

# Form to FUTURE

find your  
happy



INTEGRATED ANNUAL REPORT 2023







## Cover Rationale

We prioritise equitable access to sustainable community living while considering the impact of our development on surrounding communities, the environment, and the economy. Our goal is to ensure that future generations have access to the same opportunities and resources we enjoy.

### 1. Placemaking & Activation

Emphasises creating vibrant spaces that cater to community needs, integrating elements like activated streets and community-building spaces to enhance neighbourhood well-being.

### 2. Smart City Technology

Integration of information technology (IT), surveillance systems, and data-driven solutions to enhance the efficiency and quality of urban life.

### 3. Fitness for Wellness

Through initiatives such as parks, sports centres, and community sports events, healthy lifestyles are promoted to improve fitness, enhance mental health, and contribute to community well-being.

### 4. Thoughtful Urban Design

Adherence to principles of universal design to ensure accessibility for people of diverse ages and abilities to navigate the path safely and comfortably. This will also promote healthier lifestyles and reduce the environmental footprint of commuting, where walking, jogging, and cycling will be more conducive.

### 5. Renewable Energy

Supplementing current source of energy with sustainably sourced clean energy.

### 6. Green Rated Masterplan & Buildings

Energy efficiency and resource conservation are prioritised in buildings, supporting green principles and cost-effective energy management in alignment with UEM Sunrise's Sustainable Development Design Guidelines (SDDG).

### 7. Clean Mobility

Embedded infrastructure, such as solar forecourts, that is future-proof welcomes future innovation in more efficient mobility systems.

### 8. Sustainable Infrastructure Planning

The commitment to building infrastructure that promotes mobility, improves life quality and fosters inclusivity for all. Integrating passive water management practices into landscape design and green infrastructure strategies, through the application of swales, rain gardens and permeable surfaces.

### 9. Fostering Entrepreneurial Spirit

Commercial offerings curated with a vibrant mix of retail and working spaces, cultivating a dynamic ecosystem where innovation and collaboration thrive.

### 10. Inclusive Development

Inclusivity across all community groups in developments, which includes catering to the needs of children, young parents, and the elderly, addressing multi-generational needs, and fostering community strength and cohesion.

### 11. Biodiversity Preservation

Dedicated resource to nature conservation, research and promotion of biodiversity in an urban environment.

### 12. Passive Design

Design that respects its natural context and work with the climate in achieving living comfort without relying on mechanical solutions.

### 13. Building Integrated Renewable Energy

Integrating Photovoltaic (PV) panels onto the roofscape harnesses solar energy, reducing carbon emissions, lowering electricity costs, and motivating a less energy-dependent lifestyle.

### 14. Clean Industry

A diverse business opportunity where investment in high-tech manufacturing provides jobs and skillsets to the local communities.

### 15. Food Security

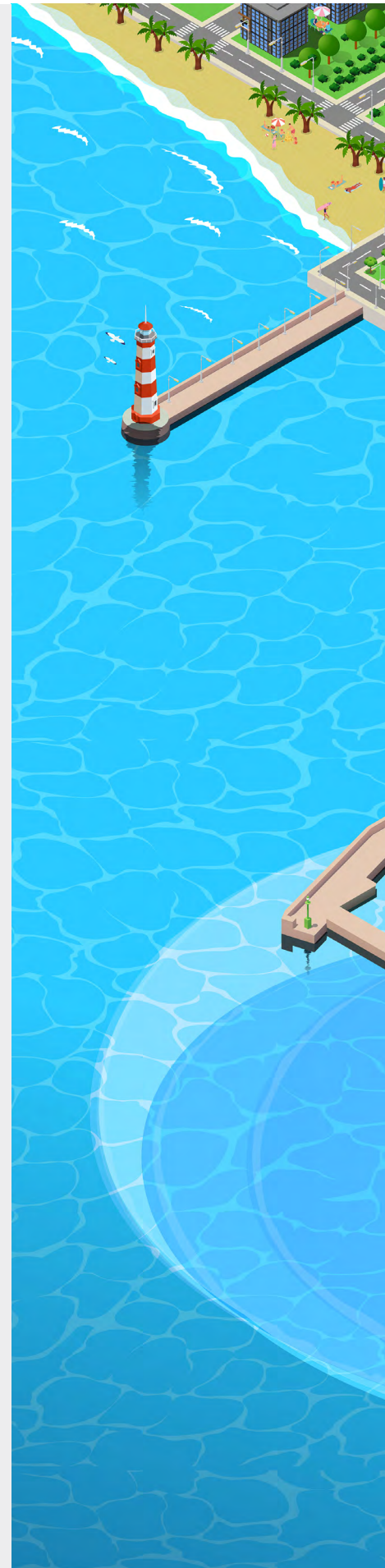
A sustainable machine farming system incorporating diverse technological solutions, minimising land usage, fuel consumption, water usage, waste generation, and labour requirements.

### 16. Modern Methods of Construction (MMC)

Embracing MMC, leveraging advanced techniques such as prefabrication, modular design and volumetric construction, and off-site manufacturing to expedite building processes, improve operational efficiency, and advanced sustainability goals.

### 17. Attainable and Affordable Housing

Delivering the same level of dedication to design and quality as other developments ensures conducive built environment.







# Form to FUTURE







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



# ABOUT THIS REPORT

## SCOPE AND BOUNDARIES

This integrated annual report aims to provide insights into the value created by UEM Sunrise. It provides a comprehensive overview of UEM Sunrise's operational environment in Malaysia, focusing on the Central and Southern regions, as well as in Australia. The report covers our material matters, risks and opportunities, key strategies and the value created for our stakeholders. Where relevant, our sustainability context is disclosed.

The period covered in this report is from 1 January 2023 to 31 December 2023 (Financial Year 2023) unless otherwise stated. The financial information has been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), and the International Financial Reporting Standards (IFRS).

UEM Sunrise's integrated annual report is guided by the following statutory provision, best practices, policies and guidelines by the relevant governing and regulatory bodies:

- Companies Act 2016
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance (MCCG) of the Securities Commission Malaysia
- International Integrated Reporting Framework
- Corporate Governance Guide (Fourth Edition) by Bursa Malaysia Securities Berhad
- Global Reporting Initiative (GRI) Standards 2021
- Sustainability Reporting Guide (Third Edition) of Bursa Malaysia Securities Berhad
- Sustainability Accounting Standards Board (SASB)
- FTSE4Good Bursa Malaysia Index

## MATERIALITY



Material matters are areas that impact most significantly to our business and stakeholders, positively or negatively. This report discloses the issues, opportunities, macro-trends, challenges and other considerations that have the potential to impact materially on our six capitals and

our ability to operate as a sustainable business that delivers value to our stakeholders. The 17 material matters identified in 2022 continue to remain relevant in 2023, of which eight of them are ranked the highest in terms of its importance to our business (refer to pages 112 and 113 of this report).

## ASSURANCE

Assurance of this report has been furnished through the collective efforts involving the management, internal and external auditors, and oversight by our Board of Directors. Internal assurance is provided through the integration of the Company's control policies and procedures, risk oversight and audit, with distinct roles within the governance structure. The Company's annual financial statements were audited by our external auditor, Ernst & Young PLT.

To enhance the credibility of the Sustainability Statement, selected information in the Sustainability Statement of this Report has been subjected to internal review by the Company's internal auditors and independent limited assurance by KPMG PLT in accordance with the recognised assurance standards. The audit reports resulting from the internal review and external audit have been approved by the Company's Audit Committee. Several improvement opportunities were also identified and will be implemented next year. The scope, subject matter and relevant conclusions are provided below.

Type of Assurance	Subject Matter	Scope	Conclusion
Independent Limited Assurance	i. Lost Time Incident Rate	The Group's operations in Malaysia and Australia	 The Independent Limited Assurance Report can be found on pages 377-379
	ii. Percentage of employees by gender and age group, for each employee category (Percentage)		
	iii. New employee hires (Number and Percentage) and total number of employee turnover by employee category (Number)		
Internal Review	i. Total energy consumption	The Group's operations in Malaysia and Australia	 Verified
	ii. Total operational water consumption		
	iii. Total waste generation		

## BOARD RESPONSIBILITY STATEMENT

UEM Sunrise recognises its duty to uphold the integrity of this integrated annual report. An internal team, consisting of members from across the Company, has prepared and presented this report through a robust integrated reporting process. This is to ensure the fair and balanced disclosure of matters deemed material in the Company's value creation, preservation and erosion process. The Nominations & Remuneration Committee, Audit Committee and the Board Governance & Risk Committee have reviewed and recommended the reports and statements pertaining to governance to the Board of Directors for approval, which were then authorised for release by the Board of Directors on 29 March 2024.

## FEEDBACK

UEM Sunrise is committed to continuously improve the quality of our report and we value your inputs. Should you have any queries or feedback pertaining to our reporting suite and information contained in this integrated annual report, please contact our Investor Relations team at [ir@uemsunrise.com](mailto:ir@uemsunrise.com).



## FORWARD-LOOKING STATEMENTS

This integrated annual report contains forward-looking statements about UEM Sunrise’s future strategy, performance, operations and prospects. These forward-looking statements are based on assumptions of potential scenarios and are dependent on circumstances that will take place in the future. Risk factors, uncertainties and other dynamics may impact the future performance, as such the outcomes and results are likely to deviate materially from those expressed or implied in such forward-looking statements. Furthermore, as we continue to implement our strategies and plans, adjustments may be made to ensure alignment with changes in the macroeconomic and operating environment. Therefore, these forward-looking statements should not be construed as guarantees of UEM Sunrise’s future outcomes.



UEM Sunrise has prioritised the following SDGs as it underscores our commitment to be environmentally, socially and economically sustainable:



➔ For more information, kindly refer to pages 110 and 111 of this report

## NAVIGATION ICONS

### Our Strategic Thrust



**TRIAGE**



**STABILISE**



**SUSTAIN**

### Our Capital



Financial Capital



Human Capital



Social and Relationship Capital



Natural Capital



Manufactured Capital



Intellectual Capital

### Principal Risks



Competition Risk



People Risk



Operational Risk



Regulatory & Corruption Risk



Financial Risk

### Material Matters



Customer Management



Economic Performance



Ethical Business Practices



Employee Management



Health and Safety



Data Privacy and Cybersecurity



Climate Change (Energy & Emissions)



Local Community



Waste



Supply Chain Management



Human Rights



Market Presence



Materials



Indirect Economic Impact



Water & Effluents



Biodiversity



Procurement Practices

● Economic ● Environmental ● Social ● Governance

### Key Stakeholder Group



Customers



Business Partners (Collaborations, Joint Ventures and Associates)



Service Providers (Vendors, Suppliers, Contractors, Lawyers)



Employees



Government Agencies, Authorities/ Regulators



Media



Investment-Related Stakeholders (Investors, Shareholders, Analysts)



Banks/ Rating Agencies/ Sukuk Holders



Local Communities









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# SECTION 01

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Having spent my entire career in sales, transitioning to real estate with UEM Sunrise marked a new chapter for me. I began as a Junior Property Consultant in January 2019 and have experienced various challenges in the property market especially in the Southern Region. Despite the obstacles and starting anew, the guidance and support from my superiors and colleagues alike, propelled me to significant achievements, earning accolades such as Best Newcomer and National Top Sales Achiever in 2020, and Best All-Rounder Achiever in 2023. During the COVID-19 pandemic coupled with lower project launches and lukewarm buying sentiments, I learnt to embrace technological innovation as spearheaded by Group Marketing and adopted online selling. This approach not only maintained my sales drive but also broadened my expertise and client network, affirming that perseverance can overcome any hurdle. I am thankful for the trust in my capabilities and remain dedicated to embedding the CHIEF values of Caring, Honest, Involved, Enthusiastic & Fun-loving. As a proud employee of UEM Sunrise, I am eager to further contribute to our shared achievements."

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**CHIEF Balamurugan**  
Marketing & Sales



# OVERVIEW OF UEM SUNRISE



## WHO WE ARE

UEM Sunrise Berhad (UEM Sunrise or the Company) is a public-listed company and one of Malaysia's leading property developers. It is the flagship company for township and property development businesses of UEM Group Berhad (UEM Group) and Khazanah Nasional Berhad (Khazanah).

The Company has core competencies in macro township development, high-rise residential, commercial, retail, and integrated developments. UEM Sunrise is the master developer of Iskandar Puteri, Johor, envisioned to become Southeast Asia's largest fully integrated urban development. The Company is also renowned as the pioneer developer of award-winning and upmarket properties, mainly located in the affluent Mont'Kiara enclave as well as surrounding neighbourhoods in the Greater Kuala Lumpur area. UEM Sunrise has extended its mark internationally, notably, in Australia.

Inspired by the ethos and tagline "Find Your Happy", the Company endeavours to inspire joy and happiness one space at a time with their people driven by the core values of CHIEF (Caring, Honest, Involved, Enthusiastic, Fun-loving).



Please visit our website at [www.uemsunrise.com](http://www.uemsunrise.com) for more information



## 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.



## 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, 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 in 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 happy in everything we do, as much as we can.



## OUR PROPERTY PORTFOLIO

UEM Sunrise's total launched Gross Development Value (GDV) of ongoing projects stands at approximately **RM22.6 billion**. In 2023, **RM3.6 billion** worth of projects were launched, leaving the Company with **RM105.9 billion** in remaining GDV yet to be generated.

Perth





## MALAYSIA

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

### Township

- Serene Heights
- Symphony Hills
- Forest Heights (JV)
- Senadi Hills
- Aspira Gardens
- Aspira ParkHomes
- Estuari Gardens
- East Ledang
- Gerbang Nusajaya
- Emerald Bay (JV)
- Horizon Hills (JV)
- The Maris (JV)

### Commercial

- Publika Shopping Gallery
- Hyatt House KL (Hotel)
- Serene Square
- Aspira Square
- Senadi Square
- 68° Avenue
- Afiat Healthpark
- Puteri Harbour International Ferry Terminal
- Mall of Medini (JV)

### High-rise Residential

- The MINH
- The Connaught One
- Allevia
- KAIA Heights
- Residensi Astrea
- Residensi Solaris Parq
- Kiara Kasih (RUMAWIP)

### Integrated Development

- Solaris Parq
- Arcoris Plaza
- Kiara Bay
- Radia Bukit Jelutong (JV)
- Almas Puteri Harbour
- Puteri Harbour

### Industrial

- Nusajaya Industrial Park
- Southern Industrial & Logistics Clusters (SiLC)
- Nusajaya Tech Park (JV)



## AUSTRALIA

### High-rise Residential

- Conservatory, Melbourne
- Collingwood BTR, Melbourne

### Integrated Development

- Aurora Melbourne Central
- Subiaco, Perth

Melbourne



## FINANCIAL HIGHLIGHTS

### Revenue

**RM1.3** billion

FY2022 RM1.5 billion

### Sales Achieved

**RM2.1** billion

FY2022 RM0.9 billion

### Total Assets

**RM13.0** billion

FY2022 RM13.1 billion

### Net Gearing Ratio

**0.45** Times

FY2022 0.48 Times

### Gross Profit

**RM473.7** million

FY2022 RM431.2 million

2023  
PERFOR  
SNAPSHOT



## BUSINESS HIGHLIGHTS



Landbank to be developed

**7,984.5 ACRES**

Ongoing Projects

**24 PROJECTS**

# PERFORMANCE



Completed Inventories

**RM127.4 million**

Launched Gross Development Value (GDV)

**RM3.6 billion**

## SUSTAINABILITY HIGHLIGHTS



FTSE4Good

Achieved higher ESG score of  
**3.6** in December 2023

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

- ▶ **Sustainable Development Design Guidelines (SDDG)**, a set of principles and best design practices for sustainable development
- ▶ 4 projects achieved **5-Star rating** for **SHASSIC**
- ▶ 10 projects attained **QLASSIC score** of above **80%**

## GREEN BUILDINGS

- ▶ **Residensi Solaris Parq GreenRE Bronze**
  - ▶ **Residensi Astrea Mont'Kiara Green Mark**
- ▶ **Allevia GreenRE Gold (Provisional)**
- ▶ **The MINH GreenRe Gold (Provisional)**
- ▶ **KAIA Heights GreenRE Silver (Provisional)**



# 2023 SIGNIFICANT EVENTS

## 30 JANUARY

Issued RM255.0 million of Islamic Medium Term Notes

## 7 MARCH

Issued RM165.0 million of Islamic Medium Term Notes

## 27 MAY

### LAUNCHED THE MINH MONT'KIARA

496 units of resort-style luxury condominiums featuring Indochine-inspired design with a total GDV of RM981.0 million under the CLUB edition of our Happy+ product series.



## 22 FEBRUARY

### UNVEILED PRODUCT SERIES, HAPPY+

Happy+ is a residential product series which segments UEM Sunrise's products into five categories – KASIH Series, RISE Series, NEST Series, CLUB Edition and LUXE Collection to cater to homebuyers' lifestyle needs.

**happy+**

by **UEM Sunrise**

## 23 FEBRUARY

Dividend declared for the financial year ended 31 December 2022 of 0.5 sen per ordinary share or RM25.3 million, paid on 22 May 2023

## 7 APRIL

Issued RM70.0 million of Islamic Medium Term Notes

## 14 APRIL

Issued a total of RM340.0 million of Islamic Medium Term Notes

## 19 APRIL

Issuance of RM115.0 million of Islamic Commercial Paper

## 6 JUNE

### ACQUIRED LAND IN KELANA JAYA

Acquisition of approximately 3.7 hectares of freehold land in the mature neighbourhood of SS6 Kelana Jaya for a total consideration of RM155.0 million.

## 19 & 20 JUNE

Issued a total of RM400.0 million of Islamic Medium Term Notes

## 21 JUNE

### SIGNED PARTNERSHIP WITH GREYSTAR TO DELIVER COLLINGWOOD BTR

UEM Sunrise partners with Greystar Real Estate Partners to develop the first Build-to-Rent (BTR) project in Collingwood, Melbourne, becoming the first Malaysian developer to do so in Australia.





**15 AUGUST****ACQUIRED LAND IN SUBIACO EAST, IN PERTH, AUSTRALIA**

Acquisition of the first residential development site in Subiaco East in Perth, Western Australia, for AUD22.2 million to deliver two landmark apartment buildings.

**28 AUGUST****PROPOSED SOUTH AFRICA EXIT**

Entered into an agreement for the divestment of UEM Sunrise South Africa Pty Ltd's entire equity interest of 80.4% in ROC-Union for RAND 118.4 million.

**11 SEPTEMBER****DISPOSAL OF LAND IN KIARA BAY**

Signed a Sale and Purchase Agreement and Development Rights Agreement with Pembinaan Kery Sdn Bhd for the disposal and subsequent development of 1 plot of land within the Kiara Bay township.

**12 SEPTEMBER****LAUNCHED RESIDENSI ZIG**

1,126 units of apartments with a total GDV of RM723.5 million under the RISE series of our Happy+ product series. This is the second phase of Kiara Bay, our flagship township in Kepong.

**17 NOVEMBER****DISPOSAL OF LAND IN GERBANG NUSAJAYA**

Entered into agreements to sell approximately 46.9 hectares of freehold land to PGB Landmark Sdn Bhd for a total consideration of RM146.1 million.

**24 JUNE****LAUNCHED THE CONNAUGHT ONE**

1,334 units of apartments with a total GDV of RM747.5 million under the RISE series of our Happy+ product series. The Connaught One is also our first transit-oriented development.

**26 SEPTEMBER****ENTERED INTO AN MOU WITH THE FACULTY OF SCIENCE, UNIVERSITI MALAYA**

Signed a Memorandum of Understanding (MOU) with Universiti Malaya to assess water conditions of the lake in the Kepong Metropolitan Park, located next to Kiara Bay. The objective of the MOU is to determine the necessary step to restore the quality of the lake water.

**6 DECEMBER****LAUNCHED U2030 TRANSFORMATION PLAN**

U2030 serves as the focal point of our corporate strategy in realising the Company's aspiration to become a balanced real estate player by 2030.

**29 SEPTEMBER**

Issued a total of RM350.0 million of Islamic Medium Term Notes



# AWARDS & RECOGNITIONS

## MALAYSIAN PROPERTY LEADERSHIP AWARD 2023

- Sufian Abdullah, Chief Executive Officer  
UEM Sunrise Berhad

## STARPROPERTY REAL ESTATE DEVELOPER AWARDS 2023

- The Family-friendly Award, Excellence  
- The MINH
- The Outstanding Award, Honours  
- The MINH
- The Pinnacle Award, Excellence  
- The MINH
- The Skyline Award for High Rise (Luxury), Honours  
- The MINH
- All-Stars Award, Top 10 (ranked at No.8)  
- UEM Sunrise Berhad

## THE EDGE PROPERTY EXCELLENCE AWARDS 2023

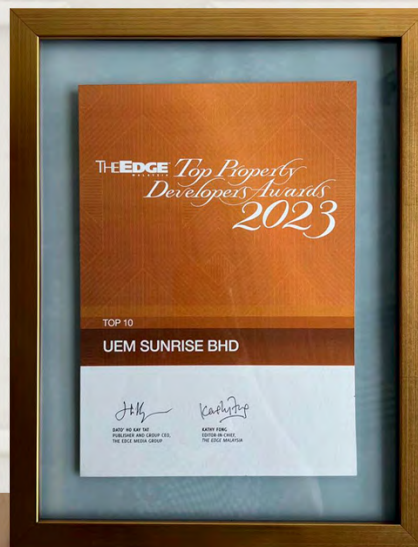
- Top Property Developer Awards  
- UEM Sunrise Berhad (ranked at No.7)

## INTERNATIONAL PROPERTY AWARDS: ASIA PACIFIC PROPERTY AWARDS 2023

- Residential High Rise Development Malaysia  
- The MINH
- Best Residential High Rise Architecture Malaysia  
- The MINH
- Best Landscape Architecture Malaysia  
- The MINH
- Best Apartment / Condominium Development Malaysia  
- The Connaught One
- Best Commercial High Rise Architecture Malaysia  
- The Connaught One
- Nominee for Best Commercial High-Rise Architecture in the Asia Pacific category  
- The Connaught One

## MALAYSIA DEVELOPER AWARDS 2023

- Top-Of-The-Chart Top 10 for Market Cap RM1 Billion & Above  
- UEM Sunrise Berhad (ranked at No. 7)







**PROPERTYGURU ASIA AWARDS MALAYSIA IN PARTNERSHIP WITH IPROPERTY 2023**

- Best Mass Market Landed Development Central
  - Verna, Serene Heights
- Best Integrated WFH Development
  - Residensi ZIG
- Best Waterfront High-Rise Development
  - Residensi ZIG
- Best Mixed-Use Architectural Design
  - The Connaught One
- Best Mixed-Use Development
  - The Connaught One
- Best Connectivity High-Rise Development
  - The Connaught One
- Best High-End High-Rise Architectural Design
  - The MINH
- Best Green High-Rise Development
  - Allevia
- People's Choice Award (Top 10)
  - UEM Sunrise Berhad

**NATIONAL ANNUAL CORPORATE AWARDS (NACRA) 2023**

- Companies Less Than RM2 billion in Market Capitalisation category
  - Silver Excellence Award

**PWC THE BUILDING TRUST AWARDS 2023**

- Top 10 Finalist for FBM Mid 70 Index

**PUTRA BRAND AWARDS 2023**

- Property Development Category
  - Gold Award

**INTEGRITY, GOVERNANCE AND ANTI-CORRUPTION AWARD (AIGA) 2023**

- Gold Award





## OUR INVESTOR PROPOSITION



### ▶ Proven Track Record In Development & Construction Services

Master developer of Puteri Harbour, Iskandar Puteri, Kiara Bay and pioneered in Mont'Kiara

### ▶ Diversified Portfolio

A good mix of development and investment grade projects in Malaysia and Australia.

### ▶ Alignment to ESG

3.6 FTSE4Good score, Sustainability Blueprint for 2050 Pathway through Modern Methods of Construction (DfMA, BIM & IBS).

### ▶ Professional & experienced Management Team

Strong management team with extensive experience, diverse backgrounds and a winning mindset.

### ▶ Award-winning products

Winner of StarProperty Real Estate Developer Awards, PropertyGuru Awards and Putra Brand Awards.

## INDEX REPRESENTATIONS AND RATINGS

### ▶ Exceptional landbank with good upside potential

7,984.5 acres with  
RM105.9 billion  
GDV potential.

### ▶ Strong balance sheet

0.45 times net gearing  
as at 31 December 2023  
provides a sizeable headroom  
for growth.

### ▶ Credible partners in growth

Successful Joint Ventures with  
multiple partners such as  
Gamuda Land and CapitaLand  
to allow better outreach with  
strategic partners.



### Bursa Malaysia

UEM Sunrise is a public listed company on the Main Market of Bursa Malaysia. Our stock code is 5148 or UEMS MK.



MALAYSIAN RATING CORPORATION BERHAD

### Credit Rating

The Malaysian Rating Corporation (MARC) affirmed its rating of MARC-1<sub>IS</sub> /AA-<sub>IS</sub> on UEM Sunrise's Islamic Commercial Papers (ICP) and Islamic Medium-Term Notes (IMTN) Programme (ICP/IMTN-3) with a combined nominal value of RM4.0 billion. MARC also affirmed its AA-<sub>IS</sub> rating on UEM Sunrise's two RM2.0 billion IMTN Programmes (IMTN-1 and IMTN-2). The ratings carry a Stable outlook.



FTSE4Good

### FTSE4Good Bursa Malaysia Index

A constituent of the FTSE4Good Bursa Malaysia Index since its inception in 2014. In 2023, UEM Sunrise's score improved to 3.6 for the FTSE Russell yearly review from 3.5 in December 2022. UEM Sunrise also maintained a maximum score of 5.0 for the Governance pillar in the December 2023 review.

### FTSE4Good Bursa Malaysia Shariah Index

A constituent of the FTSE4Good Bursa Malaysia Shariah Index, which is assessed by FTSE Russell.



# OUR STRATEGIC PARTNERS

Our partners are carefully chosen to ensure effective partnerships that are aligned to the Company’s aspirations and able to leverage the competitive advantages of both parties. Among the factors we consider when selecting our strategic partners include their expertise, reputation, compatibility, and potential for synergy.

We believe that collaboration brings a wealth of value to the Company. We leverage our joint venture partners and associates’ niche and expertise to access new markets and introduce up-to-date products and services. Cost savings may also be achieved through sharing of resources and streamlining of processes.

Our partnerships also bode well for our non-property development partners. For instance, our partner financial institutions offer unique and specific homebuyer packages to our customers.

In addition, we have also seen an increase in the acquisition of knowledge and innovation across the Company. Our collaboration with the sustainability related partners have given us the opportunity to explore ways to embed sustainable technical and technology solutions into our products and services. In the future, we do not discount the possibility of introducing green energy solutions and renewable energy into our developments. With the capability of these partners, we will work towards a shared goal of achieving carbon neutrality by 2050.

The Vendor Partnership Programme enables the Company to explore ways to address the rising cost of building materials and enhance the areas of marketing and innovation. While we are able to manage our cost structure better and deliver the right values to our customers, the vendors also gain access to demand for their products and services. Furthermore, collaborating with renowned brand names and industry leaders enhances our brand recognition.

Our strategic partners offer complementary expertise to UEM Sunrise. This relationship not only enables us to achieve our strategic objectives more efficiently and effectively but also provide an opportunity for our partners to grow their business with us.

## 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 Financial Institutions Partners



Partners with Maybank Islamic’s Houzkey



Partners with Affin Bank’s Home Step Fast/I

Partners with Affin Bank’s Affinita



Partners with Alliance Bank’s Home Complete Programme

## 3 Vendor Partnership Programme



A member of UEM



## 4 Sustainability Related Partners



# CORPORATE STRUCTURE

AS AT 22 MARCH 2024

## Subsidiaries

### 100%

- UEM Land Berhad
- Sunrise Berhad
- Allevia Sdn. Bhd.
- Arcoris Sdn. Bhd.
- Aurora Tower at KLCC Sdn. Bhd.
- Bandar Nusajaya Development Sdn. Bhd.
- Ibarat Duta Sdn. Bhd.
- Laser Tower Sdn. Bhd.
- Lembah Suria Sdn. Bhd.
- Lucky Bright Star Sdn. Bhd.
- Marina Management Sdn. Bhd.
- Milik Harta Sdn. Bhd.
- New Planet Trading Sdn. Bhd.
- Nusajaya Development Sdn. Bhd.
- Nusajaya DCS Sdn. Bhd.
- Nusajaya Greens Sdn. Bhd.
- Nusajaya Heights Sdn. Bhd.
- Nusajaya Medical Park Sdn. Bhd.
- Nusajaya Resort Sdn. Bhd.
- Nusajaya Rise Sdn. Bhd.
- Solid Performance Sdn. Bhd.
- Sun Victory Sdn. Bhd.
- Sunrise Alliance Sdn. Bhd.
- Sunrise DCS Sdn. Bhd.
- Sunrise Innovations Sdn. Bhd.
- Sunrise Mersing Sdn. Bhd.
- Sunrise Pioneer Sdn. Bhd.
- Symphony Hills Sdn. Bhd.
- UEM Sunrise (Australia) Sdn. Bhd.
- UEM Sunrise (Land) Pty. Ltd.
- UEM Sunrise (Developments) Pty. Ltd.
- UEM Sunrise (La Trobe Street) Unit Trust
- UEM Sunrise (Mackenzie Street) Unit Trust
- UEM Sunrise (Collingwood) Unit Trust
- UEM Sunrise (Subiaco East) Unit Trust
- UEM Sunrise (La Trobe Street Development) Pty. Ltd.
- UEM Sunrise (Mackenzie Street Development) Pty. Ltd.
- UEM Sunrise (Collingwood Development) Pty. Ltd.
- UEM Sunrise (Subiaco East Development) Pty. Ltd.
- UEM Sunrise (Aurora Melbourne Central Property Management) Pty. Ltd.
- UEM Sunrise (Conservatory Melbourne Property Management) Pty. Ltd.
- UEM Sunrise Project Services Sdn. Bhd.
- UEM Sunrise Properties Sdn. Bhd.

### 50% + 1 share

- Mega Legacy (M) Sdn. Bhd.

## Joint Ventures

### 80%

- Nusajaya Premier Sdn. Bhd.

### 60%

- Cahaya Jauhar Sdn. Bhd.

### 51%

- Desaru North Course Residences Sdn. Bhd.

### 50%

- Horizon Hills Development Sdn. Bhd.
- Nusajaya Consolidated Sdn. Bhd.
- Sime Darby Property Sunrise Development Sdn. Bhd.
- Sunrise MCL Land Sdn. Bhd.

### 49%

- Nusajaya Lifestyle Sdn. Bhd.

### 40%

- Haute Property Sdn. Bhd.
- Nusajaya Tech Park Sdn. Bhd.

### 30%

- FASTrack Iskandar Sdn. Bhd.

## Associate companies

### 40.2%

- Durban Point Development Company (Proprietary) Ltd

### 40%

- Aura Muhibah Sdn. Bhd.
- Sarandra Malaysia Sdn. Bhd.
- Scope Energy Sdn. Bhd.

### 25%

- Setia Haruman Sdn. Bhd.

### 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 46 to 48 of the Audited Financial Statements on pages 355 to 363 of this Integrated Annual Report 2023.







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## SECTION 02

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I have been with UEM Sunrise for three years during which I have undergone the rejuvenation of our Southern region finance team - aligning operations with corporate goals while balancing business opportunities with compliance. We challenged existing mindsets, fostering a culture where trying new ideas is encouraged. Our efforts focused on delivering financial solutions that not only meet current needs but are also sustainable for the future, ensuring our organisation's prosperity and resilience."

---

**CHIEF Yuki**  
Project Controller, Finance



## CHAIRMAN'S LETTER

Dear Stakeholders,

It is a privilege for me to be addressing you for the first time since assuming the role of Chairman of the Board in July 2023. Before anything else, I would like to take the opportunity to thank Dato' Noorazman Abd Aziz, my predecessor in this role, and Encik Effizal Faiz Zulkifly who resigned as Non-Independent Non-Executive Director, for all their contributions to UEM Sunrise.

I would like to extend a warm welcome to Mr. Reagan Chan Chung Cheng as a Non-Independent Non-Executive Director, and Dato' Sr. Azmar Talib as Independent Non-Executive Director, for being part of our reputable Board.

As we move forward, I would like to begin by taking a somewhat different approach to the Chairman's message. While the message is typically intended to give shareholders a general overview of the company's performance in the past year, as well as highlight some achievements and challenges, I would like to go down a path less travelled. I would like to give a more holistic perspective to all shareholders – majority or minority – on the current context in which UEM Sunrise stands, and the most material issues that we presently face.

### THE PRESENT DAY CONTEXT

To get to the present day, we should also understand where we came from. UEM Sunrise was born out of the merger of UEM Land – which itself was born out of the aftereffects of the Asian Financial Crisis – and Sunrise, which were known for township developments and high-rise projects respectively. The intention was to build on the Sunrise brand and expertise in developing high-rise buildings to unlock the value from UEM Land's massive landbank in Iskandar Malaysia, Johor. The merger created Malaysia's largest property company with more than RM5 billion in assets, and a market capitalisation of approximately RM10.5 billion. UEM Sunrise was, of course, backed by Khazanah Nasional, Malaysia's sovereign fund. The future was bright, and indeed, in 2013, we hit our highest ever market capitalisation at RM15.9 billion.

Fast forward about a decade or so after our market capitalisation peaked in May 2013, we have yet to fulfil our potential as a company. When I came into the role as Chairman, our market capitalisation stood at RM1.4 billion (RM0.27 per share). We have seen some improvements since then, with the market capitalisation at RM5.9 billion (approximately RM1.16 per share) as at 22 March 2024. Yet, this figure still trails our book value and our Real Net Asset Value. Furthermore, over the past decade, this industry has faced multiple headwinds from various market conditions. This is true of property developers generally and is also true of UEM Sunrise. Our Return on Equity (ROE) has languished in the low single digits, between 2% and 4% from 2015 to 2019, and since 2020 to present, ROE has been even lower. In addition, as we have come to realise, the 2011 merger is one of scope – combining UEM Land's massive landbank in Iskandar Malaysia with Sunrise's expertise in high rise – not necessarily scale; what merger integration synergies have we realised from the different skillsets in township developments and high-rise projects?

**The merger created Malaysia's largest property company with more than RM5 billion in assets, and a market capitalisation of approximately RM10.5 billion.**

**The future was bright, and indeed, in 2013, we hit our highest ever market capitalisation at RM15.9 billion.**

**ROE has languished in the low single digits, between 2% and 4% from 2015 to 2019, and since 2020 to present, ROE has been even lower.**







## Chairman's Letter



Aerial view of Gerbang Nusajaya, Iskandar Puteri

### HOW WE MOVE FORWARD

With all that said, we should be very clear about something. We are, still, ultimately a large company, with approximately RM13.0 billion in assets, supported by RM6.8 billion in shareholders' equity. And we should all remain steadfast in our commitment to help UEM Sunrise achieve its potential. Of course, we should not be blind to challenges we face. And on that front, there are four questions that we need to collectively address.

**Q1** First, as I mentioned, we are majority held by Khazanah Nasional, a Government-Linked Investment Company (GLIC), which therefore makes us a Government-Linked Company (GLC). Is this a boon or a bane for UEM Sunrise? On the one hand, being backed by a national sovereign fund may seem like a good thing on the surface, but it also has the risk, on the other hand, of inducing complacency as we believe the sovereign fund will intervene to hand things to us on a silver platter, among others. The reality is that we compete in an extremely competitive market just like anyone else, without favouritism just because we are owned by Khazanah Nasional; does this so-called "GLC effect" impede our ability to achieve our potential? To be fair, this is not an "either/or", but a "both/and" situation where being owned by a GLIC and delivering superior performance are not incompatible in a competitive industry. How do we balance the pros and cons of being a GLC?

**Q2** Secondly, property development is not a natural monopoly. We are in a seriously competitive industry with fierce competitors. In such an industry, it is worth wondering whether we have the right culture that can help us succeed. We have a good landbank, balance sheet capacity, strong connections, and with a sovereign fund as our main shareholder, why was our potential not achieved? We need to understand if there are cultural mismatches between who we are and who we need to be. The Board and management need to crack this issue.

**Q3** Thirdly, if we properly address the GLC question, and the culture question, we still remain mired in a highly competitive industry. In this industry, what does success really hinge on? We have many competitors, there are many types of housing segments, and there is the issue of oversupply.

Surviving in such challenging industry dynamics requires a company to serve a focused segment of the market. Imagine trying to appeal to all the customers in such a competitive industry that we can help everyone "Find Your Happy". The existential question we must ask ourselves is "which people can we help to "Find Your Happy"" so that our value proposition as a property company is clear and focused?

**Q4** Finally, in answering that question, we must ask ourselves a fourth question. What unique competitive edge does UEM Sunrise possess? It is probably true that being the 'least cost producer' is not our strong suit, nor am I even sure that it should be. Therefore, what distinct competitive advantage do we have that can help us create and capture greater value from our customers, suppliers, competitors, substitutes and new entrants? We cannot pay lip service; true competitive advantage will manifest itself in our performance and results.

It is my hope and intention that we undertake a candid assessment of these issues, so that we may move forward as best as we can. There is no time to waste and we must rise to the challenge of turning things around to fulfill our potential. I am giving myself and the Board a maximum of three years to really improve the fundamentals of this company. We are at a juncture where we must navigate complex choices, ensuring every possible solution is thoughtfully considered.

#### **FINDING THAT SILVER LINING**

As we focus our efforts on righting the ship – we must also continue looking ahead to new horizons. This is where perhaps there is some irony in the situation, as what some parties view to be a legacy issue, may be the key contributor to our future prospects. I am referring to our massive landbank in Johor, to which I believe much of our fortunes will be tied to going forward.

In 2022, Johor led the nation with foreign direct investments amounting to RM70.6 billion, clearly indicative of the momentum of the state. My optimism is predicated on the uptick in sentiment within Johor following positive developments surrounding the improvement of connectivity and favourable policy announcements. Given our status as the master developer of Iskandar Puteri and possession of large tracts of land in Johor, UEM Sunrise has tremendous opportunity to benefit from these developments, which include:

Completion of the Johor Bahru – Singapore Rapid Transit System (RTS) link by 2026 promises to significantly bolster cross-border access, enhancing the appeal of our developments.

The electrification and double-tracking of the Gemas – Johor Bahru KTM line is expected to enhance both freight and passenger connectivity throughout Johor, improving access to our properties.

A proposed LRT network in Johor Bahru, covering strategic areas, would directly connect our landbank to critical infrastructure, including the Senai International Airport and the RTS link, amplifying our competitive edge.

Our prime positioning in Gerbang Nusajaya, strategically located between Senai International Airport and the Port of Tanjung Pelepas, boosts our industrial appeal, further supported by access to Johor Port and Tanjung Langsat Port.

In terms of policy-driven market opportunities, we stand to benefit from the establishment of the Johor – Singapore Special Economic Zone which may have a transformative effect on goods and people movement, enhancing the Iskandar Malaysia ecosystem. Together with the New Industrial Masterplan 2030, this has ignited interest in Johor's industrial sector. The relaxation of the Malaysia My Second Home programme requirements in December 2023 is also anticipated to drive demand for high-end residential properties in the area.

While these connectivity and policy enhancements will provide a strong pool of opportunities for value capture, we must also recognise that it is important that we contribute something of value, because that is at the heart of why we exist as a company. Our actions going forward must be accompanied with an incredible amount of urgency, we are not only positioning ourselves for short-term gains but setting the stage for long-term growth and value creation.

In closing, I would like to issue a call to action to my fellow Board members, the management team, our employees and even our major shareholders to not rest until UEM Sunrise is back in the good books of investors. I would urge everyone to take it as a personal challenge to make things right and to realise the ambitions of the merger that started this whole journey in the first place.

**DATUK HISHAM HAMDAN**  
Chairman



FROM THE DESK OF OUR CEO

# FORM TO FUTURE

**Dear valued stakeholders,**

The year 2023 dawned with a surge of optimism, buoyed by the anticipated recovery from the COVID-19 pandemic. However, this hopeful outlook was dampened mid-year due to a slew of challenges, including escalating material costs, labour shortages, a global polycrisis, and rising interest rates.





With the economy restarting, several construction projects that were impeded by delays due to lockdowns ramped up their respective progress on-site and thus increasing the pressure on labour availability and material supply pricing. This unsought condition added pressure on the existing unsold stocks; evident in lower sales in Wilayah Persekutuan Kuala Lumpur at 28.7% compared to 47.2% in 2022. The property supply index increased by almost 1.73x from pre-pandemic days while the demand index dropped to 0.38x from 24 months prior<sup>1</sup>. In recent months, we have seen indicators that the Malaysian property market will stabilise as overhangs are lowering, albeit generally compressed valuations.

We remain determined with our 3-step transformational plan - Triage, Stabilise & Sustain. The overall thesis of the plan, which is aimed at strengthening our core business for a sustained future, is beginning to yield results. 2023 was a transition from **Triage**, which saw us making significant strides in delivering our short-term ambitions, such as increasing cost efficiency, divesting non-strategic assets, lowering inventories, and strengthening value creation functions.

As we move to the **Stabilise** phase, which started earlier than scheduled, our focus shifted towards strengthening revenue streams and cash flows. We saw the launch of the Happy+ product series, an improved pipeline for future revenue, and the establishment of the Sustainability Blueprint, which will set the pathway to carbon neutrality and significant improvement in product quality, safety, and health. We aligned our product offerings to market conditions and evolving customer demand. Our FY2023 performance is a testament to the effectiveness of these initiatives undertaken.

It gives me pleasure to share that we achieved a recorded sales of RM2.1 billion through successful project launches across locations with a rollout of RM3.6 billion in GDV. The majority of the projects rolled out in 2023 originated from the Central region [about 71%], 5% from Southern region and 24% from Australia.

We witnessed our largest launch programme since 2012, comfortably exceeding the RM2.5 billion launch target in beginning of the year upon successful acceleration of several product launches. We have also instilled operational excellence across our processes and systems, besides clearly articulating the Company's strategies to remain relevant.

→ See more on Our Strategy on page 68.

### DELIVERING SOLID EARNINGS

We ended FY2023 strong, with solid property sales of which 49% originated from the Central region; mainly from The MINH in Mont'Kiara, The Connaught One in Taman Connaught, Kuala Lumpur, Residensi ZIG in Kiara Bay, and Intrika in Serene Heights. While sales from the Southern region contributed about 10%, mostly from the new phases of Senadi Hills in Iskandar Puteri, International projects contributed the remaining 41% from the sale of the Collingwood's Build-to-Rent (BTR) development in Melbourne, Australia.

Our revenue was supported by steady construction and billing progress from Residensi AVA in Kiara Bay, Residensi Allevia in Mont'Kiara, Serene Heights, and Iskandar Puteri's developments namely Aspira ParkHomes, Senadi Hills and Aspira Gardens.

Our operating profit improved by 11% year-on-year, while Profit After Tax And Non-Controlling Interests (PATANCI) for FY2023 was recorded at RM75.7 million, underlining our disciplined financial management and focused execution throughout the year.

With the enhanced performance, the Board has declared a dividend of 0.75 sen per share, amounting to RM37.9 million (equivalent to 50% dividend payout ratio of our PATANCI), compared to a dividend payout ratio of 31% in 2022. Our consistent ability to deliver dividends underscores our dedication to creating long-term value to our shareholders.

During the year, we proactively managed our debt and liquidity profile in line with our medium-to-long term funding strategy. The AA-*is* rating for our Sukuk programmes was re-affirmed by MARC with a Stable outlook, allowing us to leverage on solid investor confidence on our long-term growth prospects. This bolsters the Company's liquidity profile with sufficient headroom to grow and improve our ability in ensuring optimal debt and cash management plan.

→ See more on Financial Review by the CFO on pages 78 to 80.



<sup>1</sup> Property Guru (2024) PropertyGuru Malaysia Property Market Report Q4 2023  
Available from: [www.propertyguru.com.my/property-guides/propertyguru-malaysia-property-market-report-q4-2023-72022](http://www.propertyguru.com.my/property-guides/propertyguru-malaysia-property-market-report-q4-2023-72022)  
[Accessed: 27 March 2024]



## From The Desk of Our CEO

### UNLOCKING VALUE OF OUR ASSETS

Despite a cascade of market challenges, the significant projects launched worth RM3.6 billion in 2023 was the highest we have achieved since 2012. We took steps to diversify the launches in 2023 with regard to location, product type and price range.

Notable projects for the year include The Connaught One, located strategically adjacent to the Taman Connaught MRT station, and Residensi ZIG, which highlights our continued progress in Kiara Bay. Both are part of our RISE series and carry a GDV potential of RM747.5 million and RM723.5 million, respectively.

We also launched The MINH in Mont'Kiara, our first launch under the CLUB Edition, one of our Happy+ product series category. The resort-inspired development, which caters to varying lifestyles and life-stage needs has a GDV potential of RM981.0 million.

In Johor, we recorded a total of RM178.1 million worth of launched projects comprising landed homes of Senadi Hills and affordable apartments.

In 2023, we reinforced our pipeline by acquiring 3.7 hectares (9 acres) of freehold land in Kelana Jaya. The development is designed to cater to a family unit's evolution, offering nurturing and secure environments complemented by well-designed recreational facilities. This Kelana Jaya development is expected to generate a GDV of RM1.1 billion and targeted for launch in 2025.

Our future pipeline will be further reinforced with new projects coming in from Symphony Hills, Puteri Harbour and Gerbang Nusajaya.

2023 also marks our 10-year journey in Australia, which has been strategically focused and measured in scale.

Partnering with Greystar Real Estate Partners solidifies our position as the first Malaysian developer in Australia to establish the first BTR project in Collingwood, Melbourne. Expanding beyond Melbourne, we strengthened our presence in Australia with the acquisition of a 4,930 m<sup>2</sup> site in Perth. Tapping into a new market, development on the proposed landmark is expected to commence in 2026 and will be a symbolic redevelopment project in Subiaco East, Western Australia.

### ENHANCING CUSTOMER EXPERIENCE AND VALUE

This year, the Company achieved the highest score of 80% on Customer Satisfaction in our product and services, a testament to UEM Sunrise's quality excellence. Therefore, I am pleased to share that the Company has received recognition from distinguished industry awards such as the Putra Brand Awards and the PwC Building Trust Awards.

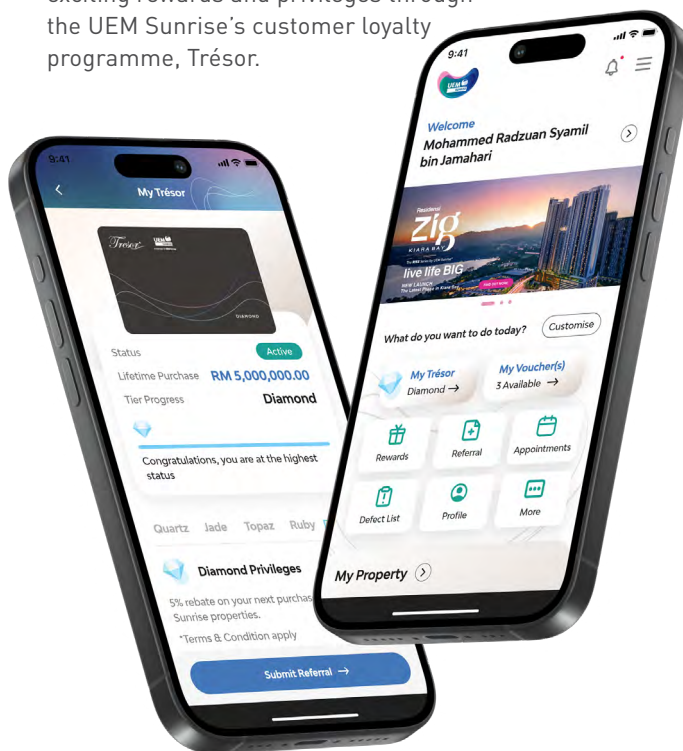
On the Digital front, we unveiled a facelift to our 'hUB prop' mobile app, with intuitive features and access to exciting rewards and privileges through the UEM Sunrise's customer loyalty programme, Trésor.

Functioning more than a digital 'concierge', the enhanced features shall improve and empower the home buying journey for our customers.

We are proud to be the first within the industry to create an app that is equipped with an integrated ESG function, through our CSR collaboration with SIREH Park for donations to the "Plant That Tree" programme.

On the consumers' end, we introduced Happy+, comprising five product series of KASIH, RISE, NEST, CLUB and LUXE, each specifically curated for their individual needs. With varying lifestyles and life-stage needs of homebuyers, we strive for continuous improvement in our designs coupled with enhanced customer experience to serve them better.

We also launched the "Happy+ Right Home. Right Now." campaign, on top of successful collaboration with the banking partners like Affin Bank and Alliance Bank in our marketing initiatives this year. Customers are offered financing solutions through programmes such as Maybank Islamic's Houzkey, Affin's Home Step Fast/I, Affinita, and Alliance's Home Complete – all intended to make homeownership more accessible.



**happy+**  
by UEM Sunrise



An overhead perspective of Puteri Harbour, Johor

### DELIVERING ON SUSTAINABILITY COMMITMENTS

We continue to progress in 2023 by embedding sustainable practices in our business and operations. Being listed as a constituent of the FTSE4Good Bursa Malaysia Index since 2014, our continued sustainability efforts have earned us an improved rating of 3.6 from 3.5 out of 5.0, reaching the 77<sup>th</sup> percentile in December 2023.

The Company prides itself on upholding the highest standards of governance and winning the Gold Award at the Integrity, Governance and Anti-Corruption Awards 2023 (Anugerah Integriti, Governans Dan Antirasuah (AIGA) 2023).

We have a growing portfolio of projects obtaining green index certifications. During the year, 10 of our projects attained a QCLASSIC score above 80% (with an average score of 85%), and four of our projects achieved 5-Star rating (with an average SHASSIC score of 95%).

The Company's commitment towards sustainability extends beyond construction and focuses on creating thriving communities in a more inclusive environment. Through our CSR initiatives to-date, UEM Sunrise has reached out and enriched the lives of 27,480 individuals in our local community.

Our support in diversity, inclusiveness and equality is well represented in a typical male dominant industry. At UEM Sunrise, we are proud to embrace women empowerment, as we have more than 80% female Project Managers on site. A comparable effort is exemplified through the collaboration with Affin Bank on the Affinita programme, with the objective to empower, uplift and enable women to take charge of their financial future while realising their homeownership dreams.

Besides optimising our projects' construction documentation and processes using Building Information Modelling (BIM), in 2023, UEM Sunrise updated the Sustainable Development Design Guidelines (SDDG), which ensures the integration of sustainability practices into our designs.

Guided by SDDG, Design for Manufacture and Assembly (DfMA) achieved greater design efficiency while minimising resources, costs, and wastages, creating intelligent, innovative solutions for long-term sustainability. This corresponds to our Carbon Neutrality target by 2050, supporting Malaysia's national goal of achieving net-zero emissions.

Additionally, at SIREH Park, a total of 9,800 trees have been planted to date, inching closer to the target of 25,000 trees by 2028 (avoiding up to 300,000kg of carbon dioxide emission annually).



## From The Desk of Our CEO

### FORM TO FUTURE

We are optimistic about the possibilities that emerged this year, underpinned by continued demand to serve the mid-range customer market and rising demand for residential products in the Klang Valley. The industry is expected to be challenging, mainly caused by the escalating cost of living which greatly influences market sentiment and property purchasing decisions. By prioritising adaptability, cost management, and innovation, UEM Sunrise is able to weather these economic challenges. Our commitment to innovation remains unwavering, as we continuously explore new designs and maintain our product quality. Most importantly, we meet our customers' unique needs.

Our planned launches for 2024 encompass a diverse series of landed residences, affordably priced high-rise apartments, right sized and attainable built-ups, along with niche high-end products in prime locations. We have strategically expanded beyond Mont'Kiara to tap into new markets and will be launching more products in the RISE and KASIH series to meet the varied appetite of homebuyers today.

Our pipeline will focus on the Southern region, leveraging on the growth potential from the proposed Johor-Singapore Special Economic Zone (JS-SEZ) in Iskandar Malaysia. We are working closely with the Johor State Government to provide solutions for attainable housing while fine-tuning our masterplans to accommodate the mixed demand for residential, industrial, and commercial properties.

As for our international footprint in Australia, a moderate price growth is forecasted in its property market entering 2024. Moreover, the diminishing investment in office properties have slowly pivoted to the living sector which allows the Company to explore and expand our plans in that asset class. We will continue playing to our competitive advantage in response to the burgeoning BTR market.

Another significant milestone for the Company is the evolution of our turnaround plan into a transformation programme called U2030, our commitment to revitalisation and growth. With People, Culture and Processes forming the foundation of U2030, the programme focuses on the execution of strategic initiatives to address the Company's fundamental gaps and capitalise on market opportunities.

Looking ahead, UEM Sunrise is poised to be on a firmer footing in its asset activation. Through ongoing efforts to create sustained value for our shareholders, we applaud our CHIEFs on their dedication and commitment to excellence, which has positioned the Company's status as a frontrunner in the industry.

### ACKNOWLEDGEMENTS

On behalf of the Management and our employees, I would like to welcome Encik Hafizuddin Sulaiman who joined the Management team as the Chief Financial Officer, effective 1 August 2023.

Special thanks to Puan Mardiana Rahayu Tukiran, who resigned from her position as Chief Development Officer and Encik Erika Mushtarina, resigning from the position as Head of Commercial. Both were invaluable members of our team. Their leadership and contribution to the Company has definitely created a lasting, heartwarming legacy.

My deepest appreciation goes to everyone at UEM Sunrise for their unwavering loyalty and commitment throughout this journey of change. With continuous support and perseverance, I am confident that together, we can realise our U2030 goals whilst delivering enhanced value to our customers and shareholders.

With clear purpose and ambition, UEM Sunrise is poised to contribute to a better future for everyone, aligned with our aspiration of giving "Form to Future".

**SUFIAN ABDULLAH**  
Chief Executive Officer















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## SECTION 03

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I began my journey with the company in 2013, and over these 11 remarkable years, my tenure has been marked by several proud achievements and valuable lessons that have shaped not only my career but also the trajectory of UEM Sunrise. My early days at UEM Sunrise saw the successful turnaround of the East Ledang projects. The transformation of a challenging 23-acre swampy plot into the award-winning Serimbun development is a highlight of my career, showcasing our team's capability to overcome obstacles with innovative solutions.

The replication of this success with the development of Senadi Hills in 2020 demonstrated our team's dedication to delivering high-quality housing and further solidifying our reputation in the industry. Tasked with revitalising the PH Avenue and Estuari projects in 2022, I look forward to the renewed success for these ventures.

As I look to the future, my goal is to continue embracing challenges with optimism until my retirement, leaving behind a legacy of transformation and achievement."

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**CHIEF Omar**

Project Manager, PH Avenue & Estuari, Imperia



# INTEGRATED APPROACH TO VALUE CREATION

Our value creation stems from a robust and responsive business model. It requires a mindset change from undertaking a business-as-usual approach to embracing an integrated approach in our thinking and decision-making. While we aspire to continuously create value for our stakeholders, we are mindful of the operational challenges that could impact the business and require us to preserve value or minimise the value erosion.



## 1 ASSESS OUR CONTEXT

### Consider and evaluate our operating environment

The external factors including economic conditions, changes in housebuyers' preferences, societal issues and environmental challenges, set the context within which UEM Sunrise operates. The mission and vision guide the Company, identifying our purpose clearly.

➔ Refer to Our Strategy on pages 68 to 75.

### Identify key risks and opportunities

We outline pertinent matters that have potential impact on our business such as market competition, regulatory environment, people and ESG, and ascertain the appropriate actions to manage the risks and capture the opportunities

➔ Refer to Principal Risks & Mitigation on pages 66 to 67.

### Engage our stakeholders

We undertake continuous engagement with our customers, the investment community, business providers and service providers to ensure that our goals and objectives are aligned.

➔ Refer to Stakeholder Engagement & Value Creation on pages 46 to 53.

### Identify, prioritise and integrate our material matters

A total of 17 material matters, with 8 priorities, were identified spanning across economic, environmental, social and governance aspects. Review of its priority is undertaken periodically taking into consideration the evolving market landscape and external trends.

➔ Refer to Our Material Matters on pages 112 to 114.

## 2 STRATEGIC ALIGNMENT

### Embed sustainability practices

We recognise our responsibility as a leading property developer to embed sustainability in our business practices. The Sustainability Blueprint defines our corporate objectives and strategies to infuse sustainability elements in our property developments.

→ Refer to Sustainability at UEM Sunrise on pages 106 to 114.

### Formulate business strategy

Taking into consideration our operating context, risks and opportunities, feedback from our stakeholders as well as material considerations, we shape our strategic thrusts for long term value creation.

The 3-phase turnaround plan "Triage, Stabilise, Sustain" was launched in November 2021. "**Triage**" phase ended in 2023 with commendable achievements.

In Q4 2023, we launched a Transformation Plan called U2030, which outlines our long-term and sustainable growth journey, to become a balanced real estate company by 2030.

→ Refer to Our Strategy on pages 68 to 75.

## 3 ALLOCATE & INTEGRATE OUR RESOURCES

Six capitals are deployed through our business activities to generate outputs leading to outcomes that create value for our stakeholders.

**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.

**H HUMAN**  
The competencies, abilities and expertise of our workforce.

**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.

→ Refer to Our Business Model on pages 38 to 39.



# OUR BUSINESS MODEL

## DRIVEN BY

### 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.

### STRONG GOVERNANCE AND RISK MANAGEMENT

Supported by strong governance and effective Board leadership – Robust Corporate Governance Ecosystem

➔ See pages 212 to 238

## OUR INPUTS

### F FINANCIAL

Shareholders' Equity: **RM6.8 billion**  
Cash, bank balances and deposits: **RM1.0 billion**

### M MANUFACTURED

Ongoing Developments: **24**  
Remaining Landbank: **7,984.5 acres**

### I INTELLECTUAL

Investment in Digital Initiatives: **RM10.3 million**  
Cybersecurity E-learning take up rate: **100%**

### H HUMAN

Number of Employees: **932**  
Percentage of female employees: **55%**  
Investment in Training: **RM1.2 million**

### S SOCIAL & RELATIONSHIP

Percentage of Suppliers from Local Companies: **95%**  
Investment in CSR and community programmes and contribution to SIREH Park: **RM3.7 million**  
Total volunteer hours: **3,279 hours**

### N NATURAL

Total energy consumption: **239,588.7 GJ**  
Total electricity consumption: **10,534.0 MWh**  
Total water consumption: **482.5 ML**

## HOW WE

ACTIVITIES THAT DRIVE VALUE

STRATEGIC LAND ACQUISITION

DESIGNING & PLANNING RESIDENTIAL MIXED DEVELOPMENT AND TOWNSHIPS

PROPERTY DEVELOPMENT

ASSET MANAGEMENT

QUALITY MARKETING AND CUSTOMER SERVICE

## Aligned to the UNSDGS

➔ See pages 110 to 111



1.1  
1.4



3.4



4.1  
4.3  
4.6



5.5



6.3  
6.5



7a  
7.3



8.2  
8.3  
8.5

**ADD VALUE**

**Creating competitive advantages**

- Flagship company for township and property development of UEM Group and Khazanah
- Diverse product portfolio
- Large landbank availability
- A constituent of FTSE4Good Bursa Malaysia Index since its inception in 2014
- Receive strong support from Trésorians
- Portfolio of properties that meet the needs and requirements of diverse homebuyers

**Through an understanding of key market trends**

- Technology & Digitalisation
- Evolving Customer Trends
- Rapid Urbanisation & Industrialisation
- Increased Awareness and Interest in ESG Matters
- Competitive Landscape
- Regulatory Environment
- Changing Demographics

**With an eye on key risks**

- Competition Risk
- Regulatory & Corruption Risk
- Financial Risk
- Operational Risk
- People Risk

**And a focus on material matters**

- Customer Management
- Economic Performance
- Ethical Business Practices
- Employee Management
- Health and Safety
- Data Privacy and Cybersecurity
- Climate Change
- Local Community
- Waste
- Supply Chain Management
- Human Rights
- Market Presence
- Materials
- Indirect Economic Impacts
- Water and Effluents
- Biodiversity
- Procurement Practices

**OUTPUTS**

**TOWNSHIP DEVELOPMENTS**

**NICHE AND HIGH-RISE DEVELOPMENTS**

**COMPREHENSIVE INDUSTRIAL DEVELOPMENTS**

**INTEGRATED COMMERCIAL AND RETAIL DEVELOPMENTS**

**CREATIVE RETAIL SPACES**

**VALUE CREATED**

**FINANCIAL**

Generated Revenue: **RM1.3 billion**  
 Achieved Sales: **RM2.1 billion**  
 Created Unbilled Sales: **RM2.7 billion**

**MANUFACTURED**

**1,724** units completed and issued with vacant possession in 2023

**INTELLECTUAL**

Sales from Digital Platform: **27.8%**  
 Provided added convenience and enhanced customer digital lifestyle  
 No. of sales leads: **35,896**

**HUMAN**

Employee engagement (Voice of CHIEFs) score: **64%**  
 Number of Employees promoted: **124**  
 Employee Total Training: **22,194 hours**  
 Employee Turnover Rate: **12.7%**  
 Lost Time Incident Rate: **0**

**SOCIAL & RELATIONSHIP**

Number of schools under PINTAR school adoption programme: **18**  
 Customer Satisfaction Score (CSAT): **80%**  
 Number of lives enriched: **27,480**

**NATURAL**

**12,368.3 tCO<sub>2</sub>e**  
 of Scope 1 GHG Emissions  
**9,488.0 tCO<sub>2</sub>e**  
 of Scope 2 GHG Emissions  
**1,201.5 tCO<sub>2</sub>e**  
 of Scope 3 GHG emission

**Stakeholder Engagement & Value Creation**

➔ See pages 46 to 53



9.1



10.3



11.1



12.2  
12.4



13.2  
13b



15.5



16.5  
16.6



17.16



## PERFORMANCE BY CAPITALS

Our ability to create value depends on the dynamic interaction between the 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 these capitals 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.

### F

#### 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.

#### INPUT

- RM13.0 billion total assets
- RM4.2 billion total borrowings
- RM6.8 billion shareholders' equity
- RM1.0 billion cash, bank balances and deposits
- RM5.2 billion inventories - land held for property development
- RM0.7 billion inventories - property development costs
- RM127.4 million in completed inventories

#### OUTCOMES

Output	2022	2023
Gross profit (RM '000)	431,182	<b>473,709</b>
Operating profit (RM '000)	249,022	<b>276,348</b>
Dividend payout ratio (%)	31	<b>50</b>
Profit attributable to owners of the parent (RM '000)	80,539	<b>75,727</b>
Cash generated from operations (RM '000)	390,912	<b>408,174</b>
Earnings per share (sen)	1.6	<b>1.5</b>
Return on equity (%)	1.2	<b>1.1</b>
Sales (RM bil)	0.9	<b>2.1</b>
Unbilled sales (RM bil)	1.8	<b>2.7</b>

#### KEY CONSTRAINTS

- Postponed launches due to longer than expected process to secure the relevant approvals.
- 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.
- Change in customers' priorities with regards to buying properties in view of the uncertainty in the current market environment.

#### ACTIONS TO ENHANCE OUTCOMES

- Established PMO to facilitate close tracking and monitoring of launch plans.
- Endeavoured to achieve the RM1.5 billion sales target based on GDV targets set, increase sales and enhance profitability of core businesses and assets in the mid to long-term.
- Strived for higher construction progress from local developments where main revenue contributors were Residensi AVA, Allevia, Serene Heights, Astrea and KAIA Heights.
- Recognised revenue from land sales amounting to RM276.6 million in 2023 mainly from the sale of land to Nusajaya Tech Park (Phase 2 and Phase 3A), Nusa Idaman Phase 1C and a portion of our land in Tapah.
- Ensured constant communication with shareholders and investors to manage their expectations of our financial/ corporate-related choices.
- 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 mitigated 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.



## M

**MANUFACTURED CAPITAL**

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

**INPUT**

- 7,984.5 acres of development landbank
  - Southern : 94%
  - Central : 6%
  - International : 0.4%
- Retail NLA : 956,000 sq ft
- Central and Southern offices and sales galleries

**OUTCOMES**

Output	2022	2023
Sales (RM bil)	0.9	2.1
Completed, issued with vacant possession (units)	1,051	1,724
SHASSIC average score (%)	95	95
QLASSIC average score (%)	83	85
FTSE4Good score	3.5	3.6
Customer satisfaction score (%)	79	80

**KEY CONSTRAINTS**

- Rising cost of building supplies coupled with shortage of skilled labour negatively affected our development plans.
- Faced challenges in obtaining financing for new projects, particularly commercial in view of the uncertainty in the current operating environment.
- Diminishing strategic landbank in the Central region.
- Challenges in activating some land due to land matters, regulatory environment, and land ownership (some held in joint venture companies).

**ACTIONS TO ENHANCE OUTCOMES**

- Continue with our landbank rebalancing strategy, namely monetise non-strategic assets and secure new strategic land in the Central region.
- Ensure that our product meet the market demand with regard to typology, design, and concept, via extensive research.
- Implement cost saving initiatives such as Vendor Partnership Programme, adoption of BIM and sustainability practices.
- Maintained 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 achieve sales and revenue from our development projects. The selling of land will boost our Financial Capital while lowering our Manufactured Capital. Furthermore, the sale of any assets requires the use of Human and Intellectual Capitals.



