
		4.0	106.0
Aspira Gardens	150 mg/l	3.0	65.0
		3.0	80.0
Aspira ParkHomes	50 mg/l	5.0	58.0
		6.0	97.0
Aspira ParkHomes	150 mg/l	10.0	216.0
		50mg/l	5.0
KAIA Heights Phase 1 – MBW	50 mg/l	11.0	550.0
		26.0	2,148.0
KAIA Heights Phase 2 – Piling works	50 mg/l	17.0	45.0
		6.0	164.0
Kondominium Kiara Kasih	50 mg/l	8.0	124.0
		18.0	47.0
KMSG Grocer	50 mg/l	30.0	50.0
		0.0	105.0
LFC Road Work	150 mg/l	3.0	26.0
		4.0	30.0
LFC Road Work	50 mg/l	3.0	30.0
		4.0	29.0
LFC Road Work	50 mg/l	3.0	34.0
		4.0	24.0
LFC Road Work	50 mg/l	6.0	136.0
		9.0	38.0
The MINH	50 mg/l	24.0	27.0
The MINH Substructure	50 mg/l	0.0	24.0
Residensi Astrea	50 mg/l	2.0	50.0
Residensi Astrea	50 mg/l	7.0	10.0
		8.0	32.0

### Noise Monitoring 2022

PROJECT	REQUIREMENT	Min (dB)	Max (dB)
Residensi Allevia – MBW	60 db (A)	54.1	77.9
		52.8	77.9
Aspira Gardens	60 dB (A)	47.1	53.8
		46.6	51.9
Aspira ParkHomes	60 dB (A)	51.9	56.7
		52.7	56.9
KAIA Heights Phase 1 – MBW	60 dB (A)	53.1	60.0
		65.0	65.0
KAIA Heights Phase 2 – Piling works	60 dB (A)	18.9	72.3
		60.5	61.4
Kondominium Kiara Kasih	60 dB (A)	51.2	51.4
		0.0	70.0
KMSG Grocer	60 dB (A)	43.5	48.9
		52.0	58.2
LFC Road Work	60 dB (A)	58.4	59.8
		60.8	66.7
The MINH	60 dB (A)	50.3	54.4
		58.6	60.7
The MINH Substructure	60 dB (A)	58.6	60.7
Residensi Astrea (MK27) – MBW	60 dB (A)	56.2	60.8
Residensi Astrea (MK27) – MBW	60 dB (A)	46.2	52.4

### Vibration Monitoring 2022

PROJECT	REQUIREMENT	Min (dB)	Max (dB)
Residensi Allevia – MBW	15mm/s	0.4	4.4
Residensi Astrea – MBW	15mm/s	0.0	16.5
The MINH Substructure	15mm/s	0.7	4.3

### Commitment to Minimising Environmental Impact

UEM Sunrise is a responsible developer that takes the impact of its projects on surrounding communities seriously. As part of our commitment to sustainability and social responsibility, we conduct regular air and noise monitoring as well as vibration monitoring to ensure that our projects do not have a negative impact on the surrounding environment.

By monitoring air quality, we can ensure that the air surrounding our projects is free from harmful pollutants and that our construction activities do not generate excessive dust. We also monitor noise levels to ensure that the noise generated by our construction activities is within acceptable limits and does not cause a disturbance to the surrounding community.

Additionally, we conduct vibration monitoring to ensure that any vibrations generated by our construction activities are not strong enough to cause damage to nearby structures or cause discomfort to people in the surrounding area.

By conducting these monitoring activities, we can ensure that our projects are developed in a way that is respectful of the surrounding community and minimises any negative impact on the environment.

## ENVIRONMENTAL IMPACT

### • CAT Walk

Besides preserving our green spaces, UEM Sunrise is also involved in wildlife protection, particularly through its collaboration with the Malaysian Conservation Alliance for Tigers (MYCAT) Foundation. MYCAT is an alliance of NGOs and the Department of Wildlife and National Parks Peninsular Malaysia, which serves as a platform for communication and collaboration, with an emphasis on sharing information, resources, and working together on the conservation of tigers, their habitats, and prey species.

In September 2022, UEM Sunrise employees took part in a three-day, two-night Citizen Action for Tigers (CAT Walk) programme in collaboration with MYCAT in Merapoh, Pahang. Led by MYCAT representatives and local Bateq guides, the CAT Walk initiative allowed participants to be directly involved in protecting the Sungai Yu wildlife corridor against poachers and illegal activities. The participants gained valuable insights about the endangered Malayan tigers, who face frequent threats from poaching, habitat destruction, and illicit trade. There are just an estimated 150 Malayan tigers left in the wild.

Apart from patrolling the Sungai Yu wildlife corridor, participants also took part in tree-planting activities as part of MYCAT's reforestation efforts to rewild the Sungai Yu Eco-Viaduct, which connects the Malayan tiger's habitual landscapes of Taman Negara and Titiwangsa Range. This programme was the culmination of the company's efforts throughout 2022 in raising public awareness about the declining population of Malayan tigers, in tandem with the year of the Tiger.



Our CHIEF Munirah participating in MYCAT's CAT Walk programme

### • Promoting Green Developments: SIREH Park

SIREH Park, located in Iskandar Puteri, Johor, is not just a natural heritage park but also a conservation hub that promotes biodiversity. As part of UEM Sunrise's efforts to preserve the nation's biodiversity, the company has been actively involved in working alongside the 343-hectare park and contributed significantly to its greenery. Our goal is to plant 25,000 trees in the park, which will aid in the annual sequestration of approximately 300,000 kg of carbon dioxide.

In 2022, UEM Sunrise and various governmental agencies, NGOs and corporations alike planted 1,738 trees in SIREH Park. More than

half of these trees were listed under the International Union for Conservation of Nature's (IUCN) Red List native species, such as "Kelat Kayu" (*Lepisanthes rubiginosum*), "Timah-Timah" (*Ilex cymosa*), "Penang sloe" (*Kopsia arborea*), "Bertih Paya" (*Paratorcarpus* sp.), "Kembang Semangkuk" (*Scaphium linearicarpum*) and "Kasai" (*Pometia pinnata*).

In November 2022, UEM Sunrise organised a 'Grow a Tree' programme in collaboration with SIREH Park. This event saw 120 employees, members of its loyalty programme (the Trésorians), and residents from UEM Sunrise's development projects in the Southern region, including East Ledang, Teega, Bayu Angkasa, Nusa Idaman, The Maris Desaru, Estuari, Senadi Hills, and Serimbun, all taking part in the programme.

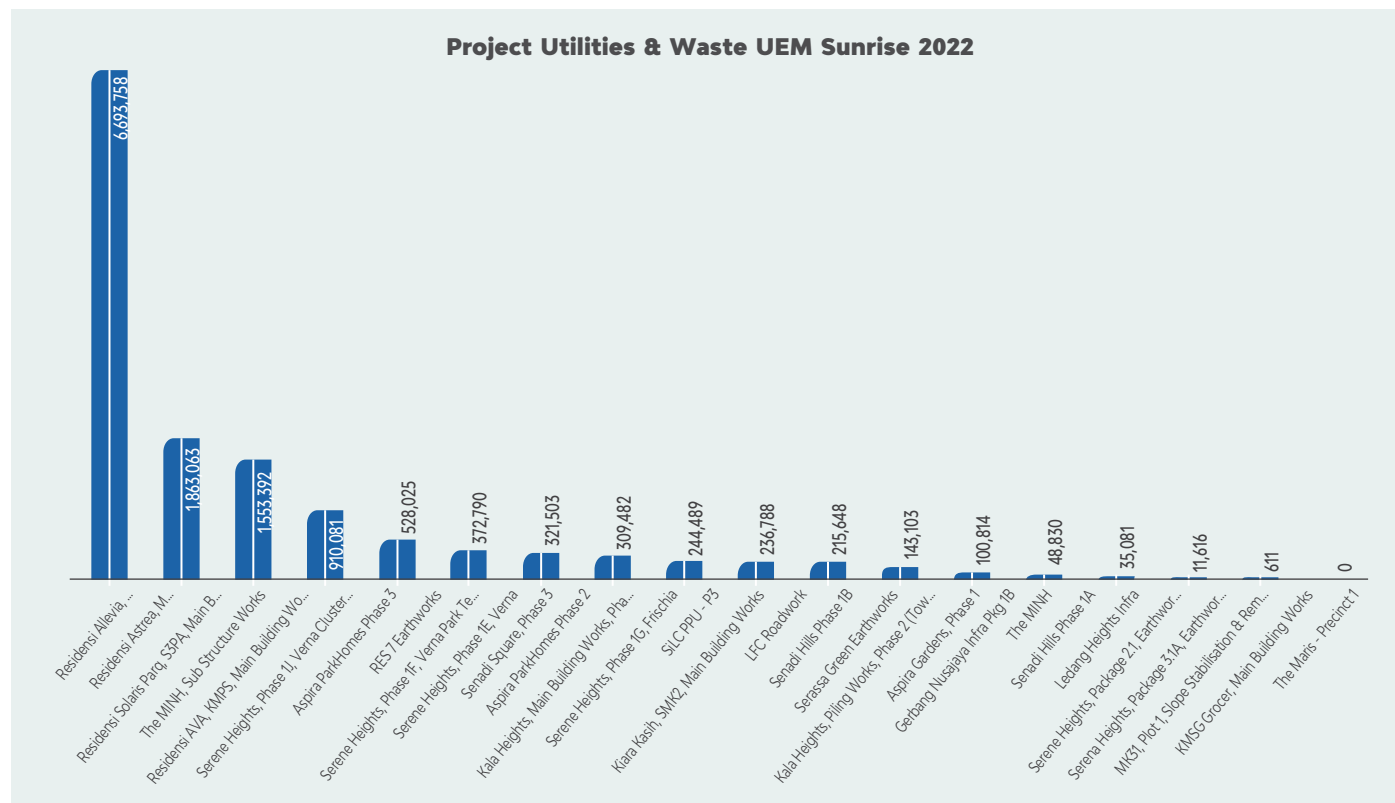
Apart from planting trees, participants also took part in jungle trekking, green craft activities, and trivia quizzes to promote biodiversity awareness. This green initiative is part of UEM Sunrise's efforts to appreciate the natural beauty of the local forest and foster environmental values within the community by empowering them, knowing that their actions in preserving nature make a difference for a healthier future.

### • Overall Performance

	2020	2021	2022
Potable water consumption (m <sup>3</sup> )	5,600	768,044	<b>1,278,710</b>
Non-potable water consumption (m <sup>3</sup> )	-	-	<b>30,011.4</b>
Water consumption (m <sup>3</sup> ) at:			
Head offices	5,604	5,379	<b>14,176</b>
Projects	-	762,665	<b>1,264,534</b>
Waste generated (tonnes)			
Solid waste	-	83.1	<b>416.22</b>
Construction waste	-	322.0	<b>8,929</b>
Scheduled waste	-	0.2	<b>0.3</b>
Total	-	405.3	<b>9,345.54</b>
Non-Recycled Waste (tonnes)	-	0.2	<b>0.3</b>
Emissions avoided from domestic waste recycling (tCO <sub>2</sub> e)	-	-	<b>16.63</b>
Total fines and monetary penalties related to environmental non-compliance (RM)	-	0	<b>0</b>

\*Note: We only began tracking our waste consumption in 2021.

## ENVIRONMENTAL IMPACT



## SOCIAL IMPACT

The team rolled up their sleeves and planted trees to support MYCAT's reforestation efforts, directly contributing to re-wilding the Sungai Yu Eco-Viaduct, which connects the Malayan tiger's habitual landscapes of Taman Negara and Banjaran Titiwangsa.

**We believe that building better communities is not just about constructing buildings and infrastructure. It is also about creating spaces and initiatives that promote community growth, development, and well-being. As a sustainable property developer, we are committed to not only meeting the needs of our customers but also contributing positively to the communities in which we operate.**

### COMMUNITY ENGAGEMENT AND SUSTAINABLE PRACTICES

The 68 Avenue project in Johor has had a significant social impact on the local community of Gelang Patah. One of the most notable effects has been the creation of job opportunities for the people in the area. This has not only helped to boost the local economy but has also provided much-needed employment opportunities for many individuals and families. Through our project, we have been able to support the livelihoods of local workers and contribute to the development of the community.

In addition to job creation, we have also focused on building strong relationships with the surrounding communities. Our team has established a partnership with a local school, which has enabled us to create a harmonious relationship with the students, teachers, and staff. Through various initiatives and programmes, we have been able to contribute to the school's growth and development, and in turn, fostered a strong sense of community and cooperation.

At the same time, our commitment to social impact extends beyond the local community. We recognise the need to address the challenges faced by senior citizens, and our product design, such as Aspira LakeHomes, has been developed to cater to the unique needs of this demographic. By creating a living space that is both comfortable and functional for senior citizens, we hope to improve their quality of life and enable them to lead a fulfilling lifestyle.

## SOCIAL IMPACT

Finally, we are also mindful of the impact our projects may have on the natural environment. That is why we participated in MYCAT’s CAT Walk programme, which aims to support the conservation of tigers living in the jungle. Through this initiative, we are able to contribute to the preservation of wildlife and help protect the natural environment for generations to come.

Overall, our commitment to social impact has been a core part of our approach to business. By focusing on the needs of the local community, seniors, and the natural environment, we have been able to create a positive impact that extends far beyond our projects. We believe that through our continued efforts, we can help build a brighter future for all.

### WORKPLACE WELL-BEING

Related Material Matters: M4 M5 M11

Our employees are our most valuable asset, and we are committed to creating a safe, supportive, and inclusive workplace for all. We believe that a company’s success is dependent on the well-being and satisfaction of its employees. Therefore, we strive to ensure that our employees are treated fairly, with respect and dignity, and that their human rights are protected.

We understand that our employees come from diverse backgrounds and cultures, and we value their unique experiences and perspectives. To support their growth and development, we provide training and development opportunities that enable them to acquire new skills and knowledge. We also offer a range of benefits, such as health and wellness programmes, flexible work arrangements, and work-life balance initiatives, that support their well-being.

Additionally, we are committed to upholding human rights throughout our operations, supply chains, and business relationships. We have a zero-tolerance policy for any form of discrimination, harassment, or forced labour, and we strive to ensure that all our business partners and suppliers share our values and commitments. Our supply chain partners are expected to follow the same standards, with a tender briefing delivered to all potential contractors to adhere to Act 446 on labour accommodation standards. Additionally, we have established a project Risk & Opportunities Assessment Register (ROAR) in identifying all project-related risks including labour issues/child labour.

Our Code of Conduct, revised and approved by the Board in 2019 and 2022, sets out our commitment to ethical behaviour in the workplace and when working with external stakeholders. We also have a Whistleblowing Policy in place, which enables our employees to report any improper conduct or wrongdoing within the Group. We reviewed and updated the Policy and Procedures in 2022, ensuring that individuals can raise concerns in confidence and without fear of reprisal.

### Governance on Workers’ Rights

Human Resources	
<b>Focus areas</b>	
<ul style="list-style-type: none"> <li>Working conditions</li> <li>Working hours wages</li> <li>Living wage benefits</li> </ul>	<ul style="list-style-type: none"> <li>Leave breaks</li> <li>PDPA</li> <li>Grievance mechanisms</li> </ul>
<b>Business activities</b>	<b>Participants</b>
Head office	<ul style="list-style-type: none"> <li>UEM Sunrise Chief People Officer</li> <li>UEM Sunrise Human Resources personnel</li> </ul>
Construction sites	<ul style="list-style-type: none"> <li>Contractors’ Human Resources Managers</li> <li>Contractors’ Human Resources personnel</li> </ul>

Business Integrity	
<b>Focus areas</b>	
<ul style="list-style-type: none"> <li>Processes on bribery and corruption</li> <li>Bribery and Corruption</li> </ul>	<ul style="list-style-type: none"> <li>Complicity</li> <li>Lobbying</li> </ul>
<b>Business activities</b>	<b>Participants</b>
Head office	<ul style="list-style-type: none"> <li>Legal Counsel</li> <li>Corporate and External Affairs Manager</li> </ul>

Health and Safety	
<b>Focus areas</b>	
<ul style="list-style-type: none"> <li>Workplace health and safety Health &amp; Safety training Personal Protective Equipment (PPE)</li> </ul>	<ul style="list-style-type: none"> <li>Access to medical services</li> <li>Occupational illnesses</li> <li>Night work</li> <li>Working conditions at construction sites</li> </ul>
<b>Business activities</b>	<b>Participants</b>
Head office	<ul style="list-style-type: none"> <li>UEM Sunrise Health Safety, and Environment (HSE) Manager, HSE Officers,</li> <li>UEM Sunrise HSE Committees</li> </ul>
Construction sites	

Community Impacts	
<b>Focus areas</b>	
<ul style="list-style-type: none"> <li>Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Access to water</li> <li>Environmental impacts</li> </ul>
<b>Business activities</b>	<b>Participants</b>
Construction sites	<ul style="list-style-type: none"> <li>UEM Sunrise Project Managers</li> <li>UEM Sunrise Customer Experience Manager</li> <li>UEM Sunrise Development Manager</li> </ul>

Security Arrangements	
<b>Focus areas</b>	
<ul style="list-style-type: none"> <li>The security situation and management procedures at UEM Sunrise sites</li> </ul>	<ul style="list-style-type: none"> <li>Security guards’ security training</li> <li>Recruitment process</li> </ul>
<b>Business activities</b>	<b>Participants</b>
Head office	<ul style="list-style-type: none"> <li>Security Manager and Officers</li> <li>Contractors</li> <li>Security guards</li> </ul>
Construction sites	

Procurement (goods and services)	
<b>Focus areas</b>	
<ul style="list-style-type: none"> <li>Procurement of goods and services by UEM Sunrise (including contractual arrangements, working conditions, health and safety, security and community impacts)</li> </ul>	
<b>Business activities</b>	<b>Participants</b>
Head office	<ul style="list-style-type: none"> <li>UEM Sunrise Procurement Manager</li> </ul>
Construction sites	<ul style="list-style-type: none"> <li>Suppliers’ workers</li> </ul>

## SOCIAL IMPACT

Sourcing of Raw Materials		Product quality and marketing practices	
<b>Focus areas</b>		<b>Focus areas</b>	
<ul style="list-style-type: none"> <li>Working hours</li> <li>Living wage</li> <li>Non-discrimination</li> <li>Grievance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Child labour</li> <li>Forced labour</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Products safety and quality product marketing and advertising</li> <li>Use of social media for marketing purposes</li> </ul>	
<b>Business activities</b>	<b>Participants</b>	<b>Business activities</b>	<b>Participants</b>
Head office Construction sites	<ul style="list-style-type: none"> <li>Procurement Officer</li> </ul>	Head office Construction sites	<ul style="list-style-type: none"> <li>UEM Sunrise Chief Marketing Officer</li> <li>UEM Sunrise Chief Operations Officer/Project Team Leader</li> <li>UEM Sunrise HSE Officer</li> <li>UEM Sunrise HSE Committees</li> <li>UEM Sunrise Marketing Manager</li> </ul>
Construction sites	<ul style="list-style-type: none"> <li>Contractor</li> <li>Workers</li> <li>Local communities</li> </ul>		

### Our Progress in 2022

- Regular Knowledge-Sharing and Learning Opportunities for Employees**

To ensure that our employees are equipped with the latest knowledge and skills, we conduct regular knowledge-sharing sessions, engagement and feedback sessions with top management. We also provide digital learning platforms that enables our employees to access training materials and upskill themselves.

- Equal Pay for Men and Women**

We believe in promoting equality in the workplace, and one of the ways we demonstrate this is by ensuring that the ratio of basic salary for both men and women is 1:1. This is a reflection of our commitment to promoting fairness and gender equality in the workplace.

- Employee Engagement for Talent Retention and Job Satisfaction**

We value our employees and strive to create a healthy and engaging work environment. Through our Voice of CHIEFs employee engagement survey, CHIEF Wellness Programme, CHIEF Chats, and other initiatives, we aim to promote wellness, mental health, career management, recognition, and financial management.

- Fair Remuneration & Competitive Benefits for Employees**

Our employees receive fair remuneration and equal benefits, and we adhere to all relevant local laws in terms of benefits, remuneration packages, working hours, overtime, minimum wage, and allowances. We also offer sabbatical leave for our employees to pursue their studies, take time off for their families or improve their psychological health and well-being.

- Future-proofing Employees with Training Programmes**

At UEM Sunrise, we are committed to investing in the growth and development of our employees. We provide various training programmes such as 360 debriefs, coaching programmes, safety awareness workshops, and on-the-job training, among others. Our corporate finance programme for talents and executive coaching for our CEO is a testament to our dedication to developing our people's potential.

Additionally, our organisation will implement the behaviour-based safety (BBS) programme. The programme aims to reduce workplace accidents and injuries by encouraging employees to identify and report unsafe behaviours, thereby preventing potential hazards.



- UEM Sunrise's Diversity, Equity & Inclusion Policy**

We are proud to have established our Diversity, Equity & Inclusion Policy in March 2022. This policy fosters diversity, equity, and inclusion in the workplace by promoting a culture that respects and appreciates differences, advocates equality, and encourages individuals to grow and develop to reach their full potential. We believe that a diverse and inclusive workplace is not only the right thing to do, but it also drives innovation, creativity, and business success.

- Overall Performance**

#### Employee Engagement & Satisfaction

	2021	2022
Cores Value Engagement Score (CVES)	73	74
Employee Turnover Rate (%)	19	19.6
Salaries & Benefits (RM)	100,955	97,190
Board Members Attendance Rate (%)	100	99.8
Loss Time Injury Frequency Rate (LTIFR)	0	0
Total Recordable Case Frequency (per million manhours)	0	0
Health and Safety Incidents	0	0

#### Employee Diversity

	2020	2021	2022
Board of Directors (%)			
Female	40	33	33
Male	60	67	67
Employee Breakdown by Gender (pax)			
Female	575	551	460
Male	579	531	395
Employee Breakdown by Employee Category (pax)			
Non-Management	338	301	191
Management	720	687	570
Senior Management	96	94	94

## SOCIAL IMPACT

### EMPLOYEE SAFETY

Related Material Matters: M5

Health & Safety is a material issue for UEM Sunrise. We recognise that our employees are our most valuable assets, and their well-being is crucial to our success. By prioritising health and safety, we protect our employees and their loved ones, ensuring they return home safely every day. This not only benefits our employees but also contributes to maintaining productivity and performance, as employees who feel safe and cared for are more likely to be engaged and motivated in their work.

Moreover, a strong health and safety culture builds a positive reputation as a caring and responsible employer. Our commitment to health and safety is evident in our policies and procedures, which are regularly reviewed and updated to ensure they are in line with the latest industry standards and best practices. Since 2012, we have incorporated a Quality, Health, Safety and Environmental (QHSE) Management System across all business operations, certified with ISO 45001: 2018 Occupational Safety and Health Management System. This ensures that all our activities are conducted in a safe and responsible manner, protecting both our employees and the environment. Additionally, 100% of our sites have obtained OHSAS 18001: International Occupational Health and Safety Management Standard certification.

Regular communication is critical to maintaining a strong HSE programme. Our monthly HSE committee meetings bring together key stakeholders, including project management teams, contractors, and consultants, to discuss ongoing HSE efforts, identify areas for improvement, and share best practices. To ensure that we are continuously improving our HSE program, we also conduct quarterly assessments to evaluate our progress and identify opportunities for improvement. These assessments help us stay focused on our goals and make progress towards achieving them.

Furthermore, our focus on health and safety extends beyond our employees to our stakeholders, including customers, contractors, and suppliers. We ensure that our developments are safe and meet regulatory requirements, and we communicate clearly with our stakeholders on health and safety matters. All employees and workers are also expected to undergo a medical check up to ensure they are fit and healthy to handle the job, and avoid potential health risks from arising. We aim to foster a culture of safety, where everyone takes responsibility for their own safety and that of others, creating a safe and healthy environment for all.

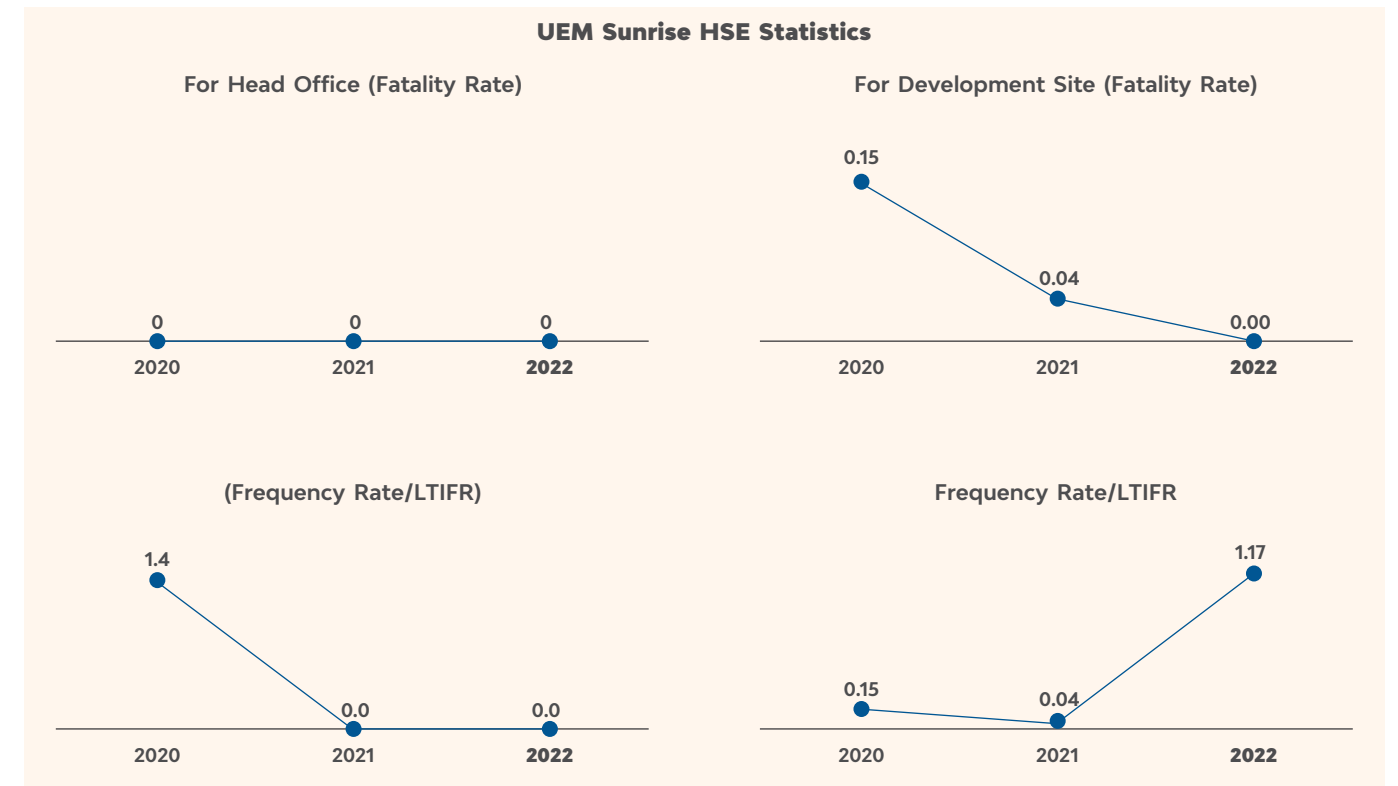
#### Our Progress in 2022

- SHASSIC: Ensuring Safety in Construction**  
 Construction sites can be hazardous places, which is why we take safety seriously. We carry out Safety and Health Assessment System in Construction (SHASSIC) before and during all our ongoing projects. This comprehensive assessment helps us identify potential risks and implement appropriate measures to mitigate them.
- Safety Training and Workshops: Raising Awareness**  
 Raising awareness is crucial in promoting a safe working environment. This is why we conduct regular safety campaigns and safety awareness workshops to educate our employees on best practices and potential risks. We invest in internal training programmes to ensure that our employees have the skills and knowledge they need to work safely and effectively. By involving our employees in these activities, we encourage them to take ownership of their safety and well-being. In 2022, total safety-related training hours to our employees is 2,897 Hours.
- First Aid and AED Training: Prepared for Emergencies**  
 Accidents can happen anytime, anywhere. That's why we provide first aid training to all our employees, ensuring they are equipped with the necessary skills to respond in an emergency. Additionally, we have placed automated external defibrillators (AED) at our premises, providing quick access to life-saving equipment in case of a cardiac emergency.
- CIDB Green Card: Certifying Safety Competence**  
 All our site personnel are required to obtain a valid CIDB Green Card, which covers occupational-related accidents. This card certifies that they have the necessary knowledge and skills to work safely on construction sites, ensuring that we maintain high standards of safety across all our projects.
- Compliance and Enhancement: Our Continuous Commitment**  
 We are committed to continuously enhancing our health and safety measures. Our Corporate HSE Committee ensures that we comply with all relevant regulations and legislation, while our Emergency Preparedness and Response plan ensures we are prepared to respond to any emergency situation. By continually improving our processes and organisational structure, we maintain our reputation as a caring employer and a responsible corporate citizen.

#### HSE Pre-Qualifying Assessments for Contractors and Suppliers

Our contractors and suppliers play an important role in our overall HSE programme. We conduct HSE pre-qualifying assessments to ensure that they share our commitment to HSE excellence and have the necessary policies and procedures in place to work safely and effectively, ensuring a safe and successful outcome for all involved.

#### Overall Performance



Particular	2020	2021	2022
Number of fatalities	0	0	0
Annual average number of employees	1,511	1,163	934
Number of accidents	1	0	0
Total man-hours worked	2,430,872	2,456,256	2,332,096

Particular	2020	2021	2022
Number of fatalities	3	1	0
Annual average number of employees	20,614	27,521	28,813
Number of accidents	6	2	2
Total man-hours worked	4,136,392	5,724,368	5,976,048

Particular	2020	2021	2022
SHASSIC Score	97.3%	95.9%	95.2%

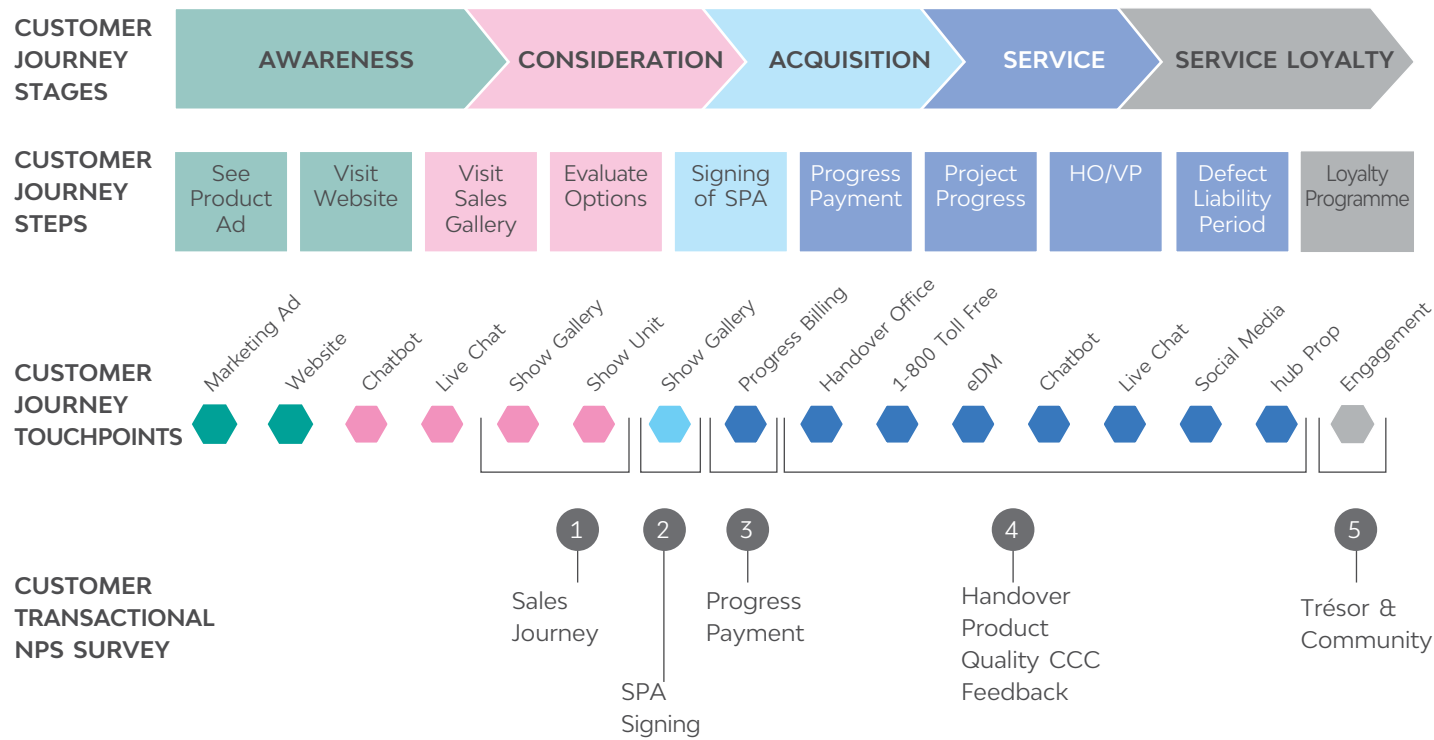
## SOCIAL IMPACT

### CUSTOMER EXPERIENCE

Related Material Matters: M1

Effective customer management is an integral part of UEM Sunrise’s sustainability agenda as it allows us to build and maintain long-term relationships with our customers, leading to better sustainable growth in our business. By focusing on customer satisfaction, data management, and engagement, we can ensure that our customers are happy with our services and are more likely to return to us for future projects.

We leverage data management tools to analyse customer data, track their preferences, and tailor our offerings to their needs. This helps us to provide personalised services and recommendations that enhance the customer experience. In addition to data management, we regularly engage with our customers through various channels such as social media, emails, and newsletters. This way, we can keep them informed about our latest developments and address any concerns they may have in a timely manner.



We have strong processes and procedures to effectively strengthen our customer management approach. Our operations team is responsible for ensuring that any defects identified during the Defects Liability Period (DLP) are promptly and properly addressed. This means working closely with contractors and suppliers to identify the root causes of any defects, developing and implementing effective remediation plans, and ensuring that all work is carried out to a high standard. By addressing defects in a timely and effective manner, we are able to deliver high-quality products to our customers and maintain a strong reputation for excellence.

Similarly, our development team is committed to continuously improving our products and processes based on lessons learnt from past projects. This means analysing data and feedback from customers, contractors, and other stakeholders to identify areas for improvement, and incorporating those insights into future product design and development.

By prioritising customer experience, we can maintain productivity and performance, build a positive reputation as a caring and responsive developer, and ultimately achieve sustainable growth in our business.

### Our Progress in 2022

- **Engagement Made Easy: Multiple Platforms to Hear from Our Stakeholders**

We believe in the power of feedback, which is why we created several engagement platforms for our stakeholders to voice their opinions. From social media to email, we make it easy for our customers, partners, and investors to provide feedback and help us improve.

- **A Better Online Experience: Mobile Apps and User-Friendly Website**

At UEM Sunrise, we know that a seamless online experience is essential for customer satisfaction. That’s why we have recently revamped our website to be more user-friendly and have developed mobile apps to enhance our customers’ experience. With these tools, we aim to make it easier for customers to find information, engage with us, and have a smoother journey from browsing to purchase.

- **Perfectly Polished: Pre-delivery Inspection**

We conduct thorough pre-delivery inspections for all units before they are handed over to our customers. This ensures that any defects or issues are identified and rectified prior to Vacant Possession, minimising the risk of delays or complications down the line. Our pre-delivery inspections are designed to ensure that every unit we deliver meets our high standards of quality.

- **Beyond Satisfaction: Proactive Customer Engagement**

Proactive customer engagement is key to building strong relationships and delivering exceptional customer experiences. This means reaching out to customers at various touchpoints throughout their journey with us, from initial enquiries to post-purchase follow-ups. Our customer experience team is dedicated to ensuring that all customer enquiries and concerns are addressed in a timely and effective manner, and that our customers feel heard and valued throughout their experience with us.

- **Real-time Customer Feedback**

We continuously improve our products and services. To this end, we implemented real-time feedback mechanisms at various touchpoints throughout the customer journey, allowing us to gather valuable insights and make data-driven decisions. This feedback is analysed and acted upon by our product development and customer service teams, who are committed to delivering products and experiences that exceed customer expectations.

- **Intensifying the Loyalty Programme**

We have recently intensified our loyalty programme rewards and benefits. This programme offers exclusive benefits and discounts to customers who have purchased multiple units from us or referred friends and family to our products. By incentivising loyalty, we are able to build stronger relationships with our customers and create a community of brand advocates who are passionate about our products and services.

- **Lessons Learnt: Improving Future Products**

We conduct detailed analyses of lessons learnt from past projects to inform our future product design and development. This means analysing data and feedback from customers, contractors, and other stakeholders to identify areas for improvement, and incorporating those insights into future product design and development.





## SOCIAL IMPACT

### • Leveraging Digital Solutions for Greater Efficiency




To further improve our internal processes, we introduced ProTracker in 2022, a cutting-edge software that has drastically improved our processing time. Before ProTracker, compiling and generating reports was a laborious manual process that took up to 12 hours to complete. Now, we can get the job done in just one hour, freeing up time and resources for other critical tasks.






In addition, we implemented ProSus, an innovative data tracking tool that has reduced the time it takes to compile data by 50%, from weeks to a fraction of that. With these advanced digital solutions, we are able to streamline our operations and provide faster, more efficient service to our customers.

Apart from ProSus and ProTracker, OMP (Online Management Paper) was launched in May 2021. It helped to accelerate our approval speed by 26% in 2022.

		2021	2022
ProTracker (PT) (Manual vs PT)		N/A	<b>12x faster reporting</b>
ProSus (PS) (Manual vs PS)		N/A	<b>2x faster data collection</b>
The average time taken to approve complex papers (OMP)		19 days	<b>14 days (26% Faster)</b>
The average time taken to approve simple papers (OMP)		1-2 days	<b>1 day</b>

### • Overall Performance

Customer Engagement		2022
Customer Satisfaction		<b>79% ▲ 2%</b>
Net Promoter Score		<b>+30 ▲ 5</b>
Customer Effort Score		<b>69% ▼ 2%</b>

Digital Customer Experience		2021	2022
Investments in Digital Initiatives (RM)		RM11.4 million (OPEX)	<b>RM10.1 million (OPEX)</b>
Total sales from our digital platform		51%	<b>23%</b>
Number of online reservations via MHub		445	<b>1,526</b>
Customer Data Platform Campaign targeting CDP vs non-CDP scorecard:			
a) Lower Cost Per Lead		N/A	<b>a) 10% savings</b>
b) Higher Click Through Rate			<b>b) 22%</b>
c) Higher Click to Lead Rate			<b>c) 32%</b>
Chatbot visitor		N/A	<b>2,792</b>

## PROTECTING DATA PRIVACY

Related Material Matters: M6

Protecting the privacy and security of our customers' data is essential to UEM Sunrise's sustainability agenda and overall approach. We understand that data breaches can have serious consequences for our customers and our business. By prioritising data privacy and cybersecurity, we can build trust with our customers and protect our reputation as a responsible and trustworthy company. In addition to the reputational benefits, there are also legal and regulatory requirements that we must comply with to ensure the protection of our customers' data. Failure to comply with these requirements can result in significant fines and legal action, which can harm our business and put our customers' data at risk.

At UEM Sunrise, ensuring the data privacy of our customers and employees is fundamental to our sustainable development. We exceed regulatory requirements to protect data privacy, mitigating risks that could impact our reputation, finances, and legal standing. By safeguarding data protection and privacy, we maintain customers' trust

and enhance their satisfaction. We comply with the Personal Data Protection Act 2010 (PDPA) and ensure that our data privacy and protection policy is communicated to all our departments, subsidiaries, vendors, and business partners.

Additionally, regular audit exercises are conducted internally and externally to assess and identify compliances on both technical and commercial aspects. Any findings or improvements are carefully assessed to ensure their effectiveness in protecting data privacy. Additionally, we use various security systems, such as Identity Access Management System, End Point Protection System, and Unified Threat Management, to protect our IT infrastructure from unauthorised access and security threats at both end-user and gateway levels. Our corporate IT perimeters are supported by an ISO/IEC 27001 Information Security Management Certified Operation Centre provider, which offers 24/7 proactive network and security monitoring, detection, advisory, and remedial operations.

### Our Progress in 2022

#### • Bulletproof Compliance: Our Ongoing Audit Exercises

Regularly conducting both internal and external audits, we identify and assess compliance on both technical and commercial aspects, ensuring that we are consistently upholding the highest standards of security and privacy.

#### • Robust IT Security: Our Protection Systems



Our IT infrastructure is safeguarded using advanced security systems such as Identity Access Management and Unified Threat Management, ensuring that our systems and data remain secure from unauthorised access and threats.

#### • Strengthening Cybersecurity Measures: Introducing a Cybersecurity Awareness Programme

To further strengthen our cybersecurity measures, we have recently introduced a Cybersecurity Awareness Programme for the entire organisation. The programme is designed to provide our employees with a comprehensive understanding of cybersecurity, including the latest threats and vulnerabilities, as well as best practices for safeguarding sensitive data and information. By educating our employees, we can ensure that they are equipped with the knowledge and skills necessary to identify and prevent potential cyberattacks.

#### • Overall Performance

There were no breaches or substantiated complaints concerning cybersecurity or data privacy until 2022. We are determined to continue being vigilant and committed to upholding robust data protection measures to mitigate any potential cyberthreats.

		2021	2022
Email Phishing Protection Compliance		80%	<b>93%</b>
Cybersecurity E-Learning Take Up Rate		45%	<b>85%</b>



# BOARD OF DIRECTORS' PROFILE

## 01 DATO' NOORAZMAN ABD AZIZ

Non-Independent Non-Executive Chairman

Nationality: Malaysian

Gender : Male

Age : 67

Date of Appointment:

- 1 October 2018 (Non-Independent Non-Executive Director)
- 13 August 2020 (Non-Independent Non-Executive Chairman)

Length of Service

(as at 20 March 2023): 4 years 5½ months

Date of Last Re-election: 23 June 2022

### BOARD COMMITTEE MEMBERSHIPS

NIL

### ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP

- Bachelor of Science (Finance), Louisiana State University, United States of America
- Practising member, Chartered Institute of Islamic Finance Professionals
- Member, Australian Institute of Company Directors
- Member, Institute of Corporate Directors Malaysia

### SKILLS AND EXPERIENCE

- He currently serves as Chairman of the Board of Trustees of Yayasan UEM, the philanthropic arm of UEM Group Berhad, and Chairman of the Board of Trustees of International Centre for Education in Islamic Finance (INCEIF) Endowment Fund.
- He has over 37 years of experience in banking & finance, investments and capital markets having served as Executive Director, Investments in Khazanah Nasional Berhad (Khazanah), Managing Director of Fajr Capital Ltd. (a Khazanah investee company) and held key positions in Citigroup, Bank Islam Malaysia Berhad, Kuala Lumpur Stock Exchange and Labuan Offshore Financial Services Authority (LOFSA), to name a few.

- He is a member of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan), advisor for Vynn Capital Sdn. Bhd. and also sits on the Advisory Board of Creador Sdn. Bhd.
- In 2005, he was named as the winner of the first Asian Banker Achievement Award for Islamic Finance.

### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS IN MALAYSIA

#### Listed Entities

- UEM Edgenta Berhad
- Kumpulan Perangsang Selangor Berhad
- CTOS Digital Berhad

#### Other public companies

- PLUS Malaysia Berhad
- Yayasan UEM
- MUFG Bank (Malaysia) Berhad
- Sun Life Malaysia Assurance Berhad
- Sun Life Malaysia Takaful Berhad

### NO. OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

9/9 (100%)

#### Notes:

- None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Sunrise.
- None of the Directors have any conflict of interest with UEM Sunrise.
- None of the Directors have been convicted of any offence within the past 5 years, other than traffic offences, if any, or imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Dato' Noorazman Abd Aziz

Non-Independent Non-Executive Chairman

### Christina Foo

Senior Independent Non-Executive Director

### Dato' Mohd Izani Ghani

Non-Independent Non-Executive Director

### Zaida Khalida Shaari

Non-Independent Non-Executive Director

### Effizal Faiz Zulkifly

Non-Independent Non-Executive Director

### Chari T.V. Thirumala

Independent Non-Executive Director

### Poh Ying Loo

Independent Non-Executive Director

### Datin Sri Badrunnisa Mohd Yasin Khan

Independent Non-Executive Director

### Alex Yeow Wai Siaw

Independent Non-Executive Director

## AUDIT COMMITTEE

### Christina Foo

Chairperson

### Chari T.V. Thirumala

Member

### Poh Ying Loo

Member

## NOMINATIONS & REMUNERATION COMMITTEE

### Datin Sri Badrunnisa Mohd Yasin Khan

Chairperson

### Christina Foo

Member

### Dato' Mohd Izani Ghani

Member

## BOARD TENDER COMMITTEE

### Dato' Mohd Izani Ghani

Chairman

### Zaida Khalida Shaari

Member

### Poh Ying Loo

Member

## BOARD DEVELOPMENT COMMITTEE

### Zaida Khalida Shaari

Chairperson

### Effizal Faiz Zulkifly

Member

### Alex Yeow Wai Siaw

Member

## BOARD GOVERNANCE & RISK COMMITTEE

### Chari T.V. Thirumala

Chairman

### Christina Foo

Member

### Poh Ying Loo

Member

### Zaida Khalida Shaari

Member

## SECRETARIES

### Liew Irene

MAICSA 7022609

SSM PC No.: 201908001893

### Wong Lee Loo

MAICSA 7001219

SSM PC No.: 201908001993

## AUDITORS

### Ernst & Young PLT (AF: 0039)

Chartered Accountants

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

## PRINCIPAL BANKERS

CIMB Bank Berhad

HSBC Amanah Malaysia Berhad

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

Maybank Islamic Berhad

Hong Leong Bank Berhad

## PRINCIPAL SOLICITORS

Lee Hishammuddin Allen & Gledhill

Zul Rafique & Partners

Lim Soh & Goonting

## REGISTRARS

### Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony

No. 5, Jalan Professor Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

Tel: +603-7890 4700

Fax: +603-7890 4670

## REGISTERED OFFICE

Level U6, Block C5, Solaris Dutamas

No. 1, Jalan Dutamas 1

50480 Kuala Lumpur

Tel: +603-2718 7788

Fax: +603-6207 8003

## STOCK EXCHANGE

### Main Market of Bursa Malaysia Securities Berhad

Stock Name: UEMS

Stock Code: 5148

Stock Sector: Property

# BOARD AT A GLANCE



## BOARD SKILLS

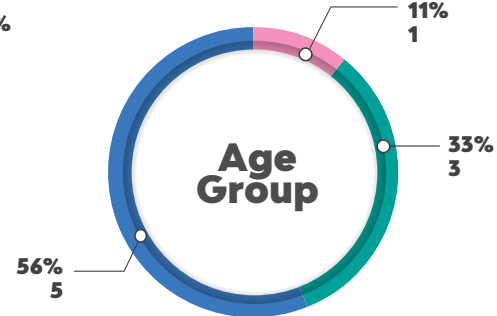
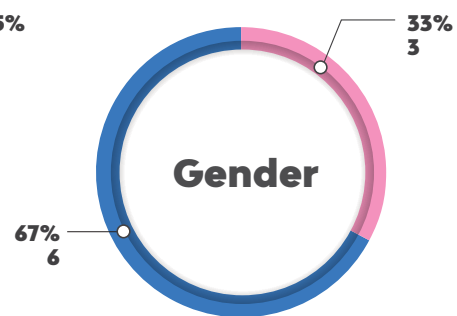
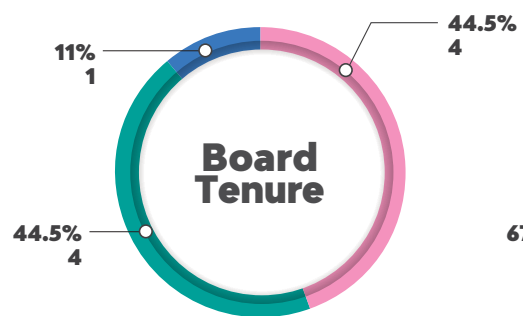
Leadership Experience	89%
Finance/Banking & Investments	89%
Strategic Planning	89%
Accounting/Auditing, Corporate Finance	67%
Information Technology/Digital Transformation	56%
Legal	44%
Property Management, Branding, Marketing & Sales	44%
Investor Relations/Public Relations, Communications	33%
Retail Services & Lifestyle, Commercial Real Estate	22%

**56%**

The Board comprises of 56% Independent Directors



The Chairman is a Non-Independent Non-Executive Director



- More than 1 year and up to 3 years
- More than 3 years and up to 6 years
- More than 6 years and up to 9 years

- Female
- Male

- Below 50 years old
- 50 - 60 years old
- 61 - 70 years old
- 71 - 80 years old



**01** DATO' NOORAZMAN ABD AZIZ



02 CHRISTINA FOO



04 ZAIDA KHALIDA SHAARI



POH YING LOO 07



DATIN SRI BADRUNNISA  
MOHD YASIN KHAN 08



03 DATO' MOHD IZANI GHANI



05 EFFIZAL FAIZ  
ZULKIFLY



CHARI T.V. THIRUMALA 06



ALEX YEOW WAI SIAW 09

## BOARD OF DIRECTORS' PROFILE

### 02 CHRISTINA FOO Senior Independent Non-Executive Director

Nationality : Malaysian

Gender : Female

Age : 61

Date of Appointment:

- 23 November 2018 (Independent Non-Executive Director)
- 21 June 2021 (Senior Independent Non-Executive Director)

Length of Service

(as at 20 March 2023): 4 years 4 months

Date of Last Re-election: 23 June 2022

#### BOARD COMMITTEE MEMBERSHIPS

- Chairperson of Audit Committee
- Member of Nominations & Remuneration Committee
- Member of Board Governance & Risk Committee

#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Chartered Accountant, Malaysian Institute of Accountants
- Fellow, CPA Australia
- Fellow, Malaysian Institute of Management
- Fellow, Institute of Corporate Directors Malaysia
- Member, ASEAN Chartered Professional Accountants
- Member, Malaysian Institute of Corporate Governance
- Qualified Risk Director, Institute of Enterprise Risk Practitioners
- Bachelor of Business Studies (Accounting), Deakin University, Australia

#### SKILLS AND EXPERIENCE

- She was in public practice for over 37 years serving clients in accounting, tax, strategic and business advisory services.
- She started her career in Ernst & Young (EY) Malaysia in 1985. During this period until 2001, she served in various capacities in EY LLP based in Atlanta, EY International in London and EY Asia Pacific Consulting. Her last held position was Director, Business Development, EY Malaysia.
- In 2001, she founded Priority One group and was the Managing Director of Priority One Tax Services Sdn. Bhd. until August 2022.
- From 2018 to 2019, she was appointed as a Senior Practice Fellow of Sunway Business School, Sunway University, Malaysia.
- She currently sits on the Board of Malaysian Technology Development Corporation Sdn. Bhd., Ancom Nylex Berhad and Star Media Group Berhad.
- She chairs the Industry Advisory Board, Sunway Business School, Sunway University.
- She was previously a Board member of KPJ Healthcare Berhad, the Chairperson of the Members Liaison Committee of The Mines Resort & Golf Club and committee member of the Malaysian Golfers Association's Women in Golf Charter.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS IN MALAYSIA

##### Listed Entities

- Ancom Nylex Berhad
- Star Media Group Berhad

##### Other public companies

Nil

#### NO. OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

9/9 (100%)

### 03 DATO' MOHD IZANI GHANI Non-Independent Non-Executive Director

Nationality : Malaysian

Gender : Male

Age : 55

Date of Appointment: 1 June 2019

Length of Service

(as at 20 March 2023): 3 years 9½ months

Date of Last Re-election: 9 July 2020

#### BOARD COMMITTEE MEMBERSHIPS

- Chairman of Board Tender Committee
- Member of Nominations & Remuneration Committee

#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Bachelor of Science (Economics) specialising in Accounting and Finance, London School of Economics and Political Science, United Kingdom
- Fellow, Association of Chartered Certified Accountants
- Member, Malaysian Institute of Accountants
- Member, Chartered Institute of Islamic Finance Professionals

#### SKILLS AND EXPERIENCE

- He was appointed as an Executive Director of UEM Group Berhad (UEM Group) on 1 January 2019 and subsequently re-designated as the Managing Director on 1 August 2019.
- He has over 30 years of investment and management experience. Prior to joining UEM Group, he was the Executive Director, Investments at Khazanah Nasional Berhad (Khazanah) where he oversaw its Turkey Regional Office. He was formerly Khazanah's Chief Financial Officer where under his leadership, the Government's strategic investment arm issued many landmark sukuk transactions including exchangeable and Social Impact Sukuk.
- He had also previously served at Putrajaya Holdings Sdn. Bhd. and Renong Group.
- He is a member of the Board of Governors of Kolej Yayasan UEM and Board of Trustees of Yayasan UEM and Capital Market Development Fund.
- He is a Board member of Institut Jantung Negara Sdn. Bhd. and Samsung C&T Corporation UEM Construction JV Sdn. Bhd.
- He is the Chairman of the Board of Konsortium ProHAWK Sdn. Bhd., a 65% owned subsidiary of UEM Group and Chairman of the Board of Unipati Concrete Sdn. Bhd., a wholly-owned subsidiary of Cement Industries of Malaysia Berhad.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS IN MALAYSIA

##### Listed Entities

- UEM Edgenta Berhad

##### Other public companies

- UEM Group Berhad
- UEM Builders Berhad
- Cement Industries of Malaysia Berhad
- PLUS Expressways International Berhad
- PLUS Malaysia Berhad
- Projek Lebuh raya Usahasama Berhad
- Yayasan UEM
- International Centre for Education in Islamic Finance

#### NO. OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

9/9 (100%)

### 04 ZAIDA KHALIDA SHAARI Non-Independent Non-Executive Director

Nationality : Malaysian

Gender : Female

Age : 55

Date of Appointment: 8 April 2016

Length of Service

(as at 20 March 2023): 6 years 11½ months

Date of Last Re-election: 23 June 2022

#### BOARD COMMITTEE MEMBERSHIPS

- Chairperson of Board Development Committee
- Member of Board Tender Committee
- Member of Board Governance & Risk Committee

#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- LLB (Honours), University of Warwick, United Kingdom
- Master of Business Administration, University of Strathclyde, United Kingdom
- Barrister-at-law and a member of the Honourable Society of Gray's Inn, London

#### SKILLS AND EXPERIENCE

- She began legal practice in 1991 with Messrs Zain & Co.
- She joined Permodalan Nasional Berhad (PNB) in 1997 as legal advisor to the corporate finance group and moved on to head the Legal and Compliance Department. In 2006, she was appointed as Company Secretary of PNB.
- She joined the Investments Divisions of Khazanah Nasional Berhad (Khazanah) in 2007 and served until January 2019 when she was Executive Director, Investments, overseeing the real estate and education investments of Khazanah.
- Presently, she is advisor of Yayasan AMIR, a non-profit organisation working with the Ministry of Education on the implementation of the Trust Schools Programme, as part of the initiatives of transforming public schools.
- She is also an advisor to Me.reka, an alternative education space that aims to teach the skills of the future, in order to build a talent pool that is resourceful, engaged and informed enough to take on the challenges of the future.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS IN MALAYSIA

##### Listed Entities

- MNRB Holdings Berhad
- AEON Co. (M) Bhd.

##### Other public companies

- Cement Industries of Malaysia Berhad
- Pelaburan Hartanah Nasional Berhad

#### NO. OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

9/9 (100%)

### 05 EFFIZAL FAIZ ZULKIFLY Non-Independent Non-Executive Director

Nationality : Malaysian

Gender : Male

Age : 43

Date of Appointment: 24 February 2020

Length of Service

(as at 20 March 2023): 3 years 1 month

Date of Last Re-election: 9 July 2020

#### BOARD COMMITTEE MEMBERSHIPS

- Member of Board Development Committee

#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Master of Business Administration, MIT Sloan Fellows Program, Massachusetts Institute of Technology, United States of America
- Master of Commerce, Finance and Business Information System, University of Sydney, Australia
- Bachelor of Commerce, Accounting, University of Queensland, Australia

#### SKILLS AND EXPERIENCE

- He is currently a Director of Investments and Head of Consumer and Services at Khazanah Nasional Berhad (Khazanah), the strategic investment fund for the Government of Malaysia.
- He joined Khazanah in 2007 and has covered the infrastructure and telecommunication space including UEM Group Berhad, Telekom Malaysia Berhad and Astro Berhad.
- He had spent a year on secondment with Khazanah Americas incorporated in San Francisco in 2016 and following that continued his exposure within the infrastructure sector through his coverage of Malaysia Airports Holdings Berhad. He led the Internet & Technology sector and the Innovation & Entrepreneurship sector coverage up until 2018.
- Prior to Khazanah, he spent 4 years as a business analyst with Citibank Berhad.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS IN MALAYSIA

##### Listed Entities

- Farm Fresh Berhad

##### Other public companies

Nil

#### NO. OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

9/9 (100%)

## BOARD OF DIRECTORS' PROFILE

### 06 CHARI T.V. THIRUMALA Independent Non-Executive Director

Nationality : Indian

Gender : Male

Age : 66

Date of Appointment: 5 November 2020

Length of Service  
(as at 20 March 2023): 2 years 4½ months

Date of Last Re-election: 21 June 2021

#### BOARD COMMITTEE MEMBERSHIPS

- Chairman of Board Governance & Risk Committee
- Member of Audit Committee

#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Fellow, Chartered Institute of Management Accountants, United Kingdom
- Fellow, Chartered Accountants of India
- Master of Business Administration, University of Buffalo, New York, United States of America
- Post Graduate Diploma in Digital Business, Digital Transformation and Digital Marketing, Emeritus Institute of Management in collaboration with MIT and Columbia Business School

#### SKILLS AND EXPERIENCE

- After spending 20 years in Asia (Hong Kong, Thailand, Singapore, India) with Hewlett Packard in Senior Sales & Marketing, Business Management and Finance roles and 9 years with Axiata Group as Group Chief Financial Officer of Celcom Axiata Berhad and Axiata Group Berhad, he is currently serving as independent consultant to a national Telco infrastructure provider and a global forensics & valuation company.
- He has also consulted for a large listed company in the aviation industry, global technology system integrator and a semiconductor fabrication company.
- He continues to deliver a range of talks at local and international conferences, on topics like the Analytics as a competitive differentiator, Digital Disruptions, Digital Transformation, Technology Risk Assessment, Purpose Driven Leadership and Investment Portfolio Management etc.
- He is an advisory member of a subcommittee of the Malaysian Institute of Accountants. He is also a mentor for entrepreneurs under Endeavor Malaysia. He sits on the advisory Boards of Centre for Advanced Analytics and Data Sciences and a plastic recycling company.
- He is a Board member and Board Audit Committee member of a subsidiary of Axiata Group Berhad, Ncell Axiata Limited in Nepal.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS IN MALAYSIA

Listed Entities  
Nil

#### Other public companies

- Red One Holdings Berhad

#### NO. OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

9/9 (100%)

### 07 POH YING LOO Independent Non-Executive Director

Nationality : Malaysian

Gender : Male

Age : 61

Date of Appointment: 5 November 2020

Length of Service  
(as at 20 March 2023): 2 years 4½ months

Date of Last Re-election: 21 June 2021

#### BOARD COMMITTEE MEMBERSHIPS

- Member of Audit Committee
- Member of Board Tender Committee
- Member of Board Governance & Risk Committee

#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Fellow, Chartered Institute of Management Accountants
- Fellow, Institute of Corporate Directors Malaysia
- Member, Chartered Global Management Accountants
- Member, Malaysian Institute of Accountants
- Qualified Risk Director, Institute of Enterprise Risk Practitioners
- Global Master of Business Administration in Digital Business, Zigurat Innovation & Technology Business School, Barcelona
- University Extension Diploma in Global MBA in Digital Business, University of Barcelona

#### SKILLS AND EXPERIENCE

- He has more than 35 years' working experience across a diverse set of industries from auditing, manufacturing and trading, before joining the retail industry.
- He began his career as an auditor in Ong Boon Bah & Co in 1986 and joined Dreamland Holdings Berhad as an Accounts Supervisor/Executive in February 1988. He joined CPC/AJ (M) Sdn. Bhd. as Assistant Accountant in December 1988 and served as the Senior Accountant until June 1996.
- In July 1996, he joined AEON Co. (M) Bhd. (AEON) as the Finance Manager and was promoted as the Financial Controller in 2000 and General Manager of Finance in 2002. He was the Senior General Manager in charge of Business Support in January 2008 and Senior General Manager in charge of Corporate Finance and Investor Relations in February 2010. As the Chief Financial Officer and part of the senior management of AEON and Executive Director in charge of corporate management, he has oversight on the company's total businesses, strategies, operations and business developments. He retired from AEON on 24 June 2020 as Executive Director, a position he had held since May 2011.
- He was previously a non-executive director of Malaysian Investor Relations Association Berhad, a company limited by guarantee.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS IN MALAYSIA

Listed Entities

- Sports Toto Berhad (formerly known as Berjaya Sports Toto Berhad)

#### Other public companies

- MST Golf Group Berhad

#### NO. OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

9/9 (100%)

### 08 DATIN SRI BADRUNNISA MOHD YASIN KHAN Independent Non-Executive Director

Nationality : Malaysian

Gender : Female

Age : 63

Date of Appointment: 21 June 2021

Length of Service  
(as at 20 March 2023): 1 year 9 months

Date of Last Re-election: 23 June 2022

#### BOARD COMMITTEE MEMBERSHIPS

- Chairperson of Nominations & Remuneration Committee

#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Bachelor of Science (Honours) in Biochemistry and Pharmacology, University of Aston, Birmingham, United Kingdom

#### SKILLS AND EXPERIENCE

- She began her career with Shell in Malaysia in 1982 and served for 25 years with the first half focusing on Information Technology software application and the second half in Human Resources (HR), where her last position was as one of the global job evaluation advisors, being part of a global team in Shell Group HR serving regional businesses.
- She joined Telekom Malaysia Berhad (TM) as General Manager, Leadership Development & Talent Management in Group HR in 2007.
- Upon the demerger of TM Group in early 2008, she was appointed as Head, Group HR of Axiata Group Berhad (Axiata). Following the split of Axiata's HR function into Talent Management and HR in 2011, she was appointed as the Group Chief Talent Officer of Axiata, focusing on Talent Management across the group, including being responsible for its highly successful flagship Corporate Social Responsibility programme, the Axiata Young Talent Programme that builds young talents into future CEOs of the nation.
- In March 2020, she retired from Axiata as Group Chief of Axiata Learning, a position she assumed in 2019 which focused on a sustained, modern, agile and digital way of capability building for the Axiata Group, through the setup of a Group-wide Applied University.
- She continued to be responsible for the Axiata Young Talent Programme even after retirement by being subsequently appointed as the CEO of Axiata Foundation, a non-profit organisation whose main focus is to oversee the programme, a position she held until May 2021.
- Presently, she is the Chief Talent Officer of QSR Brands (M) Holdings Berhad since October 2021.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS IN MALAYSIA

Listed Entities

Nil

#### Other public companies

- Red One Holdings Berhad

#### NO. OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

8/9 (89%)

### 09 ALEX YEOW WAI SIAW Independent Non-Executive Director

Nationality : Malaysian

Gender : Male

Age : 58

Date of Appointment: 21 June 2021

Length of Service  
(as at 20 March 2023): 1 year 9 months

Date of Last Re-election: 23 June 2022

#### BOARD COMMITTEE MEMBERSHIPS

- Member of Board Development Committee

#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Master in Business Administration in Finance (Distinction), University of Hull, United Kingdom
- Bachelor of Industrial Engineering (First Class Honour), University Technology of Malaysia
- Executive Program, Leadership, University of Chicago, United States of America
- Executive Program, Market Approach, INSEAD, France
- Executive Program, Mini-MBA, INSEAD, France

#### SKILLS AND EXPERIENCE

- He has significant professional and management experience across a wide spectrum of industries. His notable working experience covered senior management roles in multinational and conglomerates such as Malayan Cement Berhad, Hong Leong Group and Hap Seng Consolidated Berhad.
- He was a consultant in McKinsey & Company Inc which set the ground for his early involvement in the corporate world serving top management of various corporate clients as well as Government-Linked Companies (GLCs) in Malaysia, Indonesia and Singapore.
- He has served as director in a few public listed companies including the roles as the Group Chief Executive Officer and Executive Director of Tropicana Corporation Berhad, Non-Executive Director of Hafary Holdings Limited, Managing Director and Executive Director of Guocoland (Malaysia) Berhad and Executive Director of Tower Real Estate Investment Trust.
- Presently, he is the Group Chief Executive Officer of Star Media Group Berhad since March 2021.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS IN MALAYSIA

Listed Entities

Nil

#### Other public companies

Nil

#### NO. OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

9/9 (100%)

# JOINT SECRETARIES



WONG LEE LOO

LIEW IRENE

## WONG LEE LOO

Joint Company Secretary

Wong Lee Loo is the Joint Company Secretary of UEM Sunrise and its subsidiaries. She is a Fellow Member of MAICSA and a Chartered Secretary and Chartered Governance Professional under The Chartered Governance Institute. She also holds a Bachelor of Laws degree with Honours from the University of London, United Kingdom and has a Certificate of Legal Practice.

Lee Loo joined the Legal and Secretarial Division of UEM Group Berhad (UEM Group) in 1991 and has served in various positions within the division over the years. She has previously served as the Joint Company Secretary of UEM Group and its group of companies, UEM World Berhad and Pharmaniaga Berhad. She was formerly the Joint Company Secretary of UEM Sunrise from 2010 to 2012. She is a Joint Company Secretary of the subsidiaries of UEM Sunrise since 2010. In optimising and building up capabilities of internal resources, she was transferred to UEM Sunrise's Company Secretarial Services department on 1 January 2019 and relinquished her Joint Company Secretary position in UEM Group and its group of companies.

## LIEW IRENE

Joint Company Secretary & Head,  
Company Secretarial Services

Liew Irene is the Joint Company Secretary of UEM Sunrise and its subsidiaries. She is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and a Chartered Secretary and Chartered Governance Professional under The Chartered Governance Institute.

Irene started her secretarial career with an established secretarial firm in 1996. From 2001 until 2004, she was attached to the secretarial division of a large listed financial institution group. Prior to joining UEM Group Berhad in 2013, Irene served in a reputable secretarial firm since 2004, providing a wide array of corporate secretarial services to private companies, multinational companies and public listed groups involved in banking, telecommunications, property development, manufacturing, shipping, healthcare equipment and information technology. In October 2017, she was transferred to UEM Sunrise to head the Company Secretarial Services department.

# SENIOR MANAGEMENT TEAM'S PROFILE



## Sufian Abdullah

Chief Executive Officer

**Nationality** Malaysian

**Age** 48

**Gender** Male

### Date of Appointment

2 February 2021

### Academic/Professional Qualification/Membership

- Bachelor of Architecture (Hons), Canterbury School of Architecture, Canterbury, Kent, United Kingdom
- Bachelor of Arts (Hons), Canterbury School of Architecture, Canterbury, Kent, United Kingdom

### Skills & Experience

- He has more than 20 years of experience in the property development and real estate industry, with first-hand experience in leading innovation in several organisations.
- He is trained in architecture and urban design and has built his career with extensive corporate exposure.
- He was formerly the Chief Executive Officer (CEO) at KWEST Sdn. Bhd. (KWEST), a wholly owned subsidiary of Kumpulan Wang Persaraan (Diperbadankan) (KWAP) which was set up as KWAP's prime investment platform to invest in opportunistic real estate projects.
- He was accorded the 2023 Malaysian Property Icon Leadership Award.
- He had previously held positions in Sime Darby Property Berhad as Vice President, Product Development & Land Planning from 2013 to 2014, Head of Innovation from 2008 to 2013 and Head of Business Development from 2003 to 2007.

### Other Directorships in Public Companies & Listed Issuers

- UEM Land Berhad
- Sunrise Berhad

## SENIOR MANAGEMENT TEAM'S PROFILE

### Siew Chee Seng Chief Financial Officer

**Nationality** Malaysian  
**Age** 58  
**Gender** Male

#### Date of Appointment

16 March 2020  
(cessation of office as CFO on 31 March 2023)

#### Academic/Professional Qualification/Membership

- Certified Public Accountant Malaysia, Malaysian Institute of Certified Public Accountants
- Chartered Accountant Malaysia, Malaysian Institute of Accountants
- Certified Practising Accountant Australia, CPA Australia
- Masters of Business Administration, Heriot-Watt University, United Kingdom

#### Skills & Experience

- He has more than 30 years of experience in the field of finance, accounting and general management in which he has held senior management positions in several companies. During this period he has raised funds in Malaysia and abroad undertook corporate tax planning, structured land transactions and joint ventures as well as restructured companies.
- Prior to joining UEM Sunrise, he was the Director, Operations at Edgeprop Sdn. Bhd., a company licensed by the Securities Commission to operate a property crowdfunding platform.
- He was previously the Chief Financial Officer of Skyworld Development Sdn. Bhd. from November 2015 to December 2017.
- He was appointed Senior General Manager, Finance of the enlarged entity, UEM Sunrise Berhad following the merger between UEM Land Berhad with Sunrise Berhad in 2010.

#### Other Directorships in Public Companies & Listed Issuers

- UEM Land Berhad
- Sunrise Berhad
- ONE15 Marina Development Berhad



### Irwin Mohd Eusoff Chief Strategy & Transformation Officer

**Nationality** Malaysian  
**Age** 49  
**Gender** Male

#### Date of Appointment

3 January 2023

#### Academic/Professional Qualification/Membership

- MBA, International Islamic University Malaysia (IIUM)
- B.Eng (Honours) Mechanical Engineering, University of Manchester Institute of Science & Technology (UMIST), United Kingdom
- BTEC National Diploma in Engineering, Coventry Technical College, United Kingdom

#### Skills & Experience

- He has spent the last 20 years of his career in regional telecommunications industry, having served Maxis Berhad and Axiata Group Berhad (Axiata).
- In 2016, he was part of the post-merger integration of Ncell Axiata Limited, Nepal (subsidiary of Axiata) and subsequently served as its Chief Strategy Officer until early 2020.
- In 2020, he led the organisation-wide transformation program for Celcom Axiata Berhad (Celcom), focusing on enhancing profitability through various strategic initiatives.
- Subsequently, he took on the role of PMO Lead for the CelcomDigi Berhad merger integration exercise (completed in 2022). Throughout this period, he also served as a Celcom Board Nominee in Tune Talk Sdn. Bhd.
- He started his career with Tenaga Nasional Berhad (TNB) as an engineer.

#### Other Directorships in Public Companies & Listed Issuers

- ONE15 Marina Development Berhad



## SENIOR MANAGEMENT TEAM'S PROFILE

### Kenny Wong Koon Keng Chief Marketing Officer

**Nationality** Malaysian  
**Age** 60  
**Gender** Male

**Date of Appointment**  
2 July 2018

#### Academic/Professional Qualification/Membership

- Bachelor's Degree in Economics, majoring in Statistics Mathematics and Econometrics from Universiti Kebangsaan Malaysia
- Certified Master Trainer from Human Resources Development Fund
- Member of the Institute of Corporate Directors Malaysia (ICDM)

#### Skills & Experience

- He has more than 35 years of professional experience in various sectors including FMCG, telecommunications, motion pictures and film exhibition, aviation, property development and people development.
- He has held senior marketing and leadership roles across ASEAN in his career, covering diverse markets such as Thailand, Singapore, the Philippines, Cambodia, Myanmar and Malaysia.
- Prior to joining UEM Sunrise, Kenny was freelancing as a consultant coach and trainer and prior to that, he was Head of Marketing & Sales at Guocoland Malaysia.
- Best Marketer in Data and Technology Marketing, Malaysian CMO Awards 2019.

#### Other Directorships in Public Companies & Listed Issuers

- NIL



### Mardiana Rahayu Tukiran Chief Development Officer

**Nationality** Singaporean  
**Age** 47  
**Gender** Female

**Date of Appointment**  
16 June 2021

#### Academic/Professional Qualification/Membership

- MSc. City Design and Social Science, London School of Economics & Political Science
- Masters in Architecture, The National University of Singapore
- International Student Exchange, Ecole Speciale D'Architecture
- BA (Architectural Studies), The National University of Singapore

#### Skills & Experience

- She has more than 20 years of relevant working experience in the field of Development, Architecture, Planning and Urban Design, she has for the last three years been pushing for the Placemaking Agenda amongst academia and developers in Malaysia and abroad.
- She focuses on making financial sense out of every development strategy and deal structure, and balances between placemaking investment initiatives and the commercial viability of projects.
- She has worked for both the consultancy and client sides of numerous projects, including award winning and legacy projects, of urban and rural scales in Malaysia, China, Hong Kong, Singapore, Korea, Sri Lanka, Australia, the Middle East and Europe.
- She was formerly the Chief Operations Officer (COO), Partner in KAI Assets where her main role is to bring in investments and construction capabilities, as well as lead the design teams on the ground.

#### Other Directorships in Public Companies & Listed Issuers

- Horizon Hills Resort Berhad





## SENIOR MANAGEMENT TEAM'S PROFILE

### Liong Kok Kit

Chief Operations Officer, Central

**Nationality** Malaysian

**Age** 46

**Gender** Male

#### Date of Appointment

1 January 2020

#### Academic/Professional Qualification/Membership

- Bachelor's Degree in Building Surveying from University of Malaya

#### Skills & Experience

- He has more than 20 years of professional experience in the property industry.
- He possesses experience and leadership skills covering the entire spectrum of the multifaceted property industry, from identification of land for development or joint venture, inception and feasibility of analysis through project management, sales and marketing to completion and property management.
- He oversees the Central Business Unit of UEM Sunrise including sitting in the Committee of several key JV projects such as Kiara Bay, Radia and Forest Heights.
- Prior to being appointed as Chief Operations Officer, Liong was the Director – Central 2 for UEM Sunrise.
- His responsibilities include the overall project delivery, construction and contract management as well as post-completion operation.

#### Other Directorships in Public Companies & Listed Issuers

- Sunrise Berhad
- UEM Land Berhad



### Saniman Md Apani

Chief Operations Officer, Southern

**Nationality** Malaysian

**Age** 53

**Gender** Male

#### Date of Appointment

1 July 2022

#### Academic/Professional Qualification/Membership

- Bachelor's Degree in Engineering (Civil)

#### Skills & Experience

- He has over 27 years of working experience in the field of Development, Engineering, Project Planning and QAQC.
- He oversees the overall Southern business strategies and execution including expanding and growing the portfolio of product and services.
- He is highly experienced in township development with a diverse portfolio of products (residential, commercial, affordable homes) under his belt.
- He was formerly the CEO of Cahaya Jauhar Sdn. Bhd., heading the development of state related projects in Kota Iskandar, Johor State Government Offices in Iskandar Puteri.

#### Other Directorships in Public Companies & Listed Issuers

- Horizon Hills Resort Berhad
- Sunrise Berhad
- UEM Land Berhad

## SENIOR MANAGEMENT TEAM'S PROFILE

**Peggy Lee Pek Kee**  
Chief People Officer

**Nationality** Malaysian

**Age** 53

**Gender** Female

**Date of Appointment**

1 December 2021

**Academic/Professional Qualification/Membership**

- ICSA professional qualification
- Diploma in Business Management

**Skills & Experience**

- She has more than 28 years of relevant working experience and skills in the major Human Resource Management functions and has demonstrated her ability to implement change and effective delivery in challenging times.
- She has exposure to various industries such as IT, oil & gas, shared services, insurance, telecommunications, transportation, power, banking, properties, securities and retail in global, regional and local coverage.
- Prior to UEM Sunrise, she was an Associate Director for AIA Berhad, HR Services Operations Manager in Shell Business Service Centre, Regional HR Manager in Shell Information Technology International, Corporate HR Key Account Manager in Siemens Malaysia and others.

**Other Directorships in Public Companies & Listed Issuers**

- NIL



**Notes:**

- None of the Senior Management have any family relationship with any other Directors and/or major shareholders of UEM Sunrise.
- None of the Senior Management have any conflict of interest with UEM Sunrise.
- None of the Senior Management have been convicted of any offences within the past 5 years, other than traffic offences, if any, or imposed any public sanctions or penalties by the relevant regulatory bodies during the year ended 31 December 2022.
- The Chief Executive Officer does not hold any ordinary shares in UEM Sunrise.

## LEADERSHIP TEAM



**ERIKA MUSHTARINA  
MAT ARIFFIN**  
Head, Commercial



**VIJAYAN BALAN**  
Head, Procurement

## LEADERSHIP TEAM



## LEADERSHIP TEAM



**HASNIZA MOHAMED**  
Director, Digital &  
Technology Innovation



**ALICIA LIM CHWEE MUEI**  
Head, Integrity, Governance, Risk & Compliance



**MAZMEEN MOHAMED RAZALI**  
Head, Internal Audit



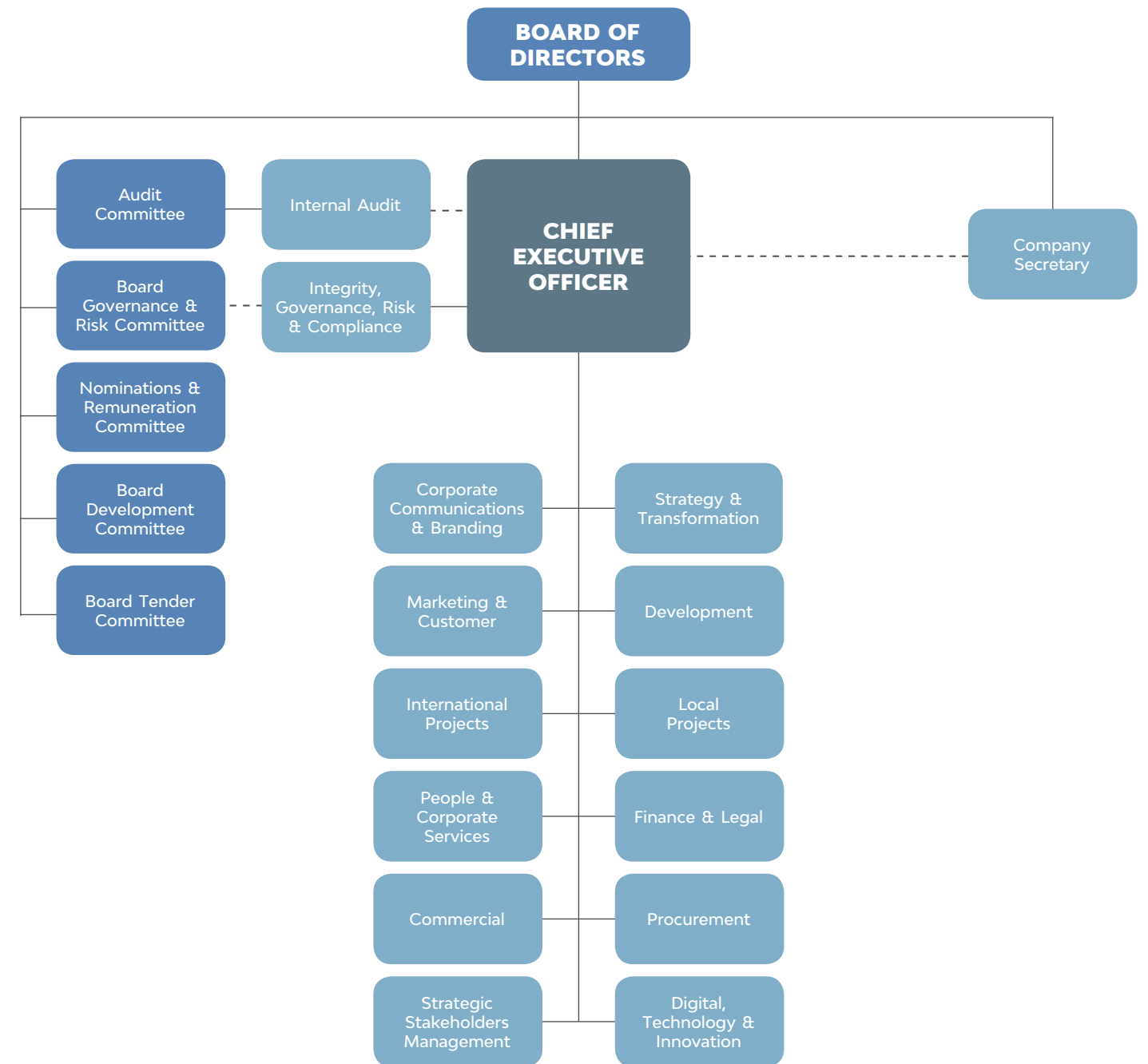
**AZMY MAHBOT**  
Head, Controller  
*\* Appointed as Principal Officer of  
Finance effective 1 April 2023*



We are proud to have a diverse group of individuals with different experiences and expertise to perform tasks effectively for the Company's sustainable growth



# ORGANISATION STRUCTURE





IMPACTING THE

# Future

*We utilise state-of-the-art tools such as Building Information Modelling (BIM), which allows us to predict our development's operating performance during pre-construction*

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



**DATO' NOORAZMAN ABD AZIZ**  
Non-Independent Non-Executive Chairman

This Statement reflects our unwavering commitment to ensure that the highest standards of governance are embedded in the way our business is managed. It also provides an insight into the activities of the Board and its Committees throughout the year and how the Board provides appropriate and effective stewardship to UEM Sunrise to ensure it achieves its strategic priorities.

As a company, we are resolute in delivering consistent performance and solid returns to our stakeholders. Underlying our sustainable operations and performance, as well as our ability to create long-term stakeholder value is a sound system of corporate governance, which is premised on the principles of accountability, transparency and integrity in the conduct of our business.

Acknowledging the importance of good corporate governance in a value-driven organisation, the Board ensures that UEM Sunrise adopts the best practices advocated by the Malaysian Code on Corporate Governance (MCCG) and the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Securities). This is key to balancing our shareholders' interests with those of our broader group of stakeholders.

In a year that has been challenging from an operational perspective, we delivered a strong performance. The protection of shareholders' interests, both in the short and long-term, is central to the way the Board operates. This has been the governing principle behind the Board's response to the COVID-19 pandemic since its onset. Its impact on all key stakeholders and understanding their views in order to make informed decisions have always been a key consideration during the two-year crisis.

In discharging its duties and responsibilities effectively, the Board is supported by various Board Committees, each with specific authority and Terms of Reference. Our corporate governance framework encompasses robust decision-making process and a clear framework within which decisions are made, delegated and executed with accountability across all levels.

As a testament of our commitment to good governance alongside our efforts to build trust with stakeholders through transparency, quality and relevance of our disclosures, we were conferred the Industry Excellence Award in the Property Category by the MSWG-ASEAN Corporate Governance Awards 2021, which we received in 2022.

Our holistic approach to ESG is clearly reflected in our sustainability agenda when we approved and adopted the UEM Sunrise Sustainability Blueprint 1.0 during the financial year. ESG practices are now clearly entrenched into the fabric of our operations, the culture of the organisation and in the mindset of every individual from top to bottom. With effective governance in place, implementation and assessment of the Company's ESG policies, goals and reporting efforts can be successfully carried out.

As at the date of this report, I am pleased to inform that the Corporate Governance Overview Statement, Corporate Governance Report, Audit Committee Report, reports on the activities of the Nominations & Remuneration Committee and Statement on Risk Management and Internal Control have applied and complied with the relevant provisions of the Listing Requirements of Bursa Securities, the Companies Act 2016, the MCCG, the Corporate Governance Guide – 4th Edition issued by Bursa Securities in December 2021.

As we navigate the challenges in the year ahead, your Board remains fully obligated to maintain the highest standards of corporate governance and implementation of best practices. This is an area that requires focused approach as the dynamics of our corporate governance landscape continues to evolve post-pandemic, with global and local economies recovering at a faster pace.

**Dato' Noorazman Abd Aziz**  
Chairman

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (Board) continues to uphold the principles of good governance which is embedded across the organisation and remains committed to staying resilient in providing effective leadership through adoption and strengthening of corporate governance policies and practices of UEM Sunrise Berhad (UEM Sunrise or the Company) and its subsidiaries (the Group) to ensure long-term business sustainability in a fast-evolving business landscape.

The Board will continue to promote uncompromising ethical standards in the organisation and play an important role in ensuring effective orchestration of the sustainability agenda into operationalisation strategy. Acknowledging that the environmental, social and governance (ESG) factors have become a key focus area for both the regulators and stakeholders and the need to adopt responsible, sustainable and climate-conscious ESG practices, the Board will continually refine and strengthen the Group's corporate governance framework, based on the following key statutory provisions, best practices, policies and guidance to ensure that it remains relevant:

- 01. Companies Act 2016
- 02. Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Securities)
- 03. Malaysian Code on Corporate Governance (MCCG or the Code) issued by the Securities Commission Malaysia

The Board is pleased to share that in October 2022, UEM Sunrise was conferred an Industry Excellence Award for Corporate Governance disclosure in the Property category by the Minority Shareholders Watch Group (MSWG) at the MSWG-ASEAN Corporate Governance Award 2021, which is a testament to and in recognition of the Board's commitment and stewardship towards good corporate governance.

This statement provides a description of how the Company has applied the key principles and complied with the relevant provisions of the MCCG. We remain committed to achieving high standards of corporate governance both in the boardroom and throughout the Group, which are critical to business integrity and to maintaining investors' and stakeholders' trust in the Company. We have used the core principles of the MCCG as the framework within which we explain our governance practices in this report and adopt the approach that our disclosure remains understandable and transparent.

This statement is to be read along with the Corporate Governance Report 2022 which can be found at <https://www.uemsunrise.com/corporate/about-us/information-and-downloads>.

**COMPLIANCE WITH THE CODE**

This statement takes guidance from the key corporate governance principles as set out in the MCCG.

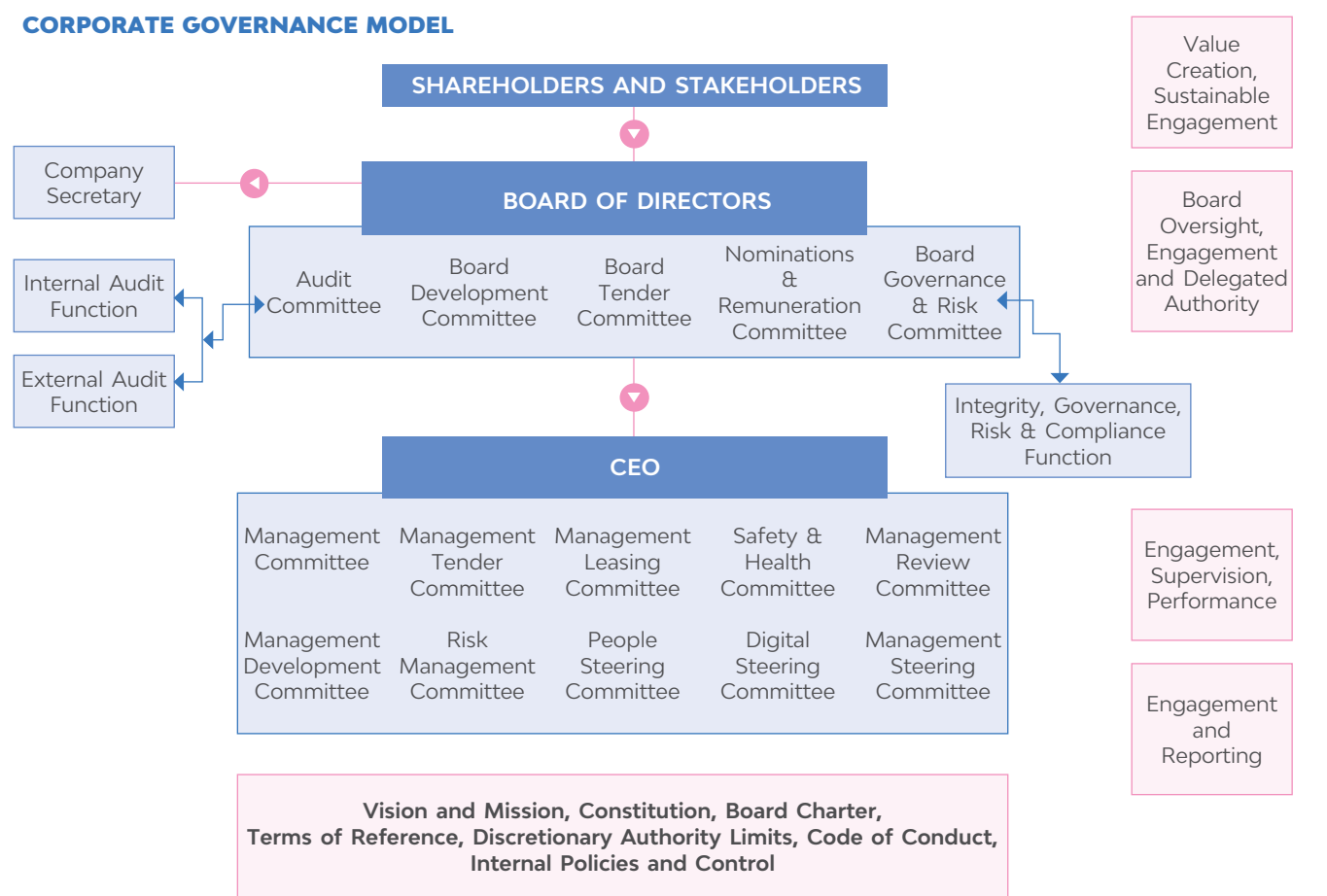
During the financial year ended 31 December 2022, UEM Sunrise complied in all material aspects with the principles set out in the MCCG. The Company adopted 45 out of the total 48 recommended practices in the MCCG, including the four (4) step-up practices. One (1) practice was not applicable and the Company has not adopted Practice 8.2 and step-up Practice 8.3 of the MCCG namely the disclosure on a named basis of the top five Senior Management's remuneration in bands of RM50,000 and the disclosure on a named basis of each member of Senior Management's remuneration, respectively.

### PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

The Board is primarily responsible for the Group's strategic and annual plans for business performance, overseeing the proper conduct of business, talent and succession planning of key management, risk management, shareholders' communication, internal controls, management information systems and relevant statutory matters. Management is accountable for the execution of expressed policies and attainment of the Group's corporate objectives. The functions of the Board and Management are clearly demarcated to ensure the effectiveness of the Company's business and its day-to-day operations.

With the ultimate and overall responsibility on the management and oversight of the business and affairs, corporate governance, strategic direction, financial and organisational matters of the Company, the Board has established a governance model for the UEM Sunrise Group where specific powers are delegated to the Board Committees, as well as to the Chief Executive Officer (CEO).

The Corporate Governance Model and processes are built upon the Terms of Reference of the Board Committees and complemented by the Discretionary Authority Limits, supported by various management committees and group governance framework, policies and procedures.





# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A

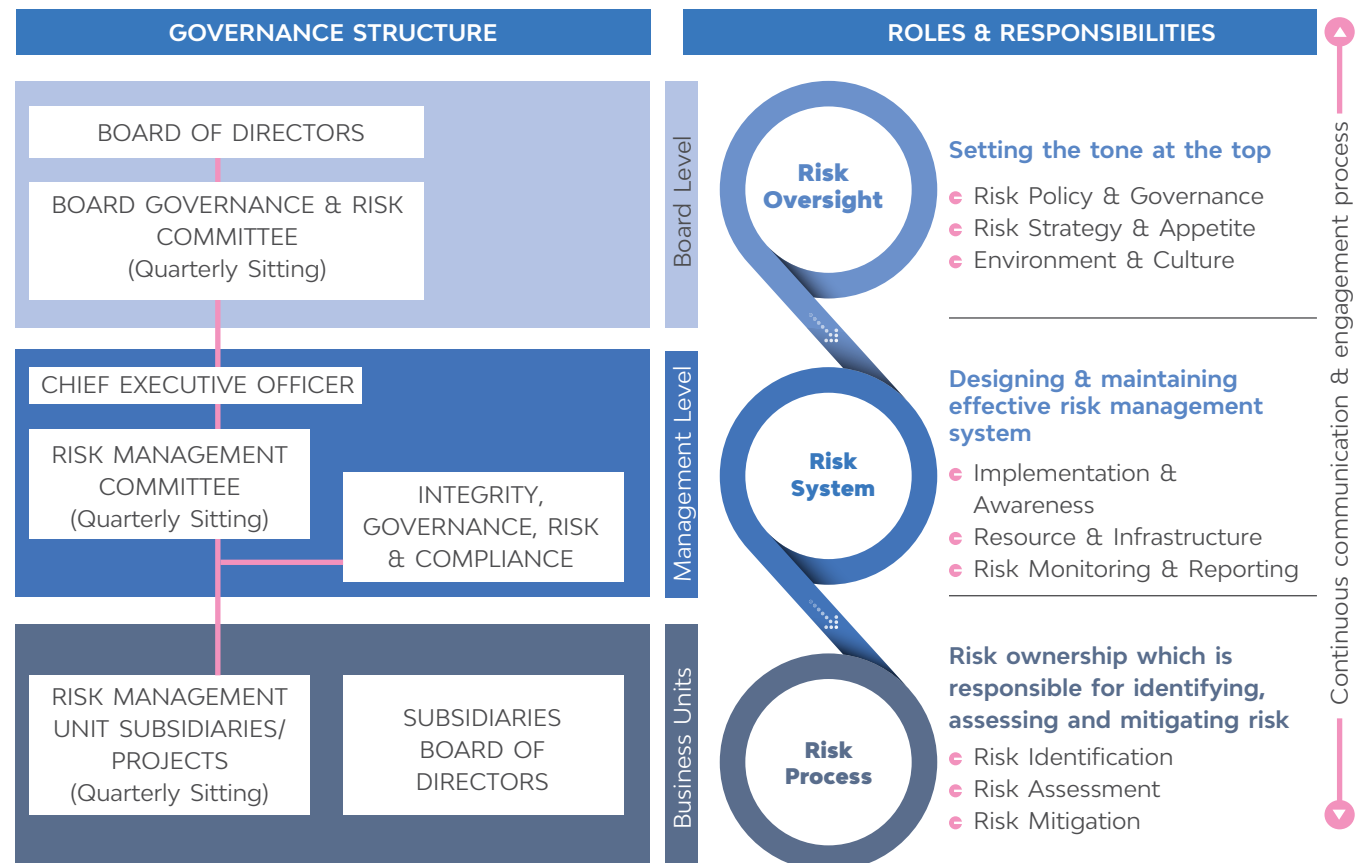
## BOARD LEADERSHIP AND EFFECTIVENESS

### GROUP GOVERNANCE STRUCTURE AND POLICIES & PROCEDURES

#### POLICIES AND PROCEDURES 01

- |  |   |
|--|---|
| 01 Risk Management Framework and Guidelines                | 09 Fit & Proper Policy                              |
| 02 Anti-Corruption Policy and Guidelines                   | 10 Code of Conduct                                  |
| 03 Sustainability Policy                                   | 11 Code of Conduct for Business Partners            |
| 04 Corporate Responsibility Policy                         | 12 Conflict of Interest Policy                      |
| 05 Investor Relations and Shareholder Communication Policy | 13 Gifts and Hospitality Policy                     |
| 06 Whistleblowing Policy & Procedures                      | 14 Top Management External Directorships Policy     |
| 07 Diversity, Equity and Inclusion Policy                  | 15 Privacy Policy                                   |
| 08 Remuneration Policy for Directors and Senior Management | 16 Information Classification Policy                |
|  | 17 Quality, Health, Safety and Environmental Policy |

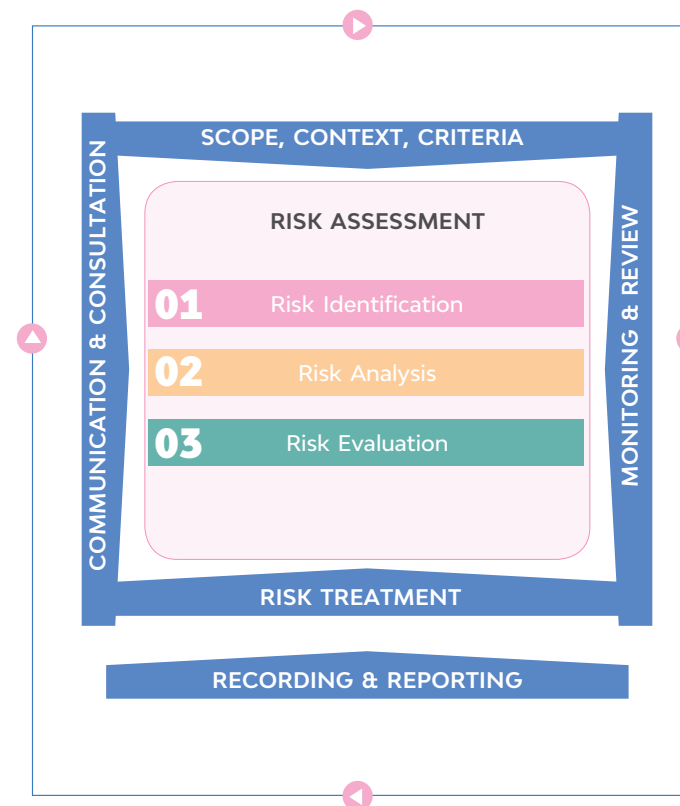
#### RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK 02



#### 03 RISK MANAGEMENT PROCESS

##### Risk Communication and Consultation Management

Promote awareness and understanding of risk, enforce risk ownership as well as facilitate factual, timely, relevant and accurate risk related deliberation throughout all steps of the risk management process.