# Performance by Capitals



**I**

## INTELLECTUAL CAPITAL

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

### INPUT

#### Innovative & Proprietary Platforms

- Customer Data Platform (CDP)
- Chatbot (Ria)/Live Chat – offers web navigation support through [www.uemsunrise.com](http://www.uemsunrise.com), providing customers with interactive assistance
- EstateMaster, a digital tool to automate feasibility analysis and real estate evaluation
- Big Data and Analytics
- Centralised Dashboard
- Protracker and ProSus; tracking apps on project and sustainability activities



### OUTCOMES

Output	2022	2023
Investments in Digital Initiatives (RM mil)	10.1	<b>10.3</b>
Sales percentage via digital platform (%)	23	<b>27.8</b>
No. of sales lead via digital platform	19,278	<b>35,896</b>

### KEY CONSTRAINTS

- Changes 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 takes time and require ongoing awareness program and education.

### 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 across 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 IBS. While this has lowered our short-term Financial Capital, it will increase our long-term Intellectual Capital.



## H HUMAN CAPITAL

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

### INPUT

- RM105.9 million in staff costs
- 9 Board members
- 33% of women Board members

### OUTCOMES

Output	2022	2023
Employee Turnover Rate (%)	19.6	12.7
Salaries & Benefits (RM mil)	97.2	105.9
No. of Employees Trained	981	932
No. of Employees Promoted	71	124
Average Training Per Employee (manhours)	20	24
Loss Time Injury Frequency Rate (LTIFR)	1	0

### KEY CONSTRAINTS

- Talent retention and acquisition of skilled workers due to competitive job market post recovery of pandemic
- Managing change fatigue and inculcating resilience to support focused and urgent delivery of UEM Sunrise transformation journey
- Maintaining high levels of engagement or morale in the workforce during time of organisational changes
- Ensuring compliance with labour laws and regulations governing employment practices and cost impact

### ACTIONS TO ENHANCE OUTCOMES

- We take a holistic approach aimed at creating an attractive work environment for employees to ensure that we have the right talents in the right roles with the right capabilities supported by the right environment focused on employee well-being
- Competitive salaries and benefits packages
- Talent development programmes to upskill and facilitate knowledge transfer
- Supportive work culture that fosters collaboration
- Implementation of robust HR policies and procedures as aligned with relevant labour laws and regulations

### 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.



## Performance by Capitals



**S SOCIAL & RELATIONSHIP CAPITAL**  
 Our success depends on the support and trust of our strong network of stakeholder groups.

**INPUT**

- Invested RM282,740 in community involvement, CSR and community programmes and RM3.5 million contribution to SIREH Park
- 3 organisations backed
- Contributed to 6 NGOs
- 3,279 total volunteer hours

**OUTCOMES**

Output	2022	2023
Number of schools under PINTAR school adoption programme	17	18

**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.
- Collaborated with additional stakeholders to engage, discuss and communicate to ensure the appropriate social programmes were executed.
- 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.



## N 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.

### INPUT

- 4,510,209.8 litres of diesel usage for projects
- 30,997.6 litres of petrol usage for projects
- 239,588.7 GJ of total energy use in UEM Sunrise
- 95,498.2 m<sup>3</sup> of potable water consumption for projects
- 303,576.4 m<sup>3</sup> of non-potable water consumption for projects
- 19,340.4 m<sup>3</sup> of potable water consumption for office

### OUTCOMES

Output	2022	2023
Scope 1 GHG Emissions (tCO <sub>2</sub> e)	4,501	<b>12,368.3</b>
Scope 2 GHG Emissions (tCO <sub>2</sub> e)	2,076	<b>9,488.0</b>
Scope 3 GHG Emissions (tCO <sub>2</sub> e)	381	<b>1,201.5</b>
Hazardous Waste Generated (tonnes)	0.3	<b>0.4</b>
Non-hazardous Waste Generated (tonnes)	9,345.2	<b>5,221.3</b>
Potable Water Consumption (m <sup>3</sup> )	1,278,710.0	<b>178,911.2</b>
Non-Potable Water Consumption (m <sup>3</sup> )	30,011.4	<b>303,576.4</b>

### KEY CONSTRAINTS

- Balancing between business growth and environmental performance as well as to prioritise initiatives to be conducted based on urgency and financial feasibility.
- Addressing the gaps and timely submission of data collection and operational boundaries as the data may reside at various parties/sources.
- Different level of awareness on environmental performance among stakeholders resulting in more efforts to be done to create the awareness to move forward.

### ACTIONS TO ENHANCE OUTCOMES

- To develop roadmaps with reasonable timeline and identify initiatives that supports the short and long-term milestones.
- Identify and prioritise material sustainability-related matters based on the relevant standards as Company's KPIs and targets and work towards closing the data gaps.
- Embedded the sustainability philosophy and understanding in the organisation's operations, culture and employees via the Sustainability Blueprint.

### TRADE-OFFS

To strike a balance between financial commitment and prioritising high impact initiatives on sustainability based on urgency.



# 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.

## Frequency of Engagement:

- WR When Required
- Q Quarterly
- M Monthly
- D Daily
- A Annually
- AH Adhoc
- O Ongoing

## EMPLOYEES



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.

### Engagement Activities / Platform

- Q • Townhall sessions and Senior Management Dialogues
- O • Corporate subscription to e-learning platforms
- O • Team building, sports and recreation activities
- A • Employee engagement survey
- WR • Viva Engage/Yammer portal

### Value Created for UEM Sunrise

- Integrated collaborative efforts that were quicker to execute
- Productive and high-performing workforce
- Career advancement and ability to reach individual potential
- Strict safety practices and healthy working environment in the workplace

### Key Concerns

- Minimal collaboration among employees, especially cross divisional in undertaking selected tasks
- Differing work arrangement needs
- Low employee participation in the learning & development opportunities

### Value Created for Stakeholders

- Opportunities and platforms for collaborations
- Improved staff wellbeing and productivity
- Awareness of good industrial relations practice
- Healthy working relationship between employers and employees

## Our Response

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



## CUSTOMERS

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.

### Engagement Activities / Platform

- WR** • Customer and community engagement through Trésor Loyalty Programme
- D** • Customer interaction through Sales Galleries, One-Stop Centres, Customer Contact Centre, hUb prop, website, social media, emails and e-newsletters
- A** • Annual Customer Satisfaction Survey (CSS) with key measurements on CSAT, NPS, CES and CVES
- WR** • Focus Group Discussions (FGD) with identified customers
- D** • hUb prop mobile application that provides digital experience for customers
- D** • Revamp user-friendly website with enhanced functionalities where customers can now select multiple properties and view them side-by-side

### Value Created for UEM Sunrise

- Enabled 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
- Enhanced consumer brand experience by offering homebased information, contact, and communication
- Increased efficiency in feedback management, ultimately improving the Company's bottom line
- Face-to-face interaction allows customers to discover our products, offers, and ideal homes

### 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 built environment, healthy architecture and urban design approaches – customers are spoiled 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

### Our 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





I recently invested in a UEM Sunrise property, influenced both by its proximity to my children's schools - Marlborough College and Newcastle University, and UEM Sunrise's reputation as a master developer in Iskandar Puteri. This choice promised a blend of a familial home and a wise investment due to the anticipated area growth and developer reliability. Endorsing UEM Sunrise comes easily for me, given their blend of quality development and deep-rooted community vision."

**M Abdul Majid Siddiqi**

Member of Trésor Loyalty Programme and property owner of Imperia Condominium





“I have been investing in properties by UEM Sunrise since 1998, particularly in Mont’Kiara due to its convenience and facilities. I appreciate the quality projects and good materials used by UEM Sunrise, as well as their excellent services and hospitality. The staff are friendly and as a member of the Trésor loyalty programme, I get updates on events regularly. I own 8 properties from various projects by UEM Sunrise and have had a positive experience with minimal defects, good sound-proofing, and nice views. As a loyal customer, I have received additional rebates and would recommend UEM Sunrise properties to family and friends.”

**Annie Wong**

Member of Trésor Loyalty Programme and property owner of Residensi Solaris Parq



# Stakeholder Engagement & Value Creation

## INVESTMENT-RELATED STAKEHOLDERS

(Investors, Shareholders, Analysts)



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.

### Engagement Activities / Platform

- D • Consistent updates to corporate website and updates to the investment community via email
- M • Company event such as property site visit and quarterly analyst briefings
- Q • Broker conferences and management roadshow
- A • Annual General Meetings (AGM) or Extraordinary General Meetings (EGM)

### Value Created for UEM Sunrise

- Transparency in information disclosure allows investors to make informed decisions with regard to their investment choices
- Positive perception and sentiment coupled with low entry cost led to interest by investors to become shareholders
- Positive feedback and support for Iskandar Puteri
- Improvement in ESG performance and clearer sustainability strategies enable us garner stronger ESG investments

### Value Created for Stakeholders

- Dedication to long-term investment value stabilisation
- Maintained in the FTSE4Good Bursa Malaysia Index, boost its ESG score to 3.6 in December 2023, a reflection of UEM Sunrise’s commitment to sustainability and ESG practices
- Maintained a strong balance sheet
- Effective management of resources to maximise profits

### Key Concerns

- Downward trend in GDV launches
- UEM Sunrise’s commitment towards ESG and Sustainability
- Return on investment
- Financial and operational performance

### Our Response

- Periodic updates via press releases, publications, websites or social media platforms
- Regularly hold financial results briefings and engagements to clarify announcements and major developments
- Invite groups of investors for visits to our properties and developments

Material Matters M2 M3 M12 M14

## BANKS/RATING AGENCIES/SUKUK HOLDERS



This group of funders 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 sufficient for the development and growth of the Company.

### Engagement Activities / Platform

- A • Update meeting with bankers and rating agencies
- O • Non-deal roadshows with strategic investor groups and fixed income community

### Value Created for UEM Sunrise

- Ability to maintain credit worthiness of the Company
- Successfully obtained the required fundings
- Ability to keep abreast with the current market outlook and the funders’ appetite and/or views towards UEM Sunrise, peers and the property sector

### Value Created for Stakeholders

- Positive perception and improved confidence on UEM Sunrise
- Provides sufficient financial headroom to fund future growth
- Have insight on the Company’s progress and prospects
- Adheres to sustainable practices to protect stakeholders

### Key Concerns

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

### Our 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

Material Matters M2 M10 M12 M14 M16 M17



### SERVICE PROVIDERS

(Vendors, Suppliers, Contractors, Lawyers)

Our suppliers and contractors provide high-quality goods and services that we 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.

#### Engagement Activities / Platform

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

#### Value Created for UEM Sunrise

- Transparent and visible business ethics resulting in a good reputation
- Produced ethical employees and management
- Prevented corruption cases
- Ensured alignment with industry players who embrace ESG
- Maintained product and service quality to meet customer expectations
- Enhanced competitiveness and improved sales ensures sustainability of business in the long run

#### 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

#### Value Created for Stakeholders

- Produced good business ethics, avoiding a breach of laws and maintaining a good reputation and business opportunities
- Nurtured good ethics amongst employees and management
- Avoided hidden or unnecessary costs to restrict any acts of corruption
- Ensured fair treatment by UEM Sunrise and provided an equal platform for bidding
- Maintained quality in products and services, meeting customer expectations and avoiding unnecessary costs of rectification
- Creation of job opportunities for our vendors, suppliers, contractors, and lawyers

#### Our 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
- Requested 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
- Established 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
- QHSEC 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



# Stakeholder Engagement & Value Creation

## BUSINESS PARTNERS

(Collaborations, Joint Ventures and Associates)



The collaborations, joint ventures and associates that we have formed are invaluable to the development and growth of all parties.

### Engagement Activities / Platform

- WR • Formal and informal meetings and discussions with business partners to discuss strategies, issues and solutions
- WR • Proactive prospecting of business partners for existing and pipeline projects
- O • Exploration of opportunities for both parties to leverage on

### Value Created for UEM Sunrise

- Ability to leverage on partners' knowledge, expertise and brand to create a competitive advantage in the market
- Able to tap into partners' contacts and networking for exploration of new business opportunities
- Sharing of resources as well as risks with suitably qualified partners to increase the likelihood of success

### 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' knowledge and resources

### Key Concerns

- Partner selection and Board/management buy-in
- Ensuring fair agreements and plan implementation by both parties
- Ensuring continued alignment of interests and priorities between UEM Sunrise and the respective partners/associates

### Our Response

- Maintain and improve existing relationships
- Actively seek partners and create collaborations
- Encouraged transparency at the onset of the collaboration to avoid unease, distrust, and discomfort as the collaborations progress
- Improved the frequency of engagements

Material Matters M1 M2 M12

## LOCAL COMMUNITIES



Our activities might have unintended consequences on the communities. It is crucial that we hear their voices and address their concerns and contribute to the development of the community.

### Engagement Activities / Platform

- WR • Active engagements with the communities in which UEM Sunrise has projects in
- WR • Undertake CSR events and initiatives to give back to the society

### 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

### Value Created for Stakeholders

- Encourage property buying and/or investment activities and asset value
- Emphasis on eco-friendly development features
- 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
- Strict compliance to Quality, Health, Safety & Environment practices at construction sites and developments, infrastructure improvements around development vicinity
- Adherence to local authority and regulations, including compliance to strict operational health and safety practices at construction sites and developments Infrastructure improvements around development vicinity

### Key Concerns

- Budget constraints
- Environmental impact of development activities
- Public objection on development plan

### Our Response

- Solicited ideas with partners to share events with partners
- Established a framework to determine events' needs and value to manage budgets
- Engaged with respective communities and managed their expectations based on selected event criteria

Material Matters M3 M4 M5 M6 M8 M9 M11 M15

**GOVERNMENT AGENCIES/AUTHORITIES/  
REGULATORS**

By maintaining close ties with the government and regulatory bodies, we are always aware of any new or amended legislation and comply accordingly.

**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

**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 State governments in which UEM Sunrise has projects in
- Expedited fast approval process, expediting launch programmes and created necessary sales

**Value Created for Stakeholders**

- Understand the importance of UEM Sunrise's projects to the market and community
- Buyers and property investors enjoy a variety of products launched to the market due to faster approval processes

**Key Concerns**

- Delay in obtaining authority approval
- Frequent changes in regulation
- Different understanding (by the authority bodies) of certain subject matter leads to different ways of doing things

**Our Response**

- Improved the frequency of engagements
- Conducted engagements with various authority bodies and regulators prior to submissions

Material Matters **M8** **M12****MEDIA**

The media serves as a crucial link in the chain of communication between the Company and its external stakeholders.

**Engagement Activities / Platform**

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

**Value Created for UEM Sunrise**

- Continuous interest from the public, increasing our rating in terms of positive perception
- Timely public disclosures allow shareholders and investment community to be well informed on the Company's latest developments
- Participation in media property and business awards platforms

**Value Created for Stakeholders**

- Continuous awareness of UEM Sunrise to the general public
- Enhanced reputation in terms of products, branding, new launches, quality, corporate deals and strategic initiatives

**Key Concerns**

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

**Our Response**

- Provided continuous clarification, communication and casual meetings to build relationships and understanding
- Proactive and timely engagements (press releases and briefings), social engagement such as festive get together celebrations and property-related media events
- Immediately reached out to respective media to rectify errors and messaging

Material Matters **M3** **M11**









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## SECTION

# 04

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Since joining UEM Sunrise, transitioning from my role at the opening team for Estuari Sports Centre since 15 September 2020, I've been instrumental in driving membership growth and enhancing service excellence. Notably, I've attracted key figures in Johor to the Estuari Sports Centre, expanding our active memberships. This achievement reflects my dedication to broadening our membership base and solidifying the centre's status in the community.

My efforts have been centered around improving sales and membership services, swiftly addressing and resolving members' issues, and boosting member enrolment. Managing member satisfaction and achieving revenue goals have been both challenging and rewarding. They have underscored the value of strategic thinking, perseverance, and service excellence in my professional development. Looking ahead, I see the Estuari Sports Centre evolving into a premier venue for health, wellness, and sporting activities. Our commitment to delivering premium services and exclusive experiences aims to set us apart as a leader in promoting a healthy lifestyle."

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**CHIEF Warasimah**  
Marketing & Sales



# PROPERTY MARKET OVERVIEW & OUTLOOK

The Malaysian property market continues to be a dynamic sector with various factors influencing its performance. The residential segment, which is currently the core of UEM Sunrise’s business, is sensitive to prevailing macroeconomic environment and overall sentiment.

While the property market has typically been more predictably cyclical in the past, global conditions and disruptions today have made conditions more challenging and less certain.

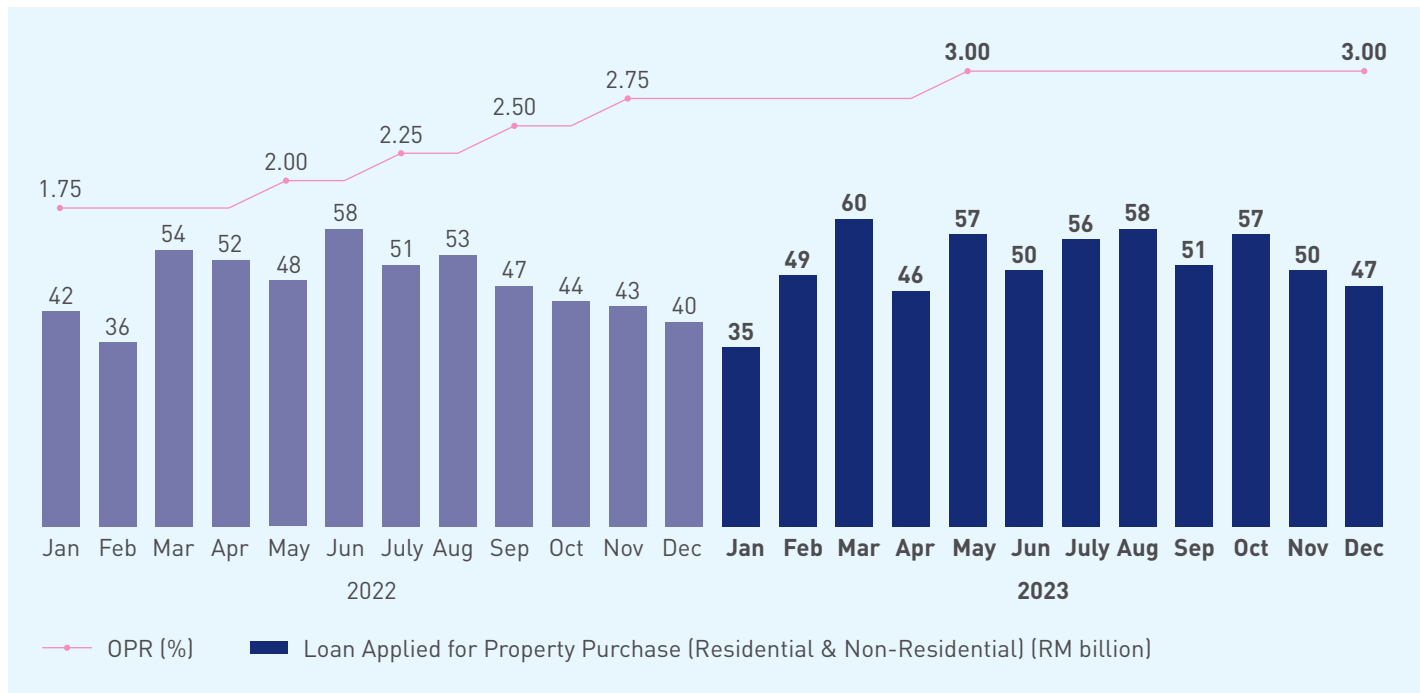
Cognisant of this, we have accelerated the adoption of technology, innovation and sustainable practices, from data analytics to modern methods of construction, as means to enhance our market adaptability and agility in operating within this increasingly complex landscape.

## MACRO OVERVIEW

The domestic economy expanded by 3.7% in 2023, at a relatively slower rate than the previous year’s rebound performance (2022: 8.7%) from a lower base. Growth fell below the projected 4% to 5% target, mainly due to slower global trade, the global tech downcycle, geopolitical tensions and tighter monetary policies. Growth continued to be bolstered by domestic demand, despite the lapse of large policy support provided as the economy started to open up in 2022.

Over the last couple of years, consumers have been impacted by higher inflation, with Bank Negara Malaysia (BNM) having responded by increasing the Overnight Policy Rate (OPR) four times in the span of two years, which brought the OPR from 1.75% in the beginning of 2022 to the current 3%. While the OPR increase resulted in a decline in loan applications for property purchase especially in the second half of 2022, this led to the stabilisation of the OPR and pace of loan applications.

### Overnight Policy Rate and Property Loan Application



Source: Bank Negara Malaysia

Government policies have played a crucial role in shaping the property market. Continued support for affordable housing initiatives, incentives for developers, and measures to address oversupply concerns have been notable.

However the property industry continues to face supply chain challenges and labour shortages, as a protracted consequence of the pandemic, compounded by the on-going geopolitical tensions in Europe and the Middle East, ultimately resulting in building cost inflation.

The Consumer Sentiment Index (CSI) and Business Conditions Index (BCI) were subdued in 2023. The CSI showed an uptick of 10.5 points to 89.4 points in 4Q 2023 from 78.9 points in 3Q 2023 which was the lowest in the post-pandemic period. However, both indicators generally remained below the 100-point optimism threshold in 2023.

On a positive note, headline inflation eased during 2023 and unemployment levels have normalised to the long-term average of around 3% compared with the pandemic high of 4.6%. This and the easing cost pressures have supported household spending, alongside a median wage increment of 5.5%<sup>1</sup>.

Economic uncertainty, combined with the higher inflation and interest rates, weighed down both the supply and demand side of the industry. This adversely affected general sentiments which significantly impacted market activity and performance.

The current operating environment, as characterised by mixed signs of optimistic economic indicators set against pessimistic sentiments, paint a complex backdrop where opportunities and optimism abound, albeit seen through a cautious lens.

#### Business Conditions Index & Consumer Sentiment Index (Point)

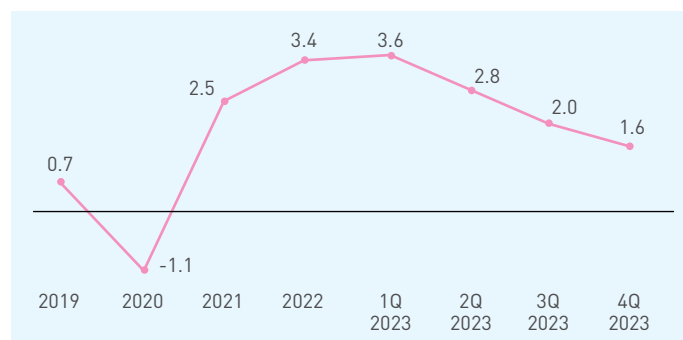


Note:

Above 100pt threshold indicates optimism, below 100pts indicates negative sentiment.  
Source Malaysian Institute of Economic Research (MIER)

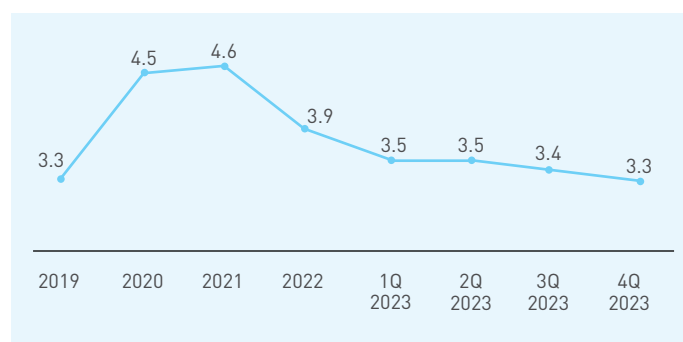
<sup>1</sup> Year-on-year median wage increment from September 2022 to September 2023.  
Source: Department of Statistics Malaysia (DOSM)

#### Headline Inflation Rate (%)



Source: DOSM

#### Unemployment Rate (%)



Source: DOSM

Despite a challenging global financial and economic environment, the property market stayed resilient in 2023 as evidenced by positive performance in all sub-sectors (except agriculture).

This growth was also backed by the implementation of various government initiatives and assistance outlined in the national Budget 2023, key amongst which include:

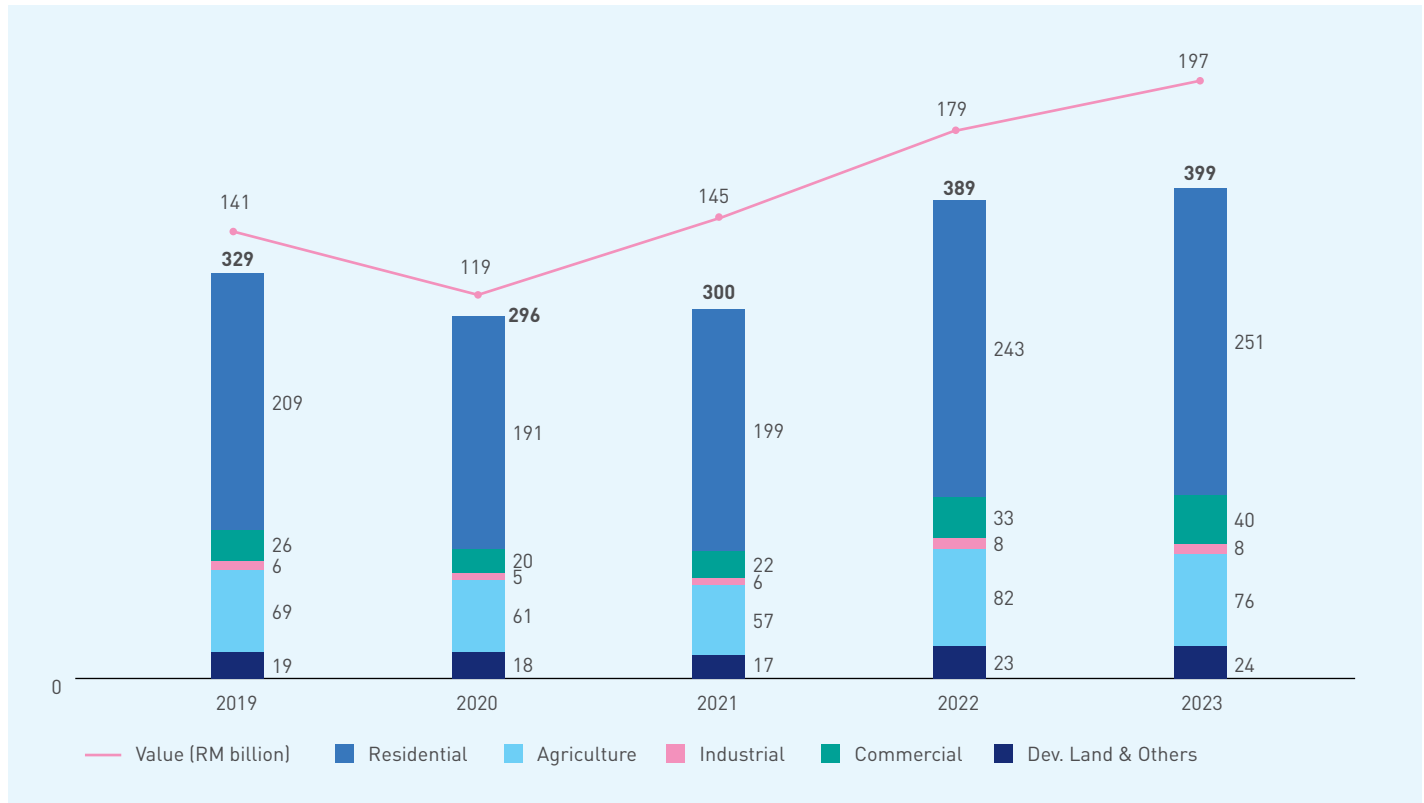
- Full stamp duty exemption on instrument of transfer and loan agreement for the purchase of the first residential home priced up to RM500,000 by Malaysian citizens applicable until 31 December 2025.
- Increase of stamp duty remission from 50% to 75% for the purchase of the first residential properties priced between RM500,000 to RM1 million by Malaysian citizens and applicable for sale and purchase agreements executed until 31 December 2023.
- Full stamp duty exemption up to RM1 million and 50% stamp duty remission for the remaining balance on transfers of property by way of love and affection between family members (example: father to child).
- Increase guarantees of up to RM5 billion under the Housing Credit Guarantee Scheme via Syarikat Jaminan Kredit Perumahan (SJKP) in assisting gig workers such as e-hailing workers in obtaining home financing up to RM500,000.



## Property Market Overview & Outlook

In 2023, property transaction value hit a historical high of RM196.83 billion, a 10% rise from the previous record high in 2022. Volume in terms of units remained largely flat at 399,008 in 2023, a 2.5% increase from 389,107 in 2022.

### Malaysia Transaction Volume ('000 units) by Segment and Total Value (RM billion), 2019-2023



Source: National Property Information Centre (NAPIC)

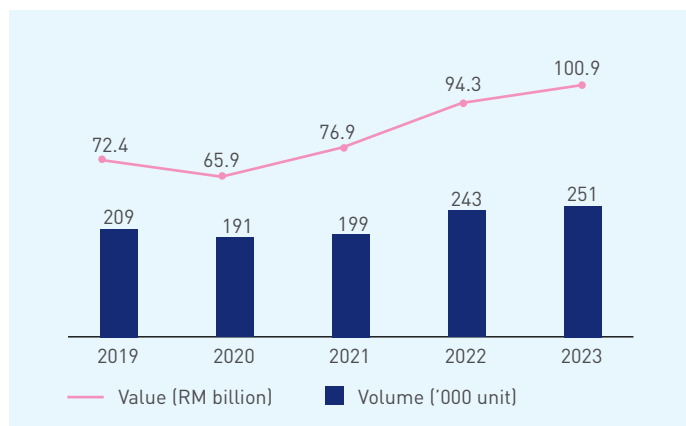
### RESIDENTIAL SEGMENT

In the face of the challenging landscape, the residential sector has shown resilience, with sustained demand particularly in urban areas. Affordable housing initiatives have played a significant role in addressing housing needs, although affordability concerns persist; and while interest rates have increased, the future trajectory is anticipated to be settling close to pre-pandemic levels.

In UEM Sunrise’s core domestic markets, namely the Klang Valley in the central region and Iskandar Puteri in the south, fundamentals continued to be strong, as the market size and demand in these two regions continue to be the largest in the country.

During 2023, activity was high in the residential segment with transactions exceeding 2022 by 3% in terms of volume (units) and 7% in terms of value (a total of 250,568 units worth RM100.9 billion). New launches increased by 4% (2023: 56,526 units) and was met with a fairly healthy average sales rate of 40.4%, which is an improvement over the 36.0% average recorded in the previous year. These are good indications of a healthy market recovery, despite there being no direct incentive or catalyst to homebuying such as the Home Ownership Campaign (HOC) which ran from 2019 to 2021.

**Malaysia Residential Transaction Volume and Value, 2019-2023**



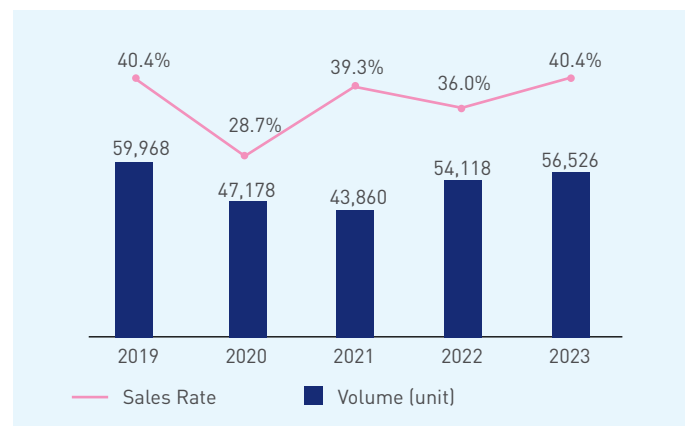
Source: NAPIC

However, one of the key issues that continue to weigh down the market for some time now is the overhang (defined as units that have been in the market for sale for a minimum of nine months, and are completed and ready for occupation) situation. While the total residential (including SOHO and serviced apartments) overhang continues to be high at 48,327 units (worth more than RM35 billion), the situation has shown to be consistently, albeit gradually, improving. In 2023, overhang numbers reduced by 10% (5,636 units); with Johor experiencing the largest reduction in overhang, decreasing by 3,436 units (-17%).

While affordable homes are much advocated and developers are urged to deliver more attainably priced residential units, there is a prevailing issue of large overhang within these price segments. Over 40% of the overhang consists of homes priced below RM400,000, which is roughly the affordability level of the average urban household in Malaysia<sup>2</sup>. This is reflective of deeper issues than just pricing.

It will still take a significant amount of effort and time to clear this inventory, as the data also shows that almost half (47%) of the nationwide overhang, or more than 12,000 units, is made up of residential units launched between 2016 and 2018 [2016: 4,035 units; 2017: 5,425 units; 2019: 2,999 units]. This suggests a real mismatch between the type of supply that makes up the overhang and the product profile that is in current demand.

**Malaysia Residential Launches and Sales Rate, 2019-2023**



Source: NAPIC

These were the years immediately following the market downturn, indicating a possible response lag by industry players in adjusting to market changes; supplying and possibly oversupplying the types of products which no longer met the demand profile during the pivotal point of the market turn, when speculative and investment buying cooled down.

On the positive side, overhang is lower for the more recent launches, i.e. 2019 onwards, albeit the full impact may yet to be captured as some of the projects have not yet been completed.

It would require a detailed enquiry into issues faced by the projects to find an effective solution, and it may be that the most effective way to offload these units from remaining as overhang is for the government to work together with developers to tailor more property-specific solutions for different projects or unit types.

Note:

<sup>2</sup> Based on the median gross monthly household income of urban households of RM7,243 in 2022 (latest) (Source: DOSM), and a median multiple factor of 4.0. Median multiple is the house price to annual income ratio, an indicative measure of housing affordability where the house price to annual income ratio of 3.0 and below is considered "Affordable", 3.1 to 4.0 "Moderately Unaffordable"; 4.1 to 5.0 "Seriously Unaffordable"; and 5.1 and above "Severely Unaffordable".



## Property Market Overview & Outlook

### COMMERCIAL SEGMENT

The commercial office and retail segments in Malaysia have not been spared from the global influence of economic factors, technological advancements, and changing end-user and consumer behaviours. The commercial property market, particularly purpose-built offices and retail, has been facing a challenging period, with supply generally outstripping growth in demand.

The office segment continues to offer a myriad of options to end-users, as newer, more sophisticated, and better designed buildings continue to come onstream. In the Klang Valley, another 11 million sq ft of new office space is still in the pipeline which will add to the 42 million sq ft of already available vacant office space in the market .

On the demand side, collaborative and flexible working spaces still make up a significant portion of office space demand, as hybrid working is here to stay. This is attributed to two main reasons —first, it benefits employees and employers and, second, it represents a cultural shift in how people work. However, this trend works against the supply abundance, as more office users only require to occupy shared spaces, and therefore less space.

The retail segment sees a similarly competitive landscape, with slightly brighter prospects, as new completions slowed down in the past two years as a result of construction delays. This has given way for demand to catch up slightly. Even so, there is still a significant amount of new retail space that will enter the market in the near future, which will dampen occupancy rates and place further pressure on rents.

While shoppers have generally returned to physical shops and retail centres, after almost three years of pandemic-led disruption, consumers' discretionary spending has notably weakened as a result of increased cost of living.

For UEM Sunrise, we recognise the clear importance of creating value for all our stakeholders. In the domain of commercial real estate, our future developments will be planned, curated and strategised such as to ensure and sustain investment returns, both in the form of yield from recurring income as well as capital gains, through a tactical approach of a disciplined tenancy programme and exit plan – to attract tenants in order to serve the communities we build; as well as to provide attractive returns to our investors.

### INDUSTRIAL SEGMENT

The industrial segment continued its steady performance, recording moderate growth in 2023 in terms of transaction activity. Transactions picked up in the second half of the year (+11% year-on-year) after experiencing marginally negative growth in the first half (-2.5% y-o-y).

The industrial sector has experienced growth driven by e-commerce expansion, reshoring of manufacturing and logistical facilities by multinationals particularly from China, and efforts to navigate supply chain challenges. Malaysia is positioned as a viable hub for industrial activities and enjoys a relatively advantageous position to benefit from these trends.

On 1 September 2023, the New Industrial Master Plan 2030 (NIMP 2030) was unveiled with the aspiration to chart Malaysia's industrial transformation. In line with the New Investment Policy (NIP), NIMP 2030 aims to enhance future exports of more complex products from five identified sectors, namely aerospace, chemicals/ petrochemicals, digital economy, electrical & electronics (E&E), and pharmaceuticals.

In response to that, certain industry players have hastened to take up the opportunity and pivot their direction to cater to the specific industrial needs of the focus sectors and taking the Built-to-Suit (BTS) approach, as opposed to pushing out generic industrial offerings.

For us, we have put in motion tactical steps to optimise our position and assets to ride the industrial wave, particularly in the Southern region where development prospects are very positive, for data centres, logistics as well as manufacturing. Riding on the synergy and proximity to the world class Port of Tanjung Pelepas as well as the industries in Jurong West in Singapore, we are in the process of converting 361 acres into industrial zoning for immediate development, with further conversion planned for future phases.

## AUSTRALIA

In 2023, the Australian economy grew by a modest 1.5%. This was broadly in line with most forecasts, with the country having experienced an inflation-induced slowdown and as domestic demand continued to be weak.

Interest rates have risen 13 times since May 2022, and the current official cash rate as determined by the Reserve Bank of Australia (RBA) has reached 4.35% after the central bank delivered a total of 425 basis points rate hike over the last two years, in an effort to curb post-pandemic inflation spike.

First-time homebuyers and renters in Australia are facing tough times as housing affordability continues to deteriorate. A sharp increase in interest rates, an unexpectedly rapid recovery in house prices, and a dramatic rise in rents have aggravated the housing crisis. The return of foreign interest, particularly from China, has also contributed to the rise in demand and thus prices.

In an advanced and highly responsive market such as this, the higher interest rates is one of the reasons for falling new home builds, exacerbating the rise in rents which in turn keeps inflation heightened for longer.

Even so, the housing market performance remained varied across the country. Perth, Brisbane and Sydney registered the largest growth in dwelling value during 2023 of 16.7%, 14.8% and 11.4% respectively while Melbourne charted an annual value rise of 3.9% over the same period<sup>3</sup>.

An increase in migration will help address some of the tightness in the labour market, and as a result, the unemployment rate is expected to gradually rise from its current low levels to reach the natural rate of unemployment by mid-2024.

The commercial property sector in Australia faces a different set of challenges. Transaction volumes last year fell to their lowest level in a decade and according to some analysts, foreign investors deployed less capital last year than they did in 2020, when Australia's international borders were closed due to the COVID-19 pandemic. This was partly attributed to stand-offs between buyers and sellers, not being able to agree on terms.

Note:

<sup>3</sup> Source: CoreLogic

Australis Lounge at Level 86 of Aurora Melbourne Central



## Property Market Overview & Outlook

### 2024 OUTLOOK

#### Malaysia

The Malaysian property market remains dynamic, presenting both opportunities and challenges. The economy is projected to expand by 4% to 5% in 2024, and the outlook in the property market remains cautiously optimistic.

The property sector is anticipated to continue its recovery momentum supported by government initiatives set out in Budget 2024. These include a RM10 billion allocation to the Housing Credit Guarantee Scheme (SKJP), stamp duty exemption for first-time homebuyers who purchase a home valued up to RM500,000, and more relaxed conditions for Malaysia My Second Home (MM2H) programme. The relaxation of MM2H conditions, which was announced by the Government in December 2023, is on the right track to boost foreign investment in Malaysia, particularly in the real estate sector.

As the country navigates economic uncertainties and global shifts, stakeholders in the property sector need to stay agile, adapt to evolving trends, and focus on value-driven collaborations to ensure a sustainable and resilient real estate market.

Inflation has moderated, but long-term interest rates remain relatively high; retail sales are relatively stable; manufacturing continues to contract; geopolitical concerns are on the rise.

Despite the government's efforts, affordability remains a concern, especially in major urban centres. The gap between property prices and average incomes pose challenges for aspiring homebuyers. Continued adjustments to government policies, especially in response to market dynamics and economic conditions, will play a crucial role in shaping the future of the property market.

Certain segments of the property market, particularly in the commercial sectors, will continue to face concerns of oversupply. A more detailed and tactical approach needs to be taken to align with market demand.

While industrial may still be the darling sector for now, signs of moderation have already surfaced, where pent-up demand may have already largely been met. While opportunities are still present, newer entrants will need to tread with more caution, avoiding any speculative moves. In the Southern region particularly, industry dynamics point to low risk of oversupply and the Iskandar Regional Development Authority (IRDA) is still optimistic about upcoming direct investments in data centres, manufacturing, and logistics.

The real estate financing landscape, including interest rates and accessibility of financing, remains a key factor influencing market dynamics. Competitive interest rates have stimulated demand, but global economic uncertainties and local economic conditions still pose challenges, impacting consumer confidence and investment decisions, influencing the overall property market sentiment.

The integration of technology in real estate, including virtual property viewings, online transactions, and smart home technologies, is anticipated to become more prevalent. This trend will enhance the efficiency and overall experience of property transactions.

The emphasis on sustainable and green development practices is expected to grow. UEM Sunrise is on board with adopting more sustainable practices along our value chain, including incorporating into our products environmentally friendly features to meet evolving consumer preferences.

#### Australia

In Australia, economic growth is expected to be below trend for 2024 as a result of high inflation, and contractionary monetary and fiscal policies which will continue to dampen demand.

The decline in real incomes over the past couple of years is expected to weigh on consumption, particularly in the first half of 2024. A shortage of skilled trade workers and high construction costs are expected to continue to slow new building approvals and dwelling investment.

However, recent easing in financial conditions, particularly mortgage rates, may relieve household pressure and result in an upside outcome. Furthermore, the appeal of Australian residential property is the diversity in market conditions. Perth for example has seen high levels of interstate and overseas migration which have led to faster rental growth and stronger capital gains; and between December 2023 and February 2024, house prices in Perth have risen 5.2%, compared with a decline of 0.6% in Melbourne<sup>4</sup>.

For UEM Sunrise, we hold a niche position in this market and while the current environment may present certain challenges, we are invested in it for the longer-term play. We intend to continue to leverage our presence, experience, reputation and brand in the market as we carry on seeking out new opportunities to expand and further strengthen our footing in Australia.

Note:

<sup>4</sup> Source: CoreLogic

# KEY MARKET TRENDS SHAPING OUR BUSINESS

## LABOUR SHORTAGE

### How it Impacts our Business

- Slower progress made at construction sites may lead to delays and lower revenue recognition from property development
- Inability to meet project scheduled timelines

### How it Impacts our Stakeholders



#### Customers, Local Communities

- Dissatisfaction from customers due to deferment in delivery of properties
- Opportunity loss to the communities as not able to enjoy the positive spillover effects of the development



#### Investment-Related Stakeholders

- Lower investment returns arising from slower revenue recognition

### Key Risks and Opportunities

#### Risks

- Higher costs of construction
- Delay in project timelines
- Negative impact on cashflows arising from project delays

#### Opportunities

- Adoption of efficient construction approach based on advanced technologies

### Our Approach

- Established a dedicated department that focuses on research to adopt cutting-edge construction methodologies such as BIM, IBS, DfMA, Modern Methods of Construction (MMC) and Modular construction
- Harnessed advanced technologies to streamline construction processes and minimise dependence on manual labour to enhance project and cost efficiency

## RAPID URBANISATION

### How it Impacts our Business

- The need to have landbank in urban areas
- The need to provide attainable price product
- High land cost in growth areas due to high demand

### How it Impacts our Stakeholders



#### Customers

- Increasing property price in urban areas due to high demand
- Increase in demand for integrated development that offer residential, commercial and recreational amenities among young professionals and families

### Key Risks and Opportunities

#### Risks

- Increase in land cost in urban areas, affecting project profit margin
- Difficulty in sourcing for suitable land in growth areas due to competition and scarcity
- Increase in market competition with many developers leveraging on the trend

#### Opportunities

##### Customers

- Choices of integrated development in urban areas
- Availability of attainable price housing

##### Employees

- Design more innovative concepts that suit the demands of consumers in urban centres

### Our Approach

- Launched a TOD project, The Connaught One, to offer urban transportation convenience in urban areas
- Source strategic land that can offer homes and convenience to buyers
- Create product and masterplan unique value proposition to capture the market
- Launched Happy +, a residential product series featuring five categories tailored to the diverse lifestyles and life-stage requirements of homebuyers
- Partnered with five financial institutions to introduce financing options to ease buyers' financial challenges
- Explore product customisation options, allowing our customers further personalisation of their properties and reduce expenses on move-in renovations
- Identify potential opportunities for more groundbreaking products such as micro homes



## Key Market Trends Shaping Our Business

### WORKFORCE CHALLENGES

#### How it Impacts our Business

- Increasing demand for better workplace policies and benefit structures to attract and retain skilled professionals
- Heightened competition for skilled professionals in the construction and real estate industry

#### How it Impacts our Stakeholders



##### Employees

- Improve competencies and skills to meet changing customer requirements, latest technology and tools

#### Key Risks and Opportunities

##### Risks

- Lack of workplace benefits may lead to increased employee attrition
- Absence of the right training programmes to improve skills and competencies may result in shortfall in employee capabilities to meet customer demands, technology advancements and industry requirements
- Project delays and low development quality may cause reputational damage and financial losses

##### Opportunities

- Increase the number of upskilling programmes to improve employees' competencies and enhance career progression
- Improve retention strategies to boost employee engagement and morale
- Facilitate talent programmes to cultivate leaders and high-potential employees

#### Our Approach

- Foster a supportive working environment by providing competitive compensation packages and facilitate career progression and skill enhancement through various learning platforms
- Introduce hybrid work models, adapting policies, processes and technologies to ensure seamless collaboration
- Improve employee well-being by introducing programmes that support a diverse and inclusive workforce

### COMPLIANCE AND REGULATORY LANDSCAPE

#### How it Impacts our Business

- Increase in resource utilisation such as time and costs to ensure alignment to the changing compliance and regulatory policies

#### How it Impacts our Stakeholders



##### Employees

- The need to instill the importance of upholding integrity
- The need to be updated and understand the latest changes, and apply in the operations

#### Key Risks and Opportunities

##### Risks

- Potential disruption to operations and reputational damage due to non-compliance to regulatory bodies, affecting business plans and financial performance

##### Opportunities

- Conduct various integrity and anti-corruption awareness initiatives
- Build a strong compliance culture across the organisation
- Build professional relationship with the regulatory bodies
- Form a dedicated liaison team

#### Our Approach

- Mitigate corruption risks by continuously evaluating and certifying the Anti-Bribery Management System (ABMS)
- Enhance policies and procedures in accordance with the Adequate Procedures standards to remain in compliance with the National Anti-Corruption Plan

## TECHNOLOGY AND DIGITALISATION

### How it Impacts our Business

- Optimised workforce productivity through new technology and digital applications
- Improved customer engagement and customer experience
- Increased cybersecurity measures to protect digital assets against breaches

### How it Impacts our Stakeholders



#### Employee

- Improve productivity and operational efficiency
- Strengthen employee competencies via training in latest technology tools



#### Customer

- Increase number of consumers who conduct research on property types and prices

### Key Risks and Opportunities

#### Risks

- Inability to manage technology and digitalisation may expose UEM Sunrise to cybersecurity threats
- Late adoption of technology and digitalisation may expose UEM Sunrise to financial losses

#### Opportunities

- Expand customer reach by utilising new technology and digital applications
- Strengthen policies and procedures to mitigate technology risk
- Provide cybersecurity awareness training to all employees

### Our Approach

- Increase investments in digitalisation initiatives to improve efficiency and productivity
- Adopt new applications to improve efficiency and increase interaction with customers such as hUb prop, UEM Sunrise official website and Ria Chatbot

## INCREASING PRESSURE ON ESG

### How it Impacts our Business

- Integrate ESG practices into business operations, organisation and project development as guided by the SDDG.
- Commit to achieve green certifications for all new projects as part of the Company's sustainable development approach.

### How it Impacts our Stakeholders



#### Customer

- Increase expectations for sustainability elements to be included into project developments



#### Employee

- Implement training and education on ESG principles to foster a sustainable culture within UEM Sunrise



#### Shareholder & Investors

- Increased prioritisation towards companies with strong ESG credentials in their portfolios



#### Regulators

- Growing demand for companies to be transparent with ESG practices across operations and projects

### Key Risks and Opportunities

#### Risks

- Increase in regulatory scrutiny, legal actions, penalties which may cause reputational damage
- Insufficient talent pool skilled in sustainability-related matters
- Loss in investment opportunities due to absence of transparent ESG/sustainability practices

#### Opportunities




- Incorporate green building practices and energy-efficient solutions into all new projects, regardless of development type
- Adhere to international ESG standards and certifications as many investors and customers seek properties with verified sustainability credentials
- Engage and collaborate with stakeholders to raise awareness on sustainable practices
- Improve product design/features to include alignment with ESG principles



### Our Approach

- Adhere to good governance practices, including transparent financial reporting and ethical business conduct
- Focus on creating positive social impact through affordable housing, community development and carry out programmes to improve the overall quality of life in the surrounding areas
- Prioritise energy-efficient designs, use of renewable energy sources and environmentally friendly construction materials
- Incorporate climate-related risks and measures to enhance the resilience of our properties



# PRINCIPAL RISKS AND MITIGATION

Principal Risks	Impact on UEM Sunrise	Response	Opportunities
<b>Competition Risk</b> 	<ul style="list-style-type: none"> <li>Increased rivalry for investments leading to funding issues.</li> <li>High land prices make it challenging to find appealing locations.</li> <li>Reduced sales whereby inventory increases and revenue decreases.</li> </ul>	<ul style="list-style-type: none"> <li>Set strategic plans and detailed budgets to identify objectives, targets, and resources and evaluate performance.</li> </ul>	<ul style="list-style-type: none"> <li>Tailored office solutions</li> <li>Sustainable and affordable housing</li> <li>Technology-driven services</li> <li>U2030 aims for the following USP and agility:                             <ul style="list-style-type: none"> <li>A well-diversified portfolio with regard to location, industry segment, product types, product price range</li> <li>Organisation readiness to face market challenges via strengthening the people and process, product development, innovation, digital, marketing, sustainability</li> </ul> </li> </ul>
<b>People Risk</b> 	<ul style="list-style-type: none"> <li>Project delays, reduced productivity and development quality due to loss of talent.</li> <li>Lack of skilled labour availability or employee retention.</li> <li>Higher personnel costs due to regulatory changes and tighter talent supply.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced KPI monitoring and assessment in the Performance Management Framework.</li> <li>Implemented structured leadership and talent programmes to develop emerging leaders, high-potential individuals, and current leaders.</li> <li>Organised talent management and succession planning discussions to address developmental gaps for higher worker productivity.</li> </ul>	<ul style="list-style-type: none"> <li>Contributed significantly to organisational success by maximising employee potential, driving performance improvement, and fostering a continuous improvement culture.</li> <li>A skilled, engaged, and adaptable workforce, ultimately driving organisational success and competitive advantage in the marketplace.</li> <li>Position the organisation for long-term success and continuity.</li> </ul>
<b>Regulatory &amp; Corruption Risk</b> 	<ul style="list-style-type: none"> <li>Corporate liabilities that impact our bottom line.</li> <li>Reputational damage or loss of public confidence due to poor governance.</li> <li>Financial losses from fines, penalties and reduction in share price.</li> </ul>	<ul style="list-style-type: none"> <li>Periodic review of corruption risk profile.</li> <li>Conducted an in-depth Corruption Risk Management Review Exercise.</li> <li>Conducted Corruption Risk Management Awareness and Workshop.</li> <li>Continuously improved associated anti-corruption policies and procedures.</li> <li>Conducted various integrity and anti-corruption awareness initiatives, including monthly newsletters, talks, training and chat sessions as well as Integrity Month initiatives.</li> <li>Appointed CHIEF Integrity Advocates (CIA) and implement the CIA programme to improve ethics and integrity.</li> <li>Delivered regular email and intranet updates to employees.</li> <li>Provided a mechanism for employees, third parties and members of the public to report wrongdoing or improper conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The Group aims to mitigate corruption risk by evaluating and certifying the Anti-Bribery Management System (ABMS), and enhancing 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.</li> </ul>

Principal Risks	Impact on UEM Sunrise	Response	Opportunities
<b>Financial Risk</b> 	<ul style="list-style-type: none"> <li>• Delays in land transactions could affect revenue and profit recognition.</li> <li>• Financial constraints could prevent landbank development and construction progress billings.</li> <li>• Lawsuits by creditors or tax authorities affect profitability.</li> <li>• Borrowing money would cost more as interest rates rise and affect profitability.</li> <li>• Changes in tax legislation or finance restrictions might make it harder to secure project funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented GDV launch plans and offload non-strategic lands as well as non-core assets to generate value and boost liquidity.</li> <li>• Monitored financial risks to optimise liquidity.</li> <li>• Monetised inventory.</li> <li>• Close engagement with banks and investing community to share the company's plans and prospects.</li> <li>• Monitored and contacted debtors to guarantee timely payments.</li> <li>• Monitored financial covenants and borrowing repayment maturity profiles.</li> </ul>	<ul style="list-style-type: none"> <li>• Stable Financing Environment</li> <li>• Resilient Bond/Sukuk Market</li> <li>• Preference for Corporate Bonds/Sukuk</li> <li>• Fiscal Deficit Reduction</li> <li>• Foreign Investors' Participation</li> </ul>
<b>Operational Risks</b> 	<ul style="list-style-type: none"> <li>• Delays in projects, higher expenses and lower product quality due to supplier issues.</li> <li>• Cyberattacks or system failures might interrupt business and cost money.</li> <li>• Ineffective internal procedures and systems can delay projects, raise expenses, and lower profitability.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved processes and project management by embedding technology and digitisation.</li> <li>• Benchmarked Management System and SOPs ISO 9001:2015 and other applicable standards and best practises.</li> <li>• Implemented Identity Access Management, End Point Protection and Unified Threat Management at the end user and gateway levels to safeguard against security threats.</li> </ul>	<ul style="list-style-type: none"> <li>• Diversification of suppliers</li> <li>• Forming strategic partnerships with reliable suppliers to gain mutually beneficial arrangements, such as preferential pricing, priority access to materials</li> <li>• Investment in cybersecurity and cyber insurance</li> <li>• Investment in better systems and technology to automate processes, reduce errors &amp; enhance productivity</li> <li>• Investment in training and development for employees to improve competency and effectiveness</li> <li>• Process optimisation to increase efficiency</li> </ul>



## OUR STRATEGY



The three-phase strategic turnaround plan: Triage, Stabilise and Sustain has been a game changer for UEM Sunrise. Throughout 2023, the Company focused on Triage, which was aimed to strengthen our core business, ensuring our launch plans were intact and attaining a healthier balance sheet. The focus areas were to

- Identify and address gaps in key business fundamentals.
- Revitalise our launch pipeline.
- Deliver products tailored to customer needs and aspirations.
- Identify areas to obtain greater operational efficiency.

In Q4 2023, we launched a Transformation Plan called U2030, which outlines our long-term and sustainable growth journey, to become a balanced real estate company by 2030.



# STRATEGIC PERFORMANCE REVIEW

## STRENGTHEN CORE REVENUE STREAM

### What It Means

Direct efforts towards fortifying position of property development as the primary source of revenue.

### Our Approach

- Strived to achieve 2023 target launch GDV of RM2.5 billion.
- Identified new landbank to boost project pipeline.
- Expanded market presence by diversifying into new markets, broaden customer base and mitigate market risk.
- Diversified product category.
- Established short-to-medium term development plan.
- Activated existing landbank, review land use and continuously refine existing masterplans to maximise site potential and optimise GDV.
- Finalised UEM Sunrise's U2030 Transformation Plan by integrating industrial and township components, and broadening presence in Australia.

### What We Did

- Launched a total GDV of RM3.6 billion, which is the highest since 2012.
- Acquired 3.7 hectares of freehold land in SS6 Kelana Jaya for RM155.0 million.
- Acquired UEM Sunrise's first residential development site in Subiaco East, Perth for AUD22.2 million.
- Launched UEM Sunrise's first TOD in Taman Connaught.
- Partnered Greystar and secured the company's first BTR project in Collingwood, Melbourne.
- Commenced pre-development works for Solaris Parq B, Almas Puteri Harbour, Residential South and Gerbang Nusajaya.
- Revised the masterplan of Gerbang Nusajaya to increase the ratio of industrial development in response to rising industrial demand.

### Value Created for the Business

Recorded improvement in gross profit and EBITDA margins for the financial year ended 31 December 2023 and improved earnings visibility with unbilled sale of RM2.7 billion.

### Value Created for the Stakeholders

#### Shareholders and Investors

- Acquisition of new landbanks, market expansion and diversification of product categories demonstrates our commitment to strengthening our product pipeline and increasing the number of launches to enhance revenue growth.
- Declared a dividend of 0.75 sen per share, amounting to RM37.9 million.

#### Customers

- Higher product value through refined masterplans.
- Better living environments for customers by incorporating amenities, connectivity, open spaces, sustainable elements and others.
- Wider choice of properties - location and typology.

### Outlook

The U2030 Transformation Plan will essentially improve and accelerate the building of project pipeline to strengthen our revenue stream.

In this regard, U2030's priorities include rebalancing our landbank between the Southern and Central regions, expanding our presence in Australia, capitalising on the emerging industrial market, developing a sustainable revenue-generating township. We also emphasise on monitoring and tracking the pre-development processes and stages to ensure pipeline readiness.

We will also leverage on the various stimuli introduced by the government such as opportunities in renewable energy, Budget 2024 benefits which allows less than 100% approvals for enbloc sale, the New Industrial Master Plan (NIMP) incentives for infrastructure projects in the Southern region and the relaxation of Malaysia My Second Home (MM2H) guidelines. These strategic moves are aligned with our commitment to achieving sustained growth and value creation.

#### Capitals:



#### Material Matters:



#### Stakeholders:





# Strategic Performance Review

## MANAGE RISK

### What It Means

Analyse potential challenges and formulate strategies to address threats and optimise operational processes

### Our Approach

- Streamlined delivery process flow to enhance operational efficiency, standardised end-to-end development process and carried out digital adoption.
- Commenced Knowledge Management initiative to facilitate centralisation of information and ensure business continuity.
- Strengthened project monitoring and tracking tool.

### What We Did

- Introduced Organisational Process Algorithm (OPA).
- Implemented initial phases of the Knowledge Management initiative.
- Established an enhanced version of ProTracker, a platform that captures pre-development, construction and sales progress, which facilitates the analysis of variations between actual vs target.
- Secured Board approval and launched U2030, incorporating strategic priorities designed to drive performance, address fundamental gaps and capitalise on market opportunities to create stakeholder value.

### Value Created for the Business

- Improved efficiency, productivity and cost savings
- Higher accuracy in forecasting and budgeting

### Value Created for the Stakeholders

#### Shareholders and Investors

- Improved financial performance and generated long-term value creation, to deliver returns to shareholders and investors
- Unlocked organisational growth potential through streamlined operations, divestment of non-core assets and optimised cost structures.

#### Customers

- Expanded access to a diverse range of products tailored to the preferences and affordability levels of target homebuyers.
- Infused sustainability and environmentally-friendly elements into design processes to create better living environments for residents.

#### Employees

- Nurtured a culture of operational excellence.
- Certainty in scope of work with clearer direction and targets.

### Outlook

In our continuous pursuit of operational excellence and strengthened project management, we will continue to prioritise monitoring and tracking of our development programmes. These considerations will feature prominently in our management discussions as this allows us to identify and address potential risks that may impede our targets. As part of our broader commitment to efficiency, risk management and informed decision-making, we are working towards creating a unified data system. This will involve consolidating, centralising and digitising our data and information to foster a streamlined and data-driven approach across our operations and decision-making processes.

#### Capitals:



#### Material Matters:



#### Stakeholders:



## OFFER CLEAR VALUE PROPOSITION

### What It Means

Provide clear identity and competitive advantage of our products and services.

### Our Approach

- Elevated customer experience.
- Embraced sustainability into design, business and operations.
- Enhanced customer satisfaction with UEM Sunrise's products and services.
- Delivered quality and innovative products.

### What We Did

- Collaborated with Affin Bank Bhd on the 'Affinita' mortgage programme to empower women and encourage homeownership.
- Launched of the Happy+ product series to assist customers in finding properties that suit their lifestyle and needs.
- Launched the updated hUb prop mobile app, featuring new green partnerships and extended rewards for loyal customers.
- Established the SDDG as a reference for designing sustainable products with a lower carbon footprint, emphasising positive social impacts and high value creation.
- Achieved a customer satisfaction score of 80%, the highest since the inaugural survey in 2015.
- Attained QLASSIC score averaging at 85%
- Achieved total sales of RM2.1 billion, surpassing 2023 sales target by 40%.
- Formed strategic partnership with Intermedika Co. Ltd., to support our aim to integrate sports, wellness and hospitality components in our masterplans

### Value Created for the Business

- Reduced inventory by 37% compared to FY2022, which resulted in strong growth in sales performance.
- Improved retail asset performance, achieving 8% average gross yield as compared to 6% in FY2022.
- Refined masterplans to optimise GDV and improve land efficiency.

### Value Created for the Stakeholders

#### Customers

- Greater clarity on product segmentation, based on affordability and lifestyle needs.
- Enhanced satisfaction through more personalised experiences.

#### Community

- Access to developments with greater security, open spaces and infused with sustainable elements.

#### Employees

- Clarity on scope of work with identified product positioning and marketing strategy.

### Outlook

We will continue to dedicate our efforts to creating value for customers by seeking avenues to enhance our product offerings. The establishment of the SDDG will act as a key reference point in incorporating sustainability elements into our product design, which will become a key differentiation factor and our competitive advantage.

To further improve customer experience, our Customer Experience team is committed to undertake pre-delivery inspection for all units prior to Vacant Possession, conduct proactive customer engagement, obtain real-time customer feedback at various touchpoints, intensify loyalty programme rewards and benefits, conduct analysis on lessons learnt to improve future products and adopt digitalisation to improve efficiency. In addition, there will be continuous training and upskilling initiatives for all front liners to improve customer service standards. Current standard operational procedures will also be continuously reviewed and improved to cater to evolving customer demands.

#### Capitals:



#### Material Matters:



#### Stakeholders:





# Strategic Performance Review

## ASSET PORTFOLIO REPRIORITISATION

### What It Means

Reprioritised development programme, including divesting non-strategic assets, following a thorough portfolio review.

### Our Approach

- Divested non-strategic land.
- Conducted commercial asset rationalisation.
- Implemented joint-venture (JV) rationalisation.

### What We Did

- Monetised land in Southern and Central region for RM189.3 million and RM85.0 million respectively.
- Entered into an agreement to divest our shares in Roc-Union Proprietary Ltd, en route to cease operation in South Africa.
- Disposed a 6% stake in Nusajaya Lifestyle Sdn Bhd, the developer and operator of the Mall of Medini for RM8.9 million. With this disposal, UEM Sunrise is no longer the main driver of the development.

### Value Created for the Business

Achieved revenue recognition of RM276.6 million through the disposal of non-strategic land, representing 21% of total revenue.

### Value Created for the Stakeholders

#### Shareholders and Investors

- Strategic monetisation initiatives have increased liquid assets and improved cash flows. This enables the Company to consider deleveraging, reinvesting in core business operations, disbursing dividends, meeting operational expenses, and establishing reserves to address prospective financial challenges. This positive financial trajectory is poised to yield favourable outcomes for our stakeholders.

#### Outlook

We remain committed to maintaining a robust balance sheet and we will do this by continuously identifying non-core assets and land for strategic disposal.

Aligned with the U2030 priorities, this strategic approach involves reinforcing the balance sheet through initiatives dedicated to the monetisation of non-strategic land, non-core assets and selected joint ventures. The proceeds from these efforts will be strategically channelled towards debt reduction, new land acquisitions and other sustainable growth initiatives. We remain steadfast in driving operational excellence until the completion of these strategic disposals.

#### Capitals:



#### Material Matters:



#### Stakeholders:



## EMBED SUSTAINABILITY

### What It Means

Align organisational practices with corporate strategy to mitigate adverse impacts on ESG aspects stemming from operational activities.

### Our Approach

- Intensified our focus on ESG agenda
- Improved reporting and transparency
- Implemented Sustainability Blueprint.

### What We Did

- Established the SDDG as a design guideline for all developments to minimise our impact on environment, improve social impact and promote economic development.
- Achieved a FTSE4Good score of 3.6, marking an improvement from 3.5 in 2022.
- Introduced an upgraded version of ProSus, UEM Sunrise's web application designed for capturing and analysing sustainability data from both internal and external projects.
- Launched an enhanced version of hUb prop, enabling customers to contribute to the Company's tree planting initiative in the 343-acre forest reserve known as SIREH Park in Johor.
- Signed an MoU with Universiti Malaya, through Mega Legacy (M) Sdn Bhd, to assess the water quality and heavy metal contents of the lake in Kepong Metropolitan Park adjacent to Kiara Bay.

### Value Created for the Business

- Established a sustainability-focused workplace culture by fostering shared beliefs and aspirations, to realise our Sustainability Blueprint goals.
- Strengthened relationships with ESG investors, financing partners and funders.
- Implemented initiatives and programmes to protect the society and the environment from adverse environmental impact.
- Improved public confidence and trust levels through transparent communication practices.

### Value Created for the Stakeholders

#### Employees

- Offered flexible working arrangements.
- Provided a safe working environment to our employees.
- Promoted health and wellbeing of our employees.

#### Community

- Created a platform for conscientious people to connect and live sustainably.
- Increased asset value and investment for property buyers.
- Enriched lives of our local communities.

### Outlook

Demonstrating our commitment to transparency and responsible business practices, we will conduct a thorough climate-related impact analyses, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) reporting requirements. These analyses will be aligned with the 1.5-degree scenario, demonstrating our focus on understanding and mitigating the environmental impact of our operations.

In championing environmental stewardship, we will formulate biodiversity implementation guidelines tailored specifically for our projects. This initiative further reinforces our commitment towards integrating biodiversity conservation into our projects, thereby making a substantial contribution to the preservation of ecosystems.

We will also continue to enhance our reporting and data gathering process on GHG emissions, paving the way for more effective measures to reduce our carbon footprint.

#### Capitals:



#### Material Matters:



#### Stakeholders:





# U2030 TRANSFORMATION PLAN

External headwinds and internal challenges in the past have impeded our ability to achieve targets and effectiveness in value creation. In November 2021, we launched the Triage, Stabilise and Sustain (TSS) strategic turnaround plan to fix the most pressing and fundamental issues facing UEM Sunrise. Throughout 2022 and 2023, we undertook Triage initiatives to suture the bleed and improve internal efficiency. We are proud to report that the Triage initiatives yielded significant results in 2023, creating value via increased GDV launches, improved retail performance and enhanced operational efficiency.

Concurrently, we undertook an extensive exercise to identify emerging gaps, and subsequently validate the TSS plans and formulate a comprehensive transformation programme. Approved by the Board of Directors in 2023, the U2030 Transformation Plan will now be the corporate strategy to realise our aspirations, and its execution commencing in 2024 will be fuelled by our commitment and drive to see the realisation of the transformation programme.

The U2030 Transformation Plan key dimensions will enable us to create value and achieve our targets, whilst realising the organisation’s CHIEF Values and Purpose. The overall transformation plan is illustrated by the U2030 Strategy House, as shown below:



<b>PURPOSE</b>	<b>A Balanced Real Estate Company</b>				
<b>VALUES</b>	<b>CHIEF Values</b>				
<b>GOALS</b>	<b>Maximising Gross Profit</b>	<b>Healthy PATANCI</b>	<b>Efficient Asset Turnover</b>	<b>Higher ROE</b>	<b>Optimising Net Gearing</b>
<b>GROWTH PILLARS</b>	<b>Residential</b>	<b>Integrated Development</b>	<b>Industrial</b>	<b>Commercial</b>	<b>International</b>
<b>PRE-REQUISITES</b>	<b>Pipeline Readiness</b>			<b>Balance Sheet Reinforcement</b>	
<b>ENABLERS</b>	<b>Product Development</b>	<b>Innovation</b>	<b>Digital</b>	<b>Marketing</b>	<b>Sustainability</b>
<b>FOUNDATIONS</b>	<b>People</b>		<b>Culture</b>		<b>Processes</b>

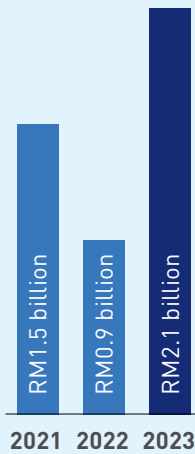
<b>PURPOSE</b>	<p><b>A Balanced Real Estate Company</b></p> <p>We are transforming the Company into a balanced real estate player by 2030, with core emphasis on long term sustainable growth and value creation for our stakeholders.</p>
<b>VALUES</b>	<p><b>CHIEF Values</b></p> <p>Our values will drive organisational alignment to achieve the U2030 Transformation Plan's purpose.</p>
<b>GOALS</b>	<p>Performance targets aimed at improving organisational performance to deliver higher returns and drive value creation for our stakeholders.</p>
<b>GROWTH PILLARS</b>	<p>U2030 is premeditated to capitalise on:</p> <ul style="list-style-type: none"> <li>• Rapid urbanisation and improving economic conditions that will continue to drive demand for residential properties</li> <li>• Growing emphasis for urban integrated living that has created a strong demand for products that provides a holistic modern living experience</li> <li>• Robust growth of the industrial sector, driven by the expansion of e-commerce, logistics and data centres, supported by key infrastructure and policy such as the Johor Bahru-Singapore Rapid Transit System, the New Industrial Master Plan 2030 and the National Energy Transition Roadmap</li> <li>• The demand for commercial centres to complement our townships and add value to the community</li> <li>• Our well-established track record in Australia and the emerging opportunities in its real estate market</li> </ul>
<b>PRE-REQUISITES</b>	<p>Solid project pipeline coupled with strong balance sheet are crucial to maximise performance and generate steady property development revenue stream to support the transformation plan.</p>
<b>ENABLERS</b>	<p>Reinforcing the transformation journey will be:</p> <ul style="list-style-type: none"> <li>• Unique value proposition that stems from functional, customer-centric product development designs</li> <li>• Innovative solutions to product delivery</li> <li>• Digital technology that will enhance effectiveness and efficiency</li> <li>• Creative marketing and branding to communicate our product value proposition and build brand awareness and loyalty</li> <li>• Sustainable product design, operations and processes, as guided by our Sustainability Blueprint and Sustainable Development Design Guideline</li> </ul>
<b>FOUNDATIONS</b>	<p>Core to our transformation plan are:</p> <ul style="list-style-type: none"> <li>• The diverse skills and knowledge of our people</li> <li>• Our shared culture that thrives on adaptability, creativity and inclusivity</li> <li>• Efficient and effective end-to-end delivery process</li> </ul>



# KEY ACHIEVEMENTS

## FINANCIAL

### Sales Performance



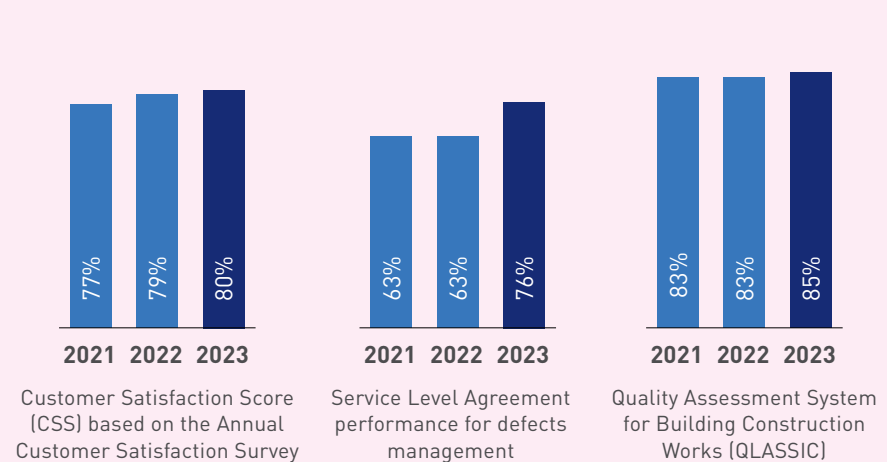
#### Objective

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

**2023 Target**  
**RM1.5 billion**

## NON-FINANCIAL

### Customer Management



#### Objective

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

**2023 Target**  
**81%**

**2023 Target**  
**80%**

**2023 Target**  
**83%**

### Launched GDV

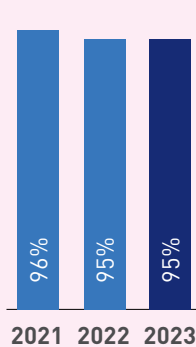


#### Objective

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

**2023 Target**  
**RM2.5 billion**

### Health and Safety



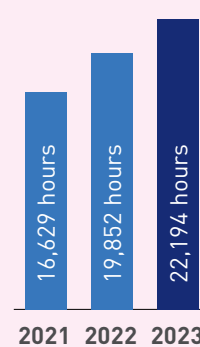
Safety and Health Assessment System in Construction (SHASSIC)

#### Objective

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

**2023 Target**  
**90%**

### 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**





## FINANCIAL REVIEW BY THE CFO

The financial year ended 31 December 2023 (“FY2023”) marked the successful completion of Triage, the first phase of our three phase Triage-Stabilise-Sustain strategic turnaround plan.

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### Triage

has allowed UEM Sunrise to achieve a robust financial performance and healthy level of profitability in FY2023.

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### UEM Sunrise's

improved operational efficiency is reflected by the operating profit improvement of 11% to RM276.3 million from RM249.0 million a year earlier.

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### Our Property

development launch and sales value of RM3.6 billion and RM2.1 billion respectively, provides a strong footing for our Stabilise phase.





Triage, which was aimed at strengthening our core business and ensuring our launch plans are intact while attaining financial discipline and a healthier balance sheet, has allowed UEM Sunrise to achieve a robust financial performance and a healthy level of profitability in FY2023. Although our top line revenue of RM1.3 billion declined slightly by 9% against the RM1.5 billion reported in FY2022, the improvement in our operational efficiency is reflected in our improved Gross Profit and EBITDA margins which stood at 35% and 21% respectively, from 29% and 18% in the previous year resulting in an operating profit improvement by 11% to RM276.3 million from RM249.0 million a year earlier. More importantly, we recorded significant improvement in our property development launch and sales value to RM3.6 billion and RM2.1 billion respectively, placing us on a strong footing as we move into the Stabilise phase of our turnaround plan in 2024.

#### REVENUE & EARNINGS: FOCUS ON EFFICIENCY

We enjoyed a stellar sales performance in FY2023, securing a total sales value of RM2.1 billion, which surpassed our original sales target of RM1.5 billion announced at the start of 2023 by 40%. Additionally, we successfully launched projects with a total GDV of RM3.6 billion, exceeding our initial launch target of RM2.5 billion by 44%. This outstanding achievement was primarily driven by the success of various projects including our Collingwood project in Melbourne via a Build-to-Rent and Fund Through arrangement with Greystar; The MINH in Mont'Kiara, The Connaught One in Cheras, Residensi ZIG in Kiara Bay as well as new phases in Senadi Hills in Iskandar Puteri.

Total revenue for FY2023 stood at RM1.3 billion, with 71% contributed by our property development activities. Key projects contributing in FY2023 were Residensi AVA in Kiara Bay, Residensi Allevia in Mont'Kiara, and Serene Heights,

all in the Central region and Southern region's developments, namely Aspira ParkHomes, Senadi Hills and Aspira Gardens, all in Iskandar Puteri. Almost all our property development revenue in FY2023 came from local projects, with 83% coming from our Central region projects and 16% coming from projects in the Southern region.

Land sales continued to be a key revenue contributor in FY2023 with RM276.6 million, in line with our focus under Triage to off-load non-strategic land parcels and streamline our portfolio. This is a decrease by around 10% from the RM307.1 million recorded in the previous year. For FY2023, the main contributor towards our land sales revenue was from the disposal of 235-acres of land in Gerbang Nusajaya to Nusajaya Tech Park Sdn Bhd. This was supported by revenue from the sale of our non-strategic lands in Tapah as well as from the sale of some petrol station lands in Iskandar Puteri.

Revenue from our property investment and others was RM115.8 million, a 3% increase from RM112.0 million recorded in FY2022. Our retail assets continued to enjoy an increase in footfall, better occupancy rates and rental rate improvements as the post-COVID recovery continued and among others, Arcoris in Mont'Kiara, Publika in Dutamas, and Anjung in Iskandar Puteri attained occupancy rates of 94%, 87% and 84% respectively in FY2023. Our Hyatt House hotel in Mont'Kiara also recorded better occupancy for the year.

Our gross profit margin improved to 35.4% in FY2023 compared to 29.3% in FY2022, arising from project cost savings recorded for Serene Heights, Residensi Solaris Parq and Residensi Astrea in the Central region, and Aspira ParkHomes and Aspira LakeHomes in the Southern region. The higher gross profit margin was also supported by higher margins achieved from the land sales recognised in the current year.

Operating expenses increased slightly during the year under review mainly driven by higher selling and distribution expenses as we launched RM3.6 billion worth of projects to the market in FY2023 compared to only RM0.5 billion in FY2022. Other factors which contributed to the increase in operating expenses were higher general and administrative costs, as well as higher employee costs due to higher headcount in FY2023.

Our share of results from joint ventures and associates declined in FY2023, standing at RM20.4 million as compared to RM28.0 million in FY2022 due to lower profits contributed by our joint venture projects such as Horizon Hills and Nusajaya Tech Park in Iskandar Puteri as well as losses from some of our other joint venture entities in the current year.

Finance costs for the year stood at RM157.8 million, 10% higher than FY2022 due to the higher average profit rate incurred on our outstanding Sukuk and our effective tax rate remains at 37% due to non-deductible expenses and unrecognised tax losses for certain loss-making subsidiaries. We also recorded a RM1.5 million loss from our discontinued foreign operations in Durban, South Africa which is currently in the process of being disposed. We expect this disposal to be completed by the end of 2024.

Overall, we recorded higher operating profit of RM276.3 million, an 11% increase compared to RM249.0 million in FY2022 due to several cost saving initiatives and effective overall project cost control. However, profit after tax and non-controlling interests moderated from RM80.5 million in FY2022 to RM75.7 million in FY2023 after accounting for finance cost of RM157.8 million, taxation of RM51.5 million and zakat of RM1.5 million. We remain committed to strategically deliver on our priorities to restore profitability and drive growth momentum, ensuring sustainable value creation for our shareholders.



## Financial Review by the CFO

In line with the robust financial performance, we have also revised our dividend payout policy upwards to between 40% and 60% of profit after tax and non-controlling interests. We also declared a dividend of 0.75 sen per share as a reward to our loyal shareholders. This amounts to a total payout of RM37.9 million, or a dividend payout ratio of 50%.



We enjoyed a stellar sales performance in FY2023, securing a total sales value of RM2.1 billion, which surpassed our original sales target of RM1.5 billion announced at the start of 2023 by 40%. Additionally, we successfully launched projects with a total GDV of RM3.6 billion, exceeding our initial launch target of RM2.5 billion by 44%.



### SOLIDIFYING THE BALANCE SHEET: DRIVING FUTURE GROWTH

Our balance sheet remained firm with a total cash, bank balance and deposits of RM1.0 billion as at 31 December 2023, sufficient to meet our operational commitments. Our total borrowings decreased slightly to RM4.2 billion as at end of FY2023 compared to RM4.3 billion in FY2022, on the back of a conscious effort to pare down our debt as part of the TSS plan. This has resulted in the Group's gross and net gearings improving to 0.61x and 0.45x, respectively in FY2023, compared to 0.64x and 0.48x, respectively in FY2022.

Additionally, the Group through its debt management programme has been able to successfully tap the capital market to meet its operation and refinancing requirements at a tighter refinancing rate and for longer tenures to better match our current project timelines. Be that as it may, we will continue to balance our gearing position vis-à-vis business operations and monitor the level of borrowings accordingly while positioning ourselves for further debt management improvements in 2024 and beyond as we enter the Stabilise phase of our strategic turnaround plan.

Our efforts in inventory management have also borne fruit as reflected in our inventory level of RM127.4 million as at end FY2023, the lowest in the past eight years. Total receivables have also improved tremendously, recording a reduction of close to 19% from RM947.3 million as at end FY2022 to RM769.7 million as at end FY2023. Our operating cash flows also remained strong during the year under review at RM408.2 million, a 4% increase from FY2022 in tandem with improvements in the billings' collection and projects' construction progress, supported by proceeds from the sale of non-strategic lands, petrol lands and higher rental collection from our retail assets, among others.

In terms of non-current assets, our long term inventory-land held for property development stood at RM5.2 billion as at end of FY2023 with the breakdown almost evenly distributed between our Central and Southern regions and a small portion representing our land in Collingwood, Melbourne.

In addition, we also undertook the acquisitions of new landbanks in SS6 Kelana Jaya in the Central region and in Subiaco East, Perth, Australia. These acquisitions present significant potential, with a combined GDV of RM2.4 billion, and helps to further reinforce our position in the market.

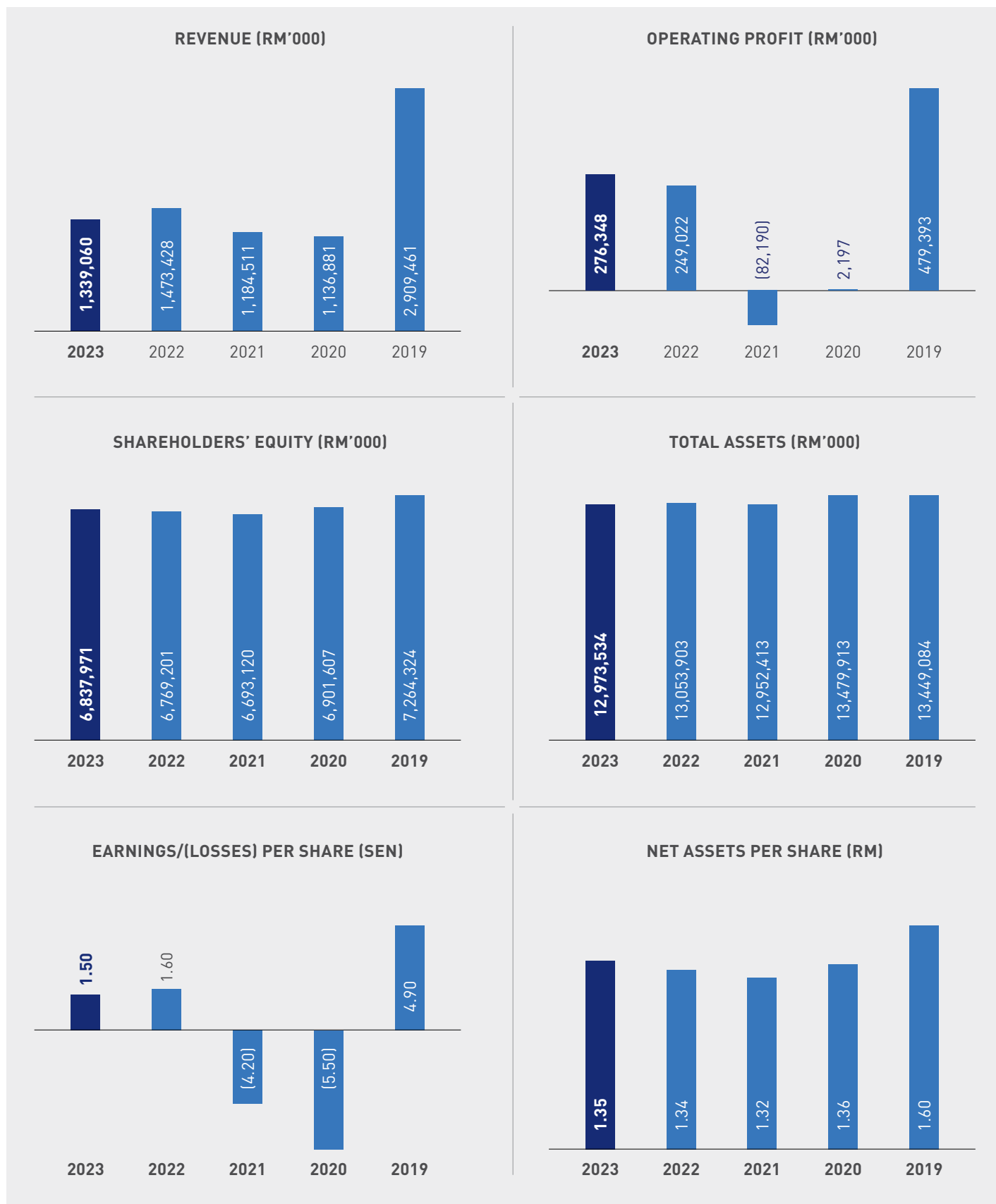
### MOVING FORWARD

Our unbilled sales of RM2.7 billion as of 31 December 2023 which is anticipated to be substantially recognised over the next 18 to 48 months, depending on the billings and projects' construction progress, provides clear earnings visibility and underscores our strong financial footing. Overall, our strong balance sheet and strategic initiatives means that we are well positioned for long-term sustainability and growth.

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. We remain dedicated to executing our strategic plan and pursuing growth opportunities while maintaining the financial discipline and risk management practices required to ensure long-term success.

**HAFIZUDDIN SULAIMAN**  
Chief Financial Officer

# FIVE-YEAR FINANCIAL HIGHLIGHTS





## FIVE-YEAR GROUP PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM'000	2023	2022	2021	2020	2019
Revenue	1,339,060	1,473,428	1,184,511	1,136,881	2,909,461
Cost of sales	(865,351)	(1,042,246)	(963,483)	(838,105)	(2,103,636)
Operating expenses	(275,951)	(247,286)	(340,748)	(372,729)	(402,030)
Other income	78,590	65,126	37,530	76,150	75,598
<b>Operating profit/(loss)</b>	<b>276,348</b>	<b>249,022</b>	<b>(82,190)</b>	<b>2,197</b>	<b>479,393</b>
Finance costs	(157,781)	(143,470)	(144,712)	(132,850)	(117,509)
Share of net results of associates & joint ventures	20,378	27,991	12,981	(64,678)	19,883
<b>Profit/(loss) before income tax and zakat</b>	<b>138,945</b>	<b>133,543</b>	<b>(213,921)</b>	<b>(195,331)</b>	<b>381,767</b>
Profit/(loss) attributable to owners of the parent	75,727	80,539	(213,047)	(277,284)	221,597
Earning/(loss) per share (sen)	1.5	1.6	(4.2)	(5.5)	4.9
Return on equity	1.1%	1.2%	(3.1%)	(4.0%)	3.1%

## GROUP QUARTERLY PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

Group	Fourth Quarter 31/12/2023	Third Quarter 30/09/2023	Second Quarter 30/06/2023	First Quarter 31/03/2023
Revenue	421,973	312,354	363,955	240,778
Cost of sales	(251,786)	(229,583)	(249,320)	(134,662)
Operating expenses	(100,298)	(63,321)	(59,802)	(52,530)
Other income	27,481	22,974	15,094	13,041
<b>Operating profit</b>	<b>97,370</b>	<b>42,424</b>	<b>69,927</b>	<b>66,627</b>
Finance costs	(40,719)	(38,755)	(44,271)	(34,036)
Share of net results of associates & joint ventures	(3,670)	9,731	19,291	(4,974)
<b>Profit before income tax and zakat</b>	<b>52,981</b>	<b>13,400</b>	<b>44,947</b>	<b>27,617</b>
Profit attributable to owners of the parent	27,338	8,337	24,698	15,354
Earning per share (sen)	0.5	0.2	0.5	0.3
Return on equity*	1.6%	0.5%	1.5%	0.9%

\* annualised

# FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

AS AT 31 DECEMBER 2023

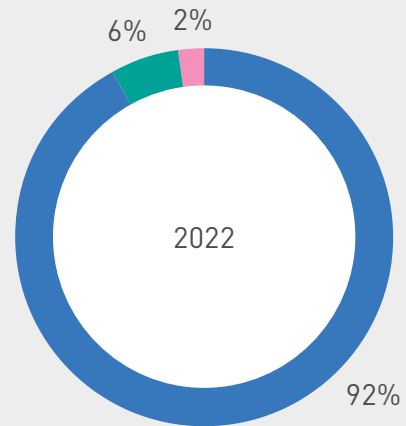
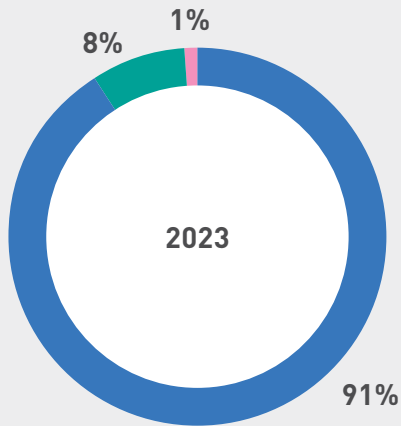
In RM'000	2023	2022	2021	2020	2019
<b>TOTAL ASSETS</b>					
Property, plant and equipment and investment properties	1,172,417	1,209,105	1,252,419	1,319,957	1,330,196
Interests in associates, joint ventures & others	1,800,718	1,781,176	1,748,701	1,697,559	1,522,078
Inventories and contract cost assets	6,439,002	6,442,259	6,740,375	7,371,511	7,432,956
Receivables	1,498,485	1,583,015	1,339,293	1,029,668	1,111,036
Tax recoverable	121,946	85,988	106,998	97,780	87,164
Goodwill	621,409	621,409	621,409	621,409	621,409
Deferred tax asset	268,424	283,003	290,191	255,760	286,799
Deposits, cash and bank balances	1,001,572	1,025,551	853,027	1,086,269	1,057,446
Asset held for sale	49,561	22,397	-	-	-
<b>Total assets</b>	<b>12,973,534</b>	<b>13,053,903</b>	<b>12,952,413</b>	<b>13,479,913</b>	<b>13,449,084</b>
<b>TOTAL EQUITY AND LIABILITIES</b>					
Share capital	4,960,276	4,960,276	4,960,276	4,960,276	5,110,276
Merger relief reserves	34,330	34,330	34,330	34,330	34,330
Other reserves	96,675	78,340	82,798	78,238	13,671
Retained profits	1,746,690	1,696,255	1,615,716	1,828,763	2,106,047
<b>Shareholders' equity</b>	<b>6,837,971</b>	<b>6,769,201</b>	<b>6,693,120</b>	<b>6,901,607</b>	<b>7,264,324</b>
Non-controlling interests	114,660	104,467	102,931	468,974	468,332
Borrowings	4,179,931	4,315,248	4,213,970	4,113,823	3,416,955
Tax payable	61,589	15,769	3,981	19,008	71,760
Payables	1,242,802	1,328,633	1,379,581	1,446,130	1,579,015
Provisions and others	536,581	520,585	558,830	530,371	648,698
<b>Total equity and liabilities</b>	<b>12,973,534</b>	<b>13,053,903</b>	<b>12,952,413</b>	<b>13,479,913</b>	<b>13,449,084</b>
Net asset per share attributable to owners of the parent (RM)	1.35	1.34	1.32	1.36	1.60



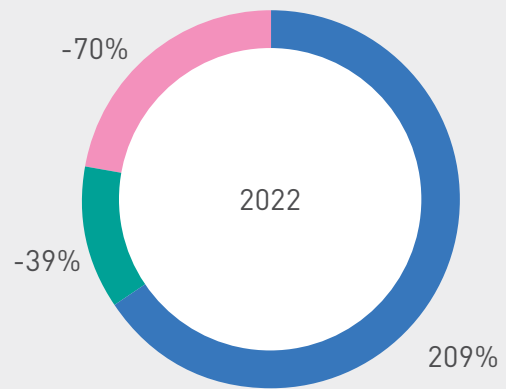
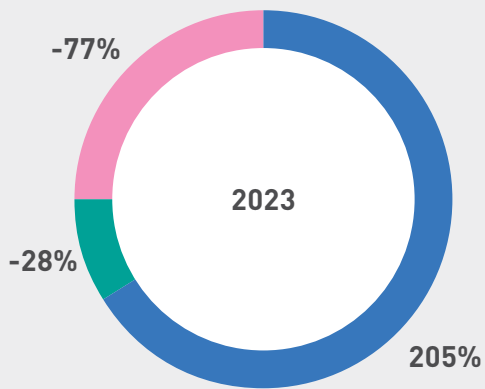
# SEGMENTAL ANALYSIS

AS AT 31 DECEMBER 2023

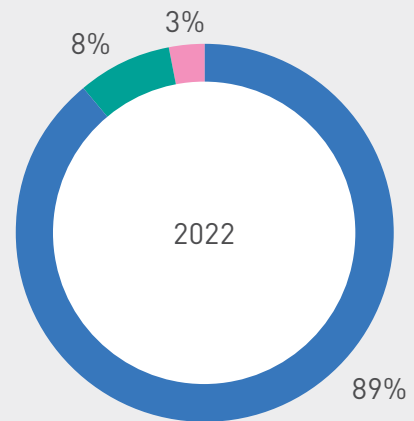
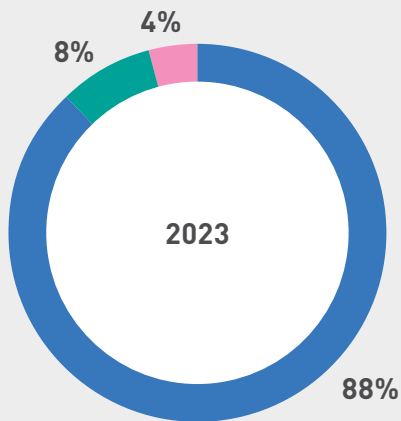
## TOTAL REVENUE



## PROFIT/(LOSS) FOR THE YEAR



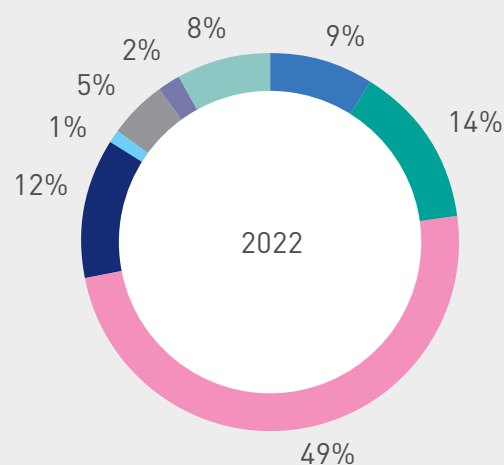
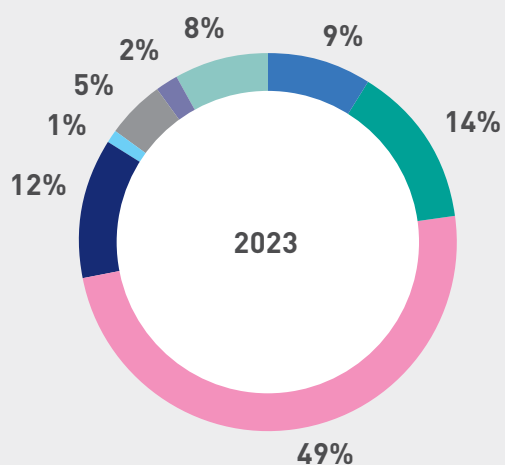
## TOTAL ASSETS



● Property Development    
 ● Property Investment and Hotel Operation    
 ● Others

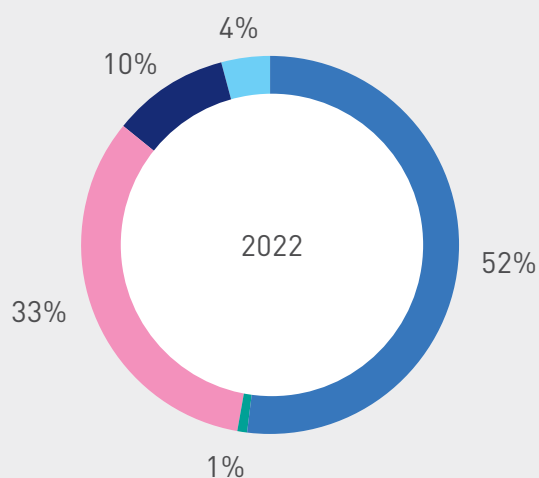
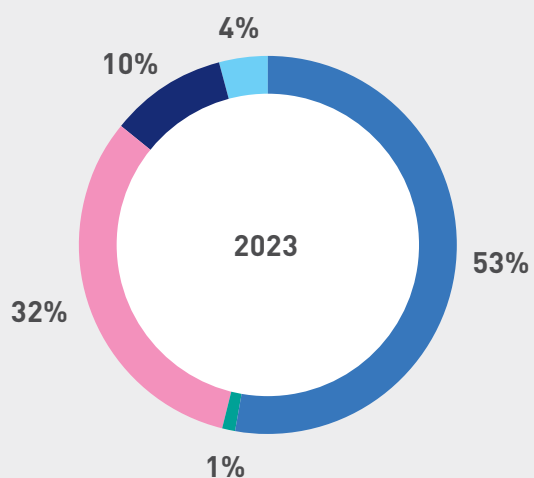
# SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

## TOTAL ASSETS



- Property, plant and equipment and investment properties
- Inventories and contract cost assets
- Tax recoverable
- Deferred tax asset
- Interests in associates, joint ventures and others
- Receivables
- Goodwill
- Deposits, cash and bank balances

## TOTAL EQUITY AND LIABILITIES



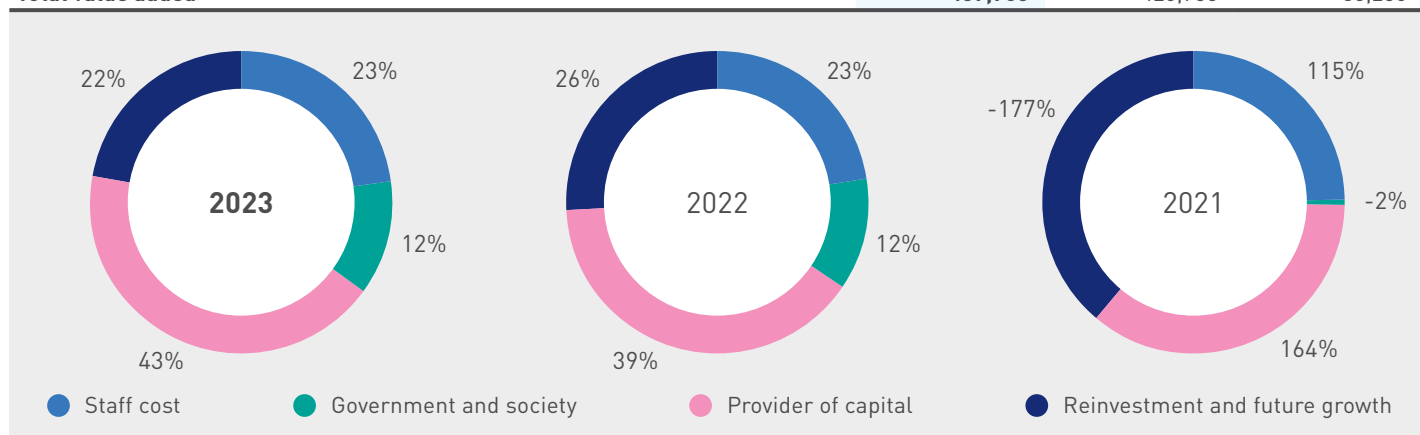
- Shareholders' equity
- Non-controlling interests
- Borrowings
- Payables
- Provisions and others



# STATEMENT OF VALUE ADDED

AS AT 31 DECEMBER 2023

In RM'000	2023	2022	2021
<b>VALUE ADDED:</b>			
Revenue	1,339,060	1,473,428	1,184,511
Purchase of goods and services	(980,323)	(1,139,790)	(1,146,772)
Value added by the Group	358,737	333,638	37,739
Other income	78,590	65,126	37,530
Share of result of associates	188	4,043	11,154
Share of result of joint ventures	20,190	23,948	1,827
<b>Total value added available for distribution</b>	<b>457,705</b>	<b>426,755</b>	<b>88,250</b>
<b>DISTRIBUTION:</b>			
To employees			
- salaries and other staff costs	105,944	97,190	100,955
To government			
- income tax	51,512	51,479	(1,796)
- zakat	1,531	-	-
To provider of capital			
- dividend	37,939	25,292	-
- finance cost	157,781	143,470	144,712
To community			
- investment in CSR	283	168	195
- contribution to SIREH Park	3,461	-	-
Retained for future reinvestment & growth			
- depreciation & amortisation	51,291	52,384	56,309
- retained profits	37,788	55,247	(213,047)
- minority interest	10,175	1,525	922
<b>Total distributed</b>	<b>457,705</b>	<b>426,755</b>	<b>88,250</b>
<b>RECONCILIATION</b>			
Profit for the year	85,902	82,064	(212,125)
Add: Depreciation & amortisation	51,291	52,384	56,309
Finance costs	157,781	143,470	144,712
Staff cost	105,944	97,190	100,955
Income tax	51,512	51,479	(1,796)
Zakat	1,531	-	-
Donation	3,744	168	195
<b>Total value added</b>	<b>457,705</b>	<b>426,755</b>	<b>88,250</b>



## INVESTOR INFORMATION

UEM Sunrise stands firm in our values, which is putting our stakeholders at the centre of our purpose. We remain fully committed to disseminating transparent and consistent information with clarity, equal access, accuracy, timeliness and comprehensiveness as well as 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 plans to meet key stakeholders' value expectations. Throughout the year, we actively engaged with the investment community 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 provide them with relevant information that 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.

The Investor Relations (IR) team assumes a pivotal role in driving UEM Sunrise's corporate governance initiatives. Our IR team supports the CEO, CFO and Chief Strategy and Transformation Officer (CSTO) 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 in keeping the market informed of all information that may or could be expected to have a material impact on the value of UEM Sunrise's securities. Our commitment to transparency and proactive engagement underscores our dedication to corporate governance excellence.

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

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



**Engagement Date:**  
7 June 2023



**Audience:**  
1,027 shareholders  
and proxies



**Meeting type:**  
Virtual

### Analyst Briefings

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



**Engagement Date:**  
Q4 2022 - 23 February 2023  
Q1 2023 - 18 May 2023  
Q2 2023 - 18 August 2023  
Q3 2023 - 15 November 2023



**Audience:**  
Analysts and Fund Managers



**Meeting type:**  
Virtual

### Investment Community Engagement

The IR team hosted meetings of various formats to suit the occasion including one-one meetings, group meetings, 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 and  
virtual meeting

### Other Communication Channels

The following communication channels are made available for investors to reach out and disseminate relevant information to stakeholders and the public more effectively and efficiently.



**Website:**  
[www.uemsunrise.com/  
corporate/investor-relations](http://www.uemsunrise.com/corporate/investor-relations)



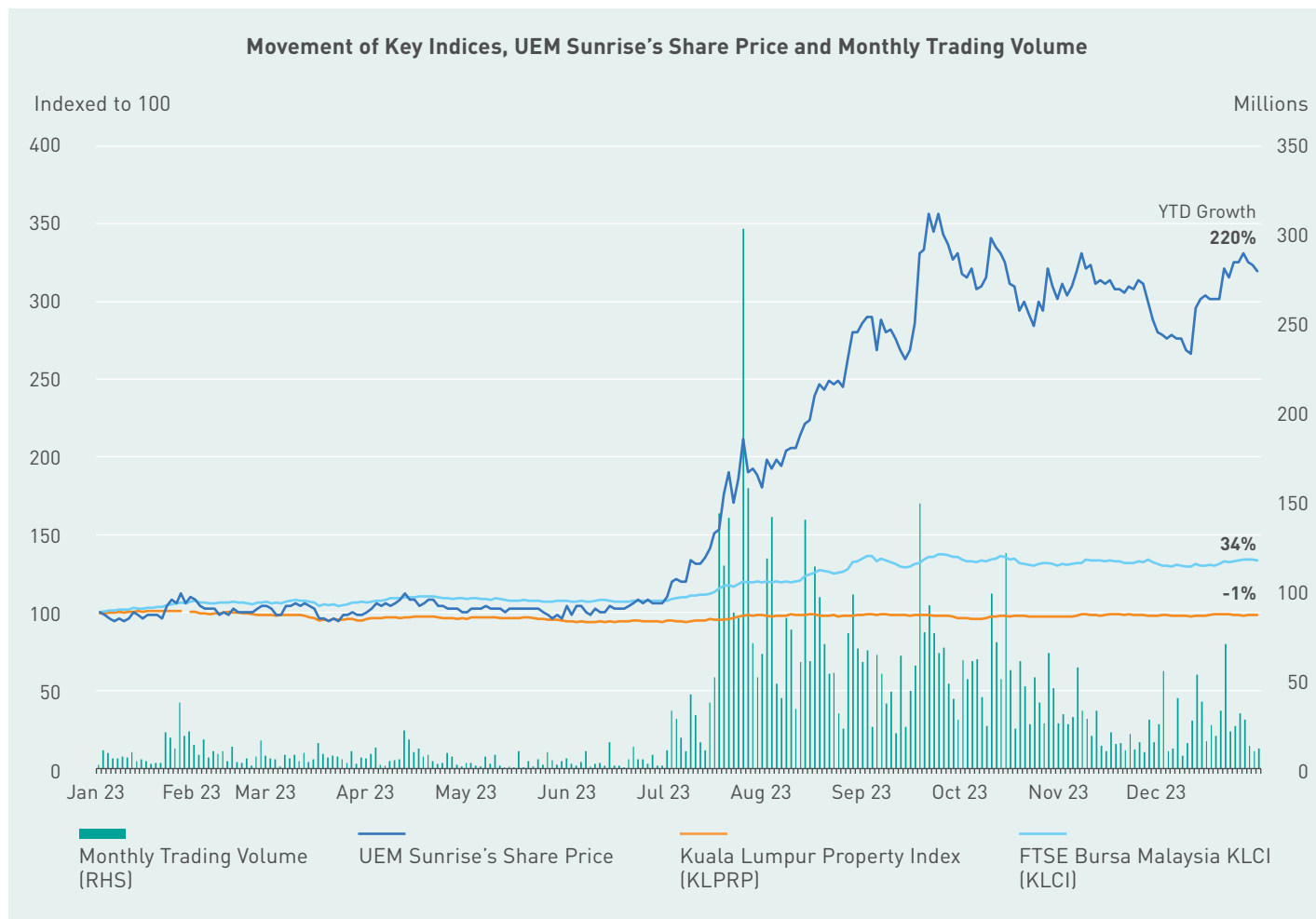
**Social Media:**  
LinkedIn: UEM Sunrise Berhad  
Instagram: uem\_sunrise  
Facebook: UEM Sunrise  
X: UEMSUNRISE\_MY



**Email:**  
[ir@uemsunrise.com](mailto:ir@uemsunrise.com)



## Investor Information



Month	Month-end Price (RM)	Highest Price (RM)	Lowest Price (RM)	Average Price (RM)	KLCI (Points)	KLPRP (Points)
Jan 2023	0.27	0.29	0.24	0.25	1,485.50	679.81
Feb 2023	0.26	0.28	0.25	0.26	1,454.19	679.92
Mar 2023	0.27	0.27	0.24	0.26	1,422.59	688.08
Apr 2023	0.26	0.29	0.26	0.27	1,415.95	699.11
May 2023	0.27	0.27	0.25	0.26	1,387.12	689.51
Jun 2023	0.27	0.28	0.25	0.26	1,376.68	689.76
Jul 2023	0.48	0.54	0.28	0.39	1,459.43	772.68
Aug 2023	0.73	0.73	0.46	0.59	1,451.94	867.87
Sep 2023	0.85	0.91	0.67	0.78	1,424.17	875.30
Oct 2023	0.80	0.87	0.73	0.79	1,442.14	847.07
Nov 2023	0.71	0.85	0.71	0.79	1,452.74	844.00
Dec 2023	0.82	0.85	0.68	0.77	1,454.66	862.11

## BUSINESS REVIEW

# OPERATIONAL UPDATES FOR MALAYSIA



UEM Sunrise has earned its reputation as a key player in Malaysia's property development, anchored on a portfolio of award-winning and upscale residential, commercial, and mixed-use developments within the Central region. Our developments are located in strategic areas such as Mont'Kiara, Semenyih, Shah Alam, Cyberjaya, Kuala Lumpur, Seri Kembangan and Seremban. Our development in the Southern region are located in Iskandar Puteri and Desaru, Johor. As a leading master developer in Iskandar Puteri, we cater to diverse market segments by offering a variety of products tailored to meet market demand. Taking a holistic approach from site planning to the finishing touches, we design homes and spaces that resonate with the evolving needs of residents, both now and in the future.

Our ability to achieve this stems from the extensive research undertaken to not only understand community needs, but also improve the lives of those residing within our developments. This commitment also ensures that every offering within the Happy+ series serves as a tangible testament to our unwavering dedication.

## CENTRAL BUSINESS

The Central region is a focal point of our strategy, primarily centred on residential development. In 2023, we launched The MINH, the first residence under the CLUB edition in Mont'Kiara. This development features premium high-rise residences with Indochine-influenced design features. In the same year, we introduced our first TOD - The Connaught One in Cheras - and Residensi ZIG, the second residential development in Kiara Bay. We also achieved topping out for Residensi AVA, also in Kiara Bay.

Throughout the year, we achieved successful completion and early delivery of Vacant Possession (VP) for Kiara Kasih (Residensi Wilayah) in March and Residensi Astrea Mont'Kiara in December, as well as several phases within the Verna series of Serene Heights, surpassing the Sales and Purchase Agreement (SPA) delivery date.

In Selangor, our focus gravitated towards mid-market landed residences such as those at Serene Heights, Bangi. In Cyberjaya, Symphony Hills showcases a seamless blend of premium landed homes and high-rise structures, while our hilltop high-rise development, KAIA Heights, is surrounded by a six-acre nature reserve, underscoring our dedication

to incorporating natural landscapes into our masterplans. Our joint venture developments, including Radia Bukit Jelutong in Shah Alam, is a mixed-use development, while Forest Heights in Seremban is a residential township development featuring mid-market landed residences.

We have also focused on designing spaces for commercial and retail use within our developments to create community hubs that resonate with the diverse needs of the residents. Some of our commercial and retail spaces include Publika Shopping Gallery in Solaris Dutamas, Mercu Summer Suites at the intersection of Jalan Sultan Ismail and Jalan Ampang in Kuala Lumpur, as well as Arcoris Plaza and Hyatt House Kuala Lumpur Mont'Kiara, both located at Arcoris Mont'Kiara.

As of December 2023, our remaining landbank in the Central region spans 513.8 acres which is 6.4% of our total landbank, inclusive of joint ventures, future developments, and ongoing development phases awaiting launch. We unveiled products valued at over RM2.5 billion, which is 71% of our total launches. Currently, our projected GDV stands at RM23.2 billion, featuring future phases of Serene Heights, Kiara Bay, and Symphony Hills, as well as the upcoming development of our newly acquired land in SS6 Kelana Jaya and Section 13, Petaling Jaya.



## Business Review

### CENTRAL REGION PROJECTS

#### THE MINH



The MINH, Indochine-inspired nature homes located adjacent to Bukit Kiara Hill, offers 496 residential units across two towers. Combining bungalow and semi-detached concepts, these freehold residences redefine luxury living. Designed with meticulous attention to detail, these high-end residences have beautifully curated hospitality-inspired environments. Residents will have elevated living experiences, enjoying commanding panoramic views of the Kuala Lumpur city skyline and Bukit Kiara. The MINH is easily accessible via major highways. It has also earned the Provisional Gold GreenRE Certification.

Land Area  
(Acre)

**6.2**

Launch GDV  
(RM Million)

**981.0**

Expected  
Completion

**Quarter 1, 2027**

Happy+ Series

**The CLUB Edition**

#### THE CONNAUGHT ONE



The Connaught One consists of 1,334 service apartment units and 15 retail units set across two 53-storey towers. It is UEM Sunrise's first TOD with a direct link to the Taman Connaught MRT station, providing seamless connectivity to shopping malls, universities and recreational parks. Strategically located in Cheras, it is accessible via the Cheras-Kajang Highway and Jalan Cheras, near the Middle Ring Road 2 (MRR2). Featuring flexible layouts, the Connaught One caters to the varied preferences of first-time homebuyers, young urban professionals and multi-generational families, aligning with both current and future lifestyle preferences.

Land Area  
(Acre)

**3.4**

Launch GDV  
(RM Million)

**747.5**

Expected  
Completion

**Quarter 4, 2027**

Happy+ Series

**The RISE Series**

**RESIDENSI AVA**

Residensi AVA is a residential development within an integrated township nestled in the well-established neighbourhood of Kepong. The first residential phase of Kiara Bay's 73-acre master township, Residensi AVA comprises 870 compact service apartment units distributed across two 41-storey towers. Designed with functional layouts, these residences are tailored to accommodate multi-generational communities. Situated a mere seven minutes away from The Walk, Kiara Bay's vibrant Central Business District, Residensi AVA presents residents with effortless connectivity to a dynamic and thriving urban hub. It is strategically located near key transportation arteries, linking commuters to major highways, namely the MRR2 and Jalan Kepong, offering ease of connection to other highways such as the Duta-Ulu Kelang Expressway (DUKE), Selayang-Kepong Highway and the Damansara-Puchong Expressway (LDP).

Land Area  
(Acre)

**4.4**

Launch GDV  
(RM Million)

**655.1**

Expected  
Completion

**Quarter 2, 2025**

Happy+ Series

**The NEST Series**

**RESIDENSI ZIG**

Residensi ZIG is the second residential development within the Kiara Bay township, and is merely 300 meters walking distance away from Kuala Lumpur's largest lake park, the 235-acre Kepong Metropolitan Park. Residensi ZIG is a biophilic-themed residence, designed to integrate residents with the surrounding natural environment. This thoughtfully crafted development features specially created green sanctuaries on the ground, podium, and mid-levels, creating an immersive connection with the environment. The corridors are designed to be naturally ventilated, enhancing the overall living experience. Residensi ZIG prioritises accessibility, as it is easily reachable from major highways including MRR2, DUKE, Selayang-Kepong Highway, and the Damansara-Puchong Expressway (LDP).

Land Area  
(Acre)

**3.4**

Launch GDV  
(RM Million)

**723.5**

Expected  
Completion

**Quarter 4, 2027**

Happy+ Series

**The RISE Series**



## Business Review

### CENTRAL REGION PROJECTS

#### ALLEVIA



Known for its “Bungalow in the Sky” concept, Residensi Allevia Mont’Kiara features 294 units across two towers. Strategically located, it is within walking distance from the Mont’Kiara International School, Garden International School and Mont’Kiara’s Central Business District. The project complies with QCLASSIC and GreenRE requirements, achieving a Provisional Gold GreenRE rating.

Land Area  
(Acre)

2.9

Launch GDV  
(RM Million)

546.8

Expected  
Completion

Quarter 1, 2025

Happy+ Series

The CLUB Edition

#### SERENE SQUARE (PHASE 2A)



Serene Square is the first commercial hub under The Commerce Series by UEM Sunrise in Serene Heights, Semenyih, and is part of the 448-acre masterplan development with a total GDV of RM3.7 billion. Designed to cater to the needs of the surrounding neighbourhoods, it comprises 95 units of two-storey freehold shop offices and 19 units of affordable shops, where heritage meets modernity – a space envisioned for practical business and modern lifestyle aspects yet retaining the essence of yesteryear charm. The two-storey shop offices were launched in 2022 whereas the affordable shops are targeted for launch in the second quarter of 2024.

Land Area  
(Acre)

2-Storey Shop Offices: 11.1

Launch GDV  
(RM Million)

113.4

Expected  
Completion

Quarter 4, 2025

Happy+ Series

The COMMERCE Series

**KAIA HEIGHTS (PHASE 1 AND 2)**

KAIA Heights, an exclusive hilltop high-rise development in Equine Park, Seri Kembangan, surrounded by six acres of preserved nature, offering a lifestyle experience filled with unique features. This leasehold development spans four blocks and comprises a total of 924 residential units, built in two phases. Perched atop the highest peak of Equine Park, KAIA Heights offers unobstructed views of the surrounding areas.

The first phase of KAIA Heights consists of 517 units with the subsequent phase comprising 407 units. Upon completion, KAIA Heights will feature eight acres of landscape and facilities tailored to accommodate a wide range of family-oriented activities. With its commitment to sustainability, KAIA Heights incorporates various sustainable elements, earning it a Provisional Silver GreenRE certification.

Land Area (Acre)	Launch GDV (RM Million)	Expected Completion	Happy+ Series
<b>Phase 1:</b>	<b>351.2</b>	<b>Quarter 3, 2025</b>	<b>The NEST Series</b>
<b>Phase 2:</b>	<b>322.9</b>	<b>Quarter 4, 2026</b>	<b>The NEST Series</b>

**OUTLOOK**

As part of our transformation journey, we are focused on rebalancing our land portfolio and increasing our presence in the Central region. In 2023, we acquired 9.1 acres of freehold land in SS6 Kelana Jaya from Kwasa Properties Sdn Bhd for RM155.0 million. With an estimated GDV of RM1.1 billion, this land will be used to develop a mixed-use development featuring both residential and retail components as part of our NEST series. This project is slated for launch in 2025.

We will also be developing our 9.9 acres land in Section 13, Petaling Jaya into a mixed-use development with residential towers. With an approximate GDV of RM1.3 billion, the land will be developed over a period of seven years, as it is divided into two phases. This project is also expected to launch in 2025.

Moving forward, we will focus on activating developments within our existing landbank with projects in Mont'Kiara, Serene Heights, Symphony Hills and Kiara Bay. We will also be focusing on integrated developments in the Central region, via Solaris Parq, Cheras, PJ Section 13 and Kelana Jaya.





## Business Review

### SOUTHERN BUSINESS

As of December 2023, the total remaining landbank in the Southern region spanned 7,469.5 acres, with a total future GDV of approximately RM75.5 billion. Our Southern region remaining landbank is predominantly located in Gerbang Nusajaya at 2,252.4 acres. Outside Iskandar Puteri, we have remaining land in two other locations in Johor, namely Desaru and Kulai.

With the vast land available in Iskandar Puteri, township and mixed development master planning is the core activity of the Southern Business unit. Key master plans are Puteri Harbour and Gerbang Nusajaya, whilst others include East Ledang, Senadi Hills, Nusa Bayu, Nusa Idaman and The Maris, Desaru. In 2023, we focused on activating the remaining land in Iskandar Puteri and re-strategising the masterplans of Gerbang Nusajaya and Puteri Harbour, capitalising on the renewed interest in Johor's real estate sector.

In 2023, we launched a total of RM178.1 million worth of projects, focusing on mid-market landed homes, aligned with the prevailing market demand in the Southern region. Landed homes of Senadi Hills and Aspira ParkHomes were the main product launched last year. The sales were overwhelming, with all non-Bumiputera units of Senadi Hills Ph2B sold out shortly after its launch on 18 December 2023, and 50% of the Bumiputera lots registered for. Following the successful sales, similar product type will be duplicated in an upcoming 145.4-acre township in the vicinity of Puteri Harbour, called Laman DiReka.

Taking a long-term view and aligning to our U2030 transformation plan, we conducted a massive masterplan rejuvenation exercise for Iskandar Puteri, in particular for Gerbang Nusajaya and Puteri Harbour. The future products will be more diverse. Apart from the traditional terrace homes, we are planning for higher value homes, commercial properties to support the needs of the residents, as well as industrial properties. The revised masterplan of Gerbang Nusajaya entails the conversion of 361.2 acres of land from residential to industrial land use. We are expecting the industrial component to contribute more than 20% of the total Gerbang Nusajaya GDV. In Puteri Harbour, apart from strategising the upcoming launches for Estuari and Laman DiReka, placemaking and commercial activities are also being planned.

For the convenience of residents and to enhance the living experience in Iskandar Puteri, we have constructed a RM152.3 million interchange, that provides a direct link from Gerbang Nusajaya to Tuas checkpoint on the Second Link Expressway, enhancing the connectivity between Iskandar Puteri and Singapore. The construction of the interchange was completed in 2023 and is now in the process of being handed over to the authorities. Another important facility that we are building currently is the Gerbang Nusajaya Show Village, a venue to showcase Iskandar Puteri masterplans in 15-year horizon.

Land holdings in the Southern region:

# 7,469.5 acres

representing 93.5% of the total landbank with a GDV of

## RM75.5 billion







Gerbang Nusajaya, Iskandar Puteri, as seen from an aerial perspective



## Business Review

### SOUTHERN REGION PROJECTS

#### SENADI HILLS

Located in Iskandar Puteri, Senadi Hills is a multi-generational residential development located 2km away from LEGOLAND Malaysia Resort. This mixed-use development encompasses 398 units of double storey terrace house, 20 units of commercial and 293 units of affordable home (RMBJ). Uniquely designed with a focus on elderly and less-abled accessibility, it features wheelchair-friendly spaces. Easily accessible from Lebuhraya Kota Iskandar and Jalan Ismail Sultan (Iskandar Coastal Highway), Senadi Hills offers excellent connectivity and close proximity to various amenities.



#### Senadi Hills Phase 3 (Senadi Square) – Double Storey Shop Office

Senadi Hills Phase 3 (Senadi Square) is a commercial development located within a catchment of established neighbourhoods and commercial centres. Senadi Square is an exciting retail space in proximity to nearby amenities and attractions such as Legoland Malaysia, Mall of Medini, Gleneagles Medini, Horizon Hills, Aeon Bukit Indah and Puteri Harbour International Ferry Terminal and numerous main arteries to connecting cities. It comprises of 20 units of Happy+ The COMMERCE Series double storey shop office fronting high transit traffic, giving its businesses a profitable edge.

Land Area (Acre)	Launch GDV (RM Million)	Expected Completion
1.3	24.2	-

#### Senadi Hills Phase 4C (KKSAR) – Shop Office

Senadi Hills Phase 4C (KKSAR) is affordable commercial development shop office in Senadi Hills, Iskandar Puteri.

It comprises of 33 units of Happy+ The COMMERCE Series affordable shop office fronting high transit traffic, giving its businesses a profitable edge.

Land Area (Acre)	Launch GDV (RM Million)	Expected Completion
1.0	6.7	May 2024



#### Senadi Hills Phase 2A - Double Storey Terrace House

Senadi Hills Phase 2A is a private residential enclave under Happy+ The NEST Series that welcomes elders and the less-abled with wheelchair-friendly spaces. Beautiful, manicured gardens and parks enrich Senadi Hills with natural touches of nature and greenery.

Senadi Hills Phase 2A offers a limited number of units with a lot size of 22' x 70' and a built-up area of 2,197 sq. ft. These tastefully designed and guarded homes ensure ample space for the whole family to live comfortably. They are an excellent match for all generations, making this suitable for multigenerational families.

Its strategic location also boasts a wealth of amenities within and beyond its boundaries - from schools, shopping centres to medical facilities and many more to fulfil your daily needs.

Land Area (Acre)	Launch GDV (RM Million)	Expected Completion
4.0	61.9	December 2024

**SENADI HILLS****Senadi Hills Phase 2B - Double Storey Terrace House**

Offering expansive views from elevated grounds, Senadi Hills Phase 2B is a private enclave welcomes all ages, designed with wheelchair and stroller-friendly spaces provided for those in need.

Phase 2B is the final phase of double-storey terrace houses, offering a limited number of units, 91 units with a lot size of 22' x 70' and a built-up area of 2,222 sq ft. These tastefully designed and guarded homes are built to accommodate for all generations, ensuring ample and comfortable spaces for the whole family.

Its strategic location also boasts a wealth of amenities and facilities — from schools, shopping centres to medical facilities and many more to fulfil your daily needs.



Land Area (Acre)	Launch GDV (RM Million)	Expected Completion	Happy+ Series
5.0	77.2	July 2025	The NEST Series

**Nadi Nusantara 1 - (Affordable High-Rise)**

Nadi Nusantara 1 is the latest line of affordable homes under Rumah Mampu Biaya Johor programme in Senadi Hills, Iskandar Puteri. It is designed especially for family comfort as well as encouraging a community lifestyle.

It comprises of 130 units of affordable high-rise with a built-up area of 1,400 sq ft.

Land Area (Acre)	Launch GDV (RM Million)	Expected Completion	Happy+ Series
2.2	39.0	May 2025	The KASIH Series



## Business Review



### OUTLOOK

The property market in Johor is poised for a revitalisation, fuelled by key initiatives and favourable conditions. The Johor-Singapore Special Economic Zone (JS-SEZ) is anticipated to serve as a catalyst for regional economic growth, attracting foreign direct investments (FDI) and potentially luring multinational corporations to establish bases in both Singapore and Johor. Factors such as the completion of the Johor Bahru-Singapore Rapid Transit System (RTS), the potential revival of Malaysian My Second Home (MMSH) programme, and the JS-SEZ are expected to stimulate buyers interest, particularly among Singaporeans and Malaysians working across the border.

Additional growth factors include implementation of the Johor Smart City Blueprint 2030, potential stations in Johor along the proposed Kuala Lumpur-Singapore High-Speed Rail (HSR) route and partnerships with private operators which will enhance accessibility and

connectivity. Meanwhile, the Puteri Harbour International Ferry Terminal (PHIFT), Bus Rapid Transit (BRT) and Gerbang Nusajaya Interchange also potentially benefit from the revival of the HSR rail project.

In response to the evolving landscape, we have refined our masterplan for the Southern region, aiming to maximise the GDV potential of our existing landbank. A primary focus lies in optimising the strategic location of our land which is positioned at the second crossing with Singapore and in close proximity to the Port of Tanjung Pelepas, supporting the growth of the logistics sector. This entails reducing emphasis on residential developments and increasing our focus on industrial and commercial offerings.

Aligned with the NIMP 2023, which aims to attract investments, we are poised to capitalise on the growth of the industrial real estate market. The rezoning of

residential land in Gerbang Nusajaya for industrial use, alongside joint ventures with industrial experts, presents significant potential for establishing hubs in manufacturing, logistics, and data centres. This could also potentially benefit from the revival of the HSR project. Moving forward, the industrial product segment will be our new engine of growth in the Southern region and is expected to contribute significantly to our revenue moving forward.

In terms of improving our product pipeline to expedite development progress, we will be activating our existing landbank which consists of the development under Gerbang Nusajaya and Puteri Harbour. Given the renewed interest in Iskandar Puteri, plans have also been established to roll-out our new projects such as Laman DiReka, Aspira Hills including new phases of Aspira LakeHomes and Estuari.



I have had the privilege of being part of the UEM Sunrise family for 20 years. Throughout my journey, my proudest achievement was the team's timely completion of Nusa Idaman. This achievement not only signified our commitment to excellence but also underscored our team's capability to deliver on our promises, setting a benchmark for future projects. Adhering to stringent work timelines and ensuring the governance of works at site are critical to minimise defects during the Defects Liability Period (DLP) and instill the principle of "Do It Right The First Time".

When I was younger and 'greener', my peers taught me to strive for success as a team and bring the best out of the team members. As time goes on, I hope I can empower the young minds and pass on the legacy of leadership while balancing our personal well-being."

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**CHIEF Maziana**

Project Team Leader - Nusajaya



# OPERATIONAL UPDATES FOR INTERNATIONAL



UEM Sunrise's international property development portfolio remains a crucial contributor to our business. Despite challenges such as rising property prices, high interest rates and inflation, the Australian property market has showcased remarkable resilience. Our notable developments in Australia include Aurora Melbourne Central, Conservatory and Collingwood in Melbourne. We also expanded into Perth, with our first residential project in Western Australia. We look forward to continued success in our future development ventures in Australia.

Australia's real estate sector continued to face challenges amid rising interest rates and inflation. Home values surged by 8.1% in 2023, with key capital cities such as Melbourne experiencing a 3.5% increase and Perth witnessing a substantial rise of 15.2%. Elevated construction costs, particularly for labour and materials impacted project viability, resulting in a limited number of launches throughout the year<sup>1</sup>. The competitive market further presented challenges in securing suitable land. Despite this, overall housing demand remained high, driving house prices upward and increasing the demand for rental properties.

Our completed projects in Australia include Aurora Melbourne Central which is the tallest tower in the central business district (CBD) and Conservatory, a mixed development that balances city vibrancy and garden tranquillity.

We partnered Greystar Real Estate Partners, LLC (Greystar) to develop the first BTR project for our 21-53 Hoddle Street in Collingwood project. It is also the first BTR project by a Malaysian developer in the country. Our move into BTR projects aligns with the evolving market demand in Australia, and is also a new asset class development for UEM Sunrise. Through this partnership, Greystar will act as the investor and eventual owner-operator of the proposed development through a fund-through structure, with UEM Sunrise as the development and delivery partner.

This project is expected to activate the eastern precinct of Collingwood with food and beverage options, shops, essential services and greenery. It also includes new pedestrian throughfare links to enhance connectivity between Hoddle, Langridge and Islington Streets. Both UEM Sunrise and Greystar have committed to creating high-quality communities within these neighbourhoods, extensive new green space and landscaped areas.

We also acquired our first residential development site in Subiaco East in Perth, Western Australia in August 2023 for AUD22.2 million (RM66.5 million). This acquisition is significant as it marks our first site in Perth since our expansion into Australia in 2013, reinforcing our commitment to expanding our presence.

At 4,930m<sup>2</sup> the sites are part of the overall Subiaco East redevelopment masterplan by Development WA. It will involve the construction of two landmark apartment buildings, which will contribute to the region's housing supply as well as support the revitalisation of the Subiaco town centre and West Leederville activity centre. Our expansion into the Perth property allows us to capitalise on new opportunities given the strong fundamentals underpinning Perth's economy and some of the best prospects for capital gains in Australia.

Note:

<sup>1</sup> Source: CoreLogic

## INTERNATIONAL PROJECTS

## 21-53 HODDLE STREET COLLINGWOOD, MELBOURNE



The first BTR project in the inner-Melbourne suburb of Collingwood, this development comprises approximately 400 apartments units across two buildings. It offers a diverse mix of studios as well as one-, two- and three-bedroom apartments suitable for multigenerational living. The proposed development will also feature extensive common facilities and services for residents including a swimming pool, gym, movie room, wellness and entertainment spaces, bike parking, electric vehicle charging stations, concierge and co-working spaces.