##### Risk Monitoring and Review Management

Monitor the risk and its controls, review the existing risk and new emerging risks; and subsequently ensure consistent alignment with the overall organisational strategy, performance management and reporting.

##### Risk Recording and Reporting Management

Risk management process and its outcome shall be recorded and reported in line with the governance structure to assist interaction with stakeholders, ease decision making processes and improve risk management activities.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A

The Board has established five (5) Committees, all of which comply with the provisions of the MCCG and play an important governance role through the detailed work they carry out to fulfil the responsibilities delegated to them. The Committees contribute their specialist skills to key areas such as financial information review, procurement and development matters, anti-corruption, internal controls and risk management, governance, sustainability/ESG and human capital management.

#### AUDIT COMMITTEE

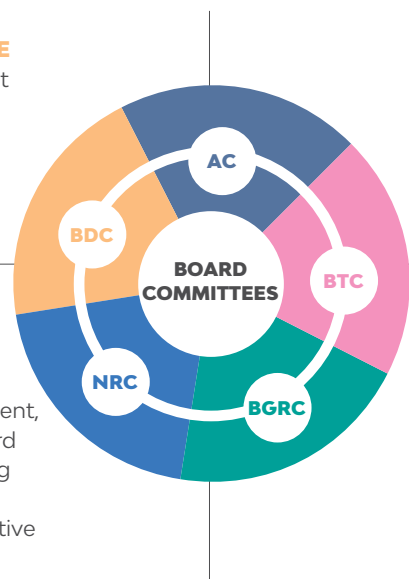
assists the Board in its oversight of the Company's financial statements and reporting, reviews the adequacy and integrity of the Group's system of internal control, financial and non-financial reporting processes, management information systems, related party transactions and conflict of interest situations

#### BOARD DEVELOPMENT COMMITTEE

oversees the investment and development planning for all projects and provides strategic direction and guidance concerning investment, development and/or project matters

#### NOMINATIONS & REMUNERATION COMMITTEE

assists the Board in the nomination of new Directors and Senior Management, assessing the effectiveness of the Board and its Committees and recommending remuneration packages and assessing the performance of CEO and/or Executive Director(s) and Senior Management



#### BOARD TENDER COMMITTEE

assists the Board on project tender related matters which are in line with the Group's DAL requirements

#### BOARD GOVERNANCE & RISK COMMITTEE

assists the Board in overseeing the Group's adherence to risk, governance and anti-corruption compliance matters and to provide oversight on the Group's integrity, sustainability governance and whistleblowing management

The Board members have full access to the Joint Company Secretaries, both of whom are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries ensure the meeting materials are made accessible to the Directors on their devices within reasonable period prior to the meetings. The Company Secretaries prepare Board Committee reports which summarise the main discussion points and decisions of the Committee meetings to be tabled at the immediately following Board Meeting to facilitate the respective Board Committee Chairperson's reporting to the Board. The Company Secretaries prepare the minutes of meetings which are circulated to the Directors prior to tabling at the next meeting and provide advisory services to the Board on corporate administration and governance matters, including regulatory updates and compliance with the relevant laws, rules and regulations.

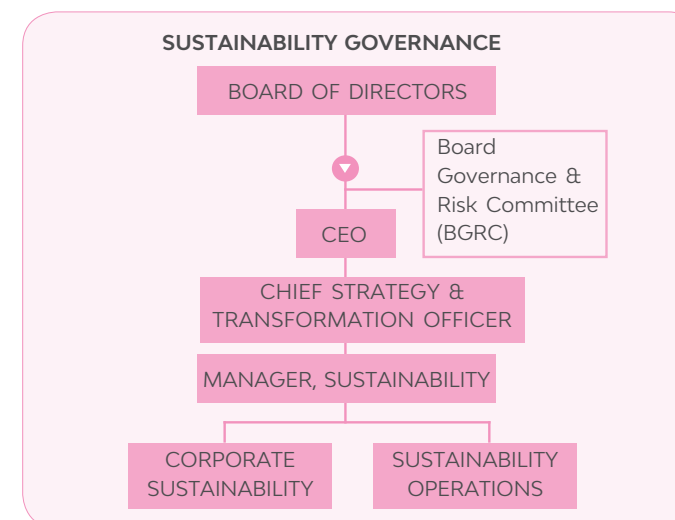
After the Group's three-phase turnaround plan "Triage, Stabilise and Sustain" was unveiled in November 2021, the Board is pleased to share that several initiatives under Triage phase (first phase of the turnaround plan) have been accomplished. This includes the successful monetisation of its inventories, heightened property development activities, divestment of non-strategic land and improvements in operating cash flow. The Group aims to strengthen the core business, ensuring that its launch plans are intact and targets to have a healthier balance sheet. These efforts will prepare the Group for the Stabilise phase, which entails re-organisation and transformation of people, process and portfolio.

### BOARD LEADERSHIP AND EFFECTIVENESS

#### Sustainability Governance

With the organisation's corporate sustainability agenda coming to the forefront of the organisation's business strategy and operations, a dedicated Sustainability Department was set up in July 2021. The Sustainability Department provides the oversight for a smooth and progressive implementation of the organisation's sustainability strategy via a top-down approach.

To ensure UEM Sunrise's sustainability agenda is more holistic, in the first quarter of 2022, the Board approved and adopted the UEM Sunrise Sustainability Blueprint 1.0 with the established Guiding Principle as the extended narrative, as well as the proposed ESG metrics and subsequent target setting to be adopted and implemented company-wide. The Guiding Principle will be the key reference document for Development Division to establish the Sustainable Development Design Guidelines as the next design standard prioritising on ESG factors.



In April 2022, Sustainability Department launched a new section for 'Sustainability' under the corporate website.

The Company has commissioned a new materiality assessment which is conducted by an external consultant, aimed at identifying material ESG aspects that are contributing to high impacts in respect of the Company's business risks. From the materiality assessment result, specific ESG metrics will be identified for target setting.

Please refer to our material matters which can be found on pages 74 to 77 of this Integrated Report.

#### BOARD CHARTER AND TERMS OF REFERENCE

The Board Charter is a comprehensive reference document for Directors on matters relating to the Board and its processes, as well as the roles and responsibilities of the

Board, the individual Directors and the Senior Independent Director. It outlines high-level duties of the Board, matters that are specifically reserved for the Board, as well as those which the Board may delegate to the Board Committees, the CEO and Management. It is reviewed as and when required to align with best practices.

Board Committee Terms of Reference describes the purpose, scope and authority of the Committee. They are reviewed regularly to align with best practices.

On 29 March 2022, the Board Charter was reviewed and revised by the Board, after taking into account the findings from the Board & Directors Effectiveness Evaluation for 2021, as well as further alignment with the MCCG and amendments to the Listing Requirements in relation to Directors' appointment effective 1 July 2022 that require the Company to establish its Fit & Proper Policy, which must be published in the Company's website.

On 29 March 2022, the Board also established the Directors' Fit & Proper Policy to ensure that any person to be appointed or elected/re-elected as Director of UEM Sunrise Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner. This policy is incorporated in the Board Charter. The Board Charter also includes a provision which prohibits an "active politician" as defined in the MCCG, to be a Director on the Board of the Company.

Subsequent to the revisions in September and November 2021, the Terms of Reference for all Board Committees will be subject to periodic review as and when required.

#### DISCRETIONARY AUTHORITY LIMITS

The establishment and implementation of clearly defined organisational roles, responsibilities and authorities via the Board-approved Discretionary Authority Limits (DAL) represent an essential element of good corporate governance. At UEM Sunrise, the DAL has been formulated to ensure robust governance as well as adequate checks and balances in initiation and approval processes of authorised transactions. Formulated on a risk-based approach, the DAL enables implementation of balanced span of accountability and control among the authorised parties involving the Board, Board Committees and Management of the Group as necessary.

The Board also extends the adoption of the DAL to its wholly-owned subsidiaries whereby authority limits are delegated by the Board to the Senior Management for daily operations.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A

The DAL is reviewed as and when required, to ensure an optimum structure for efficient and effective decision-making within the Group. The DAL was reviewed twice during the financial year to ensure effective implementation and updated in line with organisational changes and business needs, while maintaining authority limits and guidelines intact.

### BOARD RESPONSIBILITIES

The Board's roles and responsibilities, amongst others, are as follows:

- Review and adopt strategic and annual plans and directions for the Group.
- Review the financial statements to give a true and fair view of the state of affairs of the Group.
- Oversee the conduct of the Group's business to evaluate whether the business is being properly managed.
- Identify principal risks and ensuring the implementation of appropriate systems to manage these risks.
- Succession planning, including appointing, training, reviewing the compensation and retention or replacement of Board members, MD/CEO and Senior Management.
- Develop and implement an investor relations programme or shareholder communication policy for the Group.
- Review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- Setting the Company's sustainability strategies, priorities and targets and be responsible together with Management for the governance of sustainability in the Company.
- Act as the governing body which is ultimately responsible and accountable for the implementation of adequate procedures and anti-bribery management system and oversee the establishment of an integrity and governance unit structure that reports to the Board through the BGRC.

### Key Roles on the Board

Role	Key Responsibilities
<b>Chairman</b>	<ul style="list-style-type: none"> <li>Presides over meetings of Directors and ensures efficient organisation and conduct of the meeting for the smooth functioning of the Board under good corporate governance.</li> </ul>
<b>MD/CEO</b>	<ul style="list-style-type: none"> <li>Develops and executes the Group's strategies in line with the Board's direction.</li> <li>Oversees the operations and drives the Group's businesses and performance towards achieving its vision and goals.</li> </ul>
<b>Senior Independent Director</b>	<ul style="list-style-type: none"> <li>Acts as a sounding board to the Chairman, serves as an intermediary for other Directors and acts as a point of contact for shareholders or other stakeholders for any queries or concerns relating to the Company which cannot be resolved through the normal channels.</li> </ul>
<b>Non-Executive Directors</b>	<ul style="list-style-type: none"> <li>Monitor and oversee Management's conduct in running the business while bringing their expertise and wisdom to bear on the decision-making process.</li> </ul>
<b>Joint Company Secretaries</b>	<ul style="list-style-type: none"> <li>Advise the Board on all governance matters and ensure that Board procedures are followed. Ensure effective communication flows between the Board and its Committees as well as between Senior Management and the Non-Executive Directors.</li> </ul>

The roles and responsibilities of the Chairman and CEO are clearly separated and distinct to ensure that there is a balance of power and authority. The Chairman leads the Board by setting the tone at the top, and managing the Board's effectiveness by focusing on strategy, governance and compliance. The Chairman is not a member of any Board Committee. The CEO is not a member of the Board.

Board meetings for each financial year are scheduled before the end of the preceding financial year to allow the Directors to plan ahead. The Board is expected to meet at least six (6) times annually. Additional ad hoc meetings are arranged outside the scheduled meetings for detailed discussions and decision-making as required. During the financial year ended 31 December 2022, the Board met nine (9) times comprising five (5) scheduled Board Meetings and four (4) Special Board Meetings. All Directors complied with the minimum attendance requirement of at least 50% of Board meetings held during the year under review pursuant to the Listing Requirements and have provided their commitment to the Company as evidenced by the attendance of Directors at Board and Board Committee meetings.

## BOARD LEADERSHIP AND EFFECTIVENESS

### Legend

**BTC** Board Tender Committee  
**BGRC** Board Governance & Risk Committee  
**NRC** Nominations & Remuneration Committee

**BDC** Board Development Committee  
**AC** Audit Committee

DIRECTOR	BOARD MEETING ATTENDANCE		AC MEETING ATTENDANCE		NRC MEETING ATTENDANCE		BTC MEETING ATTENDANCE		BDC MEETING ATTENDANCE		BGRC MEETING ATTENDANCE	
	%	%	%	%	%	%	%	%	%	%		
<b>YBhg Dato' Noorazman Abd Aziz</b>	9/9	100										
<b>Ms. Christina Foo</b>	9/9	100	5/5	100	5/5	100					4/4	100
<b>YBhg Dato' Mohd Izani Ghani</b>	9/9	100			5/5	100	1/1	100				
<b>Puan Zaida Khalida Shaari</b>	9/9	100					1/1	100	9/9	100	4/4	100
<b>Encik Effizal Faiz Zulkifly</b>	9/9	100							9/9	100		
<b>Mr. Chari T.V. Thirumala</b>	9/9	100	5/5	100							4/4	100
<b>Mr. Poh Ying Loo</b>	9/9	100	5/5	100			1/1	100			4/4	100
<b>Datin Sri Badrusnisa Mohd Yasin Khan</b>	8/9	89			5/5	100					1/1 <sup>(1)</sup>	100
<b>Mr. Alex Yeow Wai Siaw</b>	9/9	100							9/9	100		
<b>Total number of meetings for FY2022</b>	<b>9</b>		<b>5</b>		<b>5</b>		<b>1</b>		<b>9</b>		<b>4</b>	

<sup>(1)</sup> Relinquished as BGRC member on 1 April 2022

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A:

### BOARD COMPOSITION

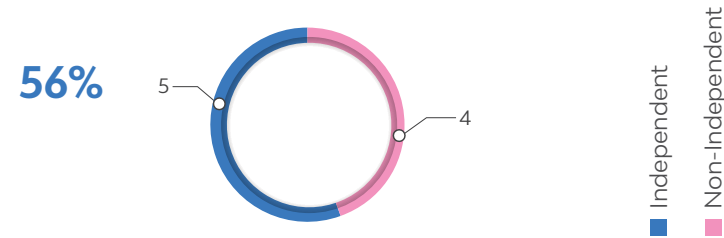
As at the date of this statement, the Board comprises nine (9) members. They comprise the Non-Independent Non-Executive Chairman, the Senior Independent Non-Executive Director, three (3) Non-Independent Non-Executive Directors and four (4) Independent Non-Executive Directors. Independent Non-Executive Directors account for a majority of the Board to ensure a balance of power and authority within the Board. The Board composition complies with the Listing Requirements of Bursa Securities which state that at least two (2) Directors or one-third of the Board, whichever is higher, must comprise Independent Directors.

### BOARD DIVERSITY

As at 20 March 2023

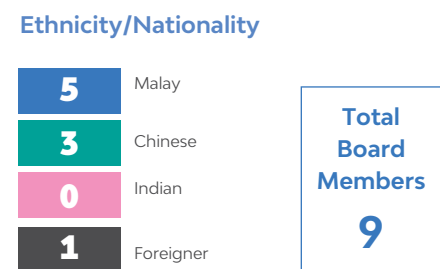
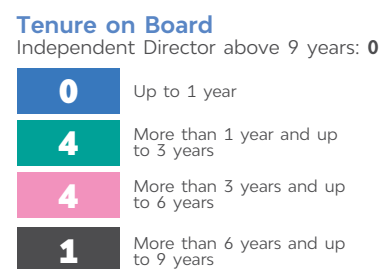
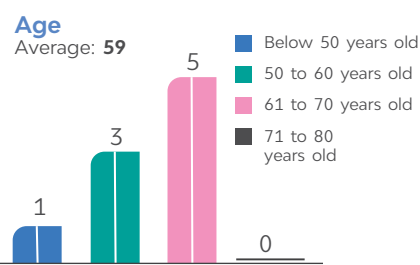
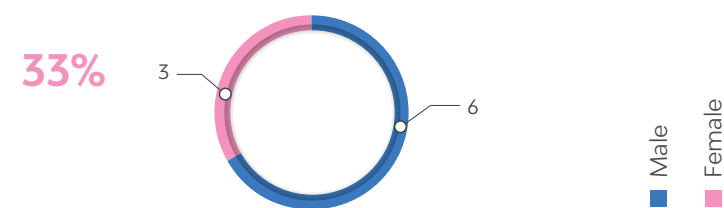
#### MCCG Practice 5.2

Majority of the Board must be Independent Directors

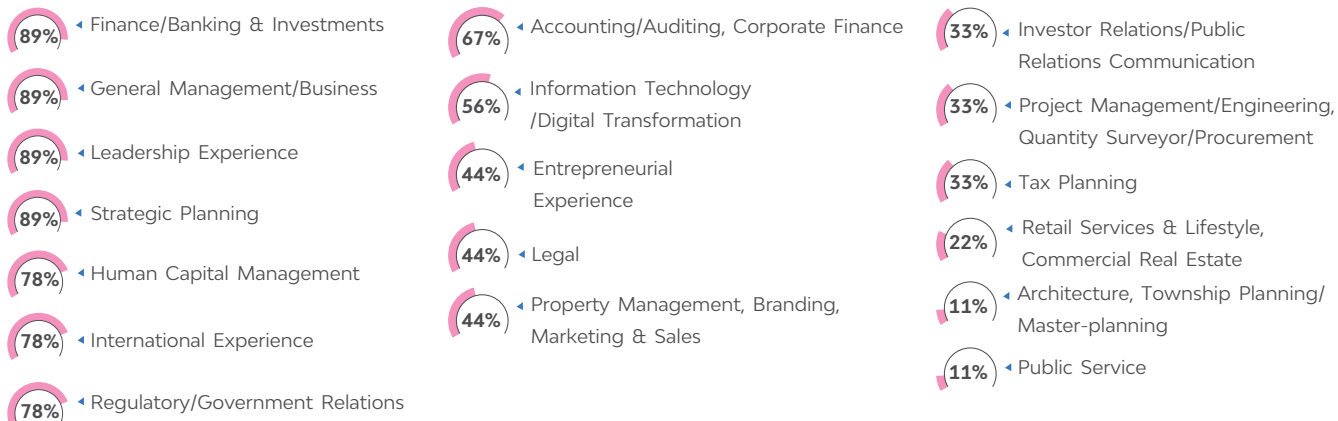


#### MCCG Practice 5.9

30% of the Board must be women



### Board Skills & Experience



### CODE OF CONDUCT

The conduct of the Board and employees is governed by the Code of Conduct and is aligned with the Company's vision, mission and values. The Code of Conduct covers the workplace, regulations as well as working with external stakeholders.

During the financial year, the Board on 29 March 2022 reviewed and approved the revisions to the Code of Conduct, Code of Conduct Handbook and Code of Conduct for Business Partners in line with the MACC Guidelines on Adequate Procedures and ISO37001:2016 Anti-Bribery Management System requirements, taking into consideration the applicability to UEM Sunrise, as well as good practices of other industry players/organisations.

### WHISTLEBLOWING POLICY

The Company has in place a Whistleblowing Policy to enable reporting of improper conduct or wrongdoing within the Group. The Whistleblowing Policy and Procedures are reviewed periodically with the last revision made in May 2022 to streamline the existing Whistleblowing Policy and Procedures to align with the current whistleblowing management practices for embedment in the UEM Sunrise's Whistleblowing Management System 2.0.

The Whistleblowing Policy and Procedures make it clear that individuals can raise concerns in confidence and without risk of reprisal, and enables legitimate concerns to be objectively addressed.

### DIVERSITY, EQUITY AND INCLUSION

During the financial year under review, the Board on 29 March 2022 approved the adoption of UEM Sunrise's Diversity, Equity and Inclusion Policy with the aim to build an organisation that fosters diversity, equity and inclusion by promoting a culture that respects and appreciates differences, advocates equality and encourages individuals to grow and develop to reach their full potential. The Policy applies to all members of the Board and employees of the Group, including those on contract, on secondment, on internships, or anyone directly or indirectly employed by UEM Sunrise Group whether remunerated or otherwise. The Board is committed to ensure sufficient diversity in its composition in line with UEM Sunrise's Diversity, Equity and Inclusion Policy towards an inclusive Board to achieve effective stewardship and management and be able to respond to challenges to maintain UEM Sunrise's competitive advantage.

## BOARD LEADERSHIP AND EFFECTIVENESS

The Board will ensure that at least 30% of the Board comprises women Directors and where the composition falls below 30%, the Board will actively work towards meeting this ratio and disclose the action it has or will be taking to achieve the 30% ratio. The percentage of women Directors on the Board as at 31 December 2022 was at 33%. Additionally, the Company's women representation on the Board of 33% is also in compliance with the Listing Requirements of Bursa Securities that requires at least one (1) director of the listed issuer must be a woman.

### TENURE

The Board has a policy for Independent Non-Executive Directors to serve a cumulative term of up to nine (9) years only. Such Directors may continue to serve on the Board provided he/she is re-designated as a Non-Independent Director. The Company shall therefore not retain an Independent Director for a period of more than nine (9) years.

### NOMINATIONS & REMUNERATION COMMITTEE

The NRC is made up exclusively of Non-Executive Directors with a majority of them being Independent Directors. The Committee is chaired by an Independent Director. The activities of the NRC in the discharge of its duties for the financial year under review are provided in the Corporate Governance Report.

### BOARD SUCCESSION PLANNING AND APPOINTMENTS

The Board and the NRC take into account the skills, knowledge, expertise, experience, professionalism, character and integrity, gender, age and ethnicity of the existing Board in seeking potential candidates. The Board is committed in ensuring that its composition not only reflects the diversity as recommended by the MCCG, but also has the right mix of skills and balance to contribute to the achievement of the Company's goals. A Board Skills Matrix has also been developed and used as reference for the Board's refresh and succession planning.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A

The NRC is responsible for the Board succession planning to ensure the Board continues to be effective and of the right composition, which would enable it to deliver value and be better equipped to respond to challenges that may arise.

In March 2022, the Board upon the recommendation of the NRC endorsed the Board Succession Planning after having considered the tenure of each Director, desired skill sets and experience of new candidates for the position of Independent Non-Executive Director to complement and further strengthen the current Board with reference to the objectives, strategic direction and emerging challenges faced by the Group and be supportive to Management in realising the transformation agenda.

The table below illustrates the procedures for the appointment of a new Director:

#### Step 1

##### Candidate identified

Candidates identified arising from the recommendation of existing Directors, Senior Management staff, shareholders, external registries of corporate directors, internal database of potential candidates, third party referrals or from executive searches.

#### Step 2

##### Assessment and evaluation to be conducted by the NRC

Assessments are conducted based on the following criteria:

- (i) Skills, knowledge, expertise and experience
- (ii) Professionalism
- (iii) Integrity, commitment (including time commitment), character and competence
- (iv) Gender, age and ethnicity/nationality for the purpose of boardroom diversity
- (v) Any business interest that may result in a conflict of interest
- (vi) Independent judgement
- (vii) Any other criteria deemed fit

The NRC also takes into consideration the size and composition of the Board to facilitate the making of informed and critical decisions as well as be guided by the MCCG and be in compliance with Listing Requirements.

#### Step 3

##### Recommendation to be made by NRC to the Board

#### Step 4

##### Discussion and decision to be made by the Board on the proposed new appointment

- ✔ **YES**  
If the proposed appointment is approved:  
Invitation or offer to be made to the proposed/potential candidate to join the Board.
- ✘ **NO**  
If the proposed appointment is rejected:  
The whole process to be recommenced.

The appointment of Directors to the Board is subject to a formal, rigorous and transparent process. During the nomination of new candidates for Board membership, the Board through the NRC will take into consideration the criteria, qualifications, functional knowledge and relevant experience and expertise, including but not limited to, financial and accounting literacy and the relevant business experience with respect to the Company's core activities.

The NRC also determines if there is any gap in the Board composition and identifies the selection criteria for the new Board candidacy based on the Board Skills Matrix, with the view to close the gap (if any) and to strengthen the Board composition with reference to the strategic direction of the Company. Upon the Board's approval of the selection criteria for the new appointments, the NRC sources for potential candidates based on the agreed selection criteria.

Additionally, during the financial year under review, the Company established its Fit & Proper Policy which is incorporated in the Board Charter to ensure that any person to be appointed or elected/re-elected as Director of UEM Sunrise Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner.

In the process of assessing Directors' fit and propriety for retiring Directors of the Company, the NRC conducted the fit & proper assessment in accordance with the Fit & Proper Policy as set out in the Board Charter. The NRC considered all relevant factors based on the overarching criteria, namely the person's character and integrity, experience and competence, and time and commitment, following the fit & proper declarations in prescribed forms submitted by the retiring Directors of the Company. In addition, the NRC also conducted the fit & proper assessment of new Directors and retiring Directors of the subsidiaries of UEM Sunrise, based on the same criteria and process.

UEM Sunrise has no active politician appointed to the Board.

#### Management succession planning

The NRC reviewed the succession plans and talent management updates for the mission critical roles, and considered the succession bench strength of the senior critical role and operational critical role. In accordance with its Terms of Reference, the NRC also considered the proposed appointment of the relevant Senior Management in 2022. The appointments of key Senior Management were then approved by the Board, based on the NRC's recommendation. In selecting potential candidates for Senior Management roles, the Board and the NRC considered candidates who demonstrated, among others, the key competencies and behaviours required at top management level. In addition to technical capabilities, experience and professional qualifications outlined in the job description of the respective position, the leadership competencies of the candidates are also considered vital for senior positions and the shortlisted candidates will need to undergo the psychometric assessment based on the required competencies for the role.

#### BOARD EFFECTIVENESS ASSESSMENT

The Board, through the NRC, conducts an annual evaluation of its activities and performance as prescribed in MCCG, Corporate Governance Guide issued by Bursa Securities and the Listing Requirements.

### BOARD LEADERSHIP AND EFFECTIVENESS

The Board appointed an external independent consultant to facilitate the Board & Directors Effectiveness Evaluation (BDEE) exercise for the financial year ended 31 December 2021.

For the financial year ended 31 December 2022, the Board, with the assistance of NRC, conducted the Board Effectiveness Evaluation internally on the overall effectiveness of the Board, the Committees and the contribution of each of the Directors. The preparation of assessment and collation of the results were facilitated by the Company Secretaries and tabled to the NRC and Board Meetings.

Based on the assessment in respect of the financial year 2022, the main focus areas for the Board are identified as follows:

ESG/Sustainability
Human Capital
Board Meetings

The Board noted its key strengths on the following areas:

Board Structure
Board Communication/Process
Board Roles and Responsibilities

The Board agreed to look into the matters requiring further actions, i.e. Board to provide a strong oversight over strategy execution and monitoring of implementation, review of DAL to enhance Management's speed to execution and operational efficiency and removing bureaucratic processes, as well as enhancements to Directors and Senior Management Succession Planning.

#### INDUCTION AND PROFESSIONAL TRAINING

An induction programme is conducted for newly appointed Directors to provide the necessary information to assist them in their understanding of the business and operations of the Company, current issues and corporate strategies as well as the corporate structure of the Company. There was no new Board appointment during the financial year 2022.

As at 31 December 2022, all Directors appointed to the Board have attended the Mandatory Accreditation Programme (MAP) accredited by Bursa Securities.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A

Directors continued to attend training programmes and seminars organised by the regulatory authorities, professional bodies and other relevant organisations, to gain insights into the latest regulatory and industry developments in relation to the Group's businesses and further enhance their business acumen and professionalism in discharging their duties to the Group.

In addition to the external training attended by the Directors, the Company organised various seminars and learning programmes in 2022 for the Board and employees. These included a tailor-made sustainability training, talks on anti-corruption and adequate procedures and Thought hUb series which offer a platform for knowledge sharing by renowned local and internal subject matter experts. The Directors were also provided digital learning with access to LinkedIn and other resources subscribed by the Company.

Besides formal training programmes, the Board is also kept abreast on regulatory updates from Bursa Securities, Securities Commission of Malaysia and Companies Commission of Malaysia by the Company Secretary. In addition, some members of the Board were also invited to participate in forums and/or seminars as a speaker, moderator or panelist in their area of expertise.

The training/conferences/seminars and/or workshops in which members of the Board had participated during the financial year ended 31 December 2022 are set out in the Corporate Governance Report.

During the financial year under review, the Board endorsed the Directors' Development Plan and development interventions in line with the Directors' Development Framework.

### REMUNERATION

The objective of Directors' Remuneration Policy is to attract and retain Directors of high calibre needed to lead the Group successfully. The Board has delegated to the NRC the responsibility to review and recommend matters relating to the remuneration of the Board and Senior Management.

The revised Directors' Remuneration Framework has been in place since 2012. On 26 November 2019, the Remuneration Policy for Non-Executive Directors of the Company was formalised to reflect the Company's commitment to attract and retain talented and well-qualified Directors needed to enhance long-term value creation for the shareholders; to

provide remuneration that would reasonably reflect the time commitment and risks and, to commensurate with the duties and responsibilities of the Directors; and to build sustainable shareholder value by aligning the interests of the Directors with the long-term interests of shareholders by not linking fees to the results of the Company.

During the financial year under review, in line with the MCCG, the Board on 29 March 2022 approved the adoption of the Remuneration Policy for Directors and Senior Management to incentivise the Board and its executive to achieve the objectives of the Group while promoting the long-term sustainable success of the Company. The policy also reflects the Company's commitment to attract and retain Directors and Senior Management of high calibre to contribute in providing stewardship to the Board and to Management towards enhancing the objectives of the Group which should take into account the demands, complexities and performance of the Company. The new policy replaced the Remuneration Policy for Non-Executive Directors and is available on the Company's website at [www.uemsunrise.com/corporate/investor-relations/corporate-governance](http://www.uemsunrise.com/corporate/investor-relations/corporate-governance).

The Company's Non-Executive Directors' remuneration encompasses a fixed fee for the Chairman and members of the Board and Board Committees, not by a commission or on percentage of profits or turnover. The fees and benefits are tabled to the shareholders for approval at the AGM. The CEO is remunerated in line with the Company's general remuneration policy for its Senior Management. The remuneration policy for the Senior Management is in line with the business strategy, objectives, values and long-term goals and interests of the Company and guided by the Company's affordability, approved remuneration and reward matrix and comparison against the current market practice in the same industry.

Non-Executive Directors' remuneration is a matter to be decided by the Board collectively with the Directors concerned abstaining from deliberations or voting on the decision in respect of their individual remuneration.

The key details of the Directors' Remuneration Framework are as follows:

No.	Fees/Benefits	Amount/Description												
1.	Directors' Fees	At the 14th AGM held on 23 June 2022, the Directors' fees approved by the shareholders payable on a quarterly basis are as follows: <table border="1"> <thead> <tr> <th>Directors' Fees/person</th> <th>Non-Executive Chairman Per Annum (RM)</th> <th>Non-Executive Director/ Member Per Annum (RM)</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>210,000</td> <td>108,000</td> </tr> <tr> <td>Audit Committee</td> <td>50,000</td> <td>30,000</td> </tr> <tr> <td>Other Board Committees</td> <td>25,000</td> <td>15,000</td> </tr> </tbody> </table>	Directors' Fees/person	Non-Executive Chairman Per Annum (RM)	Non-Executive Director/ Member Per Annum (RM)	Board	210,000	108,000	Audit Committee	50,000	30,000	Other Board Committees	25,000	15,000
Directors' Fees/person	Non-Executive Chairman Per Annum (RM)	Non-Executive Director/ Member Per Annum (RM)												
Board	210,000	108,000												
Audit Committee	50,000	30,000												
Other Board Committees	25,000	15,000												
2.	Meeting Allowance	Meeting allowance for <b>ad-hoc or temporary Board Committees</b> established for specific purposes: <ul style="list-style-type: none"> <li>(i) Chairman of Committee – RM2,000 per meeting</li> <li>(ii) Member of Committee – RM1,000 per meeting</li> </ul> For the financial year 2022, no ad-hoc or temporary Board Committee meeting was held.												
3.	Chairman's Benefits	The benefits payable and accorded to the Non-Executive Chairman comprise the following, as approved at the 14th AGM held on 23 June 2022: <table border="1"> <tbody> <tr> <td>i. Car Allowance</td> <td>RM3,400 per month</td> </tr> <tr> <td>ii. Car-related benefits including maintenance, fuel and other permissible items/claims</td> <td>Up to RM32,100 per annum</td> </tr> </tbody> </table>	i. Car Allowance	RM3,400 per month	ii. Car-related benefits including maintenance, fuel and other permissible items/claims	Up to RM32,100 per annum								
i. Car Allowance	RM3,400 per month													
ii. Car-related benefits including maintenance, fuel and other permissible items/claims	Up to RM32,100 per annum													
4.	Property Discount (which is the same policy applied for employees)	Discount for purchase of property as follows: <ul style="list-style-type: none"> <li>(i) Up to 10% discount will be given once in 5 years for residential property; and</li> <li>(ii) For subsequent purchase of residential property within 5 years' period or any non-residential property purchase, up to 3% discount will be given.</li> </ul> For the year 2022, none of the Directors availed themselves to this benefit.												
5.	Medical Benefits for Directors	The medical benefits for Directors are as follows: <ul style="list-style-type: none"> <li>(i) Medical coverage of RM7,000 per annum, inclusive of outpatient, clinical, specialist and dental; and</li> <li>(ii) Hospitalisation of RM100,000 per annum including room and board at RM500 per day.</li> </ul> Where a Director sits on several boards, he/she will only be entitled to claim medical benefits from one (1) company only.												
6.	Training and Development of Directors	A training budget is allocated for Directors to attend relevant training programmes and seminars to enhance their knowledge and skills in discharging their duties.												
7.	Directors' & Officers' Liability Insurance	Directors are covered by Directors' and Officers' Liability Insurance maintained throughout the financial year to indemnify directors and officers against any liability incurred by them in the discharge of their duties while holding office as directors and officers of the Company. All the Directors who are paid Director's fee contributed their portion of the premium payment for this policy for year 2022.												

Shareholders' approval will be sought at the AGM for the payment of fees and benefits for the Non-Executive Directors for items (1) to (4) of the above table.

The detailed disclosure of the Directors' remuneration on a named basis is set out in Note 5(i) of the Audited Financial Statements for the financial year ended 31 December 2022.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B

#### EFFECTIVE AUDIT AND RISK MANAGEMENT

##### AUDIT COMMITTEE

As at the financial year ended 31 December 2022, the Audit Committee comprises three (3) members who are all Independent Non-Executive Directors. The Audit Committee is chaired by Ms. Christina Foo, the Senior Independent Non-Executive Director. She is not the Chairman of the Board.

The Audit Committee Report including its membership, composition and summary of work carried out by the Audit Committee during the financial year 2022 is presented on pages 221 to 227 of this Integrated Report.

In the annual assessment on the suitability, objectivity and independence of the External Auditors, the Audit Committee is guided by the factors as prescribed under Paragraph 15.21 of the Listing Requirements as well as the Corporate Governance Guide 4th Edition. Additionally, the Board received a written assurance by the External Auditors, confirming their independence in providing both audit and non-audit services for the year under review.

The Board reviewed the term of office and assessed the performance of the Audit Committee and its members through the NRC. The Board has confirmed its satisfaction with the performance of the Audit Committee during the financial year under review in discharging its duties and responsibilities in accordance with its Terms of Reference.

##### RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board fulfills its risk governance and oversight functions through the BGRC which reviews the effectiveness of risk management framework and to manage the overall risk exposure to the Group.

The BGRC takes responsibility for assessing and monitoring the efficacy of the risk mitigations and control measures taken, whilst the adequacy and effectiveness of the internal controls are reviewed by the Audit Committee through the work performed by the Internal Audit function for the Group.

As at 31 December 2022, the BGRC comprises four (4) members of whom three (3) are Independent Non-Executive Directors (including a Senior Independent Director) and one (1) is a Non-Independent Non-Executive Director to reflect a right mix of skills. For the year under review, the Board confirmed its satisfaction with the performance of the BGRC in discharging its duties and responsibilities in accordance with its Terms of Reference.

The Board concluded in its annual assessment that the risk management and internal control system of the Company are generally adequate and effective for the financial year under review. Details on the Company's internal control and risk management framework are set out in the Statement on Risk Management and Internal Control as well as the Risk Management Report of this Integrated Report.

### PRINCIPLE C

#### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

##### COMMUNICATION WITH STAKEHOLDERS

The Company recognises the importance of understanding the expectations of its stakeholders and to effectively communicate the Company's strategies, plans and actions. To that end, the Company engaged with its respective stakeholders on various platforms to gauge their perspectives and insights on emerging issues that are important and impactful to both the stakeholders and the Company's business as well as operations. The summary of their expectations and the ways the Company engages in response to their expectations are provided under Stakeholder Engagement & Value Creation section in this Integrated Report 2022.

The Company continues to be transparent and accountable to its shareholders and investors recognising the importance of timely dissemination of information to shareholders and other stakeholders. The Board is also committed to ensure that the shareholders and other stakeholders are well informed of major developments of the Group with information communicated through various channels including the Integrated Report, disclosures and announcements to Bursa Securities, press releases, dialogues, discussions and presentations at general meetings and/or conferences as well as the investor relations' webpage at the Company's website at [www.uemsunrise.com](http://www.uemsunrise.com).

##### UEM Sunrise's Dividend Policy adopted on 12 June 2012

Paying out between 20% to 40% of the Group's consolidated profit after tax and non-controlling interests subject to among others, availability of distributable reserves and adequate free cash flow from operations.

UEM Sunrise's Investor Relations and Communication Policy is available for reference on the Company's website [www.uemsunrise.com/corporate/investor-relations/corporate-governance](http://www.uemsunrise.com/corporate/investor-relations/corporate-governance).

The Company embarked on its journey into integrated reporting through its 2019 Annual Report, its first-ever Annual Report based on the Integrated Reporting <IR> Framework, which is the first part of the Company's 3-year plan to achieve full IR compliance. Moving to integrated reporting was a conscious, collective and organic decision, which permits the Company to be more focused and transparent in reporting its activities, inspiring it to think about the business in an integrated way.

UEM Sunrise produced its first full-fledged Integrated Report as per the international reporting framework based on a global recognised framework for the financial year ended 31 December 2021. This demonstrates the Company's continuous commitment to improve the quality of information disclosures to stakeholders and promote greater transparency and accountability.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C

#### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

##### CONDUCT OF GENERAL MEETINGS

The AGM of the Company is the primary platform for two-way interaction between the shareholders and the Board and Management of the Group.

Amid the evolving Coronavirus disease ("COVID-19") situation in June 2022 and with the well-being and safety of the Company's shareholders being of primary concern, the Company's 14th Annual General Meeting was held on 23 June 2022 by leveraging technology and was conducted fully virtual and entirely via Remote Participation and Electronic Voting (RPEV) facilities in compliance with Section 327 of the Companies Act 2016 and Article 70 of the Company's Constitution. The online meeting platform for the live streaming and RPEV facilities was provided by Boardroom Share Registrars Sdn. Bhd.

In fostering effective participation of and engagement with shareholders at the AGM, all nine (9) Directors (including the Chairpersons of Audit Committee, NRC, Board Tender Committee, Board Development Committee and BGRC) were present online to engage with the shareholders, and be accountable for their stewardship of the Company.

For the 2022 AGM, shareholders were invited to send questions before the meeting via Share Registrars' website, Boardroom Smart Investor Portal or by email to the Company's Investor Relations at [ir@uemsunrise.com](mailto:ir@uemsunrise.com). The Chairman also encouraged shareholders to participate at the meeting by submitting typed questions in real time on the meeting platform. Questions that were submitted prior to the 14th AGM and those that were posed at the meeting were addressed during the meeting. For transparency, the questions which have been addressed/answered during the meeting were published for viewing of shareholders on the RPEV facilities and the Internal Auditor was present to ensure that all shareholders' questions were addressed.

All nine (9) Directors, Members of Senior Management and the partners from the external audit firm were present at the 14th AGM to provide responses to the questions posed by shareholders by email to the Company's Investor Relations prior to the meeting and on the meeting platform during the meeting. The Audit Committee Chairman was physically present at the Broadcast Venue together with the Chief Financial Officer, Chief Marketing Officer and Joint Company Secretary whilst the other eight (8) Directors, members of Senior Management and the partners from the external audit firm attended the meeting remotely via video conferencing access through the RPEV facilities. The CEO had extended his apologies for not being able to attend the meeting as he had not fully recovered from COVID-19.

In line with MCCG, the notice of the 14th AGM was issued at least 28 days prior to the meeting enabling the shareholders ample time in making necessary preparations to attend and participate in person or by corporate representative, proxy or attorney. More importantly, it enables the shareholders to consider the resolutions and make informed decisions in exercising their voting rights at the AGM.

The voting at the 14th AGM was conducted by poll in accordance with Paragraph 8.29A of the Listing Requirements. After verification by the independent Scrutineers, the Chairman announced the poll results to the meeting and declared that all the resolutions were carried. The poll results were also announced by the Company via BursaLINK on the same day for the benefit of all shareholders. The minutes of the 14th AGM including all the questions raised for the meeting and the answers thereto were made available on the Company's website within 30 business days after the general meeting.

This Statement is made in accordance with the resolution of the Board dated 22 March 2023.

## AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report which provides insights into the manner in which the Audit Committee discharged its function as well as an overview of the activities undertaken by the Audit Committee during the financial year under review.

### 1. FORMATION

The Audit Committee was established by the Board on 15 September 2008.

The Audit Committee is committed to its role to assist the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial and non-financial reporting practices of UEM Sunrise Berhad (UEM Sunrise or the Company) and its subsidiaries (the Group). The Audit Committee reviews the adequacy and integrity of the Group's system of internal control, financial and non-financial reporting processes, management information systems, related party transactions and conflict of interest situations that may arise within the Group, including compliance with applicable laws, rules, directives and guidelines. The Audit Committee assesses the effectiveness and adequacy of internal controls through internal audits carried out by the Internal Audit Department and internal control recommendations made by the External Auditor.

The Terms of Reference (TOR) of the Audit Committee were reviewed and revised on 10 September 2021, as part of the overall review of the TORs of all Board Committees, to include anti-corruption related oversight responsibilities and alignment with the revised Malaysian Code on Corporate Governance (MCCG) issued on 28 April 2021. The TOR of the Audit Committee is available for reference at the Company's website at <https://www.uemsunrise.com/corporate/investor-relations/corporate-governance>.

### 2. COMPOSITION

As at the end of the financial year ended 31 December 2022, the Audit Committee comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors.

The Company has complied with Paragraph 15.09 of the Bursa Malaysia Securities Berhad (Bursa Securities) Main Market Listing Requirements (Listing Requirements), which requires all members of the Audit Committee to be Non-Executive Directors with a majority of them being Independent Directors. As at 31 December 2022, the Company has adhered to the step-up practice set out in the MCCG for having solely Independent Non-Executive Directors on its Audit Committee.

The members of the Audit Committee and their details are as follows:

Name	Designation	Directorship	Qualification
Christina Foo	Chairperson	Senior Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Chartered Accountant of Malaysian Institute of Accountants (MIA)</li> <li>Fellow, CPA Australia</li> <li>Qualified Risk Director, Institute of Enterprise Risk Practitioners</li> <li>Fellow, Malaysian Institute of Management</li> <li>Fellow, Institute of Corporate Directors Malaysia (ICDM)</li> <li>Member, ASEAN Chartered Professional Accountants</li> <li>Member, Malaysian Institute of Corporate Governance</li> <li>Bachelor of Business Studies (Accounting) from Deakin University, Australia</li> </ul>



## AUDIT COMMITTEE REPORT

Name	Designation	Directorship	Qualification
Chari T.V. Thirumala	Member	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Fellow, Chartered Institute of Management Accountants, UK</li> <li>Member, Chartered Accountants of India</li> <li>Master of Business Administration, Buffalo University, New York, USA</li> <li>Post Graduate Diploma in Digital Business, Digital Transformation and Digital Marketing, Emeritus Institute of Management in collaboration with MIT and Columbia Business School</li> </ul>
Poh Ying Loo	Member	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Fellow, Chartered Institute of Management Accountants</li> <li>Fellow, ICDM</li> <li>Member, Chartered Global Management Accountants</li> <li>Member, MIA</li> <li>Qualified Risk Director, Institute of Enterprise Risk Practitioners</li> <li>Global Master of Business Administration in Digital Business, Zigurat Innovation &amp; Technology Business School, Barcelona</li> <li>University Extension Diploma in Global MBA in Digital Business, University of Barcelona</li> </ul>

Accordingly, the Company complies with Paragraph 15.09(1)(c) of the Listing Requirements with regard to the qualification of the Audit Committee members.

The training attended by the Audit Committee members during the year under review are set out in the Corporate Governance Report.

The term of office and performance of the Audit Committee and each of its members are reviewed and assessed annually by the Nominations & Remuneration Committee in accordance with the Listing Requirements.

The Board also performed an annual assessment to assess the Audit Committee and each of its members' effectiveness in carrying out their duties in accordance with the TOR with the recommendation by the Nominations & Remuneration Committee. The Board is satisfied that the Audit Committee and each of its members have effectively discharged their duties in accordance with the TOR.

### 3. MEETINGS

A total of five (5) meetings were held during the financial year ended 31 December 2022, with attendance details as follows:

Name of Audit Committee member	No. of Meetings Attended/Held	Percentage of Attendance (%)
1. Christina Foo	5/5	100
2. Chari T.V. Thirumala	5/5	100
3. Poh Ying Loo	5/5	100

The Chief Executive Officer (CEO), Chief Financial Officer (CFO) and relevant Senior Management who are responsible for the pertinent areas and representatives of the Internal Auditors and External Auditors attended the meetings upon invitation.

The External Auditors were engaged to conduct limited reviews on the condensed consolidated financial information and report to the Audit Committee on the significant matters identified during such review before the quarterly financial statements were presented to the Audit Committee for review and recommendation for the Board's approval prior to release to Bursa Securities.

The External Auditors as well as the Internal Auditors were invited to the Audit Committee meetings in 2022 to report on the statutory audit in respect of the financial statements for the financial year 2021, quarterly financial statements and the progress of the audit plan for years 2021 and 2022, respectively. Detailed internal audit reports, together with Management's responses were circulated to the Audit Committee members and CEO, and significant issues were discussed at the Audit Committee meetings.

Upon conclusion of each meeting, the Company Secretary prepared a report which summarised the main discussion points and decisions of the Audit Committee to be tabled at the immediately following Board Meeting. The Chairperson of the Audit Committee reported to the Board the activities that it had undertaken and the key recommendations for the Board's consideration and decision. Minutes of each Audit Committee meeting were recorded and circulated to the Audit Committee members prior to tabling at the next meeting for confirmation and subsequently presented to the Board for notation.

The Audit Committee met up with the External Auditors thrice during the financial year without the presence of CEO and Management. During these sessions, the Audit Committee sought the External Auditors' advice on key issues affecting the Group as well as obtained their views on any matters of concern that could impact the issuance of the audited financial statements. The External Auditors provided their insights on how the issues could be addressed and the cooperation with the Management in terms of information sharing and proficiency in financial reporting functions that would facilitate the accuracy of the disclosures.