Land Area  
(Acre)

1.3

Launch GDV

RM873.7 million  
(AUD277.3 million)Expected  
Completion

June 2027

## LOTS 1 &amp; 2, SUBIACO EAST, WESTERN AUSTRALIA



This upcoming residential development will feature dual sleek towers, approximately 400 residential apartments across Lot 1 and 2, with up to 12% designated for affordable housing. The design concepts incorporate elements that celebrate the rich history of Subiaco, which complement the iconic Subiaco Oval's surroundings. Situated in close proximity to the lively Subiaco entertainment precinct, the development enjoys convenient access to the Subiaco Train Station and West Leederville Train Station, both just an eight-minute walk away, thereby ensuring seamless connectivity to the CBD, airport and surrounding suburbs. Design development is in progress for permit approval with target launch date is set for 2025 and construction is slated to commence in 2026.

Land Area  
(Acre)

1.2

Launch GDV

RM1,346.7 million  
(AUD450 million)Expected  
Completion

June 2029



## Business Review

### AURORA MELBOURNE CENTRAL, MELBOURNE



Aurora Melbourne Central is UEM Sunrise’s inaugural development in Melbourne and in Australia with total GDV of RM2.2 billion. Located at Melbourne CBD’s most lively intersections of La Trobe Street and Swanston Street on a 0.8 acres site, the development has 959 residential apartments, 252 serviced apartments, 3,848 square meters (41,420 square feet) of office suites, and 2,123 square meters (22,852 square feet) of signature retail areas on the Ground Floor and Lower Ground Floor. It is located within a vast array of transport options and connectivity with a selection of tram stops in all directions and direct underground connection to Melbourne Central - a city loop railway station and the city’s largest shopping precinct. Aurora Melbourne Central was completed in stages where the last separable portion was completed in February 2020 and have achieved 100% settlement.

Land Area (Acre)	Launch GDV	Completed
0.8	RM2.2 billion	2019

### CONSERVATORY, MELBOURNE



Conservatory is a landmark development located on Mackenzie Street between the northern fringe of Melbourne CBD and Carlton Gardens. Spanning over approximately 0.5 acres of land, this RM1.0 billion GDV development comprises 446 residential apartments and about 300 square meters (3,229 square feet) of signature retails on ground floor. The development featured a variety of communal spaces for all residents including gym, outdoor pool and BBQ deck, cinema, golf simulator, dining room and roof top garden terrace with excellent unencumbered views to Carlton Gardens and the Dandenong ranges to the north. Conservatory was completed towards the end of 2018 and have achieved 100% settlement.

Land Area (Acre)	Launch GDV	Completed
0.5	RM1.0 billion	2018





Breathtaking view through the glass facade of Aurora Melbourne Central

## OUTLOOK

For 2024, Australia's real estate is expected to remain robust, underpinned by modest economic growth. Economic growth is expected to hover around 0.9% before reaching 1.6%, while inflation which is currently at 5.3%, is expected to trend lower towards the Reserve Bank of Australia (RBA)'s target range of 2% to 3%, prompting a potential reduction in interest rates in 2024 and 2025 to stimulate economic activity. The Federal and State Governments have also introduced a number of policies, incentives and initiatives to address housing shortages and affordability issues.

In light of market dynamics, our strategic focus involves strengthening our presence in our existing markets, namely Melbourne and Perth. Given the cyclical nature of the real estate market, our goal is to expand into other key capital cities of Australia. We are also exploring product types and asset classes, as well as strategic partnerships that will enable us to optimise our capital allocation.









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## SECTION 05

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During my enriching two-year journey at the Company, the pinnacle of my achievement was leading the visuals for The MINH Club Series project. It not only earned accolades but also marked a significant milestone in our company's growth. In my role as Digital Imaging Manager, I've focused on elevating the Company's visual identity through innovative and meticulously detailed 3D visualisations, enhancing our brand's appeal. The challenge of merging technical skills with creativity, and fostering a collaborative and innovative team environment, has been a rewarding aspect of my job. My vision for the future encompasses harnessing technology and creativity to elevate quality, client satisfaction, and drive our business forward."

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**CHIEF Syidi**  
Digital Imaging Manager



## SUSTAINABILITY AT UEM SUNRISE

Embedded across all our operations at UEM Sunrise, sustainability is a fundamental component of our core values, as it steers us toward responsible and efficient choices. Our unwavering commitment to sustainability is evident in the comprehensive solutions we offer, covering Community, Environment, and Products. We firmly believe that through collaborative efforts, we can forge towards a better future, leaving a lasting and positive impact for future generations.

**SUSTAINABILITY BLUEPRINT**

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’s Sustainability Blueprint. The blueprint is anchored on four pillars namely Liveability, Affordability, Sustainability and Resilience.

The strategic document sets out our corporate objectives and strategies to achieve sustainability across our operations, while embedding sustainability principles across our developments’ design processes from conceptualisation to construction stage in line with our commitment towards sustainability.



Key Pillars	What it means	Our Commitment
<b>Liveability</b>	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, allowing residents and communities to thrive.
<b>Affordability</b>	Providing inclusive and accessible quality spaces to all in minimising the effects of inequality.	Ensuring financial access such as affordable rents or fair down payment requirements while 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>	Decarbonising spaces through a life cycle strategy and strategic alliances to achieve Carbon Neutrality by 2050.	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>	Building spaces that can withstand unpredictable shocks and are adaptable to all kinds of changes.	Ensuring all developments, including cities and buildings, are future-proofed and resilient against various risks such as climate change and health crises.



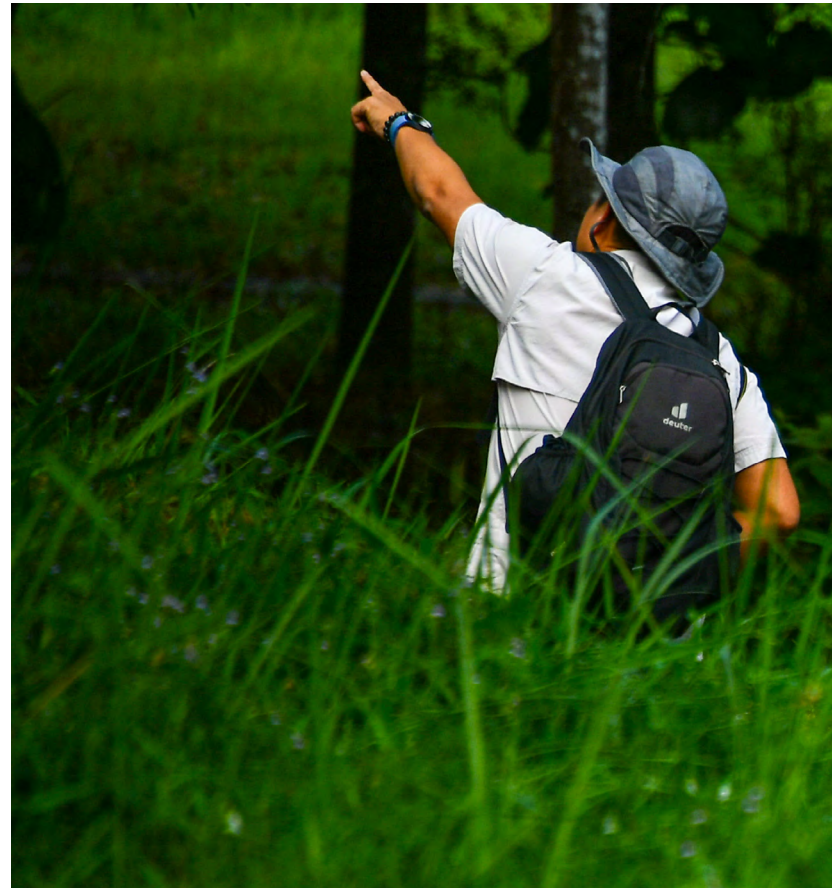
## Sustainability at UEM Sunrise

### BUILDING A LOW-CARBON FUTURE

UEM Sunrise recognises the importance of taking action to address climate change and reduce our carbon footprint. With this in mind, we have embarked on 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 by 1.5-degree Celsius.

Achieving Carbon Neutrality 2050 requires a concerted effort, which is why we have set an interim goal. Ambition Zero 2040 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.

In 2023, a total of 23 Environmental, Social and Governance (ESG) related Key Performance Indicators (KPI) targets were endorsed by the Board of Directors demonstrating the company’s commitment to deliver measurable outcomes. The KPI targets assured our actions and investments made during the year aligned with our sustainability pillars and objectives.



The hiking path through SIREH Park, Iskandar Puteri, Johor



### SUSTAINABLE DEVELOPMENT DESIGN GUIDELINES

In 2023, we launched an updated version of the Sustainable Development Design Guidelines (SDDG) following the Board’s endorsement, aligning towards our corporate strategy under “TRIAGE” while bringing enhanced focus on sustainability and Design for Manufacture and Assembly (DfMA).

The SDDG serves as a set of principles and guidelines that aims to create UEM Sunrise’s developments that are environmentally, socially, and economically sustainable. Aligned with the Sustainability Blueprint, the guidelines ensures the integration of sustainability into every design decision by our designers and professionals, prioritising resource efficiency, waste reduction, biodiversity and social equity.

Embedding sustainability principles into our design processes enables us to create more resilient, efficient, and equitable products, services, and infrastructure. This not only benefits our business and our stakeholders, but also contributes to the well-being of the planet.



### SUSTAINABILITY SUKUK FRAMEWORK

In line with the Company's commitment towards supporting the UN SDGs, UEM Sunrise's Sustainability Sukuk Framework was established to set out clear and transparent guidelines for the issuances of ASEAN Sustainability SRI Sukuk Murabahah, covering the four main components - utilisation of proceeds, project evaluation and selection process, management of proceeds and reporting.

This framework is designed to ensure alignment with international guidelines, frameworks or standards. The proceeds shall be used to fund sustainability projects, which include green buildings, energy efficiency and renewable energy, affordable housing, pollution prevention and control, sustainable water and wastewater management as well as socioeconomic advancement and empowerment. These projects are in line with UEM Sunrise's Sustainability Blueprint.

**16** For more information on the Sustainability Sukuk Framework, kindly visit [www.uems.irplc.com/investor-relations/re-revamp/corporate-governance/pdf/Policies/Sustainability-Sukuk-Framework.pdf](http://www.uems.irplc.com/investor-relations/re-revamp/corporate-governance/pdf/Policies/Sustainability-Sukuk-Framework.pdf)

### SUSTAINABILITY AS PART OF U2030

Sustainability stands out as a pivotal enabler in the U2030 transformation plan and is deeply ingrained within our strategy. Our sustainability endeavours are central to our mission, aimed at reducing our environmental impact and amplifying our societal contributions as we navigate through this transformative phase.








A cornerstone of this plan is the establishment of a sustainability charter, which focuses on sustainability practices and carbon management. This includes a suite of initiatives geared towards a sustainable, low-carbon future, aligning with our ambition of achieving Carbon Neutrality by 2050. This strategic pivot not only reflects our commitment to environmental stewardship and social responsibility but also underscores our dedication to long-term, sustainable growth.



# Sustainability at UEM Sunrise

## CONTRIBUTING TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDG)

Our sustainability commitment is aligned with the UN SDGs and are integrated seamlessly across our business strategies, operations and projects.

UNSDG	Our Initiatives	UNSDG	Our Initiatives
	<p>1.1 • UEM Sunrise collaborated with Yayasan UEM, the philanthropic arm of UEM Group Berhad and distributed school necessities to 543 underprivileged students from Central and Southern regions, with the aim to ease the financial burdens of underprivileged families and to raise the spirits of students as they enter the new school year.</p> <hr/> <p>1.4 • UEM Sunrise carried out 17 CSR initiatives, enriching 27,480 lives.</p>		<p>6.3 • UEM Sunrise signed an MOU between with Universiti Malaya’s Faculty of Science and have committed RM50,000 to assess the water quality of the Kepong Metropolitan Park Lake located next to our development Kiara Bay, ensuring the park is conducive for various recreational and leisure family activities.</p> <hr/> <p>6.5 • At UEM Sunrise, we implemented erosion and sediment control measures, sediment ponds, and vegetative buffers to prevent construction-related runoff, silt screen, silt trap and minimise sedimentation in water bodies. Additionally, we optimised our management of effluent treatment systems to ensure compliance with regulatory standards and prevent pollution of water sources from construction activities and operational discharge such as the Total Suspended Solid (TSS).</p>
	<p>3.4 • UEM Sunrise partnered with digital care partners and launched a digital platform focusing on prevention and long-term wellness and healthcare solution. As part of the CHIEFs Wellness Programme (CWP), the aim of this enhanced feature is to introduce a more innovative and comprehensive programme that will empower all employees to take charge of their own overall well-being.</p>		<p>7a • The SDDG provides guidelines for our buildings to be designed with energy-efficient features such as insulation, high-performance windows, and energy-efficient lighting and appliances. Beginning 2023, all our residential landed and high-rise projects will be periodically assessed based on plan of works with a target of minimum 80% compliance with the sustainability checklist as per the guidelines.</p> <hr/> <p>7.3 • UEM Sunrise obtained green building certifications such as GreenRE or GBI to ensure our buildings are meeting strict energy efficiency and sustainability standards.</p>
	<p>4.1 • UEM Sunrise promoted the importance of education through our involvement in the PINTAR school adoption programme, a collaborative social responsibility programme with Khazanah Nasional Berhad.</p> <hr/> <p>4.3 • UEM Sunrise recognised the importance of a highly competent and skilled workforce as we firmly believe that providing ample training, education, empowerment, and growth opportunities are crucial for employees to achieve their career aspirations and boost their leadership. In line with this, we invested more than RM1.1 million towards these endeavours in 2023.</p> <hr/> <p>4.6 • UEM Sunrise provided access to reading materials to the local community through a community library project named BukuHub. The library also serves as a community hub, providing a space for people to gather, interact, and learn. To date, a total of 13 community libraries had been launched under BukuHub.</p>		<p>8.2 • UEM Sunrise has equitable and competitive remuneration policies in place providing fair compensation and attractive benefits as well as opportunity for professional growth and career advancement. We adhere to all relevant local laws in terms of benefits, remuneration packages, working hours, overtime, minimum wage, and allowances.</p> <hr/> <p>8.3 • At UEM Sunrise, 95% of our vendors are local companies.</p> <hr/> <p>8.5 • UEM Sunrise invested in new development projects which would generate economic activity in the communities where the projects are located, contributing to the growth of the local economy. In 2023, 13 projects have been completed with a total GDV of RM1.2 billion.</p>
	<p>5.5 • UEM Sunrise Diversity, Equity &amp; Inclusion (DE&amp;I) Policy is a reflection of our commitment to build an inclusive and diverse workplace which aligns with our strategic objective for long-term sustainable growth. It provides a framework in guiding our practices and decisions at UEM Sunrise.</p>		

UNSDG	Our Initiatives	UNSDG	Our Initiatives
	<p>9.1</p> <ul style="list-style-type: none"> <li>• UEM Sunrise implemented Building Information Modelling (BIM) workflow for 11 high-rise and two landed projects, aiming to streamline the design process and improve project coordination. The BIM shall integrate sustainability considerations into the digital design process and enable optimisation of sustainability factors such as energy performance, material efficiency, and construction waste reduction.</li> <li>• UEM Sunrise invested RM10.3 million in digital initiatives in 2023.</li> </ul>		<p>13.2</p> <ul style="list-style-type: none"> <li>• At UEM Sunrise, to address climate change and take steps to reduce our carbon footprint, we have set our sights on Carbon Neutrality 2050, with a clear plan to kickstart our journey by building a low-carbon future by 2030.</li> </ul>
	<p>10.3</p> <ul style="list-style-type: none"> <li>• UEM Sunrise DE&amp;I Policy is a reflection of our commitment to build an inclusive and diverse workplace which aligns with our strategic objective for long-term sustainable growth. It provides a framework in guiding our practices and decisions to promote an environment that values unique contributions of each individual, ideas, backgrounds, experiences and perspectives of employees to grow and succeed.</li> </ul>		<p>15.5</p> <ul style="list-style-type: none"> <li>• UEM Sunrise contributed RM3.5 million to SIREH Park in 2023, demonstrating our unwavering commitment to fortify the park's resilience, ensuring its longevity for generations to come. The fund will play a pivotal role in supporting SIREH Park's development, covering their operational and capital expenditure. To date, with its partners, SIREH Park has planted 9,800 trees, inching closer to the target of 25,000 trees by 2028, which will sequester approximately 300,000kg of carbon dioxide annually.</li> </ul>
	<p>11.1</p> <ul style="list-style-type: none"> <li>• UEM Sunrise's SDDG provides guidelines for our buildings to be designed with water and energy-efficient features such as insulation, high-performance windows, and energy-efficient lighting and appliances. Beginning 2023, all our residential landed and high-rise projects will be periodically assessed based on a plan of works with a target of minimum 80% compliance with the sustainability checklist as stipulated in the guidelines. This sustainable integration starts from the project's inception stage and the assessment to be jointly conducted by the consultants, design and project managers, and contractors.</li> </ul>		<p>16.5</p> <p>16.6</p> <ul style="list-style-type: none"> <li>• UEM Sunrise ensures our people, processes, and operations comply with all applicable laws, regulations and policies including the Malaysian Anti-Corruption Commission Act 2009. We are committed to the highest standards of integrity and have a zero-tolerance policy towards all forms of corruption, and we will not tolerate any behaviour that violates our commitment to ethical and legal business practices.</li> </ul>
	<p>12.2</p> <ul style="list-style-type: none"> <li>• At UEM Sunrise, we practise resource efficiency and optimisation through advanced construction techniques and modular design. By embracing these innovative approaches, we minimise waste, streamline processes and enhance sustainability in our projects.</li> </ul>		<p>17.16</p> <ul style="list-style-type: none"> <li>• At UEM Sunrise, we focus on strategic partnerships to drive our ambition towards reducing our GHG emissions and achieving carbon neutrality by 2050. We are constantly exploring for collaboration opportunities on low-carbon solutions specifically on renewable energy, green energy and mobility as well as sustainable cities.</li> </ul>
	<p>12.4</p> <ul style="list-style-type: none"> <li>• Adoption of BIM promotes collaboration by creating consistent information models throughout the design and construction process, along with greater standardisation, resulting in less waste and less costly revisions in our projects.</li> </ul>		



## Sustainability at UEM Sunrise

### SUSTAINABILITY GOVERNANCE

We have instituted a resilient sustainability governance framework that adopts a top-down approach, with oversight by the leadership team. This ensures the effective development and implementation of sustainability decisions.

➔ For more information, refer to Corporate Governance Overview Statement at page 212 of this report.



### MEMBERSHIP AND ASSOCIATIONS

At UEM Sunrise, we create a more sustainable future by proactively participating in diverse memberships and associations to promote and stay ahead in sustainable practices.

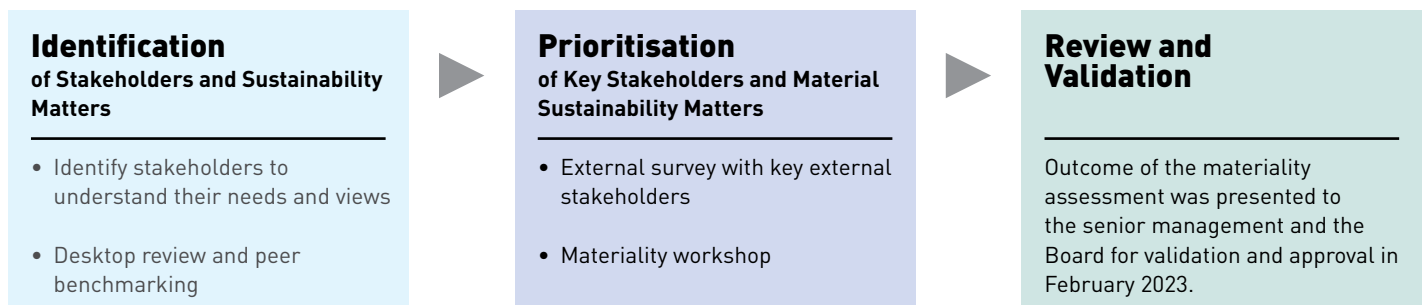
Real Estate and Housing Developers' Association Malaysia (REHDA)	Federation of Public Listed Companies Berhad	The International Real Estate Federation (FIABCI) Malaysia	Kementerian Pembangunan Dan Kerajaan Tempatan (KPKT)
PINTAR Foundation	Malaysian Advertisers Association	Association of Accredited Advertising Agents Malaysia	Malaysia Australia Business Council (MABC)

### OUR MATERIAL MATTERS

Material matters are essential to our business as they build resilience, foster trust and create shared value for all of our stakeholders, while ensuring sustainable growth and positive impact in the long run. Our sustainability approach and strategy for value creation hinges on our material matters, which are identified through active engagement with key stakeholder groups. This approach enables us to identify and prioritise topics that could affect our business and stakeholders positively or negatively in the long term. By proactively addressing stakeholder expectations and consistently delivering sustainable value over time, we can effectively align our strategy with our overarching objectives.

Aligned with our strategic planning cycle, we conduct a materiality assessment every three years and a high-level review on the materiality and prioritisation of sustainability material matters every year. The aim is to ensure they continue to stay relevant to our stakeholders, considering the evolving market landscape and external trends.

In 2022, a full materiality assessment was conducted involving a materiality workshop with the senior management and surveys engaging our key external stakeholders.



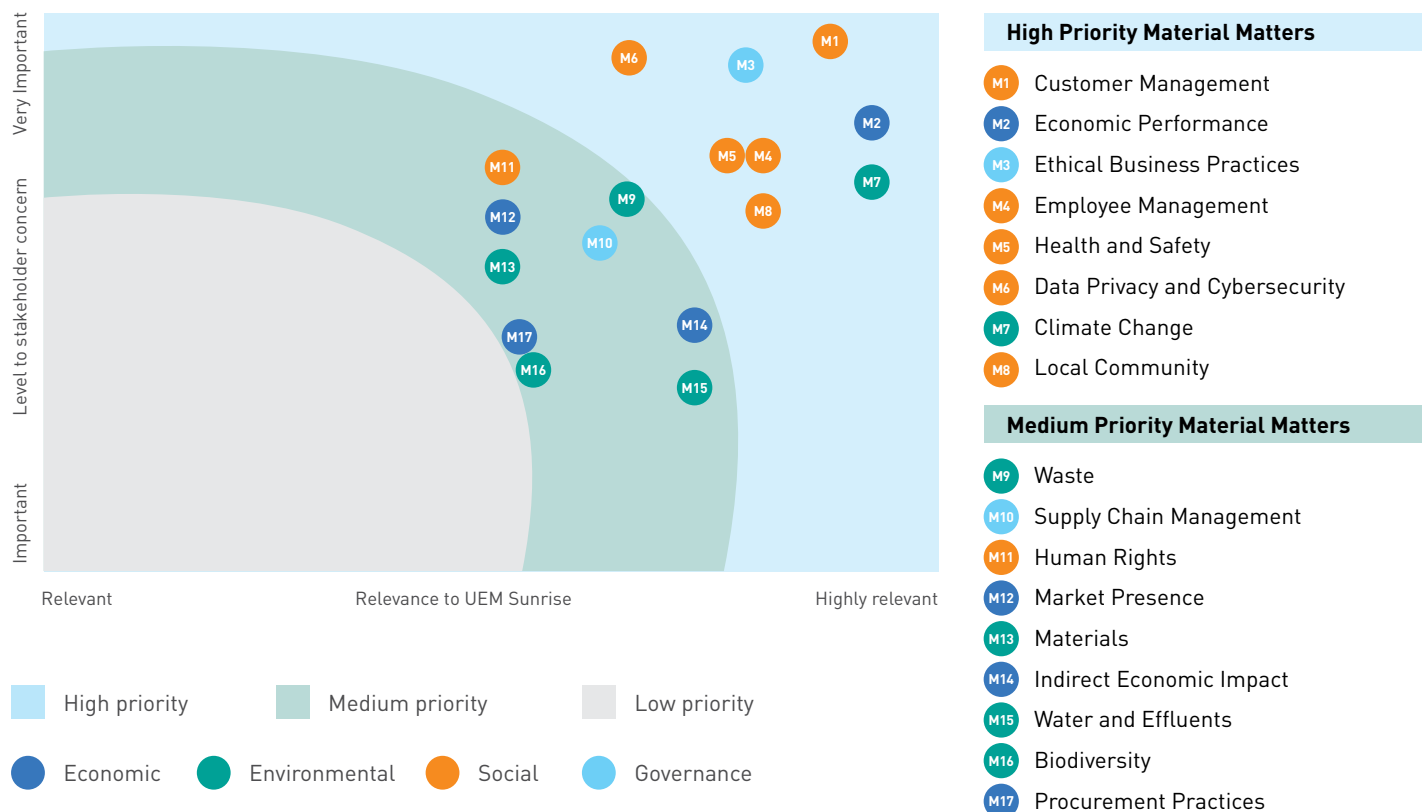
As a result, a total of 17 material matters were identified spanning across economic, environmental, social and governance aspects. The outcome of the materiality assessment was endorsed by the Board in February 2023 noting the key changes as highlighted below.

<p><b>M7 Climate Change.</b> There was a notable rise in the importance of climate change, reflecting heightened stakeholder concerns regarding our environmental and social impacts</p>	<p><b>M8 Local Community Engagement.</b> The significance of local community engagement has surged, underscoring stakeholders' expectations for UEM Sunrise to generate positive impacts for the communities in areas where it operates</p>	<p><b>M4 Employee Management.</b> Employee Management increased in priority, signifying stakeholders' increased emphasis on the company's ability to attract, develop and retain skilled employees</p>	<p><b>M10 Materials and Supply Chain.</b> The introduction of materials and supply chain management as new topics emphasised stakeholders' concerns regarding sustainable material sourcing and supplier management practices</p>
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In January 2024, a high-level review confirmed that these 17 material matters remain significant, with eight of them ranked the highest in terms of its importance to our business, demanding our greatest attention and effort. We are committed to addressing these critical issues with purpose and urgency, as part of our commitment to enhancing impacts to our stakeholders and our business operations.

These identified material matters are ranked in accordance to its importance and relevance towards our businesses, as depicted below.

**UEM Sunrise Materiality Matrix**





## Sustainability at UEM Sunrise

## Definition and Scope

The table below outlines the definition and scope of our material matters:

Priority	Material Matter	Definition & Scope	More Information
M1	<b>Customer Management</b>	Delivering excellence through quality products and transparent communication empowers customers to make informed decisions, ensuring that their needs are not just met, but surpassed, ultimately elevating overall satisfaction.	Page 129
M2	<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 115
M3	<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 123
M4	<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 134
M5	<b>Health and Safety</b>	Maintaining a safe work environment by recognising, evaluating, and controlling hazards that could arise and impair the health and safety of employees, workers, and customers.	Page 144
M6	<b>Data Privacy and Cybersecurity</b>	Safeguarding customer privacy and ensuring the safety of all UEM Sunrise's data with robust cybersecurity controls.	Page 150
M7	<b>Climate Change (Energy &amp; Emissions)</b>	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 156
M8	<b>Local Community</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.	Page 152
M9	<b>Waste</b>	UEM Sunrise's management of hazardous and non-hazardous waste, as well as effluents disposed of as waste or wastewater.	Page 170
M10	<b>Supply Chain Management</b>	Ensuring the supply chain is aligned with UEM Sunrise's policies and practices in the delivery of products through the management of environmental and social impacts.	Page 127
M11	<b>Human Rights</b>	UEM Sunrise protects and respects human rights within our operations and through business relationships.	Page 134
M12	<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 115
M13	<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 173
M14	<b>Indirect Economic Impact</b>	The impact of UEM Sunrise's infrastructure investment and services support on its stakeholders and the economy.	Page 116
M15	<b>Water &amp; Effluents</b>	UEM Sunrise's consumption and efficiency of water usage for industrial processes and general purposes.	Page 175
M16	<b>Biodiversity</b>	UEM Sunrise's identification and assessment of risks 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 180
M17	<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 120

# ECONOMIC IMPACT

## OUR NATION BUILDING EFFORT

Related Material Matters:



Our commitment to sustainability extends beyond just environmental and social impact. 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. As a leading property developer, our success in generating economic growth and maintaining a strong market presence is essential for our 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.



Kepong Metropolitan Park Lake photo by Hwong Chang-Ching, MyCapture Kiara Bay winner

### KEY HIGHLIGHTS

#### ECONOMIC

- UEM Sunrise AFFINITA, a collaboration with Affin Bank to empower and **uplift women's homeownership dreams**.
- **Completion of 13 projects** and **1,724 units** issued with vacant possession.
- **95%** of our suppliers are local companies.
- Continue to support government initiatives in providing **affordable housing**.

#### GOVERNANCE

- Won **Gold Award** at the Integrity, Governance and Anti-Corruption Awards 2023 (Anugerah Integriti, Governans Dan Antirasuah (AIGA 2023)).
- **100%** of our vendors were screened using social criteria.

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. When we choose to develop a new area, our operations and built environment have the ability to boost socio-economic values in surrounding community. 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.



## Economic Impact

### OUR INITIATIVES

#### Prioritising Local Hiring

At UEM Sunrise, our dedication to fuelling economic growth and fostering community prosperity goes hand-in-hand with our commitment to upholding labour standards, and promoting local hiring practices. Through our sustainable approach, we not only drive quality projects that uplift stakeholders but also prioritise the well-being of our workforce. This includes adhering to minimum wage regulations for all employees and workers engaged in our operations, regardless of local variations. Moreover, our emphasis on local hiring extends to significant operation sites across central, southern and international regions, where Malaysians fill 100% of

senior management roles and above. By integrating sustainability, innovation and responsible labour practices, we ensure that each development enriches lives across generations and contributes to Malaysia's advancement.

#### Indirect Economic Impacts

Through our developments, the economic impact extends beyond the immediate investment and is long term. Ranging from state-of-the-art sports complexes to vibrant urban hubs and transportation terminals, we demonstrate our commitment to foster local economic growth and promote community cohesion.

#### Anjung Neighbourhood Centre, Iskandar Puteri, Johor and The Beat, Kiara Bay, Kepong

A blend of retail and commercial hubs that support local businesses and serve as a social hub that brings residents together.

#### Puteri Harbour International Ferry Terminal, Puteri Harbour

A transportation hub that provides ferry services between Puteri Harbour International Ferry Terminal (PHIFT), Johor, and Tanjung Balai and Batam, Indonesia. This two-storey building with a T-shaped jetty ferry terminal can accommodate up to four ferries to berth at one time, with a maximum capacity of 50,000 passengers per month. It serves as another key international entry point that increases access for tourists to Johor, while promoting the state's economic status and local businesses. In 2023, the ferry terminal provided services to a total of 319,931 passengers.



#### Estuari Sports Centre, Iskandar Puteri, Johor

A hub for community gatherings, offering both indoor and outdoor sports facilities, including a swimming pool, martial arts studio, multipurpose room, gym, yoga room, sauna and other facilities. It also serves as a venue for conferences, exhibitions and weddings. Outdoor facilities include a FINA-compliant swimming pool and tennis courts, suitable for international tournaments such as the ATP Malaysian Open and SUKMA Johor.

### Supporting Affordable Housing Initiative

Affordability is recognised as a pillar in our Sustainability Blueprint, alongside Liveability, Sustainability and Resilience. The pillar focuses on our efforts in providing inclusive and accessible quality spaces at convenient locations with access to basic services including education and healthcare to all. Through UEM Sunrise's extensive experience in townships, residential and integrated developments, we have supported multiple government initiatives in providing affordable housing to the public and promoting homeownership to all segments of society.

Located in Senadi Hills in Iskandar Puteri, Johor, Nadi Nusantara 1 is designed for family comfort as well as encouraging community lifestyle. Meanwhile, in Segambut, Kuala Lumpur, Kondominium Kiara Kasih, is an attainable housing development under the Residensi Wilayah scheme. Designed to foster community spirit and general well-being, the development features a diverse array of attractions such as Podium Facilities Level and Central Green area which showcases urban farming and outdoor facilities for residents to enjoy rest and recreation amidst lush greenery and refreshing scenery.

To ensure continued economic sustainability and continuous pipeline of affordable homes to the communities, we are exploring an affordable housing model based on the principles of DfMA (Design for Manufacturing and Assembly) that brings together specialised local expertise with deep understanding on Modern Methods of Construction (MMC) and Industrial Building System (IBS) to Gerbang Nusajaya.

Under our affordable housing initiatives, to date, a total of 1,969 units have been completed while 2,346 units are under construction in Central and Southern regions.

### Completed Development Projects in 2023

During the year, 13 projects were completed, which is double the number of projects completed in the previous year. A total of 1,724 units have been completed and issued with vacant possession, with 1,256 units located in the Central region and the remaining units in the Southern region.

# 13

## PROJECTS

completed

# 1,724

## UNITS

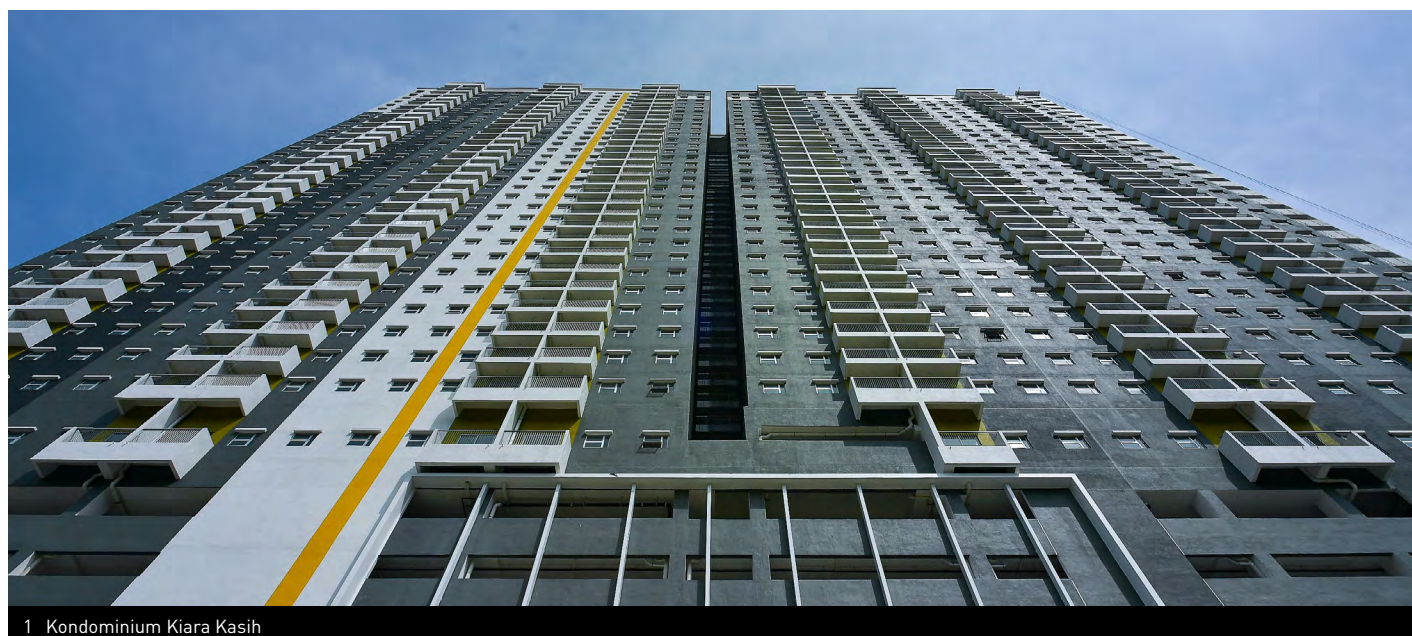
completed and issued with vacant possession

# 1,256

## UNITS

located in the Central region and the remaining units in the Southern region

The following are the newly completed projects:



1 Kondominium Kiara Kasih



## Economic Impact

The following are the newly completed projects: (continued)



2 Verna Terrace Homes



3 Verna Park Terrace



4 Verna Garden Cluster



5 Verna Twin Villas



6 Verna Linked Homes





7 Verna Lake Villas



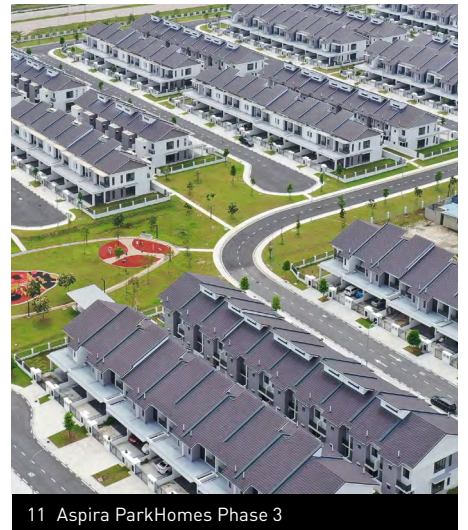
8 Astrea



9 Senadi Hills Phase 1B



10 Aspira ParkHomes Phase 2



11 Aspira ParkHomes Phase 3



12 Aspira Gardens



13 Senadi Square



## Economic Impact

### Tax Approach

We are dedicated to maintaining transparency in our tax affairs. Our aim is to build trust with tax authorities, stakeholders and the public by adhering to the highest standards of tax transparency.

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### OUR APPROACHES

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#### Tax Governance and Tax Risk Management

Our tax governance is overseen by the Chief Financial Officer, with all tax related responsibilities falling under the Tax Team. We have established a robust framework for identifying, managing and monitoring tax risks. Through regular reviews and approvals at various levels within the organisation, including the Audit Committee and Board of Directors, we ensure compliance with tax governance policies and procedures. Additionally, we have engaged external consultants to provide independent assessments of our tax governance framework and are committed to implementing their recommendations.

#### Tax Planning

Our focus remains on aligning tax planning with our business objectives while ensuring compliance with relevant laws and regulations. While formal tax strategies are under development, we proactively manage tax planning initiatives tailored to our business operations. Key tax risks are identified and addressed in collaboration with tax advisors.

#### Transfer Pricing

We recognise the importance of transfer pricing compliance in our global operations. We have a dedicated Tax Team that oversees transfer pricing matters, ensuring transactions are conducted at arm's length. Our approach emphasises adherence to transfer pricing regulations and guidelines to mitigate tax risks and maintain transparency.

#### Engagement with Tax Administrators

We maintain open and constructive engagement with tax authorities, fostering professional relationships based on mutual respect and cooperation. Our interactions with tax administrators are guided by ethical principles and compliance with tax legislation. Additionally, we actively participate in public policy advocacy on tax matters, contributing to the development of tax policies and regulations through direct engagement and industry collaboration.

#### Sustainable Procurement Practices

Our approach to sustainable procurement practices is guided by a holistic consideration that encompasses economic, environmental and social impacts, while aligning to our values and operational needs. Unless global sourcing is required, we seek out local suppliers who not only deliver quality products but also demonstrate a genuine commitment to sustainability, fairness and transparency. In addition, local procurement also has a lower environmental impact associated with the reduced transportation distances and carbon footprint, and supports the local economy by creating jobs and retaining revenue locally, fostering economic growth in our nation.

Through our Vendors Partnership Programme, we collaborate with local companies to explore long-term synergies and promote cooperation in the areas of marketing and branding. Collectively, both parties leverage their respective strengths to undertake cross-platform marketing for maximum visibility, and increase

brand awareness as well as innovation. This approach provides opportunities for UEM Sunrise and its partners the opportunity to explore new products and services. In the area of design development, the partnership ensures alignment to the Company's aspirations including its ESG goals and cost savings. We work closely with our partners to ensure alignment with our goals and to make 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. To date, we have nine vendors under the Vendors Partnership Programme.

Over the last three years, our number of suppliers have increased steadily. While the percentage of new registrations is on a declining trend, we have consistently recorded a high percentage of local suppliers. Our goal is to increase the number of vendors yearly and expand the vendor pool by 7% per year.

## OUR PERFORMANCE

## DISTRIBUTION OF ECONOMIC VALUE

	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)
<b>Direct Economic Value Generated:</b>			
Revenue	1,184,511	1,473,428	1,339,060
<b>Economic Value Distributed to:</b>			
Operating Costs	1,146,772	1,139,790	980,323
Employees Wages and Benefits	100,955	97,190	105,944
Payments to providers of capital	144,712	143,470	157,781
Payments to Governments	(1,796)	51,479	53,043
Community Investment	195	168	3,744
<b>TOTAL</b>	<b>1,390,838</b>	<b>1,432,097</b>	<b>1,300,835</b>

Economic Value Distributed by Country	2023		
	Malaysia (RM'000)	Australia (RM'000)	South Africa (RM'000)
Operating Costs	967,142	11,381	1,800
Employees' Wages and Benefits	101,225	3,996	723
Payments providers of capital	157,739	42	-
Payments to Governments	53,020	23	-
Community Investment	3,744	-	-

## NUMBER OF COMPLETED UNITS AND PROJECTS

## Number of units completed and issued with vacant possession

2021	2022	2023
431	1,051	1,724

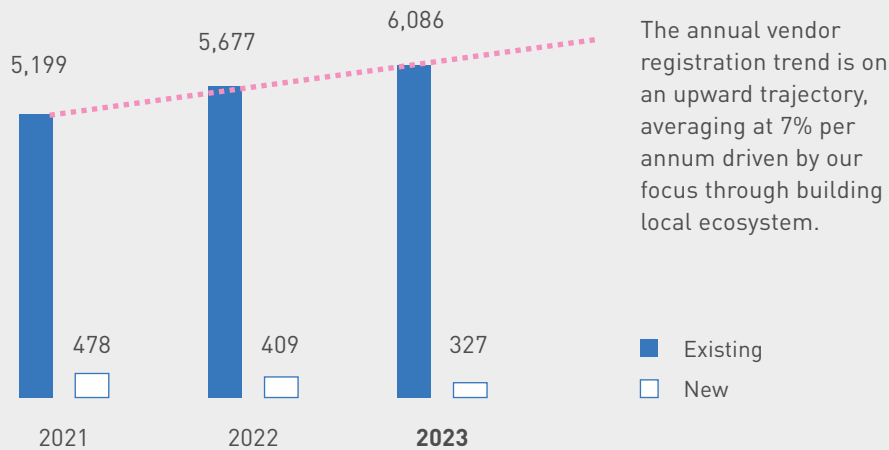
## Number of projects completed

2021	2022	2023
5	6	13



## Economic Impact

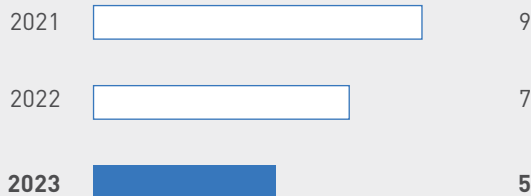
### UEM SUNRISE'S VENDOR REGISTRATION TREND FROM 2021 - 2023



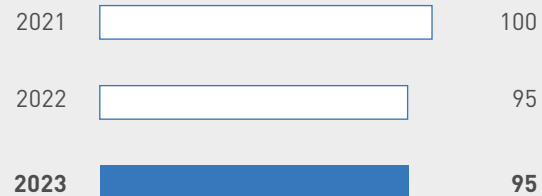
### TOTAL NUMBER OF VENDORS



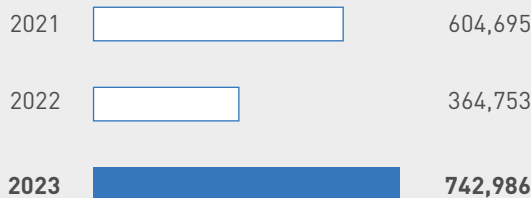
### PERCENTAGE OF NEW REGISTRATIONS (%)



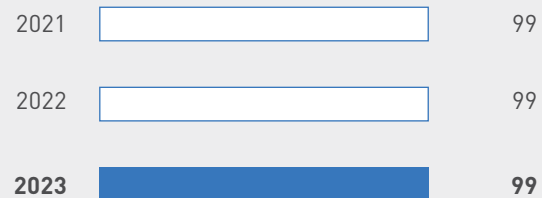
### PERCENTAGE OF VENDORS FROM LOCAL COMPANIES (%)



### TOTAL CONTRIBUTION TO VENDORS (RM'000)



### PROPORTION OF SPENDING ON LOCAL VENDORS (%)



## Going Forward

We remain steadfast in our commitment to drive economic growth while creating sustainable, long-term value for our business, stakeholders and the communities we serve. This commitment extends beyond financial gains to encompass the well-being of all who are impacted by our operations. As part of this commitment, we prioritise tax transparency and adherence to tax legislation, ensuring our operations are conducted with integrity and accountability. We will also continue to support local vendors and suppliers to contribute to their success and growth, which, in turn, strengthens the overall resilience of the local economy.

## ETHICAL BUSINESS PRACTICES

Related Material Matter:

M3

Ethical business practices are essential for building a resilient 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.



To protect our Company and stakeholders against unethical practices, we are committed to ensuring that our people, processes, and operations comply with all applicable laws, regulations and policies, including the Malaysian Anti-Corruption Commission Act 2009. We are committed to the highest standards of integrity and have a zero-tolerance policy towards all forms of corruption. We will not tolerate any behaviour that violates our commitment to ethical and legal business practices.

To uphold this commitment, we have established robust policies and anti-corruption measures to uphold integrity, ensuring our business operations are free from corruption. Our key policies are available on our corporate website at [www.uemsunrise.com/corporate/living-with-integrity](http://www.uemsunrise.com/corporate/living-with-integrity), comprising the following:

**Anti-Corruption  
Policy Statement**

**Anti-Corruption  
Policy &  
Guidelines**

**Code of  
Conduct**

**Code of Conduct  
for Business  
Partners**

### OUR INITIATIVES

#### Our Governance Framework

We have implemented robust anti-corruption measures to ensure that our business operations are free from any form of corrupt behaviour. Our Integrity & Risk Management (IRM) Department has established a Group Risk Management Policy & Guidelines that outlines our objectives, responsibilities, and accountabilities. This framework guides our policies and processes for managing risk including corruption risk. We also have a dedicated Integrity and Governance Unit (IGU) within IRM Department to drive the overall execution of the Group's integrity and anti-corruption initiatives. The Board Governance & Risk Committee (BGRC)



## Economic Impact

supports the Board in overseeing the Group's adherence to governance including anti-corruption compliance matters. Periodic reviews of corruption risk profiles are aligned with the Group Risk Management Policy & Guidelines.

➔ For more information, refer to Statement on Risk Management and Internal Control in page 239 of this report.

### Cultivating a Culture of Integrity and Ethical Conduct

All employees, including the Board of Directors are mandated to complete the Conflict of Interest and Anti-Corruption Declaration annually, ensuring that they fully understand the Conflict of Interest Policy and Anti-Corruption Policy & Guidelines as well as attending annual refresher training prior to the declaration. All employees including Board of Directors are also required to read and acknowledge the Code of Conduct annually, while suppliers and vendors are required to acknowledge the Code of Conduct for Business Partners. Additionally, we have in place a Whistleblowing Policy, which provides an avenue for our employees, third parties employed or engaged and members of the public to report wrongdoing or improper conduct within the Group in confidence and without the risk of reprisal, through our online reporting channel.

### CHIEF Integrity Advocate (CIA) Programme

We have also established and implemented a CHIEF Integrity Advocate (CIA) programme to promote integrity throughout the organisation. To enhance employee awareness on anti-corruption within the Group, we implemented various initiatives including monthly Hi-Integrity newsletters, the introduction of integrity and anti-corruption related policies and guidelines during onboarding, Hi-Integrity chat sessions, E-Learning programme and awareness sessions.

### Engaging with the MACC and GLICs

In our commitment to prevent corruption, we regularly engage with the Malaysian Anti-Corruption Commission (MACC) and government-linked investment companies (GLICs) to strengthen anti-corruption efforts.

### Integrity, Governance and Anti-Corruption Awards 2023

As a testament to our strong commitment to upholding the highest standards of governance, UEM Sunrise has won Gold Award at the Integrity, Governance and Anti-Corruption Awards 2023 (Anugerah Integriti, Governans Dan Antirasuah [AIGA] 2023), acknowledging our dedication to fostering integrity, best governance practices, and anti-corruption initiatives.

### Training Programmes

During the year under review, we have conducted the following training programmes on anti-corruption for employees to emphasise the value of integrity in the workplace and all our business transactions:

#### Integrity & Anti-Corruption E-Learning Programme

Compulsory to all employees, this online training programme emphasises understanding of fundamental knowledge on anti-corruption and facilitates employees in embracing principles of integrity while addressing workplace corruption prevention. The training comprises the following key areas:

- Corporate gifts, hospitality and entertainment
- Donations, political contributions and sponsorships
- Conflict of interest issues
- Protection of confidential company information
- Breach of authority limits
- Payment practices of agents, contractors and suppliers
- Misappropriation
- Making false disclosures or misleading information

#### Anti-Corruption Talk - Tumbuk Rusuk: Systemic Corruption

At the talk, a total of 523 attendees were engaged to deepen their understanding of the impact of corruption on society, the economy and governance. An expert was invited to share strategies for corruption prevention, detection and legal redress, empowering attendees with actionable knowledge. This initiative was aimed at promoting values of integrity, transparency and accountability, fostering a culture of ethical conduct.

#### Corruption Risk Management Awareness Session and Workshop

The awareness session and workshop helped to elevate current corruption risk management procedures and controls, as part of UEM Sunrise's goal towards building and strengthening our defense against corporate liability. 68 employees actively participated in the awareness session, while 54 participants were engaged in the workshop.

#### Activities in conjunction with Hari Integriti Kebangsaan

Employees were given the opportunity to showcase their poetic talents in a Pantun Contest to express how they exemplify the value of integrity. Additionally, there was a live trivia quiz titled "Saya Anak Integriti" hosted by the IGU Team aimed at testing employees' knowledge and understanding on integrity-related issues.

## OUR PERFORMANCE

	2021	2022	2023
Number of legal actions regarding anti-competitive behaviour, anti-trust, and monopoly practices	0	0	0
Number of whistleblowing cases	9	9	8
Number of confirmed corruption incidents and actions taken	0	0	0
Number of employees disciplined or dismissed due to non-compliance with anti-corruption policy	NR	NR	1

NR – Not Reported

## COMMUNICATION ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

No. of Board of Directors Informed on Anti-Corruption Policies and Procedures

9

Percentage of Board of Directors Informed on Anti-Corruption Policies and Procedures (%)

100

Methods of Communication

- Email
- Monthly Hi-Integrity Newsletter
- Quarterly update in BGRC and BOD meeting

No. of Employees Informed on Anti-Corruption Policies and Procedures by employee category

874

Percentage of Employees Informed on Anti-Corruption Policies and Procedures (%)

100

Methods of Communication

- Email
- Intranet
- Monthly Hi-Integrity Newsletter
- Training & awareness programmes

No. of Business Partners Informed on Anti-Corruption Policies and Procedures

6,413

Percentage of Business Partners Informed on Anti-Corruption Policies and Procedures

100

Methods of Communication

- Email
- Tender Briefing
- Code of Conduct of Business Partners



## Economic Impact

### PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION (BY EMPLOYEE CATEGORY)

Employee Category	No. of employees received training on anti-corruption	Percentage of employees received training on anti-corruption
Non-Management	622	99%
Management	177	100%
Senior Management	32	89%

### OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION IN 2023

Total number of operations

**17**

Total number of operations assessed for corruption-related risks

**17**

Percentage of operations assessed for corruption-related risks

**100**

## Going Forward

We remain steadfast in our commitment to governance and ethical business practices. We will continue to ensure compliance with regulatory requirements, upholding principles of integrity, transparency and accountability in every aspect of our operations while maintaining competitiveness for government contracts. In our commitment to mitigate corruption risk and unethical conduct, we will implement comprehensive awareness programme and training to enhance awareness and knowledge, upholding the highest standards of ethics and integrity. The focus areas in 2024 will include evaluation and certification of the Anti-Bribery Management System (ABMS) and enhancement of the policies and procedures in accordance with the Adequate Procedures for Anti-Corruption.

## SUPPLY CHAIN MANAGEMENT

### Our Dedication to Cultivating a Responsible Supply Chain

Related Material Matters:

M10

Our operational philosophy is deeply rooted in responsible supply chain management, acknowledging its vital contribution to sustainable business growth and community welfare. We strive to prioritise and maintain a mutually beneficial relationship with vendors and business partners who share the same values and practices. The goal is to ensure that our vendors and business partners across supply chain are aligned with UEM Sunrise's ESG related policies and practices in the delivery of products and services.



Governance is fundamental to our strategy, supported by policies and guidelines namely Code of Conduct (CoC) for Business Partners, Anti-Corruption Policy & Guidelines, Conflict of Interest and Whistleblowing Policy. Enforcing these policies and measures help uphold the utmost integrity and promote ethical behaviour among our vendors business partners.

#### OUR INITIATIVES

Our vendors and business partners are expected to read, understand and acknowledge acceptance of the expected behaviour and practices by signing the CoC of Business Partners. This approach provides a formal affirmation from the vendors that they will comply with, respect and uphold the principles of the CoC of Business Partners, as well as all applicable laws and regulations, especially relating to anti-bribery and corruption.

To foster collaborations, we engage them through briefings, site visits and interviews to help us better understand their practices, also for vendors to align with our expectations and requirements in various aspects. By working collaboratively with our suppliers, we can create a more sustainable and responsible supply chain.

As part of the pre-qualification process, potential vendors are subjected to more stringent screening in certain areas. In addition to technical capabilities, site evaluation, and assessment, potential vendors are also evaluated based on criteria including but not limited to their environmental impact, labour practices, governance practices and commitment to social responsibility.



## Economic Impact

### Our Key Policies to Mitigate Corruption Risks

- CoC for Business Partners
- Procurement Policy
- Anti-Corruption Policy & Guidelines
- Conflict of Interest
- Whistleblowing Policy

As part of our commitment to ensure ethical, legal, and socially responsible practices throughout our value chain, we established our Procurement Policy and CoC for Business Partners, among others, to protect the rights of our vendors. Our policies set the standard for ethical behaviour, and we are proud to work with suppliers who share our values.

### Quality and Safety Above All - Our Commitment to Selecting the Best Vendors in Alignment with Our Sustainability Aspirations and Goals

- Pre-qualification process and evaluation criteria:
  - Company capacity and capability
  - Financial capacity & capability
  - Quality, Health, Safety and Environmental capability
  - Contractors' Declaration (social and anti-corruption standards)

Quality, Health, Safety and Environment (QHSE) assessment process during pre-qualification covers vendors' performance, product quality, social and environmental concerns. Through active collaboration with vendors, we drive continuous improvement efforts to uphold high standards in our supply chain management.

### OUR PERFORMANCE

	2021	2022	2023
Percentage of vendors screened using Environmental Criteria (%)	60	60	<b>64</b>
Percentage of vendors screened using Social Criteria (%)	100	100	<b>100</b>

## SOCIAL IMPACT

### CUSTOMER MANAGEMENT

Related Material Matter:

M1

Effective customer management is an integral part of UEM Sunrise's sustainability agenda as it allows us to cultivate and maintain long-term relationships with our customers, fostering sustainable growth in our business. We prioritise customer satisfaction and engagement to ensure that our customers are fully supported by our services. This approach fosters brand loyalty and advocacy, thereby impacting our business's bottom line and ensuring long-term success.



#### KEY HIGHLIGHTS

- Customer Satisfaction (CSAT) score of **80%**, **highest recorded** since 2015.
- Employee engagement scored **64%**, a marked improvement from 45% in 2022.
- 10 of our projects have achieved **QLASSIC score above 80%** with an average score of **85%**.
- For SHASSIC, four of our projects have achieved **5 Star-rating** with an average score of **95%**.
- Achieved **100%** take-up on cybersecurity e-learning.
- Enriched **27,480 lives** of our local communities through our CSR programmes.

Our approach to enhance our customer experience revolves around digitalisation, data management and constant, consistent and meaningful engagement. We are committed to introducing cutting-edge solutions for our customers and building platforms, such as an app that assists property investors and homeowners in navigating their home ownership journey with ease and efficiency.



## Social Impact

The app, hUb prop, serves as a self-service mobile application designed to empower property investors and homeowners, enabling them to navigate their home ownership journey with their fingertips. Additionally, we offer other communication channels which provides flexibility to meet the diverse needs of our customers:

### ONE-STOP CENTRES

Located at various locations nationwide, these centres cater to walk-in customers, addressing issues such as product handover, enquiries and defect management

### CUSTOMER CONTACT CENTRE

Our Customer Contact Centre personnel can be reached through a toll-free number at 1800 888 008 or via email at [customercare@uemsunrise.com](mailto:customercare@uemsunrise.com)

### CHATBOT (RIA)/ LIVE CHAT

Offers web navigation support through [www.uemsunrise.com](http://www.uemsunrise.com), providing customers with interactive assistance

Leveraging on data management tools, we analyse customer data, track their preferences and customise our offerings to meet their specific needs. This allows us to deliver personalised services and recommendations, elevating the overall customer experience. Beyond data management, we interact with our customers through various channels including Sales Galleries, One-Stop Centres, Customer Contact Centre, hUb prop, website, social media, emails and e-newsletters, to keep them informed on our latest developments and promptly address any issues they might be facing.

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, suppliers and consultants 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 aim to meet our customers expectations and maintain a strong reputation for excellence and responsiveness. To ease tracking and monitoring, the hUb prop app allows customers visibility of defects lodged and rectified.

Similarly, our Customer Experience and Project teams are committed to continuously improve our products offering and processes based on lessons learnt from past projects. We do this by analysing data and feedback from customers, contractors, and other stakeholders to identify our strengths and areas for improvement. The Development team then incorporates those insights into future product design and development.

Additionally, we established and review the Integrated Standard Operating Procedures and the Forms/Format periodically to ensure its effectiveness, efficiency and adequacy. These procedures address various operational aspects including handover, defects management, delivery of vacant possession, Customer Feedback Management and more. This comprehensive approach aims to enhance and optimise customer experience throughout the journey.

## OUR INITIATIVES

### Harnessing Digital Solutions to Enhance Operational Efficiency

We invested over RM10.3 million in digital initiatives, including enhancements to hUb prop and the UEM Sunrise website. Our data-centric approach integrated customer data, leading to a sales conversion rate of 2.8%. Additionally, our RIA Chatbot also recorded engagements with around 1,068 users. We also increased investments in cybersecurity to better detect and address security breaches, safeguarding our data, applications and digital infrastructure, thus enhancing overall business resilience.

### Leveraging Trésor to Improve Sales Performance

To boost the sales of our properties, we enhanced Trésor engagements among our valued members, known as Trésorians. We curated exclusive rewards and privileges such as Trésor Rebates, Trésor Prime Referral and Family Extension Rebate. Trésor members are granted access to unique moments and enticing lifestyle offerings that add significant value to daily life, making each day extraordinary. Additionally, we hosted exclusive events to keep our members engaged, such as Exclusive Private Previews, movie screenings and appreciation events. Our Partnership provides exclusive discounts, complimentary items, and services from our participating merchants. Trésorians also benefited from Appreciation Booster Recognition, receiving random "booster" rewards. As at 31 December 2023, we have on record, a total of 27,677 Trésorians in our membership database. Trésor sales contributions have been increasing year by year since 2020 to 2023, with the entire Trésor community contributing 34.1% to our overall Malaysia domestic sales in 2023. This indicates customer loyalty and confidence in our offerings and services.

### Real-time Feedback and Customer Satisfaction Survey

We conduct Real-Time Feedback and an annual Customer Satisfaction Survey to gather customers' views and opinion on their experience at various touchpoints while dealing with UEM Sunrise. UEM Sunrise has consistently demonstrated a track record of performance improvement over the years, achieving a customer satisfaction (CSAT) score of 80% in 2023 - the highest score recorded since 2015! In addition, other key measurements also continued to advance. Our Net Promoter Score (NPS) stood at +30, while the Customer Effort Score (CES) achieved 72% and the Chief Values Engagement Score (CVES) at 75%. These accomplishment reflects our dedication to enhance customer experience and maintain a leading position in delighting our customers.

### Introduced Mystery Shopping Programme (MSP)

We introduced the MSP, with the objective of assessing and evaluating the quality of our services at Sales Galleries vis-à-vis our competitors' performances. This initiative aims to enhance our customer experience, service quality and overall sales performance. Additionally, there has been a significant rise in the performance of UEM Sunrise Sales Galleries, achieving an impressive overall Mystery Shopping score of 92%. It is evident that UEM Sunrise has outperformed competitors in this evaluation, emphasising our commitment to elevating customer satisfaction and maintaining high standards in service quality and sales performance.

### Implemented Social Media Policy

The policy aims to regulate postings and interactions on social media platforms of both employees and affiliated parties within our organisation. Not only does it provide guidelines for the Social Care Manager in overseeing and responding to social media content, it also underscores our commitment to responsible online engagement. UEM Sunrise is committed

to the highest standards of practice when dealing with social media and has a zero-tolerance approach to those violating UEM Sunrise's Social Media Policy. This is consistent with UEM Sunrise's core values of CARING, HONEST, INVOLVED, ENTHUSIASTIC and FUN-LOVING.

### Optimising Customer Experience

We have mapped the customer journey that includes stages, steps, touchpoints, channels, departments and intervals to improve their journey experience with us. Delivering excellence through quality products and transparent communication empowers customers to make informed decisions, ensuring that their needs are not just met, but surpassed, ultimately elevating overall satisfaction.

### Implemented Pre-Delivery Inspection (PDI)

The overall SLA performance for 2023 stood at 76% as compared to 63% in 2022. Throughout 2023, we determined the root causes of the defects by looking into processes, system issues, human issues, or other factors. We have implemented a new process, namely Pre-Delivery Inspection (PDI) to ensure the quality of

units where defects shall be pro-actively inspected and rectified prior to VP issuance. For 2024, we aim to continue recording a healthy performance of our SLA achievement for the resolution of customer defect cases as well as general feedback or management of complaints received.

### Revamped hUb prop

Since its launch in June 2019, hUb prop has garnered over 10,486 total downloads. There are a total of 5,561 active users. With the launch of UEM Sunrise 2.0: Find Your Happy, the hUb prop mobile app user interface was also updated. In 2020, we enhanced the hUb prop Platform which introduced new features and enhanced existing modules, such as adding virtual tour links, and enhancing the dashboard display. On 11 January 2024, UEM Sunrise unveiled the revamped hUb prop with new features such as enhancement of the app's user interface, partnering with more merchants through the Trésor Partnership Programme for the benefit of the Trésor community and the ability to personalise the app according to individual needs.





## Social Impact

### OVERALL PERFORMANCE

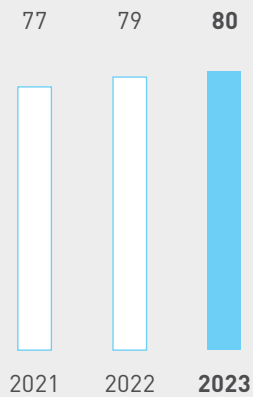
#### ENHANCING SALES AND CUSTOMER EXPERIENCE THROUGH DIGITALISATION

	2021	2022	2023
Investments in Digital Initiatives (OPEX) (RM million)	11.4	10.1	<b>10.3</b>
Total sales from our digital platform (%)	51.0	23.0	<b>27.8</b>
Number of conversion from Customer Data Platform leads (%)	NA	0.75	<b>0.78</b>
Chatbot visitors	NA	NA	<b>1,068</b>

NA - Not Applicable

#### KEY METRICS FOR CUSTOMER SATISFACTION

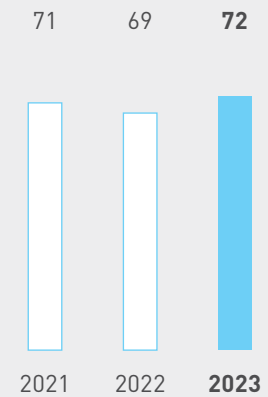
Customer Satisfaction (%)



Net Promoter Score



Customer Effort Score (%)



## Going Forward

To strengthen our customer management strategy, we are dedicated to enhance our focus on optimising customer excellence and satisfaction. This involves delivering the highest standard of service and strengthening our relationships with customers. We will actively seek innovative approaches and solutions to tailor our offerings to meet the unique needs of each customer. In doing so, we aim to provide an unparalleled level of service and ensure an exceptional experience for every customer. Our goal is to exceed customer expectations, foster long-term loyalty and establish ourselves as a trusted developer.



Over nearly a decade ago at UEM Sunrise, I began my journey as a Junior Executive and have since evolved into a key player in the Customer Experience department, contributing significantly to operational efficiencies and the company-wide customer experience strategy. My ascent to Assistant Manager in 2020, following an impactful contribution in establishing the Township Management Unit at Serene Heights, was a milestone that underscored my commitment and capabilities. Today, I channel my rich expertise into the Customer Experience Planning & Support Team in streamlining processes, digitising operations, and developing internal

standard. Supported by an incredible team and management, I've navigated obstacles and pioneered new initiatives, learning and further develop my capabilities.

My journey with UEM Sunrise is a testament to the power of commitment, teamwork, and a customer-centric approach, propelling us toward long-term sustainability and success."

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**CHIEF Syed**

Customer Experience (Pre-delivery inspection)



## Social Impact

### EMPLOYEE MANAGEMENT AND HUMAN RIGHTS

Related Material Matter:



At UEM Sunrise, our employees are our most vital asset. We understand that the success of the Company hinges on the well-being and satisfaction of our employees. As such, we are dedicated to fostering a secure, welcoming, and inclusive workplace as well as empowering all employees to realise their full potential. This way, they are able to perform at their best, directly contributing to the sustainability and resilience of our operations.



Our dedicated efforts to build an inclusive and diverse workplace at UEM Sunrise aligns with our strategic objective for long-term sustainable growth. Our DE&I policy is a reflection of this commitment, serving as a cornerstone in guiding our practices and decisions. It provides a framework for UEM Sunrise to:

**ENHANCE** our reputation as a viable employer of choice by attracting and retaining an inclusive and diverse pool of employees at all levels

**PROVIDE** equal access to opportunities and resources without discrimination for our employees to reach their full potential

**PROMOTE** an environment that values unique contributions of each individual, ideas, backgrounds, experiences and perspectives of employees to grow and succeed

**ESTABLISH** a work environment that fosters dignity and respect for all employees

The social dynamics within the Company are guided by fundamental principles of human rights, in accordance with the Employment Laws of Malaysia and Australia. Central to this ethos is the Company’s commitment to equitable treatment of all employees, safeguarding their fundamental human rights.

In line with our DE&I policy, we have zero tolerance on workplace bullying, harassment, victimisation and unlawful discrimination. We take seriously complaints of bullying, harassment, victimisation and unlawful discrimination by fellow employees wherein such acts will be dealt with a disciplinary procedure, and appropriate action will be taken as per UEM Sunrise Code of Conduct and employee handbook. There were no substantiated complaints concerning human rights violations or incidents of discrimination, in the year under review.

## OUR INITIATIVES

### Talent Attraction and Retention

#### New Hires in 2023

We proudly welcomed 192 new recruits into the family of UEM Sunrise, bringing fresh perspectives and skills while contributing to our dynamic and innovative culture. Our strategic recruitment process is tailored to identify individuals who not only possess the necessary qualifications and experience but also align with our company values and vision. As part of the orientation process for new recruits, our onboarding programme familiarises them with our organisational culture and key policies and assists them in developing a good understanding of their roles and responsibilities. Our ongoing succession planning also prepares high potential talents for critical roles.

#### Employee Benefits

A significant aspect of our commitment to our employees is reflected in the benefits we offer. Understanding that retirement planning is a primary concern for many, we contribute an additional 2-3% above the statutory requirement to the Employees Provident Fund (EPF). This not only enhances our employees' future financial security but also demonstrates our investment in their long-term well-being. Our comprehensive insurance coverage encompasses Group personal accident insurance, Group hospitalisation and surgical insurance, and Group term life insurance. Alongside this, we provide annual health screenings, dental care benefits, and personal club memberships subsidies, flexible working options, as well as nursing rooms for breastfeeding mothers in our offices. Other benefits including health and wellness programme and initiatives to promote work-life balance, all aimed at supporting their overall well-being.

#### Benefits offered by UEM Sunrise

- Flexi working hours
- Increments, bonuses, special recognition award and other incentives
- 15% employer's share to EPF for employees with over two years' service
- 98 days maternity leave
- 7 days paternity leave
- Talent mobility, opportunity to work in overseas offices, and other companies within UEM Group
- Corporate club membership at an approved social and recreational club and personal membership in a company-approved club

#### Hybrid Working Arrangement

UEM Sunrise practices a hybrid working arrangement that allows employees to work from office and remotely. Our Hybrid Working Policy (HWP) outlines the guidelines and eligibility requirements for employees to have hybrid working arrangements as an alternative for employees, providing them with greater flexibility to better manage their personal and professional responsibilities.

#### Parental Leave

Our parental leave policy are designed to support our employees during pivotal moments of their lives, enabling them to balance their personal and professional commitments effectively. In 2023, we recorded 98.6% return to work rate for employees who took parental leave.

#### Employee Turnover

Our turnover rate stood at 12.7% in 2023, a significant drop from the previous year's of 19.6%. We will continue to review and improve our salary and reward scheme to ensure its competitiveness, creating a strong talent pipeline and continuing to strengthen our talent development programmes.

### Fair Remuneration and Competitive Benefits

#### Remuneration & Compensation

We have equitable and competitive remuneration policies in place providing fair compensation and attractive benefits for our people. 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. Bonuses and increments are provided to employees benchmarked against set KPIs.

#### Career and Performance Reviews

The annual performance review serves as a platform for individuals to discuss their career aspirations, goal settings, and identify opportunities for their professional growth and development. Alongside this, we provide opportunities for career progression within the Company, with lateral career paths available which also contributes to talent retention. During the year in review, 100% of our eligible employees underwent performance and career development reviews. As a result, 124 employees were promoted – a clear indication of our dedication to recognise achievements and contribution of employees. Our ongoing succession planning also prepares high potential talents for critical roles to manage talent retention and recruitment risk.



## Social Impact

### Employee Engagement for Talent Retention and Job Satisfaction

#### UEM Sunrise Belief System

Keeping our employees highly engaged is essential to us as we strive to cultivate high-growth culture that is aligned with the UEM Sunrise Belief System. Our approaches and initiatives are guided by the four pillars namely Wellbeing, Recognition, Engagement and Festivities.

#### CHIEF @ UEM Sunrise

We place great emphasis on the well-being of our employees. Our CHIEF Wellness Programme aims to empower our employees to take charge of their health and well-being. We curate programmes such as fitness activities, recommending learning programmes in LinkedIn Learning and organising talks. Through the CHIEF Recognition Programme, we recognise CHIEFs who exemplify our core values and embody the spirit of excellence that defines our organisation.

#### CHIEF Wellness Programme (CWP) (Naluri X UEM)

- 24/7 Emotional Well-being helpline
- Counselling session
- Digital Coaching
- Health Webinar
- Health Improvement Programme

#### CHIEF Recognition Programme (CRP)

- CHIEF Recognition Cards
- Special Recognition Awards

#### CHIEF Engagement Events

- CHIEF Chat with C-suites
- Townhalls
- Senior Management Dialogues
- Cross-functional Teh Tarik
- CHIEF SUKANEKA
- CHIEF Live Trivia
- Art by CHIEFs
- Sports Club
- People Open Day

#### Festive Season and Other Celebrations

- Chinese New Year Open House
- International Women's Day
- Ramadhan Distribution
- Raya Open House
- Deepavali Celebration
- Merdeka/ Malaysia Day
- Christmas Celebration







Flag raising ceremony in conjunction with 66<sup>th</sup> National Day at Solaris Dutamas, Kuala Lumpur

### Employee Engagement Platforms

Regular dialogue sessions with our employees helps us create a supportive working environment. Regular engagement through townhalls and sessions with Senior Management contributes to a more connected and informed workforce. During festive seasons, we drive engagement and create memories with all our CHIEFs through initiatives tied with festivals and specific occasions. This drives engagement as it helps us to connect, embrace diversity, and appreciate the different cultures of our people within the Company.

### Employee Engagement Survey

On an annual basis, all employees are invited to participate in an employee engagement survey known as the Voice of CHIEFs (VOC) to keep a pulse on employee sentiment. In 2023, we achieved a higher score of 64% as compared to VOC score of 45% in 2022, reflecting our commitment and dedication to creating an engaged and happy workforce. As we strive to continuously improve our employee engagement, our People team will engage with the divisions based on survey results and develop strategies to close the gaps.

### EMPLOYEE ENGAGEMENT SCORE (%)

2021	2022	2023
Not Reported	45	64

### Investing in our Employees

Investing and optimising learning initiatives is not just a benefit but a strategic imperative for the organisation to thrive in today's dynamic business environment. The focus is to educate (impart knowledge), enhance (improve know-how) and evolve (influence change) our employees in the pillars of leadership, essentials, academies and digital. Our learning channels range from physical trainings, webinars, among others by prioritising the growth and development of our workforce in achieving long-term success, innovation, and competitive advantage.



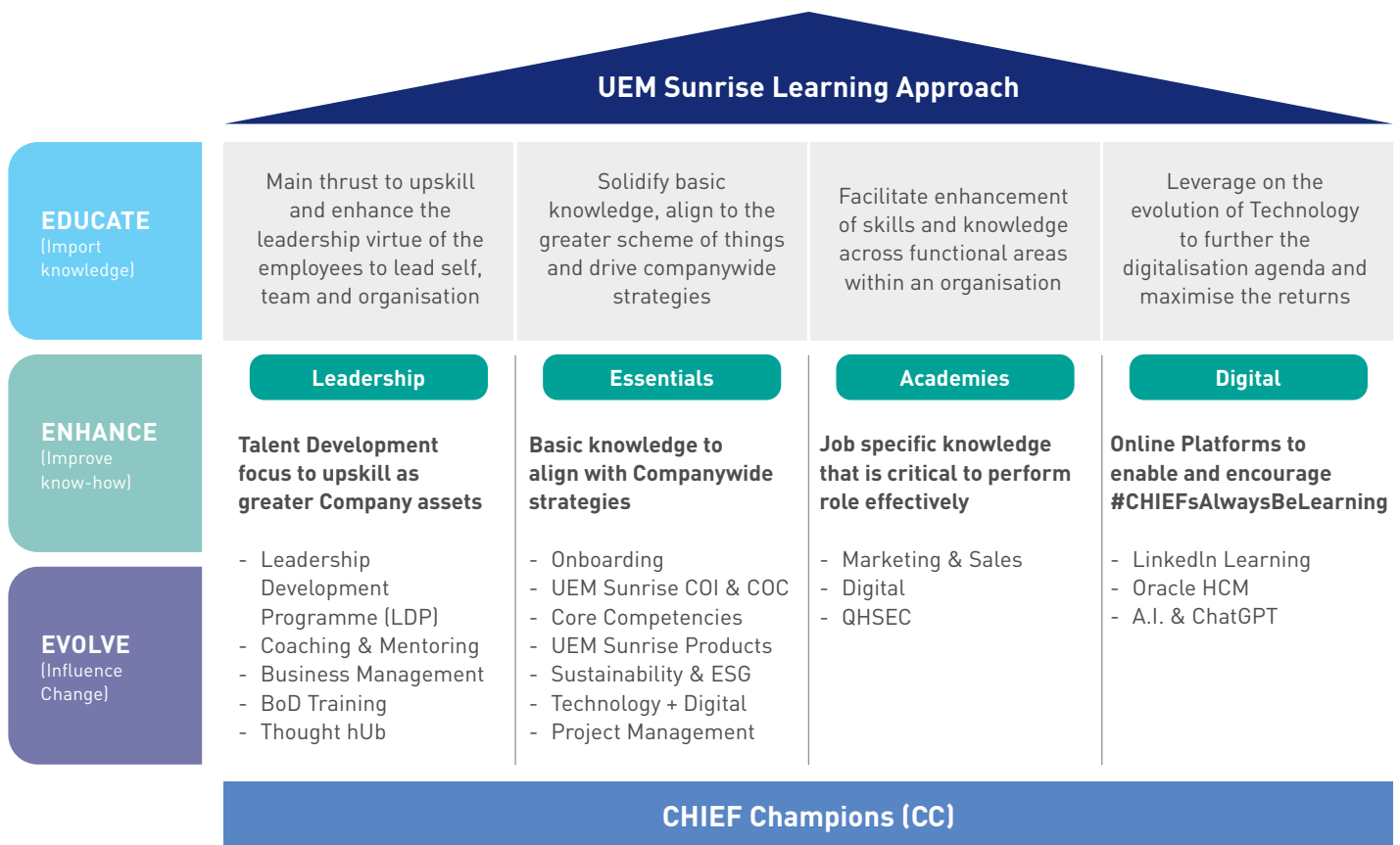
## Social Impact

### Investing in Employee Learning and Development

Approximately RM1.2 million have been invested in employee learning and development as part of our efforts in recognising the importance of a highly competent and skilled workforce. We firmly believe that providing ample training, education, empowerment, and growth opportunities is crucial for employees to achieve their career aspirations and boost their leadership.

### Learning and Development Programmes

Spearheaded by our in-house Learning & Culture & Talent Management unit, we have established comprehensive internal development programmes to empower all our employees with the relevant knowledge and skills. Complementing this, employees have opportunities to take part in external training modules. To encourage our employees to boost their professional growth, development programmes are also integrated into their KPIs.






### UEM Sunrise Learning and Development Programmes

<b>Leadership and Talent Development</b>	<b>Core / Functional / Technical Development Programme</b>	<b>Knowledge Sharing</b>	<b>QHSE Training</b>	<b>Digital Learning Programme</b>
<ul style="list-style-type: none"> <li>- Aims to empower management to demonstrate exemplary leadership capabilities</li> </ul>	<ul style="list-style-type: none"> <li>- Aims to upgrade employees' competencies to perform effectively in a specific job, role and function</li> </ul>	<ul style="list-style-type: none"> <li>- Internal and external knowledge exchange sessions by Subject Matter Experts to cultivate continuous learning and growth mindset within the organisation</li> </ul>	<ul style="list-style-type: none"> <li>- Specialised training in areas of Quality, Health, Safety, and Environment (QHSE) including on-and off-the-job training</li> </ul>	<ul style="list-style-type: none"> <li>- Aims to supplement traditional learning channels</li> <li>- Digital Learning Platforms, LinkedIn Learning</li> </ul>




## OUR PERFORMANCE

## NUMBER OF EMPLOYEES BY GENDER

## Male

2021		531
2022		395
2023		415

## Female

2021		551
2022		460
2023		517

## PERCENTAGE OF EMPLOYEES BY GENDER, AGE GROUP AND ETHNICITY FOR EACH EMPLOYEE CATEGORY

Employee Category	Gender		Age Group			Ethnicity			
	Male (%)	Female (%)	<30 years old (%)	30-50 years old (%)	>50 years old (%)	Chinese (%)	Malay (%)	Indian (%)	Others (%)
<b>2023</b>									
Non-Management	43.9	56.1	21.4	72.2	6.4	11.4	83.2	3.9	1.6
Management	45.4	54.6	0.0	79.1	20.9	31.1	61.2	4.1	3.6
Senior Management	51.4	48.6	0.0	71.4	28.6	42.9	54.3	2.9	0.0
<b>2022</b>									
Non-Management	45.8	54.2	19.1	75.0	5.9	11.4	82.6	3.9	2.2
Management	46.9	53.1	0.6	78.3	21.1	34.3	57.1	5.1	3.4
Senior Management	51.6	48.4	0.0	67.7	32.3	48.4	45.2	6.5	0.0
<b>2021</b>									
Non-Management	48.8	51.2	16.7	76.2	7.1	11.8	78.1	7.8	2.3
Management	49.5	50.5	0.5	73.9	25.5	32.4	58.0	5.9	3.7
Senior Management	52.8	47.2	0.0	66.7	33.3	47.2	44.4	8.3	0.0

NR – Not Reported

## PERCENTAGE OF EMPLOYEES THAT ARE CONTRACTORS OR TEMPORARY EMPLOYEES

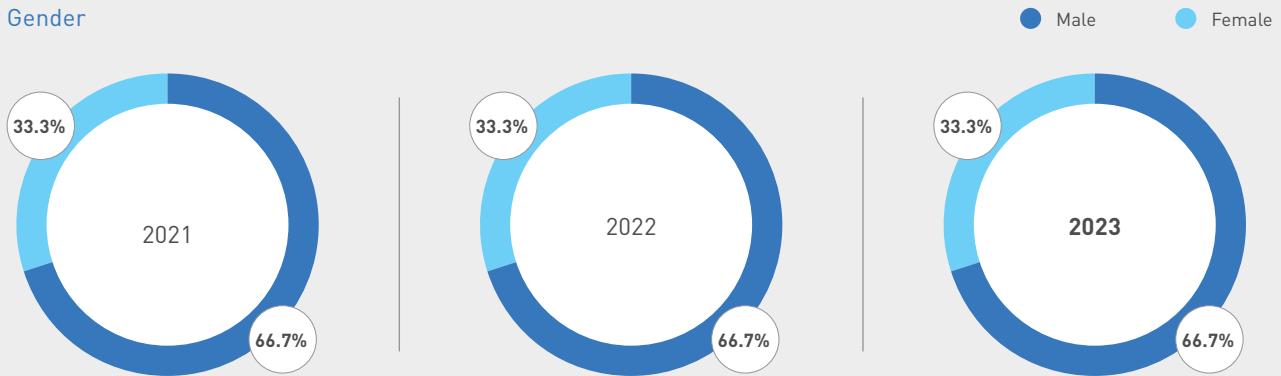
	2021	2022	2023
Percentage of employees that are contractors or temporary employees (%)	17.5	10.3	<b>13.7</b>
Percentage of employees who are Interns (%)	0.3	1.0	<b>0.9</b>



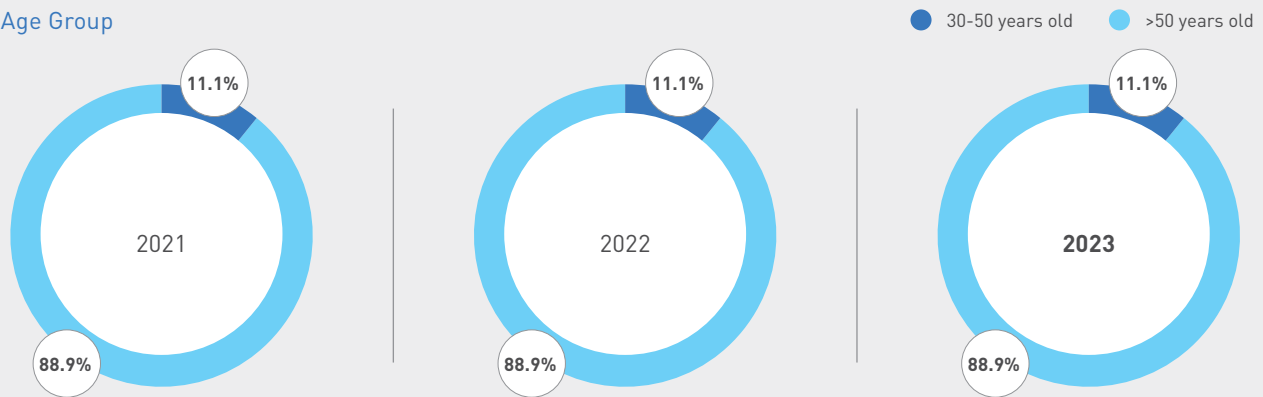
## Social Impact

### PERCENTAGE OF BOARD OF DIRECTORS BY GENDER AND AGE GROUP

#### By Gender



#### By Age Group



Based on Board composition as at 31 December of the respective year

### NEW EMPLOYEE HIRES

New employee hires	2023	
	Number	Rate
Gender		
Male	76	8.5%
Female	116	13.0%
Age Group		
<30 years old	109	12.2%
30-50 years old	80	9.0%
>50 years old	3	0.3%
Region		
Malaysia	192	21.5%
International	0	0.0%

## TURNOVER AND TURNOVER RATE

Employee turnover	2023	
	Number	Rate
Gender		
Male	59	6.6%
Female	54	6.1%
Age Group		
<30 years old	33	3.7%
30-50 years old	72	8.1%
>50 years old	8	0.9%
Region		
Malaysia	113	12.7%
Australia	0	0.0%
South Africa	0	0.0%
Employee Category		
Non- Management	89	10%
Management	19	2.1%
Senior Management	5	0.6%

NR- Not Reported

## PARENTAL LEAVE

	2023		
	Male	Female	Total
Number of employees entitled to parental leave	330	517	847
Number of employees who took parental leave	34	38	72
Number of employees who returned to work after parental leave ended	33	38	71
Retention rate for remaining in the company for 12 months after parental leave	32	36	68
Return to work rate	97.1%	100.0%	98.6%
Retention rate	97.0%	94.7%	95.8%

## PERFORMANCE AND CAREER DEVELOPMENT REVIEWS (BY GENDER)

	Male	Female
Total Number of Eligible* Employees as at 31 December 2023	359	444
Percentage of Eligible Employees Who Received Performance and Career Development Reviews (%)	100	100

\* All employees excluding practical and graduate trainees, contract employees (sales), employees on probation and employees serving notice.



## Social Impact

### PERFORMANCE AND CAREER DEVELOPMENT REVIEWS (BY EMPLOYEE CATEGORY)

	Non-Management	Management	Senior Management
Total Number of Eligible* Employees as at 31 December 2023	589	178	36
Percentage of Eligible Employees Who Received Performance and Career Development Reviews (%)	100	100	100

\* All employees excluding practical and graduate trainees, contract employees (sales), employees on probation and employees serving notice.

### TOTAL TRAINING HOURS AND INVESTMENT

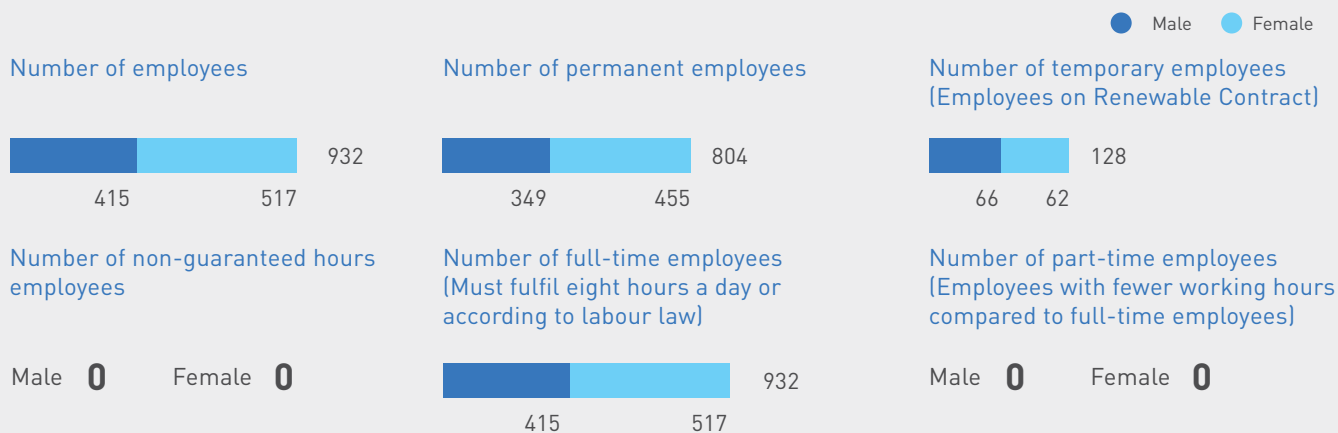
	2021	2022	2023
Total Training Hours (hours)	16,629	19,852	<b>22,194</b>
Total Investment in Training (RM 'mil)**	0.9	1.1	<b>1.2</b>

\* Amount exclude HRDC grant.

### TOTAL TRAINING HOURS AND AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER AND EMPLOYEE CATEGORY

	2023	
	Total Training Hours	Average Training Hours per Employee
Gender		
Male	7,844	19
Female	14,350	28
Employee Category		
Non- Management	10,641	15
Management	10,444	53
Senior Management	1,109	32

### TYPES OF EMPLOYEES – OVERALL IN 2023



## EMPLOYEES BY REGION IN 2023

	Female	Male	Total
<b>Malaysia (Central)</b>			
Number of employees (headcount/FTE)	335	232	567
Number of permanent employees (headcount/FTE)	301	194	495
Number of temporary employees (headcount/FTE)	34	38	72
Number of non-guaranteed hours employees (headcount/FTE)	0	0	0
Number of full-time employees (headcount/FTE)	335	232	567
Number of part-time employees (headcount/FTE)	0	0	0
<b>Malaysia (Southern)</b>			
Number of employees (headcount/FTE)	178	179	357
Number of permanent employees (headcount/FTE)	150	152	302
Number of temporary employees (headcount/FTE)	28	27	55
Number of non-guaranteed hours employees (headcount/FTE)	0	0	0
Number of full-time employees (headcount/FTE)	178	179	357
Number of part-time employees (headcount/FTE)	0	0	0
<b>Australia &amp; South Africa (International)</b>			
Number of employees (headcount/FTE)	4	4	8
Number of permanent employees (headcount/FTE)	4	1	5
Number of temporary employees (headcount/FTE)	0	1	1
Number of non-guaranteed hours employees (headcount/FTE)	0	0	0
Number of full-time employees (headcount/FTE)	4	4	8
Number of part-time employees (headcount/FTE)	0	0	0

## Going Forward

As we embark on our long term journey, one of the key focuses will be on capability development to ensure our people are equipped with the right skills and knowledge to deliver the aspirations of the U2030 transformation plan. We will continue to enhance our training and development programmes while ensuring the initiatives of U2030 are inclusive and cater to the diverse needs of our workforce. For employee retention and development, we recognise the importance of offering meaningful benefits and support. We will continue listening to feedbacks to elevate our current employee policies and offerings. Parental leave and flexible working options will be regularly reviewed and updated to ensure they meet the evolving needs of our workforce.

In our recruitment strategy, we will maintain our focus on bringing in individuals who not only have the necessary skills and experience but also share our company values and vision. We believe that a dynamic and innovative workforce is key to our continued success.



## Social Impact

### HEALTH AND SAFETY

Related Material Matters:



At UEM Sunrise, we remain committed to protecting the health and safety of our employees and workers and the community within our operations. Inculcating a robust health and safety culture enhances our reputation as a considerate and responsible employer. Not only we are protecting our employees and their families, ensuring their safe return home daily, but we are also fostering an environment that contributes to sustained productivity and performance.



Our commitment to health and safety is reflected in our policies and procedures that undergo regular reviews and updates to align with the latest industry standards and best practices. Since 2012, we have implemented a comprehensive Quality, Health, Safety and Environment (QHSE) management system across all our business operations and we are certified with the ISO 45001:2018 Occupational Safety and Health Management System (previously known as OHSAS 18001). With the organisation certified with ISO 45001:2018, 100% of our project sites are governed by the standard. Our Quality, Health, Safety, Environmental, and Compliance (QHSEC) department conducts yearly internal audits to ensure that our project sites adhere to the standards. Additionally, quarterly assessments are conducted to evaluate progress and highlight areas for improvement. We are also certified by the ISO 14001:2015 Environmental Management System and the ISO 9001:2015 Quality Management System, signifying our commitment to adhere to internationally recognised standards and best practices.

Health and safety are our top priority and as such, we take measures to ensure that our projects comply with regulatory standards. We also conduct regular engagement sessions with stakeholders on health and safety matters. Our monthly Health, Safety, and Environment committee meetings involve key stakeholders, such as project management teams, contractors and consultants. During these sessions, we deliberate on various HSE-related matters, including initiatives, identification of areas for enhancement and the sharing of best practices.

All workers are mandated to undergo regular health check-ups to ensure fitness for their roles and mitigate potential health risks prior to starting work and upon renewal of work permit.

## OUR INITIATIVES

**Hazard Identification, Risk Assessment and Risk Control (HIRARC)**

We strive to effectively identify work-related hazards, assess associated risks and apply the hierarchy of controls which are integral elements of a robust Occupational Safety and Health (OSH) management system. This systematic approach allows us to systematically identify, assess and implement appropriate control measures, creating a safer and healthier work environment. The following is a description of the processes involved:

**Routine Hazard Identification and Risk Assessment** – involves measures such as worksite inspections, Job Safety Analysis (JSA) or Job Hazard Analysis (JHA), near miss reporting, health surveillance and employee feedback and involvement.

**Non-Routine Hazard Identification and Risk Assessment** – includes change management and procedures, investigating incidents and accidents and strengthening emergency preparedness measures.

**Application of the Hierarchy of Controls** – ensures that we eliminate and substitute hazards, employ engineering and administrative controls, and provide and ensure that Personal Protective Equipment (PPE) is used.

**Regular Review & Monitoring** – involves conducting periodic risk assessments, performance monitoring and ensuring continuous improvement of our safety management, policies and procedures.

**Empowering Employees to Report Hazards and Dangerous Conditions**

A crucial element of a robust OSH programme involves implementing clear processes to allow workers to report work-related hazards and unsafe situations. Establishing an open and responsive reporting system is essential to promptly identify and address potential risks. To this end, UEM Sunrise has several reporting platforms including an online reporting system via our intranet and anonymous reporting to enable employees to report concerns without fear of reprisals. Workers can also report hazards directly to their immediate supervisors or submit a hazard reporting form. Additionally, we conduct comprehensive training for workers to promote awareness on safety risk and associated to their tasks, ensuring effective risk identification. Protecting our workers against retaliatory actions is pivotal to preserving this trust and ensuring our reporting processes are effective. Our protection measures for employees include confidentiality assurance, anonymous reporting options and training supervisors and managers to support hazard reporters. In addition, we regularly evaluate the reporting system's effectiveness, adjusting policies and procedures as needed, and educating workers on the legal protection available to them, including whistleblower protection laws.

**Worker Participation, Consultation and Communication on OSH**

We established a Health and Safety Committee comprising representatives from both the management and workers. During Health and Safety Committee meetings, we address ongoing issues and provide opportunities for workers to give their input on all issues including health and safety related matters. As workers on the front lines are often the first to identify potential hazards, their participation in safety discussions from planning hazard control measures to reporting incidents, participating in investigations and sharing outcomes, would allow for more effective safety risk mitigation, preventing accidents and injuries.

We engage with workers in the evaluation process, as an ongoing effort for continuous improvements of our OSH management system. As they possess valuable insights into their daily tasks and potential hazards in the work environment, it is essential to consider their feedback in maintaining a robust OSH management system. We also recognise and reward our workers for their participation in promoting safety and ensuring compliance to OSH laws and regulations. Other communications platforms include health and safety information through meetings, newsletters and digital platforms.

## Social Impact

### Preventing and Mitigating OSH Impacts in Our Business Operations

We strive to mitigate and prevent negative OSH-related impacts in our business operations, products or services through our business relationships. Our approach to mitigate and prevent negative OSH-related impacts involves conducting risk assessments and due diligence, engaging with our contractors and suppliers, integrating OSH standards and requirements in contractual agreements, as well as providing OSH training to employees, contractors and business partners. We also focus on enhancing collaboration and communication to address OSH concerns, implementing incident response and investigation, providing transparent reporting on OSH disclosures and ensuring compliance to OSH regulations across our value chain. In addition, we strive to leverage technology to enhance our OSH performance, engage regularly with stakeholders and constantly review and improve our OSH approach and management.

### Commitment to Safety and Delivery of Quality Products

In line with the requirements stipulated by the guidelines under the Malaysia Construction Industry Development Board (CIDB) Act (ACT 520), we ensure all site supervisors and skilled workers are accredited. The accreditation initiative reflects our commitment to going beyond meeting quality and safety standards, building trust among our stakeholders, employees and customers. Not only it is important for enhanced workmanship and quality work at construction sites, but accreditation also ensures site supervisors and workers are competent and therefore able to perform their task safely and effectively. To ensure compliance, our Total Quality Management Unit monitors accreditation submissions closely, facilitated by the ProSus system with monthly online updates on submissions.

#### NUMBER AND PERCENTAGE OF SUPERVISORS AND WORKERS ACCREDITED

##### Accredited Skilled Workers

2022	<div style="width: 86%;"></div>	875 (86%)
<b>2023</b>	<div style="width: 99%;"></div>	<b>1,046 (99%)</b>

##### Accredited Site Supervisors

2022	<div style="width: 91%;"></div>	109 (91%)
<b>2023</b>	<div style="width: 94%;"></div>	<b>95 (94%)</b>

Moving forward, we will focus on improving our practices to ensure a smooth accreditation process and that all our workers and supervisors are accredited.



### Quality Assessment System for Building Construction Works

We recognise our role in delivering high quality products and building a conducive environment while ensuring safe and healthy site conditions. As a testament of our strong performance in terms of product, quality and safety, 10 of our projects attained Quality Assessment System for Building Construction Works scoring above 80%, with an average score of 85% while four of our projects achieved 5-star rating with an average SHASSIC score of 95%. In 2023, there were no incidences of non-compliance concerning the health and safety impacts of products and services resulting in fines or penalties, warnings, or voluntary codes.

### Fostering a Culture of Safety

Our commitment to health and safety extends beyond our workforce to encompass stakeholders such as our customers, contractors and business partners. We strive to nurture a safety culture where everyone assumes responsibility for their safety and that of others, collectively fostering a safe and healthy environment. In 2023, we launched SAFE Day (Sustainable Actions for Everyone) at our Kiara Bay Sales Gallery. The event was officiated by the Deputy Director General of Department of Occupational Safety and Health (DOSH) Malaysia, and the Head of Department of CIDB Malaysia. The event aimed to raise awareness, promote best practices and foster a culture of excellence in QHSE. During the event, 12 awards were given to successful consultants and contractors who are recognised for exemplary performance in QHSE, QCLASSIC and SHASSIC.



### OSH Training Programmes

In our efforts to elevate our OSH performance and embed a culture of safety throughout our operations, UEM Sunrise provides safety programmes for employees. We offer a blend of generic along with targeted hazard-related training to equip workers with the essential knowledge and skills to execute their tasks safely. In the year under review, we conducted safety trainings for 23,357 workers and 2,929 employees, providing a total of 38,183.5 hours of training. The following are training programmes we conducted at our project sites and headquarters:

#### Training at Project Sites

- Spillage Drill
- Emergency Preparedness and Response/Fire Drill
- Safety Induction
- 6 Major High Risks
- Safety Health Committee
- Training (WAFEW)
- BBS Briefing & Climate Change Survey (Consultant & Contractor)
- Safety Toolbox
- Other Training Sessions (Scheduled Waste Management, Chemical Management - CLASS Regulation 2013, SHASSIC Awareness Training, etc)

#### Training at Head Office

- Monthly Safety Meeting
- HSE Training
- Emergency Prepared and Response/Fire and Evacuation Drill Training
- Corporate HSE Committee
- Work Health Promotion Programme
- BBS Briefing & Climate Change Survey (UEM Sunrise staff)
- OSHA (Amendment) 2022 & FMA (Repeal) 2022
- Emergency Preparedness and Response Team Training
- Safe Day Campaign & Awareness Training



### Promoting Health and Well-being of Employees

In our effort to promote wellness to our employees, in 2023, UEM Sunrise partnered with well-being and healthcare partners and launched a wellness programmes platform focusing on prevention and long-term wellness and healthcare solution to empower employees to take charge of their overall well-being. Our partners include providers of digital coaching application where employees have access to a 24/7 personalised employee assistance programme that caters to individual needs, be it mental, physical, financial or career planning advice from certified/qualified consultants. All calls are secured and completely confidential. Other key features of our CHIEFs Wellness Programme include collaboration with our UEM Sunrise Sports and Recreational Club, health talks and webinars, health screenings, physical workout sessions by employees and external parties, and coaching sessions by trained psychologists.

#### Other key initiatives to promote health and well-being of employees in 2023 include:

- CHIEFs Sukaneka
- CHIEFs Wellness Day
- CHIEFs Mental Health Coaching Sessions
- Namaste CHIEFs, Yoga Sessions
- Women's Health Talk on Breast Cancer in conjunction with PINK October
- Men's Health Talk on Prostate Related Problems



### Safety Performance in 2023

In 2023, there were no fatalities among employees and non-employees. However, we recorded eight recordable work-related injuries among non-employees. These were minor injuries, needing first aid assistance and therefore no medical certificates were issued for the injuries. We viewed these incidents seriously and performed investigations and implemented measures to prevent recurrences such as enhancing supervision in high-risk areas and oversight of tasks with potential hazards. Additionally, we developed safe work procedures ensuring employees are well-versed in these protocols and implemented safety programmes and initiatives to encourage employees to prioritise safety. We also set up a reporting system to enable employees to promptly report potential hazards and take mitigation measures.

## Social Impact

### OUR PERFORMANCE

#### WORKERS COVERED BY OUR OSH MANAGEMENT SYSTEM

	Employees		Workers who are not employees but whose work is controlled by the organisation	
	Number	%	Number	%
Covered by an OHS management system and has been internally audited by IMS-ISO Auditors	932	100.0	2,505	100.0

#### WORKERS COVERED BY OUR OSH MANAGEMENT SYSTEM

All Employees	2021	2022	2023
<b>Fatalities as a result of work-related injury</b>			
Number	0	0	0
Rate	0	0	0
<b>High-consequence work-related injuries</b>			
Number	0	0	0
Rate	0	0	0
<b>Recordable work-related injuries</b>			
Number	0	0	0
Rate	0	0	0
Number of hours worked	2,232,960	1,833,120	1,713,440
Lost time incident rate (LTIR)	0	0	0
<b>Non-Employees</b>			
<b>Fatalities as a result of work-related injury</b>			
Number	1	0	0
Rate	0.19	0	0
<b>High-consequence work-related injuries</b>			
Number	0	1	0
Rate	0	0.19	0
<b>Recordable work-related injuries</b>			
Number	2	3	8
Rate	0.39	0.57	1.28
Number of hours worked	5,172,336	5,267,200	6,253,520
Lost time incident rate (LTIR)	0.04	0.04	0

## WORK-RELATED ILL HEALTH FOR EMPLOYEES AND NON-EMPLOYEES

## Number of fatalities as a result of work-related ill health

	2021	2022	2023
Employees	0	0	0
Non-Employees	0	0	0

## Number of cases of recordable work-related ill health

	2021	2022	2023
Employees	0	0	0
Non-Employees	0	0	0

## SHASSIC ASSESSMENT SCORE BY CIDB MALAYSIA

## SHASSIC Average Score

2021	2022	2023
96%	95%	95%

## CIDB GREEN CARD COMPLIANCE SCORE

## CIDB Green Card Compliance

2021	2022	2023
88%	95%	99%

## Going Forward

Our commitment to QHSE goes beyond corporate goals. It is our pledge to put our people's safety first, ensure the safety of our operations and protect the environment for future generations. We continue to implement safety measures to prevent injuries alongside trainings to enhance safety awareness among employees and workers. Additionally, we focus on improving our practices to ensure a smooth accreditation process and accredit all our workers and supervisors.

As we have completed comprehensive OSH training programmes, in 2024, we set our sights on implementing a zero-tolerance policy on non-conformance. This would mean the enforcement of a more stringent penalty system instead of the issuance of warnings and consultation for any QHSE non-compliance. The CEO-Turun-Site programme would serve as another key initiative in 2024 whereby our CEO and COO will be joined by top management representatives of the contractor and consultant to perform QHSE walkabouts to all project sites.



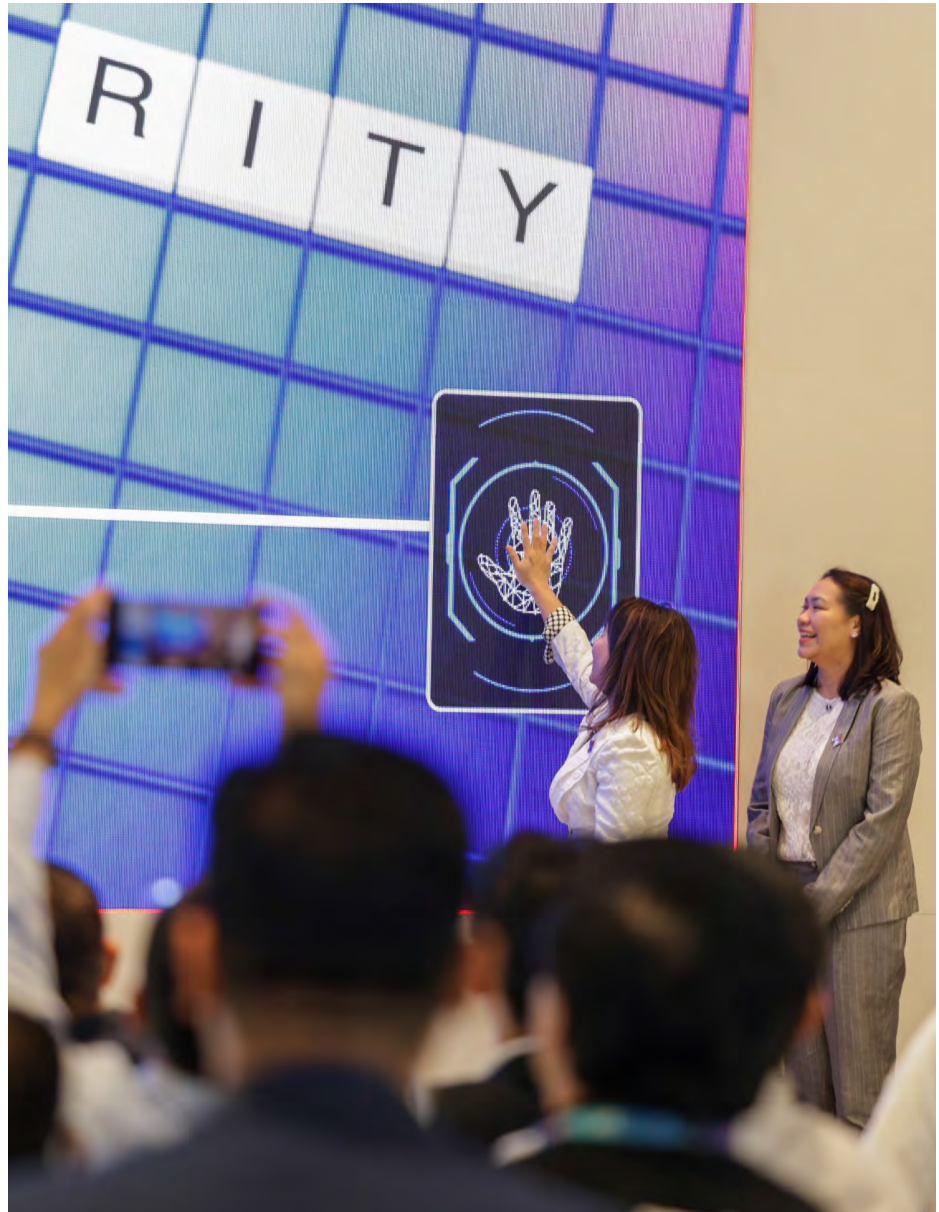
## Social Impact

### DATA PRIVACY AND CYBERSECURITY

Related Material Matters:

M6

In an era marked by ever-evolving digital threats, safeguarding data privacy and digital assets remains a top priority. As digital ecosystems continue to evolve and expand, it is vital to shield customers' sensitive information and our digital assets to uphold integrity and gain the trust and confidence of our customers. As such, we are committed to implementing robust data privacy measures to protect customers' right to privacy, recognising the responsibility entrusted to us in protecting customers' personal data. Any gaps in our cybersecurity defences may result in unauthorised access, disruption or destruction of information, leading to severe financial losses, operational disruptions, reputational damage and legal liabilities.



At UEM Sunrise, our commitment to take on measures and continuous improvement stands as a barricade against these challenges, ensuring the resilience of our digital infrastructure. We maintain a commitment to high-level data protection through the implementation of stringent IT policies that adhere to ISO 20000 Standards, the NIST Cybersecurity Framework and the guidelines outlined in the Personal Data Protection Act of 2010. Our comprehensive strategy encompasses various aspects, including access controls, encryption protocols and incident response procedures.

Furthermore, we conduct regular audits and provide ongoing cybersecurity awareness training for our employees to ensure compliance with evolving standards and to empower them to effectively mitigate current and emerging risks. We also recognise the critical importance of handling sensitive data with the utmost care. Thus, only designated employees are tasked with managing sensitive data, minimising the risk of data breaches and ensuring that information is only accessed by authorised personnel. This approach enhances our data control and governance, fostering greater accountability and reducing the likelihood of unauthorised access or misuse.

## OUR INITIATIVES

**Cybersecurity Protection Performance**

In 2023, there was a marked uptick in digital threats across various vectors. Despite this challenge, our proactive cybersecurity measures and unwavering dedication resulted in the detection and remediation of 100% threats.

**Management of Cybersecurity Complaints**

In relation to complaints management, our yearly trend analysis, as illustrated in the table below, reaffirms our commitment to effectively addressing concerns and maintaining high standards of service delivery satisfaction with regards to cybersecurity matters. Despite a surge in complaint ticket volumes in 2023, our team's resilience and proficiency ensured meticulous handling of each complaint. This resulted in yet another year of 100% Service Level Agreement (SLA) attainment (within 13.5 hours), affirming our steadfast commitment to delivering exceptional handling of complaints.

**IT Policy and SOP Realignment**

As part of our strategic initiatives, we undertook a realignment of IT policies and Integrated Standard Operating Procedures (ISOP) to bolster the effectiveness and resilience of our corporate information technology landscape. This proactive step is fuelled by our dedication to staying agile in response to evolving technological landscapes, regulatory demands and emerging cyber threats.

**Cybersecurity Awareness Programme**

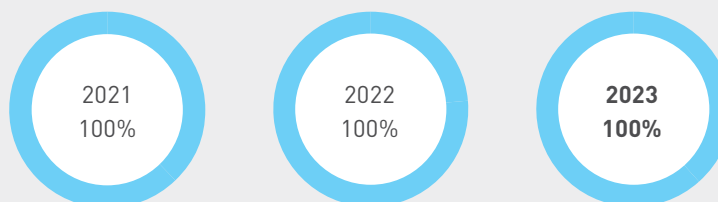
The metrics below demonstrate our ongoing commitment to empowering employees' knowledge against cybersecurity threats through continuous improvement. In 2023, our Email Phishing Protection Compliance rate surged to 95%, reflecting the effectiveness of the training initiatives in instilling a culture of vigilance against phishing attempts. Furthermore, our Cybersecurity E-Learning Take-Up rate reached an all-time high of 100%.

**Overall Performance**

In 2023, we received zero substantiated complaints regarding breaches of customer privacy and loss of customer data. Our commitment remains steadfast in upholding lawful data collection practices, ensuring transparency in data handling and promptly addressing any breaches or concerns raised by our valued stakeholders.

## OUR PERFORMANCE

## CYBER THREATS DETECTED AND REMEDIATED



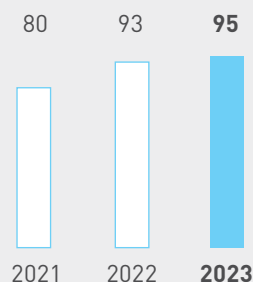
## MANAGEMENT OF COMPLAINTS

	2021	2022	2023
Number of Tickets	63	201	539
SLA Achievement* (%)	100	100	100

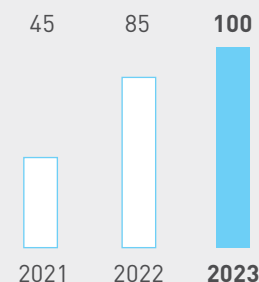
\* SLA resolved within 13.5 hours

## CYBERSECURITY COMPLIANCE AND TRAINING

## Email Phishing Protection Compliance Rate (%)



## Cybersecurity E-Learning Take Up Rate (%)



## Going Forward

Looking ahead, we are committed to fortifying our cybersecurity posture and protecting our organisation's digital assets and infrastructure against evolving cyber threats with a comprehensive strategy. We aim to conduct regular risk assessments to stay ahead of emerging threats as well as the annual Security Posture and Vulnerability Assessments to continually evaluate our system's robustness.

We also plan to bolster our defence with Endpoint Detection & Response capabilities, ensuring proactive protection against diverse cyber threats. Moreover, we will continue to invest in cybersecurity awareness training to foster a culture of vigilance among our workforce, empowering them to recognise and respond effectively to potential risks. We will continue to strengthen our Security Operations Centre capabilities round the clock to enhance our ability to detect and remediate cybersecurity incidents swiftly.

## Social Impact

### LOCAL COMMUNITY

Related Material Matters:



In our commitment to embed sustainability practices, we believe that we have a role to play in contributing positive impact to the communities in which we operate. Our endeavours will not only elevate our brand reputation but also bond stronger ties with local communities and key stakeholders, including customers, employees, suppliers and government bodies. We believe that investing in local communities is integral to fostering long-term resilience and prosperity.



As a responsible corporate citizen, UEM Sunrise is deeply committed to enhancing the quality of life in the communities we serve, meeting the needs of the underserved, underprivileged and marginalised groups. By actively listening to their voices and addressing their concerns, we gain valuable insights to continually enhance our corporate social responsibility (CSR) initiatives. We allocate resources to targeted community outreach programmes that promise significant contributions to community development. Our commitment encompasses efforts to empower youth through education, motivating them to realise their fullest potential. Additionally, we integrate environmental conservation into our CSR efforts, ensuring a harmonious balance between our social responsibilities and business objectives. Through collaborative efforts with our community, we strive to enhance their quality of life and simultaneously protect the environment.

Our CSR strategy is structured around three pillars: education enhancement, community engagement and environmental conservation. We recognise the transformative power of volunteerism in achieving our objectives. The UEM Sunrise volunteer team, CHIEF volunteer, continues to play a pivotal role in ensuring the success of all our initiatives, making positive changes in the lives of our community members.

UEM Sunrise Corporate Social Responsibility Pillars:





## OUR INITIATIVES

**Impacting Lives**

We organised numerous CSR initiatives that emphasise education, community development, and well-being, demonstrating our dedication to enhancing the environment and the quality of life of communities we operate in. In 2023, 17 CSR initiatives were carried out with a total investment of RM282,740. These initiatives included supporting children's education, lending a hand to the less fortunate residents of certain charitable homes and providing relief to natural disaster victims, which resonates with the goals and pillars of our CSR strategy. With our CSR Team taking the lead and supported by 311 CHIEF volunteers, we positively impacted the lives of 27,480 individuals and six non-governmental organisations during the year under review.

**PILLAR 1: EDUCATION ENHANCEMENT****Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR)**

We promote the importance of education through our involvement in the PINTAR school adoption programme, a collaborative social responsibility programme with Khazanah Nasional Berhad which began in 2008. The goal of this programme is to increase the motivation and achievement of students from underperforming schools.

## NUMBER OF SCHOOLS ADOPTED UNDER PINTAR

2021	2022	2023
16	17	18

**Back-to-School Programme**

To ease the financial burdens of underprivileged families and to raise the spirits of students as they enter the new school year, UEM Sunrise, in collaboration with Yayasan UEM, the philanthropic arm of UEM Group Berhad, distributed school necessities to 543 underprivileged students from the Central and Southern regions. The first distribution was held in February 2023 where 292 students from 10 schools under the Company's PINTAR-adopted schools, around Bangi and Iskandar Puteri benefitted from the programme. The second distribution took place in November 2023 where 251 underprivileged students from five of UEM Sunrise's PINTAR-adopted schools in Kuala Lumpur and Iskandar Puteri received school necessities.

**BukuHub**

BukuHub is a community library project launched by UEM Sunrise in 2019. It represents UEM Sunrise's support of the new National Community Policy (DKN) introduced by the government. Among the potential benefits under this policy are improving the overall living environment of the B40 group and adding more facilities in affordable housing developments. Under BukuHub, our aim is 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. To date, a total of 13 community libraries have been launched under BukuHub.



## Social Impact

### PILLAR 2: COMMUNITY ENGAGEMENT



#### CHIEF Initiatives

In January 2023, we visited the senior citizens at Kebajikan Rumah Warga Emas Gemilang in conjunction with the Chinese New Year festivities. Ten of our CHIEF volunteers participated in the initiative and handed monetary donations and festive gifts to the elderly, bringing joy and a spirit of solidarity. In extending assistance to earthquake disaster victims in Syria and Türkiye, we activated a relief drive initiative where we rallied clothing donations from the public to keep those impacted warm during the harsh winter season. A total of 40 CHIEFs volunteered to collect and sort the donations, making UEM Sunrise one of the first companies to respond by handing over 200 boxes of clean, usable winter clothes alongside ready-to-eat meals to the Malaysian Red Crescent Society (MRCS).



During the month of Ramadan, 22 CHIEF volunteers packed and distributed 1,000 packs of bubur lambuk at the Federal Territory Mosque in Kuala Lumpur, while ten CHIEF volunteers delivered 1,000 packs of bubur lambuk at the Kota Iskandar Mosque in Iskandar Puteri, Johor. To bring smiles to underprivileged children during the fasting month, 200 sets of baju raya were contributed to orphans under the care of several orphanages, charity homes, and welfare organisations around the Klang Valley. During Deepavali, more than ten CHIEF volunteers visited a charity home, Persatuan Kebajikan Warga Tua dan Pusat Jagaan Kanak-Kanak Wilayah Persekutuan Kuala Lumpur, handing over monetary contributions and festive gifts.

In another charitable endeavour, 15 CHIEFs volunteers took part in the Bakul Rezeki UEM Sunrise programme in collaboration with the Zakat Collection Centre-Federal Territories Islamic Religious Council (PPZ-MAIWP), distributing basic essentials to the underprivileged residents of the Low-Income Housing Programme (PPR) Batu Muda in Kuala Lumpur. To promote healthy living, UEM Sunrise sponsored 50 CHIEF volunteers to participate in the Terry Fox Run Kuala Lumpur 2023 held at Kepong Metropolitan Park. Organised by Cancer Research Malaysia, the yearly run serves as a platform to raise public awareness for cancer research. On another occasion, UEM Sunrise sponsored nearly 40 CHIEF volunteers to take part in Koperasi PPZ Berhad's Zakat Run 2023 @KL Car Free Morning. The annual run aims to strengthen the bond among communities and promote a healthier lifestyle. To continually create a healthy and conducive environment, 30 CHIEF volunteers took part in a gotong royong programme at SK Seri Anggerik, which involved refurbishing the school facade, foyer wall, and landscaping.





**PILLAR 3: ENVIRONMENTAL CONSERVATION**

**Promoting Environmental Awareness**

UEM Sunrise held its National and Malaysia Day campaign called “My Malaysia Moments” to demonstrate genuine support, respect and love for the country while working alongside communities through sustainability-themed initiatives such as a recycling contest with some of its PINTAR adopted schools and art contest with the public. Under this initiative, UEM Sunrise collaborated with selected schools in the Central and Southern regions under its PINTAR Adopted Schools programme on a recycling contest. As part of the contest, students are required to collect and bring materials meant for recycling from their homes to build a replica of national monuments or historical buildings with prizes to be won for the best and most creative piece.

We also organised an art contest for the public and our loyal customers, Trésorians, with the theme “Express Your Malaysia’s Heart and Heritage through Art” to foster closer-knit ties with the community through fun activities. The contest period ran from 29 August to 18 September, covering both National and Malaysia Days. This contest is aligned with the Environmental Conservation pillar of our CSR strategy, which focuses on environmental awareness and proactive initiatives to protect the natural environment.

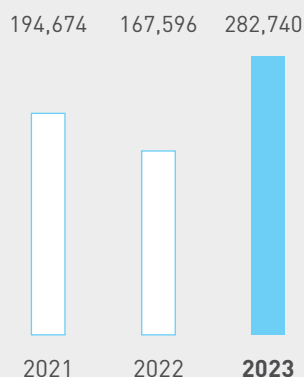


Kepong Metropolitan Park Lake by Norarsikin Maakim, MyCapture Kiara Bay winner

**OUR PERFORMANCE**

**TOTAL COMMUNITY INVESTMENT**

Total Contribution to CSR Programmes (RM)

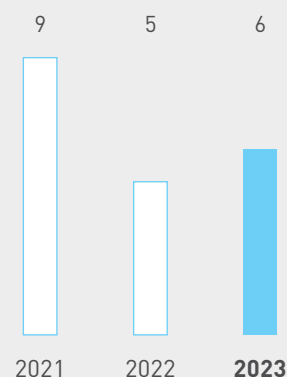


Number of Beneficiaries



NR- Not Reported

Number of NGOs supported



**Going Forward**

We remain committed to invest in initiatives that address community needs. Our efforts to provide quality education, foster community engagement and advocate for environmental conservation are at the core of our ambition to generate positive and lasting impact within the communities we serve. By focusing on these areas, we strive to cultivate a sustainable future that benefits all our stakeholders. As we look ahead, we will continue to engage with communities to identify areas that require our support.



# ENVIRONMENTAL IMPACT

## CLIMATE CHANGE

Related Material Matters:



Climate change is a pressing global concern with adverse impacts on the economy, the well-being of people and the natural environment. The impacts of climate change have intensified progressively over the past few years, leading to elevated temperatures, changes in rainfall, frequent and severe extreme weather events and a rise in sea levels. Currently, there are concerted global efforts and transformative actions underway across all industries to mitigate the impacts of climate change. To this end, it is crucial to understand the causes, impacts and solutions to pave the way for a sustainable and resilient future for generations to come.



Kepong Metropolitan Park Lake photo by Norarsikin Maakim, MyCapture Kiara Bay finalist

### KEY HIGHLIGHTS

- Launched an updated version of the **Sustainable Development Design Guidelines (SDDG)**, guidelines that aims to create UEM Sunrise developments that are environmentally, socially, and economically sustainable.
- Signed an MOU with Universiti Malaya’s Faculty of Science to formulate treatment plans to ensure Kepong Metropolitan Park Lake remains conducive to future community initiatives.
- Disclosed Scope 3 emission arising from employee community and business travels.
- A total of **9,800 trees** have been planted at SIREH Park, to date, bringing us closer to the target of 25,000 trees by 2028.
- Provided access to Trésorians to be part of the tree planting programme at SIREH Park.



As a responsible property developer, we are committed to play our role in climate action to safeguard both our business and stakeholders' interest. With this objective, we want to ensure that our buildings are resilient to climate change.

At UEM Sunrise, climate change has been recognised as a significant sustainability material matter, as it could impact our operations and stakeholders. The Company is taking steps to reduce its carbon footprint and improve transparency in reporting to support the government's goal of achieving an unconditional emissions reduction target by 2030. Our disclosures are aligned with the Taskforce on Climate-Related Financial Disclosures (TCFD), which help us to improve our approach and the management of climate-related risks and opportunities.

In line with the government's climate change aspirations and our commitment to climate action, we have charted our targets between now and 2050 on carbon emissions, energy consumption and waste generation. Our targets consist of three significant milestones:

Achieving **20%** total reduction in carbon emissions, energy consumption and waste generation by 2030

Achieving **60%** total reduction in carbon emissions, energy consumption and waste generation by 2040; and

Achieving **Carbon Neutrality** by 2050



Tree planting at SIREH Park by Internal Audit CHIEFs

We have also identified the potential reduction areas:

### 35% Efficiency through Design for Manufacture & Assembly (DfMA)

- Optimal Design and Energy efficiency
- Standardisation and Repeatable Processes
- Prefabrication and Modular Construction/ Modern Methods of Construction
- Lean Construction Practices
- Off-site Testing and Quality Control

### 30% Responsible energy management

- Efficient equipment selection
- Equipment maintenance
- Renewable energy sources (solar panels)
- Optimise equipment utilisation
- Fleet management
- Site logistics and planning
- Energy-efficient lighting
- Use of natural light and daylighting techniques
- Energy-efficient HVAC systems
- Training and awareness

### 20% Waste reduction and lean construction practices

- Construction waste management and recycling
- Material optimisation and reduced packaging
- Salvaging and reusing materials
- Waste segregation and disposal
- Prefabrication and modular construction
- Waste tracking and measurement

### 15% Improved project monitoring and control

- Real-Time Data Insights
- Energy Efficiency Measures
- Emission Tracking and Reporting
- Process Optimisation
- Predictive Maintenance
- Renewable Energy Integration
- Behavioural Changes
- Waste Reduction and Management
- Supply Chain Optimisation
- Carbon Offsetting Strategies

Additionally, our effective approach in addressing climate change includes linking our senior management's remuneration to climate change and ESG Key Performance Indicators (KPIs) to prioritise managing sustainability risks and opportunities. We are also adapting climate change by integrating sustainable design principles into our townships and developments, aiming to further reduce carbon emissions throughout construction and operations.

# Environmental Impact

## CASE STUDY

We support and advocate the Sustainable Development Design Guidelines (“SDDG”), a set of principles and best design practices for sustainable developments. Additionally, the SDDG also promotes economic growth and social equity that aligns with the UEM Sunrise Sustainability Blueprint.

Following our adherence to SDDG, all our residential landed and high-rise projects from 2023 will be periodically assessed based on plan of works with a target of minimum 80% compliance from the sustainability checklist. This sustainable integration starts from the project’s inception stage and the assessment to be jointly conducted by the consultants, design and project managers, and contractors, based on the criteria set in the following focus pillars:

**1 Urban Design & Placemaking**  
 This pillar prioritises sustainable urban planning, with strategies focused on community well-being and environmental preservation. Under this pillar, there are five main principles that covers Climate, Energy and Water; Environment and Ecology; Community Planning and Design; Transportation and Connectivity and Innovation.

**2 Architecture & Innovation**  
 We assess the extent of passive solution and incorporation of innovation into our architectural designs and sustainable building materials used, to minimise environmental impact. This pillar is supported by six principles including Design Efficiency; Energy Efficiency; Water Efficiency; Indoor Environmental Quality; Materials and Resources and Innovation.

**3 Design for Manufacture & Assembly (DfMA)**  
 Supported by the principles of Design Optimisation and Construction Efficiency, this pillar requires the implementation of design strategies that optimise construction processes, reduce waste and enhance efficiency. Estuari Green is our first project to adopt SDDG with a score of 96% on the sustainability checklist, exemplifying UEM Sunrise’s dedication to creating sustainable developments and communities. Additionally, we have also embraced and implemented standardisation and modularisation of design elements based on UEM Sunrise Design Playbook at the following projects:

High-Rise:	Landed:
- MK31 Phase 2	- Estuari Parkhomes
- Solaris Parq Plot B	- Estuari Greens
- KJ Land	- D’Reka
- DLL	- Aspira Hills (Res 7)
- KMP 6	- Aspira Lake Homes
	- Senadi Hills
	- Symphony Hills

Moving forward, all of our future high-rise and landed developments will undergo the same approach as we continue our sustainability journey, aiming to achieve Carbon Neutrality by 2050. We want to remain at the forefront of creating sustainable and resilient communities for the future with the assistance of SDDG.



Electric vehicle (EV) charging stations at Residensi Solaris Parq showcasing our commitment to reducing carbon emissions



## OUR INITIATIVES

## ENERGY

Efficient energy management is integral to our business operations, aimed at reducing our carbon footprint and fostering a culture of energy conservation. This encompasses strategies such as optimising fuel consumption, leveraging on renewable energy, integrating energy-efficiency across our operations and implementing initiatives to minimise energy usage.

During the year under review, we have executed the following initiatives:

**Electric Vehicle (EV) Charging Facilities**

Aligned with the country's Low Carbon Mobility Blueprint 2021-2030 and National Energy Policy, we have proposed for the incorporation of EV charging points at our new residential high-rise projects as part of our initiatives on low-carbon solutions specifically on renewable energy, green energy and mobility as well as sustainable cities. In collaboration with Gentari Sdn Bhd., we are exploring to include installation of EV charging stations at our key developments, electric forecourt and solar farms at our facilities and lands. To date, we have EV charging points located at MK31 Phase 2, Solaris Parq Plot B, DLL, KJ Land and KMP 6. In future, all of our high-rise and landed projects will be installed with EV charging points.

**Photovoltaic Cells**

We are exploring the feasibility of installing rooftop photovoltaic systems at our commercial buildings in the Central and Southern regions.

This year, we will be installing solar panel at The Beat@ Kiara Bay commercial areas including 21 retail lots, the Village Grocer standalone building and sales gallery. We have also partnered with SOLS Energy to install solar panels on the roofs of township homes. Not only does it allow Trésorians to enjoy exclusive offers on solar panel subscriptions, it will also lead to instant saving on electricity bills.

In line with the prescribed common sustainability material matters for disclosure by Bursa Malaysia, we have continued to measure our energy consumption. Our total energy consumption recorded in FY2023 stood at 239,588.68 GJ or 66,552.42 MWh.

 Please refer to page 160 for more information.

## EMISSIONS

Conducting emissions measurement serves as a fundamental step in identifying opportunities for emission reductions within our company's operations and value chain. Consequently, we initiated the process of measuring our Greenhouse Gas ("GHG") emissions

inventory in 2018 and our calculations adhere to the frameworks outlined below:

- o Greenhouse Gas Protocol
- o IPCC 2006 Guidelines for National Greenhouse Gas Inventories
- o Guidelines to DEFRA's / DECC's Greenhouse Gas Conversion Factors for company reporting
- o Malaysian Green Technology and Climate Change Corporation ("MGTC")

The following indicate our efforts in reducing our emissions:

**Enhancing our Emissions Operational Boundaries**

Previously, we managed our GHG emissions by tracking and measuring our Scopes 1, 2 and 3 (Waste Generation category). This year, we continued to enhance our operational boundaries in measuring our Scope 1, 2 and 3 of GHG emissions as well as enhancing the credibility of our data and maturity by calculating emissions from:

- Scope 2 – electricity consumption for our commercial buildings and chilled water (DCS)
- Scope 3 - business travel and employee commuting

**Business Travel**

The calculation for business travel is based on claim submissions by our employees for their vehicle mileage and air travel between the period of 1 January and 31 December 2023. We have calculated our business travel emissions in accordance with distance-based method of Category 6 Business Travel of the GHG Protocol.

2023 EMISSIONS (tCO<sub>2</sub>-e)

Mileage (by car)	<b>65.06</b>
Air Travel	<b>6.69</b>
<b>Total</b>	<b>71.75</b>

**Employee Commuting**

The data collected is based on survey responses from 368 employees or 39.5% of our total full-time workforce. The total emissions for employee commuting are calculated using the distance-based method of Category 7 Employee Commuting, GHG Protocol, resulting in recorded 31.33 tCO<sub>2</sub>-e generated.