### 4. SUMMARY OF KEY ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

#### Internal Audit

- i. Reviewed and approved the annual risk-based internal audit plan to ensure adequate scope and comprehensive coverage of the activities of the Company and the Group as well as changes to the audit plan that had an impact on its coverage.
- ii. Reviewed and deliberated the internal audit reports on the adequacy, effectiveness and efficiency of operational, compliance and governance processes across the Company and its Group. Where appropriate, the Audit Committee advised Management to rectify and improve the timeline and control systems based on Internal Audit's recommendations and suggestions for improvements.
- iii. The reports reviewed and deliberated during the year included planned and ad-hoc audits on:
  - Project management – Senadi Hills, Kiara Bay Residensi AVA, Astrea, Aspira ParkHomes, Serene Heights (Frischia)
  - Management of clubhouses in Cyberjaya and East Ledang
  - Gerbang Nusajaya master infrastructure works
  - Management of Housing Development Accounts
  - Project's Final Account (Central and Southern)
  - Project inventory (completed units)
  - Financial, governance and management of Joint Ventures
  - Staff benefits and claims
  - Workforce culture
  - Health, safety & environment
  - IT outsourcing services
  - UEM Sunrise's mobile applications
  - Anti-Bribery and Anti-Corruption (Procurement and Project)
  - Code of Conduct and Whistleblowing Policy
  - Recurrent related party transactions
  - Follow-up on corrective actions

## AUDIT COMMITTEE REPORT

- iv. Monitored the implementation of recommendations by Management on outstanding issues to ensure that all key risks and control weaknesses were adequately addressed as well as the timeliness of responses received and actions taken. Met with auditees on updates of selected key outstanding audit findings.
- v. Reviewed the performance, adequacy, scope, resources and competency of the Internal Auditors as well as the training needs of Internal Audit function.
- vi. Approved the key performance indicators (KPI) of the Internal Audit function for 2023.
- vii. Approved the 2021 KPI scorecard achievements of the Internal Audit function. Deliberated the results of Internal Audit's Customer Satisfaction Survey for 2021, based on the responses received from the Audit Committee members and Senior Management via questionnaires. Reviewed the performance of the Head, Internal Audit taking into consideration the performance evaluations as per the scorecard results and behavioural competencies.
- viii. Reviewed the Audit Reports issued and status of 2022 audit plan.
- ix. Reviewed the revised Internal Audit Charter which reflected the updated requirement stated in the MCCG issued on 28 April 2021 i.e. aligned the Internal Audit Charter with the Guidelines on Adequate Procedures as per Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.
- x. Met the Head, Internal Audit on 16 November 2022 without the presence of the CEO and Management staff, to enquire the extent of assistance rendered by Management and issues and suggestions from Internal Audit. The Head, Internal Audit also engaged with the Audit Committee Chairperson separately as and when required, prior to the quarterly meetings.

### External Audit

- i. Reviewed with the External Auditors, the audit plan of the Company and of the Group for the year (inclusive of risk and audit approach, system evaluation, audit fees, issues raised and Management responses) prior to the commencement of the annual audit. The Audit Committee also reviewed and deliberated the key audit matters and areas of emphasis highlighted by the External Auditors including Management's response/actions taken.
- ii. Met thrice with the External Auditors on 16 February 2022, 28 March 2022 and 16 November 2022 without the presence of the CEO and Management staff, to enquire the extent of assistance rendered by Management and issues and suggestions arising from audits. The external auditors met separately with the Audit Committee Chairperson as and when required, prior to the quarterly meetings.
- iii. Considered the appointment of External Auditors and conducted an assessment of their independence, objectivity and cost effectiveness of the audit which covered quality of services provided, sufficiency of experience and resources, audit scope and planning, communication and interaction. The External Auditors confirmed that they were independent throughout the audit engagement and remained in compliance with the terms of all relevant professional and regulatory requirements including the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA and the International Code of Ethics for Professional Accountants (including International Independence Standards).

Having taken all appropriate factors into consideration and being satisfied with the suitability, performance, technical competency and audit independence of Messrs Ernst & Young PLT (EY), the Audit Committee had recommended to the Board for approval, the appointment of EY as External Auditors of the Company for the financial year ended 31 December 2022.

The Audit Committee also considered the adequacy of experience and resources of the firm and the professional staff assigned to the audit and the level of non-audit services rendered by External Auditors to the Group for the financial year 2022 based on the feedback from Management who had substantial contact with the external audit team throughout the financial year. The Audit Committee also took into consideration the feedback from the Internal Auditors with regard to the working relationship between Internal Auditors and External Auditors.

In the annual assessment on the suitability, objectivity and independence of the External Auditors conducted subsequent to the financial year ended 31 December 2022, the Audit Committee was guided by the factors as prescribed under Paragraph 15.21 of the Listing Requirements as well as the Corporate Governance Guide 4th Edition. The Audit Committee being satisfied with the suitability, performance, technical competency and audit independence of EY, had recommended the appointment of EY as External Auditors of the Company for the financial year ending 31 December 2023 and recommended the same for the Board's approval. The appointment of the External Auditors is subject to the shareholders' approval being sought at the forthcoming 15th Annual General Meeting in 2023.

- iv. Reviewed, monitored, recommended and/or approved the audit fees and non-audit services provided/to be provided by the External Auditors and/or its affiliates to ensure the provision of non-audit services did not impair their independence or objectivity as the External Auditors of the Group.

Having reviewed and considered the nature and scope of the non-audit services provided by EY and/or its affiliates for the financial year ended 31 December 2022 as well as the written assurance obtained from EY confirming that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, the Audit Committee was satisfied that they were not likely to create any conflict of interest nor impair the independence and objectivity of the External Auditors.

The details of the nature of non-audit services rendered by the External Auditors and/or its affiliates for the financial year ended 31 December 2022 are set out as follows:

	Company RM'000	%	Group RM'000	%
Fees paid or payable to EY and its affiliates				
• Audit services				
– EY	236	71	1,554	71
• Non-audit services				
– EY <sup>(a)</sup>	75	23	75	3
– Affiliates of EY <sup>(b)</sup>	20	6	563	26
<b>Total</b>	<b>331</b>	<b>100</b>	<b>2,192</b>	<b>100</b>

#### Notes:

<sup>(a)</sup> The non-audit services fees paid or payable to EY were for quarterly announcement review.

<sup>(b)</sup> The non-audit services fees paid or payable to affiliates of EY were for preparation, review and submission of tax returns and environmental, social and governance (ESG) materiality assessment and debt-equity ratio review.

- v. On 16 November 2022, the Audit Committee took note of EY's 2022 Transparency Report which was tabled together with EY's 2022 Audit Plan. The Transparency Report outlined amongst others, EY's governance structure, independence practices and commitment to Sustainable Audit Quality to maintain the delivery of high-quality audits.
- vi. In addition, the Audit Committee was also briefed by EY on its Board Matters Quarterly publications.

## AUDIT COMMITTEE REPORT

### Financial and Annual Reporting

- i. Reviewed the quarterly and annual financial statements with Management and the External Auditors for recommendation to the Board for approval and release to Bursa Securities.
- ii. Reviewed and recommended the Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control for Integrated Report 2022 of the Company and Corporate Governance Report in respect of Principle B of the MCCG to the Board for approval.
- iii. Reviewed the changes of authorised signatories, project financing facility and provision of letter of undertaking for banking facilities.
- iv. Reviewed and recommended the proposed conversion of advances into redeemable preference shares for UEM Sunrise's subsidiary.

### Related Party Transactions

- i. Reviewed related party transactions to be entered into by the Company and the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- ii. Reviewed on a quarterly basis, the recurrent related party transactions of a revenue or trading nature entered into by the Group pursuant to the applicable percentage stipulated under paragraph 10.09(1), Chapter 10 of the Listing Requirements of Bursa Securities.
- iii. Reviewed the partnership programme which involved related parties' interests.

### Internal Controls

- i. Reviewed the representation by Senior Management on specific questions posed on:
  - the reasonableness and appropriateness of the financial statements in accordance with applicable approved accounting standards;
  - risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Company; and
  - regulatory and legislative requirements are met and complied with by the Company.

- ii. Reviewed the results of the survey conducted on Management's internal control assessment and its view on the effectiveness of the Company-wide internal control procedures conducted with targeted group of senior leadership management as well as plans to address the gaps and expectations.

### Others

- i. The Chairperson of the Audit Committee had engaged on a continuous basis with the CFO, Head of Internal Audit and the External Auditors, in order to keep abreast of matters and issues affecting the Group.
- ii. The Audit Committee had requested and received a written assurance from the CEO and CFO that the risk management and internal control systems of the Company are generally adequate and effective in respect of the financial year ended 31 December 2022.
- iii. The Audit Committee deliberated on the financial system and human capital management/payroll system.
- iv. The Audit Committee concurred and approved the appointment of an affiliate of the External Auditors for non-audit services relating to ESG materiality assessment.

## 5. INTERNAL AUDIT FUNCTION

- i. The Internal Audit function for the Company is undertaken by its own Internal Audit Department. The Head of the Internal Audit Department reports directly to the Audit Committee and administratively to the CEO. Mandated by the Internal Audit Charter, Internal Audit undertakes its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of risk management, internal control and governance systems.

The Internal Audit function is also guided by the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors, Inc.

For the financial year ended 31 December 2022, the total cost incurred for the audit function was RM2,649,755 (2021: RM2,091,342).

- ii. It is the responsibility of Internal Audit to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating divisions within the Company and its Group, and the extent of compliance with established policies and procedures as well as relevant statutory requirements.
- iii. The Audit Committee reviews on an ongoing basis the adequacy of the scope, functions, competency, proficiency and resources of the Internal Auditors as well as the quality of the audit reports and their monitoring progress.
- iv. The Internal Audit adopts a risk-based approach in the preparation of the annual internal audit plan from the formulation of its three-year audit plan.

- v. The Internal Audit highlighted to the Management and Audit Committee the audit findings including follow-up actions required to be taken by Management and arranged for the Audit Committee to meet the auditees and be briefed on the progress of selected outstanding audit issues. The internal audit reports are sent to the Audit Committee and Management and deliberated at the Audit Committee meetings. During the financial year, the internal audit works covered operational, ad-hoc and special audits on the areas set out in the above section.
- vi. Follow-up reviews are conducted subsequently to ascertain that improvement measures are implemented. In this respect, the Internal Audit strives to achieve sustainable control processes within the Group and to improve areas with weak controls.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (Board) of UEM Sunrise Berhad (UEM Sunrise or the Company) is committed to maintaining a sound system of risk management and internal control, and is pleased to present the following Statement on Risk Management and Internal Control.

Prepared pursuant to the Paragraph 15.26(b) of the Listing Requirements issued by Bursa Malaysia Securities Berhad, this statement outlines the nature and scope of risk management and internal control system within UEM Sunrise and its subsidiaries (Group) and its institutionalisation into our business operations to achieve our strategic objectives while safeguarding our assets and stakeholder's interest.

## BOARD'S RESPONSIBILITIES

The Board of UEM Sunrise is cognisant of its overall responsibility and accountability for maintaining sound system of risk management and internal control processes to safeguard shareholders' investments and the Group's assets by keeping abreast with developments in areas of risk and governance. In view of limitations inherent in any process, and that risks cannot be eliminated completely, the Group has established a risk management and internal control system designed to manage and mitigate risks within tolerable levels. This system provides reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board affirms its responsibility in reviewing and monitoring the adequacy, effectiveness and integrity of the Group's system of risk management and internal control, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board approves and monitors the Group's risk management strategy, sets the risk appetite and oversees its implementation. The Board is supported by the Board Governance & Risk Committee as well as the Audit Committee in evaluating the adequacy of risk management and internal control framework.

Overall, the Board is satisfied that the Group has put in place a systematic risk management framework entailing processes to identify, evaluate and monitor principal risks, and implemented adequate internal controls to manage these risks across the Group.

### • Board Governance & Risk Committee (BGRC)

The primary responsibility of the BGRC is to support the Board in overseeing the Group's adherence to governance and anti-corruption compliance matters and make the necessary recommendations regarding risk, governance, anti-corruption compliance and sustainability matters in alignment to the Group's long-term strategy. The BGRC oversees the formulation of a strong governance, ethical and integrity culture within the Group and provides oversight and guidance on the Group's integrity, governance and anti-corruption initiatives including the whistleblowing management in line with Section 17A under the Malaysian Anti-Corruption Commission Act 2009. The BGRC is also responsible for the whistleblowing management and oversight role, in which the Committee provides avenues for individuals to raise concerns in confidence and without risk of reprisal, and enables legitimate concerns to be objectively addressed.

In respect of risk management, the BGRC assists the Board in ensuring a sound, robust Risk Management Framework and overseeing the implementation of appropriate systems and processes to enhance the Group's corporate governance practices with a focus on key risk areas and mitigations. The BGRC also provides oversight and guidance on the Group's sustainability governance, strategies and initiatives to ensure the Group remains resilient in its business operations.

### • Audit Committee (AC)

The primary responsibility of the AC is to assist the Board in assessing the effectiveness of the Group's system of internal control and overseeing the financial and non-financial reporting. The AC also reviews the adequacy and integrity of the Group's system of internal control, financial and non-financial reporting processes and management information systems, including compliance with applicable laws, rules, directives and guidelines. The AC assesses the effectiveness and adequacy of internal controls through internal audits carried out by the Internal Audit Department and internal control recommendations made by the External Auditor.

## RISK MANAGEMENT

The Group acknowledges that a robust risk management framework and practices form an integral component of a good governance. The Integrity, Governance, Risk & Compliance (IGRC) Department has established the Group Risk Management Framework (Framework), which outlines the objectives, lines of responsibilities and accountabilities as well as the policy and processes for managing risks. Enhanced with inclusion of the Group's Risk Management Guidelines, this Framework supports effective implementation and achievement of strategic objectives. This is achieved through the identification, analysis, evaluation, treatment as well as monitoring and review of risks by risk owners at different levels of the Group in alignment with ISO 31000:2018 Risk Management.

Through a systematic and integrated process, the Framework emphasises the importance of balancing between calculated informed risk taking and reward in making business decisions and ensuring robust corporate governance and compliance with all the relevant statutory and regulatory requirements. It serves as a tool in managing both existing and potential risks with the aim to enhance

the business adaptability, agility and resilience while at the same time protecting key stakeholders' interests and safeguarding the Group's reputation.

The Framework also ascertains the risk context in terms of strategic and operational risks. To ensure effective management of the risks, the Framework defines the risks into four distinct categories, i.e. industry and market, financial, operations, compliance and people in relation to the Group's business activities.

## INTERNAL AUDIT

The internal audit function is undertaken by the Internal Audit Department. Empowered by its audit charter, Internal Audit Department provides independent and objective assurance and consulting activities to add value and improve operations. These activities are being conducted on a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes of the Group.

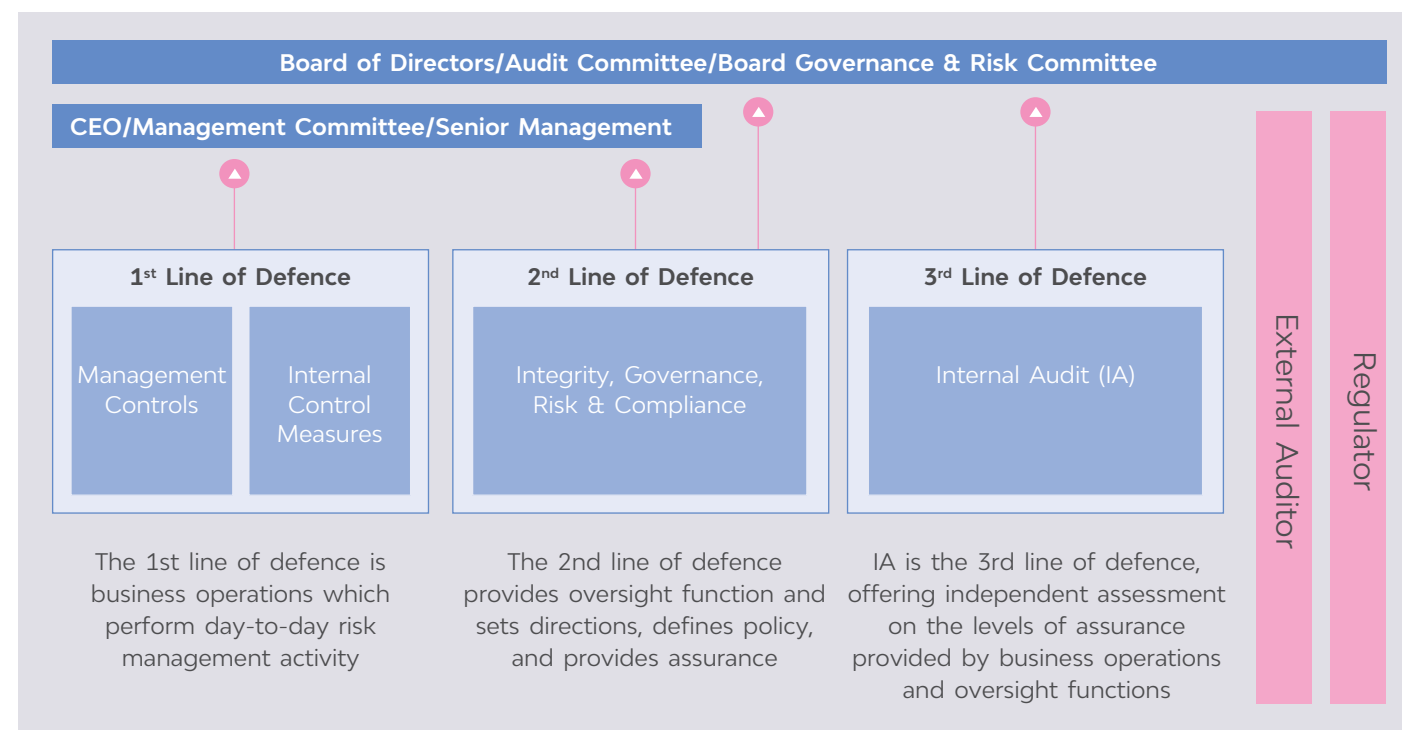
The key role of internal audit function is to provide reasonable assurance to the AC and the Board regarding the adequacy and effectiveness of risk management, internal control and governance systems. This is done through ongoing reviews of risks and internal controls relating to operational, financial, management information systems, and best practices of the Malaysian Code on Corporate Governance. The AC holds regular meetings to deliberate on internal audit findings and recommendations and reports to the Board.

To ensure the adequacy of coverage, internal audit assignments are prioritised based on the results of the risk management exercise, audit cycle and discussions with the Senior Management. The Annual Internal Audit Plan is presented to the AC for approval.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL CONTROL STRUCTURE

The Group adopts a “three lines of defence” approach that integrates internal control policies and procedures as the first line of defence, risk oversight as the second line of defense and audit providing independent assurance as the third line of defence. Each of the three lines of defence plays a distinct role within the Group’s governance, as illustrated in the chart below.

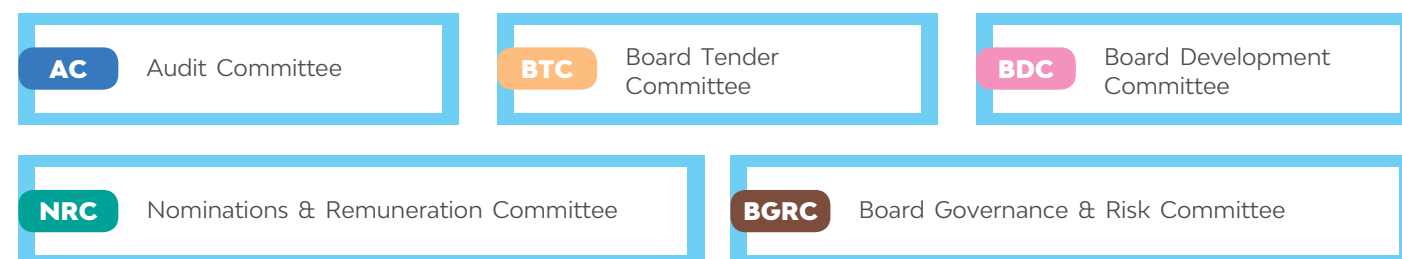


### KEY ELEMENTS OF INTERNAL CONTROLS

The Board and Management of the Group have put in place the following key internal controls to assure the achievement of the Group’s objectives and its operational effectiveness:

#### Board Committees

In discharging its oversight responsibilities, the Board is supported by five Board Committees whose responsibilities are defined and governed by their respective terms of reference and scope of authority. The Board Committees are:



The Board Committees report to the Board. In line with their respective terms of reference and authority limits granted by the Board, the Board Committees either approve or make recommendations for the Board’s consideration.

#### Board Meetings

Regular Board meetings are scheduled and the Chairman, in consultation with the Chief Executive Officer (CEO) decides the agenda for the meetings. Board papers are distributed at least five business days prior to the Board meetings and Board members are provided with access to all relevant information. Any urgent business is dealt with and decided only after all the required information is presented and deliberated. This ensures that the Board maintains full and effective supervision over key issues.

#### Organisational Structure

In line with the strategic direction of the Board, the Group’s organisational structure has been updated accordingly in alignment with the business as well as operational requirements. As part of the Group’s strategic initiatives, organisational structure has been established with clear lines of accountability and responsibility defined and communicated via Organisational Charts, Strategic Plans, Annual Budgets and Authority Limits. The effectiveness of the organisational structure is assessed regularly and enhancements are implemented, when required, to ensure future-proofing.

#### Strategic Plans and Budgets

The Group undertakes a comprehensive review of the existing businesses operations and has unveiled a three-phased strategy - **Triage** (prioritising issues that need immediate attention and expediting launches), **Stabilise** (a transformation of how the Company organises its people, process and portfolio) and **Sustain** (diversifying the income stream for sustained revenue).

The Group has put in place an annual strategic planning and thorough budgeting process to establish goals, targets and required resources. Financial impact, risk and mitigation plans of strategic plans are deliberated thoroughly with the Senior Management, prior to recommendation by the Board Committee for approval by the Board. The Board participates in the review and approval of the Annual Strategic Plans and Budget. Performance is monitored on a regular basis, and interventions are put in place, where required. The Board pays particular attention to significant variances of key performance indicators against plans and budgets to monitor performance. Key variances are deliberated and addressed by Management through appropriate mitigation plans.

The quarterly financial results released to the public are prepared by the Management and reviewed by the AC and the external auditors prior to recommendation to the Board for approval. This allows the Board to give their input and guidance on areas requiring attention.

#### Authority Limits and Approved Policies

The establishment and implementation of clearly defined organisational roles, responsibilities and authorities via the Board-approved Discretionary Authority Limits (DAL) represent an essential element of good corporate governance. At UEM Sunrise, the DAL has been formulated to ensure robust governance as well as adequate checks and balances in initiation and approval processes of authorised transactions.

Formulated on a risk-based approach, the DAL enables implementation of balanced span of accountability and control among the authorised parties involving the Board, Board Committees and Management of the Group as necessary. The DAL was reviewed twice during the financial year to ensure effective implementation, and updated in line with organisational changes and business needs, while maintaining authority limits and guidelines intact.

The Board has also approved enhancements to the Group’s financial and operating policies, which are developed in line with the relevant laws and regulations, to instil consistent management controls and operating practices.

#### Integrated Management System

The Quality Assurance, Safety, Health and Environment (QHSE) function is responsible to ensure compliance of the Group’s processes and procedures with the Integrated Standard Operating Procedures (ISOPs). ISOPs are periodically reviewed and updated in line with the changes in business environment and good practices to ensure satisfactory delivery of products and services to our customers. The QHSE function also helps facilitate adherence to relevant requirements pertaining to quality, occupational health, safety and environmental regimes, including COVID-19 pandemic directives and SOPs.

Baselined against ISO 9001:2015 on Quality Management Systems and the related standards outlined below, the Group Integrated Management System is designed to embed operational risk management elements into key processes of the Group. The Group is also certified to

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ISO 45001:2018 as part of its commitment to safeguarding safety, preventing work-related injury and ill health of stakeholders and employees. To ensure compliance with the requirements of relevant standards, the Group's ISO 14001:2015 on Environment Management System and all related certifications have been scheduled for renewal in 2023.

### Insurance on Key Assets

The Group undertakes insurance coverage for major assets and resources to mitigate any mishaps that may result in financial or material losses to the Group. The Group, in collaboration with the Group's insurance broker, regularly assesses the scope of coverage and educates the asset owners on the respective assets, facilities, processes and responsibilities. The Group's insurance coverage is being renewed annually.

### Management Information System

The Group has put in place comprehensive management information systems to ensure that relevant data is captured, compiled, analysed and reported. These systems enable the Management to make decisions in an accurate and timely manner towards meeting the business objectives.

### Information and Communication Technology (ICT)

The ICT Security Policies prescribe the requirements to maintain an adequate level of security for IT systems and information used to support the Group's activities. UEM Sunrise's Digital & Technology Innovation was certified to ISO/IEC 20000-1:2011 Information Technology – Service Management in December 2017 and continues to adopt the industry standards to elevate the quality of the information and communication system throughout the Group.

With the rising digital adoption within the Group and emerging threats in cyber security, the Group conducts regular reviews on the security control and risk management to protect the information systems, networks, and data. The enterprise digital architecture is also subject to periodic assessments on the Group's cybersecurity maturity and threat hunting to identify and address any gaps in the current security measures.

The Group's IT perimeters are constantly being analysed and monitored 24/7 by an external ISO/IEC 27001 Information Security Management certified Security Operations Center. This proactive monitoring of the

network and security system enables preventive and corrective actions are initiated to maintain the required level of security.

### Human Resource Management and Development

The Human Resources (HR) Policies and Procedures provide clarity for the organisation in all aspects of human resource management and development of the Group. These policies and procedures are periodically reviewed to ensure availability of adequate relevant controls and disseminated to all employees via various means of communication to ensure organisational alignment and compliance.

The Group has put in place comprehensive learning and development programmes developed in line with its business objectives and requirements for all employees. As part of its commitment to enhance the leadership skills of existing leaders and nurture emerging leaders, the Group has also curated structured leadership and talent programmes to ensure adequate bench strength and readiness of leadership pipeline to meet future challenges and for succession planning.

### Integrity and Anti-Corruption

A dedicated Integrity and Governance Unit (IGU) within the IGRC Department is responsible to drive the overall execution of the Group's integrity and anti-corruption initiatives outlined by the Group's Integrity and Anti-Corruption Plan (IACP), which was developed based on the principles of T.R.U.S.T. per Guidelines on Adequate Procedures issued by the Prime Minister's Department. The Group has completed the Gap Analysis Exercise on Adequate Procedures and in progress to implement and enhance related anti-corruption policies and procedures, as part of the continual improvement requirement.

UEM Sunrise is committed to the highest standards of integrity, accountability and ethical behaviour in its business conducts and operations, consistent with the Group's corporate values. Additionally, in line with our commitment, a mechanism for employees, third parties and members of the public is provided to report wrongdoing or improper conduct within the Group. UEM Sunrise Whistleblowing Policy provides avenues for legitimate concerns to be objectively investigated and addressed. Individuals will be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.

On 6 December 2022, the Group held its 2022 UEM Sunrise's Integrity Day, in conjunction with the International Anti-Corruption Day. UEM Sunrise reaffirmed its commitment to upholding uncompromising integrity and zero-tolerance against all forms of corruption, whereby board members, management, and employees signed the Corruption-Free Pledge with Malaysian Anti-Corruption Commission (MACC). Among key integrity and anti-corruption awareness activities initiated include:



### Business Continuity Management

The Group is committed to safeguarding the interests of all our stakeholders by ensuring that critical business processes are resilient and the impact of disruptions to business operations are minimised and recovered in a timely manner following a disruption. The Group's Business Continuity Management Policy (Policy) outlines the objectives, establishes proper oversight structure in response to a disruption, sets out clear roles and responsibilities, and key elements of Business Continuity Plan (BCP).

In response to the global COVID-19 pandemic, a dedicated Business Continuity Plan for COVID-19 outbreak was developed to serve as the main guidance and reference point for the control plan implementation. The Crisis Management Committee (CMC) and Crisis Management Team (CMT) were established to safeguard the health, safety and well-being of the employees while ensuring the continuity of the business operations. CMT, which comprises representatives from business units, convenes as and when required to review and resolve any issues, and subsequently escalate to the CMC.

Key response and control plans initiated during the COVID-19 outbreak include:

- ✓ Constant updates and communications on COVID-19 development and Standard Operating Procedures (SOPs), including enforcement and update of the COVID-19 Control Plan.
- ✓ Implementation of Work from Home (WFH) and split team operations except for essential services.
- ✓ Digital enablement and support extended to all employees.
- ✓ Strict enforcement of SOPs compliance covering all different businesses within the Group in accordance with the prevailing regulations and requirements.
- ✓ Comprehensive sanitisation and disinfection carried out as and when required.
- ✓ Implementation of the Risk Assessment and Mitigation Checklist for any large gathering/event.
- ✓ Development and implementation of hUb Safe, which is a web-based application to improve the monitoring of COVID-19 self-test results submitted by employees who work in office (WIO) to ensure a safe workplace and strengthen safety culture.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group has put in place the backup strategy for critical data and system software for the ICT systems in which data integrity is restored within 24 hours from the point of failure. In addition, the critical physical document is kept at a dedicated department and centralised record management store. These initiatives will help mitigate the impact to business operations if unexpected events occur.

### Joint Ventures and Associates

For joint ventures and associates, the Group ensures that its interests and investments are protected by having Board representation at the respective joint ventures and associates. Notwithstanding, the Management of the joint ventures and associates is responsible to oversee the administration, operation and performance of the joint venture and associates. Financial and operational information of these joint ventures and associates are provided regularly to the Management of the Group. Feedback from the Group is then raised and discussed at the Board of Joint Ventures and Associates.

As part of the Group's commitment to instill good governance and oversight of investments in joint ventures and associates, Nominee Directors' Framework and Policy have been established to provide guidelines and processes, including nomination and appointment of nominee directors, to facilitate effective management and monitoring of investee companies when exercising UEM Sunrise's lever of influence through the Board representation by the nominee directors to drive performance, strengthen governance and achieve shareholders' value in investee companies.

### CONCLUSION

The Board has received written assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively in all material aspects. The Board remains committed towards operating a sound system of risk management and internal control and recognises that the system must continuously evolve to support the type of business and size of operations of the Group.

In order to keep abreast with any changes in the business environment and an increasingly complex economic environment, the Group is committed to continuously review and strengthen the risk management and internal control system to ensure its adequacy and robustness. The Board is pleased to report that the state of the Group's risk management and internal control system are generally adequate and effective for good corporate governance.

## RISK MANAGEMENT REPORT

UEM Sunrise Berhad (UEM Sunrise or the Company) and its subsidiaries (Group) undertake various residential, commercial and mixed-use developments as well as retail businesses. The Group's presence is primarily in the Southern and Central regions in Peninsular Malaysia and extended to Australia and South Africa at the international level. Hence, a robust system which focuses on effective risk management is of paramount importance to ensure the balancing of risk and reward in making strategic business decisions and in day-to-day operations as well as to ensure compliance with corporate governance practices and regulatory requirements.

The Group Risk Management Framework (Framework), which is principally aligned with ISO31000:2018 comprises the risk management policy, risk assessment methodology, lines of responsibility and accountability in managing risk across the Group. The Framework serves as a tool to identify, assess and manage both existing and potential risks through a systematic and integrated process, taking into consideration of changing risk landscape affected by the changes in the business environment. The Framework also provides critical guidance on the management of third-party risks, project risks, and corruption risks. It outlines the key principles and approach that must be taken to manage these risks effectively. Additionally, it

defines the specific requirements for the successful implementation of each of these risk management processes. The Framework has been further enhanced with the inclusion of the Group's Risk Management Guidelines, which the Board approved on 10 May 2022.

### RISK GOVERNANCE STRUCTURE AND RESPONSIBILITIES

A strong governance structure is essential to ensure effective and consistent implementation of the Framework. The Board of Directors (Board), assisted by the Board Governance and Risk Committee (BGRC), is ultimately responsible for the Group's risk management activities and sets the strategic directions, risk appetite and relevant framework for the Group. The Risk Management Committee (RMC) serves as the platform for the Management to deliberate on the identification, assessment and treatment in managing significant risks of the Group as well as an avenue to communicate, monitor and review the risks.

The Group's risk governance structure and the respective roles and responsibilities are outlined by the diagram under the Corporate Governance Overview Statement – Group Governance Structure and Policies & Procedures.

### RISK MANAGEMENT PROCESS

Aligned with ISO 31000:2018, the Group's risk management process uses a systematic approach to identifying, assessing, treating, and monitoring risks. It involves establishing the context, assessing risks, developing and implementing risk treatment plans, communicating with stakeholders, and monitoring and reviewing the effectiveness of the process. The Group's risk management process is depicted by the diagram under the Corporate Governance Overview Statement – Group Governance Structure and Policies & Procedures.

Conducted on a continuous basis, the approach entails reviewing and assessing all relevant factors within the Group's business context covering key areas such as industry and market, financials, operations, compliance and people. The risk analysis and mitigation plans are consolidated to provide an enterprise-wide risk management overview and updated to the Management as well as the Board on a quarterly basis.

## RISK MANAGEMENT REPORT

### RISK MANAGEMENT INITIATIVES

In today's business environment, robust enterprise risk management framework and practices in response to a volatile risk climate are crucial, and it all starts with the tone from the top. During the year 2022, UEM Sunrise embarked on a comprehensive review of its overall risk management process to ensure alignment with the latest global standard for risk management, ISO 31000:2018. As a result of this review, the Group has refined the Framework that serves as the cornerstone of its risk management framework.

Building on the success of the 2021 Governance and Risk Conference, the Board, supported by the IGRC team, has continued to enhance its risk management approach with risk surveillance embedded in its business operations. This practice helps the Group to gain deeper insights into the risk universe, enabling it to navigate and manage emerging risk exposures in both local and global contexts. Moreover, UEM Sunrise is better equipped to navigate, displaying unwavering commitment to strong governance and reinforcing its position as a leading property developer. The Group's proactive stance towards risk management showcases its firm dedication to safeguarding its stakeholders' interests, ensuring operational resilience and stability, and attaining long-term sustainability in a volatile and rapidly changing business environment.

As part of the Group's initiatives to institutionalise the risk awareness and practices, IGRC also conducted the following:

- ✓ Facilitate risk assessment and impact analysis for Board, Board Committees and Management Papers; new strategic initiatives/investments, key deliverables and their associated mitigation plans.
- ✓ Facilitate risk discussions with the respective risk owners on key risk concerns and mitigation plans.
- ✓ Provide risk governance advisory to Management including, but not limited to, Discretionary Authority Limits (DAL), Privacy Policy, data integrity and protection.
- ✓ Conduct focus group sessions with the employees to provide a refresher on risk management framework and practices.

### PRINCIPAL RISKS

The Group's principal risks include the following:

	Risk	Description	Risk Mitigation
INDUSTRY & MARKET	<b>Global Pandemic Risk</b>	COVID-19 pandemic has affected the entire social well-being and economic growth including the Group's business operations. The Group is subject to the measures and Standard Operating Procedures (SOP) imposed by the Government in order to manage the outbreak.	<ul style="list-style-type: none"> <li>• The Group maintained a dedicated Business Continuity Plan (BCP) for COVID-19 and COVID-19 Control Plan which serve as the main guidance and SOPs to mitigate the overall impact on the businesses.</li> <li>• The Crisis Management Team (CMT) and Crisis Management Committee (CMC) continue to monitor the COVID-19 situation and review the control strategy, as and when required.</li> <li>• Constant communication and updates are provided to the employees via email and intranet.</li> </ul>
	<b>Competition Risk</b>	The property development market continues to be highly competitive and the Group is subjected to competition from various property developers, including but not limited to, the availability of strategically located and reasonably priced landbanks, key talents, supply of raw materials, labour, property types and selling prices of property. The Group's income is predominantly contributed by its property development business and therefore exposes the Group to market or systemic risk.	<ul style="list-style-type: none"> <li>• The Group has unveiled a three-pronged strategy – <b>Triage</b> (prioritising issues that need immediate attention and expediting launches), <b>Stabilise</b> (a transformation of how the Company organises its people, process and portfolio) and <b>Sustain</b> (diversifying the income stream for sustained revenue).</li> <li>• The Group has also put in place an annual strategic planning and thorough budgeting process to establish goals, targets and resources whereby performance is monitored on an ongoing basis.</li> </ul>
FINANCIAL	<b>Financial Risk</b>	The Group is facing multifaceted financial risk exposures including, but not limited to, credit risk due to the inability to maintain credit ratings, business and earnings risks resulting from not meeting financial targets, and liquidity risk arising from the inability to efficiently meet present and future funding obligations (both anticipated and unanticipated) as they become due. These exposures may adversely affect the Group's financial management, daily operations and potentially incur unacceptable losses.	<ul style="list-style-type: none"> <li>• The Group diligently monitors its sales funnel, inventory levels, development plans, and ensures the execution of the identified key deliverables to maintain adequate cash flow requirements and adequate buffers of liquidity throughout the year.</li> <li>• The Group continues to monitor its borrowing repayment maturity profiles and financial covenants (e.g. gearing ratios are below the required thresholds).</li> </ul>



## RISK MANAGEMENT REPORT

Risk	Description	Risk Mitigation
OPERATIONS	<p><b>Operational Risk</b></p> <p>The Group relies on third parties in many aspects of project development. As such, the Group's operations may be affected by the non-performance of these third parties. An effective internal process, system and operations also remain as core elements in delivering high-quality products and services whilst managing time and cost factors. The Group remains cognisant of the evolving IT and digital landscape including the potential risk exposure that arise from its adoption.</p>	<ul style="list-style-type: none"> <li>The Group continuously strengthen its project management capabilities via review, monitoring and enhancement of operational processes and embedding the use of technology and digitisation to improve overall efficiency.</li> <li>Integrated Management System and Standard Operating Procedures are benchmarked against ISO 9001:2015 as well as other applicable standards and best practices, to ensure the quality of the products and services offered.</li> <li>The Group's IT infrastructure is adequately protected against unauthorised access and security threat using an Identity Access Management System, End Point Protection System and Unified Threat Management at both the end user level and the gateway level.</li> <li>The Group recognises the importance of ESG and this is demonstrated in its Sustainability Blueprint in pursuit of a sustainable balanced real estate organisation.</li> </ul>

Risk	Description	Risk Mitigation
COMPLIANCE & PEOPLE	<p><b>People Risk</b></p> <p>One of the pillars of success is having the right talent with high growth mindset within the organisation. An optimal structure is required to allow the business and operations to run as intended to support the Group's strategic plans. The Group is also required to continuously upskill its staff to adapt to the Fourth Industrial Revolution (IR 4.0) business environment whilst ensuring sufficient bench strength and a robust leadership pipeline to meet future challenges and for succession planning.</p>	<ul style="list-style-type: none"> <li>The Group has a well-defined organisational structure which has been reviewed accordingly to ensure that it is aligned with the business as well as operational requirements.</li> <li>Performance Management Framework ensures the alignment between business objectives and deliverables through the Key Performance Indicators (KPI) monitoring and review.</li> <li>The Group offers comprehensive learning and development opportunities for staff driven by our business strategy, future-skill requirements and individual development plans.</li> <li>Structured leadership and talent programmes are in place to nurture emerging leaders and employees with high potential, as well as to enhance the leadership skills of existing leaders.</li> </ul>
	<p><b>Regulatory &amp; Corruption Risk</b></p> <p>The Group is committed to ensuring that its people, process and operations are in compliance with all applicable policies and the relevant laws and regulations including, but not limited to, the Malaysian Anti-Corruption Commission (MACC) Act 2009.</p>	<ul style="list-style-type: none"> <li>The Group reaffirmed its commitment to upholding uncompromising integrity and zero-tolerance against all forms of corruption by signing the Corruption-Free Pledge with the MACC during its Integrity Day on 6 December 2022.</li> <li>The Group has completed the Gap Analysis Exercise on Adequate Procedures and is in progress of implementing and enhancing related anti-corruption policies and procedures, as part of the continual improvement requirement.</li> <li>The Group also conducted various integrity and anti-corruption awareness initiatives including monthly newsletter, talks and training session as well as Integrity Month initiatives.</li> </ul>

### CONCLUSION

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management framework is operating adequately and effectively, in all material aspects, during the financial year under review. The Board is of the view that the Framework is satisfactory and is committed to continuously reviewing and strengthening the risk management process to ensure adequacy and robustness of the system are in line with the changes in the business environment and its complexities.

# ADDITIONAL COMPLIANCE INFORMATION

## UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Pursuant to its Islamic Commercial Paper (ICP) Programme (ICP Programme) and Islamic Medium Term Notes (IMTN) Programme (IMTN Programme) which have a combined aggregate limit of RM4.0 billion in nominal value, the Company had during the financial year 2022 issued the following ICPs and IMTNs:

Date of Issuance	Nominal Value (RM'million)	Type	Tenure	Maturity Date	Utilised as at 20 March 2023 (RM'million)	Balance of proceeds as at 20 March 2023 (RM'million)	Utilisation of Proceeds
15 February 2022	10.0	ICPs	9 months	15 November 2022	10.0	Nil	For UEM Sunrise and/or its subsidiaries' Shariah-compliant general corporate purposes.
	40.0	IMTNs	3 years	14 February 2025	40.0	Nil	
12 April 2022	100.0	ICPs	12 months	12 April 2023	100.0	Nil	For UEM Sunrise and/or its subsidiaries' Shariah-compliant general corporate purposes.
	110.0	IMTNs	3 years	11 April 2025	110.0	Nil	
19 September 2022	295.0	IMTNs	3 and 5 years	19 September 2025 and 17 September 2027	295.0	Nil	For UEM Sunrise and/or its subsidiaries' Shariah-compliant general corporate purposes.
13 December 2022	120.0	IMTNs	3 years	12 December 2025	Nil	120.0	For UEM Sunrise and/or its subsidiaries' Shariah-compliant general corporate purposes.

## MATERIAL CONTRACTS

Other than those disclosed in the financial statements, there were no material contracts including contracts relating to any loans entered into by the Company and/or its subsidiaries involving interests of the Directors, Chief Executive Officer and major shareholders, either still subsisting at the end of financial year ended 31 December 2022 or entered into since the end of the previous financial year.

## RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (RRPT)

The Company did not seek the approval of its shareholders on any mandate for its RRPT during the financial year ended 31 December 2022 as the estimated aggregated transacted amount for the related parties is below the applicable percentage stipulated under Paragraph 10.09(1), Chapter 10 of the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Securities). The Company will continue to monitor its RRPT and make appropriate announcement(s) to Bursa Securities of such transaction(s) where required in accordance with the requirements under Chapter 10 of the Listing Requirements.

UEM Sunrise adopts a fit-for-purpose control framework to capture and track related party transactions (RPT) or RRPT to ensure that it meets the obligations under the Listing Requirements of Bursa Securities and/or other applicable guidelines/standards in connection with such transactions. This is enforced through the ongoing process of identifying and recording of RPT and RRPT as per the established Standard Operating Procedures. Based on the internal audit review conducted in 2022, the control framework on an overall basis was working as intended.

RPT and RRPT are monitored and conducted in a manner that is fair and at arm's length basis, with the terms not more favourable to the related parties than to the public, not to the detriment of minority shareholders and in the best interest of UEM Sunrise.

A Director who has an interest in a transaction abstains himself/herself from deliberation and voting on the relevant resolution in respect of such transaction at Board meetings and/or other meetings of the Company.

# DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (the Act) to prepare financial statements for each financial year which are drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2022, the Group and the Company have used appropriate accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

The Directors also have a general responsibility to take reasonable steps to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

# Financial

STATEMENTS

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## DIRECTORS' REPORT

### DIRECTORS (CONT'D.)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are: (cont'd.)

Siti Naizah Mohamed A'asi	(appointed on 13 January 2023)
Siti Nurkhairiah Mohd Nasir	(appointed on 13 January 2023)
Oh Jol Dih	(appointed on 1 June 2022 and resigned on 19 August 2022)
Mohd Fahmi Zakaria	(resigned on 14 February 2022)
Lai Sook Fun	(resigned on 1 March 2022)
Paul Sandanasamy Richard	(resigned on 18 March 2022)
Hoe Tian Hee	(resigned on 1 June 2022)
Fang Geok San	(resigned on 1 June 2022)
Mohd Hasri Haron	(resigned on 19 August 2022)
Chua Siew Pei	(resigned on 13 January 2023)
Emilia Azyyati Abdul Rahman	(resigned on 13 January 2023)
Enita Azlina Osman	(resigned on 13 January 2023)
Raja Norasikin Tengku Aziz	(resigned on 13 January 2023)
Sarimah Talib	(resigned on 13 January 2023)

### DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares and debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 5(i) to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 36 to the financial statements.

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares of the Company and its related corporations during the financial year.

### DIRECTORS' INDEMNITY

During the financial year, the directors and officers of the Group are covered under the Directors' and Officers' Liability Insurance ("DOLI") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Company subject to the terms of the DOLI policy procured for its group of companies. The total insurance premium incurred by the Company was RM166,807.

## DIRECTORS' REPORT

### BUSINESS OUTLOOK

The Malaysian economy registered a growth of 8.7% in 2022 (2021: 3.1%) due to the expansion of growth across all economic sectors i.e. services, manufacturing, construction and commodities-related, in addition to the low base effect of 2021 due to the impact of the pandemic. Private sector activity remained the key driver of growth, supported by private consumption and investment. The continued growth in private consumption was mainly driven by improving labour market conditions. The overall export growth moderated in line with the weaker external demand. This was partly offset by the resilient performance in exports of electrical and electronic products, and higher tourism activities<sup>1</sup>.

For 2023, the Malaysian economy is expected to expand at a more moderate pace amid a challenging external environment. Domestic demand will continue to drive growth, supported by the continued recovery in the labour market and the realisation of multi-year investment projects. The services and manufacturing sectors will also continue to support growth. The slowdown in exports following a weaker global demand will partially be cushioned by higher tourism activity. The balance of risks remains tilted to the downside, mainly from weaker global growth, tighter financial conditions, re-escalation of geopolitical conflicts and worsening supply chain disruptions<sup>2</sup>. The government is projecting a moderate economic growth of 4.5% for 2023<sup>3</sup>.

Headline and core inflation are expected to moderate but remain elevated in 2023 amid lingering cost and demand pressures. Existing price controls and fuel subsidies, and the remaining spare capacity in the economy, will continue to partly contain the extent of upward pressures to inflation. The inflation outlook remains highly subject to any change to domestic policy, as well as global commodity price developments<sup>2</sup>.

The lifting of the containment measures towards the end of 2021 and the transition into the endemic phase in April 2022 helped resuscitate the property industry. Generally, the market was active in 2022 recording more than 389,000 transactions worth RM179.1 billion, an increase of 29.5% in volume and 23.6% in value respectively, compared to 2021. The residential sub-sector led the overall property market activity with 62.5% contribution in volume. Selangor recorded the highest number of new launches followed by Kuala Lumpur and Johor. High-rise residential products dominated the new launches, representing 45.0% of the total units launched followed by single, and two to three storey terraced houses at 42.2%. Overhang residential properties have also reduced in 2022 by 24.7% and 19.2% in volume and value respectively, compared to 2021. Although Johor retained the highest volume and value of overhang, the volume has reduced by 13.8% compared to 2021<sup>4</sup>.

The property market performance is expected to grow in line with the moderately lower economic growth projected for 2023. Notwithstanding the unpredictable external environment, accommodative policies, continuous government support, execution of planned measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under the 12th Malaysia Plan 2021-2025, are expected to remain supportive of the property sector<sup>4</sup>.

The Company's financial performance for the financial year ended 31 December 2022 is a testimony of the effectiveness of the initiatives it took under the first phase of its three-phased strategic turnaround plan; **Triage**. Among the objectives under **Triage** was to return to profitability and improve the position of the Company for a long-term sustainable growth. Following the positive momentum of 2022, the Company plans to launch products worth RM2.5 billion in 2023. In Central, it plans to launch The MINH in Mont'Kiara, a 'CLUB Edition by UEM Sunrise' high-rise residential development and The Connaught One under the 'RISE series by UEM Sunrise'; a high-rise residential and retail development next to Taman Connaught MRT Station. It will also launch a new high-rise residential development in Kiara Bay, Kepong and more landed homes in Serene Heights, Semenyih. In the Southern region, new phases of landed homes will be launched in Senadi Hills, Aspira LakeHomes and a new development codenamed Res 7 in Gerbang Nusajaya. All these developments are in Iskandar Puteri. On the back of these planned launches, UEM Sunrise has set a sales target of RM1.5 billion for 2023.

UEM Sunrise will continue to focus on its second stage of **Triage** as it works towards the next phase of the turnaround plan; **Stabilise** from 2024 to 2025, followed by **Sustain** beyond 2025. These remaining phases will explore untapped opportunities within its core business, expansion potential, value creation, and operational excellence across its value chain.

<sup>1</sup> BNM Quarterly Bulletin, Vol. 37, No. 4 issued on 10 February 2023.

<sup>2</sup> BNM Press Release: Economic and Financial Developments in Malaysia in the 4th Quarter of 2022 dated 11 February 2023.

<sup>3</sup> Budget 2023 Speech issued by the Ministry of Finance Malaysia, released on 24 February 2023.

<sup>4</sup> Valuation & Property Services Department, Ministry of Finance Malaysia, Press Release Property Market 2022 dated 15 March 2023.

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

### SIGNIFICANT AND SUBSEQUENT EVENTS

There are no items, transactions or events of a material and unusual nature which have arisen during the financial year and since 31 December 2022 which would substantially affect the performance and financial position of the Group and of the Company.

## DIRECTORS' REPORT

### AUDITORS

The auditors, Ernst & Young PLT ("EY"), have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
EY and its affiliates	1,554	236
Other auditors	17	-
	<b>1,571</b>	<b>236</b>

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT during the financial year or since the end of financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 March 2023.

**Dato' Noorazman Abd Aziz**

**Dato' Mohd Izani Ghani**

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Noorazman Abd Aziz and Dato' Mohd Izani Ghani, being two of the directors of UEM Sunrise Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 259 to 374 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 March 2023.

**Dato' Noorazman Abd Aziz**

**Dato' Mohd Izani Ghani**

# STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Siew Chee Seng, being the officer primarily responsible for the financial management of UEM Sunrise Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 259 to 374 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the  
abovenamed Siew Chee Seng  
at Kuala Lumpur in the Federal Territory  
on 22 March 2023

**Siew Chee Seng**  
(MIA Membership No. 7928)

Before me,

**Abdul Shukor bin Md Noor** (No. W725)  
Commissioner of Oaths  
Kuala Lumpur

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UEM SUNRISE BERHAD  
(INCORPORATED IN MALAYSIA)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of UEM Sunrise Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 259 to 374.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016, in Malaysia.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. The key audit matters for the audit of the financial statements of the Group and the Company are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM SUNRISE BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

#### Key audit matters (cont'd.)

##### Key audit matters in respect of the financial statements of the Group

#### 1. Impairment of goodwill

As at 31 December 2022, the carrying amount of goodwill recognised by the Group stood at RM621,409,000 which represents 6.5% and 4.8% of the Group's total non-current assets and total assets respectively.

The annual impairment assessment of goodwill is considered to be an area of audit focus because the assessment process is complex, involves significant management judgement and is based on assumptions that are affected by expected future market and economic conditions. The Group estimated the recoverable amount of goodwill by assessing the cash generating unit ("CGU") comprising of projects, land and investment properties based on the higher of fair value less costs to sell ("FVLCS") or value in use ("VIU").

Our procedures to address this area of audit focus include, amongst others, the following:

- (i) obtained an understanding of the relevant internal controls over estimating the recoverable amount of the CGU or groups of CGUs;
- (ii) assessed and tested the reasonableness of the key assumptions to which the recoverable amount of the CGUs are most sensitive such as estimated selling price, budgeted gross margin, market value of identifiable assets, the weighted average cost of capital, by comparing them to internal empirical data and external valuers' reports;
- (iii) evaluated the assumptions applied in estimating the expected take up rate for each development phase by comparing to the actual take up rate of similar completed development phases in previous years; and
- (iv) considered the historical accuracy of management's estimates of profits for similar completed property development activities; and also assessed whether the future cash flows used were based on the Annual Operating Plan 2023 – 2027 approved by the Board of Directors.

Given the complexity of judgement on which the key underlying assumptions are based, our internal valuation experts have assisted us in performing the review of management's assessment.

Further, we have reviewed management's analysis of the sensitivity of the goodwill balance to changes in the key assumptions.

For recoverable amounts of land properties and investment properties that are based on FVLCS, the Group benchmarked the carrying values of the properties against recently transacted prices of properties at nearby locations or rely on external valuers' reports. We have reviewed such comparison by making reference to property transactions registered with the local authorities or reviewed external valuers' reports where applicable.

We have also focused on the adequacy of the Group's disclosures in the audited financial statements concerning the key assumptions mentioned above. The disclosure on goodwill, key assumptions and sensitivities of these assumptions are included in Note 18 to the financial statements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM SUNRISE BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

#### Key audit matters (cont'd.)

##### Key audit matters in respect of the financial statements of the Group (cont'd.)

#### 2. Revenue and cost of sales from property development activities recognised based on percentage-of-completion method

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 December 2022, property development revenue of RM811,971,000 and cost of sales of RM572,190,000 accounted for approximately 55.1% and 54.9% of the Group's revenue and cost of sales respectively. The Group uses the percentage-of-completion method in accounting for these property development contracts.

The amount of revenue and profit recognised from property development activities are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive the percentage-of-completion; the actual number of units sold and the estimated total revenue for each of the respective projects. We identified revenue and cost of sales from property development activities as areas requiring audit focus as significant management judgement and estimates are involved in estimating the total property development costs.

In assessing the appropriateness of the extent of costs incurred, total estimated costs of construction and total estimated revenue collectively, we have:

- (i) obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost including the provisions and allocations of low-cost housing and common infrastructure costs over the life of township development, profit margin and percentage-of-completion of property development activities;
- (ii) performed detailed procedures, for individually significant projects, on the contractual terms and conditions and their relationship to revenue and costs incurred. These procedures include, perusing the terms and conditions stipulated in the sale and purchase agreements entered into with customers to obtain an understanding of the specific terms and conditions. We also read the construction contracts including letters of award entered into with main and sub-contractors. We evaluated the determination of percentage-of-completion by examining supporting evidence such as contractors' progress claims and suppliers' invoices;
- (iii) observed the progress of the property development phases by performing site visits and examined physical progress reports. We have also discussed the status of on-going property development phases with management, finance personnel and project officials; and
- (iv) evaluated the estimates used, which include both budgeted gross development value and budgeted gross development cost for significant on-going projects by comparing the selling price and development cost per built up area and gross margin of the past similar projects.

Our assessment was performed after taking into consideration the historical accuracy of management estimates, identification and analysis of changes in assumptions from prior periods, and an assessment of the consistency of assumptions across other projects. We have assessed the achievability of the forecasted results of the projects, including the effect of variation orders, contingencies and known technical issues. We have also assessed the mathematical accuracy of the revenue and profit based on the percentage-of-completion calculations and considered the implications of identified errors and changes in estimates.

The Group's disclosure on property development costs recognised is included in Note 21 to the financial statements.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM SUNRISE BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

#### Key audit matters (cont'd.)

#### Key audit matters in respect of the financial statements of the Group (cont'd.)

##### 3. Impairment of investment properties

As at 31 December 2022, the carrying amount of investment properties amounted to RM780,014,000, representing approximately 8.2% and 6.0% of the Group's total non-current assets and total assets respectively. The Group has recorded an impairment of investment properties of RM2,343,000 during the year.

The Group adopts the cost model for its completed investment properties. At the reporting date, the Group reviewed its investment properties for indications of impairment and where such indications exist, the Group performed an impairment assessment to determine the recoverable amounts of the investment properties. The Group has identified low occupancy and/or low rental rate, as the indication of impairment for the investment properties. The Group has estimated the recoverable amounts of its investment properties based on the higher of FVLCS and VIU.

The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge, estimated rental value per square feet, expected market rental growth and discount rate.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant management judgement and estimates that are highly subjective.

Our procedures to address this area of audit focus include, amongst others, the following:

- (i) assessed the objectivity, competence and capabilities of the independent valuers;
- (ii) reviewed the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- (iii) evaluated the data used by the independent valuers as input into their valuations. We interviewed the external valuers and assessed the key assumptions applied in their valuation process; and
- (iv) evaluated the key assumptions in which the Group has based its cash flow projections in deriving to the VIU, if the FVLCS of any of the investment properties is lower than their carrying amount.

The Group's disclosure on investment properties is included in Note 11 to the financial statements.

#### Key audit matters in respect of the financial statements of the Company

##### 1. Impairment of interests in subsidiaries and joint ventures

As at 31 December 2022, the total carrying amount of the Company's interests in subsidiaries and joint ventures stood at RM4,339,037,000 and RM295,567,000 respectively which represents for 47.2% and 3.2% of the Company's total assets respectively. The Company had recorded an impairment of RM20,644,000 for the interests in subsidiaries during the year.

At the reporting date, the Company reviewed its interests in subsidiaries and joint ventures for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of interests in subsidiaries and joint ventures. The Group has identified continuous loss as the indications of impairment for the interests in subsidiaries and joint ventures.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM SUNRISE BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

#### Key audit matters (cont'd.)

#### Key audit matters in respect of the financial statements of the Company (cont'd.)

##### 1. Impairment of interests in subsidiaries and joint ventures (cont'd.)

The Company estimated the recoverable amount of these investments by assessing their underlying CGU based on FVLCS or VIU, whichever is the higher. Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimated assumptions such as the revenue growth rates, discount rates and terminal growth rates.

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the interests in subsidiaries and joint ventures.

Our procedures to address this area of focus for testing the recoverable amounts of CGUs that are valued based on VIU include the following:

- (i) obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts VIU of the CGUs;
- (ii) performed inquiries to management on the subsidiaries' and joint ventures' prospect;
- (iii) assessed and tested the reasonableness of key assumptions to which the recoverable amount of the CGUs are most sensitive such as estimated selling price, budgeted gross margin, market value of identifiable assets, the weighted average cost of capital, by comparing them to internal empirical data and external valuers' report;
- (iv) evaluated the assumptions applied in estimating the expected take up rate for each development phase by comparing to the actual take up rate of similar completed development phases in previous years; and
- (v) considered the historical accuracy of management's estimates of profits for similar completed property development activities; and also assessed whether the future cash flows used were based on the Annual Operating Plan 2023 - 2027 approved by the Board of Directors.

For recoverable amounts of land and investment properties included in the subsidiaries and joint ventures that are based on FVLCS, the Company benchmarked the carrying values of the said properties against recently transacted prices of properties at nearby locations or rely on external valuers' reports. We have reviewed such comparison by making reference to property transactions registered with the local authorities or reviewed external valuers' report where applicable.

The Company's disclosure of interests in subsidiaries and joint ventures are included in Note 14 and 16(a) to the financial statements respectively.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM SUNRISE BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

#### Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

#### Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016, in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM SUNRISE BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

#### Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- (iii) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (iv) conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (v) evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM SUNRISE BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 42 to the financial statements.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
22 March 2023

#### Tan Shium Jye

No. 02991/05/2024 J  
Chartered Accountant

## STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	3	<b>1,473,428</b>	1,184,511	<b>185,536</b>	228,964
Cost of sales	4	<b>(1,042,246)</b>	(963,483)	<b>(93,228)</b>	(84,852)
Gross profit		<b>431,182</b>	221,028	<b>92,308</b>	144,112
Other income		<b>65,126</b>	37,530	<b>158,219</b>	143,602
Selling and distribution expenses		<b>(15,703)</b>	(20,693)	-	-
Other expenses		<b>(231,583)</b>	(320,055)	<b>(57,695)</b>	(97,939)
Operating profit/(loss)	5	<b>249,022</b>	(82,190)	<b>192,832</b>	189,775
Finance costs	6	<b>(143,470)</b>	(144,712)	<b>(182,417)</b>	(178,269)
Share of results of associates		<b>4,043</b>	11,154	-	-
Share of results of joint ventures		<b>23,948</b>	1,827	-	-
Profit/(loss) before income tax		<b>133,543</b>	(213,921)	<b>10,415</b>	11,506
Income tax (expense)/benefit	7	<b>(51,479)</b>	1,796	<b>(2,952)</b>	(3,209)
Profit/(loss) for the year		<b>82,064</b>	(212,125)	<b>7,463</b>	8,297
Attributable to:					
Owners of the parent		<b>80,539</b>	(213,047)	<b>7,463</b>	8,297
Non-controlling interests		<b>1,525</b>	922	-	-
		<b>82,064</b>	(212,125)	<b>7,463</b>	8,297
Earnings/(loss) per share attributable to owners of the parent (sen):	9	<b>1.6</b>	(4.2)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(loss) for the year	<b>82,064</b>	(212,125)	<b>7,463</b>	8,297
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent period:				
– Foreign currency translation differences of foreign operations	<b>(4,447)</b>	4,566	–	–
Total comprehensive income/(expense) for the year	<b>77,617</b>	(207,559)	<b>7,463</b>	8,297
Total comprehensive income/(expense) attributable to:				
Owners of the parent	<b>76,081</b>	(208,487)	<b>7,463</b>	8,297
Non-controlling interests	<b>1,536</b>	928	–	–
	<b>77,617</b>	(207,559)	<b>7,463</b>	8,297

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

Group	Note	2022 RM'000	2021 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	<b>407,260</b>	446,687
Investment properties	11	<b>780,014</b>	798,048
Right-of-use assets	12(a)	<b>21,831</b>	7,684
Land held for property development	13	<b>5,158,456</b>	5,462,947
Interests in associates	15(a)	<b>844,980</b>	850,358
Interests in joint ventures	16(a)	<b>891,191</b>	893,338
Amounts due from joint ventures	16(b)	<b>156,982</b>	165,309
Goodwill	18	<b>621,409</b>	621,409
Deferred tax assets	20	<b>283,003</b>	290,191
Long term receivables	23	<b>360,295</b>	293,116
		<b>9,525,421</b>	9,829,087
<b>Current assets</b>			
Property development costs	21	<b>978,702</b>	820,541
Inventories held for sale	22(a)	<b>203,005</b>	396,920
Inventories under contract of sale	22(b)	<b>102,096</b>	59,967
Receivables	23	<b>672,969</b>	479,518
Contract assets	24	<b>374,672</b>	425,839
Amounts due from associates	15(b)	<b>612</b>	389
Amounts due from joint ventures	16(b)	<b>103,473</b>	82,120
Short term investments	26	<b>45,005</b>	5,005
Cash, bank balances and deposits	19	<b>1,025,551</b>	853,027
		<b>3,506,085</b>	3,123,326
Assets classified as held for sale	27	<b>22,397</b>	–
<b>Total assets</b>		<b>13,053,903</b>	12,952,413

## STATEMENTS OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2022

Group	Note	2022 RM'000	2021 RM'000
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	28	<b>4,960,276</b>	4,960,276
Merger relief reserve	28	<b>34,330</b>	34,330
Other reserves	29(a)	<b>78,340</b>	82,798
Retained profits	29(b)	<b>1,696,255</b>	1,615,716
		<b>6,769,201</b>	6,693,120
Non-controlling interests	30	<b>104,467</b>	102,931
<b>Total equity</b>		<b>6,873,668</b>	6,796,051
<b>Non-current liabilities</b>			
Borrowings	31	<b>2,360,637</b>	3,205,262
Lease liabilities	12(b)	<b>18,414</b>	286
Payables	33	<b>45,976</b>	81,777
Contract liabilities	24	<b>239,678</b>	240,634
Deferred income	34	<b>162,839</b>	163,509
Provisions	32	<b>68,317</b>	68,279
Deferred tax liabilities	20	<b>163,395</b>	178,609
		<b>3,059,256</b>	3,938,356
<b>Current liabilities</b>			
Provisions	32	<b>104,003</b>	148,433
Payables	33	<b>937,938</b>	995,062
Contract liabilities	24	<b>105,041</b>	62,108
Borrowings	31	<b>1,954,611</b>	999,706
Lease liabilities	12(b)	<b>3,617</b>	8,716
Tax payable		<b>15,769</b>	3,981
		<b>3,120,979</b>	2,218,006
<b>Total liabilities</b>		<b>6,180,235</b>	6,156,362
<b>Total equity and liabilities</b>		<b>13,053,903</b>	12,952,413

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## STATEMENTS OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2022

Company	Note	2022 RM'000	2021 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	<b>17,656</b>	23,726
Right-of-use assets	12(a)	<b>21,770</b>	4,987
Interests in subsidiaries	14	<b>4,339,037</b>	4,317,681
Interests in joint ventures	16(a)	<b>295,567</b>	294,589
Amounts due from joint ventures	16(b)	<b>11,000</b>	11,000
Amounts due from subsidiaries	25	<b>2,610,176</b>	2,875,651
		<b>7,295,206</b>	7,527,634
<b>Current assets</b>			
Receivables	23	<b>102,829</b>	379,698
Amounts due from subsidiaries	25	<b>1,693,458</b>	1,005,481
Amount due from an associate	15(b)	<b>221</b>	221
Amounts due from joint ventures	16(b)	<b>32,662</b>	29,672
Short term investments	26	<b>45,000</b>	5,000
Cash, bank balances and deposits	19	<b>15,515</b>	61,360
		<b>1,889,685</b>	1,481,432
<b>Total assets</b>		<b>9,184,891</b>	9,009,066
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	28	<b>4,960,276</b>	4,960,276
Merger relief reserve	28	<b>34,330</b>	34,330
Retained profits	29(b)	<b>131,236</b>	123,773
<b>Total equity</b>		<b>5,125,842</b>	5,118,379
<b>Non-current liabilities</b>			
Borrowings	31	<b>2,346,637</b>	3,152,708
Amounts due to subsidiaries	25	<b>37,054</b>	146,450
Lease liabilities	12(b)	<b>18,414</b>	126
		<b>2,402,105</b>	3,299,284
<b>Current liabilities</b>			
Payables	33	<b>48,653</b>	39,896
Amounts due to subsidiaries	25	<b>5,686</b>	21,115
Amount due to an associate		<b>-</b>	49
Borrowings	31	<b>1,599,113</b>	525,000
Lease liabilities	12(b)	<b>3,492</b>	5,343
		<b>1,656,944</b>	591,403
<b>Total liabilities</b>		<b>4,059,049</b>	3,890,687
<b>Total equity and liabilities</b>		<b>9,184,891</b>	9,009,066

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Attributable to owners of the parent						Total equity RM'000
	Non-distributable			Distributable		Non-controlling interests (Note 30) RM'000	
	Share capital (Note 28) RM'000	Merger relief reserve (Note 28) RM'000	Other reserves (Note 29) RM'000	Retained profits (Note 29) RM'000	Total RM'000		
<b>At 1 January 2022</b>	<b>4,960,276</b>	<b>34,330</b>	<b>82,798</b>	<b>1,615,716</b>	<b>6,693,120</b>	<b>102,931</b>	<b>6,796,051</b>
Total comprehensive income for the year	-	-	(4,458)	80,539	76,081	1,536	77,617
<b>At 31 December 2022</b>	<b>4,960,276</b>	<b>34,330</b>	<b>78,340</b>	<b>1,696,255</b>	<b>6,769,201</b>	<b>104,467</b>	<b>6,873,668</b>
<b>At 1 January 2021</b>	4,960,276	34,330	78,238	1,828,763	6,901,607	468,974	7,370,581
Total comprehensive expense for the year	-	-	4,560	(213,047)	(208,487)	928	(207,559)
Disposal of non-controlling interests in a subsidiary	-	-	-	-	-	(366,971)	(366,971)
<b>At 31 December 2021</b>	4,960,276	34,330	82,798	1,615,716	6,693,120	102,931	6,796,051

Company	Non-distributable		Distributable		Total equity RM'000
	Share capital (Note 28) RM'000	Merger relief reserve (Note 28) RM'000	Retained profits (Note 29) RM'000		
<b>At 1 January 2022</b>	<b>4,960,276</b>	<b>34,330</b>	<b>123,773</b>	<b>5,118,379</b>	
Total comprehensive income for the year	-	-	7,463	7,463	
<b>At 31 December 2022</b>	<b>4,960,276</b>	<b>34,330</b>	<b>131,236</b>	<b>5,125,842</b>	
<b>At 1 January 2021</b>	4,960,276	34,330	115,476	5,110,082	
Total comprehensive income for the year	-	-	8,297	8,297	
<b>At 31 December 2021</b>	4,960,276	34,330	123,773	5,118,379	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Cash flows from operating activities</b>				
Cash receipts from customers	<b>1,393,124</b>	886,392	<b>330</b>	344
Cash receipts from subsidiaries	-	-	<b>200,517</b>	308,720
Receipts from other related parties	<b>53,326</b>	2,557	<b>2,361</b>	2,173
Cash payments to suppliers	<b>(212,324)</b>	(192,463)	-	-
Cash payments to contractors	<b>(425,014)</b>	(351,711)	-	-
Cash payments for land and development related costs	<b>(135,744)</b>	(115,448)	-	-
Cash payments to other related parties	<b>(39,408)</b>	(26,193)	<b>(10,608)</b>	(18,042)
Cash payments to employees, for selling and distribution and for general expenses	<b>(243,048)</b>	(217,518)	<b>(125,946)</b>	(123,778)
Cash generated from/(used in) operations	<b>390,912</b>	(14,384)	<b>66,654</b>	169,417
Net income tax paid	<b>(27,437)</b>	(37,261)	<b>(2,344)</b>	(2,976)
Interest received	<b>19,430</b>	8,259	<b>1,728</b>	1,706
Net cash generated from/(used in) operating activities	<b>382,905</b>	(43,386)	<b>66,038</b>	168,147
<b>Cash flows from investing activities</b>				
Dividend received from an associate	-	2,400	-	-
Dividend received from joint ventures	<b>31,000</b>	101,000	-	-
Dividend received from subsidiaries	-	-	<b>371,000</b>	875
Proceeds from disposals of:				
- property, plant and equipment	<b>23</b>	120	<b>7</b>	-
Purchase of:				
- property, plant and equipment (Note (a))	<b>(2,021)</b>	(12,923)	<b>(1,140)</b>	(943)
- investment properties (Note (b))	<b>(22,214)</b>	(9,310)	-	-
Advances to subsidiaries	-	-	<b>(1,302,938)</b>	(707,739)
Advances to an associate	-	(2,600)	-	-
Advances to joint ventures	-	(1,000)	-	(800)
Repayment from subsidiaries	-	-	<b>770,144</b>	349,177
Repayment from a joint venture	<b>5,000</b>	5,000	-	-
Redemption of Redeemable Preference Shares ("RPS") from an associate	<b>6,400</b>	-	-	-
Investment in land held for property development	<b>(80,892)</b>	(546,118)	-	-
Investment in a joint venture	<b>(900)</b>	(900)	-	-
Net proceeds from disposal of:				
- controlling interest in a subsidiary	-	148,026	-	-
- a subsidiary (Note 45)	<b>356</b>	-	-	-
Net (investment)/redemption of short term investments	<b>(65,276)</b>	219,601	<b>(39,862)</b>	219,601
Net cash used in investing activities	<b>(128,524)</b>	(96,704)	<b>(202,789)</b>	(139,829)

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Cash flows from financing activities</b>				
Drawdown of term loans	63,272	22,898	-	-
Drawdown of Commodity Murabahah Finance	24,747	66,798	-	-
Drawdown of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP")	675,000	1,140,000	675,000	1,140,000
Drawdown of structured commodity	140,000	50,000	140,000	50,000
Drawdown of revolving credits	1,274,000	345,000	1,000,000	25,000
Repayment of term loans	(126,721)	(41,651)	-	-
Repayment of Commodity Murabahah Finance	(49,251)	(91,202)	-	-
Repayment of IMTN and ICP	(460,000)	(785,000)	(460,000)	(785,000)
Repayment of structured commodity	(140,000)	(100,000)	(140,000)	(100,000)
Repayment of revolving credits	(1,294,000)	(489,000)	(945,000)	(145,000)
Repayment of lease liabilities	(22,825)	(12,042)	(3,409)	(4,881)
Interest paid	(185,940)	(181,765)	(175,204)	(170,559)
Net cash (used in)/generated from financing activities	(101,718)	(75,964)	91,387	9,560
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>152,663</b>	<b>(216,054)</b>	<b>(45,364)</b>	<b>37,878</b>
Effects of foreign exchange rate changes	(5,099)	(16,474)	(481)	(5)
Cash and cash equivalents at beginning of year	848,204	1,080,732	61,360	23,487
<b>Cash and cash equivalents at end of year (Note 19)</b>	<b>995,768</b>	<b>848,204</b>	<b>15,515</b>	<b>61,360</b>
Note (a):				
Additions of property, plant and equipment (Note 10)	4,757	2,915	1,140	943
Net accruals	(2,736)	10,008	-	-
Cash outflow for acquisition of property, plant and equipment	2,021	12,923	1,140	943
Note (b):				
Additions of investment properties (Note 11)	6,859	10,382	-	-
Interest capitalised (Note 6)	(740)	(346)	-	-
Net accruals	16,095	(726)	-	-
Cash outflow of purchase of investment property	22,214	9,310	-	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### - 31 DECEMBER 2022

#### 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur and the principal place of business is at Level U2, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

The principal activity of the Company is investment holding. It also provides shared services for its subsidiaries.

The principal activities of the subsidiaries are property development, land trading, property investment, project procurement and management, hotel operations and investment holding.

There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year.

The immediate and ultimate holding companies are UEM Group Berhad ("UEM") and Khazanah Nasional Berhad ("Khazanah") respectively, both of which are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 March 2023.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the summary of significant accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

- (a) On 1 January 2022, the Group and the Company adopted the following amendments to MFRS mandatory for annual financial periods beginning on or after 1 January 2022:

	<b>Effective for the financial period beginning on or after</b>
Amendments to MFRS 16: COVID-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Reference to Conceptual Framework (Amendments to MFRS 3: Business Combinations)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116: Property, Plant and Equipment)	1 January 2022
Onerous Contracts: Costs of Fulfilling a Contract (Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
Annual Improvements to MFRSs 2018 – 2020:	1 January 2022
– Amendments to MFRS 1: Subsidiary as a First-time Adopter	1 January 2022
– Amendments to MFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
– Amendments to Illustrative Examples accompanying MFRS 16: Lease Incentives	1 January 2022

The adoption of the above amendments does not have any significant impact on the financial performance or position of the Group and of the Company.

### 2.3 Standards and interpretations issued but not yet effective

The Group and the Company have not adopted the following amendments to MFRS that have been issued but are not yet effective:

	<b>Effective for the financial period beginning on or after</b>
Amendments to MFRS 101: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The directors expect that the adoption of the above amendments to MFRS will have no significant impact to the financial statements in the period of initial application.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies

#### (a) Basis of consolidation

Pursuant to the restructuring in 2008, the Company was introduced as a new parent company. The introduction of the Company constitutes a Group reconstruction and has been accounted for using merger accounting principles as the combination of the companies meets the relevant criteria for merger, thus depicting the combination of those entities as if they have been in the combination for the current and previous financial years.

Business combinations involving entities under common control are accounted for by applying the merger accounting method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The profit or loss reflects the results of the combining entities for the full year, irrespective of when the combination takes place.

The consolidated financial statements comprise the financial statements of the Company and subsidiaries under its control as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. In order to support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

#### (i) Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated from the date on which control is obtained by the Group and are no longer consolidated from the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.4 Summary of significant accounting policies (cont'd.)

##### (a) Basis of consolidation (cont'd.)

###### (i) Subsidiaries (cont'd.)

The Group assessed whether an acquisition of a company is accounted for as business combinations or acquisition of an asset or a group of assets. A business consists of inputs and processes applied to those inputs that have the ability to create outputs, although outputs are not necessarily required as an integrated set to qualify as a business.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9: Financial Instruments, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income ("OCI"). If the contingent consideration is not within the scope of MFRS 9, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Consistent accounting policies are applied to like transactions and events in similar circumstances.

Intragroup transactions, balances and resulting unrealised gains are eliminated upon consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.4 Summary of significant accounting policies (cont'd.)

##### (a) Basis of consolidation (cont'd.)

###### (i) Subsidiaries (cont'd.)

If the Group loses control of a subsidiary, any gain or loss is recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net fair value of the assets together with any balance of goodwill and exchange differences that were not previously recognised in profit or loss.

In the Company's separate financial statements, interests in subsidiaries are accounted for at cost less impairment losses. Upon disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

###### (ii) Associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's interests in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the interests in an associate or a joint venture is initially recognised at cost. The carrying amount of the interests is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the interests and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interests in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (a) Basis of consolidation (cont'd.)

##### (ii) Associates and joint ventures (cont'd.)

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its interests in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the interests in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained interests at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained interests and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, interests in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### (b) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed under these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(m). Any impairment losses recognised for goodwill shall not be reversed in the subsequent year.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and capital work in progress are not depreciated. Depreciation of other property, plant and equipment is provided on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Building	2% - 5%
Plant and machinery	2.5% - 20%
Floating pontoons	10%
Motor vehicles	20% - 25%
Renovation, equipment and others	5% - 50%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

#### (d) Investment properties

Investment properties comprise completed properties and properties under construction which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, completed investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses while investment properties under construction are stated at cost less any accumulated impairment losses.

Depreciation of the completed investment properties is provided for at 2% to 10% per annum on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life. Investment properties under construction are not depreciated.

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the year in which they arise.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

##### 2.4 Summary of significant accounting policies (cont'd.)

###### (d) Investment properties (cont'd.)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the net carrying amount at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment.

###### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, demand and short-term deposits, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, reduced by bank overdrafts that form an integral part of the Group's cash management.

###### (f) Inventories

###### (i) Land held for property development

Land held for property development consists of land where no development activity has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified as non-current assets and is stated at cost less impairment losses. Cost consists of land and development expenditure which include borrowing costs relating to the financing of the development. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(m).

Land held for property development is transferred to property development cost when the development activities have commenced.

###### (ii) Property development costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs are initially stated at cost. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost.

Property development cost is recognised as an expense when the corresponding revenue is recognised as per accounting policy in Note 2.4(l)(i).

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

##### 2.4 Summary of significant accounting policies (cont'd.)

###### (f) Inventories (cont'd.)

###### (ii) Property development costs (cont'd.)

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development cost not recognised as an expense is recognised as an asset, which is measured at the lower of cost or net realisable value.

Property development cost of unsold units or units pending transfer of control is transferred to inventories held for sale or inventories under contract of sale once the development is completed.

Property development cost balance includes contract cost assets which comprise of costs to fulfil contracts and costs to obtain contracts in accordance with Note 2.4(aa).

###### (iii) Inventories held for sale

Units of development properties completed and held for sales are stated at the lower of cost and net realisable value ("NRV"). Costs comprise costs of land acquisition including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date less estimated costs of completion and the estimated costs necessary to make the sale, taking into account the time value of money if material.

###### (iv) Inventories under contract of sale

Completed inventories under contract of sale are recognised as cost of sales when the control is transferred to customers in accordance to the terms of the contract with customers. The related accounting policies in respect of inventories under contract of sale is similar to those under inventories held for sale.

###### (g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (h) Income taxes

##### (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity.

##### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with interests in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unutilised tax credits and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unutilised tax credits and unutilised tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with interests in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (h) Income taxes (cont'd.)

##### (ii) Deferred tax (cont'd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances changes. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

##### (i) Sales and Service Tax ("SST") and Goods and Services Tax ("GST")

Revenue is recognised net of SST charged to customers. Expenses and assets are recognised inclusive of SST. The amount payable to taxation authority is included as payables in the statements of financial position.

Revenue, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The effective date for SST in Malaysia is on 1 September 2018. Prior to this date, Malaysia was under the GST regime.

##### (j) Employee benefits

###### (i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.4 Summary of significant accounting policies (cont'd.)

##### (j) Employee benefits (cont'd.)

###### (ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

###### (iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained profits upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

##### (k) Foreign currencies

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in OCI and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.4 Summary of significant accounting policies (cont'd.)

##### (k) Foreign currencies (cont'd.)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

On consolidation, the assets and liabilities of foreign operations are translated at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of foreign operation, the components of OCI relating to that particular foreign operation are reclassified in profit or loss.

##### (l) Revenue recognition

###### Revenue recognition from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

###### (i) Property development and strategic land sale

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and
- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payments.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

##### 2.4 Summary of significant accounting policies (cont'd.)

###### (l) Revenue recognition (cont'd.)

###### Revenue recognition from contracts with customers (cont'd.)

###### (i) Property development and strategic land sale (cont'd.)

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset in accordance with Note 2.4(l)(ii).

The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

###### (ii) Completed properties and properties under contract of sale

The Group recognises the revenue at a point in time to the sale of completed properties and properties under contract of sale when the control of the properties has been transferred to the customers and it is probable that the Group will collect the consideration it is entitled to.

###### (iii) Assets and facilities management

Assets and facilities management income is derived from managing the residential, commercial and retail properties. The income is recognised when such services are rendered.

###### (iv) Project management

Revenue from provision of project management in relation to property development activities is recognised in the period in which the services are rendered, by reference to completion of the actual service provided as a proportion of the total services to be performed.

###### (v) Car park operations

Car park operations are recognised net of goods and service tax or sales and service tax and upon services being rendered.

###### (vi) Hotel operations

Hotel operations generally consist of room rentals and food and beverage. Room rental revenue is accrued over time on customer-occupied rooms. Revenue from the sales of food and beverage is recognised when the customer receives and consumes, and the Company has a present right to payment for, the food and beverage product. Hotel room rental and food and beverages revenue are recorded based on the published rates, net of discounts.

###### (vii) Management fees

Management fees on the provision of shared services to subsidiaries are accrued when the services are rendered.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

##### 2.4 Summary of significant accounting policies (cont'd.)

###### (l) Revenue recognition (cont'd.)

###### Revenue from other sources

###### (i) Property investment

Rental income is accounted on a straight-line basis over the period of lease term.

###### (ii) Dividends

Dividends from subsidiaries, associates and other investments are included in profit or loss when the shareholders' right to receive payment has been established.

###### (m) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to OCI. In this case the impairment is also recognised in OCI up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (n) Financial instruments: Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (n) Financial instruments: Initial recognition and subsequent measurement (cont'd.)

#### (i) Financial assets (cont'd.)

##### Subsequent measurement (cont'd.)

##### *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include contract assets, receivables, amounts due from joint ventures and associates, cash, bank balances and deposits.

##### *Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under short term investments.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (n) Financial instruments: Initial recognition and subsequent measurement (cont'd.)

##### (i) Financial assets (cont'd.)

##### Subsequent measurement (cont'd.)

##### *Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (n) Financial instruments: Initial recognition and subsequent measurement (cont'd.)

##### (i) Financial assets (cont'd.)

##### Subsequent measurement (cont'd.)

##### *Financial assets at fair value through profit or loss (cont'd.)*

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

##### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").



## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (n) Financial instruments: Initial recognition and subsequent measurement (cont'd.)

##### (i) Financial assets (cont'd.)

###### Derecognition (cont'd.)

###### *Impairment of financial assets (cont'd.)*

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### (ii) Financial liabilities

###### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include payables, loans and borrowings including bank overdrafts instruments and lease liabilities.

###### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

###### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (n) Financial instruments: Initial recognition and subsequent measurement (cont'd.)

##### (ii) Financial liabilities (cont'd.)

###### Subsequent measurement (cont'd.)

###### *Loans and borrowings*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

This category generally applies to interest-bearing loans and borrowings.

###### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

##### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### (o) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (p) Leases

##### (i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset which this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are a lessee, the Group and the Company have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### (ii) Recognition and initial measurement

###### As a lessee

The Group and the Company recognise right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group and the Company entities use their incremental borrowing rate as the discount rate.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (p) Leases (cont'd.)

##### (ii) Recognition and initial measurement (cont'd.)

###### As a lessee (cont'd.)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

###### As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.4 Summary of significant accounting policies (cont'd.)

##### (p) Leases (cont'd.)

###### (iii) Subsequent measurement

###### As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Buildings	16.7% – 50%
Plant and equipment	20% – 30%

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

###### As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue.

##### (q) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends on ordinary shares are recognised in equity in the period where shareholders' right to the receipt of payment is established.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.4 Summary of significant accounting policies (cont'd.)

##### (r) Non-current Assets or Disposal Groups Held for Sale and Discontinued Operations

Non-current assets or disposal groups are classified as held for sale if they meet certain conditions and their carrying amounts will be recovered principally through sale transactions rather than through continuing use. The condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject to terms that are usual and customary and the sale is highly probable.

Non-current assets or disposal groups held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

##### (s) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position.

##### (t) Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classified all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

##### 2.4 Summary of significant accounting policies (cont'd.)

###### (u) Statements of cash flows

The statements of cash flows classify movements in cash and cash equivalents according to operating, investing and financing activities.

The Group and the Company do not consider any of its assets other than deposits with maturity not more than 3 months with financial institutions, which are subject to an insignificant risk of changes in value, cash and bank balances reduced by bank overdraft as meeting the definition of cash and cash equivalents.

###### (v) Fair value measurements

The Group measures financial instruments, such as, financial assets at fair value through profit or loss at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured with the assumption that when pricing the asset or liability, the market participants would act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

##### 2.4 Summary of significant accounting policies (cont'd.)

###### (v) Fair value measurements (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

###### (w) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred.

Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

###### (x) Deferred income

The profit recognised from the sales of land by the Group to associates and a joint venture is eliminated to the extent of the Group's interests in the companies. Accordingly, the Group recognise the excess of the unrealised profit over the carrying value of the associates or the joint venture as deferred income. The deferred income is realised to profit or loss over the period when the underlying asset of the associate or the joint venture is realised or disposed.

###### (y) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (z) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the contract.

#### (aa) Contract cost assets

##### (i) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained.

##### (ii) Costs to fulfil a contract

The costs incurred in fulfilling a contract with a customer who are not within the scope of other MFRS such as MFRS 102 Inventories, MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:

- costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimate and Errors.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract cost, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRS, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract cost assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 Impairment of Assets to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.5 Critical judgements and accounting estimates

Judgements, estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (i) Tax recoverable for BND legal case

As disclosed in Note 37(a), Bandar Nusajaya Development Sdn. Bhd. ("BND") received an additional assessment from the Inland Revenue Board ("IRB") for additional tax payable and tax penalty in respect of year of assessment 2006 totalling to RM73.8 million which has been paid in full. As the Group is disputing the additional assessment, the amount paid is recorded as receivable instead of tax expense in the financial statements. The collectability of the receivable of RM73.8 million is dependent on the ultimate outcome of the legal proceedings.

##### (ii) Additional tax assessment related to tax deductibility of bumiputra quota waiver

In the prior year, the Group had initiated legal proceeding via UEM Land Berhad ("UEML") in relation to additional tax assessment on deductibility of bumiputra quota waiver being served to UEML amounted to RM8.5 million, details are disclosed in Note 37(d). In addition, a joint venture company was served with additional tax assessment of RM8.6 million, currently appealing at the High Court while certain subsidiaries of the Company are disputing the payment of RM6.5 million in relation to the additional assessment of the same matter.

Upon taking into account the advice from the Group's tax consultants and solicitors, the Group believes that there are reasonable grounds and good basis to appeal and contest the additional assessment. As such, none of the additional tax assessment have been expensed to profit or loss. The recognition of the tax expenses to profit or loss is dependent on the ultimate outcome of the legal proceedings.

##### (iii) Income tax and deferred tax assets

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain. The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax as at reporting date is disclosed in Note 20.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.5 Critical judgements and accounting estimates (cont'd.)

##### (a) Key sources of estimation uncertainty (cont'd.)

###### (iv) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis and at other times when such indication exists. This requires an estimation of the fair value less costs to sell and value-in-use ("VIU") of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and also to apply a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill are disclosed in Note 18.

###### (v) Property development costs

The Group recognises property development revenue and expenses in profit or loss over time or at a point in time. The Group recognises revenue over time using the stage of completion method. The stage of completion is determined by reference to the proportion of costs incurred for the work performed to date over the estimated total costs where the outcome of the projects can be reliably estimated.

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development projects. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

Details of the property development costs are disclosed in Note 21.

###### (vi) Provision for construction costs

The Group recognises a provision for construction costs relating to estimated final claims by contractors which have not been finalised.

Significant judgement is required in determining the extent of the costs to be incurred and in making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

The carrying amount of the Group's provision for construction costs as at reporting date is disclosed in Note 32.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.5 Critical judgements and accounting estimates (cont'd.)

##### (a) Key sources of estimation uncertainty (cont'd.)

###### (vii) Provision for foreseeable losses for low cost housing

Provision for foreseeable losses for low cost housing is recognised for anticipated losses to be incurred for the development of low cost housing under the requirements of the local Government attributable to a premium housing project. The Group is of the view that the expected costs should be accrued progressively as and when the premium housing is constructed.

Significant judgement is required in determining the amount of the foreseeable losses for low cost housing, as the construction of low cost housing is typically over the life of township development spanning more than few financial years. Regulatory, technological and economics changes may result in significant changes to the provision amount which will subsequently affect the profitability of premium housing.

The carrying amount of the Group's provision for foreseeable losses for low cost housing as at reporting date is disclosed in Note 32.

###### (viii) Net realisable value of completed property development units classified as inventories

Inventories held for sale are stated at the lower of cost or net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories held for sale are reviewed on a regular basis and the Group will make an allowance for impairment primarily based on historical trends and management estimates of expected and future product demand and related pricing.

Demand and pricing levels could change from time to time. If such factors result in an adverse effect on the Group's products, the Group provides additional allowances for slow moving inventories.

The carrying amount of the Group's inventories held for sale as at 31 December 2022 is disclosed in Note 22(a).

###### (ix) Impairment of interests in subsidiaries, joint ventures and associates

At each reporting date, the Group and the Company assess if any indication of impairment exists. If there is any indication, the Group and the Company will make an estimate of the recoverable amounts of its interests. This requires an estimation of the fair value less costs to sell and value-in-use of the cash-generating units of its interests in subsidiaries, joint ventures and associates. Significant judgement is required in determining the estimated realisable value of the net assets and potential third party claims and other liabilities. In making the judgement, the Group relies on independent accredited third-party valuers assessment in determining the fair value less costs to sell.

The carrying amount as at 31 December 2022 is disclosed in Note 14, Note 15(a) and Note 16(a).

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 3. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contract with customers	<b>1,426,096</b>	1,157,544	<b>97,841</b>	89,096
Revenue from other sources:				
– Rental income	<b>47,332</b>	26,967	–	–
– Dividend income from short term investments	–	–	<b>195</b>	2,993
– Dividend income from subsidiaries	–	–	<b>87,500</b>	136,875
	<b>1,473,428</b>	1,184,511	<b>185,536</b>	228,964
<b>Revenue from contract with customers</b>				
Property development:				
– Sales of development properties	<b>1,054,313</b>	872,251	–	–
– Sales of developed lands	<b>173,705</b>	192,149	–	–
	<b>1,228,018</b>	1,064,400	–	–
Strategic land sales	<b>133,382</b>	26,051	–	–
Car park operations	<b>24,556</b>	18,666	–	–
Hotel operations	<b>19,368</b>	8,889	–	–
Management fees from subsidiaries	–	–	<b>97,841</b>	89,096
Assets and facilities management and others	<b>20,772</b>	39,538	–	–
	<b>1,426,096</b>	1,157,544	<b>97,841</b>	89,096
<b>Geographical market</b>				
Malaysia	<b>1,367,329</b>	1,115,776	<b>97,004</b>	88,405
Australia	<b>58,767</b>	40,110	<b>817</b>	655
Singapore	–	1,658	<b>20</b>	36
	<b>1,426,096</b>	1,157,544	<b>97,841</b>	89,096
<b>Timing of revenue</b>				
At a point in time	<b>469,086</b>	286,484	<b>97,841</b>	89,096
Over time:				
– Property development (Note 24(a))	<b>811,971</b>	730,194	–	–
– Strategic land sales (Note 24(b))	<b>32,270</b>	20,415	–	–
– Sales of developed lands (Note 24(b))	<b>112,769</b>	120,451	–	–
	<b>1,426,096</b>	1,157,544	<b>97,841</b>	89,096

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 4. COST OF SALES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Property development:				
– Sales of development properties	<b>764,093</b>	705,431	–	–
– Sales of developed lands	<b>192,087</b>	210,320	–	–
	<b>956,180</b>	915,751	–	–
Strategic land sales	<b>49,609</b>	22,343	–	–
Rental income and car park operations	<b>10,871</b>	8,530	–	–
Hotel operations	<b>7,994</b>	5,204	–	–
Costs of services rendered to subsidiaries	–	–	<b>93,228</b>	84,852
Assets and facilities management and others	<b>17,592</b>	11,655	–	–
	<b>1,042,246</b>	963,483	<b>93,228</b>	84,852

#### 5. OPERATING PROFIT/(LOSS)

The following amounts have been included in arriving at operating profit/(loss):

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net allowance for doubtful debts				
– receivables (Note 23(vii))	<b>3,544</b>	3,798	–	–
– amounts due from subsidiaries (Note 25)	–	–	<b>9,220</b>	57,431
Rental expenses of:				
– short-term leases	<b>883</b>	547	<b>577</b>	911
– low-value assets	<b>1,447</b>	483	<b>1,249</b>	590
Auditors' remuneration:				
– Fees for statutory audit				
EY and its affiliates:				
– Malaysian operations	<b>998</b>	960	<b>236</b>	293
– overseas operations	<b>556</b>	582	–	–
Other auditors	<b>17</b>	17	–	–
– Fees for assurance related services				
EY	<b>75</b>	72	<b>75</b>	72
– Fees for non-audit services				
EY and its affiliates	<b>563</b>	526	<b>20</b>	108
Depreciation of property, plant and equipment (Note 10)	<b>22,860</b>	24,024	<b>7,210</b>	7,390
Depreciation of investment properties (Note 11)	<b>21,339</b>	22,546	–	–

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 5. OPERATING PROFIT/(LOSS) (CONT'D.)

The following amounts have been included in arriving at operating profit/(loss): (cont'd.)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation of right-of-use assets (Note 12)	<b>8,184</b>	9,738	<b>5,449</b>	5,930
Directors' remuneration (Note (i))	<b>1,341</b>	1,563	<b>1,341</b>	1,563
Staff costs (Note (ii))	<b>97,190</b>	100,955	<b>77,071</b>	67,089
Net remeasurement of long term receivables (Note 23(v))	<b>(141)</b>	502	-	-
Write back of allowance for impairment:				
- receivables (Note 23(vii))	<b>(576)</b>	(273)	-	-
Inventories written down	-	29,158	-	-
(Gain)/loss on foreign exchange:				
- unrealised	<b>(6,483)</b>	2,993	<b>(11)</b>	(60)
- realised	<b>536</b>	2,339	<b>434</b>	66
Direct operating expenses arising from investment properties that are:				
- generating rental income	<b>15,682</b>	16,963	-	-
- not generating rental income	<b>4,927</b>	6,089	-	-
Dividend income from short term investments	<b>(268)</b>	(3,094)	<b>(195)</b>	(2,993)
Interest income:				
- deposits with licensed banks	<b>(7,560)</b>	(4,280)	<b>(1,603)</b>	(1,644)
- accretion of interest on long term receivables (Note 23(v))	<b>(11,763)</b>	(205)	-	-
- subsidiaries	-	-	<b>(155,797)</b>	(140,274)
- joint ventures	<b>(9,595)</b>	(9,200)	<b>(778)</b>	(716)
- an associate	-	(431)	-	-
- others	<b>(349)</b>	(8,600)	-	-
Provision for impairment of:				
- interests in subsidiaries (Note 14)	-	-	<b>20,644</b>	-
- interests in an associate (Note 15(a))	-	1,170	-	1,170
- interests in joint venture (Note 16(a))	-	-	-	10,497
- investment property (Note 11)	<b>2,343</b>	12,754	-	-
- property, plant and equipment (Note 10)	-	8,724	-	-
- property development costs (Note 21)	-	20,605	-	-
- amounts due from associates (Note 15(b))	-	13,332	-	-
Written off cost for property, plant and equipment (Note 10)	<b>879</b>	414	-	237
Loss/(gain) on disposal of:				
- controlling interest in a subsidiary	-	842	-	-
- a subsidiary (Note 45)	<b>479</b>	-	-	-
- property, plant and equipment	<b>(23)</b>	(120)	<b>(7)</b>	-
Reversal for impairment of property, plant and equipment (Note 10)	<b>(2,050)</b>	-	-	-
Fair value adjustments of investment in an associate (Note 15(a))	<b>2,957</b>	9,813	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 5. OPERATING PROFIT/(LOSS) (CONT'D.)

##### (i) Directors' remuneration

	Group/Company			
	2022		2021	
	Director fees <sup>5</sup> RM'000	Other emoluments <sup>5</sup> RM'000	Director fees <sup>5</sup> RM'000	Other emoluments <sup>5</sup> RM'000
<b>Non-executive directors:</b>				
Dato' Noorazman Abd Aziz	<b>210</b>	<b>41<sup>1</sup></b>	217	41 <sup>1</sup>
Christina Foo	<b>188</b>	-	197	-
Dato' Mohd Izani Ghani	<b>148<sup>2</sup></b>	-	149 <sup>2</sup>	-
Zaida Khalida Shaari	<b>163</b>	-	154	-
Effizal Faiz Zulkifly	<b>-<sup>4</sup></b>	-	124 <sup>3</sup>	-
Chari Thandalam Veeravalli Thirumala	<b>163</b>	-	158	-
Poh Ying Loo	<b>168</b>	-	165	-
Datin Sri Badrunnisa Mohd Yasin Khan <sup>a</sup>	<b>137</b>	-	75	-
Yeow Wai Siaw <sup>a</sup>	<b>123</b>	-	65	-
Tan Sri Dr Azmil Khalili Dato' Khalid <sup>b</sup>	-	-	74	-
YM Ungku Suseelawati Ungku Omar <sup>b</sup>	-	-	66	-
Datin Teh Ija Mohd Jalil <sup>b</sup>	-	-	78	-
	<b>1,300</b>	<b>41</b>	1,522	41
Total directors' remuneration		<b>1,341</b>		1,563

<sup>a</sup> Appointed on 21 June 2021.