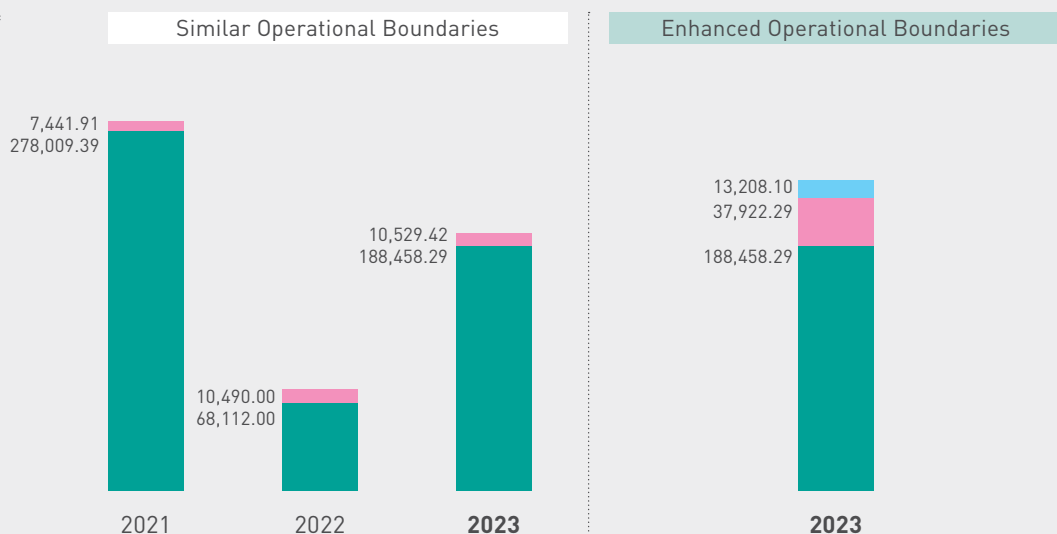
 Please refer to page 162 for more information.

# Environmental Impact

## OUR PERFORMANCE

### TOTAL ENERGY CONSUMPTION (IN GJ) #

- Non-Renewable Fuel\*\*
- Electricity
- Chilled Water (DCS)\*\*\*



Source	Similar Operational Boundaries		
	2021 in GJ	2022 in GJ	2023 in GJ
Non-renewable Fuel	278,009.39	68,112.00	188,458.29
Electricity	7,441.91	10,490.00	10,529.42
Chilled Water (DCS)	-	-	-
<b>Total Energy Consumption</b>	<b>285,451.30</b>	<b>78,602.00</b>	<b>198,987.71</b>

	Enhanced Operational Boundaries		
	2023		
	in GJ	in MWh*	in %
Non-renewable Fuel	188,458.29	52,349.53	78.66
Electricity	37,922.29	10,533.97	15.83
Chilled Water (DCS)	13,208.10	3,668.92	5.51
<b>Total</b>	<b>239,588.68</b>	<b>66,552.42</b>	<b>100.00</b>

**Notes:**

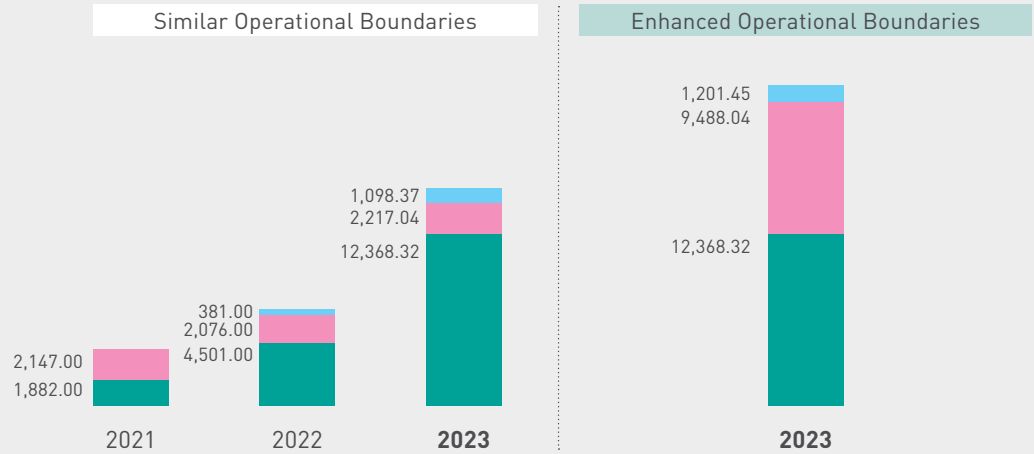
- # The energy consumption for the year ended 2023 presented in this report has been audited by the Internal Audit Department (IAD).
- \* Based on conversion from GJ to MWh
- \*\* Usage of petrol and diesel vehicles, gensets, and machineries at offices and project sites.
- \*\*\* Chilled water at Solaris Dutamas offices (C4 and C5) and Imperia office.

Our energy consumption experienced an increase from 78,602.00 GJ in FY2022 to 198,987.71 GJ in FY2023 in terms of direct comparison. This is attributed to the high dependency on diesel for major earthwork activities at various project sites including Residensi ZIG, Connaught One, Gerbang Nusajaya P8/Res 7, Serene Square and Intrika.

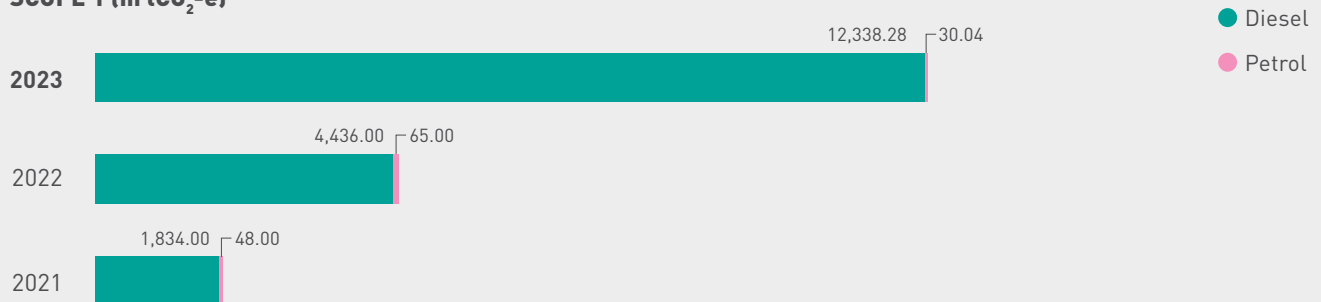
However, it is worth noting that UEM Sunrise has undertaken the initiative to enhance our data collection and operational boundaries by including electricity consumption for commercial buildings and chilled water (DCS). This is to reflect accuracy in our reporting, which has resulted in a significant increase in total energy consumption from 78,602.00 GJ to 239,588.68 GJ.

GHG EMISSIONS (in tCO<sub>2</sub>-e)

- Scope 1
- Scope 2
- Scope 3

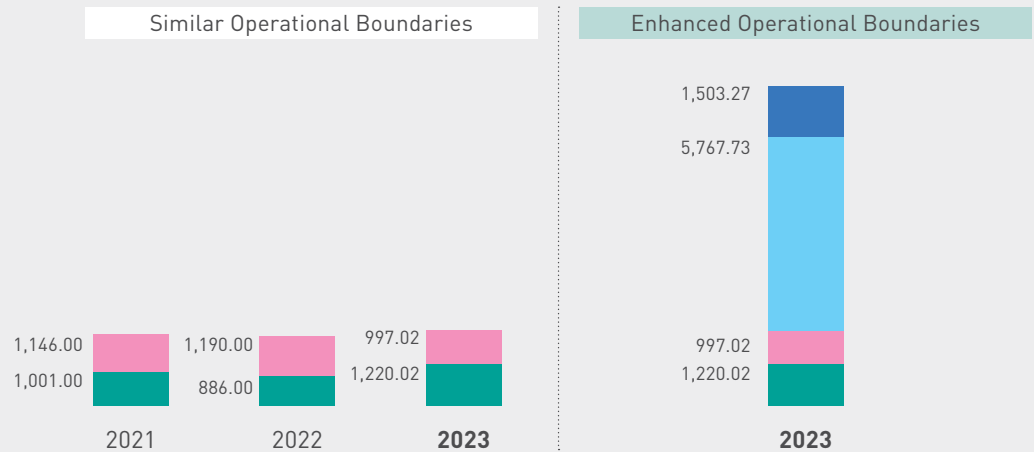


SCOPE 1 (in tCO<sub>2</sub>-e)



SCOPE 2 (in tCO<sub>2</sub>-e)

- Office
- Project Sites
- Commercial Buildings
- Chilled Water (DCS)



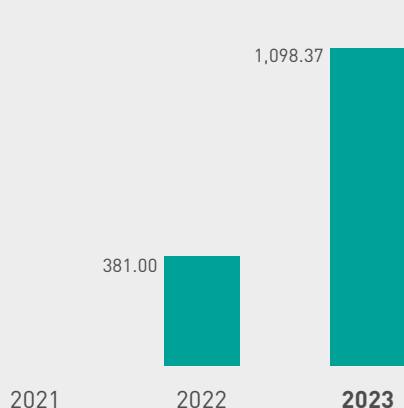


## Environmental Impact

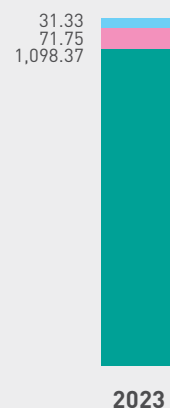
### SCOPE 3 (in tCO<sub>2</sub>-e)

- Waste Generation
- Business Travel
- Employee Commuting

Similar Operational Boundaries



Enhanced Operational Boundaries



Source	Similar Operational Boundaries			Enhanced Operational Boundaries	
	2021 (in tCO <sub>2</sub> -e)	2022 (in tCO <sub>2</sub> -e)	2023 (in tCO <sub>2</sub> -e)	2023 (in tCO <sub>2</sub> -e)	(in %)
<b>Scope 1</b>					
Diesel	1,834.00	4,436.00	12,338.28	12,338.28	53.51
Petrol	48.00	65.00	30.04	30.04	0.13
<b>Subtotal for Scope 1</b>	<b>1,882.00</b>	<b>4,501.00</b>	<b>12,368.32</b>	<b>12,368.32</b>	<b>53.64</b>
<b>Scope 2</b>					
Electricity Consumption:					
Offices	1,001.00	886.00	1,220.02	1,220.02	5.29
Project Sites	1,146.00	1,190.00	997.02	997.02	4.32
Commercial Buildings	-	-	-	5,767.73	25.01
Chilled Water (DCS)	-	-	-	1,503.27	6.52
<b>Subtotal for Scope 2</b>	<b>2,147.00</b>	<b>2,076.00</b>	<b>2,217.04</b>	<b>9,488.04</b>	<b>41.15</b>
<b>Scope 3</b>					
Waste Generation	-	381.00	1,098.37	1,098.37	4.76
Business Travel	-	-	-	71.75	0.31
Employee Commuting	-	-	-	31.33	0.14
<b>Subtotal for Scope 3</b>	<b>-</b>	<b>381.00</b>	<b>1,098.37</b>	<b>1,201.45</b>	<b>5.21</b>
<b>Total GHG emissions (in tCO<sub>2</sub>-e)</b>	<b>4,029.00</b>	<b>6,958.00</b>	<b>15,683.73</b>	<b>23,057.81</b>	<b>100.00</b>
<b>Avoided Emissions from Waste Recycling (in tCO<sub>2</sub>-e)</b>	<b>-</b>	<b>16.63</b>	<b>7.68</b>	<b>7.68</b>	<b>0.03</b>

The emissions factor used is for Business Travel and Employee Commuting is from the Department for Environment Food & Rural Affairs (Defra), Department of Energy Security & Net Zero (UK).

Based on direct comparison (similar operational boundaries for 2022 and 2023), the total GHG emissions increased from 6,958.00 tCO<sub>2</sub>-e to 15,683.73 tCO<sub>2</sub>-e. The high dependency on diesel consumption for major earthwork activities at various project sites has impacted our Scope 1.

On top of that, we made enhancement in the conversion of waste generated into GHG emissions (Scope 3).

The GHG emissions increased further to 23,057.81 tCO<sub>2</sub>-e as we made more enhancement in 2023 in terms of operational boundaries and data collection. The enhancements are:

- Scope 2: We have included the electricity consumption for our commercial buildings and chilled water (DCS); and
- Scope 3: We have calculated emissions from business travel and employee commuting.

The avoided emissions are from waste recycling declined from 16.63 tCO<sub>2</sub>-e to 7.68 tCO<sub>2</sub>-e.

## ENVIRONMENTAL MONITORING

### Mitigating Negative Impacts

As an accountable developer, we prioritise the surrounding communities that may be impacted by our projects. We are committed to upholding sustainability and social responsibility by conducting regular air, noise and vibration monitoring to tackle any adverse effects on the communities and environment. We ensure minimal pollutions and dust from our construction activities so that air quality is maintained while ensuring that our construction noise level comply with acceptable limits.

Additionally, we conduct vibration monitoring to prevent damage to nearby structures and not cause discomfort to residents. These efforts demonstrate our dedication to respectful development, minimising negative impacts on the environment and the communities around the area.

As part of our ongoing efforts, we will maintain our policy which requires all our contractors to engage third-party accredited laboratories to conduct environmental quality sampling test for air, water and noise. For vibration test, it will be conducted at selected projects with critical areas such as slopes. This is to ensure that our construction activities uphold the highest standards and comply with regulatory requirements, preserve natural ecosystems and safeguard the well-being of surrounding communities.

## AIR QUALITY MONITORING 2023

Project Name	Sampling Points	Requirement	Min (µg/m <sup>3</sup> )	Max (µg/m <sup>3</sup> )
Allevia	A1	PM10 , 100 µg/m <sup>3</sup>	21.0	39.0
Astrea	A1	PM10 , 100 µg/m <sup>3</sup>	22.0	30.0
CTC Plot 1	A1	PM10 , 100 µg/m <sup>3</sup>	0.0	50.0
KAIA Heights-MBW	A1	PM10 , 100 µg/m <sup>3</sup>	0.0	40.0
	A2	PM10 , 100 µg/m <sup>3</sup>	0.0	0.0
MK 31-Substructure	A1	PM10 , 100 µg/m <sup>3</sup>	0.0	37.7
Residensi AVA	A1	PM10 , 100 µg/m <sup>3</sup>	18.0	119.0
Residensi ZIG (KMP7) - Substructure	AM1	PM10 , 100 µg/m <sup>3</sup>	0.0	260.0
Serene Heights – Earthwork	A1	PM10 , 100 µg/m <sup>3</sup>	26.0	54.0
	A2	PM10 , 100 µg/m <sup>3</sup>	14.2	20.3
Serene Heights – Commercial	A1	PM10 , 100 µg/m <sup>3</sup>	38.0	100.0

## Environmental Impact

### AIR QUALITY MONITORING 2023

Project Name	Sampling Points	Requirement	Min ( $\mu\text{g}/\text{m}^3$ )	Max ( $\mu\text{g}/\text{m}^3$ )
Serene Heights – Intrika	A1	PM10 , 100 $\mu\text{g}/\text{m}^3$	37.0	37.0
Serene Heights Verna Park Terrace	A1	PM10 , 100 $\mu\text{g}/\text{m}^3$	52.0	52.0
Aspira Gardens Ph2	AQ1	PM10 , 100 $\mu\text{g}/\text{m}^3$	0.0	54.0
	AQ2	PM10 , 100 $\mu\text{g}/\text{m}^3$	0.0	54.0
Gerbang Nusajaya Pkg 8	AQ1	PM10 , 100 $\mu\text{g}/\text{m}^3$	0.0	69.0
	AQ2	PM10 , 100 $\mu\text{g}/\text{m}^3$	0.0	54.0
Residential 7 – Earthworks	A1	PM10 , 100 $\mu\text{g}/\text{m}^3$	0.0	69.0
	A2	PM10 , 100 $\mu\text{g}/\text{m}^3$	0.0	46.0
Senadi Hills 2A	A1 PM 10	PM10 , 100 $\mu\text{g}/\text{m}^3$	0.0	42.0
	A1 PM 2.5	PM2.5 , 35 $\mu\text{g}/\text{m}^3$	0.0	35.0

### NOISE MONITORING 2023

Project Name	Sampling Points	Requirement Day	Min (dB)	Max (dB)	Days
Allevia	N1	65 db (A)	5.9	64.6	Day
	N1	66 db (A)	5.72	59.9	Night
Astrea	N1	70 db (A)	57.0	60.8	Day
	N1	65 db (A)	5.2	52.0	Night
CTC Plot 1	NM1	70 db (A)	68.9	111.1	Day
	NM2	70 db (A)	73.0	113.1	Day
KAIA Heights	N1	70 db (A)	0.0	71.4	Day
	N2	65 db (A)	0.0	70.0	Night
MK 31 – Substructure	NM1	70 db (A)	48.38	61.93	Day
	NM1	65 db (A)	25.02	50.36	Night
	NM2	70 db (A)	40	63.47	Day
	NM2	65 db (A)	24.52	58.81	Night
	NM3	70 db (A)	43.6	64.11	Day
	NM3	65 db (A)	22.05	64.46	Night
Residensi AVA	N1	70 db (A)	53.9	67.6	Day
	N1	65 db (A)	42.8	59.5	Night
	N2	65 db (A)	52.1	52.1	Night
Residensi ZIG (KMP7) – Substructure	NM1	70 db (A)	0.0	89.4	Day
	NM1	65 db (A)	52.6	85	Night



## NOISE MONITORING 2023

Project Name	Sampling Points	Requirement Day	Min (dB)	Max (dB)	Days
Serene Heights – Earthwork	N1	70 db (A)	47.6	59.1	Day
	N1	65 db (A)	16.3	58.2	Night
Serene Heights - Commercial	N1	70 db (A)	51.5	53.0	Day
	N1	65 db (A)	44.6	46.3	Night
Serene Heights – Intrika	N1	70 db (A)	56.2	57.9	Day
	N1	65 db (A)	50.1	48.7	Night
Serene Heights Verna Park Terrace	N1	70 db (A)	5.56	5.56	Day
	N1	65 db (A)	4.24	4.24	Night
Aspira Gardens Ph2	N1	70 db (A)	0	56.9	Day
	N2	70 db (A)	0	56.7	Day
Gerbang Nusajaya Pkg 8	N1	70 db (A)	0.0	58.8	Day
Residential 7 – Earthwork	N1	70 db (A)	0.0	58.5	Day
	N2	70 db (A)	0.0	56.8	Day
Senadi Hills	N1	70 db (A)	0.0	68.3	Day

## VIBRATION MONITORING 2023

Project Name	Sampling Points	Requirement	Min (mm/s)	Max (mm/s)
Allevia	P1	15mm/s	0.11	0.11
	V1	15mm/s	0.14	13.59
Astrea	N1	15mm/s	0.4	0.8
	N2	15mm/s	0.4	0.4
CTC Plot 1	VM1 (x)	15mm/s	0.16	0.45
	VM1 (y)	15mm/s	0.16	0.59
	VM1 (z)	15mm/s	0.17	1.21
	VM2 (x)	15mm/s	0.12	2.3
	VM2 (Y)	15mm/s	0.13	1.9
	VM2 (z)	15mm/s	0.19	5.3
Astrea	N1 (Days)	15mm/s	0.8	0.8
	N1 (Night)	15mm/s	0.4	0.4
	N2 (Night)	15mm/s	0.4	0.4
Senadi Hills	N1	15mm/s	0.65	0.68

## Environmental Impact

During the reporting period, our environmental monitoring identified several exceedances in air, water, and noise levels. However, we have robust internal controls in place to address these issues promptly.

In response to the exceedances identified, we took swift and decisive action to mitigate it. Following the recommendations provided by our environmental consultant, we have implemented robust mitigation measures to address the root causes of these exceedances. All recommendations from the environmental report have been implemented, and internal enforcement measures have been carried out across all our projects to ensure compliance at all times.

Through ongoing monitoring and improvement efforts, we strive to uphold high environmental standards. As a result, we have not been issued any summons or stop work order by the local authorities. To ensure continuous improvement and compliance in mitigating environmental impacts, we remain committed and proactive while being supported by internal controls and recommendations from environmental consultants.

## Going Forward

In the coming year, we will be reviewing and updating our Sustainability Policy to better reflect our commitment to Climate Change. The updated policy will encompass our responsibilities in mitigating and planning for climate action. Currently, we are exploring a few potential projects that may contribute towards carbon reduction for UEM Sunrise namely SDDG, Rooftop Solar and reforestation projects at UEM Sunrise's Open Spaces.

Additionally, as part of our U2030 initiatives, we will continue to improve our data gathering on GHG emissions and focus on charting our GHG reduction pathway to achieve our ambitious long-term target of carbon neutrality by 2050.

Given the more robust coverage of operational boundaries and data credibility for our 2023 GHG emissions inventory, we will be using the 2023 emissions data as our point of reference or baseline moving forward as it provides us with a current overview of our environmental impact. It will also allow us to stay on track in achieving our targets, enabling us to track our progress and be accountable for our sustainability goals. Additionally, the baseline year helps us to plan strategically by identifying areas for reduction and improvement, thereby enabling us to adopt practices and technologies to reach our goals.

As part of our ongoing efforts, we will maintain our policy which requires all our contractors to engage third-party accredited laboratories to conduct environmental quality sampling tests for air, water and noise, while vibration tests will be conducted at selected projects at critical areas such as slopes. This is to ensure that our construction activities uphold the highest standards and comply with regulatory requirements as well as preserving natural ecosystems and safeguarding the well-being of surrounding communities.

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

In recent years, extreme weather events have highlighted the far-reaching impacts of climate change, emphasising the need for robust transition strategies to achieve net zero emissions. These impacts include disruptions to business operations, supply chains and even livelihoods, leading to a global call for business organisations to take immediate climate action and reduce GHG emissions to slow down global warming. This includes being accountable and as transparent as possible in climate change disclosure. Diverse stakeholder groups, encompassing investors, shareholders, employees and regulatory bodies recognise the vital role of corporate organisations in reducing the adverse effects of climate change. As such, there is a collective push for businesses to transition to a low-carbon economy and adapt to climate change.

UEM Sunrise has aligned its climate disclosure with the four pillars and recommendations of the TCFD. Since June 2023, TCFD has been incorporated into the latest International Financial Reporting Standards (IFRS) S2 Climate Disclosures. Reporting on the governance, strategy, risk management and metrics and targets of our climate-related risks and opportunities will enable our stakeholders to make informed decisions in addition to complying with Bursa Malaysia's enhanced MMLR sustainability reporting requirements. The enhanced requirements have made it mandatory for publicly listed organisations to report on TCFD from 31 December 2025 onwards.

→ For more information on our climate action, refer to Climate Change on page 156-166.

### GOVERNANCE

#### The Board

UEM Sunrise's Board exercises oversight of sustainability and climate-related matters through the Board Governance & Risk Committee (BGRC). The roles and responsibilities of the BGRC are as follows:

- Reviewing and providing oversight of sustainability governance to ensure alignment with the Group's business strategy. This involves effective management of significant and material economic, environmental and social matters impacting the Group's principal businesses
- Assisting the Board in setting the Company's sustainability strategies, priorities and targets for the Board's consideration during the planning, performance and long-term strategy of the Company. This is to strengthen the Company's resilience, ensuring it will be able to deliver enduring and sustainable value while maintaining the confidence of its stakeholders

In 2023, BGRC recognised the integration of climate change and its business implications as a material sustainability topic, following thorough deliberations. Apart from overseeing the Group's performance in managing the impacts of climate change, the BGRC plays a pivotal role in formulating overarching strategies and directives to mitigate these impacts. To drive awareness and informed decision making, these directives are communicated to Senior Management, specifically the Risk Management Committee (RMC) at the management

level. The BGRC is kept updated regularly on matters related to waste generation, energy, emissions and more through the systematic dissemination of sustainability updates.

#### The Risk Management Committee (RMC)

The Risk Management Committee (RMC) comprises senior management personnel representing various functions across the Group. The RMC's primary mandate is to supervise the implementation of strategies aimed at mitigating the Group's key risks, particularly climate-related risks.

In collaboration with the existing Risk function within the Group, the RMC bears the responsibility of formulating effective risk mitigation measures. These measures not only seek to capitalise on opportunities but also play an important role in advancing our EESG goals and objectives related to energy management and emissions and addressing risks and opportunities associated with climate change.

The RMC oversees and documents advancements and outcomes achieved through the sustainability initiatives conducted across UEM Sunrise. The Sustainability Department takes charge of implementing approved sustainability strategies as well as ensuring the coordination and execution of sustainability activities throughout the entire organisation.

→ For more information on Sustainability Governance, please refer to page 215 in this report.



# Environmental Impact

## STRATEGY

Climate change presents the Group with both risks and opportunities to reassess and potentially realign its business strategy or operations to adapt to climate change. Identifying and mitigating climate-related risks can pave the way for innovative solutions and practices, promoting resilience and sustainability. For example, implementing environmentally friendly initiatives not only allows us to align with global goals but also elevates the Group’s competitiveness and appeal in the market. This includes integrating sustainable design principles into our

townships and developments, such as attaining green building certifications, which can significantly influence financing considerations by financial institutions and boost access to financing opportunities.

Another instance is that we are actively exploring alternative water sources such as rainwater harvesting and building infrastructure to provide sustainable and uninterrupted water supply for both ongoing and upcoming townships and projects. This is to mitigate the risk of insufficient water supply, which can

potentially delay construction timelines. Lack of water or shifting weather patterns could also impact the availability of suitable land for development in some states in Malaysia, thus affecting the Group’s landbank acquisition strategy.

The following table discloses the identified climate-related risks and opportunities that could impact our business for both Property Development and Commercial Building.

PROPERTY DEVELOPMENT		
Climate Change Aspect	Risks	Opportunities
<b>Regulatory Changes</b>	<ul style="list-style-type: none"> <li>New regulations impacting construction standards</li> </ul>	<ul style="list-style-type: none"> <li>Proactively adapt and comply with evolving standards</li> <li>Integrate green building certification such as GreenRE to enhance marketability</li> </ul>
<b>Resource Scarcity</b>	<ul style="list-style-type: none"> <li>Rising costs due to shortage of materials</li> <li>Price volatility</li> </ul>	<ul style="list-style-type: none"> <li>Invest in sustainable building materials (such as eco-friendly concrete) and practices</li> <li>Promote resource efficiency</li> <li>Reduce environmental impact</li> </ul>
<b>Evolving Market Demands</b>	<ul style="list-style-type: none"> <li>Shifts in demand for climate-resilience and sustainable properties</li> </ul>	<ul style="list-style-type: none"> <li>Position developments as eco-friendly and resilient</li> <li>Integrate green spaces, energy-efficient features and promote sustainable lifestyles</li> </ul>
COMMERCIAL BUILDING		
Climate Change Aspect	Risks	Opportunities
<b>Energy Price Volatility</b>	<ul style="list-style-type: none"> <li>Fluctuating energy costs affect operational expenses</li> </ul>	<ul style="list-style-type: none"> <li>Invest in energy-efficient technologies (such as LED lighting) to reduce energy consumption and operational costs</li> <li>Implement renewable energy sources (such as solar panels) to manage long-term energy expenses</li> </ul>
<b>Tenant Preferences</b>	<ul style="list-style-type: none"> <li>Changing tenant preferences for sustainable office spaces</li> </ul>	<ul style="list-style-type: none"> <li>Promote eco-friendly features to attract sustainability-conscious tenants including energy-efficient lighting, indoor quality improvements and bicycle-friendly amenities</li> </ul>
<b>Brand Reputation</b>	<ul style="list-style-type: none"> <li>Negative perception due to environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Build a positive reputation by creating awareness of our sustainable practices and engaging in community initiatives</li> <li>Cultivate a reputation as an environmentally-responsible property manager</li> </ul>

At UEM Sunrise, we are committed to proactive environmental stewardship and sustainable business practices. Looking ahead, we aim to conduct a comprehensive 1.5-degree Celsius scenario analysis to anticipate and address the potential impacts of climate change on our operations and projects. This analysis will not only allow us to understand the risks associated with a 1.5-degree Celsius warming scenario but also identify opportunities for innovation and adaptation. We will categorise these risks and opportunities into short, mid, and long-term perspectives, ensuring a holistic approach to sustainability across all facets of our business.

## RISK MANAGEMENT

Utilising a systematic approach, the Group relies on its well-established Enterprise Risk Management (ERM) framework to comprehensively identify climate-related risks. This method facilitates a thorough assessment of risks spanning business, operations, and strategy, including Environmental, Social and Governance (ESG) considerations, with a specific emphasis on climate change risks.

The risk assessment process adheres to specific criteria and parameters, covering evaluations of environmental and social impacts, ensures regulatory compliance, financial and business implications and analyses the effects on the supply chain. Crucial factors in this assessment include the quality and quantity of raw materials or goods/services produced, access to financing and capital markets, as well as access to buyers.

We are able to enhance precision through the quantification of risk factors wherever feasible and relevant. Here, the Group places substantial importance on stakeholder perceptions and materiality assessments, as these aspects shape the overarching strategy and focus needed to navigate the complexities associated with climate change.

In tandem with risk management practices, the Group prioritises business continuity. It upholds an updated Business Continuity Plan (BCP), which has been designed to address potential major scenarios that could impact UEM Sunrise. This reflects the Group's commitment to ensuring operational resilience in the face of unforeseen challenges, including those related to climate change. This proactive approach underscores the Group's dedication to robust risk management and strategic preparedness.

## METRICS AND TARGETS

At UEM Sunrise, we proactively manage energy consumption, with a specific focus on electricity and fuel usage, to improve emissions management and directly alleviate our impact on climate change. This strategic approach aims to gradually inspire similar practices across its value chain, ultimately striving to achieve a collective decrease in both energy consumption and emissions.

The Group's emissions management strategy is aligned with ISO 14001:2015 Environmental Management System (EMS). Several emission reduction initiatives have been implemented, such as adopting renewable alternatives and responsible energy management, embracing efficiency through Design for Manufacture & Assembly (DfMA) and implementing waste reduction and lean construction practices.

By 2030, UEM Sunrise targets a significant 20% reduction across key environmental indicators - carbon emissions, energy consumption and waste generation. These strategic objectives have been created to effectively address immediate climate-related risks and opportunities within the organisation.

## Environmental Impact

### WASTE

Related Material Matters:

M9

Waste management is essential for various reasons, encompassing regulatory compliance, the mitigation of environmental impacts, optimisation of resource utilisation and the protection of public health. In today’s corporate landscape, where sustainability and responsible practices are key, effective waste management practices not only lead to cost savings and operational efficiency, but also enhance brand reputation and stakeholder trust. Hence, we are committed to reducing the generation of our construction waste whenever feasible and adopting efficient, hygienic and cost-effective waste disposal methods to protect the environment.



Our construction operations and development projects involve diverse inputs such as raw materials, energy, water, and construction resources. On the operations front, we conduct land clearing, building construction, infrastructure development, property maintenance, and service provision, including district cooling systems (DCS). As a result of our business activities, we generate waste-related impacts, including construction and demolition waste, operational waste, water and energy use, and emissions from construction machinery and operational activities.

As an ethical property developer, we strive to manage our waste generated and advocate the same practices for our value chain as well. The following process describes our methods in collecting and monitoring waste-related data:

Data Collection	Documentation	Reporting	Monitoring
capturing data on waste generation, composition, and disposal methods through ProSus apps, a self-developed data gathering system, onsite assessments and audits	maintaining records of waste-related information, including types of waste generated, quantities produced, disposal methods used, and associated costs	compiling and analysing waste-related data to generate reports on waste management performance, trends, and areas for improvement	regularly reviewing and analysing waste-related metrics to assess progress towards waste reduction targets, identify deviations from plans, and implement corrective actions as needed



## OUR INITIATIVES

**Installed the Automatic Waste Collection System (AWCS)**

We have implemented smaller and strategically positioned collection points within the Automated Waste Collection System (AWCS), optimising urban space while concurrently reducing the necessity for manual waste handling by building occupants or maintenance personnel. This approach not only enhances hygiene standards but also mitigates the risk of occupational injuries. AWCS is adopted or planned in our developments of MK31 (Phase 1 and 2), Solaris Parq (Plot A&B), The ZIG, KMP6, DLL, KJ Land and all future high-rise projects will consider this facility.

**Waste Reduction Practices**

To reduce our waste, we minimise packaging and optimise material usage. We adopt prefabrication techniques in line with the Modern Methods of Construction (MMC).

**Recycling and Reuse Programmes**

These programmes are applicable for construction materials, office waste and landscaping waste, as part of our efforts to divert waste from landfills.

**Waste Management Plans**

Our construction sites and operational facilities adopted waste management plans which entail segregating, handling and disposing wastes in a proper manner.

**Supplier Engagement**

We collaborated with suppliers and contractors to ensure responsible waste management practices throughout the supply chain, including proper disposal and recycling of materials.

**Engaging third-party waste management companies**

Together with our contractors, we ensure that our third-party waste management partners comply with contractual and legislative obligations through:

- Certification and Licensing – they are required to possess relevant certifications, permits, and licenses to handle and dispose waste in accordance with regulatory standards
- Reporting and Monitoring – they are required to produce regular reports on waste collection, disposal, and recycling activities, and monitoring their performance against agreed-upon metrics

**Green Office Day (GOD) Recycling Programme**

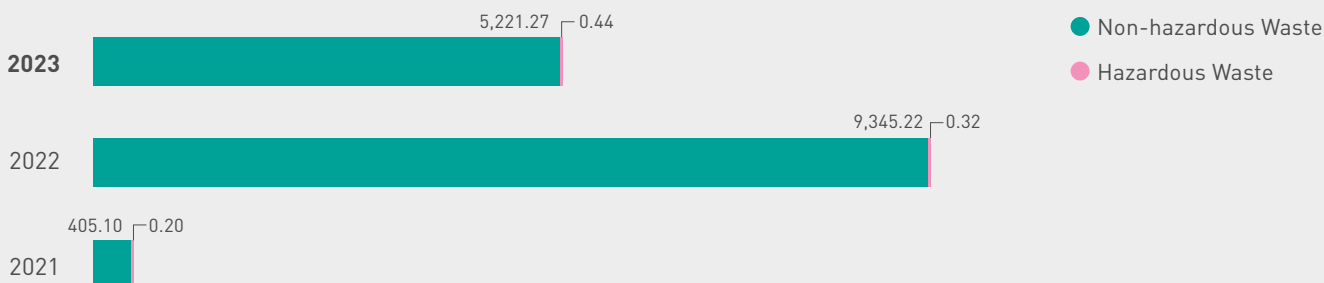
- A recycling programme themed Green Office Day (GOD) was organised at the Central and Southern regions offices, including sales galleries where all employees were encouraged to participate. We appointed two collectors namely Trash4Cash and KITARecycle to collect recyclable items brought in by employees including e-waste, paper, glass and cooking oil.
- A total of 4,809.05 kg of recycled items (by category) have been collected.

TOTAL RECYCLED ITEMS COLLECTED		
Office/Department	Region	Total Recycled Items Collected (kg)
Serene Heights	Central	492.00
Admin	Central	148.20
Finance	Central	354.80
Development	Central	7.60
Corporate Comm	Central	158.70
ICT	Central	4.65
QHSEC	Southern	131.10
Business Unit	Southern	40.10
ICT	Southern	28.30
Cahaya Jauhar	Southern	58.60
Admin	Southern	3,385.00
<b>TOTAL</b>		<b>4,809.05</b>

# Environmental Impact

## OUR PERFORMANCE

### TOTAL WASTE GENERATED #



	2021		2022		2023		in %
	Non-hazardous Waste (in Tonnes)	Hazardous Waste (in Tonnes)	Non-hazardous Waste (in Tonnes)	Hazardous Waste (in Tonnes)	Non-hazardous Waste (in Tonnes)	Hazardous Waste (in Tonnes)	
Total Waste Diverted from Disposal	-	-	-	-	85.34	0.44	0.01
Total Waste Directed to Disposal	-	-	-	-	5,135.93	-	98.36
Total Waste Generated by Category	405.10	0.20	9,345.22	0.32	5,221.27	0.44	98.37
<b>Total Waste Generated</b>	<b>405.30</b>		<b>9,345.54</b>		<b>5,221.71</b>		<b>100.00</b>
Total Waste Recycled	-	-	146.17	-	85.34	-	1.63

Note:

# The waste generated for the year ended 2023 presented in this report has been audited by the Internal Audit Department (IAD).

Currently, we only track the waste generated at our project sites. The waste generation decreased significantly in 2023 due to the completion of 10 projects namely Solaris Parq, Senadi Square, Verna 1E, Frischia, Kiara Kasih, Aspira Garden P1, Senadi Hills 1B, SiLC PPU, GN Infra Pkg 1B, Senadi Hills 1A, and Serassa Green earthwork.

In terms of categorisation, hazardous waste is categorised according to their biological, chemical, and physical properties, giving rise to materials characterised as toxic, reactive, ignitable,

corrosive, infectious, or radioactive. Toxic wastes, for instance, are poisonous even in minute or trace amounts. Under the Environment Quality Act 1974, non-hazardous waste refers to waste materials that do not exhibit characteristics or contain substances such as those outlined in the Act’s criteria for hazardous waste. These materials, when properly managed, are considered less harmful to human health and the environment. Non-hazardous waste may include common municipal solid waste, recyclables, and certain industrial wastes that meet the prescribed standards for non-hazardous classification.

## Going Forward

As we look ahead, our focus is to integrate sustainability practices into our business operations to mitigate environmental impacts and contribute to climate change mitigation efforts. Through regular monitoring and reviewing of our policies and practices, we will be able to better identify and address any potential negative impacts. We believe that it is important for our workforce to inculcate efficient waste management practices, therefore we will continue investing in employee training and development to ensure adherence to ethical and legal standards. With our industry peers and regulatory bodies, we will stay updated in emerging trends and regulations and collaborate for effective measures. This will further bolster our efforts in strengthening partnerships with local communities through ongoing dialogue and support for community development initiatives.

## MATERIALS

Related Material Matters:

M13

At UEM Sunrise, we believe that by utilising sustainable construction materials, we are able to reduce the depletion of natural resources and enhance reusability. Given the urgent need to tackle environmental issues, it is crucial to have a good understanding of the distinctive attributes and use of materials. This prudent practice of using materials sustainably also leads to cost-effectiveness and improves operational efficiency.



Estuari Sports Centre, Iskandar Puteri

We closely monitor our usage of building materials in each project to uphold sustainable sourcing and control of building costs. We aim to strategically strike a balance between innovative and sustainable construction practices, while maintaining the quality and durability of building materials. Our overarching objective is to deliver projects that not only meet the highest standards of quality and durability but also exemplify our unwavering commitment to sustainability and responsible resource management. By prioritising the use of sustainable materials and practices, we set high standards in the development and construction industry while safeguarding the planet for future generations.

### OUR INITIATIVES

#### Adopted the Building Information Modelling (BIM) Workflow

We have started the BIM workflow with 11 high-rise and two landed projects, aiming to streamline the design process and improve project coordination. A key component of this framework is the establishment of BIM Object Library, facilitating the integration of data pertaining to materials, initial cost estimation, visualisation, and environmental impact. Moreover, the integration of Environmentally Sustainable Design processes with BIM further enhances our sustainability efforts. By providing tools for data integration, simulation, and analysis, informed decisions can be made to mitigate the environmental impact throughout the building's lifecycle. BIM will be applied across all our projects.



## Environmental Impact

### Established the UEM Sunrise Design Playbook

The Design Playbook enables us harness design rationalisation and enhance our efficiency and achieve standardisation throughout our projects. Our efforts include the adoption of the metric system for all new developments, aimed at simplifying site operations and minimising material wastage through precise dimensional coordination. Additionally, the implementation of modularisation strategies will improve efficiency by enabling the repetition of the same or similar components and assemblies. This approach has the potential to accelerate both the design and assembly phases of UEM Sunrise projects, contributing to streamlined processes and enhanced project outcomes. To date, we have five high-rise and six landed developments that have adopted standardisation and modularisation.

As part of the Design Playbook which adopts DfMA approach, we have also started utilising the Utility Compartment Unit (UCU), an off-site unit prefabrication which helps to expedite construction timelines efficiently and reduce site labour. UCU's pilot project was our Serene Heights Phase 3A1 with 124 units to be installed and will be made applicable for our new landed residential projects. We also plan to roll it out for all of our RISE and NEST products.

### Standard layout practice

As part of achieving cost, time and design efficiencies, we have come out with our own standard residential layouts that are based on the DfMA approach which will enable streamlining of our project launches and maintain consistent pipelines, with Estuari Park Homes Phase 2A being the first project to embrace this practice by Q2 2025. This approach not only will accelerate the design process through a readily coordinated model for consultants but also saves significant time during the design and planning stages. We are also able to achieve cost efficiency through the use of standard and modular components.

### Strategic Collaborations

We partnered with several organisations to further enhance our ethical practices in ensuring sustainable materials use. For instance, with Petronas Group Technical Solutions (PGTSB), we experimented the utilisation of plastic modified bitumen for the development of Gerbang Nusajaya Show Village (GNSV) as well as the Proshield+, both of which will ensure more sustainable and durable materials for our developments. We also explored the use of pervious concrete with CIMA Concrete Solution. Additionally, with Eastern Pretech, we are currently in the process of developing a fully functioning mock-up unit of Prefabricated Bathroom Unit (PBU) as a benchmark for future projects, starting with Symphony Hills Sales Gallery as the pilot project to be completed in Q3 2024.

## Going Forward

Moving forward, we will continue to strive for resource efficiency and optimisation through advanced construction techniques and modular design. By embracing these innovative approaches, we aim to minimise waste, streamline processes and enhance sustainability in our projects. Additionally, we are committed to reassessing our Procurement Policy to align with our sustainability objectives. This revision will prioritise the procurement of green materials, which are environmentally friendly and sustainable throughout their life cycle. We also plan to enhance the SDDG to include the Life Cycle Analysis (LCA), ensuring standardised adoption across all developments.

## WATER AND EFFLUENTS

Related Material Matters:

M15

UEM Sunrise does not operate at any water-stressed areas but we remain committed to reducing water usage across all our sites and ensure proper management of effluents. We believe that by practising responsible water usage, we will be able to contribute to improved water quality, reduce pollution and enhance community well-being. These efforts also help safeguard our reputation on top of regulatory compliance and reduced operational risks. Water scarcity can potentially lead to contamination issues and violations of clean water rights pose significant challenges; therefore, we ensure that we adhere to the following requirements:

**Local environmental regulations and standards related to water usage, discharge, and effluent treatment**

**ISO 14001 Environmental Management System**

**Water Conservation**



Our water supply is sourced from both potable and non-potable sources such as municipal supplies, withdrawal from water bodies and rainwater harvesting systems for construction, irrigation and building operations. Our water is mainly used for landscaping, sanitation and HVAC/DCS systems within our properties. Discharges may occur due to stormwater runoff or operational effluents. We are aware of potential impacts such as pollution from construction runoff, landscaping activities and operational discharges. We are also closely monitoring the monthly water consumption of contractors to ensure efficiency.

To minimise potable water dependency and manage non-potable water effectively, we ensure efficient water use by implementing water-efficient fixtures, landscaping techniques, and irrigation systems to minimise water consumption in properties and construction sites. By extracting water from our water bodies at project sites for landscape and watering works, we are able to reduce the dependency on potable water. In managing our effluent treatment, we have installed and continue to maintain our effluent treatment mechanisms such as silt traps and silt screens. These mechanisms are in compliance with regulatory standards and prevents contamination of water bodies.

## Environmental Impact

### OUR INITIATIVES

#### WATER MANAGEMENT

##### Risks & Opportunities Assessment Register (ROAR)

In line with the requirements of ISO 14001 and ISO 45001 standards, we have established ROAR across all projects and departments. The primary objective of the ROAR is to systematically identify and evaluate potential risks and opportunities associated with our operations, which also enables us to proactively mitigate risks and capitalise on opportunities for improvement. ROAR also ensures our commitment to environmental improvement and in proactively mitigating our water management.

##### Water Efficiency Measures

During the year, we adopted water-efficient technologies and practices such as low-flow fixtures such as for Water Closet (WC), and water recycling systems. We also conducted water audits to identify opportunities for efficiency improvements and prioritise water-saving initiatives across projects and developments.

##### Diversification of Water Sources

UEM Sunrise explored water sources such as rainwater harvesting and reclaimed water for non-potable usage from our dry pond at project sites to reduce reliance on municipal water supplies. For example, we introduced the Rainwater Harvesting Tank (RHWT) at 11 of our landed residential projects whereby the tank collects rainwater and is reused in the toilets and for landscape irrigation. Our developments that now include this amenity are Verna, Aspira Gardens and all new semi-detached projects such as Estuari Greens, Res 5, Estuari Phase 3. RHWT will also be part of all our high-rise projects in the future.

##### Water Quality Management

We implemented erosion and sediment control measures, sediment ponds, and vegetative buffers to prevent construction-related runoff, silt screen, silt trap and minimise sedimentation in water bodies. Additionally, we optimised our management of effluent treatment systems to ensure compliance with regulatory standards and prevent pollution of water sources from construction activities and operational discharge such as the Total Suspended Solid (TSS) to be less than 50mg/l.

##### Compliance and Risk Monitoring

In 2023, regular assessments and audits were conducted to monitor our compliance with water-related regulations, permits, and environmental management plans. To improve our management of risks, we developed and implemented early warning systems and contingency plans to address emerging water risks, regulatory changes or community concerns proactively.

##### Continuous Improvement and Innovation

We invested in research and development to identify innovative technologies, materials, and practices for water conservation, pollution prevention, and sustainable water use. In 2023, our total water consumption amounted to 482,487.59 m<sup>3</sup> or 482.49 megalitres (ML). We have recorded zero instances of non-compliances with water quality or quantity permits, standards and regulations.

#### WATER DISCHARGE

##### Managing our Effluents and Wastewater

We diligently monitor the monthly TSS levels, which comes from various sources including soil erosion, runoff, or discharges at our project sites with the assistance of an external consultant. While some water bodies naturally contain significant amounts of suspended particles, a sudden increase in turbidity in a previously clear body of water raises concerns as some of our projects are located near natural water resources.

We acknowledge that excessive suspended silt can have detrimental effects on water quality, impacting both aquatic life and human health, while also posing challenges to navigation and increasing the risk of flooding. Our goal is to maintain TSS levels within the allowable limit of 150mg/l. All effluents and wastewater from our sites undergo treatment by Indah Water Konsortium (IWK) and are disposed in accordance with the regulations set forth by the National Water Services Commission (SPAN) and other relevant local authorities.

##### Memorandum of understanding (MoU) between Mega Legacy (M) Sdn Bhd (MLMSB) and Universiti Malaya's (UM) Faculty of Science

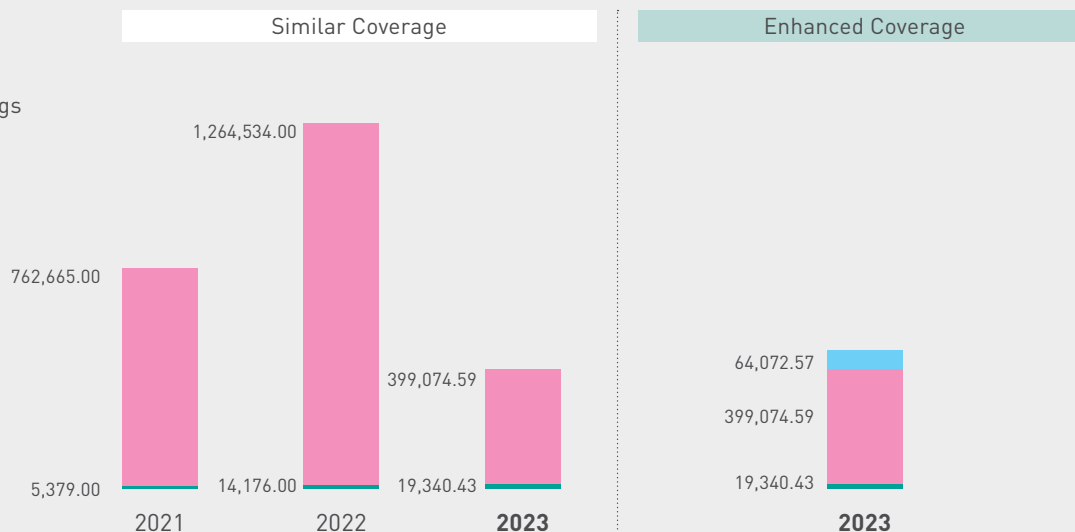
In September, through our joint-venture subsidiary MLMSB, we signed an MoU between with UM Faculty of Science and have committed RM50,000 to assess the water quality of the Kepong Metropolitan Park Lake next to its Kiara Bay development. The park which is situated in the middle of the lake covering 57 hectares, is known as a space for various recreational and leisure family activities. The MoU aims to develop treatment plans to ensure the lake remains conducive to future community initiatives such as recreational activities and the preservation of its biodiversity and aquatic life. The agreement outlines two phases whereby in the first phase, UM will run a test on the water for its microbiological contents and will determine the necessary steps that will need to be taken for phase two. The first phase is fully funded by a grant provided by UEM Group Berhad.



## OUR PERFORMANCE

TOTAL WATER CONSUMPTION (in m<sup>3</sup>)

- Offices
- Project Sites
- Commercial Buildings



Source	Similar Coverage		
	2021 in m <sup>3</sup>	2022 in m <sup>3</sup>	2023 in m <sup>3</sup>
Offices	5,379.00	14,176.00	19,340.43
Project Sites	762,665.00	1,264,534.00	399,074.59
Commercial Buildings	-	-	-
<b>Water Consumption (in m<sup>3</sup>)</b>	<b>768,044.00</b>	<b>1,278,710.00</b>	<b>418,415.02</b>

Enhanced Operational Boundaries	
2023	
in m <sup>3</sup>	in %
19,340.43	4.01
399,074.59	82.71
64,072.57	13.28
<b>482,487.59</b>	<b>100.00</b>

For Project Sites:

	2021 in m <sup>3</sup>	2022 in m <sup>3</sup>	2023 in m <sup>3</sup>
Potable Water	762,665.00	1,264,534.00	95,498.17
Non-potable Water	-	30,011.40	303,576.42

	2023 in m <sup>3</sup>	2023 in %
Potable Water	95,498.17	23.93
Non-potable Water	303,576.42	76.07

Note:

# The water consumption for the year ended 2023 presented in this report has been audited by the Internal Audit Department (IAD).

Based on direct comparison (similar operational boundaries for 2022 and 2023), our water consumption declined significantly to 482,487.59 m<sup>3</sup> or 482.49 ML in 2023 as the result of completion of 10 projects namely Solaris Parq, Senadi Square, Verna 1E, Frischia, Kiara Kasih, Aspira Garden P1, Senadi Hills 1B, SiLC PPU, GN Infra Pkg 1B, Senadi Hills 1A, and Serassa Green earthwork. This result also takes into account the further enhancement made to include data for commercial buildings.

## Environmental Impact

## TSS MONITORING 2023

Project Name	Sampling Points	Requirement	Min (mg/l)	Max (mg/l)
Allevia	ST1	150mg/l	4.0	19.0
	W1	150mg/l	6.0	167.0
Astrea	Outlet 1	150mg/l	8.0	27.0
CTC Plot 1	W1	150mg/l	0.0	38.0
KAIA Heights MBW	ST1	150mg/l	20.0	98.0
	ST2	150mg/l	10.0	46.0
	PT1	150mg/l	0.0	42.0
	PT2	150mg/l	0.0	36.0
	W1	150mg/l	0.0	38.0
MK 31-Substructure	W1	150mg/l	14.0	17.0
	W2	150mg/l	29.0	38.0
Residensi AVA	A1	150mg/l	10.0	54.0
Serene Heights- Earthwork	ST1	150mg/l	0.0	71.0
	W1	150mg/l	15.0	45.0
	W2	150mg/l	15.0	23.0
Serene Heights - Commercial	ST1	150mg/l	0.0	30.0
	W1	150mg/l	9.0	42.0
Serene Heights - Intrika	ST1	150mg/l	0.0	15.0
	W1	150mg/l	8.0	25.0
Aspira Gardens Ph2	W1	150mg/l	3.0	56.0
	W2	150mg/l	3.0	141.0
Gerbang Nusajaya Pkg 8	SB1	150mg/l	0.0	4.0
	SB6	150mg/l	0.0	14.0
	ST1	150mg/l	0.0	20.0
	ST2	150mg/l	0.0	85.0
	ST3	150mg/l	0.0	28.0
	ST4	150mg/l	0.0	72.0
	ST5	150mg/l	0.0	59.0
	W1	150mg/l	0.0	12.0
	W2	150mg/l	0.0	21.0
	W3	150mg/l	0.0	26.0
W4	150mg/l	0.0	28.0	

## TSS MONITORING 2023

Project Name	Sampling Points	Requirement	Min (mg/l)	Max (mg/l)
Residential 7 – Earthworks	ST1	150mg/l	0.0	182.0
	ST2	150mg/l	0.0	28.0
	ST3	150mg/l	0.0	75.0
	ST4	150mg/l	0.0	5.0
	ST5	150mg/l	0.0	41.0
	W1	150mg/l	0.0	9.0
	W2	150mg/l	0.0	87.0
	W3	150mg/l	0.0	432.0
	W4	150mg/l	0.0	248.0
Senadi Hills	ST1	150mg/l	0.0	74.4
	W1	150mg/l	65.0	81.6
	W2	150mg/l	64.8	83.0
	W3	150mg/l	61	78.9

## Going Forward

We will continue to uphold water conservation practices by implementing innovative water-saving technologies to reduce our water usage across operations and developments. Investing in enhanced effluent treatment, we are upgrading our facilities to ensure compliance with more stringent regulations, reducing the environmental impact of effluent discharge.

As part of our ongoing efforts, we will maintain our policy of requiring all our contractors to engage third-party accredited laboratories to conduct water quality sampling tests before releasing any water into waterways. This measure ensures that our construction activities uphold the highest standards of environmental protection and comply with regulatory requirements to demonstrate our commitment to preserving natural ecosystems and safeguarding the well-being of surrounding communities. We will also continuously monitor our water usage, effluent discharge, and environmental performance metrics, while implementing measures to improve efficiency and reduce environmental impact.

In addition, we will collaborate with the local communities, authorities and NGOs to further address water-related challenges and together, work towards sustainable solutions, in relation to our collaboration with Universiti Malaya for our Kiara Bay Lake development.



## Environmental Impact

### BIODIVERSITY

Related Material Matters:

M16

At UEM Sunrise, we recognise the role biodiversity plays in fostering a healthier and greener environment while combating climate change. We are committed to minimising adverse impacts on the biodiversity while enhancing biodiversity within our developments and future ventures whenever possible. To achieve this, we incorporate protection and conservation of biodiversity into our planning and development practices, ensuring sustainable and responsible use of land.



Discovering Birdlife at SIREH Park

Our approach to upholding biodiversity conservation is guided by:

Sustainable Development Design Guidelines (SDDG)	Sustainability Policy	Environmental regulations and requirements
<p>where biodiversity considerations and ecological factors are integrated during project planning, design, construction, and operational phases to minimise impacts on natural habitats and species</p>	<p>we are committed to being an environmentally responsible leader and partner in our communities while also integrating biodiversity considerations in our decision-making processes such as for project planning, design, and decision-making processes</p>	<p>we comply with relevant environmental laws, regulations and requirements to protect biodiversity in all our operations and projects</p>

## IMPACT STORY

Our SDDG outlines a set of principles and guidelines that aims to create our developments that are environmentally, socially, and economically sustainable, demonstrating our commitment to protecting environment and biodiversity. We strive to conserve and protect natural resources, including land, water, forests, and biodiversity by incorporating environmental management principles during project planning and design.

The key component of the environmental management principles and approaches are as follows:

**Preserving site ecology and biodiversity** – to identify and protect ecologically significant areas, such as wetlands, forests, and wildlife habitats, from development. By designating these areas as protected zones or nature reserves, the ecology and biodiversity can be preserved.

**Promoting urban forestry** – to create green space and urban forest cover which provides habitats for various species of plants, insects and animals. Additionally, urban forestry improves air quality, regulate temperature, and manage stormwater by intercepting rainfall, reducing runoff.

**Incorporating native vegetation in urban landscapes** – to promote biodiversity and supports local ecosystems by providing food and habitat for local wildlife, attract pollinators, and help maintain ecological balance.

**Incorporating constructed wetlands in urban landscapes** – to serve as habitat for aquatic plants, amphibians, fish, birds and other small mammal species while improving water quality.

**Collaborations and partnerships** – to collaborate with environmental agencies, conservation organisations, and community to promote biodiversity conservation initiatives and awareness activities.

All our project sites particularly new development sites are examined for potential impact to biodiversity prior to land clearing and building activity. In 2023, our ongoing projects demonstrate an inherently low exposure to biodiversity risks. This is primarily due to the fact that none of our projects are encroaching upon primary forest areas, thereby significantly reducing the potential for major ecological disruption. The Group has diligently adhered to all requirements set forth by the Department of Environment (DOE), both at state and federal levels through the thorough conduct of Environmental Impact Assessment (EIA) for projects to meet the designated threshold criteria.

The EIA process evaluates the effects of development projects on biodiversity. Subsequently, a rigorous assessment is conducted and documented within the Environmental Aspect Impact Register (EAIR) and the ROAR. These registers are integral components of the Project Quality, Health, Safety & Environment Plan (PQHSEP), for all projects.

Following the identification of projects, an Environmental Management Plan (EMP) delineating measures to mitigate any environmental concerns will be established. These measures are to be implemented, followed by quarterly environmental monitoring conducted by accredited laboratories to ensure adherence to prescribed standards and regulations.

### OUR INITIATIVES

Throughout 2023, we partnered with The Nusajaya Natural Heritage Trust (TNNHT) and other stakeholders to conduct various biodiversity preservation initiatives at SIREH Park, Iskandar Puteri Johor. SIREH Park is a 343 acres park that not only serves as a natural heritage site but also as a dedicated conservation centre fostering biodiversity. As we aim to fortify the park's resilience and ensure its longevity for generations to come, in 2023, we were honoured to donate RM3.5 million to SIREH Park. The allocated funds will play a pivotal role in supporting SIREH Park advancement, covering their operational expenditures (OPEX) and capital expenditures (CAPEX). Our decision to allocate these resources also reflects our proactive stance in assessing the ramification of climate change on the surrounding areas of our projects.

In 2023, the total size and location of all habitat areas protected by UEM Sunrise is recorded at 343 acres.

## Environmental Impact

### Tree Planting Programmes at SIREH Park

In 2023, we preserved its lush green environment by volunteering more than 20 tree planting programmes organised by various establishments including SIREH Park itself, MCIS Life Insurance, Iskandar Puteri City Council (MBIP), Tenaga Nasional Berhad (TNB) and more.

## IMPACT STORY

UEM Sunrise took part in a Tree Planting Ceremony organised by MBIP in conjunction with the Asia Pacific Climate Week (APCW) 2023 convention. Held for the first time in Malaysia, APCW 2023 is an initiative by the United Nations Framework Convention on Climate Change (UNFCCC) which provides a platform for policymakers, practitioners, businesses, and civil society to exchange views and address climate change solutions and challenges.

The Tree Planting Ceremony was attended by 45 delegates representing countries including Malaysia, France, Nepal, Sweden, Ukraine, Lebanon, Japan, India, the Philippines, Myanmar, Sri Lanka, Indonesia and many others.

As a result of this tree planting ceremony, SIREH Park has gained 195 forest trees in total.

For the year under review, UEM Sunrise employees have also joined and participated in several activities, including tree planting at SIREH Park. Out of the total, 5,276 trees belong to 66 species which are listed on the IUCN Red List, accounting for 93.18% of trees planted:

Categories	Number of Trees
Critically Endangered	2,073
Endangered	75
Vulnerable	1,078
Near Threatened	387
Least Concern	1,663

To date, SIREH Park has planted **9,800 TREES** together with partners, inching closer to the target of 25,000 trees by 2028 which will sequester approximately 300,000kg of carbon dioxide annually.

### PLANT THAT TREE PROGRAMME AT SIREH PARK

SIREH Park is open to any individuals that want to contribute to the growth of the park. With a donation as low as RM200, they can give life to a tree as part of the SIREH Park's "Plant That Tree" Programme. With a focus on planting native and forest species, the contribution will also support the preservation of biodiversity and maintain ecological balance.

Apart from tree planting, SIREH Park also conducted the following sustainable programmes in the area such as:

**SIREH Park Cleanup Day** - In conjunction of World Cleanup Day, various parties volunteered in this action programme to combat global solid waste problems, whereby 326kg of solid waste was collected during the session.

**Water Resources Assessment at Chicken Feet Lake, Zone 2** - Joined hands with the Johor State Fisheries Office (Jabatan Perikanan Negeri Johor) in performing fish inventory and research on water quality as well as the type of suitability for breeding. Approximately 13,000 numbers lampam jawa has been released to the lake.

**Karnival Iskandar Puteri 2023** - A collaboration event with Iskandar Puteri City Council (MBIP) in conjunction of Iskandar Puteri City Day celebrations. SIREH Park has particularly conducted green/nature-based activities such as sculpture competition using recycle materials, kids' nature walks, nature pounded art, nature stamping art, terrarium and tempeh workshop.

**DRIVE TO SAVE @ SIREH Park** - Iskandar Puteri City Council (MBIP) and CBH Recycle co-organised a drive through event at SIREH Park. Visitors recycle their items such as paper, cardboard, plastic, e-waste, books and more, and be rewarded with cash.

Apart from the DRIVE TO SAVE initiative, where possible, SIREH Park will reuse and recycle materials from waste or unused materials from others development within UEM Sunrise such as benches, round lawn outdoor light and 10 feet cabin to be upcycled and recycled as park's furniture.



**SIREH Park Green Composting Initiatives** - This year, approximately 2.5 tonnes of compost produced by SIREH Park as this is one of the green initiatives towards sustainable living by managing green waste from routine landscape maintenance and turn it into compost. Hot composting is a composting method that involves creating an environment in which microorganisms break down organic materials at an accelerated rate, generating heat in the process. This type of composting is known for its efficiency in decomposing materials quickly and producing high quality organic compost. Compost tea captured from composting process is also used as foliar spray to nursery plants.

In addition, this initiative creates volunteering opportunities with community and student around Iskandar Puteri area. An outreach composting program with several school such as Sekolah Kebangsaan Sri Pulai Perdana and Sekolah Menengah Sri Pulai Perdana under Iskandar Puteri City Council (MBIP) district area.

A few upgrading amenities towards green practices by using solar lighting for secluded green spaces. An initiative of creating Edu-farm given a different experience for visitor in exploring agriculture education.

## Going Forward

UEM Sunrise's commitment to the development of SIREH Park goes beyond mere monetary investment, it reflects its steadfast dedication and proactive biodiversity and climate risk management.

Moving forward, we aim to strengthen our biodiversity management by continuing our commitment to SIREH Park and the "Plant that Tree" Programme. We are also looking to establish a standalone policy outlining specific goal and desired outcomes to further reinforce our commitment on biodiversity conservation. On top of that, we are also exploring possibilities to extend the conservation initiatives to our open spaces. We will continue to collaborate with the local communities, NGOs, government agencies, and other stakeholders to promote environmental awareness while working towards developing and implementing biodiversity conservation strategies and initiatives.



Planting seeds for greener tomorrow with CHIEFs Safarin, Asri and Nur Fadhillah at SIREH Park









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## SECTION 06

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During my three-year tenure at UEM Sunrise, I have experienced substantial professional growth—a role I have undertaken with considerable pride. It's a joy to see spaces like Publika Shopping Gallery thrive, bringing happiness and satisfaction to our community. This, in essence, captures the impact of my work—transforming spaces into vibrant, effective, and efficient ecosystems. Navigating through the challenges has been an enlightening journey, such as driving cost savings and optimising resources over the last two years. These efforts required pushing boundaries and going the extra mile. The process taught me the importance of resilience and creative problem-solving, skills that I will carry forward in my journey with UEM Sunrise."