<sup>b</sup> Retired on 21 June 2021.

<sup>1</sup> Comprised car-related and other claimable benefits.

<sup>2</sup> Fees for nominees of UEM Group on the Board of the Company are paid to UEM.

<sup>3</sup> Fees for nominees of UEM Group on the Board of the Company are paid to Khazanah.

<sup>4</sup> Fees waived by UEM Group in line with the policy of Khazanah.

<sup>5</sup> Excluding SST where applicable.



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 5. OPERATING PROFIT/(LOSS) (CONT'D.)

#### (ii) Staff costs

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages and salaries	75,948	85,258	48,082	46,049
Staff bonus, benefits and welfare	23,450	15,770	18,721	12,227
Statutory contribution to EPF and social security costs	11,162	13,778	9,460	7,871
Training expenses	1,138	943	808	942
	<b>111,698</b>	115,749	<b>77,071</b>	67,089
Capitalised to:				
Land held for property development (Note 13)	(933)	(2,008)	-	-
Property development costs (Note 21)	(13,575)	(12,786)	-	-
	<b>97,190</b>	100,955	<b>77,071</b>	67,089

### 6. FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Finance costs incurred and accrued during the year on:				
- IMTN, term loans and structured commodity	186,557	175,093	173,752	166,912
- revolving credits and bank overdraft	12,844	14,453	4,235	5,025
- loan from subsidiaries	-	-	4,225	5,919
- interest on lease liabilities (Note 12)	236	696	175	399
- accretion of interest on long term payables	3,808	5,454	-	-
- bank charges	1,023	899	30	14
	<b>204,468</b>	196,595	<b>182,417</b>	178,269
Capitalised in:				
- land held for property development (Note 13)	(56,236)	(45,513)	-	-
- property development costs (Note 21)	(4,022)	(6,024)	-	-
- investment properties (Note 11)	(740)	(346)	-	-
	<b>(60,998)</b>	(51,883)	-	-
	<b>143,470</b>	144,712	<b>182,417</b>	178,269

The interest and profit rates for borrowing cost capitalised during the financial year range from 3.03% to 5.5% (2021: 3.01% to 5.32%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 7. INCOME TAX EXPENSE/(BENEFIT)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Income tax:				
Malaysian income tax	62,070	23,987	1,953	910
Foreign tax	(1,587)	987	-	-
Under/(over) provision in prior years	3,099	(2,749)	999	2,299
	<b>63,582</b>	22,225	<b>2,952</b>	3,209
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	(1,005)	(19,363)	-	-
Overprovision of deferred tax in prior years	(11,098)	(4,658)	-	-
	<b>(12,103)</b>	(24,021)	-	-
Total income tax expense/(benefit)	<b>51,479</b>	(1,796)	<b>2,952</b>	3,209

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense/(benefit) applicable between profit/(loss) before income tax at the statutory income tax rate and income tax expense/(benefit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(loss) before income tax	133,543	(213,921)	10,415	11,506
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	32,050	(51,341)	2,500	2,761
Effect of different tax rates in other country	95	(926)	-	-
Income not subject to tax	(2,498)	(1,074)	(21,033)	(22,672)
Expenses not deductible for tax purposes	22,818	26,600	20,486	20,821
Deferred tax assets not recognised during the year	13,731	21,644	-	-
Reversal of deferred tax assets	-	13,823	-	-
Tax effect on share of associates' and joint ventures' results	(6,718)	(3,115)	-	-
Under/(over) provision of income tax in prior years	3,099	(2,749)	999	2,299
Over provision of deferred tax in prior years	(11,098)	(4,658)	-	-
Tax expense/(benefit) for the year	<b>51,479</b>	(1,796)	<b>2,952</b>	3,209

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 8. DIVIDEND

Since the end of the previous financial year, no dividend has been paid by the Company.

On 23 February 2023, the Board of Directors has declared a single-tier tax exempt dividend of 0.5 sen per share (2021: Nil) on 5,058,476,221 ordinary shares in respect of financial year ended 31 December 2022 amounting to RM25,292,381 (2021: Nil). The proposed dividend will be paid on 22 May 2023 to shareholders registered at the close of business on 28 April 2023.

A depositor shall qualify for entitlement to the dividend only in respect of:

- Shares transferred into the depositors' securities account before 4.30pm on 28 April 2023 in respect of transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

#### 9. EARNINGS/(LOSS) PER SHARE

Earnings/(loss) per share are calculated by dividing profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2022	2021
Profit/(loss) for the year attributable to owners of the parent (RM'000)	<b>80,539</b>	(213,047)
Weighted average number of ordinary shares in issue ('000)	<b>5,058,476</b>	5,058,476
Earnings/(loss) per share (sen)	<b>1.6</b>	(4.2)

There have been no other transactions involving ordinary shares between the reporting date and the date of authorisation of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Building RM'000	Capital work-in-progress RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Renovation, equipment and others RM'000	Total RM'000
<b>At 31 December 2022</b>								
Net carrying amount at 1 January 2022	<b>14,896</b>	<b>336,251</b>	<b>3,626</b>	<b>57,551</b>	–	<b>9</b>	<b>34,354</b>	<b>446,687</b>
Additions	–	<b>2,571</b>	<b>464</b>	–	–	–	<b>1,722</b>	<b>4,757</b>
Disposal of a subsidiary	–	–	–	–	–	–	<b>(119)</b>	<b>(119)</b>
Foreign currency translation	<b>(3)</b>	<b>276</b>	–	–	–	–	<b>(252)</b>	<b>21</b>
Transfer to assets held for sale (Note 27)	<b>(2,694)</b>	<b>(17,068)</b>	<b>(2,635)</b>	–	–	–	–	<b>(22,397)</b>
Write-off (Note 5)	–	–	<b>(590)</b>	<b>(170)</b>	–	–	<b>(119)</b>	<b>(879)</b>
Depreciation charge (Note 5)	–	<b>(7,856)</b>	–	<b>(4,050)</b>	–	<b>(6)</b>	<b>(10,948)</b>	<b>(22,860)</b>
Write-back of impairment (Note 5)	–	–	–	<b>2,050</b>	–	–	–	<b>2,050</b>
Net carrying amount at 31 December 2022	<b>12,199</b>	<b>314,174</b>	<b>865</b>	<b>55,381</b>	–	<b>3</b>	<b>24,638</b>	<b>407,260</b>
Cost	<b>12,199</b>	<b>357,134</b>	<b>865</b>	<b>103,822</b>	<b>6,476</b>	<b>8,107</b>	<b>110,994</b>	<b>599,597</b>
Accumulated depreciation	–	<b>(42,960)</b>	–	<b>(39,201)</b>	<b>(6,476)</b>	<b>(8,104)</b>	<b>(86,356)</b>	<b>(183,097)</b>
Accumulated impairment	–	–	–	<b>(9,240)</b>	–	–	–	<b>(9,240)</b>
Net carrying amount	<b>12,199</b>	<b>314,174</b>	<b>865</b>	<b>55,381</b>	–	<b>3</b>	<b>24,638</b>	<b>407,260</b>

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Building RM'000	Capital work-in-progress RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Renovation, equipment and others RM'000	Total RM'000
<b>At 31 December 2021</b>								
Net carrying amount at 1 January 2021	14,896	344,740	3,633	70,953	-	86	44,306	478,614
Additions	-	-	1,460	190	-	-	1,265	2,915
Write-off (Note 5)	-	-	-	(2)	-	-	(412)	(414)
Foreign currency translation	-	(339)	-	-	-	-	(100)	(439)
Transfer to investment properties (Note 11)	-	-	(1,241)	-	-	-	-	(1,241)
Reclassification	-	-	(226)	-	-	-	226	-
Depreciation charge (Note 5)	-	(8,150)	-	(4,866)	-	(77)	(10,931)	(24,024)
Impairment (Note 5)	-	-	-	(8,724)	-	-	-	(8,724)
Net carrying amount at 31 December 2021	14,896	336,251	3,626	57,551	-	9	34,354	446,687
Cost	14,896	372,119	3,626	104,890	6,476	8,996	110,949	621,952
Accumulated depreciation	-	(35,868)	-	(36,049)	(6,476)	(8,987)	(76,595)	(163,975)
Accumulated impairment	-	-	-	(11,290)	-	-	-	(11,290)
Net carrying amount	14,896	336,251	3,626	57,551	-	9	34,354	446,687

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Capital work-in-progress RM'000	Renovation, equipment and others RM'000	Total RM'000
<b>At 31 December 2022</b>			
Net carrying amount at 1 January 2022	93	23,633	23,726
Additions	80	1,060	1,140
Reclassification	(93)	93	-
Depreciation charge (Note 5)	-	(7,210)	(7,210)
Net carrying amount at 31 December 2022	80	17,576	17,656
Cost	80	43,607	43,687
Accumulated depreciation	-	(26,031)	(26,031)
Net carrying amount	80	17,576	17,656
<b>At 31 December 2021</b>			
Net carrying amount at 1 January 2021	227	30,410	30,637
Additions	319	624	943
Disposal	(227)	-	(227)
Write-off (Note 5)	-	(237)	(237)
Reclassification	(226)	226	-
Depreciation charge (Note 5)	-	(7,390)	(7,390)
Net carrying amount at 31 December 2021	93	23,633	23,726
Cost	93	42,454	42,547
Accumulated depreciation	-	(18,821)	(18,821)
Net carrying amount	93	23,633	23,726

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 11. INVESTMENT PROPERTIES

Group	Investment properties under construction RM'000	Completed investment properties RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2022	22,105	957,709	979,814
Addition	6,859	–	6,859
Reclassification	(22,026)	22,026	–
Foreign translation	–	(1,210)	(1,210)
At 31 December 2022	6,938	978,525	985,463
<b>Accumulated depreciation</b>			
At 1 January 2022	–	(142,537)	(142,537)
Depreciation charge (Note 5)	–	(21,339)	(21,339)
At 31 December 2022	–	(163,876)	(163,876)
<b>Accumulated impairment</b>			
At 1 January 2022	–	(39,230)	(39,230)
Impairment charge (Note 5)	–	(2,343)	(2,343)
At 31 December 2022	–	(41,573)	(41,573)
Net carrying amount	6,938	773,076	780,014
Fair value of investment properties (Note 39)	#	1,123,590	1,123,590

#### Impairment losses of investment properties

On the reporting date, the Group conducted an impairment review of its investment properties, principally based on the independent accredited third-party valuers assessment, which represents the directors' estimation of the fair value less costs to sell. During the year, the Group has recognised impairment of RM2,343,000 (2021: RM12,754,000).

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 11. INVESTMENT PROPERTIES (CONT'D.)

Group	Investment properties under construction RM'000	Completed investment properties RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2021	14,638	955,761	970,399
Additions	6,226	4,156	10,382
Transfer from property, plant and equipment (Note 10)	1,241	–	1,241
Foreign translation	–	(2,207)	(2,207)
At 31 December 2021	22,105	957,710	979,815
<b>Accumulated depreciation</b>			
At 1 January 2021	–	(119,991)	(119,991)
Depreciation charge (Note 5)	–	(22,546)	(22,546)
At 31 December 2021	–	(142,537)	(142,537)
<b>Accumulated impairment</b>			
At 1 January 2021	–	(26,476)	(26,476)
Impairment charge (Note 5)	–	(12,754)	(12,754)
At 31 December 2021	–	(39,230)	(39,230)
Net carrying amount	22,105	775,943	798,048
Fair value of investment properties (Note 39)	#	1,082,102	1,082,102

# The fair value of the investment properties under construction cannot be reliably determined and accordingly, no fair value information is being disclosed.

The Group has no restrictions on the realisability of its investment properties and no significant contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The fair value of the investment properties has been substantially arrived at via valuation performed by accredited independent valuers, in which categorised within the fair value hierarchy (Level 3), as the fair value is measured using inputs that are not based on observable market data.

The fair value of investment properties described above was based on conditions existing as at 31 December 2022.

Included in investment properties under construction is the borrowing cost of RM740,000 (2021: RM346,000) for the construction of a building.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 12a. RIGHT-OF-USE ASSETS

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
At 1 January 2022	<b>7,674</b>	<b>10</b>	<b>7,684</b>
Addition	<b>22,331</b>	–	<b>22,331</b>
Depreciation (Note 5)	<b>(8,178)</b>	<b>(6)</b>	<b>(8,184)</b>
At 31 December 2022	<b>21,827</b>	<b>4</b>	<b>21,831</b>
At 1 January 2021	17,357	54	17,411
Addition	11	–	11
Depreciation (Note 5)	(9,694)	(44)	(9,738)
At 31 December 2021	7,674	10	7,684

Company	Buildings	
	2022 RM'000	2021 RM'000
At 1 January	<b>4,987</b>	10,932
Addition	<b>22,232</b>	–
Write-off	–	(15)
Depreciation (Note 5)	<b>(5,449)</b>	(5,930)
At 31 December	<b>21,770</b>	4,987

The Group and the Company lease a number of offices and buildings for a period of between 1 year and 6 years, with fixed rents and an option to renew the lease.

#### 12b. LEASE LIABILITIES

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
At 1 January 2022	<b>8,990</b>	<b>12</b>	<b>9,002</b>
Addition	<b>22,331</b>	–	<b>22,331</b>
Accretion of interest (Note 6)	<b>236</b>	–	<b>236</b>
Billings	<b>(9,532)</b>	<b>(6)</b>	<b>(9,538)</b>
At 31 December 2022	<b>22,025</b>	<b>6</b>	<b>22,031</b>
Analysed into:			
Non-current	<b>18,414</b>	–	<b>18,414</b>
Current	<b>3,611</b>	<b>6</b>	<b>3,617</b>
	<b>22,025</b>	<b>6</b>	<b>22,031</b>

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 12b. LEASE LIABILITIES (CONT'D.)

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
At 1 January 2021	20,371	57	20,428
Addition	11	–	11
Accretion of interest (Note 6)	694	2	696
Billings	(12,086)	(47)	(12,133)
At 31 December 2021	8,990	12	9,002
Analysed into:			
Non-current	284	2	286
Current	8,706	10	8,716
	8,990	12	9,002

Company	Buildings	
	2022 RM'000	2021 RM'000
At 1 January	<b>5,469</b>	11,619
Addition	<b>22,232</b>	–
Write-off	–	(15)
Accretion of interest (Note 6)	<b>175</b>	399
Billings	<b>(5,970)</b>	(6,534)
At 31 December	<b>21,906</b>	5,469
Analysed into:		
Non-current	<b>18,414</b>	126
Current	<b>3,492</b>	5,343
	<b>21,906</b>	5,469

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 12b. LEASE LIABILITIES (CONT'D.)

The maturity analysis of lease liabilities is disclosed as below:

Group	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
<b>2022</b>			
Within 1 year	4,535	918	3,617
Between 1 to 2 years	4,616	747	3,869
Between 2 to 5 years	14,034	1,095	12,939
More than 5 years	1,634	28	1,606
<b>2021</b>			
Within 1 year	8,883	167	8,716
Between 1 to 2 years	288	2	286

Company	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
<b>2022</b>			
Within 1 year	4,408	916	3,492
Between 1 to 2 years	4,616	747	3,869
Between 2 to 5 years	14,034	1,095	12,939
More than 5 years	1,634	28	1,606
<b>2021</b>			
Within 1 year	5,446	103	5,343
Between 1 to 2 years	128	2	126

#### Sale and leaseback

In 2015, the Group sold an office building and leased back. The original tenure was for 7 years and expired end of October 2022. A new rental agreement was signed in November 2022 for a 6 year period. This sale and leaseback transaction enabled the Group to access more capital while continuing to use the office building.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 13. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2022 RM'000	2021 RM'000
<b>Cost</b>		
At 1 January	5,462,947	5,832,747
Additions	98,035	710,525
Disposal	(21,670)	(2,498)
Disposal of controlling interest in a subsidiary	–	(901,373)
Transfer to property development costs (Note 21)	(381,204)	(176,454)
Foreign currency translation	348	–
At 31 December	5,158,456	5,462,947

As at the reporting date, land and related development expenditures of RM804,330,000 (2021: RM755,763,000) are pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 31(a).

Included in the additions to the land held for property development of the Group during the financial year are as follows:

	Group	
	2022 RM'000	2021 RM'000
Interest capitalised (Note 6)	56,236	45,513
Staff costs (Note 5(ii))	933	2,008

#### 14. INTERESTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
<b>Investment in subsidiaries, unquoted shares</b>		
At 1 January/31 December	3,181,299	3,181,299
<b>Investment in RCPS/RPS, issued by subsidiaries</b>		
At 1 January	1,155,212	1,155,212
Addition	42,000	–
At 31 December	1,197,212	1,155,212
<b>Impairment losses</b>		
At 1 January	(18,830)	(18,830)
Impairment losses (Note 5)	(20,644)	–
At 31 December	(39,474)	(18,830)
	4,339,037	4,317,681

Details of the subsidiaries are disclosed in Note 42.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 14. INTERESTS IN SUBSIDIARIES (CONT'D.)

##### Impairment losses of interests in subsidiaries

On the reporting date, the Company conducted an impairment review of its interests in certain subsidiaries, principally based on the Company's share of net assets in these subsidiaries, which represents the directors' estimation of fair value less costs to sell of these subsidiaries.

#### 15a. INTERESTS IN ASSOCIATES

	Group	
	2022 RM'000	2021 RM'000
<b>Investment in associates, unquoted shares</b>		
At 1 January	55,383	56,553
Addition in an associate resulting from disposal of controlling interest in a subsidiary	–	6,971
Fair value adjustment (Note 5)	–	(6,971)
Written off (Note 5)	–	(1,170)
At 31 December	55,383	55,383
<b>Investment in RPS, issued by an associate</b>		
At 1 January	717,158	360,000
Addition in an associate resulting from disposal of controlling interest in a subsidiary	–	360,000
Redemption of investment	(6,400)	–
Fair value adjustment (Note 5)	(2,957)	(2,842)
At 31 December	707,801	717,158
<b>Share of post-acquisition reserves</b>		
At 1 January	104,439	95,685
Share of reserve during the year	4,045	8,754
At 31 December	108,484	104,439
Foreign currency translation	(26,688)	(26,622)
	844,980	850,358

In 2021, Aura Muhibah Sdn. Bhd. was reclassified from interests in subsidiaries to interests in associates as result of disposal of controlling interest in a subsidiary.

	Company	
	2022 RM'000	2021 RM'000
<b>Investment in an associate, unquoted shares</b>		
At 1 January	–	1,170
Written off (Note 5)	–	(1,170)
At 31 December	–	–

Details of associates are disclosed in Note 43.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 15a. INTERESTS IN ASSOCIATES (CONT'D.)

Summarised financial information in respect of Group's material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

##### Summarised statement of financial position

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	883,910	883,996	142,530	333,476	901,768	901,377
Current assets	18,854	18,445	704,091	566,199	7,407	15,122
Total assets	902,764	902,441	846,621	899,675	909,175	916,499
Current liabilities	73	44	185,393	247,790	829	736
Total liabilities	73	44	185,393	247,790	829	736
Net assets	902,691	902,397	661,228	651,885	908,346	915,763

##### Summarised statement of comprehensive income

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	–	–	98,542	62,478	–	–
Profit before income tax	365	303	11,585	53,828	10,643	4,135
Total comprehensive income	294	244	9,343	43,410	8,583	3,335

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 15a. INTERESTS IN ASSOCIATES (CONT'D.)

Summarised financial information in respect of Group's material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts. (cont'd.)

#### Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in associates

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net assets at 1 January	<b>902,397</b>	903,153	<b>651,885</b>	608,475	<b>915,763</b>	-
Profit for the year	<b>294</b>	244	<b>9,343</b>	43,410	<b>8,583</b>	3,335
Addition in an associate resulting from disposal of controlling interest in a subsidiary	-	-	-	-	-	917,428
Redemption of investment	-	-	-	-	<b>(16,000)</b>	-
Dividend paid	-	(1,000)	-	-	-	(5,000)
Net assets at 31 December	<b>902,691</b>	902,397	<b>661,228</b>	651,885	<b>908,346</b>	915,763
Interests in associate	<b>40%</b>	40%	<b>25%</b>	25%	<b>40%</b>	40%
	<b>361,076</b>	360,959	<b>165,307</b>	162,971	<b>363,338</b>	366,305
Unrealised profit arising from land sales	<b>(35,902)</b>	(35,902)	-	-	-	-
Fair value adjustments of options in investments	-	-	-	-	<b>(12,770)</b>	(9,813)
Carrying value of Group's interest	<b>325,174</b>	325,057	<b>165,307</b>	162,971	<b>350,568</b>	356,492

#### Aggregate information of associates that are not individually material

	2022 RM'000	2021 RM'000
The Group's share of loss before income tax	<b>(1,841)</b>	(1,130)
The Group's share of loss after income tax	<b>(1,841)</b>	(1,130)

Apart from as disclosed in Note 37, there is no material contingent liability and capital commitment relating to associates as at 31 December 2022 and 31 December 2021.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 15b. AMOUNTS DUE FROM ASSOCIATES

Group	2022 RM'000	2021 RM'000
Amount due from associates	<b>16,199</b>	15,976
Accumulated impairment losses		
At 1 January	<b>(15,587)</b>	(2,255)
Impairment losses (Note 5)	-	(13,332)
At 31 December	<b>(15,587)</b>	(15,587)
	<b>612</b>	389
Analysed into:		
Current	<b>612</b>	389

Amounts due from associates are unsecured, non-interest bearing and repayable on demand.

#### Company

Amount due from associates is unsecured, non-interest bearing and repayable on demand.

#### 16a. INTERESTS IN JOINT VENTURES

Group	2022 RM'000	2021 RM'000
<b>Investment in joint ventures, unquoted shares</b>		
At 1 January	<b>33,954</b>	33,954
Dissolution of a joint venture (Note (ii))	<b>(250)</b>	-
At 31 December	<b>33,704</b>	33,954
<b>Investment in Redeemable Convertible Loan Stocks ("RCULS"), RCPS and RPS, issued by joint ventures</b>		
At 1 January	<b>697,921</b>	697,021
Additional investment (Note (i))	<b>1,878</b>	900
Dissolution of a joint venture (Note (ii))	<b>(100)</b>	-
At 31 December	<b>699,699</b>	697,921
Share of post-acquisition reserves	<b>35,757</b>	38,277
Amounts due from joint ventures (Note (iii))	<b>183,351</b>	184,506
Accumulated impairment losses	<b>(61,320)</b>	(61,320)
	<b>891,191</b>	893,338



## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 16a. INTERESTS IN JOINT VENTURES (CONT'D.)

Company	2022 RM'000	2021 RM'000
<b>Investments in joint ventures, unquoted shares</b>		
At 1 January/31 December	<b>23,580</b>	23,580
<b>Investment in RCULS, RCPS and RPS, issued by joint ventures</b>		
At 1 January	<b>502,562</b>	502,562
Additional investment (Note (i))	<b>978</b>	-
At 31 December	<b>503,540</b>	502,562
Impairment losses (Note (v))	<b>(231,553)</b>	(231,553)
At 31 December	<b>295,567</b>	294,589

(i) In 2022, the Company subscribed for additional 977,778 Redeemable Preference Shares at RM1.00 per share in Nusajaya Lifestyle Sdn. Bhd. amounting to RM977,778.

In addition, UEM Land Berhad, a wholly-owned subsidiary of the Company subscribed for additional 900 Redeemable Preference Shares at RM1,000 per share in FASTrack Iskandar Sdn. Bhd. amounting to RM900,000.

- (ii) During the year, Gerbang Leisure Park Sdn. Bhd., a 50% owned joint venture was dissolved on 3 March 2022.
- (iii) Amounts due from joint ventures are unsecured and non-interest bearing. The Group views the non-trade amounts due from joint ventures as part of the Group's interests in joint ventures.
- (iv) Apart from as disclosed in Note 37, there is no material contingent liability and capital commitment relating to joint ventures as at 31 December 2022 and 31 December 2021.
- (v) On the reporting date, the Company conducted an impairment review of its interests in certain joint ventures, principally based on the share of net assets in these joint ventures, which represents the directors' estimation of fair value less costs to sell in these joint ventures.

The Company recorded impairment losses of RMNil during the year (2021:RM10,497,000).

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 16a. INTERESTS IN JOINT VENTURES (CONT'D.)

(vi) Summarised financial information in respect of Group's material joint ventures is set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

##### Summarised statement of financial position

	FASTrack Iskandar Sdn. Bhd.		Nusajaya Tech Park Sdn. Bhd.		Nusajaya Lifestyle Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Sunrise MCL Land Sdn. Bhd.		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	<b>243,410</b>	204,726	<b>2,473</b>	4,535	<b>173,556</b>	173,480	<b>294,234</b>	226,667	<b>194,127</b>	194,127	<b>121,283</b>	125,635	<b>1,026,083</b>	929,170
Cash and cash equivalents	<b>2,279</b>	2,640	<b>33,591</b>	47,476	<b>837</b>	478	<b>59,262</b>	75,575	<b>13,744</b>	313	<b>15,502</b>	43,580	<b>125,215</b>	170,062
Other current assets	<b>50,358</b>	87,463	<b>164,743</b>	114,659	<b>2,236</b>	3,033	<b>613,655</b>	706,468	<b>1,637</b>	13,643	<b>111,273</b>	76,285	<b>943,902</b>	1,001,551
Total current assets	<b>52,637</b>	90,103	<b>198,334</b>	162,135	<b>3,073</b>	3,511	<b>672,917</b>	782,043	<b>15,381</b>	13,956	<b>126,775</b>	119,865	<b>1,069,117</b>	1,171,613
Total assets	<b>296,047</b>	294,829	<b>200,807</b>	166,670	<b>176,629</b>	176,991	<b>964,151</b>	1,008,710	<b>209,508</b>	208,083	<b>248,058</b>	245,500	<b>2,095,200</b>	2,100,783
Current liabilities	<b>34</b>	34	-	-	-	-	<b>35,692</b>	26,604	<b>17,477</b>	15,090	<b>12,061</b>	1,511	<b>65,264</b>	45,039
Trade and other payables and provisions	<b>21</b>	13	<b>9,060</b>	6,225	<b>31,738</b>	32,657	<b>55,999</b>	75,629	<b>1,265</b>	981	<b>3,351</b>	14,583	<b>101,432</b>	130,088
Total current liabilities	<b>55</b>	47	<b>9,060</b>	6,225	<b>31,738</b>	32,657	<b>91,691</b>	102,233	<b>18,740</b>	16,071	<b>15,412</b>	15,894	<b>166,696</b>	173,127
Non-current liabilities	-	-	-	-	-	-	<b>207,360</b>	225,455	-	-	-	-	<b>207,360</b>	225,455
Trade and other payables and provision	-	-	-	-	-	-	<b>2,018</b>	4,727	-	-	-	-	<b>2,018</b>	4,727
Total non-current liabilities	-	-	-	-	-	-	<b>209,378</b>	230,182	-	-	-	-	<b>209,378</b>	230,182
Total liabilities	<b>55</b>	47	<b>9,060</b>	6,225	<b>31,738</b>	32,657	<b>301,069</b>	332,415	<b>18,740</b>	16,071	<b>15,412</b>	15,894	<b>376,074</b>	403,309
Net assets	<b>295,992</b>	294,782	<b>191,747</b>	160,445	<b>144,891</b>	144,334	<b>663,082</b>	676,295	<b>190,768</b>	192,012	<b>232,646</b>	229,606	<b>1,719,126</b>	1,697,474

## NOTES TO THE FINANCIAL STATEMENTS

### - 31 DECEMBER 2022

#### 16a. INTERESTS IN JOINT VENTURES (CONT'D.)

(vi) Summarised financial information in respect of Group's material joint ventures is set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts (cont'd.).

##### Summarised statement of financial position (cont'd.)

	FASTrack Iskandar Sdn. Bhd.		Nusajaya Tech Park Sdn. Bhd.		Nusajaya Lifestyle Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Sunrise MCL Land Sdn. Bhd.		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	-	-	86,848	27,443	2,699	4,548	109,044	181,850	-	-	71,947	63,929	270,538	277,770
Depreciation, amortisation & impairment loss	-	-	-	-	(1,735)	(20,194)	(4,177)	(2,471)	-	-	(198)	(218)	(3,110)	(22,883)
Interest income	17	17	516	436	583	120	-	-	281	228	845	393	2,242	1,194
Interest expenses	-	-	(20)	(527)	(884)	(590)	(4,054)	(1,440)	(785)	(728)	(92)	(100)	(2,829)	(3,385)
(Loss)/profit before tax	(1,790)	(1,663)	41,385	77	(1,221)	(20,265)	61,562	46,463	(1,244)	2,658	19,789	26,287	118,482	53,557
Income tax expenses	-	-	(10,083)	(738)	-	-	(14,775)	(11,151)	-	(638)	(4,749)	(6,309)	(29,607)	(18,836)
(Loss) profit after tax	(1,790)	(1,663)	31,302	(661)	(1,221)	(20,265)	46,787	35,312	(1,244)	2,020	15,040	19,978	88,874	34,721
Total comprehensive (expense) income	(1,790)	(1,663)	31,302	(661)	(1,221)	(20,265)	46,787	35,312	(1,244)	2,020	15,040	19,978	88,874	34,721

## NOTES TO THE FINANCIAL STATEMENTS

### - 31 DECEMBER 2022

#### 16a. INTERESTS IN JOINT VENTURES (CONT'D.)

(vi) Summarised financial information in respect of Group's material joint ventures is set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts (cont'd.).

##### Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in the joint ventures

	FASTrack Iskandar Sdn. Bhd.		Nusajaya Tech Park Sdn. Bhd.		Nusajaya Lifestyle Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Sunrise MCL Land Sdn. Bhd.		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net assets at 1 January	294,782	293,445	160,445	161,106	144,334	164,599	676,295	840,983	192,012	189,992	229,606	221,628	1,697,474	1,871,753
(Loss)/profit for the year	(1,790)	(1,663)	31,302	(661)	(1,221)	(20,265)	46,787	35,312	(1,244)	2,020	15,040	19,978	88,874	34,721
Additional issuance of RPS	3,000	3,000	-	-	1,778	-	-	-	-	-	-	-	4,778	3,000
Dividend paid	-	-	-	-	-	-	(60,000)	(200,000)	-	-	(2,000)	(2,000)	(62,000)	(202,000)
Redemption of investment	-	-	-	-	-	-	-	-	-	-	(10,000)	(10,000)	(10,000)	(10,000)
Net assets at 31 December	295,992	294,782	191,747	160,445	144,891	144,334	663,082	676,295	190,768	192,012	232,646	229,606	1,719,126	1,697,474
Interest in joint venture	30%	30%	40%	40%	55%	55%	50%	50%	80%	80%	50%	50%	811,817	800,474
Share of net assets of the Group	88,798	88,435	76,699	64,178	79,690	79,384	331,541	338,148	152,614	153,610	116,323	114,803	845,665	838,558
Unrealised profit arising from land sales or interest charged	-	-	-	-	-	-	(35,252)	(38,084)	1,404	-	-	-	(33,848)	(38,084)
Carrying value of Group's interest	88,798	88,435	76,699	64,178	79,690	79,384	296,289	300,064	154,018	153,610	116,323	114,803	811,817	800,474

##### Aggregate information of joint ventures that are not individually material

	2022 RM'000	2021 RM'000
The Group's share of loss before tax	(20,726)	(15,386)
The Group's share of loss after tax	(18,686)	(15,525)

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 16b. AMOUNTS DUE FROM JOINT VENTURES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amounts due from joint ventures				
– Non-current (Note (i))	<b>156,982</b>	165,309	<b>11,000</b>	11,000
– Current (Note (ii))	<b>103,473</b>	82,120	<b>32,662</b>	29,672
	<b>260,455</b>	247,429	<b>43,662</b>	40,672

##### Group

- (i) Amounts due from joint ventures are unsecured, not expected to be repayable in the next 12 months and bear interest at an average rate of 5.5% (2021: 5.4%) per annum.
- (ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand except for an amount of RM6,020,000 (2021: RM6,020,000) which bears interest at an average rate of 4.8% (2021: 6.4%) per annum.

##### Company

- (i) Amounts due from joint ventures are unsecured, not expected to be repayable in the next 12 months and bear interest an average rate of 6.89% (2021: 7.02%) per annum.
- (ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand.

#### 17. OTHER INVESTMENTS

	Group and Company	
	2022 RM'000	2021 RM'000
Unquoted shares in Malaysia	<b>22,525</b>	22,525
Less: Accumulated impairment losses	<b>(22,525)</b>	(22,525)
	<b>-</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 18. GOODWILL

Goodwill arising from business combinations has been allocated into two individual cash-generating units ("CGU"), comprising two subsidiary groups principally engaged in property development activities for impairment testing. The carrying amount of goodwill allocated to CGU is as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January/31 December	<b>621,409</b>	621,409

##### Assumptions and approach used

The recoverable amounts of the CGU have been determined based on fair value less costs to sell and value-in-use calculations using cash flow projections from financial budgets approved by the management covering a five-year period. The management has applied a pre-tax discount rate of 12.9% (2021: 12.5%).

The calculations of value-in-use for the CGU are most sensitive to the following assumptions:

- Budgeted gross margins – Gross margins are based on historical trend of gross margins for the CGU.
- Pre-tax discount rates – Discount rates reflect the weighted average cost of capital of the CGU.
- Sales take-up rate – Sales take-up rate is based on historical trend of the market of which the CGU operates.

In determining fair value less costs to sell of the properties, the Group relies on the works performed by the accredited independent valuers. In the absence of such valuation, the Group applies the recently transacted prices of properties at nearby locations.

There remains a risk that, due to unforeseen changes in the global economic condition and/or in the economy in which the CGU operates, the gross margins and sales take-up rate for property development may be adversely affected.

##### Impact of possible changes in key assumptions

The sensitivity tests indicated that with an increase in the discount rate by 2% (2021: 4%) or a reduction in the market value of identifiable assets by 9% (2021: 16%) or a reduction in the net development value of property sales by 7% (2021: 7%), there will be no impairment loss required where other realistic variations remained the same.

The calculation for value-in-use for the CGU described above was based on conditions existing as at 31 December 2022. The Group will continue to monitor and assess the assumptions applied.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 19. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits with licensed banks (Note (i))	52,778	81,577	–	45,000
Cash and bank balances (Note (ii))	972,773	771,450	15,515	16,360
	<b>1,025,551</b>	853,027	<b>15,515</b>	61,360
Less:				
Deposits with tenures of more than 3 months	(25,413)	–	–	–
Bank overdraft (Note 31)	(4,370)	(4,823)	–	–
Cash and cash equivalents	<b>995,768</b>	848,204	<b>15,515</b>	61,360

(i) The interest rate and maturity of deposits of the Group as at financial year end ranges from 1.58% to 2.85% (2021: 0.04% to 1.85%) per annum and average of 360 days (2021: 168 days) respectively.

(ii) Included in cash and bank balances of the Group are:

	Group	
	2022	2021
– Housing Development Accounts	341,485	249,444
– Securities under credit facilities*	1,654	2,481

\* Included in the cash and bank balances are monies restricted for use for certain payments under the requirements of the financing facility agreements amounting to RM1,654,000 (2021: RM2,481,000).

#### 20. DEFERRED TAXATION

	Group	
	2022 RM'000	2021 RM'000
At 1 January	(111,582)	(91,350)
Recognised in profit or loss (Note 7)	(12,103)	(24,021)
Foreign currency translation	4,077	3,789
At 31 December	<b>(119,608)</b>	(111,582)
Presented as follows:		
Deferred tax liabilities	163,395	178,609
Deferred tax assets	(283,003)	(290,191)
	<b>(119,608)</b>	(111,582)

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 20. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

##### Deferred tax liabilities of the Group:

	Fair value adjustment of land and building RM'000	Interest capitalised RM'000	Others RM'000	Total RM'000
At 1 January 2022	152,758	114,754	73	267,585
Recognised in profit or loss	(2,927)	4,194	(73)	1,194
At 31 December 2022	<b>149,831</b>	<b>118,948</b>	–	<b>268,779</b>
At 1 January 2021	154,015	108,394	117	262,526
Recognised in profit or loss	(1,257)	6,360	(44)	5,059
At 31 December 2021	152,758	114,754	73	267,585

##### Deferred tax assets of the Group:

	Provisions RM'000	Tax losses and capital allowances RM'000	Others RM'000	Total RM'000
At 1 January 2022	(184,454)	(152,235)	(42,478)	(379,167)
Recognised in profit or loss	(11,064)	(5,024)	2,791	(13,297)
Foreign currency translation	–	4,077	–	4,077
At 31 December 2022	<b>(195,518)</b>	<b>(153,182)</b>	<b>(39,687)</b>	<b>(388,387)</b>
At 1 January 2021	(181,865)	(123,468)	(48,543)	(353,876)
Recognised in profit or loss	(2,589)	(32,556)	6,065	(29,080)
Foreign currency translation	–	3,789	–	3,789
At 31 December 2021	(184,454)	(152,235)	(42,478)	(379,167)

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 20. DEFERRED TAXATION (CONT'D.)

Deferred tax assets are not recognised in respect of the following items:

	Group	
	2022 RM'000	2021 RM'000
Unutilised tax losses	<b>345,156</b>	342,397
Others	<b>127,992</b>	73,540
	<b>473,148</b>	415,937
Deferred tax benefit at 24%, if recognised	<b>113,556</b>	99,825

Deferred tax assets have not been recognised in respect of the following item:

	Group	
	2022 RM'000	2021 RM'000
Unutilised tax losses		
– Expires in FY2028	<b>228,678</b>	239,427
– Expires in FY2029	<b>28,186</b>	28,186
– Expires in FY2030	<b>37,363</b>	37,363
– Expires in FY2031	<b>37,421</b>	37,421
– Expires in FY2032	<b>13,508</b>	–
	<b>345,156</b>	342,397

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group is subject to no substantial changes in shareholdings of the respective companies under the Income Tax Act, 1967, and guidelines issued by the tax authority. Effective from YA 2019, unutilised tax losses are allowed to be carried forward for a maximum period of ten years.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available in the Company and certain subsidiaries against which the Group can utilise the benefits.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 21. PROPERTY DEVELOPMENT COSTS

	Group	
	2022 RM'000	2021 RM'000
At 1 January	<b>3,595,011</b>	3,250,850
Development costs incurred during the year	<b>546,320</b>	480,622
Transfer from/(to):		
– land held for property development (Note 13)	<b>381,204</b>	176,454
– inventories held for sale	<b>(5,431)</b>	(30,883)
– inventories under contract of sale	<b>(19,781)</b>	(1,913)
Impairment (Note 5)	–	(20,605)
Reversal of cost arising from completed projects	<b>(626,238)</b>	(259,514)
	<b>276,074</b>	344,161
At 31 December	<b>3,871,085</b>	3,595,011
Costs recognised in profit or loss		
At 1 January	<b>(2,774,470)</b>	(2,292,618)
Recognised during the year	<b>(744,151)</b>	(741,366)
Reversal of cost arising from completed projects	<b>626,238</b>	259,514
At 31 December	<b>(2,892,383)</b>	(2,774,470)
Property development costs as at 31 December	<b>978,702</b>	820,541

The property development costs balances include contract cost assets which comprise of costs to fulfil and obtain contracts are as follows:

	Group	
	2022 RM'000	2021 RM'000
Contract cost assets:		
Costs to fulfil contracts with customers	<b>120,927</b>	200,934
Incremental costs to obtain contracts with customers	<b>18,125</b>	16,219
	<b>139,052</b>	217,153
Amortised to profit or loss:		
Costs to fulfil contracts with customers	<b>740,871</b>	749,665
Incremental costs to obtain contracts with customers	<b>15,648</b>	8,929
	<b>756,519</b>	758,594

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 21. PROPERTY DEVELOPMENT COSTS (CONT'D.)

Included in costs incurred during the financial year are:

	Group	
	2022 RM'000	2021 RM'000
Interest capitalised (Note 6)	4,022	6,024
Staff costs (Note 5(ii))	13,575	12,786

As at the reporting date, freehold land and related development expenditure of RM398,222,000 (2021: RM163,927,000) are pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 31 (a), (b) and (c).

#### 22. INVENTORIES

##### (a) Inventories held for sale

	Group	
	2022 RM'000	2021 RM'000
<b>At cost</b>		
Completed properties	55,359	146,584
Consumables	8	143
	<b>55,367</b>	146,727
<b>At net realisable value</b>		
Completed properties	119,469	221,982
Golf memberships*	28,169	28,211
	<b>203,005</b>	396,920

The cost of inventories recognised as cost of sales during the year amounted to RM197,424,000 (2021: RM101,623,000).

\* Under the terms of the Development Agreement dated 16 June 2005 between Horizon Hills Development Sdn. Bhd. ("HHDSB") and Nusajaya Greens Sdn. Bhd., HHDSB has settled part of the purchase consideration in the form of rights to club membership (golf and non-golf) which is to be issued by the Horizon Hills Resort Bhd., a wholly-owned subsidiary of HHDSB.

##### (b) Inventories under contract of sale

	Group	
	2022 RM'000	2021 RM'000
<b>At cost</b>		
Completed properties	102,096	59,967

The inventories under contract of sale relate to sales, which sale and purchase agreements have been entered into, pending settlement by the purchasers.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 23. RECEIVABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables	(i),(vi), (vii)	841,910	599,355	–	–
Amounts due from related parties	(ii)	2,502	3,391	–	–
Other receivables	(iii)	219,974	200,370	102,829	379,698
		<b>1,064,386</b>	803,116	<b>102,829</b>	379,698
Less: Allowance for impairment	(iv)	(31,122)	(30,482)	–	–
		<b>1,033,264</b>	772,634	<b>102,829</b>	379,698
Analysed into:					
Non-current	(v)	360,295	293,116	–	–
Current		672,969	479,518	102,829	379,698
		<b>1,033,264</b>	772,634	<b>102,829</b>	379,698

(i) Included in trade receivables is an amount of RM32,281,000 (2021: RM32,281,000) owing from a joint venture entity that arose from a sale of land in prior years and bears interest at 6% (2021: 6%) per annum.

(ii) Related parties refer to those as specified in Note 36. Amounts due from related parties are unsecured, non-interest bearing and repayable on demand.

(iii) Other receivables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Dividend receivable	–	–	87,500	371,000
Sundry debtors and prepayments (Note (a))	106,932	66,577	15,267	8,028
Tax recoverable (Note (a))	85,988	106,998	62	670
Deposits	27,054	26,795	–	–
	<b>219,974</b>	200,370	<b>102,829</b>	379,698

(a) Included in the tax recoverable and sundry debtors are amounts of RM50.9 million and RM22.9 million respectively representing additional tax and penalty paid under protest and subject to appeal to Inland Revenue Board (Note 37).

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 23. RECEIVABLES (CONT'D.)

(iv) Allowance for impairment

	Group	
	2022 RM'000	2021 RM'000
Trade receivables	8,644	9,253
Amounts due from related parties	628	628
Sundry debtors	21,850	20,601
	<b>31,122</b>	30,482

(v) Long term receivables arose from the negotiated sales term of which payment is not expected to be received within the next 12 months.

The amounts due from the customers are measured at fair value which are computed based on estimated future cash flows discounted at the debtor's cost of borrowing as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	293,116	145,355
Addition	183,482	152,407
Reclassification to current receivables	(128,207)	(4,349)
Remeasurement (Note 5)	141	(502)
Accretion of interest (Note 5)	11,763	205
At 31 December	<b>360,295</b>	293,116

(vi) The Group's normal trade credit terms range from 30 to 90 days (2021: 30 to 90 days). For strategic land sales and sales of developed land, credit terms are negotiated and approved on a case-by-case basis.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 23. RECEIVABLES (CONT'D.)

(vii) Ageing analysis

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2022 RM'000	2021 RM'000
Neither past due nor impaired	458,129	405,186
1 to 30 days past due not impaired	219,898	52,452
31 to 60 days past due not impaired	23,680	10,196
61 to 90 days past due not impaired	29,834	18,573
More than 90 days past due not impaired	101,725	103,695
Past due but not impaired	375,137	184,916
Impaired	8,644	9,253
	<b>841,910</b>	599,355

Individually impaired

Nominal amount	8,644	9,253
Allowance for impairment	(8,644)	(9,253)
	-	-

#### **Receivables that are neither past due nor impaired**

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Based on past experience, the Board believes that no allowance for impairment is necessary in respect of those balances.

#### **Receivables that are past due but not impaired**

The Group has trade receivables that are related to customers with good track records with the Group or those with on-going transactions and/or progressive payments. Based on past experience, the Board believes that no allowance for impairment is necessary as the directors are of the opinion that this debt should be realised in full without making losses in the ordinary course of business.

The methods, assumptions and information used to measure expected credit loss ("ECL") at the reporting date were based on conditions existing as at 31 December 2022.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 23. RECEIVABLES (CONT'D.)

(vii) Ageing analysis (cont'd.)

The movement in allowance account for receivables is as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	30,482	30,716
Charge for the year (Note 5)	3,544	3,798
Reversal of impairment loss (Note 5)	(576)	(273)
Write off	(2,328)	(3,759)
At 31 December	31,122	30,482

#### 24. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
<b>Contract assets</b>		
Contract assets from property development (Note (a))	374,672	425,839
Analysed into:		
Current	374,672	425,839
<b>Contract liabilities</b>		
Contract liabilities from property development (Note (a))	54,947	2,762
Contract liabilities from strategic land sales (Note (b))	289,772	299,980
Carrying amount at the end of the financial year	344,719	302,742
Analysed into:		
Non-current	239,678	240,634
Current	105,041	62,108
	344,719	302,742

##### (a) Contract assets and contract liabilities from property development

The Group issues progress billings to purchasers when the billing milestones are attained recognises revenue when the performance obligation is satisfied.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

##### (a) Contract assets and contract liabilities from property development (cont'd.)

The Group's contract assets and contract liabilities relating to the sale of properties at the end of each reporting period are shown as below:

	Group	
	2022 RM'000	2021 RM'000
Contract assets	374,672	425,839
Contract liabilities	(54,947)	(2,762)
	319,725	423,077
As at 1 January	423,077	213,908
Revenue recognised during the financial year (Note 3)	811,971	730,194
Progress billings during the financial year	(915,323)	(521,025)
As at 31 December	319,725	423,077

##### (b) Contract assets and contract liabilities from land sales

The Group recognises revenue upon transfer of control and issues billings to purchasers based on contractual terms.

The Group's contract assets and contract liabilities relating to the land sales at the end of each reporting period are shown as below:

	Group	
	2022 RM'000	2021 RM'000
Contract liabilities	(289,772)	(299,980)
As at 1 January	(299,980)	(269,132)
Revenue recognised during the financial year (Note 3)	145,039	140,866
Deferred during the financial year	(134,831)	(171,714)
As at 31 December	(289,772)	(299,980)



## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

##### (c) Unsatisfied performance obligations

The unsatisfied performance obligations at the end of each reporting period are estimated to be recognised in the following periods:

	Group	
	2022 RM'000	2021 RM'000
Within 1 year	1,155,781	1,230,652
Between 1 and 4 years	286,078	697,816
More than 4 years	181,004	207,057
	<b>1,622,863</b>	2,135,525

#### 25. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
<b>Amounts due from subsidiaries</b>		
– Non-current (Note (i))	2,610,176	2,875,651
– Current (Note (ii))	1,693,458	1,005,481
	<b>4,303,634</b>	3,881,132
At 31 December	4,403,559	3,971,837
Impairment loss	(99,925)	(90,705)
	<b>4,303,634</b>	3,881,132
<b>Amounts due to subsidiaries</b>		
– Non-current (Note (iii))	37,054	146,450
– Current (Note (iv))	5,686	21,115
	<b>42,740</b>	167,565

During the financial year, the Company has made a provision for impairment on the amounts due from subsidiaries of RM9,220,000 (2021: RM57,431,000).

- (i) Amounts due from subsidiaries are unsecured, not expected to be repayable in the next 12 months and bear interest rates ranging from 4.62% to 4.82% (2021: 4.63% to 4.82%) per annum.
- (ii) Amounts due from subsidiaries mainly comprise advances, interest receivable and payment on behalf which are unsecured, repayable on demand and non-interest bearing except for amounts totalling of RM728,785,000 (2021: RM74,267,000) which bear interest rates ranging from 4.67% to 4.82% (2021: 4.63% to 4.82%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 25. AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONT'D.)

- (iii) Amounts due to subsidiaries not expected to be paid within the next 12 months mainly comprise advances, interest payable and payment on behalf which are unsecured and bear interest rates ranging from 3.02% to 4.81% (2021: 3.01% to 4.82%) per annum.
- (iv) Amounts due to subsidiaries mainly comprise advances, interest payable and payment on behalf which are unsecured, repayable on demand and non-interest bearing. In prior year, amount totalling RM13,640,000 bore interest rates ranging from 3.77% to 5.02% per annum.

#### 26. SHORT TERM INVESTMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
In Malaysia:				
Financial assets at fair value through other comprehensive income				
– quoted shares	5	5	–	–
Financial assets at fair value through profit or loss				
– unquoted unit trust <sup>#</sup>	45,000	–	45,000	–
– Sukuk Prihatin	–	5,000	–	5,000
	<b>45,005</b>	5,005	<b>45,000</b>	5,000

<sup>#</sup> Unquoted unit trusts represent surplus funds that are invested through tax exempted funds with licensed fund managers in the funds approved by the Securities Commission. The portfolio of investment authorised by the Board of Directors comprises only deposits in Islamic instruments with financial institutions, hence are capital preserved. The investments can be uplifted at any point in time.

#### 27. ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2022 RM'000	2021 RM'000
Assets classified as held for sale	22,397	–

On 14 October 2022, the Board of Directors of the Company approved the proposed disposal of certain plots of land and buildings as well as related capital work in progress held by the subsidiaries of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 28. SHARE CAPITAL AND MERGER RELIEF RESERVE

##### (i) Share capital

###### Issued and fully paid up

	Group/Company	
	2022 RM'000	2021 RM'000
Ordinary shares At 1 January/31 December	<b>4,960,276</b>	4,960,276

##### (ii) Merger relief reserve

The merger relief reserve represents the difference between the fair value and nominal value of shares issued as consideration for the acquisition of the UEM Land Berhad group, pursuant to the Restructuring Scheme in 2008.

#### 29. OTHER RESERVES AND RETAINED PROFITS

##### (a) Other reserves

	Group	
	2022 RM'000	2021 RM'000
(i) Exchange fluctuation reserve		
At 1 January	<b>50,893</b>	46,333
Foreign currency translation	<b>(4,458)</b>	4,560
At 31 December	<b>46,435</b>	50,893
(ii) Merger reserve		
At 1 January/31 December	<b>32,112</b>	32,112
(iii) Fair value adjustments reserve		
At 1 January/31 December	<b>(207)</b>	(207)
	<b>78,340</b>	82,798

##### (b) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2022 under the single-tier system.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 30. NON-CONTROLLING INTERESTS

The financial information of subsidiaries that have material non-controlling interest is as follows:

##### (i) Summarised statement of financial position

	Mega Legacy (M) Sdn. Bhd.	
	2022 RM'000	2021 RM'000
Non-current assets	<b>674,860</b>	689,523
Current assets	<b>194,073</b>	147,617
Total assets	<b>868,933</b>	837,140
Non-current liabilities	<b>79,704</b>	122,554
Current liabilities	<b>577,081</b>	506,210
Total liabilities	<b>656,785</b>	628,764
Net assets	<b>212,148</b>	208,376
Net assets attributable to:		
Owner of the parent	<b>106,074</b>	104,188
Non-controlling interest	<b>106,074</b>	104,188
	<b>212,148</b>	208,376

##### (ii) Summarised statement of comprehensive income

	2022 RM'000	2021 RM'000
Profit for the year	<b>3,772</b>	120
Profit attributable to owners of the Company	<b>1,886</b>	60
Profit attributable to non-controlling interest	<b>1,886</b>	60
	<b>3,772</b>	120

##### (iii) Summarised statement of cash flows

	2022 RM'000	2021 RM'000
Net cash used in from operating activities	<b>(16,762)</b>	(13,343)
Net cash generated/(used in) investing activities	<b>16,885</b>	(8,236)
Net cash (used in)/generated from financing activities	<b>(14,566)</b>	37,671
Net change in cash and cash equivalents	<b>(14,443)</b>	16,092
Cash and cash equivalents at the beginning of the year	<b>19,569</b>	3,477
Cash and cash equivalents at the end of the year	<b>5,126</b>	19,569

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 31. BORROWINGS

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Non-current borrowings</b>					
<b>Secured</b>					
Term loans	(a)	14,000	52,554	–	–
<b>Unsecured</b>					
IMTN	(e)	2,346,637	3,152,708	2,346,637	3,152,708
		<b>2,360,637</b>	3,205,262	<b>2,346,637</b>	3,152,708
<b>Current borrowings</b>					
<b>Secured</b>					
Revolving credits	(a)	277,120	375,640	–	–
Term loans	(a)	30,008	49,739	–	–
Commodity Murabahah Financing	(b),(c), (d)	–	24,504	–	–
Bank overdraft	(f)	4,370	4,823	–	–
<b>Unsecured</b>					
Revolving credits	(a)	124,000	45,000	80,000	25,000
IMTN	(e)	1,469,113	450,000	1,469,113	450,000
Structured commodity	(g)	50,000	50,000	50,000	50,000
		<b>1,954,611</b>	999,706	<b>1,599,113</b>	525,000
<b>Total borrowings</b>		<b>4,315,248</b>	4,204,968	<b>3,945,750</b>	3,677,708
<b>Maturities of borrowings:</b>					
Not later than one year		1,954,611	999,706	1,599,113	525,000
Later than 1 year and not later 2 years		643,767	1,370,000	629,767	1,370,000
Later than 2 years and not later 5 years		1,716,870	1,835,262	1,716,870	1,782,708
		<b>4,315,248</b>	4,204,968	<b>3,945,750</b>	3,677,708

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 31. BORROWINGS (CONT'D.)

- (a) The term loans and revolving credits facilities obtained from various banks, by the Company and certain subsidiaries, bear interest rates of 4.09% to 5.35% (2021: 3.02% to 4.32%) per annum. Certain loans are secured by land held for property development and property development costs as disclosed in Note 13 and Note 21.

Mega Legacy (M) Sdn. Bhd. ("MLSB"), a subsidiary via Sunrise Berhad, obtained, Credit Facilities of up to RM199.0 million and Commodity Murabahah Revolving Financing ("CMRF-i"), with a limit of RM70.0 million to part-finance the development of Kiara Bay project in Kepong, Kuala Lumpur, secured by the following:-

Credit Facilities:

- Letter of Guarantee from Shareholders;
- Letter of Subordination of Debts from Shareholders and related party;
- Letter of Undertaking from Shareholders and related party;
- First Party Legal Charge over the development's land as disclosed in Note 21.

CMRF-i:

- Corporate Guarantee from Shareholders;
- A first party charge over the land held for property development is as disclosed in Note 13.

MLSB's Credit Facilities and CMRF-i bear interest rates ranging from 4.45% to 5.21% (2021: 3.54% to 4.10%) per annum.

- (b) Milik Harta Sdn. Bhd. ("MHSB"), a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained a Commodity Murabahah Financing-i ("CMF-i") of up to RM 81.0 million, to part-finance the development of Residensi Astrea project in Mont'Kiara, Kuala Lumpur, secured by the following:-
- First Party Legal Charge over the development's land as disclosed in Note 21;
  - Debentures (all monies): Fixed and Floating charge; and
  - Corporate guarantee from Sunrise Berhad, its wholly-owned subsidiary of the Company.

The facilities has been fully settled in the current financial year.

- (c) Ibarat Duta Sdn. Bhd. ("IDSB"), a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained the following:-
- Commodity Murabahah Term Financing-i 1 ("CMTF-i 1") of up to RM60.0 million, to fully redeem the existing banking facility of up to RM60.0 million for the purpose of land acquisition;
  - Commodity Murabahah Term Financing-i 2 ("CMTF-i 2") of up to RM140.0 million, to part-finance the development of Residensi Solaris Parq project in Mont'Kiara ("Residensi Solaris Parq project").

CMTF-i 1 & 2 are secured by the following:-

- Registered third party first legal mortgage over the land and building as disclosed in Note 21;
- Corporate Guarantee from Sunrise Berhad;
- Debenture over IDSB's present and future fixed and floating assets;
- Legal charge over Designated Accounts (except Housing Development Account);
- Assignment of rights, title, interest and benefits under all performance bonds, warranty and maintenance bonds (if any) in relation to Residensi Solaris Parq project;
- Assignment of IDSB's rights and benefits arising from all material contracts (including but not limited to the building agreement, design and construction contracts and Project Management and Marketing Contracts in relation to Residensi Solaris Parq project); and
- Assignment of rights, title, interest and benefits under all applicable takaful/insurance policies taken/ to be taken up by IDSB in relation to Residensi Solaris Parq project with the Bank where the bank is to be endorsed as Loss Payee.

The facilities has been fully settled in the previous financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 31. BORROWINGS (CONT'D.)

- (d) During the financial year, Allevia Sdn. Bhd. ("ASB"), a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained a CMF-i of up to RM145.0 million, to part-finance the development of Residensi Allevia project in Mont'Kiara, Kuala Lumpur, secured by the following:-
- First Party Legal Charge over the development's land as disclosed in Note 21;
  - Debentures (all monies): Fixed and Floating charge; and
  - Corporate guarantee from Sunrise Berhad, its wholly-owned subsidiary of the Company.

The facilities has been fully settled in the current financial year.

- (e) (i) The Company established its Islamic Commercial Paper Programme ("ICP Programme") and Islamic Medium Term Notes Programme ("IMTN Programme") with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. Malaysian Rating Corporation Berhad ("MARC") has assigned a rating of MARC-1 is/AA-is for the ICP and IMTN Programme respectively.

The details of the IMTN issuances are as follows:

			At			At
	Tenures	Profit rate	1 January RM'million	Issuance RM'million	Repayment RM'million	31 December RM'million
10 April 2015	7	4.80%	150	-	(150)	-
22 March 2019	5	4.75%	300	-	-	300
10 June 2020	3	4.00%	270	-	-	270
12 June 2020	3	4.00%	150	-	-	150
21 September 2020	3	3.90%	350	-	-	350
20 May 2021	5	4.60%	300	-	-	300
8 September 2021	5	4.40%	290	-	-	290
21 September 2021	4	4.25%	150	-	-	150
			1,960			1,810
Adjustment						(5)
			1,960			1,805

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 31. BORROWINGS (CONT'D.)

- (e) (ii) The Company further established its second programme: ICP Programme and IMTN Programme with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. MARC has assigned a rating of MARC-1is/AA-is for the ICP and IMTN Programmes respectively.

The details of the IMTN issuances are as follows:

			At			At
	Tenures	Profit rate	1 January RM'million	Issuance RM'million	Repayment RM'million	31 December RM'million
20 May 2016	7	5.00%	500	-	-	500
11 December 2017	5	5.06%	300	-	(300)	-
11 December 2017	7	5.32%	100	-	-	100
31 October 2018	5	4.98%	100	-	-	100
31 October 2018	7	5.15%	250	-	-	250
18 February 2021	3	4.00%	230	-	-	230
18 February 2021	5	4.30%	170	-	-	170
			1,650			1,350
Adjustment						(1)
			1,650			1,349

- (iii) The Company established its third programme: ICP Programme and IMTN Programme with a combined aggregate limit of up to RM4.0 billion in nominal value. MARC has assigned a rating of MARC-1 is/AA-is for the ICP and IMTN Programmes respectively.

The details of the IMTN issuances are as follows:

			At			At
	Tenures	Profit rate	1 January RM'million	Issuance RM'million	Repayment RM'million	31 December RM'million
15 February 2022	3	4.60%	-	40	-	40
15 February 2022	0.75	3.30%	-	10	(10)	-
12 April 2022	3	4.79%	-	110	-	110
12 April 2022	1	3.55%	-	100	-	100
19 September 2022	5	5.37%	-	145	-	145
19 September 2022	3	5.03%	-	150	-	150
13 December 2022	3	5.50%	-	120	-	120
			-			665
Adjustment						(4)
			-			661

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 31. BORROWINGS (CONT'D.)

- (f) The bank overdraft taken by Mega Legacy (M) Sdn. Bhd., an indirect subsidiary of the Company, bears interest rate of 6.39% (2021: 5.64%) per annum as at end of financial year.
- (g) The Structured Commodity Financing-i facility ("SCF-i") of RM50 million was obtained by the Company in 2013. In 2015, the Company entered into an additional SCF-i Facility of RM50 million.

During the financial year, RM50 million was utilised for projects and working capital purposes, which bears profit rate of 4.60% to 5.04% (2021: 3.60% to 4.08%) per annum. RM50 million drawn down in the prior financial year has been fully repaid.

- (h) Reconciliation of liabilities arising from financing activities:

Group	2022 RM'000	2021 RM'000	Movement		
			Cash flows	Non-cash changes Interest cost and fair value movements	
	Principal movement RM'000	Interest paid RM'000	Principal movement RM'000	Interest paid RM'000	Non-cash changes Interest cost and fair value movements RM'000
IMTN	3,815,750	3,602,708	215,000	(165,248)	163,290
Term loans	44,008	102,293	(63,449)	(4,721)	9,885
Commodity Murabahah					
Financing	–	24,504	(24,504)	(10,973)	10,973
Revolving credits	401,120	420,640	(20,000)	(4,121)	4,601
Bank overdraft	4,370	4,823	–	–	(453) <sup>^</sup>
Structured commodity	50,000	50,000	–	(877)	877
	<b>4,315,248</b>	<b>4,204,968</b>	<b>107,047</b>	<b>(185,940)</b>	<b>189,173</b>

#### Presented in statements of financial position

	RM'000	RM'000
Non-current	2,360,637	3,205,262
Current	1,954,611	999,706
	<b>4,315,248</b>	<b>4,204,968</b>

<sup>^</sup> Where the movement is excluded in cash flows other than financing activities.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 31. BORROWINGS (CONT'D.)

- (h) Reconciliation of liabilities arising from financing activities: (cont'd.)

Group	2021 RM'000	2020 RM'000	Movement		
			Cash flows	Non-cash changes Interest cost and fair value movements	
	Principal movement RM'000	Interest paid RM'000	Principal movement RM'000	Interest paid RM'000	Non-cash changes Interest cost and fair value movements RM'000
IMTN	3,602,708	3,255,000	355,000	(157,028)	149,736
Term loans	102,293	121,046	(18,753)	(6,953)	6,953
Commodity Murabahah					
Financing	24,504	47,652	(24,404)	(1,749)	3,005
Revolving credits	420,640	564,160	(144,000)	(14,267)	14,747
Bank overdraft	4,823	5,537	–	–	(714) <sup>^</sup>
Structured commodity	50,000	100,000	(50,000)	(1,768)	1,768
	<b>4,204,968</b>	<b>4,093,395</b>	<b>117,843</b>	<b>(181,765)</b>	<b>175,495</b>

#### Presented in statements of financial position

	RM'000	RM'000
Non-current	3,205,262	2,600,292
Current	999,706	1,493,103
	<b>4,204,968</b>	<b>4,093,395</b>

<sup>^</sup> Where the movement is excluded in cash flows other than financing activities.

Company	2022 RM'000	2021 RM'000	Movement		
			Cash flows	Interest cost and others	
	Principal movement RM'000	Interest paid RM'000	Principal movement RM'000	Interest paid RM'000	Interest cost and others RM'000
IMTN and ICP	3,815,750	3,602,708	215,000	(171,521)	169,563
Revolving credits	80,000	25,000	55,000	(2,806)	2,806
Structured commodity	50,000	50,000	–	(877)	877
	<b>3,945,750</b>	<b>3,677,708</b>	<b>270,000</b>	<b>(175,204)</b>	<b>173,246</b>

#### Presented in statements of financial position

	RM'000	RM'000
Non-current	2,346,637	3,152,708
Current	1,599,113	525,000
	<b>3,945,750</b>	<b>3,677,708</b>

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 31. BORROWINGS (CONT'D.)

(h) Reconciliation of liabilities arising from financing activities: (cont'd.)

Company	2021 RM'000	2020 RM'000	Movement		
			Cash flows		Interest cost and others RM'000
			Principal movement RM'000	Interest paid RM'000	
IMTN	3,602,708	3,255,000	355,000	(165,065)	157,773 <sup>^</sup>
Revolving credits	25,000	145,000	(120,000)	(3,726)	3,726
Structured commodity	50,000	100,000	(50,000)	(1,768)	1,768
	3,677,708	3,500,000	185,000	(170,559)	163,267
<b>Presented in statements of financial position</b>					
			<b>RM'000</b>	<b>RM'000</b>	
Non-current			3,152,708	2,470,000	
Current			525,000	1,030,000	
			3,677,708	3,500,000	

<sup>^</sup> Including movement excluding in cash flow other than financing activities.

#### 32. PROVISIONS

Group	Provision for public infrastructure RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Provision for foreseeable losses RM'000 (Note c)	Other provisions RM'000 (Note d)	Total RM'000
<b>2022</b>					
<b>Non-current</b>					
At 1 January	19,953	–	48,326	–	68,279
Additions	–	–	38	–	38
At 31 December	19,953	–	48,364	–	68,317
<b>Current</b>					
At 1 January	26,493	89,643	28,813	3,484	148,433
Additions	22,438	82,488	8,246	216	113,388
Utilisation	(46,543)	(60,516)	(16,962)	(1,785)	(125,806)
Reversal	–	(32,012)	–	–	(32,012)
At 31 December	2,388	79,603	20,097	1,915	104,003

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 32. PROVISIONS (CONT'D.)

Group	Provision for public infrastructure RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Provision for foreseeable losses RM'000 (Note c)	Other provisions RM'000 (Note d)	Total RM'000
<b>2021</b>					
<b>Non-current</b>					
At 1 January	19,953	–	48,364	–	68,317
Utilisation	–	–	(38)	–	(38)
At 31 December	19,953	–	48,326	–	68,279
<b>Current</b>					
At 1 January	20,678	87,888	22,262	2,926	133,754
Additions	8,909	89,970	9,595	1,485	109,959
Utilisation	(3,094)	(81,807)	(3,044)	(927)	(88,872)
Reversal	–	(6,408)	–	–	(6,408)
At 31 December	26,493	89,643	28,813	3,484	148,433

##### (a) Provision for public infrastructure

Provision for public infrastructure comprises anticipated cost to be incurred for the obligation to complete the infrastructure for development projects.

##### (b) Provision for construction costs

Provision for construction costs comprises estimated final claims by contractors which have not been finalised.

##### (c) Provision for foreseeable losses

This relates to anticipated losses to be incurred for the development of low cost housing under the requirement of the local Government.

##### (d) Other provisions

Other provisions mainly include provision for liquidated ascertained damages, which refers to liquidated ascertained damages expected to be claimed by the customers based on the terms of the applicable sale and purchase agreements.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 33. PAYABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables and accruals	(i)	<b>438,452</b>	476,520	–	–
Amount due to immediate holding company	(ii)	<b>5,806</b>	26,653	<b>533</b>	613
Amounts due to related parties	(ii)	<b>345</b>	1,026	–	606
Amount due to a director of minority shareholder of a subsidiary	(iii)	<b>41,080</b>	41,080	–	–
Other payables and accruals	(iv)	<b>498,231</b>	531,560	<b>48,120</b>	38,677
		<b>983,914</b>	1,076,839	<b>48,653</b>	39,896
Analysed into:					
Non-current		<b>45,976</b>	81,777	–	–
Current		<b>937,938</b>	995,062	<b>48,653</b>	39,896
		<b>983,914</b>	1,076,839	<b>48,653</b>	39,896

The normal trade credit terms granted to the Group range from 30 to 60 days (2021: 30 to 60 days).

- (i) Included in trade payables and accruals is an amount of RM61.6 million (2021: RM79.3 million) representing accrued project development cost.
- (ii) Amounts due to immediate holding company and related parties are unsecured and non-interest bearing with monthly installment of payment over the periods and credit terms of 30 days (2021: 30 days).
- (iii) Amounts due to a director of minority shareholder of a subsidiary is unsecured and non-interest bearing with repayable of demand.
- (iv) Other payables and accruals

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Sundry creditors*	<b>143,894</b>	203,029	<b>2,384</b>	3,020
Deposits received	<b>115,742</b>	26,549	–	–
Accruals**	<b>228,351</b>	301,982	<b>38,429</b>	35,657
Employee benefits	<b>10,244</b>	–	<b>7,307</b>	–
	<b>498,231</b>	531,560	<b>48,120</b>	38,677

\* Included in the current financial year's sundry creditors of the Group is the remaining purchase consideration of RM63.76 million (2021: RM60.9 million) payable for the land acquisition in Cheras, Selangor.

\*\* Included in accruals of the Group is an amount of accrued development charges payable Datuk Bandar Kuala Lumpur amounting RM196.0 million.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 34. DEFERRED INCOME

##### Unrealised profits

	Group	
	2022 RM'000	2021 RM'000
At 1 January	<b>163,509</b>	163,890
Realised during the year	<b>(670)</b>	(381)
At 31 December	<b>162,839</b>	163,509

In previous year, the Group completed land sale to its associates and joint ventures. The profit recognised from the sales of land by the Group to the associates and a joint venture to-date is eliminated to the extent of the Group's interests in the companies.

Accordingly, the Group recognises the excess of the unrealised profit over the carrying value of the associate or the joint venture as deferred income. The deferred income is realised to the profit or loss over the period when the underlying asset of the associates or the joint venture is realised or disposed.

#### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management practices seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency and market price risk. The Group's overall risk management strategy seeks to minimise the adverse effect from the unpredictability of economy on the Group's financial performance.

It is the Group's practice not to engage in foreign exchange and/or derivatives speculation and trading. The Group only undertakes hedging instruments where appropriate and cost-efficient.

In the domain of enterprise risk management, the Board of Directors ("Board"), assisted by the Board Governance & Risk Committee ("BGRC"), is ultimately responsible for the Group's risk management activities and sets the strategic directions, risk appetite and relevant risk management practises for the Group. The Group Risk Management Guidelines ("Framework") comprises the risk management policy, risk assessment methodology, lines of responsibility and accountability.

In implementing this Framework, the Risk Management Committee ("RMC") chaired by the Chief Executive Officer ("CEO"), serves as the platform for the Management to deliberate on the identification, assessment and treatment of the Group's risks as well as an avenue to communicate, monitor and review the risks. The deliberation on the identified key risks and its mitigation plans is subsequently tabled to the BGRC as well as the Board.

The policies for controlling these risks where applicable are set out below:

##### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

The policies for controlling these risks where applicable are set out below: (cont'd.)

##### (a) Credit risk (cont'd.)

Generally, the Group does not require collateral in respect of its financial assets. The Group is not duly exposed to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument except as disclosed in Note 23. Furthermore, for property development in Malaysia, the developer has the option to terminate the sale and purchase agreement in the event of default by the purchaser.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statements of financial position. The Group's main financial assets are its receivables. Ageing analysis is disclosed in Note 23(vii).

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or group of receivables except for land sales receivables representing 22% (2021: 20%) of the total gross receivables.

The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or group of receivables except for the dividend receivable from a subsidiary representing 85% (2021: 98%) of the total gross receivables and amount owing by a subsidiary representing 47% (2021: 50%) of the total gross amount due from subsidiaries as disclosed in Note 24 and Note 26 respectively.

The following are the carrying amounts of the financial instruments of the Group and the Company at reporting date:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Financial assets</b>				
Receivables				
– Non-current (Note 23)	<b>360,295</b>	293,116	–	–
– Current*	<b>580,425</b>	364,704	<b>100,046</b>	5,507
Amounts due from subsidiaries				
– Non-current (Note 25)	–	–	<b>2,610,176</b>	2,875,651
– Current (Note 25)	–	–	<b>1,693,458</b>	1,005,481
Amounts due from associates				
– Current (Note 15(b))	<b>612</b>	389	<b>221</b>	221
Interests in joint ventures				
– Amounts due from joint ventures (Note 16(a))	<b>183,351</b>	184,506	–	–
Amounts due from joint ventures				
– Non-current (Note 16(b))	<b>156,982</b>	165,309	<b>11,000</b>	11,000
– Current (Note 16(b))	<b>103,473</b>	82,120	<b>32,662</b>	29,672
Short term investments (Note 26)	<b>45,005</b>	5,005	<b>45,000</b>	5,000
Cash, bank balances and deposits (Note 19)	<b>1,025,551</b>	853,027	<b>15,515</b>	61,360
	<b>2,455,694</b>	1,948,176	<b>4,508,078</b>	3,993,892

\* Trade and other receivables excluding prepayment and tax recoverable.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

##### (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group and the Company maintain a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. When necessary, the Group and the Company entered into a currency swap to hedge the exposure to currency risk. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and short-term imbalances are addressed by buying or selling foreign currencies at spot rates.

The table below shows material currency exposures of the Group and the Company, i.e. those material transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the statements of profit or loss. Such exposures comprise the monetary assets and monetary liabilities of the Group and the Company that are not denominated in the operating currency of the operating units involved.

	Functional currency of Group		Functional currency of Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Australian Dollar ("AUD")	<b>29,927</b>	30,676	–	–
United States Dollar ("USD")	<b>(17,458)</b>	(16,563)	–	–

The following table demonstrates the sensitivity of the Group's and Company's profit/(loss) after tax to a reasonably possible change in the AUD, USD and RM exchange rates against the respective functional currencies of the Group's entities and the Company, with all other variables held constant.

	Effect on profit/(loss) after tax			
	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
AUD/RM (strengthened 5%)	<b>1,137</b>	1,166	–	–
USD/RM (strengthened 5%)	<b>(663)</b>	(629)	–	–

##### (c) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash-convertible investments to meet its working capital requirements.

In addition, the Group's objective is to maintain a balance of cost of funding and flexibility through the use of credit facilities, short- and long-term borrowings. Short-term flexibility is achieved through credit facilities and short-term borrowings. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short-term funding so as to achieve the Group's objective.



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (c) Liquidity and cash flow risk (cont'd.)

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade and other payables (Note 33)	983,914	1,076,839	48,653	39,896
Borrowings (Note 31)	4,315,248	4,204,968	3,945,750	3,677,708
Lease liabilities (Note 12)	22,031	9,002	21,906	5,469
Amounts due to subsidiaries (Note 25)	-	-	42,740	167,565
Amount due to an associate	-	-	-	49
	<b>5,321,193</b>	<b>5,290,809</b>	<b>4,059,049</b>	<b>3,890,687</b>

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts is disclosed as follows:

	2022				
	Within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>Group</b>					
Trade and other payables	937,938	45,976	-	-	983,914
Loans and borrowings	1,998,635	682,694	1,980,071	-	4,661,400
Lease liabilities (Note 12)	4,535	4,616	14,034	1,634	24,819
Corporate guarantee**	238	-	-	-	238
	<b>2,941,346</b>	<b>733,286</b>	<b>1,994,105</b>	<b>1,634</b>	<b>5,670,371</b>
<b>Company</b>					
Trade and other payables	48,653	-	-	-	48,653
Loans and borrowings	1,630,332	667,967	1,980,071	-	4,278,370
Lease liabilities (Note 12)	4,408	4,616	14,034	1,634	24,692
Corporate guarantee**	260,225	-	-	-	260,225
Amounts due to subsidiaries	5,686	40,085	-	-	45,771
	<b>1,949,304</b>	<b>712,668</b>	<b>1,994,105</b>	<b>1,634</b>	<b>4,657,711</b>

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2022

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (c) Liquidity and cash flow risk (cont'd.)

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts is disclosed as follows: (cont'd.)

	2021				
	Within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>Group</b>					
Trade and other payables	995,062	81,777	-	-	1,076,839
Loans and borrowings	1,163,298	1,485,805	1,966,711	-	4,615,814
Lease liabilities (Note 12)	8,883	288	-	-	9,171
Corporate guarantee**	213	-	-	-	213
	<b>2,167,456</b>	<b>1,567,870</b>	<b>1,966,711</b>	<b>-</b>	<b>5,702,037</b>
<b>Company</b>					
Trade and other payables	39,896	-	-	-	39,896
Loans and borrowings	685,000	1,483,857	1,919,337	-	4,088,194
Lease liabilities (Note 12)	5,446	128	-	-	5,574
Corporate guarantee**	309,060	-	-	-	309,060
Amounts due to subsidiaries	21,755	53,055	105,662	-	180,472
Amounts due to an associate	49	-	-	-	49
	<b>1,061,206</b>	<b>1,537,040</b>	<b>2,024,999</b>	<b>-</b>	<b>4,623,245</b>

\*\* As at the end of the reporting period, the Company did not recognise any allowance for impairment in respect of financial guarantees since the fair value on initial recognition was not material.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

##### (d) Interest rate risk

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The average interest rates per annum on the financial assets and liabilities as at the reporting date were as follows:

	Group	
	2022 %	2021 %
<b>Financial assets</b>		
Floating rate	<b>2.63%</b>	1.01%
<b>Financial liabilities</b>		
Fixed rate	<b>4.57%</b>	4.59%
Floating rate	<b>4.47%</b>	3.49%

The average interest rates per annum on the financial liabilities can be further analysed as follows:

	Group	
	2022 %	2021 %
<b>Financial liabilities</b>		
Commodity Murabahah Finance	–	3.19%
Term loans	<b>4.75%</b>	4.07%
Revolving credits	<b>4.36%</b>	3.28%
Bank overdraft	<b>6.39%</b>	5.64%
IMTN	<b>4.57%</b>	4.59%
Lease liabilities	<b>4.90%</b>	4.90%
Structured commodity	<b>4.95%</b>	4.08%

At the reporting date, if the interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit after tax (2021: loss after tax) will be higher/lower (2021: lower/higher) by approximately RM500,000 (2021: RM469,000) as a result of lower/higher interest expense on borrowings and lease liabilities.

##### (e) Market risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate as a result of changes in market prices (other than interest or exchange rates). The Group's exposure to market price risk is minimal as the Group's investment in quoted equity instruments is small compared to its total assets.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 36. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2022 RM'000	2021 RM'000
Paid/payable to UEM:		
– Rental	<b>(7,032)</b>	(7,800)
Realisation of land sales to joint ventures:		
– Horizon Hills Development Sdn. Bhd.	<b>4,868</b>	366
– Haute Property Sdn. Bhd.	<b>516</b>	275
Realisation of land sales to associate:		
– Sarandra Malaysia Sdn. Bhd.	<b>274</b>	396
Paid/payable to Telekom Malaysia Berhad, Khazanah Group's associate company:		
– Smart building services	<b>(842)</b>	(1,708)
Interest income from joint ventures:		
– Desaru North Course Residences Sdn. Bhd.	<b>349</b>	238
– Sime Darby Property Sunrise Development Sdn. Bhd.	<b>4,435</b>	4,450
– Nusajaya Lifestyle Sdn. Bhd.	<b>230</b>	150
– Nusajaya Consolidated Sdn. Bhd.	<b>709</b>	637
– Haute Property Sdn. Bhd.	<b>3,872</b>	3,725
Interest income from an associate:		
– Sarandra Malaysia Sdn. Bhd.	–	431
Management fees received/receivable from joint ventures:		
– Cahaya Jauhar Sdn. Bhd.	<b>420</b>	420
– Desaru North Course Residences Sdn. Bhd.	<b>1,095</b>	745
– Nusajaya Lifestyle Sdn. Bhd.	<b>108</b>	108
Maintenance expenses paid/payable to Projek Lebuhraya Usahasama Berhad	<b>(3,000)</b>	–
	Company	
	2022 RM'000	2021 RM'000
Dividend from subsidiaries	<b>87,500</b>	136,875
Management fees from subsidiaries	<b>91,760</b>	89,096
Interest income from subsidiaries	<b>155,797</b>	140,274
Interest income from joint ventures	<b>778</b>	716
Paid/payable to UEM:		
– Rental	<b>(502)</b>	–
Rental paid/payable to subsidiaries	<b>(3,704)</b>	(4,694)

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd.)

Related parties refer to:

- subsidiaries, associates and joint ventures of the Company and their subsidiaries;
- Khazanah Nasional Berhad, the ultimate holding company, its subsidiaries and associates excluding subsidiaries of the Company;
- those companies controlled, jointly controlled and significantly influenced by the Government of Malaysia, other than those mentioned above;
- directors and key management personnel having authority and representation for planning, directing and controlling the activities of the Company and their close family members;
- enterprises owned by directors and key management personnel; and
- enterprises that have a member of key management in common with the Company.

The directors are of the opinion that all the transactions above have been entered into in the normal course of the business and have been established on mutually agreed terms and conditions.

- (b) The remuneration of members of key management personnel during the financial year is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries and other emoluments	10,737	9,555	8,390	7,161
Bonus and separation scheme	490	1,293	434	1,267
Defined contribution plan	1,399	1,324	1,133	1,049
Benefits-in-kind	284	702	266	668
Other benefits	15	-	15	-
	<b>12,925</b>	12,874	<b>10,238</b>	10,145

#### 37. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Corporate guarantees issued to bank for credit facilities granted to:				
– joint ventures	228	205	-	-
– a subsidiary	-	-	250,000	300,000
	<b>228</b>	205	<b>250,000</b>	300,000

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 37. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

##### Income tax assessment

- (a) On 3 October 2011, Bandar Nusajaya Development Sdn. Bhd. ("BND") received a notice of additional assessment ("Form JA") from the Inland Revenue Board ("IRB") for additional tax and penalty amounting to RM73.8 million for the year of assessment 2006.

On 4 September 2012, the High Court ("HC") ruled in favour of BND that the IRB had no legal basis to raise the additional assessment.

On 20 May 2014, the Court of Appeal ("CoA") agreed with the decision of the HC which ruled in favour of BND.

On 18 October 2016, the FC reversed the decisions of CoA and HC and ordered that BND appeal by way of filing a notice of appeal ("Form Q") to the Special Commissioners of Income Tax ("SCIT"). The FC's decision resulted in the Form JA totalling RM73.8 million to become due and payable within 30 days, which was fully paid on 5 December 2016.

The IRB had confirmed the receipt of BND's Form Q dated 20 March 2017, and served the Form Q to the SCIT vide a letter dated 14 March 2018.

The SCIT hearing which was initially fixed on 29 and 30 August 2022 was vacated and the SCIT has fixed the matter for hearing on 12 and 13 June 2023.

BND's solicitors are of the view that BND has an arguable case to argue that the IRB has no legal or factual basis to issue the notice of additional assessment and to impose the penalty.

- (b) On 25 July 2017, UEM Land was served with the Claim filed by the Plaintiffs in relation to shares held in Setia Haruman Sdn. Bhd. ("Setia Haruman" or "the 1st Defendant"). UEM Land is cited as the 9th Defendant in the Claim.

The Claim seeks, amongst others, for:

- (i) a declaration that the 2nd to 9th Defendants respectively had managed and conducted the affairs of the 1st Defendant and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfairly prejudicial to the interest of the Plaintiffs as members of Setia Haruman pursuant to Section 346 of the Companies Act 2016; and
- (ii) an order that the 2nd to 9th Defendants do jointly and/or severally purchase the 750,000 ordinary shares of Setia Haruman owned or held by Impressive Circuit Sdn. Bhd. ("Impressive Circuit") defined at such price and on such terms as shall be determined by the Honourable Court.

On 25 April 2018, UEM Land had successfully applied to strike out Datuk Kasi A/L K.L. Palaniappan ("Datuk Kasi"), the First Plaintiff in the suit, as a party in the Claim. The remaining Plaintiff in the suit, Impressive Circuit, successfully added two other Defendants in the suit namely Menara Embun Sdn. Bhd. and Modern Eden Sdn. Bhd..

On 25 June 2021, the High Court Judge, dismissed the Plaintiff's claim against all the Defendants and ordered the Plaintiff to pay costs in the sum of RM100,000 to each of the main parties in this suit ("High Court's Decision").

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 37. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

##### Income tax assessment (cont'd.)

- (b) On 14 July 2021, the Plaintiff filed an appeal against the High Court's Decision.

On 20 January 2023, the Court of Appeal found that there were no merits to the appeal and affirmed the High Court's decision. The Court of Appeal also ordered Impressive Circuit to pay costs of RM50,000 to each set of solicitors in the appeal.

On 17 February 2023, Impressive Circuit has filed an application for leave to appeal to the Federal Court, in respect of the recent Court of Appeal decision. The case management held on 22 March 2023 fixing the Leave application hearing date on 27 June 2023.

- (c) By way of a Notice of Arbitration ("NOA") dated 17 April 2019, Ireka commenced arbitration proceedings against UEM Land for certain disputes arising from the Letter of Award dated 15 June 2012 ("LOA") for the construction of Imperia in Puteri Harbour, Iskandar Puteri, Johor ("Project"). The Asian International Arbitration Centre has appointed Mr. Wayne Martin from Australia as the arbitrator in this matter.

Based on the Statement of Claim dated 27 December 2019, Ireka is seeking inter-alia, 372 days of extension of time or alternatively for time at large declaration, RM20,395,000 for loss and expense, RM29,250,000 for the amount allegedly due to Ireka pursuant to the Statement of Final Account or alternatively any other amount assessed by the Arbitral Tribunal, interest on all sums directed to be paid from such date as the Tribunal deems fit and costs.

In the Amended Statement of Defence and Amended Counterclaim dated 6 July 2020, UEM Land disputed liability on all of Ireka's claims and sought counterclaims amounting to a total sum of RM34,374,000. The breakdown of UEM Land's counterclaims are as follows:

- LAD in the sum of RM27,288,000 being damages for delay in completion;
- Costs for defects rectification in the sum of RM2,791,000;
- Back charges and losses and expenses payable amounting to RM3,152,000;
- All direct payment made by UEM Land to Ireka's sub-contractor amounting to RM1,143,000.

On 8 August 2022, Ireka has been placed under Judicial Management. Ireka's solicitors will not be able to act for Ireka in this arbitration unless leave has been granted by the Court. Hence, arbitrator has temporarily suspended the arbitration proceedings until 9 December 2022. Following the order for suspension all further steps with regards to the proceedings (including the direction to file written submissions) are now suspended.

On 25 January 2023, Ireka's solicitors have discharged themselves from acting for Ireka. Following from the discharge, Ireka's solicitors added Interim Judicial Manager to address the Tribunal. There is no response or update from the Interim Judicial Manager till to-date. The judicial management order expired on 8 February 2023, unless an extension is obtained. Our solicitors are in the midst of conducting a file search to ascertain if any extension of the judicial management has been granted.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 37. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

##### Income tax assessment (cont'd.)

- (d) On 3 May 2021, UEM Land and Symphony Hills Sdn. Bhd. ("Symphony Hills") received notices of additional assessment from the IRB dated 30 April 2021, for additional taxes with penalties amounting to RM82.2 million ("Notices").

The Notices issued to UEM Land raised for the amount of RM8.5 million was for the years of assessment from 2013 to 2015 in relation to the removal of Bumiputera quota and low cost requirements for selected developments in Iskandar Puteri, while the Notices issued to Symphony Hills raised for the amount of RM73.7 million was for the reversal of tax losses utilisation for the years of assessment from 2006 to 2017.

On 24 May 2021 and 25 May 2021, Symphony Hills and UEM Land were both granted an interim stay of the Notices by the Kuala Lumpur High Court including the enforcement of the Notices until the hearing of the application to intervene by the IRB and until the disposal of the leave application, respectively.

On 13 March 2023, High Court's dismissed UEM Land's leave application to commence judicial review on IRB's decision to charge UEM Land additional assessment. This indicates that the interim stay of the additional assessments for UEM Land is no longer applicable resulting in UEM Land having to pay the additional taxes and penalties within 30 days of the High Courts decision. On 14 March 2023, UEM Land filed an appeal against the Kuala Lumpur High Court's decision and a notice of motion for a stay of proceedings at the Court of Appeal.

Symphony Hills' case management for the leave for judicial review application is fixed on 28 March 2023.

The Group will continue to take all necessary actions to protect its interest.

#### 38. CAPITAL COMMITMENTS

	Group	
	2022 RM'000	2021 RM'000
In respect of purchase of property, plant and equipment, and investment properties:		
Approved and contracted for	<b>67,418</b>	100,185
Approved but not contracted for	<b>33,700</b>	392,546
	<b>101,118</b>	492,731

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 39. FAIR VALUES

The following are fair value of financial instruments by classes:

	2022		2021	
	Carrying amount RM'000	Fair values (Level 3) RM'000	Carrying amount RM'000	Fair values (Level 3) RM'000
<b>Group</b>				
Borrowings (non-current portion)	2,360,637	2,402,330	3,205,262	3,181,182
<b>Company</b>				
Borrowings (non-current portion)	2,346,637	2,388,330	3,152,708	3,128,628

As stipulated in Amendments to MFRS 7: *Improving Disclosure about Financial Instruments*, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

- Level 1 – the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's and the Company's other financial assets and financial liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 December 2022:</b>				
<b>Assets</b>				
<b>Group</b>				
Short term investments:				
Financial and other assets at fair value through other comprehensive income	5	–	–	5
Financial asset at fair value through profit or loss	–	45,048	–	45,048
	5	45,048	–	45,053
<b>Company</b>				
Short term investment:				
Financial asset at fair value through profit or loss	–	45,048	–	45,048

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 39. FAIR VALUES (CONT'D.)

The following table presents the Group's and the Company's other financial assets and financial liabilities that are measured at fair value: (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 December 2021:</b>				
<b>Assets</b>				
<b>Group</b>				
Short term investments:				
Financial assets at fair value through other comprehensive income	5	–	–	5
Financial asset at fair value through profit or loss	–	5,000	–	5,000
	5	5,000	–	5,005
<b>Company</b>				
Short term investment:				
Financial asset at fair value through profit or loss	–	5,000	–	5,000

#### Determination of fair values

The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

- Receivables (Note 23)  
Payables (Note 33)

The carrying amounts of the financial assets and financial liabilities are reasonable approximations of fair values due to their short-term nature.

#### (a) Borrowings (current)

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

#### (b) Unquoted debt securities and corporate bonds

Fair value is estimated by using a discounted cash flow model based on various assumptions, including current and expected future credit losses, market rates of interest, prepayment rates and assumptions regarding market liquidity.

#### (c) Long term receivables/payables

Fair values of long term receivables/payables are based on discounting expected future cash flows at market incremental lending rate for the receivables/payables.

#### (d) Corporate guarantees

Fair value of all unexpired corporate guarantees given to bank for credit facilities granted to subsidiaries was assessed to be RMNil (2021: RMNil) at the inception of issuance of the guarantees due to the likelihood of the guaranteed party defaulting is nil within the guaranteed period.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 39. FAIR VALUES (CONT'D.)

##### Non financial instruments

The following table provides the fair value measurement hierarchy of the Group's assets.

Quantitative disclosures fair value measurement hierarchy for asset:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 December 2022:</b>				
Assets for which fair value are disclosed:				
Investment properties (Note 11)	–	–	1,123,590	1,123,590
<b>At 31 December 2021:</b>				
Assets for which fair value are disclosed:				
Investment properties (Note 11)	–	–	1,082,102	1,082,102

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

As at 31 December 2022, accredited independent valuers have been engaged to perform a valuation of the Group's properties. Depending on the types of properties, the independent valuers applied various valuation techniques.

Description of valuation techniques used and key inputs:

Properties	Valuation technique
Offices	Investment and comparison approaches
Car parks	Comparison and income approaches
Retail	Income, comparison, investment and depreciation replacement cost approaches
Ferry terminal	Comparison and cost approaches
Plant and equipment	Depreciation replacement cost and comparison approaches

The investment approach is an analysis based on the relationship between the rate of return that an investor or buyer expects or requires and the net income that a property produces.

The income approach uses valuation techniques to convert estimated future amounts of cash flows or income to a single present value (discounted) amount. To this estimated future amounts of cash flows or income, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

The comparison approach seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Due considerations are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

The comparison/cost approach of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of its depreciation and obsolescence to arrive at the depreciated building value.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 39. FAIR VALUES (CONT'D.)

##### Non financial instruments (cont'd.)

Description of valuation techniques used and key inputs to valuation on investment properties are as below:

	Valuation techniques	Significant unobservable inputs	Range
Offices	Investment approach	Capitalisation rate Average rent	4.0% to 5.3% AUD551 to AUD681
	Comparison approach	Adjustment factors to prices of comparable properties	-51.0% to -53.0%
Car parks	Comparison approach	Adjustment factors to prices of comparable properties	-19.4% to 157.3%
	Income approach	Market yield Average rent per carpark bay	6.0% to 7.5% RM4,827
Retail	Income approach	Market yield Average rent per square metre	4.5% to 6.0% AUD3,492 to AUD9,403
	Comparison approach	Adjustment factors to prices of comparable properties	-5.0% to 7.5%
	Investment approach	Estimated rental value per square feet ("psf") per month Void rate Term yield	RM1.00 to RM38.00 5.0% to 10.0% 6.0% to 6.5%
	Depreciation replacement cost approach	Construction cost psf	RM40 to RM430
Ferry terminal	Comparison approach	Adjustment factors to prices of comparable properties	-20% to 20%
	Cost approach	Construction cost psf	RM250.00 to RM450.00
Plant and equipment	Depreciation replacement cost approach	Depreciation rate	2.5% to 6.0%
	– Building	Comparison approach	Adjustment factors to prices of comparable properties

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and acceptable capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting dividend payment policies.

There are no externally imposed capital requirements.

#### 41. SEGMENT INFORMATION

##### (a) Business unit segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

- (i) Property development – development and sales of residential and commercial properties, as well as sales of lands;
- (ii) Property investment and hotel operation – holds to earn rental income and/or capital appreciation including hotel operation; and
- (iii) Others – investment holding, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments have been entered into a normal course of business and have been established on mutually agreed terms and conditions. The reported segment revenue, segment results and eliminations exclude intercompany dividends.

##### (b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in four geographical areas:

- (i) Malaysia – the operations in this area are principally development and sales of residential and commercial properties, development of investment properties, held to earn rental income and/or sales of lands, hotel operation, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies;
- (ii) Australia – the operations in this area are principally development and sales of residential and commercial properties as well as development of investment properties, held to earn rental income;
- (iii) Singapore – the operation in this area is principally project management; and
- (iv) South Africa – the operations in this area are principally development and sales of residential and commercial properties.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 41. SEGMENT INFORMATION (CONT'D.)

##### Business segment information

At 31 December 2022	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>					
External revenue	1,361,400	91,256	20,772	–	1,473,428
Inter-segment revenue	–	582	100,263	(100,845)	–
Total revenue	1,361,400	91,838	121,035	(100,845)	1,473,428
<b>Results</b>					
Segment results	288,112	11,256	(29,665)	(20,681)	249,022
Finance costs	(96,730)	(40,155)	(27,266)	20,681	(143,470)
Share of results of associates	610	–	3,433	–	4,043
Share of results of joint ventures	26,442	(2,494)	–	–	23,948
Profit before income tax	218,434	(31,393)	(53,498)	–	133,543
Tax expense	(46,977)	(540)	(3,962)	–	(51,479)
Profit for the year	171,457	(31,933)	(57,460)	–	82,064
<b>Attributable to:</b>					
Owners of the parent	169,571	(31,933)	(57,099)	–	80,539
Non-controlling interests	1,886	–	(361)	–	1,525
Profit for the year	171,457	(31,933)	(57,460)	–	82,064
<b>Assets</b>					
Segment assets	10,812,377	960,320	400,847	(941,800)	11,231,744
Interests in:					
– associates	844,978	–	2	–	844,980
– joint ventures	811,369	79,822	–	–	891,191
Income tax assets	82,916	330	2,742	–	85,988
Total assets	12,551,640	1,040,472	403,591	(941,800)	13,053,903
<b>Liabilities</b>					
Segment liabilities	5,352,633	848,044	905,589	(941,800)	6,164,466
Income tax liabilities	15,769	–	–	–	15,769
Total liabilities	5,368,402	848,044	905,589	(941,800)	6,180,235
<b>Other information</b>					
Additions to non-current assets	99,573	11,942	22,345	–	133,860
Depreciation and amortisation	(8,757)	(24,943)	(18,683)	–	(52,383)

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 41. SEGMENT INFORMATION (CONT'D.)