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**CHIEF Karen**  
Retail Placemaking & Operations



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### DATUK HISHAM HAMDAN

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

### REAGAN CHAN CHUNG CHENG

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

### DATO' SR. AZMAR TALIB

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

### Reagan Chan Chung Cheng

Member

### Alex Yeow Wai Siaw

Member

### Dato' Sr. Azmar Talib

Member

## BOARD GOVERNANCE & RISK COMMITTEE

### Chari T.V. Thirumala

Chairman

### Christina Foo

Member

### Poh Ying Loo

Member

### Zaida Khalida Shaari

Member

### Reagan Chan Chung Cheng

Member

## SECRETARIES

### Liew Irene

MAICSA 7022609

SSM PC No.: 201908001893

### Wong Lee Loo

MAICSA 7001219

SSM PC No.: 201908001993

## AUDITORS

### Ernst & Young PLT

Registration No. 202006000003  
(LLP0022760-LCA) and AF 0039

### Chartered Accountants

Level 23A, Menara Milenium  
Jalan Damansara  
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  
Raja, Darryl & Loh

## REGISTRARS

### 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  
Tel: +603-7890 4700  
Fax: +603-7890 4670  
Email: BSR.Helpdesk@boardroomlimited.com  
Web: www.boardroomlimited.com/my

## REGISTERED OFFICE

Level U6, Block C5, Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
Tel: +603-2718 7788  
Fax: +603-6207 8003  
Email: cosec@uemsunrise.com  
Web: www.uemsunrise.com

## INVESTOR RELATIONS

### Christine Lau Fei Ling

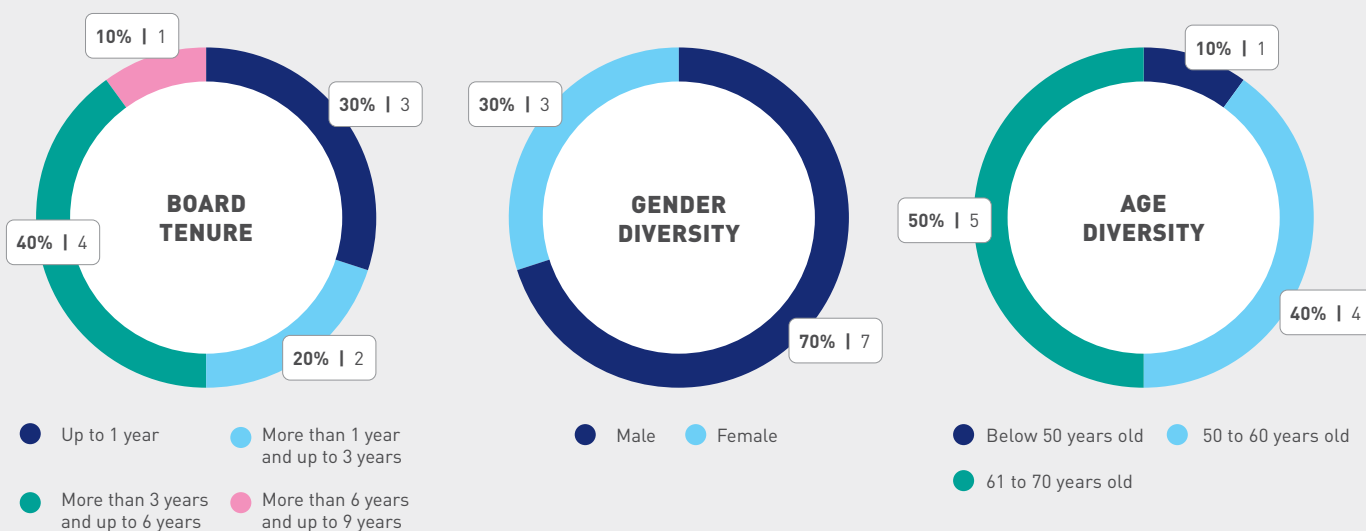
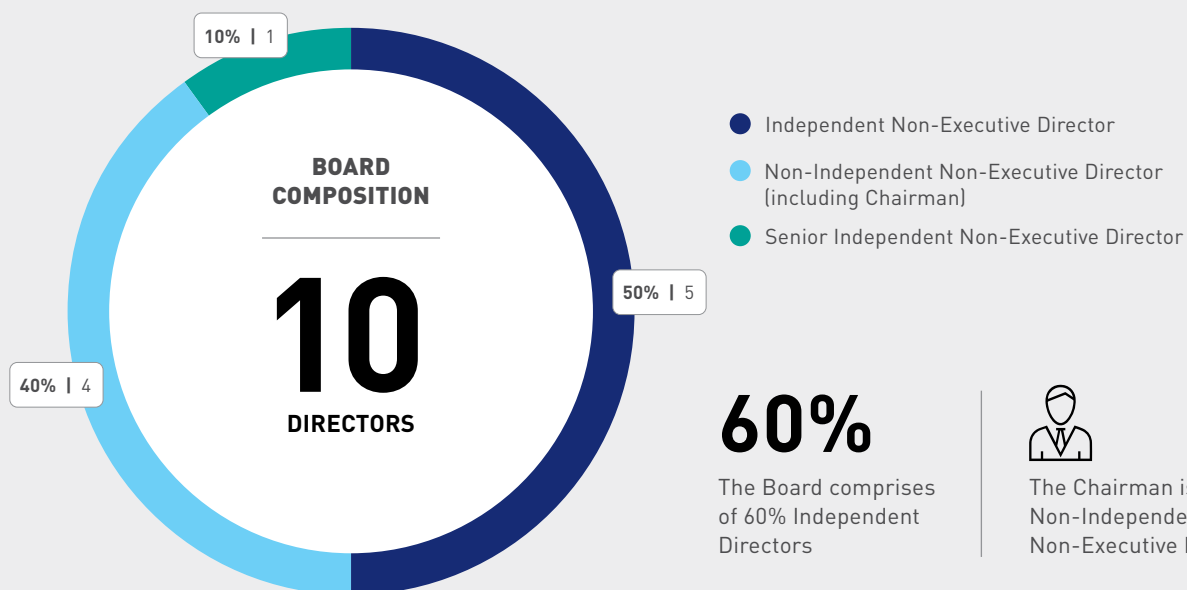
Email: ir@uemsunrise.com

## STOCK EXCHANGE

### Main Market of Bursa Malaysia Securities Berhad

Stock Name: UEMS  
Stock Code: 5148  
Stock Sector: Property  
Listing Date: 18 November 2008

# BOARD AT A GLANCE



## BOARD SKILLS & EXPERIENCE

100%	Leadership Experience	80%	Legal	50%	Digital Transformation
100%	Strategic Planning	80%	Regulatory/Government Relations	50%	Entrepreneurial Experience
90%	Corporate Finance	70%	Investor Relations/Public Relations Communication	40%	Public Service
90%	General Management/Business	60%	Branding, Marketing & Sales	40%	Retail Services and Lifestyle
90%	Risk/Internal Control	60%	Commercial Real Estate	30%	Quantity Surveyor/Procurement
80%	Accounting/Auditing	60%	Information Technology	30%	Tax Planning
80%	Finance, Banking & Investments	60%	Property Development	30%	Township Planning/Masterplanning
80%	Human Capital Development	60%	Technology	20%	Project Management/Engineering/Architecture
80%	International Experience				



DATUK HISHAM HAMDAN



# BOARD OF DIRECTORS

## DATUK HISHAM HAMDAN

Non-Independent Non-Executive Chairman

<b>Nationality</b>	<b>Gender</b>	<b>Age</b>
Malaysian	Male	56

<b>Date of Appointment</b>	<b>Length of Service</b> (as at 22 March 2024)	<b>Date of Last Re-election</b>	<b>Board Committee Memberships</b>
1 July 2023	8½ months	-	NIL

### Academic/Professional Qualification/Membership

- Advanced Management Programme, Harvard Business School, United States of America
- Dual Bachelor's Degree in Chemical Engineering and Industrial Management, Purdue University, United States of America

### Skills and Experience

- He has over 30 years of working experience in senior leadership and board positions. His expertise spans a variety of corporate structures, encompassing businesses in various sectors and multiple countries. During his career, he spent 12 years in the capital markets, focusing on equity research and investment banking, working with various international banks.
- He is currently the Chief Investment Officer of Khazanah Nasional Berhad (Khazanah), the strategic investment fund for the Government of Malaysia. With a wealth of experience in portfolio management, strategy, operations, corporate finance and business development across diverse corporate structures, sectors and countries, he assumed leadership of the Investments Division, overseeing the strategy and performance of the division in March 2024.
- Previously, he served as the Head of Public Markets in Khazanah. He has covered the Auto, Agrifood and Iskandar Malaysia portfolios and served as Executive Director of Research and Investments. He is a founding member of the Board of Trustees of Khazanah Research Institute.

- Prior to joining Khazanah in April 2011, he has served Sime Darby Berhad in various senior capacities since 2004, covering strategy and business development, healthcare, energy and utilities and China.
- He was formerly Chairman of the Board of UDA Holdings Berhad and BBCC Development Sdn. Bhd., the developer of Bukit Bintang City Centre. He has also previously served on the Board of Iskandar Investment Berhad, Sunway Iskandar Sdn. Bhd. and Southern Marina Development Sdn. Bhd.
- He was also a member of the Board and Investment Committee of ValueCap Sdn. Bhd., an investment house that was equally-owned by Khazanah, Permodalan Nasional Berhad and Kumpulan Wang Persaraan (Diperbadankan).
- In July 2023, he was appointed as the Chairman of the Board of Bandar Malaysia Sdn. Bhd., a real estate company that develops multi-asset real estate property.

### Directorships In Public Companies And Listed Issuers In Malaysia

#### Listed Entities

- NIL

#### Other public companies

- Khazanah Research Institute

#### No. of Board Meetings attended in the financial year

4/4 (100%)

#### Notes:

1. None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Sunrise.
2. Save as disclosed, none of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business, with UEM Sunrise and/or its subsidiaries (UEM Sunrise Group):
  - Datuk Hisham Hamdan is Chairman of the Board of Bandar Malaysia Sdn. Bhd., whose principal activities are similar to UEM Sunrise Group, which include property development and property investment.
  - Dato' Sr. Azmar Talib is the Group CEO of TRX City Sdn. Bhd. and a director on the Board of Bandar Malaysia Sdn. Bhd., in which both companies' principal activities are similar to UEM Sunrise Group, which include property development and property investment.
3. 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 2023.

## Board of Directors



CHRISTINA FOO



DATO' MOHD  
IZANI GHANI



DATIN SRI BADRUNNISA  
MOHD YASIN KHAN



CHARI T.V.  
THIRUMALA



POH YING LOO





ZAIDA  
KHALIDA  
SHAARI



REAGAN CHAN  
CHUNG CHENG



ALEX YEOW  
WAI SIAW



DATO' SR.  
AZMAR TALIB



## Board of Directors

### CHRISTINA FOO

Senior Independent Non-Executive Director

**Nationality:** Malaysian      **Gender:** Female      **Age:** 62

#### Date of Appointment

- 23 November 2018 (Independent Non-Executive Director)
- 21 June 2021 (Senior Independent Non-Executive Director)

#### Length of Service (as at 22 March 2024)

5 years 4 months

#### Date of Last Re-election

23 June 2022

#### Board Committee Memberships



#### 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. and Ancom Nylex Berhad.
- She chairs the Industry Advisory Board, Sunway Business School, Sunway University.
- She was previously a Board member of KPJ Healthcare Berhad and Star Media Group 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 Entity

- Ancom Nylex Berhad

##### Other public companies

Nil

#### No. of Board Meetings Attended in The Financial Year

10/10 (100%)

### DATO' MOHD IZANI GHANI

Non-Independent Non-Executive Director

**Nationality:** Malaysian      **Gender:** Male      **Age:** 56

#### Date of Appointment

1 June 2019

#### Length of Service (as at 22 March 2024)

4 years 9½ months

#### Date of Last Re-election

7 June 2023

#### Board Committee Memberships



#### Academic/Professional Qualification/Membership

- Fellow, Association of Chartered Certified Accountants
- Member, Malaysian Institute of Accountants
- Member, Chartered Institute of Islamic Finance Professionals
- Bachelor of Science (Economics) specialising in Accounting and Finance, London School of Economics and Political Science, United Kingdom

#### Skills and Experience

- He was appointed Executive Director of UEM Group Berhad (UEM Group) on 1 January 2019 and re-designated as Managing Director on 1 August 2019.
- He has over 31 years of investment and management experience. Prior to joining UEM Group, he was 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.
- Besides holding directorships in the public companies listed below, he also sits on the Board of Institut Jantung Negara Sdn. Bhd., Samsung C&T Corporation UEM Construction JV Sdn. Bhd., KYUEM Sdn. Bhd. and Pantai Panorama Sdn. Bhd.
- He is the Chairman of the Board of Cenergi SEA Berhad, UEM Lestra Berhad, UEM Builders Berhad, Konsortium ProHAWK Sdn. Bhd., Lestra HEXA JV Sdn. Bhd. and Unipati Concrete Sdn. Bhd.
- 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.

#### Directorships in Public Companies and Listed Issuers in Malaysia

##### Listed Entity

- 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 Lebuhraya Usahasama Berhad
- Cenergi SEA Berhad
- UEM Lestra Berhad
- Yayasan UEM
- International Centre for Education in Islamic Finance (INCEIF)

#### No. of Board Meetings attended in The Financial Year

9/10 (90%)

**ZAIDA KHALIDA SHAARI**

Non-Independent Non-Executive Director

**Nationality:** Malaysian **Gender:** Female **Age:** 56**Date of Appointment** 8 April 2016 **Length of Service (as at 22 March 2024)** 7 years 11½ months**Date of Last Re-election** 23 June 2022 **Board Committee Memberships****Academic/Professional Qualification/Membership**

- Master of Business Administration, University of Strathclyde, United Kingdom
- Barrister-at-law and a member of the Honourable Society of Gray's Inn, London
- LLB (Honours), University of Warwick, United Kingdom

**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 Division 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 the challenges of the future.
- In March 2024, she was appointed as a member of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan).

**Directorships in Public Companies and Listed Issuers in Malaysia**  
**Listed Entity**

- 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**

10/10 (100%)

**REAGAN CHAN CHUNG CHENG**

Non-Independent Non-Executive Director

**Nationality:** Malaysian **Gender:** Male **Age:** 42**Date of Appointment** 1 July 2023 **Length of Service (as at 22 March 2024)** 8½ months**Date of Last Re-election** - **Board Committee Memberships****Academic/Professional Qualification/Membership**

- Chartered Financial Analyst (CFA) Charterholder, CFA Institute
- Bachelor of Science (First Class Honours) in Actuarial Science, London School of Economics, United Kingdom

**Skills and Experience**

- He is currently a Director of Investments at Khazanah Nasional Berhad (Khazanah). His professional experience includes undertaking investments, corporate strategies, business planning, corporate finance and restructuring projects encompassing both strategic and financial elements.
- He joined Khazanah in 2012 and is currently overseeing its Real Assets & Property portfolio, having previously covered inter alia the Leisure & Tourism, Iskandar Malaysia and Technology portfolios of Khazanah.
- He currently sits on the Board of Impeccable Vintage Properties Sdn. Bhd., an entity established to support the Government's aspiration in making Subang a world-class aerospace hub. He also previously served on the Board of Destination Resorts and Hotels Sdn. Bhd. (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd.), an organisation that creates hospitality destinations and experiences that capture and promote Malaysia's rich cultural and biological diversity.
- Prior to Khazanah, he was a Vice President in a regional private equity house. He was then involved in managing venture capital and private equity investments mainly in Malaysia and China.

**Directorships in Public Companies and Listed Issuers in Malaysia**  
**Listed Entity**

Nil

**Other public companies**

Nil


**No. of Board Meetings attended in The Financial Year**

4/4 (100%)

## Board of Directors

### CHARI T.V. THIRUMALA

Independent Non-Executive Director

<b>Nationality:</b> Indian	<b>Gender:</b> Male	<b>Age:</b> 67
<b>Date of Appointment</b> 5 November 2020	<b>Length of Service (as at 22 March 2024)</b> 3 years 4½ months	
<b>Date of Last Re-election</b> 7 June 2023	<b>Board Committee Memberships</b> 	

#### 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 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 large conglomerate, 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 Importance of Analytics, 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.

#### Directorships in Public Companies and Listed Issuers in Malaysia

##### Listed Entity

Nil

##### Other public companies


Nil

#### No. of Board Meetings Attended in The Financial Year

10/10 (100%)

### POH YING LOO

Independent Non-Executive Director

<b>Nationality:</b> Malaysian	<b>Gender:</b> Male	<b>Age:</b> 62
<b>Date of Appointment</b> 5 November 2020	<b>Length of Service (as at 22 March 2024)</b> 3 years 4½ months	
<b>Date of Last Re-election</b> 21 June 2021	<b>Board Committee Memberships</b> 	

#### 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 (IERP)
- Certified Expert in Environmental, Social and Governance (ESG) and Impact Investing from Frankfurt School of Finance and Management
- Sustainability Risk Manager (SRM) professional certification from IERP
- 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/AJI (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 December 2009. 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 in 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 Entity

- Sports Toto Berhad
- MST Golf Group Berhad

##### Other public companies

Nil

#### No. of Board Meetings attended in The Financial Year

10/10 (100%)

**LEGEND:**  Chairman of Committee  Audit Committee  Board Tender Committee  Board Governance & Risk Committee



**DATIN SRI BADRUNNISA MOHD YASIN KHAN**

Independent Non-Executive Director

**Nationality:** Malaysian **Gender:** Female **Age:** 64**Date of Appointment**  
21 June 2021 **Length of Service (as at 22 March 2024)**  
2 years 9 months**Date of Last Re-election**  
23 June 2022 **Board Committee Memberships**  
**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.
- She was the Chief Talent Officer of QSR Brands (M) Holdings Berhad from October 2021 to October 2023.

**Directorships in Public Companies and Listed Issuers in Malaysia****Listed Entity**

Nil

**Other public companies**

Nil

**No. of Board Meetings attended in The Financial Year**

9/10 (90%)

**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 22 March 2024)**  
2 years 9 months**Date of Last Re-election**  
23 June 2022 **Board Committee Memberships**  
**Academic/Professional Qualification/Membership**

- Executive Program, Leadership, University of Chicago, United States of America
- Executive Program, Market Approach, INSEAD, France
- Executive Program, Mini-MBA, INSEAD, France
- Master in Business Administration in Finance (Distinction), University of Hull, United Kingdom
- Bachelor of Industrial Engineering (First Class Honour), University Technology of Malaysia

**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 formerly held the position as the Group Chief Executive Officer of Star Media Group Berhad until February 2024.
- 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.
- In March 2024, he was appointed as the Managing Director, Chairman's Office of Sunway Services Sdn. Bhd.

**Directorships in Public Companies and Listed Issuers in Malaysia****Listed Entity**

Nil

**Other public companies**

Nil

**No. of Board Meetings attended in The Financial Year**

10/10 (100%)

## Board of Directors

### DATO' SR. AZMAR TALIB

Independent Non-Executive Director

<b>Nationality:</b> Malaysian	<b>Gender:</b> Male	<b>Age:</b> 64	
<b>Date of Appointment</b>	<b>Length of Service (as at 22 March 2024)</b>	<b>Date of Last Re-election</b>	<b>Board Committee Memberships</b>
11 March 2024	11 days	Not applicable	

#### Academic/Professional Qualification/Membership

- Financial Risk Management, Harvard Business School
- Member, Royal Institution of Surveyors Malaysia
- Bachelor of Science (Honours) in Estate Management, Universiti Teknologi MARA (UiTM)

#### Skills and Experience

- He has over 40 years of working experience covering real estate, construction as well as banking and project turnaround.
- A valuer by training, he was involved in the valuation profession for 7 years before joining the banking industry for 7 years undertaking projects and corporate turnaround as well as project financing.
- He then joined Permodalan Nasional Berhad (PNB) and in the 18 years with the PNB group, he helmed 7 companies as their Group CEO. Among his major tasks were the acquisition of a few public listed companies, turnaround and restructuring. He also set up new companies and started 9 major townships, mostly in Klang Valley.
- He joined TRX City Sdn. Bhd. (TRX) since 2011 and is currently the Group CEO of TRX overseeing the development of Tun Razak Exchange as the International Financial Centre of Malaysia as well as Bandar Malaysia, envisioned to be Malaysia's International Business Hub. Under Bandar Malaysia, he has completed the development of the new facilities for the Air Force, Army and Police Air Wing costing close to RM3 billion in 8 different locations.

- He is also a director of TRX's wholly-owned subsidiary, Bandar Malaysia Sdn. Bhd., a real estate company that develops multi-asset real estate property.
- He is a member of Majlis Tindakan Ekonomi Negeri Melaka, Tabung Haji Investment Panel and Majlis Agama Islam Melaka.
- He is a director of Lembaga Tabung Amanah Melaka and Straits of Melaka Waterfront Economic Zone and Industry Advisory Panel for Real Estate, Faculty of Built Environment, Universiti Malaya.

#### Directorships in Public Companies and Listed Issuers in Malaysia

##### Listed Entity

Nil

##### Other public companies

Nil

#### No. of Board Meetings Attended in The Financial Year

Not applicable

<b>LEGEND:</b>	 Chairman of Committee	 Audit Committee	 Board Tender Committee	 Board Governance & Risk Committee
	 Nominations & Remuneration Committee		 Board Development Committee	

## JOINT SECRETARIES



### **LIEW IRENE**

Joint Company Secretary

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.



### **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, UK 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.



# SENIOR MANAGEMENT TEAM’S PROFILE

## SUFIAN ABDULLAH

Chief Executive Officer

Nationality	Gender	Age
Malaysian	Male	49

### 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 and Experience

- He has more than 21 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 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.

### Directorships in Public Companies and Listed Issuers in Malaysia

#### Listed Entity

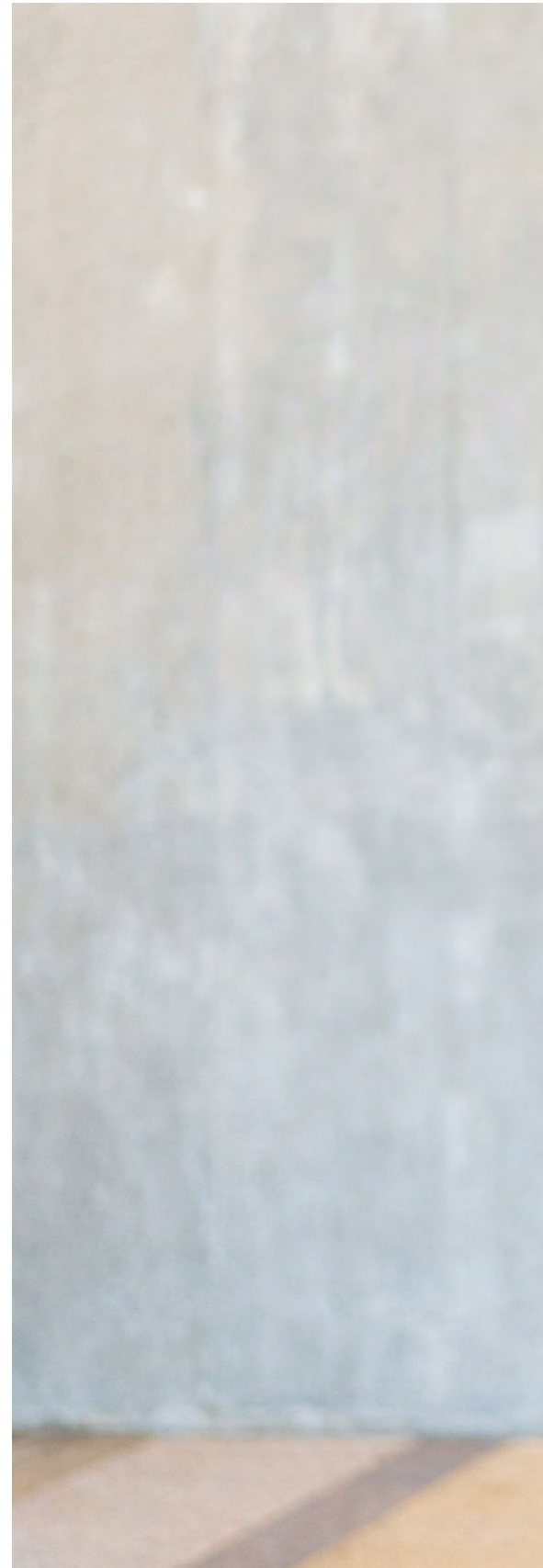
- Nil

#### Other public companies

- Sunrise Berhad
- UEM Land Berhad

#### Notes:

1. None of the Senior Management have any family relationship with any other Director and/or major shareholder of UEM Sunrise.
2. None of the Senior Management have any conflict of interest or potential conflict of interest, including interest in any competing business, with UEM Sunrise and/or its subsidiaries.
3. None of the Senior Management 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 2023.
4. The Chief Executive Officer does not hold any ordinary shares in UEM Sunrise.





SUFIAN ABDULLAH



## Senior Management Team’s Profile



### HAFIZUDDIN SULAIMAN

Chief Financial Officer

Nationality	Gender	Age	Date of Appointment
Malaysian	Male	49	1 August 2023

#### Academic/Professional Qualification/Membership

- Chartered Accountant, Malaysian Institute of Accountants
- Bachelor of Accountancy, MARA University of Technology, Shah Alam, Selangor
- Diploma in Accountancy, MARA Institute of Technology, Segamat, Johor

#### Skills and Experience

- He has more than 21 years of extensive experience in Strategic Planning, Venture Capital, Equities, Capital Markets and Mergers & Acquisitions (M&A).
- Prior joining to UEM Sunrise, he served as Group Head of Strategy at QSR Brands (M) Holdings Bhd.
- Between May 2005 to October 2019, he served in Khazanah Nasional Berhad as the Director of Finance.

- He has also held numerous key senior management roles, including as Chief Treasury Officer at Berjaya Corporation Berhad and as Head of Treasury at Permodalan Nasional Berhad, among others.
- He began his career in audit and accounting with Ernst & Young and went on to hold several key positions in a number of large public and private institutions in Malaysia.

#### Directorships in Public Companies and Listed Issuers in Malaysia

- Listed Entity**
- Nil

#### Other public companies

- Sunrise Berhad
- UEM Land Berhad





## IRWIN MOHD EUSOFF

Chief Strategy & Transformation Officer

Nationality	Gender	Age	Date of Appointment
Malaysian	Male	50	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 and Experience

- He has spent the last 21 years of his career in the regional telecommunications market having served Maxis Berhad and subsequently 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.

### Directorships in Public Companies and Listed Issuers in Malaysia Listed Entity

- Nil

### Other public companies

- ONE15 Marina Development Berhad

## Senior Management Team’s Profile



### LIONG KOK KIT

Chief Operations Officer, Central

Nationality	Gender	Age	Date of Appointment
Malaysian	Male	47	1 March 2020

#### Academic/Professional Qualification/Membership

- Bachelor’s Degree in Building Surveying from University of Malaya

#### Skills and Experience

- He has more than 21 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.

#### Directorships in Public Companies and Listed Issuers in Malaysia Listed Entity

- Nil

#### Other public companies

- Sunrise Berhad
- UEM Land Berhad





### SANIMAN MD APANDI

Chief Operations Officer, Southern

Nationality	Gender	Age	Date of Appointment
Malaysian	Male	54	1 July 2022

#### Academic/Professional Qualification/Membership

- Bachelor's Degree in Engineering (Civil) from University of Malaya

#### Skills and Experience

- He has over 29 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.

#### Directorships in Public Companies and Listed Issuers in Malaysia Listed Entity

- Nil

#### Other public companies

- Horizon Hills Resort Berhad
- Sunrise Berhad
- UEM Land Berhad



## Senior Management Team’s Profile



### KENNY WONG KOON KENG

Chief Marketing Officer

Nationality	Gender	Age	Date of Appointment
Malaysian	Male	61	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 and Experience

- He has more than 36 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.

#### Directorships in Public Companies and Listed Issuers in Malaysia

##### Listed Entity

- Nil

##### Other public companies

- Nil



## PEGGY LEE PEK KEE

Chief People Officer

Nationality	Gender	Age	Date of Appointment
Malaysian	Female	54	1 December 2021

### Academic/Professional Qualification/Membership

- ICSA professional qualification
- Diploma in Business Management

### Skills and Experience

- She has more than 29 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.

### Directorships in Public Companies and Listed Issuers in Malaysia Listed Entity

- Nil

### Other public companies

- Nil



## LEADERSHIP TEAM



**HASNIZA MOHAMED**  
Director, Digital & Technology Innovation



**VIJAYAN BALAN**  
Head, Procurement



**ONG CHEE WEI**  
Director, Business International (Australia)



**BEVARAH SOBAN BAABU A/L GANGARAJU**  
Head, South Africa



**ALICIA LIM CHWEE MUEI**  
Head, Integrity & Risk Management



**MAZMEEN MOHAMED RAZALI**  
Head, Internal Audit





**DATO' MOHAMMAD IMRAN ISMAIL**  
Head, Strategic Stakeholders Management



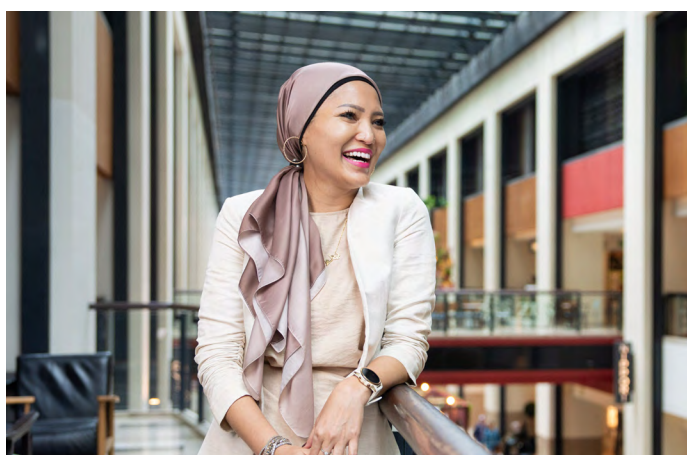
**CHRISTINE LAU**  
Head, Investor Relations, Corporate Finance & Research



**YUSWANIS YUSOF**  
Head, Corporate Communications & Branding



**AZMY MAHBOT**  
Financial Controller 1 / the then Principal Officer of Finance

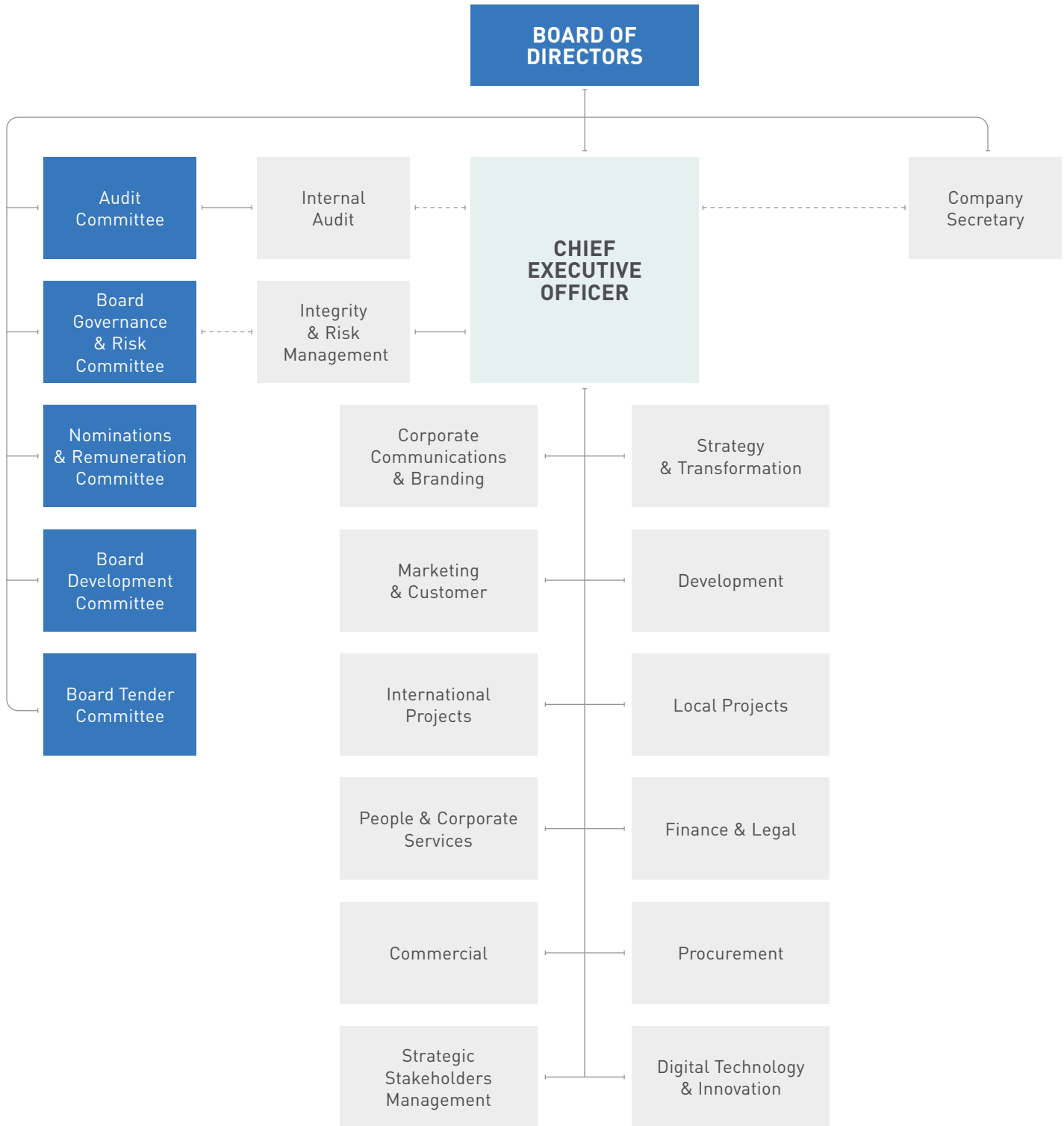


**SITI NURKHAIRIAH MOHD NASIR**  
Head, Retail Operations



**LIEW IRENE**  
Head, Company Secretarial Services

# ORGANISATION STRUCTURE







UEM Sunrise has a team of experienced professionals who are dedicated in conducting regular site assessments, to uphold the highest standards in quality, health, safety and environment.









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## SECTION 07

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Having been a part of UEM Sunrise for eight remarkable years, I take immense pride in how the company consistently prioritises the welfare of its employees above all else. It's this genuine care and nurturing environment that not only fosters professional growth but also instills a sense of belonging amongst us. Challenges are an inevitable part of our daily work life, but we may overcome these obstacles with genuine efforts and unwavering faith - this journey of continuous learning and adaptation has been instrumental in my personal and professional development. I envision UEM Sunrise gaining even greater prominence, not just within Malaysia but on an international scale."

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**CHIEF Nazrin**  
Retail Maintenance

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (Board) consistently upholds the principles of sound governance ingrained throughout the organisation. We remain steadfast in our commitment to bolster resilience and provide effective leadership by embracing and fortifying corporate governance policies and practices at UEM Sunrise Berhad (UEM Sunrise or the Company) and its subsidiaries (the Group). Our dedication aims to secure long-term business sustainability amidst a rapidly evolving business landscape.


The Board will persist in championing ethical standards within the organisation, playing a pivotal role in seamlessly integrating sustainability initiatives into our operational strategy. With an understanding of the increasing significance of environmental, social and governance (ESG) factors for both regulators and stakeholders, coupled with the imperative to adopt responsible, sustainable and climate-conscious ESG practices, the Board will continually enhance the Group’s corporate governance framework. This evolution will be guided by key statutory provisions, best practices, policies and guidance to ensure its ongoing relevance.

- Companies Act 2016
- Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Malaysia)
- Malaysian Code on Corporate Governance (MCCG or the Code) issued by the Securities Commission Malaysia
- Bursa Malaysia Sustainability Guide 3<sup>rd</sup> Edition

The Board is pleased to share that in December 2023, UEM Sunrise was conferred a Silver Excellence Award for companies with less than RM2 billion in market capitalisation category at the National Annual Corporate Report Awards (NACRA) 2023.

This statement outlines how the Company has implemented the key principles and complied with relevant provisions of the MCCG. Our commitment to maintaining high standards of corporate governance is pivotal both within the boardroom and across the entire Group. These standards play a crucial role in upholding business integrity and fostering trust among investors and stakeholders in the Company.

We have structured our governance practices in this report based on the core principles of the MCCG. Our approach emphasises clarity and transparency in disclosure, ensuring that our communication remains accessible and easily understood.

 This statement is to be read along with the Corporate Governance Report 2023 which can be found at [www.uemsunrise.com/corporate/about-us/information-and-downloads](http://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 2023, UEM Sunrise complied in all material aspects with the principles set out in the MCCG. The Company adopted 44 out of the total 48 recommended practices in the MCCG, including the four step-up practices. One (1) practice was not applicable and the Company has not adopted Practices 1.4, 8.2 and step-up Practice 8.3 of the MCCG namely the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee, 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.

The Board assumes a primary role in shaping the strategic and annual plans for the Group’s business performance, overseeing the proper conduct of business, talent and succession planning, risk management, shareholders’ communication, internal controls, management information systems and relevant statutory matters. Key management, on the other hand, is responsible for executing policies and achieving the Group’s corporate objectives. A clear demarcation of roles between the Board and Management is in place to ensure the Company’s business functions effectively in its day-to-day operations.

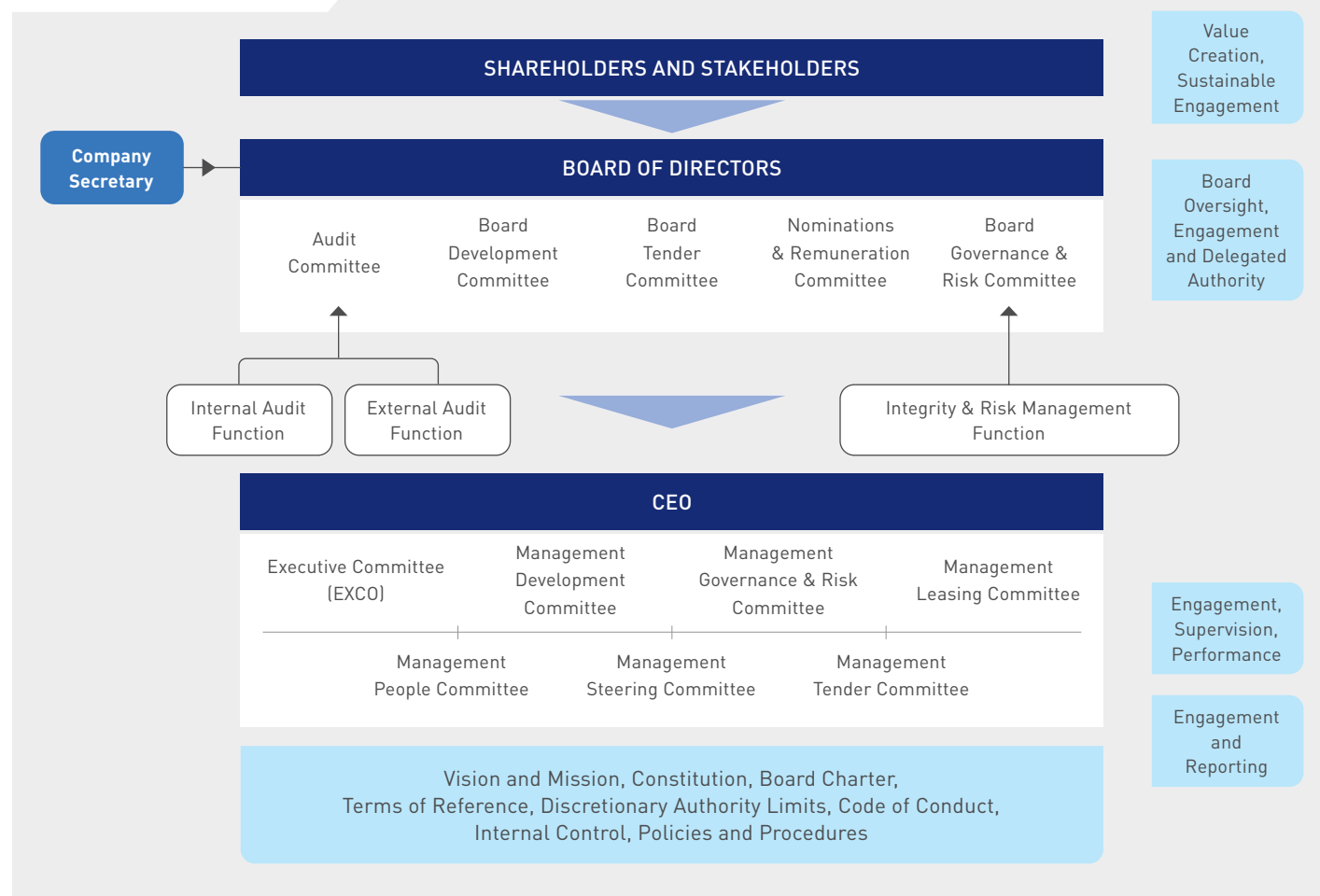


## Principle A

## BOARD LEADERSHIP AND EFFECTIVENESS

The Board bears ultimate responsibility for the management and oversight of business affairs, corporate governance, strategic direction, and financial and organisational matters of the Company. The governance model for the Group delegates specific powers to Board Committees and the Chief Executive Officer (CEO). This Corporate Governance Model and its processes are structured around the Terms of Reference of the Board Committees. Additionally, they are supported by Discretionary Authority Limits, various management committees, and a group governance framework, policies and procedures.

## Corporate Governance Model



## Group Governance - Policies and Procedures

- 1 Risk Management Policy & Guidelines
- 2 Anti-Corruption Policy & Guidelines
- 3 Sustainability Policy
- 4 Corporate Responsibility Policy
- 5 Investor Relations and Shareholder Communication Policy
- 6 Whistleblowing Policy & Procedures
- 7 Diversity, Equity and Inclusion Policy
- 8 Remuneration Policy for Directors and Senior Management
- 9 Fit & Proper Policy
- 10 Code of Conduct
- 11 Code of Conduct for Business Partners
- 12 Conflict of Interest Policy
- 13 Gifts & Hospitality Policy
- 14 Top Management External Directorships Policy
- 15 Privacy Policy
- 16 Information Classification Policy
- 17 Quality, Health, Safety and Environmental Policy

## Corporate Governance Overview Statement

### Principle A

#### BOARD COMMITTEES

The Board has instituted five (5) Committees, each aligning with the provisions of the MCCG. These Committees play a vital governance role by undertaking detailed work to fulfill the responsibilities delegated to them by the Board. Leveraging their specialist skills, the Committees contribute to critical areas such as financial information review, procurement and development matters, anti-corruption efforts, internal controls and risk management, governance, sustainability/ESG and human capital management.

AC

##### 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

BTC

##### BOARD TENDER COMMITTEE

assists the Board on project tender related matters which are in line with the Group's DAL requirements

BGRC

##### 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

NRC

##### 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

BDC

##### 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

Board members enjoy unrestricted 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 that meeting materials are promptly made available to Directors on their devices before meetings. They also prepare reports summarising key discussion points and decisions from Committee meetings for presentation at the subsequent Board Meeting, facilitating the respective Board Committee Chairperson's reporting.

Additionally, the Company Secretaries are responsible for taking meeting minutes, circulated to Directors before the next meeting. They provide advisory services to the Board on corporate administration and governance matters, including updates on regulations and compliance with relevant laws.

## BOARD LEADERSHIP AND EFFECTIVENESS

## SUSTAINABILITY GOVERNANCE

The Company has instituted a resilient sustainability governance framework that adopts a top-down approach, with oversight by the leadership team. This ensures the effective development and implementation of sustainability decisions. The Sustainability Governance Structure and the roles and responsibilities for each level of the structure are as follows:



## Roles and Responsibilities

## Board

- Overall responsibility and oversight of sustainability matters.

## Board Governance &amp; Risk Committee (BGRC) – delegated by the Board

- Assist the Board in setting the Company's sustainability strategies, priorities and targets for the Board's consideration, ensuring the Company remains resilient and is able to deliver durable and sustainable value as well as maintain the confidence of its stakeholders.
- Review and provide oversight of sustainability governance to ensure alignment with the Group's business strategy through effective management of significant and material economic, environment and social matters impacting the principal businesses of the Group.

## Executive Committee (EXCO) – Senior Management level

- Shapes organisational culture and company-wide decision-making processes.
- Ensures the establishment of necessary management processes, resources and incentives are in place to facilitate integration of relevant ESG practices.
- Monitors and tracks sustainability-related KPIs.
- Guides the execution of initiatives to ensure progress is achieved as per defined goals and objectives.

## Sustainability function

- Provides stewardship and drives sustainability agendas within the Group.
- Formulates sustainability strategy aligned with the overall business strategy.
- Provides regular updates on sustainability to internal and external stakeholders.



## Corporate Governance Overview Statement

### Principle A

#### BOARD CHARTER AND TERMS OF REFERENCE

The Board Charter serves as a reference document for Directors concerning Board-related matters, processes, and the roles and responsibilities of the Board, individual Directors and the Senior Independent Director. It delineates the high-level duties of the Board, matters exclusively reserved for the Board, and those that may be delegated to Board Committees, the CEO and Management. The Charter undergoes periodic reviews to ensure alignment with best practices. The Terms of Reference for Board Committees articulate the purpose, scope, and authority of each Committee. These terms are subject to regular reviews to ensure continued alignment with best practices.

The Board Charter was last revised in March 2022 after taking into account the findings from the Board & Directors Effectiveness Evaluation for financial year 2021, as well as further alignment with the MCCG and amendments to the Listing Requirements that require the Company to establish its Fit & Proper Policy. The Board Charter will be subject to periodic review as and when required.

The Terms of Reference of Audit Committee was revised in August 2023. The Terms of Reference for all other Board Committees will be subject periodic review as and when required.

#### DISCRETIONARY AUTHORITY LIMITS

The establishment and execution of well-defined organisational roles, responsibilities and authorities, as outlined in the Board-approved Discretionary Authority Limits (DAL), are integral components of effective corporate governance. At UEM Sunrise, the DAL is crafted to ensure robust governance, providing necessary checks and balances in the initiation and approval processes for authorised transactions.

Adopting a risk-based approach, the DAL facilitates a balanced distribution of accountability and control among authorised parties, involving the Board, Board Committees and Management of the Group as necessary. The Board extends the application of the DAL to its wholly-owned subsidiaries, delegating authority limits to Senior Management for daily operations.

The DAL undergoes periodic reviews, ensuring an optimal structure for efficient and effective decision-making within the Group.

#### CONFLICT OF INTEREST

The Group has implemented a comprehensive Conflict of Interest policy, mandating UEM Sunrise Board and employees to prioritise the best interests of the Group. They are required to steer clear of any actions or situations that could jeopardise the interests of the Group. This Policy necessitates that Directors and employees disclose and avoid circumstances where there may be actual, potential, or perceived conflicts of interest, thereby safeguarding the interests of the Group.

Conflicts of interest are broadly defined as follows:

- 1. Actual conflicts of interest: where an individual is confronted with a tangible, existing conflict.**
- 2. Potential conflicts of interest: situations where an individual may experience a conflict between personal and professional interests.**
- 3. Perceived conflicts of interest: situations where an individual appears to have a conflict, even if it may not be the case.**

Directors and employees are obligated to declare all actual, potential, or perceived conflicts of interest:

- ▶ Upon joining UEM Sunrise
- ▶ Whenever an actual, potential, or perceived conflict arises
- ▶ Annually, based on the calendar year (i.e., 1 January)
- ▶ Quarterly, for shareholding disclosure

In the event of a conflict arising before the annual declaration, it must be reported within 5 business days of realising its existence. All conflict of interest declarations must adhere to this Policy, utilising the Declaration of Interest Form available at the Home of CHIEFs intranet site or by referring to the People and Corporate Services Division or in the case of Directors, to the Company Secretaries.

Employees involved in any procurement/negotiation process must declare conflicts of interest before commencement and abstain from participating in meetings or decision-making processes if such conflicts exist. Employees are encouraged to proactively use the Declaration of Interest Form to disclose conflicts at all times.

## BOARD LEADERSHIP AND EFFECTIVENESS

### 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

#### Chairman

- 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.

#### MD/CEO

- Develops and executes the Group's strategies in line with the Board's direction.
- Oversees the operations and drives the Group's businesses and performance towards achieving its vision and goals.

#### Senior Independent Director

- 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.

#### Non-Executive Directors

- Monitor and oversee Management's conduct in running the business while bringing their expertise and wisdom to bear on the decision-making process.

#### Joint Company Secretaries

- 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.

The separation and distinction of roles and responsibilities between the Chairman and CEO are deliberately structured to maintain a balance of power and authority. The Chairman leads the Board, establishing the overarching tone and managing the Board's effectiveness by prioritising strategy, governance and compliance. Notably, the Chairman does not serve as a member of any Board Committee. Equally, the CEO does not hold a position as a Board member.

To ensure proactive planning, Board meetings for each financial year are scheduled before the end of the preceding financial year, allowing Directors to plan ahead. The Board is committed to meeting at least six times annually, with additional ad hoc meetings arranged outside the scheduled ones for in-depth discussions and decision-making as required.

## Corporate Governance Overview Statement

## Principle A

During the financial year that concluded on 31 December 2023, the Board convened ten times, encompassing six scheduled Board Meetings and 4 Special Board Meetings. All Directors adhered to the minimum attendance requirement of at least 50% of Board meetings, as mandated by Listing Requirements. The Directors demonstrated their commitment to the Company, evident in their attendance at both Board and Board Committee meetings.

Board and Board Committees Attendance	BOARD	AC	NRC	BTC	BDC	BGRC
<b>Total number of meetings for FY2023</b>	<b>10</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>6</b>
<b>Datuk Hisham Hamdan (Chairman)</b> (appointed on 01.07.2023)	<b>4/4</b> 100%					
<b>Christina Foo</b>	<b>10/10</b> 100%	<b>5/5</b> 100%	<b>6/6</b> 100%			<b>6/6</b> 100%
<b>Dato' Mohd Izani Ghani</b>	<b>9/10</b> 90%		<b>6/6</b> 100%	<b>4/4</b> 100%		
<b>Zaida Khalida Shaari</b>	<b>10/10</b> 100%			<b>4/4</b> 100%	<b>9/9</b> 100%	<b>6/6</b> 100%
<b>Reagan Chan Chung Cheng</b> (appointed on 01.07.2023)	<b>4/4</b> 100%				<b>4/4</b> <sup>(1)</sup> 100%	<b>2/2</b> <sup>(1)</sup> 100%
<b>Chari T.V. Thirumala</b>	<b>10/10</b> 100%	<b>5/5</b> 100%				<b>6/6</b> 100%
<b>Poh Ying Loo</b>	<b>10/10</b> 100%	<b>5/5</b> 100%		<b>4/4</b> 100%		<b>6/6</b> 100%
<b>Datin Sri Badrunnisa Mohd Yasin Khan</b>	<b>9/10</b> 90%		<b>6/6</b> 100%			
<b>Alex Yeow Wai Siaw</b>	<b>10/10</b> 100%				<b>9/9</b> 100%	
<b>Dato' Noorazman Abd Aziz</b> (resigned on 01.07.2023)	<b>6/6</b> 100%					
<b>Effizal Faiz Zulkifly</b> (resigned on 01.07.2023)	<b>6/6</b> 100%				<b>5/5</b> <sup>(2)</sup> 100%	
<b>Legend</b>						
<b>AC</b>	Audit Committee		<b>BDC</b>	Board Development Committee		
<b>NRC</b>	Nominations & Remuneration Committee		<b>BGRC</b>	Board Governance & Risk Committee		
<b>BTC</b>	Board Tender Committee					
<sup>(1)</sup>	Appointed as BDC and BGRC members on 1 July 2023					
<sup>(2)</sup>	Ceased as BDC member following his resignation as Non-Independent Non-Executive Director on 1 July 2023					

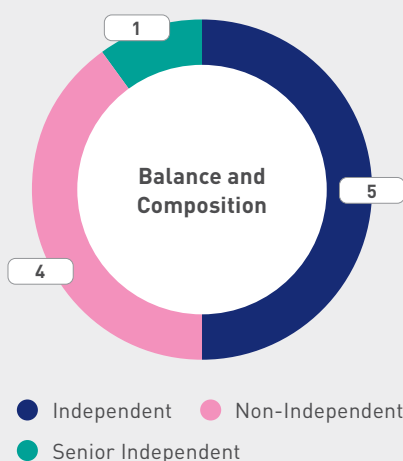


**BOARD LEADERSHIP AND EFFECTIVENESS**

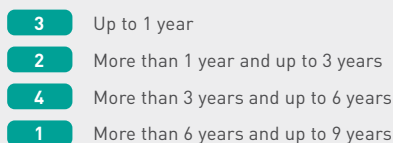
**BOARD COMPOSITION**

As at the date of this statement, the Board comprises ten members. They comprise the Non-Independent Non-Executive Chairman, the Senior Independent Non-Executive Director, three Non-Independent Non-Executive Directors and five 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 Malaysia which state that at least two Directors or one-third of the Board, whichever is higher, must comprise Independent Directors.

**Board Diversity** (As at 22 March 2024)



**Tenure**



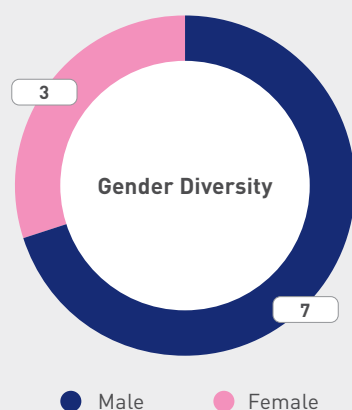
**Board Competency**

- Accounting
- Business Development
- Certified Expert in ESG & Impact Investing, Sustainability Risk Manager
- Consulting
- Corporate Finance
- Corporate Governance
- Cultural Transformation
- Digitalisation
- Digital Business
- Digital Transformation
- Finance
- Financial Management
- Governance
- Human Capital
- Investments
- Investment Banking
- Investments (P&L responsibility)
- IT/Technology
- Leadership Development
- Legal
- Management
- Mentoring
- M&A
- Organisational Transformation
- Private Equity
- Risk Management
- Senior leadership roles in real estate, construction, banking and project turnaround
- Senior leadership role in Telco & consumer
- Strategy & Business Development
- Sustainability & Risk Management
- Talent Management
- Tax
- Treasury
- Top management roles in MNCs and property companies, expertise across multi disciplines and multi industries
- Valuer

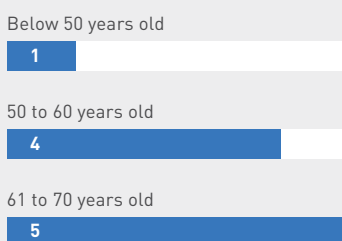
**Ethnicity**



**Nationality**



**Age Diversity**



## Corporate Governance Overview Statement

### Principle A

#### MATTERS DELIBERATED BY THE BOARD DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The list below is not exhaustive of all key areas of focus/matters deliberated by the Board throughout the financial year, but serves to provide stakeholders with an insight into some of the key matters considered by the Board:

<p><b>FINANCIAL AND BUSINESS PERFORMANCE</b></p>	<ul style="list-style-type: none"> <li>• Declaration of Interim Dividend</li> <li>• Audited Financial Statements for year ended 31 December 2022</li> <li>• Quarterly Management Report</li> <li>• Quarterly Financial Results of the Group</li> <li>• Approval of the audit and non-audit fees to external auditors</li> <li>• Results of UEM Sunrise 2022 Corporate Scorecard</li> </ul>
<p><b>STRATEGY</b></p>	<ul style="list-style-type: none"> <li>• Approval of proposed UEM Sunrise 2023 Corporate Scorecard</li> <li>• Approval/Status Update on UEM Sunrise Transformation Plan</li> <li>• Approval of Annual Operating Plan 2024</li> </ul>
<p><b>SUSTAINABILITY, GOVERNANCE, RISK AND CONTROLS</b></p>	<ul style="list-style-type: none"> <li>• Deliberated on the feedback of Board/Board Committees Assessment Survey</li> <li>• Approval of UEM Sunrise Materiality Assessment and setting ESG targets</li> <li>• 2022 Integrated Report [Statement on Risk Management and Internal Control, Framework of Sustainability Statement, Corporate Governance Overview Statement, Corporate Governance Report, Audit Committee Report and Risk Management Report]</li> <li>• Notice of the Fifteenth Annual General Meeting ("AGM")</li> <li>• Recommendation for the re-appointment of Messrs. Ernst &amp; Young PLT</li> <li>• Assessment on the fit and proper criteria of retiring Directors and recommendation of their re-election at the AGM</li> <li>• Quarterly risk management review report</li> <li>• Quarterly Integrity &amp; Anti-Corruption Plan updates</li> <li>• Review the Business Continuity Management Update and Framework</li> <li>• Approval of the Sustainable Development Design Guidelines</li> <li>• Approval of the updated Risk Management Policy &amp; Guidelines</li> <li>• Approval of the revised Terms of Reference of Audit Committee</li> <li>• Approval of the new IT Policy</li> </ul>
<p><b>OPERATIONS</b></p>	<ul style="list-style-type: none"> <li>• Approval/Status Update on UEM Sunrise's potential investments/divestment</li> <li>• Approval/Status Update/Issues Raised on Operational matters of UEM Sunrise and its group of companies</li> <li>• Approval of payment of business zakat for the financial year ended 31 December 2022</li> </ul>
<p><b>HUMAN CAPITAL MANAGEMENT</b></p>	<ul style="list-style-type: none"> <li>• Review of UEM Sunrise Board Succession Plan and composition of the Board and Board Committees</li> <li>• Approval of proposed 2023 CEO Scorecard</li> <li>• Appointment and Resignation of Chairman and Directors</li> <li>• Selection and appointment of Chief Financial Officer</li> </ul>

**BOARD LEADERSHIP AND EFFECTIVENESS****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.

It includes clear guidance on work culture, disclosure of conflict of interests, fair competition in marketplace, maintaining confidentiality, no gifts policy and practices regarding entertainment.

**WHISTLEBLOWING POLICY**

The Company has implemented a Whistleblowing Policy to facilitate the reporting of improper conduct or wrongdoing within the Group. Periodic reviews of the Whistleblowing Policy and Procedures ensure their effectiveness. The Whistleblowing Policy and Procedures underscore the confidentiality of raising concerns and provide assurance that individuals can do so without fear of reprisal. This framework is designed to ensure that legitimate concerns are addressed objectively and appropriately.

**DIVERSITY, EQUITY AND INCLUSION**

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.

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 2023 was at 33%. Additionally, the Company's women representation on the Board of 33% is also in compliance with the Listing Requirements of Bursa Malaysia that requires at least one director of the listed issuer must be a woman.

**TENURE**

The Board adheres to a policy specifying that Independent Non-Executive Directors may serve a cumulative term of up to nine years. If such Directors wish to continue their service on the Board beyond this period, they must be re-designated as Non-Independent Directors. Consequently, the Company does not retain an Independent Director for a period exceeding nine years in line with this policy.

**NOMINATIONS & REMUNERATION COMMITTEE**

The Nominations & Remuneration Committee (NRC) comprises solely Non-Executive Directors, with a majority holding the status of Independent Directors. The Committee is led by an Independent Director serving as its Chair. Details of the NRC's activities in fulfilling its responsibilities for the financial year under review are outlined in the Corporate Governance Report.

**BOARD SUCCESSION PLANNING AND APPOINTMENTS**

The Board and the NRC consider a comprehensive set of criteria, including skills, knowledge, expertise, experience, professionalism, character, integrity, gender, age and ethnicity, when identifying potential candidates. The Board is dedicated to ensuring that its composition not only aligns with the diversity recommendations of the MCCG but also encompasses the requisite skills and balance essential for contributing to the attainment of the Company's objectives. To facilitate this, a Board Skills Matrix has been developed, serving as a reference for the Board's refreshment and succession planning processes.

The NRC assumes the responsibility for Board succession planning, aiming to maintain an effective and well-balanced Board composition. This approach ensures that the Board remains equipped to deliver value and adeptly responds to emerging challenges.



## Corporate Governance Overview Statement

### Principle A

The Board, following the recommendation of the NRC, endorsed the Board Succession Planning. This decision involved a thoughtful evaluation of each Director’s tenure, as well as the desired skill sets and experience sought in potential candidates for the role of Independent Non-Executive Director. The aim was to enhance and reinforce the current Board, aligning with the Group’s objectives, strategic direction, and addressing emerging challenges. This strategic alignment also ensures support for Management in achieving the transformation agenda.

The following table outlines the procedures for the appointment of a new Director:

<b>STEP 1</b>	<b>Candidate identified</b>
<p>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.</p>	
<b>STEP 2</b>	<b>Assessment and evaluation to be conducted by the NRC</b>
<p>Assessments are conducted based on fit &amp; proper criteria, including the following criteria:</p>	
<ul style="list-style-type: none"> <li>i Skills, knowledge, expertise and experience</li> <li>ii Professionalism</li> <li>iii Integrity, commitment (including time commitment), character and competence</li> <li>iv Gender, age and ethnicity/nationality for the purpose of boardroom diversity</li> </ul>	<ul style="list-style-type: none"> <li>v Any business interest that may result in a conflict of interest</li> <li>vi Independent judgement</li> <li>vii Any other criteria deemed fit</li> </ul>
<p>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.</p>	
<b>STEP 3</b>	<b>Recommendation to be made by NRC to the Board</b>
<b>STEP 4</b>	<b>Discussion and decision to be made by the Board on the proposed new appointment</b>
	<p><b>YES</b>  <b>If the proposed appointment is approved:</b>                  Invitation or offer to be made to the proposed/potential candidate to join the Board.</p>
	<p><b>NO</b>  <b>If the proposed appointment is rejected:</b>                  The whole process to be recommenced.</p>

The procedure for appointing Directors to the Board is methodical, formal and transparent. In the nomination process for Board membership, the Board, guided by the NRC, considers various criteria such as qualifications, functional knowledge, relevant experience and expertise. This evaluation encompasses financial and accounting literacy, along with business experience pertinent to the Company’s core activities.

The NRC conducts a comprehensive assessment of the Board’s composition, identifying any gaps and establishing selection criteria for new Board candidates using the Board Skills Matrix. The objective is to address any identified gaps and fortify the Board’s composition in alignment with the Company’s strategic direction. Upon the Board’s approval of the selection criteria for new appointments, the NRC actively seeks potential candidates based on the agreed-upon criteria.

**BOARD LEADERSHIP AND EFFECTIVENESS**

The Company has in place a Fit & Proper Policy, incorporated into the Board Charter. This policy ensures that any individual appointed or elected/re-elected as a Director of the UEM Sunrise Group possesses the necessary qualities, character, integrity, competency and commitment to effectively discharge the responsibilities associated with the position. Furthermore, UEM Sunrise does not have any active politicians appointed to the Board.

**Management succession planning**

The NRC conducted a thorough review of succession plans and updates on talent management, specifically focusing on mission-critical roles. The assessment included an evaluation of the succession bench strength for both senior critical roles and operational critical roles. When identifying potential candidates for Senior Management positions, both the Board and the NRC considered individuals who exhibited, among other qualities, the key competencies and behaviours required at the top management level. Beyond technical capabilities, experience, and professional qualifications outlined in the job descriptions, the leadership competencies of the candidates were deemed crucial for senior positions. Shortlisted candidates are subjected to psychometric assessments based on the required competencies for the respective roles.

**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 Malaysia and the Listing Requirements.

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 years ended 31 December 2022 and 31 December 2023, the Board, with the assistance of NRC, conducted the Board Effectiveness Assessment 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 2023, the main focus areas for the Board are identified as follows:

Board Structure

Human Capital

ESG/Sustainability

The Board noted its key strengths on the following areas:



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.

During the financial year, on-boarding sessions of the induction programme for two new Directors appointed in July 2023 were provided by CEO and Senior Management team covering both operational and financial overview, future projects and strategies. The new Directors also attended the one-to-one session with the Senior Management team and Company Secretaries on the digital app for board and meeting packs and received the information kit which includes comprehensive manual on the paperless meeting solution.

As at 31 December 2023, all Directors appointed to the Board have attended the Mandatory Accreditation Programme (MAP) Part I in relation to Director's roles, duties and liabilities (MAP Part I) accredited by Bursa Malaysia, well within the stipulated deadline required by Bursa Malaysia.

As at 31 December 2023, three Directors appointed to the Board have attended the MAP Part II in relation to sustainability and the related roles of a Director (MAP Part II) accredited by Bursa Malaysia while the remaining Directors will need to complete the MAP Part II on or before 1 August 2025.