##### Business segment information (cont'd.)

At 31 December 2021	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>					
External revenue	1,090,451	54,521	39,539	-	1,184,511
Inter-segment revenue	-	1,476	97,405	(98,881)	-
<b>Total revenue</b>	<b>1,090,451</b>	<b>55,997</b>	<b>136,944</b>	<b>(98,881)</b>	<b>1,184,511</b>
<b>Results</b>					
Segment results	20,101	(33,944)	(29,983)	(38,364)	(82,190)
Finance costs	(102,877)	(38,369)	(41,830)	38,364	(144,712)
Share of results of associates	9,820	-	1,334	-	11,154
Share of results of joint ventures	14,858	(13,031)	-	-	1,827
Loss before income tax	(58,098)	(85,344)	(70,479)	-	(213,921)
Tax benefit/(expense)	3,732	550	(2,486)	-	1,796
<b>Loss for the year</b>	<b>(54,366)</b>	<b>(84,794)</b>	<b>(72,965)</b>	<b>-</b>	<b>(212,125)</b>
<b>Attributable to:</b>					
Owners of the parent	(54,426)	(84,794)	(73,827)	-	(213,047)
Non-controlling interests	60	-	862	-	922
<b>Loss for the year</b>	<b>(54,366)</b>	<b>(84,794)</b>	<b>(72,965)</b>	<b>-</b>	<b>(212,125)</b>
<b>Assets</b>					
Segment assets	10,577,672	971,972	292,634	(740,559)	11,101,719
Interests in:					
– associates	850,358	-	-	-	850,358
– joint ventures	813,822	79,516	-	-	893,338
Income tax assets	104,688	366	1,944	-	106,998
<b>Total assets</b>	<b>12,346,540</b>	<b>1,051,854</b>	<b>294,578</b>	<b>(740,559)</b>	<b>12,952,413</b>
<b>Liabilities</b>					
Segment liabilities	5,167,777	841,494	883,669	(740,559)	6,152,381
Income tax liabilities	3,813	-	168	-	3,981
<b>Total liabilities</b>	<b>5,171,590</b>	<b>841,494</b>	<b>883,837</b>	<b>(740,559)</b>	<b>6,156,362</b>
<b>Other information</b>					
Additions to non-current assets	1,078,400	10,943	2,361	-	1,091,704
Depreciation and amortisation	(9,427)	(26,224)	(20,657)	-	(56,308)

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 41. SEGMENT INFORMATION (CONT'D.)

##### Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2022 RM'000	2021 RM'000
Malaysia	<b>1,414,661</b>	1,142,743
Australia	<b>58,767</b>	40,110
Singapore	-	1,658
	<b>1,473,428</b>	1,184,511

	Non-current assets	
	2022 RM'000	2021 RM'000
Malaysia	<b>9,266,431</b>	9,560,825
Australia	<b>249,567</b>	256,985
South Africa	<b>9,423</b>	11,277
	<b>9,525,421</b>	9,829,087

#### 42. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2022 %	2021 %
Nusajaya Five O Sdn. Bhd.	Ceased operations	Malaysia	<b>100</b>	100
Nusajaya Resort Sdn. Bhd.	Ceased operations	Malaysia	<b>100</b>	100
Sunrise Berhad	Property development and investment holding	Malaysia	<b>100</b>	100
UEM Land Berhad	Property development, property investment, project procurement and management, and strategic investment holding	Malaysia	<b>100</b>	100
UEM Sunrise (Australia) Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100
UEM Sunrise (Canada) Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	<b>100</b>	100
UEM Sunrise Management Services Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100
UEM Sunrise Properties Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	<b>100</b>	100



## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 42. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2022 %	2021 %
<b>Subsidiaries of Sunrise Berhad</b>				
Arcoris Sdn. Bhd.	Property investment and development	Malaysia	100	100
Ascot Assets Sdn. Bhd.	Property development	Malaysia	100	100
Allevia Sdn. Bhd.	Property investment, development and construction	Malaysia	100	100
Aurora Tower at KLCC Sdn. Bhd.	Property development	Malaysia	100	100
Ibarat Duta Sdn. Bhd.	Property development	Malaysia	100	100
Laser Tower Sdn. Bhd. (formerly known as Minh Sdn. Bhd.)	Property development	Malaysia	100	100
Lembah Suria Sdn. Bhd.	Property development	Malaysia	100	100
Lucky Bright Star Sdn. Bhd.	Property investment and development	Malaysia	100	100
^ Mega Legacy (M) Sdn. Bhd.	Property development	Malaysia	50	50
Milik Harta Sdn. Bhd.	Property development	Malaysia	100	100
New Planet Trading Sdn. Bhd.	Property investment and development	Malaysia	100	100
Prinsip Eramaju Sdn. Bhd.	Property development	Malaysia	100	100
** SCM Property Services Sdn. Bhd.	Disposed	Malaysia	–	100
Solid Performance Sdn. Bhd.	Property development	Malaysia	100	100
Summer Suites Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Alliance Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Benchmark Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Century Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Innovations Sdn. Bhd.	Property development	Malaysia	100	100
* Sunrise International Development Ltd.	Investment holding	The Cayman Islands	100	100
Sunrise Landmark Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Mersing Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Oscar Sdn. Bhd.	Investment holding	Malaysia	100	100
Sunrise Overseas Corporation Sdn. Bhd.	Investment holding and provision of management services	Malaysia	100	100

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 42. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2022 %	2021 %
<b>Subsidiaries of Sunrise Berhad (cont'd.)</b>				
Sunrise Paradigm Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Pioneer Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Project Services Sdn. Bhd.	Property development and project management for property development projects	Malaysia	100	100
Sunrise Quality Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Region Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Sovereign Sdn. Bhd.	Property development and investment holding	Malaysia	100	100
Sun Victory Sdn. Bhd.	Property investment and development, and hotel operation	Malaysia	100	100
Sunrise MS Pte. Ltd.	Provision of consultancy, advisory and technical services in relation to project development	Singapore	100	100
Sunrise Overseas (S) Pte. Ltd.	Promotion and management services relating to the Group's properties in Malaysia	Singapore	100	100
<b>Subsidiary of Sunrise Oscar Sdn. Bhd.</b>				
Sunrise DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	100	100
<b>Subsidiary of Sunrise International Development Ltd.</b>				
* Sunrise Holdings S.à.r.l.	Investment holding	The Grand Duchy of Luxembourg	100	100
<b>Subsidiary of Sunrise Holdings S.à.r.l.</b>				
* Canada Sunrise Development Corp.	Property investment and development	Canada	100	100

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 42. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2022 %	2021 %
<b>Subsidiaries of UEM Land Berhad</b>				
Bandar Nusajaya Development Sdn. Bhd.	Investment holding, property development, land trading and an agent for its subsidiary companies	Malaysia	100	100
Finwares Sdn. Bhd.	Investment holding	Malaysia	100	100
Fleet Group Sdn. Bhd.	Investment holding	Malaysia	100	100
Mahisa Sdn. Bhd.	Property development and undertakes construction and turnkey development contracts	Malaysia	100	100
Marak Unggul Sdn. Bhd.	Dormant	Malaysia	50.1	50.1
Marina Management Sdn. Bhd.	Property management	Malaysia	100	100
Nusajaya Development Sdn. Bhd.	Property development	Malaysia	100	100
* Nusajaya Medical Park Sdn. Bhd.	Construct, manage and/or operate specialised buildings for long-term lease and property development	Malaysia	100	100
UEM Sunrise Overseas Corporation Sdn. Bhd.	Investment holding	Malaysia	100	100
* Hatibudi Nominees (Tempatan) Sdn. Bhd.	In Member's Voluntary Winding Up	Malaysia	100	100
* UEM Sunrise Nusantara Sdn. Bhd.	In Member's Voluntary Winding Up	Malaysia	100	100
<b>Subsidiaries of Bandar Nusajaya Development Sdn. Bhd.</b>				
Nusajaya Gardens Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Nusajaya Greens Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Heights Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Industrial Park Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Land Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Rise Sdn. Bhd.	Property development, land trading, investment holding and licensed money lending activity	Malaysia	100	100
Nusajaya Seaview Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Symphony Hills Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 42. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2022 %	2021 %
<b>Subsidiary of UEM Sunrise Nusantara Sdn. Bhd. (In Member's Voluntary Winding Up)</b>				
P.T. Bias Permata	Investment holding	Indonesia	100	100
<b>Subsidiary of UEM Sunrise Overseas Corporation Sdn. Bhd.</b>				
* UEM Sunrise South Africa (Pty.) Ltd.	Investment holding	South Africa	100	100
<b>Subsidiary of UEM Sunrise South Africa (Pty.) Ltd.</b>				
* Roc-Union (Proprietary) Ltd.	Investment holding	South Africa	80.4	80.4
<b>Subsidiary of Roc-Union (Proprietary) Ltd.</b>				
* Rocpoint (Proprietary) Ltd.	Acquisition and development of land	South Africa	80.4	80.4
<b>Subsidiaries of UEM Sunrise (Australia) Sdn. Bhd.</b>				
UEM Sunrise (Land) Pty. Ltd.	Holding and financing company	Australia	100	100
UEM Sunrise (Developments) Pty. Ltd.	Holding and financing company	Australia	100	100
<b>Subsidiaries of UEM Sunrise (Land) Pty. Ltd.</b>				
UEM Sunrise (La Trobe Street) Pty. Ltd.	Trustee company	Australia	100	100
UEM Sunrise (Mackenzie Street) Pty. Ltd.	Trustee company	Australia	100	100
UEM Sunrise (Collingwood) Pty. Ltd.	Trustee company	Australia	100	100
# UEM Sunrise (La Trobe Street) Unit Trust	Landowning entity	Australia	100	100
# UEM Sunrise (Mackenzie Street) Unit Trust	Landowning entity	Australia	100	100
# UEM Sunrise (Collingwood) Unit Trust	Land holding entity	Australia	100	100

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 42. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2022 %	2021 %
<b>Subsidiaries of UEM Sunrise (Developments) Pty. Ltd.</b>				
# UEM Sunrise (La Trobe Street Development) Pty. Ltd.	Development company	Australia	100	100
# UEM Sunrise (Mackenzie Street Development) Pty. Ltd.	Development company	Australia	100	100
#^^ UEM Sunrise (St Kilda Road Development) Pty. Ltd.	Dissolved	Australia	–	100
# UEM Sunrise (Collingwood Development) Pty. Ltd.	Project Development	Australia	100	100
# UEM Sunrise (Aurora Melbourne Central Property Management) Pty. Ltd.	Property management services	Australia	100	100
# UEM Sunrise (Conservatory Melbourne Property Management) Pty. Ltd.	Property management services	Australia	100	100
<b>Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.</b>				
UEM Sunrise Project Services Sdn. Bhd.	Project management for property development	Malaysia	100	100
Rise Digital Sdn. Bhd.	Provision of digital services	Malaysia	100	100
<b>Subsidiaries of UEM Sunrise Properties Sdn. Bhd.</b>				
UEM Sunrise Nusajaya Properties Sdn. Bhd.	Property investment	Malaysia	100	100
Nusajaya DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	100	100
Opera Retreat Sdn. Bhd.	Property investment	Malaysia	100	100
Puteri Harbour Convention Centre Sdn. Bhd.	Own and operate a convention centre	Malaysia	100	100

**Note:**

\* Subsidiaries not audited by Ernst & Young PLT or Ernst & Young.

\*\* The company has been disposed on 18 March 2022.

# The financial statements of these subsidiary companies are audited for consolidation purposes.

^ The company indirectly owned 50% + 1 share in the subsidiary.

^^ Deregistered on 28 December 2022 under Corporations Act 2001.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 43. ASSOCIATES

Name of associates	Principal activities	Country of incorporation	Effective interest	
			2022 %	2021 %
UEM Sunrise Edgenta TMS Sdn. Bhd.	Investment holding and provision of real estate management services	Malaysia	30	30
<b>Associates of UEM Land Berhad</b>				
* Aura Muhibah Sdn. Bhd.	Property development	Malaysia	40	40
* Inneonusa Sdn. Bhd.	Provision of smart building infrastructure, smart safety and security system, smart in-building services and smart wide services including smart tenant services for building owners, operators, residents and visitors	Malaysia	39	39
* Setia Haruman Sdn. Bhd.	Township development, property development, project development and sale of land	Malaysia	25	25
* Scope Energy Sdn. Bhd.	Property development	Malaysia	40	40
Sarandra Malaysia Sdn. Bhd.	Investment holding company, constructing, managing and developing of marina club	Malaysia	40	40
<b>Associate of Rocpoint (Proprietary) Ltd.</b>				
* Durban Point Development Company (Proprietary) Ltd.	Property development	South Africa	40.2	40.2

**Note:**

\* Associates not audited by Ernst & Young PLT or Ernst & Young.

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 44. JOINT VENTURES

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2022 %	2021 %
Desaru North Course Residences Sdn. Bhd.	Property development	Malaysia	51	51
Desaru South Course Land Sdn. Bhd.	Property development	Malaysia	51	51
Desaru South Course Residences Sdn. Bhd.	Property development	Malaysia	51	51
Nusajaya Premier Sdn. Bhd.	Property development and investment holding	Malaysia	80	80
Nusajaya Lifestyle Sdn. Bhd.	Property and real estate development, management and property management	Malaysia	55	55
* Malaysian Bio-XCell Sdn. Bhd.	Development and operation of a biotechnology park in the Southern Industrial Logistics Cluster in Iskandar Puteri, Iskandar Malaysia, (In receivership and in liquidation)	Malaysia	40	40
<b>Joint ventures of UEM Land Berhad</b>				
Cahaya Jauhar Sdn. Bhd.	Undertake the turnkey design and build contract for the development of the Johor State New Administrative Centre (now known as Kota Iskandar) and State Government staff housing in Iskandar Puteri, Johor and provision of facilities maintenance and management services	Malaysia	60	60
*^ Gerbang Leisure Park Sdn. Bhd.	Dissolved	Malaysia	–	50
Horizon Hills Development Sdn. Bhd.	Property development	Malaysia	50	50
* Nusajaya Tech Park Sdn. Bhd.	Property development	Malaysia	40	40
* Nusajaya Consolidated Sdn. Bhd.	Property development and related activities	Malaysia	50	50
* Haute Property Sdn. Bhd.	Property development and property marketing	Malaysia	40	40
FASTrack Iskandar Sdn. Bhd.	Property development and to develop, construct, operate and manage motorsport city with related facilities and services	Malaysia	30	30

## NOTES TO THE FINANCIAL STATEMENTS

### – 31 DECEMBER 2022

#### 44. JOINT VENTURES (CONT'D.)

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2022 %	2021 %
<b>Joint ventures of Sunrise Berhad</b>				
* Sime Darby Property Sunrise Development Sdn. Bhd.	Property development	Malaysia	50	50
* Sunrise MCL Land Sdn. Bhd.	Property development and property investment	Malaysia	50	50
<b>Joint venture of UEM Sunrise Properties Sdn. Bhd.</b>				
* UEM Sunrise WOTSO Malaysia Sdn. Bhd.	Provision of flexible commercial office tenancies	Malaysia	50	50

**Note:**

\* Joint ventures not audited by Ernst & Young PLT or Ernst & Young.

^ Dissolved pursuant to Section 551(3) of the Companies Act 2016 on 3 March 2022.

#### 45. DISPOSAL OF A SUBSIDIARY

On 18 March 2022, Sunrise Berhad a wholly owned subsidiary of the Company, completed the Share Sale and Purchase Agreement with SCM Property Management Sdn. Bhd. ("SCM Property Management") for the disposal of 100% equity interest in SCM Property Services Sdn. Bhd. ("SCM") for a total sale consideration of RM17 million. Consequently, SCM ceased to be an indirect subsidiary of the Company.

(a) The effects of the disposal to the statement of profit or loss of the Group are as follows:

	2022 RM'000
Proceeds from disposal	1,700
Carrying value of net assets deconsolidated	(2,179)
Loss on disposal of equity in SCM	(479)

(b) The effect of the disposal on statement of cash flows of the Group is as follows:

	2022 RM'000
Proceeds from disposal	1,700
Less: Deposit received in the prior year	(51)
Less: Cash and bank balances in SCM disposed	(1,293)
Net proceeds from SCM disposal	356

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

### 45. DISPOSAL OF A SUBSIDIARY (CONT'D.)

(c) The effect of the disposal to the statement of financial position of the Group is as follows:

	<b>2022 RM'000</b>
<b>Assets</b>	
Property, plant and equipment	<b>121</b>
Receivables	<b>1,930</b>
Cash and bank balances	<b>1,293</b>
	<b>3,344</b>
<b>Liability</b>	
Payables	<b>1,165</b>
Net assets deconsolidated	<b>2,179</b>

# GRI CONTENT INDEX

The UEM Sunrise Integrated Report 2022 was prepared 'In Reference' with GRI Standards 2021.

Disclosure	Reference page/section
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	
2-1 Organisational details	Cover page
2-2 Entities included in the organisation's sustainability reporting	Sustainability Statement, page 131
2-3 Reporting period, frequency and contact point	About this Report
2-4 Restatements of information	About this Report
2-6 Activities, value chain and other business relationships	Our Property Portfolio, page 8 and 9
2-7 Employees	Social Impact, page 164
2-9 Governance structure and composition	Corporate Governance Overview Statement, page 206
2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement, page 205
2-11 Chair of the highest governance body	Corporate Governance Overview Statement, page 205
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, page 205
2-13 Delegation of responsibility for managing impacts	Corporate Governance Overview Statement, page 210
2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Overview Statement, page 209
2-15 Conflicts of interest	Corporate Governance Overview Statement, page 208
2-16 Communication of critical concerns	Statement on Risk Management and Internal Control, page 228
2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement, page 209
2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, page 210
2-19 Remuneration policies	Corporate Governance Overview Statement, page 216
2-20 Process to determine remuneration	Corporate Governance Overview Statement, page 216
2-22 Statement on sustainable development strategy	Sustainability Statement: Contributing the UN SDGs, page 133
2-23 Policy commitments	Sustainability Governance: Governance Structure, page 136
2-24 Embedding policy commitments	Economic Impact: Responsible Supply Chain, page 143
2-28 Membership associations	Sustainability Governance: Membership and Associations, page 137
2-29 Approach to stakeholder engagement	Stakeholder Engagement & Value Creation, page 57

## GRI CONTENT INDEX

Disclosure	Reference page/section
<b>GRI 3: MATERIAL TOPICS</b>	
3-1 Process to determine material topics	Our Material Matters, page 74
3-2 List of material topics	Our Material Matters, page 75
<b>CONTRIBUTING TO THE NATION</b>	
<b>GRI 3: MATERIAL TOPICS</b>	
3-3 Management of material topics	Economic Impact: Contributing to the Nation, page 139
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>	
201-1 Direct economic value generated and distributed	Economic Impact: Contributing to the Nation, page 141
201-2 Financial implications and other risks and opportunities due to climate change	Economic Impact: Contributing to the Nation, page 140
201-4 Financial assistance received from government	Economic Impact: Contributing to the Nation, page 140
<b>GRI 202: MARKET PRESENCE 2016</b>	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Social Impact: Workplace Well-Being, page 166
<b>GRI 203: INDIRECT ECONOMIC IMPACT 2016</b>	
203-1 Infrastructure investments and services supported	Economic Impact: Contributing to the Nation, page 140
203-2 Significant indirect economic impacts	Economic Impact: Contributing to the Nation, page 141
<b>GRI 413: LOCAL COMMUNITIES 2016</b>	
413-1 Operations with local community engagement, impact assessments, and development programs	Economic Impact: Contributing to the Nation, page 140
413-2 Operations with significant actual and potential negative impacts on local communities	Economic Impact: Contributing to the Nation, page 140
<b>RESPONSIBLE SUPPLY CHAIN</b>	
<b>GRI 3: MATERIAL TOPICS</b>	
3-3 Management of material topics	Economic Impact: Responsible Supply Chain, page 143
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>	
204-1 Proportion of spending on local suppliers	Economic Impact: Responsible Supply Chain, page 144
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>	
308-1 New suppliers that were screened using environmental criteria	Economic Impact: Responsible Supply Chain, page 144
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>	
414-1 New suppliers that were screened using social criteria	Economic Impact: Responsible Supply Chain, page 144

Disclosure	Reference page/section
<b>STRONG ETHICS AND GOVERNANCE</b>	
<b>GRI 3: MATERIAL TOPICS</b>	
3-3 Management of material topics	Economic Impact: Strong Ethics and Governance, page 144
<b>GRI 205: ANTI-CORRUPTION 2016</b>	
205-1 Operations assessed for risks related to corruption	Economic Impact: Strong Ethics and Governance, page 145
205-2 Communication and training about anti-corruption policies and procedures	Economic Impact: Strong Ethics and Governance, page 145
205-3 Confirmed incidents of corruption and actions taken	Economic Impact: Strong Ethics and Governance, page 148
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016</b>	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Economic Impact: Strong Ethics and Governance, page 148
<b>CLIMATE ACTION</b>	
<b>GRI 3: MATERIAL TOPICS</b>	
3-3 Management of material topics	Environmental Impact: Climate Action, page 149 and 150
<b>GRI 302: ENERGY 2016</b>	
302-1 Energy consumption within the organisation	Environmental Impact: Climate Action, page 151
302-3 Energy intensity	Environmental Impact: Climate Action, page 154
<b>GRI 305: EMISSIONS 2016</b>	
305-1 Direct (Scope 1) GHG emissions	Environmental Impact: Climate Action, page 151
305-2 Energy indirect (Scope 2) GHG emissions	Environmental Impact: Climate Action, page 151
305-3 Other indirect (Scope 3) GHG emissions	Environmental Impact: Climate Action, page 151
305-4 GHG emissions intensity	Environmental Impact: Climate Action, page 151
<b>ENVIRONMENTAL STEWARDSHIP</b>	
<b>GRI 3: MATERIAL TOPICS</b>	
3-3 Management of material topics	Environmental Impact: Environmental Stewardship, page 155
<b>GRI 301: MATERIALS 2016</b>	
301-1 Materials used by weight or volume	Environmental Impact: Environmental Stewardship, page 161

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Disclosure	Reference page/section
<b>ENVIRONMENTAL STEWARDSHIP (CONT'D.)</b>	
<b>GRI 303: WATER AND EFFLUENTS 2018</b>	
303-1 Interactions with water as a shared resource	Environmental Impact: Environmental Stewardship, page 156
303-2 Management of water discharge-related impacts	Environmental Impact: Environmental Stewardship, page 156
303-3 Water withdrawal	Environmental Impact: Environmental Stewardship, page 161
303-4 Water discharge	Environmental Impact: Environmental Stewardship, page 161
303-5 Water consumption	Environmental Impact: Climate Action, page 161
<b>GRI 304: BIODIVERSITY 2016</b>	
304-2 Significant impacts of activities, products and services on biodiversity	Environmental Impact: Environmental Stewardship, page 160
304-3 Habitats protected or restored	Environmental Impact: Environmental Stewardship, page 160
<b>GRI 306: WASTE 2020</b>	
306-1 Waste generation and significant waste-related impacts	Environmental Impact: Environmental Stewardship, page 155
306-2 Management of significant waste-related impacts	Environmental Impact: Environmental Stewardship, page 155
306-3 Waste generated	Environmental Impact: Environmental Stewardship, page 161
306-4 Waste diverted from disposal	Environmental Impact: Environmental Stewardship, page 152
306-5 Waste directed to disposal	Environmental Impact: Climate Action, page 152
<b>WORKPLACE WELL-BEING</b>	
<b>GRI 3: MATERIAL TOPICS</b>	
3-3 Management of material topics	Social Impact: Workplace Well-Being, page 164
<b>GRI 401: EMPLOYMENT 2016</b>	
401-1 New employee hires and employee turnover	Social Impact: Workplace Well-Being, page 167
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Impact: Workplace Well-Being, page 166

Disclosure	Reference page/section
<b>WORKPLACE WELL-BEING (CONT'D.)</b>	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>	
403-1 Occupational health and safety management system	Social Impact: Employee Safety, page 168
403-2 Hazard identification, risk assessment, and incident investigation	Social Impact: Employee Safety, page 168
403-3 Occupational health services	Social Impact: Employee Safety, page 168
403-4 Worker participation, consultation, and communication on occupational health and safety	Social Impact: Employee Safety, page 168
403-5 Worker training on occupational health and safety	Social Impact: Employee Safety, page 168
403-6 Promotion of worker health	Social Impact: Employee Safety, page 168
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social Impact: Employee Safety, page 168
403-8 Workers covered by an occupational health and safety management system	Social Impact: Employee Safety, page 168
403-9 Work-related injuries	Social Impact: Employee Safety, page 169
403-10 Work-related ill health	Social Impact: Employee Safety, page 169
<b>GRI 404: TRAINING AND EDUCATION 2016</b>	
404-1 Average hours of training per year per employee	Social Impact: Workplace Well-Being, page 166
404-2 Programs for upgrading employee skills and transition assistance programs	Social Impact: Workplace Well-Being, page 166
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>	
405-1 Diversity of governance bodies and employees	Social Impact: Workplace Well-Being, page 167
405-2 Ratio of basic salary and remuneration of women to men	Social Impact: Workplace Well-Being, page 166
<b>GRI 408: CHILD LABOUR 2016</b>	
408-1 Operations and suppliers at significant risk for incidents of child labour	Social Impact: Workplace Well-Being, page 166
<b>GRI 409: FORCED OR COMPULSORY LABOUR 2016</b>	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social Impact: Workplace Well-Being, page 165

## GRI CONTENT INDEX

Disclosure	Reference page/section
<b>CUSTOMER EXPERIENCE</b>	
<b>GRI 3: MATERIAL TOPICS</b>	
3-3 Management of material topics	Social Impact: Customer Experience, page 170
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>	
416-1 Assessment of the health and safety impacts of product and service categories	Social Impact: Customer Experience, page 170
<b>GRI 417: MARKETING AND LABELING 2016</b>	
417-1 Requirements for product and service information and labeling	Social Impact: Customer Experience, page 171
417-3 Incidents of non-compliance concerning marketing communications	Social Impact: Customer Experience, page 172
<b>PROTECTING DATA PRIVACY</b>	
<b>GRI 3: MATERIAL TOPICS</b>	
3-3 Management of material topics	Social Impact: Protecting Data Privacy, page 173
<b>GRI 418: CUSTOMER PRIVACY 2016</b>	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social Impact: Protecting Data Privacy, page 173

# ANALYSIS OF SHAREHOLDINGS

AS AT 20 MARCH 2023

## SHARE CAPITAL

Total number of Issued and Paid-up Shares : 5,058,476,221 ordinary shares  
Voting Rights : One vote per ordinary share held

## DISTRIBUTION SCHEDULE FOR ORDINARY SHARES

As at 20 March 2023

Size of Holdings	No. of shareholders	% of shareholders	Total shareholdings	% of shareholdings
Less than 100	3,089	9.28	100,928	0.00
100 to 1,000	8,931	26.83	4,667,726	0.09
1,001 to 10,000	13,396	40.25	61,469,792	1.22
10,001 to 100,000	6,526	19.61	224,739,747	4.44
100,001 to 252,923,810 (less than 5% of issued shares)	1,341	4.03	929,466,265	18.38
252,923,811 (5% of issued shares) and above	2	0.00	3,838,031,763	75.87
<b>Total</b>	<b>33,285</b>	<b>100.00</b>	<b>5,058,476,221</b>	<b>100.00</b>

## 30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

As at 20 March 2023

No.	Name of Shareholder	No. of Shares held	% of Issued shares
1.	UEM GROUP BERHAD	3,518,531,963	69.56
2.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1)	319,499,800	6.32
3.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBLDN FOR POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC	47,468,234	0.94
4.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	46,897,300	0.93
5.	MAYBANK INVESTMENT BANK BERHAD IVT (9)	31,086,400	0.61
6.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (GROWTH)	23,931,800	0.47
7.	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	19,975,455	0.39
8.	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	17,439,200	0.34
9.	LIEW SWEE MIO @ LIEW HOI FOO	17,300,000	0.34
10.	CARTABAN NOMINEES (ASING) SDN. BHD. THE BANK OF NEW YORK MELLON FOR DELAWARE GROUP GLOBAL & INTERNATIONAL FUNDS DELAWARE EMERGING MARKETS FUND	17,000,000	0.34



## ANALYSIS OF SHAREHOLDINGS AS AT 20 MARCH 2023

No.	Name of Shareholder	No. of Shares held	% of Issued shares
11.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG KIM JHEW (E-TMI)	16,394,400	0.32
12.	MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD. MAYBANK SECURITIES PTE. LTD. FOR CHUMPONCHANTHARAKULPONGSA @ CHAN TEIK CHUAN	15,500,000	0.31
13.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (DANA EKT PRIMA)	14,018,200	0.28
14.	CARTABAN NOMINEES (ASING) SDN. BHD. SSBT FUND J724 FOR SPDR S&P EMERGING MARKETS ETF	8,863,288	0.17
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (BALANCE)	8,510,800	0.17
16.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	8,361,365	0.16
17.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	7,720,000	0.15
18.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD. FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE)	7,422,400	0.15
19.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA ISLAMIC FUND	7,100,000	0.14
20.	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE. LTD. (A/C CLIENTS)	7,091,692	0.14
21.	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	7,009,200	0.14
22.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	6,462,600	0.13
23.	TAN KENG LIANG	6,084,500	0.12
24.	CARTABAN NOMINEES (ASING) SDN. BHD. SSBT FUND ZYEF FOR VANGUARD GLOBAL EX-U.S. REAL ESTATE INDEXFUND	5,522,965	0.11
25.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEONG SIN KHONG	5,416,900	0.11
26.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD. FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	5,338,400	0.11
27.	CHONG SIEW CHIN	5,070,000	0.10
28.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (CLIENT)	5,000,000	0.10
29.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HOW KOK HING (E-KTN)	5,000,000	0.10
30.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. CHAI CHUIN FOOK	4,813,800	0.09
<b>TOTAL</b>		<b>4,215,830,662</b>	<b>83.34</b>

### SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders

As at 20 March 2023

No.	Name	No. of shares			
		Direct	%	Indirect	%
1.	UEM Group Berhad	3,518,531,963	69.56	-	-
2.	Khazanah Nasional Berhad*	-	-	3,518,531,963	69.56
3.	Urusharta Jamaah Sdn. Bhd.	319,499,800	6.32	-	-

**Note:**

\* Deemed interested by virtue of being the holding company of UEM Group Berhad

### STATEMENT OF DIRECT AND DEEMED INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS RELATED CORPORATIONS

As at 20 March 2023

#### ORDINARY SHARES OF UEM SUNRISE BERHAD

No.	Name	No. of shares			
		Direct	%	Indirect	%
<b>DIRECTORS</b>					
1.	Dato' Noorazman Abd Aziz	-	-	-	-
2.	Christina Foo	-	-	-	-
3.	Dato' Mohd Izani Ghani	-	-	-	-
4.	Zaida Khalida Shaari	-	-	-	-
5.	Effizal Faiz Zulkifly	-	-	-	-
6.	Chari T.V. Thirumala	-	-	-	-
7.	Poh Ying Loo	-	-	-	-
8.	Datin Sri Badrunnisa Mohd Yasin Khan	-	-	-	-
9.	Alex Yeow Wai Siaw	-	-	-	-
<b>CHIEF EXECUTIVE OFFICER</b>					
10.	Sufian Abdullah	-	-	-	-

# MATERIAL PROPERTIES OF UEM SUNRISE BERHAD GROUP

AS AT 31 DECEMBER 2022

	Location and address of property	Brief description and existing use	Area (sq meters)	Tenure and year of expiry	Age of building (years)	Net book value as at 31/12/2022 RM'000	Date of revaluation/ acquisition
1	Iskandar Puteri (fka Bandar Nusajaya) Iskandar Development Region Johor Darul Takzim	Land held for property development and development in progress	20,148,170	Freehold	-	2,530,684	1995
2	PTD 26684-26689, 26691-22693 Mukim Batu, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Land held for property development	269,237	Leasehold expiring on 29-Dec-2112	-	771,567	02-Apr-19
3	Solaris Dutamas, 1 Jalan Dutamas 1 50480 Kuala Lumpur	Building - Retail and Carpark	150,187	Freehold	12	369,401	25-Jul-11*
4	PTD 43305-43350, 43361-43437 44290-44505, 44520, 44533 Mukim Semenyih, Daerah Ulu Langat, Selangor Darul Ehsan	Land held for property development	1,218,965	Freehold	-	390,006	29-Sep-11
5	GM 4733 Lot 149 Seksyen 58 Bandar of Kuala Lumpur Daerah Kuala Lumpur	Land held for property development	6,434	Freehold	-	320,561	4-Jun-11*
6	Arcoris, GM 9305 Lot 80199 Mukim Batu Daerah Kuala Lumpur	Hotel, Retail and Carpark	66,397	Freehold	5 (Hotel), 6 (Retail and Carpark)	292,534	20-Mar-12
7	PN 33305 Lot 78, 33306 Lot 79 and 96122 Lot 48, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor	Land held for property development	40,193	99 years lease expiring between 20/10/2059 to 23/11/2059	-	208,179	10-Mar-21
8	PT 6584 - 6585, Mukim Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land held for property development	46,130	99 years lease expiring on 01-Jul-2102	-	184,340	28-Aug-20
9	21-53 Hoddle Street, Collingwood, Melbourne, Australia	Land held for property development	5,390	Freehold	-	136,045	18-Jun-20
10	PN 9988 Lot 1108, Pekan Kajang Daerah Ulu Langat Selangor Darul Ehsan	Land held for property development	136,205	99 years lease expiring on 22-Dec-2090	-	91,014	14-Jun-11*
11	Aurora Retail 224-252 La Trobe Street, Melbourne, Australia	Building - Retail	2,123	Freehold	5	86,088	24-Aug-18
12	PN 9989 Lot 1109, Pekan Kajang, Daerah Ulu Langat Selangor Darul Ehsan	Land held for property development	98,329	99 years lease expiring on 22-Oct-2090	-	58,822	14-Jun-11*
13	Geran 60863 Lot 58689, Mukim Batu, Daerah Kuala Lumpur	Land held for property development	15,308	Freehold	-	225,384	14-Jun-11*
14	Lot 108533-108535, 108537, 108538 and 108540 Mukim Dengkil, Daerah Sepang Selangor Darul Ehsan	Land held for property development	105,657	Freehold	-	51,668	31-Dec-08

\* Revaluation Date

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting (15<sup>th</sup> AGM) of UEM Sunrise Berhad (the Company) will be held virtually and broadcasted live from Board Room, Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur (Broadcast Venue) via <https://meeting.boardroomlimited.my> on Wednesday, 7 June 2023 at 10.00 a.m. for the following business:

## AGENDA

### Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.
- To re-elect the following Directors, who retire in accordance with Article 93 of the Company's Constitution and, being eligible, have offered themselves for re-election:
  - YBhg Dato' Mohd Izani Ghani
  - En. Effizal Faiz Zulkifly
  - Mr. Chari T.V. Thirumala
- To approve the Directors' fees and the payment thereof to the Directors for the period from the 15<sup>th</sup> AGM until the next AGM of the Company, to be payable on a quarterly basis as follows:

Directors' Fees/person	Non-Executive Chairman		Non-Executive Director/Member	
	Per Quarter (RM)	Per Annum (RM)	Per Quarter (RM)	Per Annum (RM)
Board	52,500	210,000	27,000	108,000
Audit Committee	12,500	50,000	7,500	30,000
Other Board Committees	6,250	25,000	3,750	15,000

- To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors based on the following table of benefits and remuneration for the period from the 15<sup>th</sup> AGM until the next AGM of the Company:

Description	Directors' remuneration/benefits
Meeting allowance for ad-hoc or temporary Board Committees established for specific purposes.	(i) Chairman of committee - RM2,000 per meeting (ii) Member of committee - RM1,000 per meeting
Discount for purchase of property by Directors, which is the same policy applied for employees.	(i) Up to 10% discount will be given once in 5 years for residential property; and (ii) For subsequent purchase of residential property within 5 years' period or any non-residential property purchase, up to 3% discount will be given.

Benefits for Chairman:

- |   |                               |
|---|-------------------------------|
| (i) Car allowance                                       | (i) RM3,400 per month         |
| (ii) Car maintenance, fuel and other claimable benefits | (ii) Up to RM32,100 per annum |

Ordinary Resolution 1  
Ordinary Resolution 2  
Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

## NOTICE OF ANNUAL GENERAL MEETING

5. To appoint Messrs Ernst & Young PLT as Auditors and to authorise the Directors to fix their remuneration.

6. To transact any other business for which due notice shall have been given.

### Ordinary Resolution 6

**NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend this 15<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with the provisions under Article 65 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors (ROD) as at 31 May 2023. Only a depositor whose name appears on the ROD as at 31 May 2023 shall be entitled to attend this 15<sup>th</sup> AGM or appoint a proxy(ies) to attend, participate, speak and vote on his/her behalf.

By Order of the Board

**LIEW IRENE** (SSM PC No. 201908001893) (MAICSA 7022609)  
**WONG LEE LOO** (SSM PC No. 201908001993) (MAICSA 7001219)  
Company Secretaries

Kuala Lumpur  
28 April 2023

### NOTES:

#### 1. REMOTE PARTICIPATION AND ELECTRONIC VOTING, PROXY AND/OR CORPORATE REPRESENTATIVES

- 1.1 The Company's 15<sup>th</sup> AGM will be conducted **virtually** through live streaming from the Broadcast Venue using the remote participation and electronic voting facilities provided via <https://meeting.boardroomlimited.my>.
- 1.2 The main and only venue for the 15<sup>th</sup> AGM is the Broadcast Venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (the Act) and Article 70 of the Constitution of the Company that require the Chairman of the meeting to be present at the main venue of the meeting. **No shareholders/proxies/corporate representatives should be physically present** nor admitted at the Broadcast Venue on the day of the meeting.
- 1.3 Shareholders may submit questions to the Board of Directors in advance prior to the 15<sup>th</sup> AGM via the Share Registrars' website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to the Company's Investor Relations at [ir@uemsunrise.com](mailto:ir@uemsunrise.com) in relation to the agenda items for the 15<sup>th</sup> AGM no later than 10.00 a.m. on Thursday, 1 June 2023. Shareholders may pose questions via real time submission of typed texts at <https://meeting.boardroomlimited.my> during live streaming of the 15<sup>th</sup> AGM.

- 1.4 Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act, 1991 (Central Depositories Act) and authorised nominees defined under the Central Depositories Act which are exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act (Exempt Authorised Nominees) which hold ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote instead of him/her at the AGM and that such proxy need not be a member.
- 1.5 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- 1.6 The instrument appointing a proxy (Form of Proxy) shall be in writing under the hand of the member or his/her attorney duly authorised in writing or, if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.

- 1.7 The Form of Proxy duly completed must be deposited at the Share Registrars' office, Boardroom Share Registrars Sdn. Bhd. at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time of holding the AGM. The proxy appointment may also be lodged electronically through the Share Registrars' website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time of holding the AGM.
- 1.8 If the Form of Proxy is submitted without any instruction as to how the proxy shall vote, the proxy will vote in his/her discretion. Any alteration to the Form of Proxy must be initialled. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
- 1.9 Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice are to be voted on a poll.

#### 2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda item 1 and do not require shareholders' approval. Hence, this item is not put forward for voting.

#### 3. ORDINARY RESOLUTIONS 1, 2, AND 3 – RE-ELECTION OF DIRECTORS

- 3.1 The Nominations & Remuneration Committee (NRC) has considered the performance and contribution of each of the retiring Directors and has also assessed the retiring Directors against the Company's fit and proper criteria as well as independence of the Independent Non-Executive Director (INED) seeking re-election.
- 3.2 Based on the results of the Board Effectiveness Assessment (BEA) conducted for the financial year ended 31 December 2022, the performance of each of the retiring Directors was found to be satisfactory.
- 3.3 The retiring Directors also provided the fit and proper declarations in the prescribed form in accordance with the Fit and Proper Policy of the Company. Based on the assessment and evaluation carried out by NRC, the retiring Directors satisfied the Company's fit and proper criteria with regard to:
  - (a) Probity, reputation, personal and financial integrity
  - (b) Experience and competency
  - (c) Time and commitment

#### 4. DIRECTORS' FEES AND BENEFITS PAYABLE TO THE NON-EXECUTIVE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

- 4.1 Pursuant to Section 230(1) of the Act, the shareholders' approval shall be sought for the Directors' fees and benefits in the following resolutions:
  - (a) **Ordinary Resolution 4** on payment of Directors' fees to the Directors for the period from the 15<sup>th</sup> AGM until the next AGM of the Company on a quarterly basis; and
  - (b) **Ordinary Resolution 5** on payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors for the period from the 15<sup>th</sup> AGM until the next AGM of the Company.
- 4.2 The NRC has conducted a review on the Board remuneration and assessed based on an internal benchmarking of the directors' fees against a comparison pool of companies within the real estate industry.
- 4.3 The Directors' fees remain unchanged as per the fees approved at the last AGM held on 23 June 2022 and has remained the same since the financial year 2012.
- 4.4 The Directors' benefits remained unchanged as per the benefits approved at the last AGM held on 23 June 2022.

## NOTICE OF ANNUAL GENERAL MEETING

4.5 The benefits for the Non-Executive Chairman are given in recognition of the significant role in leadership and oversight including the wide-ranging scope of responsibilities expected of him. It is a unique feature of the Company aimed to attract and retain leadership for the Board.

### 5. ORDINARY RESOLUTION 6 – APPOINTMENT OF AUDITORS AND AUDIT FEES

5.1 The Audit Committee had, at its meeting held on 14 March 2023, conducted an annual assessment of the suitability and independence of the external auditors, Messrs Ernst & Young PLT.

5.2 In its assessment, the Audit Committee considered several factors which include the following:

- (a) Adequacy of experience and resources provided to the Group by the external auditors and the level of knowledge, capabilities and experience of the professional staff assigned to the audit;
- (b) Quality of performance and level of engagement with the Audit Committee and the Group based on feedback obtained via assessment questionnaires from the Company's personnel who had substantial contact with the external audit team throughout the year;
- (c) Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
- (d) Appropriateness of audit approach and the effectiveness of audit planning;
- (e) Ability to perform audit work within agreed timeframe; and
- (f) Independence and objectivity of the external auditors when interpreting standards/policies adopted by the Company and the level of non-audit services rendered by the external auditors.

5.3 Being satisfied with the performance, technical competency, audit approach as well as audit independence of Messrs Ernst & Young PLT, the Audit Committee has recommended the appointment of Messrs Ernst & Young PLT as external auditors of the Company for the financial year ending 31 December 2023.

5.4 The Board had, at its meeting held on 22 March 2023, endorsed the Audit Committee's recommendation for the shareholders' approval to be sought at the 15<sup>th</sup> AGM on the appointment of Messrs Ernst & Young PLT as external auditors of the Company for the financial year ending 31 December 2023 in accordance with Section 340(1)(c) of the Act.

5.5 The Board is also seeking shareholders' approval to authorise the Directors to fix the remuneration of the external auditors for the financial year ending 31 December 2023 in accordance with Section 274(1)(a) of the Act.

### 6. PERSONAL DATA PRIVACY

By submitting a Form of Proxy or an instrument appointing a representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (AGM)

### (PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

The details of the Directors who are standing for re-election at the 15<sup>th</sup> AGM are provided in the Board of Directors' Profile section in the Integrated Report 2022.

Based on the Nominations & Remuneration Committee's review, the Board found that the performance of the following retiring directors and contribution in the discharge of their duties assessed during the Board Effectiveness Assessment (BEA) for the financial year 2022 as well as their fit and proper criteria were satisfactory, salient details as below:

#### 1. Dato' Mohd Izani Ghani

He has contributed effectively to the Board's deliberations. He has demonstrated utmost diligence and commitment, particularly as Board Tender Committee Chairman. He brings extensive experience in investment and management experience to the Board. He also brings his perspective by virtue of his office of Managing Director, UEM Group Berhad leveraging on group synergy. He has served on the Board for 3 years 9½ months as at 20 March 2023 since the date of his appointment as Non-Independent Non-Executive Director on 1 June 2019.

#### 2. En. Effizal Faiz Zulkifly

He has contributed effectively to the Board's deliberations. He has demonstrated his commercial knowledge, diligence and commitment, particularly as Board Development Committee member by providing guidance in strategic investments. He brings experience in the infrastructure and property sector to the Board. He has served on the Board for 3 years 1 month as at 20 March 2023 since the date of his appointment as Non-Independent Non-Executive Director on 24 February 2020.

#### 3. Mr. Chari T.V. Thirumala

He has contributed effectively to the Board's deliberations. He has demonstrated his commercial and technology savviness, astute financial and cost management, diligence and commitment, particularly as Board Governance & Risk Committee Chairman and Audit Committee member. He brings extensive experience to the Board in the area of corporate finance and digital/technological knowledge from his past experience in the telecommunications industry. He has served as Independent Non-Executive Director for 2 years 4½ months as at 20 March 2023 since the date of his appointment on 5 November 2020.

The retiring Directors have abstained themselves from deliberation and decision by the Board on their respective re-election. The Board upon due deliberation, resolved to support and approve the proposed re-election of Dato' Mohd Izani Ghani, En. Effizal Faiz Zulkifly and Mr. Chari T.V. Thirumala to be tabled at the 15<sup>th</sup> AGM of the Company, as recommended by the Nominations & Remuneration Committee.

No individual is seeking election as a Director at the 15<sup>th</sup> AGM.

# FORM OF PROXY

UEM SUNRISE BERHAD

Registration no. 200801028815 (830144-W)

(Incorporated in Malaysia)



A member of UEM Group

I/We \_\_\_\_\_ NRIC/Company No. \_\_\_\_\_

of \_\_\_\_\_

being a member of UEM Sunrise Berhad (the Company) hereby appoint \_\_\_\_\_

\_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

and/or failing him/her, \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fifteenth Annual General Meeting (15<sup>th</sup> AGM) of the Company to be held virtually and broadcasted live from Board Room, Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur (Broadcast Venue) via <https://meeting.boardroomlimited.my> on Wednesday, 7 June 2023 at 10.00 a.m. or at any adjournment thereof.

*(Please indicate with an "X" in the boxes provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)*

ORDINARY RESOLUTIONS	No.	For	Against
To re-elect YBhg Dato' Mohd Izani Ghani who is retiring in accordance with Article 93 of the Company's Constitution.	1		
To re-elect En. Effizal Faiz Zulkifly who is retiring in accordance with Article 93 of the Company's Constitution.	2		
To re-elect Mr. Chari T.V. Thirumala who is retiring in accordance with Article 93 of the Company's Constitution.	3		
To approve the payment of Directors' fees for the period from the 15 <sup>th</sup> AGM until the next AGM of the Company on a quarterly basis.	4		
To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors for the period from the 15 <sup>th</sup> AGM until the next AGM of the Company.	5		
To appoint Messrs Ernst & Young PLT as Auditors and to authorise Directors to fix their remuneration.	6		

_____	No. of shares		
_____	CDS Account No.		
Signature or Common Seal of Member	Telephone No.		
Signed this _____ day of _____ 2023	Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %

## NOTES

1. The Company's 15<sup>th</sup> AGM will be conducted virtually through live streaming from the Broadcast Venue using the remote participation and electronic voting facilities provided via <https://meeting.boardroomlimited.my>.
2. The main and only venue for the 15<sup>th</sup> AGM is the Broadcast Venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (the Act) and Article 70 of the Constitution of the Company that require the Chairman of the meeting to be present at the main venue of the meeting. No shareholders/proxies/corporate representatives should be physically present nor admitted at the Broadcast Venue on the day of the meeting.
3. Shareholders may submit questions to the Board of Directors in advance prior to the 15<sup>th</sup> AGM via the Share Registrars' website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to the Company's Investor Relations at [ir@uemsunrise.com](mailto:ir@uemsunrise.com) in relation to the agenda items for the 15<sup>th</sup> AGM no later than 10.00 a.m. on Thursday, 1 June 2023. Shareholders may pose questions via real time submission of typed texts at <https://meeting.boardroomlimited.my> during live streaming of the 15<sup>th</sup> AGM.
4. Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act, 1991 (Central Depositories Act) and authorised nominees defined under the Central Depositories Act which are exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act (Exempt Authorised Nominees) which hold ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote instead of him/her at the AGM and that such proxy need not be a member.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

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6. The instrument appointing a proxy (Form of Proxy) shall be in writing under the hand of the member or his/her attorney duly authorised in writing or, if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.
7. The Form of Proxy duly completed must be deposited at the Share Registrars' office, Boardroom Share Registrars Sdn. Bhd. at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time of holding the AGM. The proxy appointment may also be lodged electronically through the Share Registrars' website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time of holding the AGM.
8. If the Form of Proxy is submitted without any instruction as to how the proxy shall vote, the proxy will vote in his/her discretion. Any alteration to the Form of Proxy must be initialled. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice are to be voted on a poll.

**PERSONAL DATA PRIVACY**

By submitting a Form of Proxy or an instrument appointing a representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 28 April 2023.

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STAMP

**The Share Registrars' Office**

Boardroom Share Registrars Sdn. Bhd.  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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[uemsunrise.com](http://uemsunrise.com)

**UEM SUNRISE BERHAD** 200801028815 (830144-W)

Level U2, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur, Malaysia