## 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 2023 for the Board and employees. These included corporate directors training programme essential, talks on anti-corruption and adequate procedures and the UEM Sunrise Thought hUB series which offer a platform for knowledge sharing by renowned local and international 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 Malaysia, 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 2023 are set out below:

No	Name of Director	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
1	<b>Datuk Hisham Hamdan</b>	2 & 3 October 2023	Khazanah Megatrends Forum 2023	Khazanah Nasional Berhad (KNB)
2	<b>Christina Foo</b>	27 June 2023	Key Provisions & Compliance Requirements under Companies Act 2016 by SSM	UEM Sunrise
		13 July 2023	Breakfast Talk - Stepping up to the role: Objective Assurance & Advisory on ESG	Malaysian Institute of Corporate Governance (MICG)
		20 July 2023	ICDM Power Talk 2023: Generative AI-An Opportunity or Risk?	Institute of Corporate Directors Malaysia (ICDM)
		24 July 2023	2023 Anti-Corruption Talk	UEM Sunrise
		28 July 2023	KPMG Board Leadership Centre Exclusive New TP Horizon - Transition or Transformation?	KPMG
		31 July 2023	Green Tour Series 1	REHDA Youth
		21 August 2023	9th IERP Global Conference 2023-Pre-Conference Masterclass: Cultivating and Implementing a sustainable risk intelligent culture	Institute of Enterprise Risk Practitioners (IERP)
		24 August 2023	2023 Corruption Risk Management Awareness	UEM Sunrise
		13 September 2023	ASB Leadership Summit Series – Learning @ Work: Human Learning in The Age of Machine Learning	Asia School of Business
		2 & 3 October 2023	Khazanah Megatrends Forum 2023	KNB
		25 October 2023	Management of Cyber Risk	Ernst & Young PLT
		11 & 12 December 2023	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM



## BOARD LEADERSHIP AND EFFECTIVENESS

No	Name of Director	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
3	<b>Dato' Mohd Izani Ghani</b>	7 June 2023	Islamic Finance for Board of Directors Training Programme (IF4BOD) Panel Discussion: Sustainability Agenda (Speaker)	INCEIF University/ ISRA Consulting
		28 August 2023	Net Zero Target Briefing	Earth Finance
		29 August 2023	The Energy Transition Conference 2023	Tenaga Nasional Berhad
		12 September 2023	Mobilising Clean Energy Investments in Malaysia	KNB, Khazanah Research Institute & World Economic Forum
		3 October 2023	Khazanah Megatrends Forum 2023	KNB
		16 October 2023	Pre-Board Convergence 2023: Delivery and Execution Anchored on Quality	UEM Edgenta Berhad
4	<b>Zaida Khalida Shaari</b>	3 February 2023	Decarbonisation in the Cement Industry	Roland Berger Munich
		8 May 2023	Presentation of Gap Assessment Report on MNRB Group Sustainability Roadmap	KPMG International Limited
		22 May 2023	Cybersecurity Trends & Development by NetAssist	MNRB Holdings Berhad (MNRB)
		30 May 2023	MFRS17 Insurance Contracts: Understanding its Impact and Consequences	Ernst & Young Global Limited
		31 May 2023	Base Erosion and Profit Shifting Pillar 2 and Tax Corporate Government Framework Briefing	Deloitte Tax Services Sdn Bhd
		21 & 22 June 2023	Revving up the race for Sustainability	Securities Industry Development Corporation (SIDC)
		27 June 2023	Key Provisions & Compliance Requirements under Companies Act 2016 by SSM	UEM Sunrise
		7 July 2023	Sustainability Awareness: Sustainability at Work	MNRB
		24 July 2023	2023 Anti-Corruption Talk	UEM Sunrise
		27 July 2023	PNB Knowledge Forum I: "Harnessing Innovation and Technology for Sustainable Business"	PNB Research Institute Sdn Bhd
		28 July 2023	Values as a Source of Competitive Advantage	Asia School of Business
		31 July 2023	Green Tour Series 1	REHDA Youth
		16 August 2023	MFRS 17: Impact & Changes by Ernst & Young	MNRB
		5 September 2023	Beyond Box-Ticking: Enhancing Effectiveness of Nominating Committees	Asia School of Business
		27 September 2023	Thought hUb: Navigating ESG Challenges and Opportunities	UEM Sunrise
		2 & 3 October 2023	Khazanah Megatrends Forum 2023	KNB
		7 November 2023	Board and Senior Management's Leadership Role in Enhancing AML/CFT Compliance Culture	Permodalan Nasional Berhad
10 November 2023	Anti-Money Laundering (AML) & Anti-Bribery & Corruption (ABC)	MNRB		
15 November 2023	PNB Knowledge Forum II: Education Reimagined	PNB Research Institute Sdn Bhd		
30 November 2023	Sustainability Developments & Outlook by Ernst & Young	MNRB		
7 December 2023	2023 Group Shariah Committee Engagement Session with the Board: An Insight from the Maqasidi Perspective	MNRB		

## Corporate Governance Overview Statement

## Principle A

No	Name of Director	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
5	<b>Reagan Chan Chung Cheng</b>	24 August 2023	2023 Corruption Risk Management Awareness	UEM Sunrise
		2 & 3 October 2023	Khazanah Megatrends Forum 2023	KNB
6	<b>Chari T.V. Thirumala</b>	8 & 9 February 2023	Asean Finance Innovation Summit (Speaker)	CT Event Asia
		16 February 2023	MIA Townhall 2022/2023 (Panel)	Malaysian Institute of Accountants (MIA)
		23 February 2023	MIA Digital Month 2023 - The Role of Accountants in Managing Cybersecurity Risk (Speaker)	MIA
		8 March 2023	MSLSSL 2023 Employment Conference on Embracing Change in Employment (Speaker)	Malaysian Society for Labour and Social Security Law (MSLSSL)
		16 March 2023	CONVERGENCE, Collabera Digital CIO Summit 2023 (Speaker)	Collabera Digital
		6 April 2023	EY C-suite Forum 2023	EY
		11 April 2023	AI in Accounting: Threat or Opportunity	MIA
		10 May 2023	TMT M&A Forum APAC 2023 (Speaker)	TMT Finance
		8 June 2023	The motivation mindset - How can leaders create a culture of achievement (keynote)	SpeakIn Open Mic
		14 June 2023	3 <sup>rd</sup> Annual Future CFO Malaysia Conference	CXOCIETY
		27 June 2023	Key Provisions & Compliance Requirements under Companies Act 2016 by SSM	UEM Sunrise
		6 July 2023	Technology Driving the Future of Gig Economy (Speaker)	SIDC
		20 July 2023	ICDM Power Talk 2023: Generative AI-An Opportunity or Risk?	ICDM
		24 July 2023	2023 Anti-Corruption Talk	UEM Sunrise
		22 & 23 August 2023	Global Conference 2023 - ERM & ESG: Managing the Grey Rhino and Sustainability	IERP
		24 August 2023	2023 Corruption Risk Management Awareness	UEM Sunrise
		6 September 2023	Harvard VPAL Cybersecurity [online courses]	Get Smarter with EDX
		14 September 2023	Audit Committee Conference 2023 - Audit Committees: Catalysts of Change (Speaker)	MIA & The Institute of Internal Auditors Malaysia (IIAM)
		2 & 3 October 2023	Khazanah Megatrends Forum 2023	KNB
3 to 5 October 2023	Global Digital Audit Transformation & Fraud Analytics Conference 2023	Corporate World Intelligence		
12 October 2023	2 <sup>nd</sup> Digital CFO Asia's Malaysia Symposium 2023 - The Redefined CFO: Maintaining Agility by Driving Growth and Innovation for 2024 and Beyond	Digital CFO Asia		
28 November 2023	Governance, Risk and Compliance (GRC) Asia 2023	Marcus Evans		
7	<b>Poh Ying Loo</b>	24 July 2023	2023 UEM Sunrise's Anti-Corruption Talk	UEM Sunrise
		21 & 24 August 2023	9 <sup>th</sup> IERP Global Conference 2023 - Conference	IERP
		11 September 2023	CIMB Cooler Earth Sustainability Summit 2023	ICDM
		12 September 2023	The Cooler Earth Sustainability Summit 2023 - Masterclasses	ICDM
		19 & 20 September 2023	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM

## BOARD LEADERSHIP AND EFFECTIVENESS

No	Name of Director	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
7	<b>Poh Ying Loo</b>	27 September 2023	Thought hUb: Navigating ESG Challenges and Opportunities	UEM Sunrise
		2 & 3 October 2023	Khazanah Megatrends Forum 2023	KNB
		27 October 2023	Thought hUb: Sustainability in Interior Design - Strategies and Advantages	UEM Sunrise
		2 & 3 November 2023	The Mechanics of ESG (Environmental, Social and Governance)	IERP
8	<b>Datin Sri Badrunnisa Mohd Yasin Khan</b>	27 February 2023	The Future Managing Workplace and the People	ICLIF Executive Education Center Asia School of Business
		13 June 2023	Corporate Directors Programme Essential by SSM	UEM Sunrise
		27 June 2023	Key Provisions & Compliance Requirements under Companies Act 2016 by SSM	UEM Sunrise
		21 July 2023	ASB CEO Fireside Chat Series: Leading with Impact: Uniting, Empowering and Igniting	Asia School of Business
9	<b>Alex Yeow Wai Siaw</b>	13 June 2023	Corporate Directors Programme Essential by SSM	UEM Sunrise
		2 & 3 October 2023	Khazanah Megatrends Forum 2023	KNB
		6 & 7 November 2023	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM

## 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.

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.



## Corporate Governance Overview Statement

## Principle A

## BOARD LEADERSHIP AND EFFECTIVENESS

The key details of the Directors' Remuneration Framework are as follows:

No. Fees/Benefits	Amount/Description																								
1. <b>Directors' Fees</b>	Directors' fees approved at the 15 <sup>th</sup> AGM held on 7 June 2023 and the proposed Directors' fees tabled for approval by the shareholders at the 16 <sup>th</sup> AGM to be held on 6 June 2024, payable on a quarterly basis, are as follows:																								
	<table border="1"> <thead> <tr> <th rowspan="2">Directors' Fees/ person</th> <th colspan="2">Current Fees Per Annum from 8 June 2023 to 6 June 2024 (RM)</th> <th colspan="2">Proposed Fees Per Annum from 7 June 2024 until the next AGM of the Company (RM)</th> </tr> <tr> <th>Non-Executive Chairman</th> <th>Non-Executive Director/Member</th> <th>Non-Executive Chairman</th> <th>Non-Executive Director/Member</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>210,000</td> <td>108,000</td> <td>240,000</td> <td>150,000</td> </tr> <tr> <td>Audit Committee</td> <td>50,000</td> <td>30,000</td> <td>50,000 (No Change)</td> <td>30,000 (No Change)</td> </tr> <tr> <td>Other Board Committees</td> <td>25,000</td> <td>15,000</td> <td>36,000</td> <td>24,000</td> </tr> </tbody> </table>	Directors' Fees/ person	Current Fees Per Annum from 8 June 2023 to 6 June 2024 (RM)		Proposed Fees Per Annum from 7 June 2024 until the next AGM of the Company (RM)		Non-Executive Chairman	Non-Executive Director/Member	Non-Executive Chairman	Non-Executive Director/Member	Board	210,000	108,000	240,000	150,000	Audit Committee	50,000	30,000	50,000 (No Change)	30,000 (No Change)	Other Board Committees	25,000	15,000	36,000	24,000
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Other Board Committees	25,000	15,000	36,000	24,000																					
2. <b>Offsite Allowance (Reinstated)</b>	An allowance of RM1,000 per day will be paid to Directors for the following: (i) Attending meetings with Government representatives or third parties such as consultants, bankers and advisors on behalf of the Company; or (ii) Visiting project and/or reference sites to advise management and/or the Company.																								
3. <b>Meeting Allowance</b>	Meeting allowance for <b>ad-hoc or temporary Board Committees</b> established for specific purposes: (i) Chairman of Committee – RM2,000 per meeting (ii) Member of Committee – RM1,000 per meeting For the year 2023, no ad-hoc or temporary Board Committee meeting was held.																								
4. <b>Chairman's Benefits</b>	The benefits payable and accorded to the Non-Executive Chairman comprise the following, as approved at the 15 <sup>th</sup> AGM held on 7 June 2023:																								
	<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																				
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5. <b>Property Discount (which is the same policy applied for employees)</b>	Discount for purchase of property as follows: (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. For the year 2023, none of the Directors availed themselves to this benefit.																								
6. <b>Medical Benefits for Directors</b>	The medical benefits for Directors are as follows: (i) Medical coverage of RM7,000 per annum, inclusive of outpatient, clinical, specialist and dental; and (ii) Hospitalisation of RM100,000 per annum including room and board at RM500 per day. Where a Director sits on several boards, he/she will only be entitled to claim medical benefits from one (1) company only.																								
7. <b>Training and Development of Directors</b>	A training budget is allocated for Directors to attend relevant training programmes and seminars to enhance their knowledge and skills in discharging their duties.																								
8. <b>Directors' &amp; Officers' Liability Insurance</b>	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 2023.																								

Shareholders' approval will be sought at the AGM for the payment of fees and benefits for the Non-Executive Directors for items (1) to (5) of the above table. Further to the review on the Directors' fees based on an internal benchmarking of the Directors' fees against a comparison pool of companies within the real estate industry, the NRC and Board assessed and agreed for the increase in the fees for Non-Executive Directors and Board Committees other than Audit Committee and the reinstatement of offsite allowance of RM1,000 per day in respect of meeting attendance with Government representatives or third parties such as consultants, bankers and advisors and for visiting project and/or reference sites. The Directors' fees were unchanged since the financial year 2012. The said offsite allowance was last approved at the AGM held on 9 July 2020 and not tabled for shareholders' approval for the past three years from 2021 to 2023.

The detailed disclosure of Directors' remuneration on a named basis is set out in Note 6(i) of the Audited Financial Statements for the financial year ended 31 December 2023.

## Principle B

## EFFECTIVE AUDIT AND RISK MANAGEMENT

## AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee (AC) Report which provides insights into the manner in which the AC discharged its function as well as an overview of the activities undertaken by the AC during the financial year under review.

## TERM OF OFFICE

The AC was established by the Board on 15 September 2008 to assist the Board in carrying out their oversight and fiduciary duties and responsibilities.

The key responsibilities of the AC are as follows:

- ▶ Oversight of the financial reporting process of the Group to ensure compliance with the applicable financial reporting standards
- ▶ Review the effectiveness of the internal and external audit functions and internal control systems
- ▶ Review related party transactions and conflict of interest situations that may arise within the Group

The AC's authorities and functions are governed by the Terms of Reference (TOR) which is reviewed periodically and updated as and when necessary. In response to the evolving regulatory landscape, the TOR of the AC was reviewed and revised on 18 August 2023 to enhance the oversight responsibilities related to conflict of interest, aligning to the amendments to the Listing Requirements announced by Bursa Malaysia on 26 May 2023.




The AC shall not assume the functions of Management, which remain the responsibility of the CEO.

Following a review of the term of office and performance of the AC during the 2023 Board Effectiveness Assessment conducted by the Nominations & Remuneration Committee, the Board was satisfied that the AC had discharged its functions in accordance with its TOR during the financial year under review.

 The TOR of the AC is available for reference at the Company's website at [www.uemsunrise.com/corporate/investor-relations/corporate-governance](http://www.uemsunrise.com/corporate/investor-relations/corporate-governance)

## COMPOSITION

As at the financial year ended 31 December 2023, the AC comprises three members of the Board, as follows, all of whom are Independent Non-Executive Directors:

	<b>Chairperson</b> <b>Christina Foo</b> Senior Independent Non-Executive Director
	<b>Member</b> <b>Chari T.V. Thirumala</b> Independent Non-Executive Director
	<b>Member</b> <b>Poh Ying Loo</b> Independent Non-Executive Director

The AC's composition is in line with paragraph 15.09 of the Listing Requirements of Bursa Malaysia and adhered to the step-up practice set out in the Malaysian Code on Corporate Governance (MCCG) issued on 28 April 2021 for the AC to comprise solely Independent Non-Executive Directors.

All of the AC members have fulfilled the criteria of independence under the Listing Requirements of Bursa Malaysia. No Alternate Director was appointed to act as a member of the AC.

The training attended by the AC members during the year under review are set out in the Corporate Governance Overview Statement under Principle A.

## Corporate Governance Overview Statement

### Principle B

#### MEETINGS

A total of five meetings were held during the financial year ended 31 December 2023. The AC members recorded full attendance for the AC meetings held during the year. The attendance record of the AC members is found in the Corporate Governance Overview Statement under Principle A.

During the year, the AC constantly engaged with the External Auditors and the Internal Auditors to keep abreast with the key audit issues and audit concerns affecting the Company. The AC had met with the External Auditors and Internal Auditors, without the presence of the Management, thrice and twice, respectively during the year.

The AC meetings were attended by the following parties upon invitation:

Invitees	Frequency of Attendance	Purpose
CEO and CFO/the then Principal Officer of Finance	All AC meetings	To report on the Group's financial performance and to provide explanation to AC's queries in relation to the audit matters, internal control and business operations.
External Auditors	All AC meetings (for specific agenda only)	To present on the statutory audit in respect of the financial statements for the financial year 2022, quarterly financial statements and the progress of the audit plan for years 2022 and 2023.
Internal Auditors	All AC meetings	To present to the AC the annual audit plan, internal audit reports and any significant audit findings as well as corrective actions taken to address such findings, and updates on internal audit organisation.
Senior Management	As and when necessary	To brief the AC on specific matters involving their respective areas of responsibilities arising from the internal audit reports or any matters of interest.

Upon conclusion of each meeting, the Company Secretary prepared a report which summarised the main discussion points and decisions of the AC to be tabled at the immediately following Board meeting. At the Board meetings, the AC Chairperson briefed the Board on the highlights and key matters deliberated during the AC meetings. Minutes of each AC meeting were recorded and circulated to the AC members prior to tabling at the next meeting for confirmation and subsequently presented to the Board for notation.

#### SUMMARY OF KEY ACTIVITIES OF THE AC

Key Areas	Key Activities of the AC
<b>Financial Reporting</b>	<ol style="list-style-type: none"> <li>1. Reviewed the quarterly and annual financial statements with Management and the External Auditors for recommendation to the Board for approval and release to Bursa Malaysia.</li> <li>2. Reviewed and recommended the changes of authorised signatories, general policy for authorised signatories and changes to corporate representatives/proxies to the Board for approval.</li> <li>3. Reviewed and recommended the project financing facilities and other financing facilities to the Board for approval.</li> <li>4. Reviewed and recommended the proposed declaration of dividend for financial years ended 31 December 2022 and 31 December 2023 having considered the Company's dividend policy as well as the solvency test in compliance with the provision of the Companies Act 2016.</li> </ol>



**EFFECTIVE AUDIT AND RISK MANAGEMENT**

Key Areas	Key Activities of the AC
Internal Audit	<ol style="list-style-type: none"> <li>1. 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.</li> <li>2. 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 AC advised Management to rectify the control systems based on Internal Auditors' recommendations and where necessary, to improve the rectification timeline.</li> <li>3. The internal audit reports reviewed and deliberated during the year included planned and ad-hoc audits on the following: <ul style="list-style-type: none"> <li>• Project management – Serene Heights (Verna), Allevia, KAIA Heights and Forest Heights (joint venture project)</li> <li>• Management and operations of Puteri Harbour International Ferry Terminal</li> <li>• Development – Project planning and design</li> <li>• Township management and infrastructure planning</li> <li>• Operations of One Stop Centre</li> <li>• Management of sales agents</li> <li>• Carpark management</li> <li>• Retail management</li> <li>• Property management system</li> <li>• Quality management system</li> <li>• Information technology – Cybersecurity, Microsoft Office 365, Customer Data Platform, Data Architecture, Governance and Analytics</li> <li>• Treasury and cash management</li> <li>• Environmental, Social and Governance Framework</li> <li>• Sustainability reporting</li> <li>• Talent management and succession planning</li> <li>• Claims, gifts and hospitality policy</li> <li>• Validation audit of reported human resources control matters</li> <li>• Recurrent related party transactions</li> <li>• Follow-up on corrective actions</li> </ul> </li> <li>4. 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.</li> <li>5. Reviewed the performance, adequacy, scope, resources and competency of the Internal Auditors as well as the training needs of the Internal Audit function.</li> <li>6. Reviewed the Internal Audit organisation structure including its diversity, equity and inclusion considerations.</li> <li>7. Approved the key performance indicators (KPI) of the Internal Audit function for 2024.</li> <li>8. Approved the 2022 KPI scorecard achievements of the Internal Audit function. Deliberated the results of Internal Audit's Customer Satisfaction Survey for 2022, based on the responses received from the AC 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. Subsequent to the financial year ended 31 December 2023, the AC had also approved the 2023 KPI scorecard achievements of the Internal Audit function.</li> <li>9. Met the Head, Internal Audit on 13 February 2023 and 8 November 2023 without the presence of the CEO and Management staff, to enquire the extent of assistance rendered by Management, issues faced and suggestions from Internal Auditors. The Head, Internal Audit also engaged with the AC Chairperson separately as and when required, prior to the quarterly meetings.</li> <li>10. Reviewed the findings from the internal assurance review carried out by Internal Auditors and approved the concluding statement by Internal Auditors for the issuance of the Statement of Assurance of Sustainability Statement for the Integrated Annual Report 2023.</li> </ol>

## Corporate Governance Overview Statement

## Principle B

Key Areas	Key Activities of the AC																																																																															
External Audit	<p>1. 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 AC also reviewed and deliberated the key audit matters and areas of emphasis highlighted by the External Auditors including Management's response/actions taken.</p> <p>2. Met thrice with the External Auditors on 13 February 2023, 14 March 2023 and 8 November 2023 without the presence of the CEO and Management staff, to enquire the extent of assistance rendered by Management, issues faced and suggestions arising from audits. The External Auditors met separately with the AC Chairperson as and when required, prior to the quarterly meetings.</p> <p>3. Reviewed the audit and non-audit fees for financial year ended 31 December 2022. Subsequent to the financial year end, the AC had reviewed the audit and non-audit fees for the financial year ended 31 December 2023. The details of the nature of non-audit services rendered by Messrs Ernst &amp; Young PLT ("EY"), the External Auditors and/or its affiliates for the financial years ended 31 December 2022 and 31 December 2023 are set out as follows:</p>																																																																															
	<table border="1"> <thead> <tr> <th rowspan="3">Fees paid or payable to EY and its affiliates</th> <th colspan="4">Company</th> <th colspan="4">Group</th> </tr> <tr> <th colspan="2">2023</th> <th colspan="2">2022</th> <th colspan="2">2023</th> <th colspan="2">2022</th> </tr> <tr> <th>RM'000</th> <th>%</th> <th>RM'000</th> <th>%</th> <th>RM'000</th> <th>%</th> <th>RM'000</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Audit Services</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>• EY</td> <td>208</td> <td>61</td> <td>197</td> <td>68</td> <td>1,551</td> <td>65</td> <td>1,534</td> <td>71</td> </tr> <tr> <td>Non-Audit Services</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>• EY</td> <td>78</td> <td>23</td> <td>75</td> <td>26</td> <td>84<sup>(a)</sup></td> <td>4</td> <td>80<sup>(c)</sup></td> <td>4</td> </tr> <tr> <td>• Affiliates of EY</td> <td>57</td> <td>16</td> <td>19</td> <td>6</td> <td>755<sup>(b)</sup></td> <td>31</td> <td>558<sup>(d)</sup></td> <td>25</td> </tr> <tr> <td><b>Total</b></td> <td><b>343</b></td> <td><b>100</b></td> <td><b>291</b></td> <td><b>100</b></td> <td><b>2,390</b></td> <td><b>100</b></td> <td><b>2,172</b></td> <td><b>100</b></td> </tr> </tbody> </table>	Fees paid or payable to EY and its affiliates	Company				Group				2023		2022		2023		2022		RM'000	%	RM'000	%	RM'000	%	RM'000	%	Audit Services									• EY	208	61	197	68	1,551	65	1,534	71	Non-Audit Services									• EY	78	23	75	26	84 <sup>(a)</sup>	4	80 <sup>(c)</sup>	4	• Affiliates of EY	57	16	19	6	755 <sup>(b)</sup>	31	558 <sup>(d)</sup>	25	<b>Total</b>	<b>343</b>	<b>100</b>	<b>291</b>	<b>100</b>	<b>2,390</b>	<b>100</b>	<b>2,172</b>	<b>100</b>
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4. Received the confirmation from the external auditors on their professional independence throughout the audit engagement and compliance with the By-Laws of the Malaysian Institute of Accountants on Professional Ethics, Conduct and Practice, and the International Code of Ethics for Professional Accountants (including International Independence Standards) requirements.																																																																																
5. Considered the technical competency of the external auditors based on the feedback from Management who had substantial contact with the external audit team throughout the financial year. The AC further considered the feedback from the Internal Auditors with regard to the working relationship between Internal Auditors and External Auditors.																																																																																
6. Discussed the results of the annual assessment on the performance, suitability and the independence of the External Auditors pursuant to factors as prescribed under Paragraph 15.21 of the Listing Requirements as well as the Corporate Governance Guide 4th Edition. The AC being satisfied with the suitability, performance, technical competency, sufficiency of experience and resources, cost effectiveness of the audit and audit objectivity, quality and independence of EY, had recommended the appointment of EY as External Auditors of the Company for the financial year ended 31 December 2023. Subsequent to the financial year ended 31 December 2023, the AC had further conducted the same assessment on the External Auditors. The AC being satisfied with the assessment outcome had recommended the appointment of EY as External Auditors of the Company for the financial year ending 31 December 2024 to the Board. The appointment of the External Auditors is subject to the shareholders' approval being sought at the forthcoming 16 <sup>th</sup> AGM in 2024.																																																																																
7. Reviewed and approved the provision of non-audit services rendered by the External Auditors, including pre-approval for non-audit services.																																																																																
8. In addition, the AC was also briefed by EY on its Board Matters Quarterly publications.																																																																																
9. On 19 March 2024, the AC took note of EY's 2023 Transparency Report which outlined amongst others, EY's implementation of System of Quality Management, infrastructure supporting quality, independence practices, audit quality indicators and commitment to sustainability.																																																																																

**EFFECTIVE AUDIT AND RISK MANAGEMENT**

Key Areas	Key Activities of the AC
Governance	<p><b>Annual Report</b></p> <ol style="list-style-type: none"> <li>1. Reviewed and recommended the Corporate Governance Overview Statement, AC Report and Statement on Risk Management and Internal Control for the Board's approval and disclosure in the Integrated Annual Report 2022 and 2023 of the Company.</li> <li>2. Reviewed and endorsed the Corporate Governance Report in respect of Principle B of the MCCG in respect of Integrated Annual Report 2022 and 2023 to the Board for approval.</li> <li>3. Reviewed the findings from the independent limited assurance audit carried out by Messrs KPMG PLT and approved the concluding statement for the issuance of the Statement of Assurance of Sustainability Statement for the Integrated Annual Report 2023.</li> </ol> <p><b>Related Party Transactions and Conflict of Interest Situation</b></p> <ol style="list-style-type: none"> <li>1. Reviewed related party transactions in relation to the disposal of lands and equity interest 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.</li> <li>2. 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 Malaysia.</li> <li>3. Reviewed the potential conflict of interest situations arising from a Board member's newly appointed directorship to another company which principal activities are similar to UEM Sunrise Group and proposed measures to resolve, mitigate or eliminate the conflict of interest. Subsequent to the financial year end, the AC also reviewed the potential conflict of interest situations and proposed measures to resolve, mitigate or eliminate the conflict of interest in connection with the assessment of a Board candidate. The AC had also reviewed a declaration of interest by a Director and concluded that it is not a conflict of interest or potential conflict of interest as it has no impact on the Company.</li> </ol> <p><b>Internal Controls</b></p> <ol style="list-style-type: none"> <li>1. Reviewed the representation by Senior Management on specific questions posed on: <ul style="list-style-type: none"> <li>• the reasonableness and appropriateness of the financial statements in accordance with applicable approved accounting standards;</li> <li>• risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and systems of the Company; and</li> <li>• regulatory and legislative requirements are met and complied with by the Company.</li> </ul> </li> <li>2. 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 from the management team as well as plans to address the gaps and expectations.</li> <li>3. The AC 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. Subsequent to the financial year end, the AC also received a written assurance from the CEO and CFO in respect of the same for the financial year ended 31 December 2023.</li> </ol> <p><b>Others</b></p> <ol style="list-style-type: none"> <li>1. The AC Chairperson and members had engaged with the CFO, the then Principal Officer of Finance, the Internal Auditors and the External Auditors on a continuous basis to keep abreast of matters and issues affecting the Group.</li> <li>2. Reviewed the TOR of AC to enhance the oversight responsibilities related to conflict of interest, aligning to the amendments to the Listing Requirements.</li> <li>3. Reviewed and noted the work programme for UEM Sunrise's Tax Corporate Governance Framework which is currently still under review.</li> <li>4. Reviewed and recommended the dissolution of dormant subsidiaries of UEM Sunrise for the Board's approval.</li> <li>5. Approved the appointment of tax agent for UEM Sunrise and its subsidiaries for year of assessment 2023.</li> </ol>



## Corporate Governance Overview Statement

### Principle B

#### INTERNAL AUDIT FUNCTION

1. The Internal Audit function for the Company is managed by its Internal Audit Department, led by the Head, Internal Audit. Reporting directly to the AC and administratively to the CEO, the Internal Audit operates independently and objectively, in accordance with the Internal Audit Charter. Its primary goal is to provide reasonable assurance to the AC regarding the adequacy and effectiveness of risk management, internal control and governance systems.
2. The Internal Audit function adheres to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, Inc.
3. For the financial year ended 31 December 2023, the total cost incurred for the audit function was RM2,544,169 [2022: RM2,408,139 (Restated)].
4. Internal Auditors are responsible for presenting independent and objective reports to the AC on the state of internal control within various operating divisions of the Company and its Group. These include assessing compliance with established policies and procedures as well as relevant statutory requirements.
5. The AC continuously reviews the scope, functions, competency, proficiency and resources of the Internal Auditors, the quality of the audit reports and their monitoring progress.
6. The Internal Auditors adopt a risk-based approach in formulating its annual internal audit plan, which aligns with the three-year audit plan.
7. Audit findings, including necessary follow-up actions required by Management are communicated by the Internal Auditors to both Management and the AC. The AC is further briefed on the progress of selected outstanding audit issues through meetings with the auditees. Internal audit reports are sent to the AC and Management and discussions on these reports take place during AC meetings.
8. Throughout the financial year, internal audit activities covered operational, ad-hoc and special audits on various areas.
9. Follow-up reviews are subsequently conducted to ensure satisfactory closure of the audit findings. Internal Auditors actively strive to establish sustainable control processes within the Group, focusing on enhancing areas with weak controls.

## EFFECTIVE AUDIT AND RISK MANAGEMENT

## RISK MANAGEMENT AND RISK OWNERS

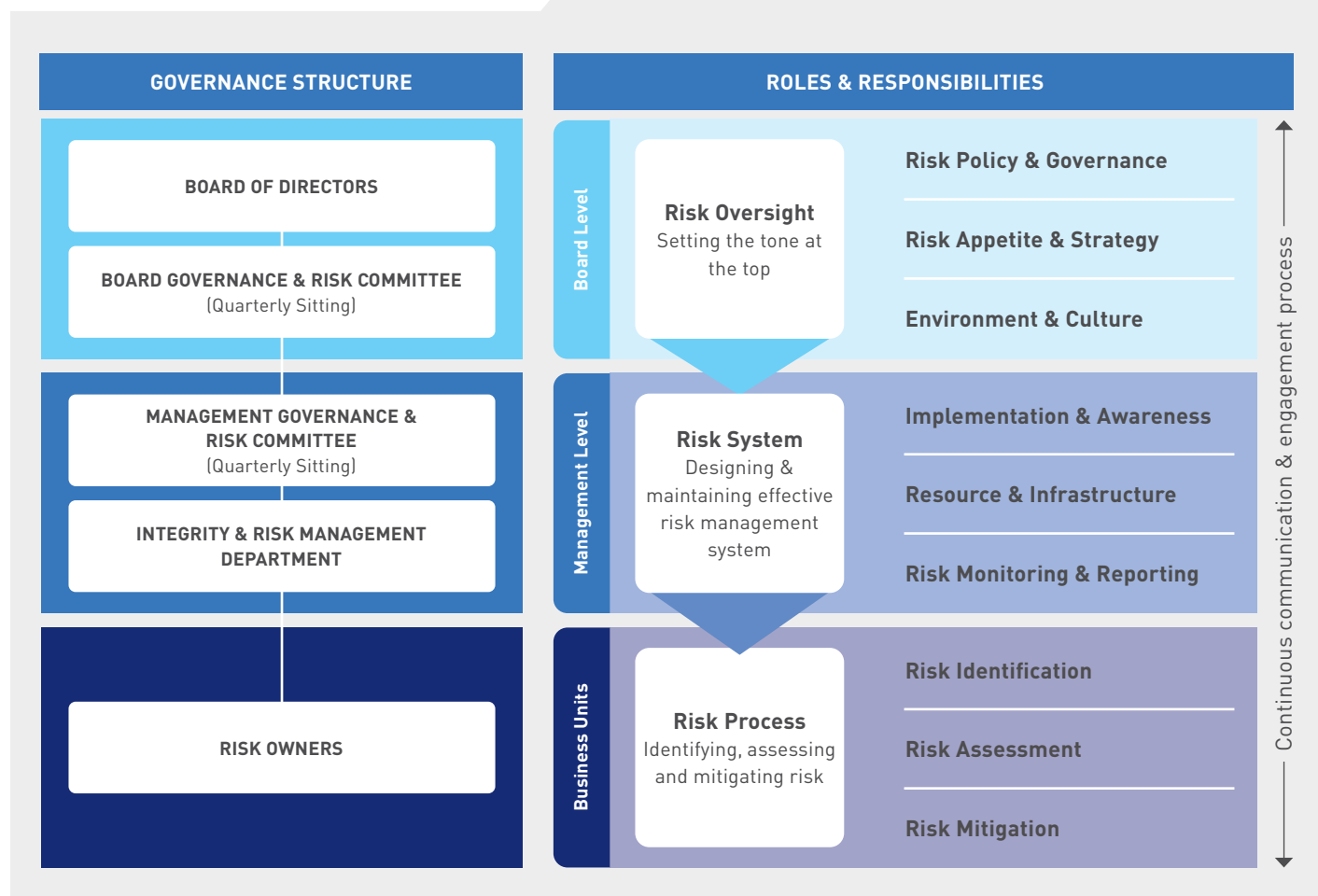
The Board effectively executes its risk governance and oversight functions through the Board Governance & Risk Committee (BGRC), which evaluates the efficiency of the risk management framework and oversees the overall risk exposure of the Group. The BGRC assumes the responsibility of assessing and monitoring the effectiveness of risk mitigations and control measures. Simultaneously, the Audit Committee, leveraging the Internal Audit function, evaluates the adequacy and effectiveness of internal controls for the Group.

As of 31 December 2023, the BGRC comprises five members, including three Independent Non-Executive Directors

(including a Senior Independent Director) and two Non-Independent Non-Executive Director, ensuring a balanced mix of skills. Throughout the year, the Board affirmed its satisfaction with the BGRC's performance in fulfilling its duties and responsibilities in accordance with its Terms of Reference.

In its annual assessment, the Board concluded that the risk management and internal control system of the Company are generally adequate and effective for the financial year under review. Further details on the Company's internal control and risk management framework can be found in the Statement on Risk Management and Internal Control, as well as the Risk Management Report in this Integrated Annual Report.

## Governance and Risk Framework



# Corporate Governance Overview Statement

**Principle B**

**EFFECTIVE AUDIT AND RISK MANAGEMENT**

**Risk Management Process**






## Principle C

INTEGRITY IN CORPORATE REPORTING AND  
MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

## COMMUNICATION WITH STAKEHOLDERS

The Company places a high value on understanding the expectations of its stakeholders and effectively communicating its strategies, plans, and actions. In pursuit of this, the Company actively engaged with stakeholders across various platforms to gather insights on emerging issues that hold significance for both the stakeholders and the Company's business and operations. A comprehensive summary of stakeholder expectations and the Company's engagement strategies in response can be found in the Stakeholder Engagement & Value Creation section of this Integrated Annual Report 2023.

 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)

Transparency and accountability to shareholders and investors remain key priorities for the Company. Recognising the importance of timely information dissemination to shareholders and other stakeholders, the Board is committed to keeping them well informed about significant developments within the Group. This information is communicated through various channels, including the Integrated Annual Report, disclosures and announcements to Bursa Malaysia, press releases, dialogues, discussions, presentations at general meetings and/or conferences, and the investor relations webpage on the Company's website at [www.uemsunrise.com](http://www.uemsunrise.com).

## 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.

The Company's 15<sup>th</sup> AGM was held on 7 June 2023 by leveraging technology and 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 was provided by Boardroom Share Registrars Sdn. Bhd.

In fostering effective participation of and engagement with shareholders at the AGM, all nine Directors (including the Chairpersons of Audit Committee, Nominations & Remuneration Committee, Board Tender Committee, Board Development Committee and Board Governance & Risk Committee) were present at the 15<sup>th</sup> AGM held fully virtual on 7 June 2023 to engage with the shareholders, and be accountable for their stewardship of the Company.

For the 2023 AGM, shareholders were invited to send questions before the meeting via the Share Registrars' website, Boardroom Smart Investor Portal or by email to the Company's Investor Relations at [ir@uemsunrise.com](mailto:ir@uemsunrise.com).

## Corporate Governance Overview Statement

### Principle C

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 15<sup>th</sup> AGM and those that were posed during the meeting were addressed during the meeting.

All nine Directors, members of Senior Management and the partners from the external audit firm were present at the 15<sup>th</sup> AGM to provide responses to the questions posed by shareholders via the Share Registrars' website, Boardroom Smart Investor Portal or by email to the Company's Investor Relations prior to the meeting and during the meeting at the meeting platform.

The Audit Committee Chairperson was physically present at the Broadcast venue together with the Chairman of the Board, Chief Executive Officer and Joint Company Secretary whilst the other seven 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.

### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

In line with MCGG, the notice of the 15<sup>th</sup> 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 15<sup>th</sup> AGM was conducted by poll on all resolutions 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 15<sup>th</sup> AGM were uploaded onto the Company's website within the 30 business days after the general meeting.

This Statement is made in accordance with the resolution of the Board dated 29 March 2024.

## FINANCIAL CALENDAR 2023

23 February 2023

Consolidated results for the financial year ended 31 December 2022.

27 April 2023

Announcement of Notice of 15<sup>th</sup> AGM.

28 April 2023

Issuance of Integrated Report for the financial year ended 31 December 2022.

18 May 2023

First quarter consolidated results for the financial period ended 31 March 2023.

7 June 2023

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

18 August 2023

Second quarter consolidated results for the financial period ended 30 June 2023.

15 November 2023

Third quarter consolidated results for the financial period ended 30 September 2023.

### UEM SUNRISE'S REVISED DIVIDEND POLICY APPROVED ON 27 FEBRUARY 2024

Paying out between 40% to 60% 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the Board) of UEM Sunrise Berhad (UEM Sunrise or the Company) is dedicated to upholding a robust framework for risk management and internal control. We are pleased to present this Statement on Risk Management and Internal Control in accordance with Paragraph 15.26(b) of the Listing Requirements issued by Bursa Malaysia Securities Berhad. This statement delineates the nature and extent of our risk management and internal control system within UEM Sunrise and its subsidiaries (the Group), and its integration into our business operations to realise strategic objectives while safeguarding assets and stakeholder interests.

### BOARD'S RESPONSIBILITIES

The Board of UEM Sunrise acknowledges its overarching responsibility for maintaining a sound system of risk management and internal control processes to protect shareholders' investments and the Group's assets. We recognise the inherent limitations of any process and acknowledge that risks cannot be entirely eliminated. Hence, the Group has established a risk management and internal control system aimed at managing and mitigating risks to acceptable levels, providing reasonable, though not absolute, assurance against material misstatement, loss, or fraud.

The Board is accountable for reviewing and monitoring the adequacy, effectiveness, and integrity of the Group's risk management and internal control system, including compliance with applicable laws, regulations, and guidelines. The Board approves and oversees the Group's risk management strategy, define risk appetite, and supervise its implementation. The Board receives support from the Board Governance & Risk Committee (BGRC) and the Audit Committee in assessing the adequacy of the risk management and internal control framework.

Overall, the Board is satisfied that the Group has established a systematic risk management framework encompassing processes to identify, evaluate, and monitor principal risks, along with implementing appropriate internal controls to manage these risks across the Group.

### Board Governance & Risk Committee (BGRC)

The primary role of the BGRC is to assist the Board in overseeing the Group's adherence to governance, anti-corruption compliance matters, and sustainability initiatives aligned with the Group's long-term strategy. The BGRC fosters a culture of governance, ethics, and integrity within the Group, overseeing integrity, governance, and anti-corruption initiatives, including whistleblowing management in line with Section 17A under the Malaysian Anti-Corruption Commission Act 2009. In terms of risk management, the BGRC supports the Board in ensuring a robust Risk Management Policy & Guidelines, overseeing its implementation, and providing guidance on sustainability governance and initiatives.

### Audit Committee (AC)

The primary responsibility of the AC is to assist the Board in evaluating the effectiveness of the Group's internal control system, overseeing financial and non-financial reporting, and reviewing compliance with applicable laws and regulations. The AC assesses internal controls through internal audits carried out by the Internal Audit Department and recommendations by the External Auditor.

### RISK MANAGEMENT

The Group acknowledges that a robust risk management framework and practices form an integral component of good governance. The Integrity & Risk Management (IRM) Department has updated the Group Risk Management Policy & Guidelines (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 Corruption and Third-party 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.



## Statement on Risk Management and Internal Control

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, the 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.

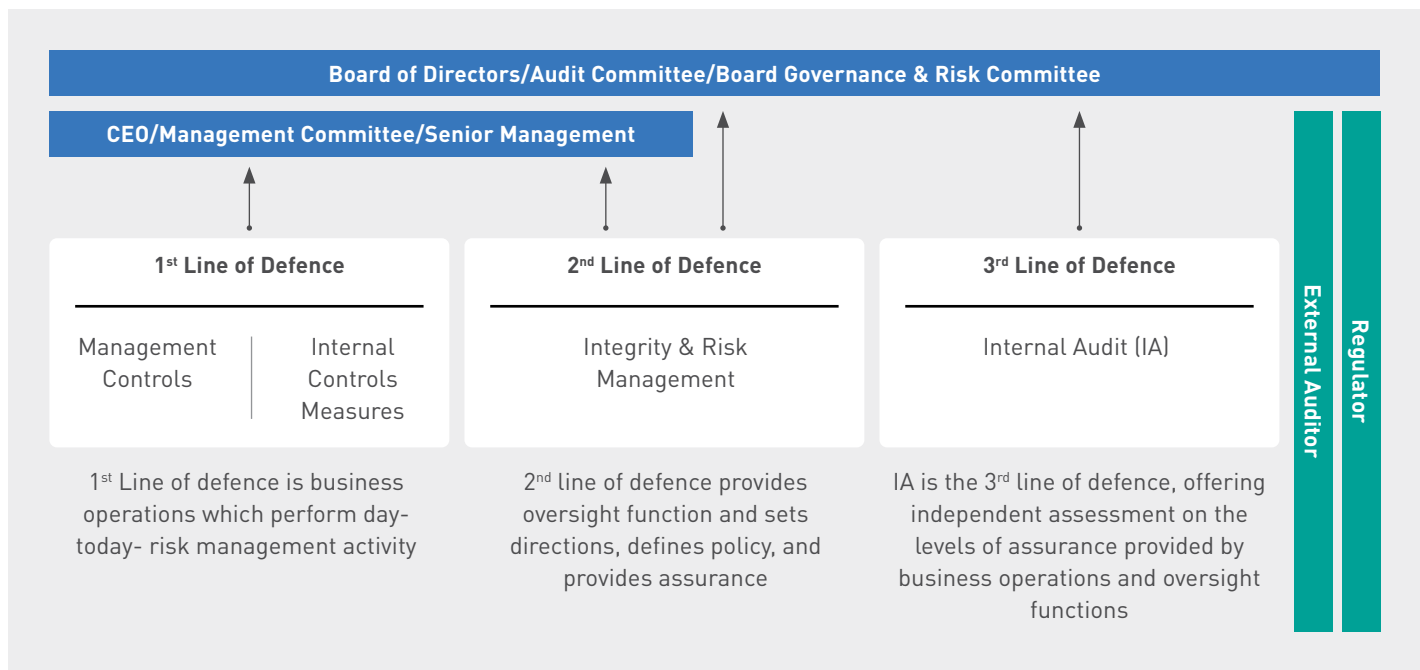
The key role of internal audit function is to provide reasonable assurance to the AC and the Board regarding the adequacy and effectiveness of risk management, internal control and governance systems. This is done through ongoing reviews of risks and internal controls relating to operational, financial, 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.

## KEY INTERNAL CONTROL SYSTEM AND STRUCTURE

### 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 defence 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:

### 1. 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.

### 2. 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.

### 3. 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 will be implemented, when required, to ensure future-proofing. As the business landscape evolves, the organisation remains focused on continuous improvement, adapting its internal controls and structure to meet stakeholder needs and industry dynamics.

### 4. Strategic Plans and Budgets

The Group undertakes a comprehensive review of the existing businesses operations and 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 budget to monitor performance. Key variances are highlighted and followed up by Management through the appropriate mitigation plans.

### 5. Authority Limits and 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 had undergone continuous reviews throughout the financial year to ensure effective implementation, and in line with organisational changes and business needs, while maintaining authority limits and guidelines intact.

## Statement on Risk Management and Internal Control

The internal control system of the Group includes formalised and documented internal policies, standards, and procedures to ensure compliance with internal controls and relevant laws and regulations. It guides the Group to operate effectively, efficiently, and proactively manage risks in achieving the Group's goals.

### 6. Integrated Management System

The Group is certified with ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems. The Quality, Health, Safety, Environment and Compliance (QHSEC) department 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, protecting the environment, and improve in occupational, health and safety practices. The QHSEC department function also helps facilitate adherence to relevant requirements pertaining to quality, occupational health, safety, and environmental regimes. A structured internal audit is planned and conducted yearly to improve efficiency and effectiveness of the ISOPs established in the Group.

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. Certification to ISO 45001:2018 is part of its commitment in safeguarding safety, preventing work-related injury and ill health of stakeholders and employees. To ensure compliance with the requirements of latest standards, the Group's certifications have been scheduled for recertification in 2024.

### 7. 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.

### 8. Management Information System

The Group has implemented 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.

### 9. Information Technology (IT)

The IT Policy prescribes the requirements to maintain an adequate level of cybersecurity 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 cybersecurity, the Group conducts regular reviews on cybersecurity control and risk management to protect the information systems, networks, and data. The enterprise digital architecture is also subject to periodic assessments of the Group's cybersecurity maturity and threat hunting to identify and address any gaps in the current cybersecurity 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 Centre. This proactive monitoring of the network and security system enables preventive and corrective actions to be initiated to maintain the required level of security.

### 10. Human Resources 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.



## Statement on Risk Management and Internal Control

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.

#### 11. Integrity and Anti-Corruption

A dedicated Integrity and Governance Unit (IGU) within the IRM 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 conducted an in-depth Corruption Risk Management Review Exercise to review and update the existing corruption risk profile of the Group.

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.

UEM Sunrise reaffirmed its commitment to upholding uncompromising integrity and zero-tolerance against all forms of corruption, whereby board members and employees signed the Anti-Corruption Declaration that was rolled out in year 2023, on an annual basis.

#### 12. 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 & Guidelines (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).

During the recent financial review, the Group undertook a comprehensive assessment, development, and implementation of a company-wide Business Continuity Management (BCM) framework and programme. This initiative encompassed a thorough review of the existing BCM Framework, a comprehensive Risk Assessment, and Business Impact Analysis. It also included the formulation of an effective BCM Recovery Strategy and the development of detailed plans such as the Business Continuity Plan, Crisis Management Plan, and Crisis Communication Plan. Furthermore, the Group conducted a review of its IT Disaster Recovery (IT DR) capabilities, reinforcing its commitment to ensuring the resilience and adaptability of the organisation in the face of potential disruptions.

#### Material Joint Ventures and Associates

The disclosures in this Statement do not include the risk management and internal controls practices of the Group's material joint ventures and associates. The Group's interests in these entities are safeguarded through the appointment of nominee directors to the respective joint venture and associate boards.

#### Review of the Statement by the External Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirement (MMLR) of Bursa Malaysia, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal controls systems of the Group.

## 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 systems are operating adequately and effectively. The Board remains committed to evolving and strengthening these systems to support business operations effectively. The Board is pleased to report that the Group's risk management and internal control systems 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 of Peninsular Malaysia and extended to Australia and South Africa at the international level. Hence, a robust system which focuses on effective risk management is paramount to ensure the balancing of risk and reward in making strategic business decisions and day-to-day operations, as well as to ensure compliance with corporate governance practices and regulatory requirements.

The Group Risk Management Policy & Guidelines (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. It outlines the fundamental principles and approaches that must be taken to manage these risks effectively. Additionally, it defines specific requirements for the successful implementation of each of these risk management processes. The Framework has been further enhanced with the inclusion of corruption and third-party risk management Guidelines, which the Board approved on 8 November 2023.

## RISK GOVERNANCE STRUCTURE AND RESPONSIBILITIES

A strong governance structure is essential to establish 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 in 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. UEM Sunrise has enhanced the risk management process by widening the scope, context and criteria. This includes evaluating both internal and external factors, assessing the risks, developing and implementing the risk treatment plans, communicating with stakeholders, monitoring and reviewing the effectiveness of the process. The enhanced risk management process is depicted in 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 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. In 2023, UEM Sunrise has updated the UEM Sunrise Risk Management Policy & Guidelines with the inclusion of corruption and third-party risk management Guidelines. It is part of governance and leadership which is fundamental on how the organisation is managed at all levels. The Framework is based on the principles, framework and process in line with ISO 31000:2018, which has been approved by the Board on 8 November 2023. Moreover, UEM Sunrise is better equipped to navigate, displaying unwavering commitment to strong governance as well as 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.

In 2023, the Integrity & Risk Management (“IRM”) team initiated the Business Continuity Management Implementation project to review the overall elements under BCM and ensure that the related plans and documents are in line with the company’s requirements, relevant ISO standards, and best practices. The review includes establishing the recovery procedures, including Business Impact Analysis, BCP, Crisis Management Plan, and Crisis Communication Plan. This project is part of the company’s efforts to enhance its risk management approach with business continuity risk surveillance embedded into its business operations, enabling it to navigate and manage emerging risk exposures in both local and global contexts. The project also reinforces the company’s position as a leading property developer, showcasing its firm dedication to safeguarding its stakeholders’ interests, ensuring operational resilience and stability, and attaining long-term sustainability in a volatile and ever-changing business environment.

As part of the Group’s initiatives to institutionalise the risk awareness and practices, IRM 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:

INDUSTRY & MARKET		
Risk	Description	Risk Mitigation
<b>Competition Risk</b>	The property industry continues to be highly competitive and the Group is subjected to competition from various industry players, including but not limited to, the availability of strategically located and reasonably priced landbanks, retention of key talents, supply of raw materials, labour, the diversity of property types and the fluctuating 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 implemented a three-pronged 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).</li> <li>• While Triage initiatives were ongoing, we undertook an extensive exercise to validate the turnaround plan and identify the gaps. This exercise and its findings had shaped a more refined, comprehensive and structured transformation program. Called U2030, the Transformation Plan was approved by the BOD in November 2023. It will now be the corporate strategy focus in realizing UEM Sunrise’s aspiration to become a balanced real estate player by 2030.</li> <li>• The Group 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>



## Risk Management Report

### INDUSTRY & MARKET

Risk	Description	Risk Mitigation
<b>Financial Risk</b>	The Group is facing multifaceted financial risk exposures including, 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>

### FINANCIAL

Risk	Description	Risk Mitigation
<b>Operational Risk</b>	The Group relies on various internal & external factors in many aspects of project development, including third parties. 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.	<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 1.0 towards building a low carbon future in 2030 and achieving carbon neutrality in 2050.</li> </ul>

OPERATIONS		
Risk	Description	Risk Mitigation
<b>People Risk</b>	One of the pillars of success is having the right talent with a 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.	<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>• The 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>

COMPLIANCE & PEOPLE		
Risk	Description	Risk Mitigation
<b>Regulatory &amp; Corruption Risk</b>	The Group remains committed to mitigating risks of noncompliance with various laws and regulations, including anti-bribery, anti-money laundering, anti-terrorism financing, competition, personal data protection, economic sanctions, and environmental and health and safety laws.	<ul style="list-style-type: none"> <li>• The impact of new laws and regulations are assessed to ensure compliance under normal operative conditions and policies are periodically reviewed to minimise regulatory risk.</li> <li>• The Group reaffirmed its commitment to upholding uncompromising integrity and zero-tolerance against all forms of corruption by completing the Anti-Corruption declaration across the Group.</li> <li>• The Group has conducted an in-depth Corruption Risk Management Review Exercise to review and update the existing corruption risk profile of the Group</li> </ul> <p>The Group also conducted various integrity and anti-corruption awareness initiatives such as monthly newsletter, talks and training session as well as Integrity Month initiatives.</p>

## 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

During the financial year 2023, the Company issued Islamic Commercial Papers (ICPs) and Islamic Medium Term Notes (IMTNs), as part of its capital and fund raising exercises. The proceeds raised from these capital and fund raising exercises were fully utilised as at 22 March 2024 for UEM Sunrise and/or its subsidiaries' Shariah-compliant general corporate purposes.

Details of these ICPs and IMTNs are disclosed in Note 36 of the financial statements.

## 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 2023 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 2023 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 Malaysia). The Company will continue to monitor its RRPT and make appropriate announcement(s) to Bursa Malaysia 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 Malaysia 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 2023, 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 the 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 2023, 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, and to prevent and detect fraud and other irregularities.







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# SECTION 08

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As a unified team in the Quality, Health, Safety, Environment, and Compliance (QHSEC) department, we are dedicated to upholding a higher level of quality, health, safety, and environment standard. Through close collaboration and leveraging our diverse expertise, we have continuously identified risks, implemented proactive measures, and ensure compliance with regulatory standards across our operations. Our collective efforts have not only strengthened our organisation's reputation but have also created a culture of accountability and continuous improvement within our team."

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**CHIEFs Johan, Amirul, Nurfatim, Savaranjit and Wan Hairul**

Quality, Health, Safety, Environment & Compliance team



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

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 during the financial year.

Other information relating to the subsidiaries is disclosed in Note 46 to the financial statements.

## RESULTS

	Group RM'000	Company RM'000
Profit, net of tax	85,902	7,881
Attributable to:		
Owners of the parent		
Profit for the year from continuing operations	76,971	7,881
Loss for the year from discontinued operation	(1,244)	-
Non-controlling interests		
Profit for the year from continuing operations	10,478	-
Loss for the year from discontinued operation	(303)	-
	85,902	7,881

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

## Directors' Report

### DIVIDEND

The amount of dividends paid by the Company since 31 December 2022 is as follows:

	RM'000
In respect of the financial year ended 31 December 2022:	
Single-tier tax exempt dividend of 0.5 sen per share on 5,058,476,221 ordinary shares paid on 22 May 2023	25,292

On 27 February 2024, the Board of Directors has declared a single-tier tax exempt dividend of 0.75 sen per share on 5,058,476,221 ordinary shares amounting to RM37,938,000 in respect of the financial year ended 31 December 2023 to be paid on 24 May 2024 to shareholders registered at the close of business on 30 April 2024. The financial statements for the current financial year do not reflect this dividend. The dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2024.

### DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Datuk Mohamad Hishammudin Hamdan	[appointed on 1 July 2023]
Christina Foo	
Dato' Mohd Izani Ghani	
Zaida Khalida Shaari**	
Reagan Chan Chung Cheng	[appointed on 1 July 2023]
Chari Thandalam Veeravalli Thirumala	
Poh Ying Loo	
Datin Sri Badrunnisa Mohd Yasin Khan	
Yeow Wai Siaw	
Dato' Sr. Azmar Talib	[appointed on 11 March 2024]
Dato' Noorazman Abd Aziz	[resigned on 1 July 2023]
Effizal Faiz Zulkifyl	[resigned on 1 July 2023]

\*\* Also a director of a subsidiary of the Company.

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:

Sufian Abdullah  
 Wong Koon Keng  
 Liong Kok Kit  
 Saniman Md Apandi  
 Lee Pek Kee  
 Ong Chee Wei  
 Liew Irene  
 Hasniza Mohamed  
 Vijayan Balan  
 Dato' Mohammad Imran Ismail  
 Chong Chai Wea  
 Tan Sri Dato' Yap Suan Chee  
 Lim Tong Hee  
 Chan Chee Yean



**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.)

Aminah Othman	
Azri Zaharuddin	
Professor Philip Sutton Cox	
Victor Johan Zacharias	
Dumisani Blessing Mnganga	
Azmy Mahbot	(appointed on 13 January 2023)
Irwin Mohd Eusoff	(appointed on 13 January 2023)
Lim Poh Ling	(appointed on 13 January 2023)
Muhammad Safwan Mohd Shukri	(appointed on 13 January 2023)
Ng Chee Chi	(appointed on 13 January 2023)
Siti Naizah Mohamed A'asi	(appointed on 13 January 2023)
Siti Nurkhairiah Mohd Nasir	(appointed on 13 January 2023)
Ammar Mohd Nawi	(appointed on 12 June 2023)
Yap Wei Sam	(appointed on 12 July 2023)
Hafizuddin Sulaiman	(appointed on 1 October 2023)
Lim Yew Phin	(appointed on 15 November 2023)
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)
Siew Chee Seng	(resigned on 31 March 2023)
Kong Kwai Ching	(resigned on 12 June 2023)
Cheah Jit Peng	(resigned on 12 July 2023)
Syahid Mohd Zain	(resigned on 1 October 2023)
Sophia Lim Siew Fay	(resigned on 15 November 2023)
Erika Mushtarina Mat Ariffin	(resigned on 15 March 2024)

**DIRECTORS' REMUNERATION**

Total directors' remuneration incurred by the Group or the Company for the financial year ended 31 December 2023 were RM1.2 million. In addition, the estimated monetary value of benefits-in-kind provided to directors of the Group or the Company during the financial year amounted to RM20,400. The directors did not receive any benefits from the subsidiaries. Further details are disclosed in Note 6(i) to the financial statements.

**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 6(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 41 to the financial statements.

## Directors' Report

### 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 indemnity coverage and total amount of insurance premium paid for the DOLI by the Company were RM50 million and RM185,340 respectively.

### BUSINESS OUTLOOK

The Malaysia's Gross Domestic Product ("GDP") has moderated to 3.7% in 2023, following a recorded growth of 8.7% in 2022. Our economic growth softened amid a challenging external environment due to slower global trade, the global tech downcycle, geopolitical tensions and tighter monetary policies. Similarly, the headline inflation in 2023 declined to 2.5% (2022: 3.3%) largely driven by an easing in services sub-segments.

While there was surge in investment activity fuelled by the gradual completion of multi-year projects and increased capacity expansion by the private sector, exports remained subdued attributed to prolonged weakness in external demand alongside heightened imports. The commodities sector saw growth buoyed by higher oil and gas production, along with expansion in the agriculture sector due to improved labour supply. Concurrently, the services and construction sectors continued to expand on influx of investments, tourism and improved commercial activities, to offset for a softer manufacturing sector resulted from the ongoing weaknesses in the electrical and electronics industry<sup>1</sup>.

For 2024, Malaysia's economy is expected to improve due to resilient domestic expenditure and a recovery in exports. Global trade is projected to rebound to 3.3% in 2024 from 0.4% in 2023 which is supported by tech upcycle and improvement in the tourism section. On the local front, the economic growth is supported by improvements in employment and wage, spending from tourist arrivals is expected to further improve and continued progress of multi-year investment projects by both the private and public sector<sup>1</sup>. Additionally, inflation is projected to remain modest ranging from 2.1% to 3.6% in 2024, though the inflation outlook remains highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments<sup>1</sup>.

The rebound in the Malaysian property market continued with more than 399,000 transactions valued at nearly RM200 billion in 2023, representing an increase of 2.5% and 9.9%, respectively as compared to 2022. Meanwhile, unsold or overhang residential properties declined to 26,000 units, or equivalent to RM17.7 billion in 2023 from 28,000 units, or RM18.4 billion a year ago. The property market sector is expected to continue its recovery momentum despite facing global economic challenges, supported by ongoing stimulus plans through the MADANI Budget 2024<sup>2</sup>. We expect the focus of the residential property market to be on landed residences, affordably priced high-rise apartments in strategic locations, smaller built-ups which are attainable, and niche high-end products in prime locations<sup>3</sup>.

The Company's financial performance for the year ended 31 December 2023 reflected the successful completion of the **Triage** phase with recovery in profitability levels. Continuing from 2023, the Company has set a Launch GDV target of RM0.8 billion in 2024 leveraging the proposed Johor-Singapore Special Economic Zone (JS-SEZ) in Iskandar Malaysia, with projects such as Aspira Hills Phase 1 in Gerbang Nusajaya, DiReka Square, Laman DiReka, Estuari ParkHomes Phase 2C-1 and Estuari Greens Phase 1B-1 to be launched. Whilst in the Central region, the Company plans to launch new phases in Symphony Hills and Serene Heights. Through these planned launches for the current year, the Company aims to deliver on our sales target of RM1.0 billion for 2024.

**BUSINESS OUTLOOK (CONT'D.)**

The Company remains committed to its three-phase strategic turnaround plan: **Triage**, **Stabilise**, and **Sustain**. Having successfully concluded the **Triage** phase in 2023, we have transitioned into the initial stage of **Stabilise** (2024 to 2025), where digitalisation and innovation serve as pivotal drivers for enhancing operational efficiency. Looking ahead, the **Sustain** phase extends beyond 2026, aiming to diversify income streams and bolster overall revenue. Our ultimate goal is to evolve into a well-rounded real estate entity, ensuring financial stability and relevance in the ever-evolving landscape of the future.

1. *Bank Negara Malaysia's Economic and Financial Developments in Malaysia in 4Q 2023, Feb 2024.*
2. *Valuation & Property Services Department, Ministry of Finance Malaysia, Press Release Property Market 2023 dated 6 March 2024.*
3. *Malaysia Property Outlook 2024 by Henry Butcher Malaysia.*

**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 provision for doubtful debts and satisfied themselves that there were no known bad debts 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) it necessary to write off any bad debts or the amount of the provision for doubtful debts 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.



## Directors' Report

### OTHER STATUTORY INFORMATION (CONT'D.)

- (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.

### 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	1,551	208

To the extent permitted by law, the Company has agreed to indemnify its auditors, EY, 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 EY 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 29 March 2024.

Datuk Mohamad Hishammudin Hamdan

Dato' Mohd Izani Ghani

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Mohamad Hishammudin Hamdan 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 265 to 369 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 2023 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 29 March 2024.

Datuk Mohamad Hishammudin Hamdan

Dato' Mohd Izani Ghani

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Hafizuddin Sulaiman, 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 265 to 369 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 Hafizuddin Sulaiman  
at Kuala Lumpur in the Federal Territory  
on 29 March 2024

Hafizuddin Sulaiman  
(MIA Membership No. 22384)

Before me,  
Abdul Shukor bin Md Noor (No. W725)  
Commissioner for 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 2023 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 material accounting policy information, as set out on pages 265 to 369.

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 2023, 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.

### *Key audit matters in respect of the financial statements of the Group*

#### 1. *Impairment of goodwill*

As at 31 December 2023, the carrying amount of goodwill recognised by the Group stood at RM621,409,000 which represents 6.6% 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").



*Key audit matters (cont'd.)**Key audit matters in respect of the financial statements of the Group (cont'd.)*1. *Impairment of goodwill (cont'd.)*

*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 2024 – 2030 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 22 to the financial statements.

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 2023, property development revenue of RM907,199,000 and cost of sales of RM673,689,000 accounted for approximately 67.7% and 77.9% 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.

## Independent Auditors' Report

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

### *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 (cont'd.)*

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.

Refer to Notes 4, 5 and 51.4 (a) (v) to the financial statements.

#### *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.

## Independent Auditors' Report

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

### *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.

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.



## Independent Auditors' Report

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

### *Auditors' responsibilities for the audit of the financial statements (cont'd.)*

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.

### **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 46 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  
29 March 2024

Tan Shium Jye  
No. 02991/05/2024 J  
Chartered Accountant

# STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Continuing operations</b>					
Revenue	4	1,339,060	1,473,428	177,242	185,536
Cost of sales	5	(865,351)	(1,042,246)	(106,832)	(93,228)
Gross profit		473,709	431,182	70,410	92,308
Other income		78,590	65,126	179,435	158,219
Selling and distribution expenses		(24,298)	(15,703)	-	-
Other expenses		(251,653)	(231,583)	(31,824)	(57,695)
Operating profit	6	276,348	249,022	218,021	192,832
Finance costs	7	(157,781)	(143,470)	(207,131)	(182,417)
Share of results of associates		1,735	5,884	-	-
Share of results of joint ventures		20,190	23,948	-	-
Profit before income tax and zakat from continuing operations		140,492	135,384	10,890	10,415
Zakat	8	(1,531)	-	-	-
Income tax expenses	9	(51,512)	(51,479)	(3,009)	(2,952)
Profit for the year from continuing operations		87,449	83,905	7,881	7,463
<b>Discontinued operation</b>					
Loss from discontinued operation	32(a)	(1,547)	(1,841)	-	-
Profit for the year		85,902	82,064	7,881	7,463
<b>Profit/(loss) attributable to:</b>					
<b>Owners of the parent</b>					
- Continuing operations		76,971	82,019	7,881	7,463
- Discontinuing operation		(1,244)	(1,480)	-	-
		75,727	80,539	7,881	7,463
<b>Non-controlling interests</b>					
- Continuing operations		10,478	1,886	-	-
- Discontinuing operation		(303)	(361)	-	-
		10,175	1,525	-	-
		85,902	82,064	7,881	7,463
* Earnings per share attributable to owners of the parent (sen):	11	1.5	1.6		

\* Included loss per share from discontinued operation amounting to 0.02 sen (2022: 0.03 sen).

The accompanying notes form an integral part of the financial statements.

**STATEMENTS OF COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the year	<b>85,902</b>	82,064	<b>7,881</b>	7,463
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent period:				
- Foreign currency translation gain/(loss) of foreign operations	<b>18,353</b>	(4,447)	-	-
<b>Total comprehensive income for the year</b>	<b>104,255</b>	77,617	<b>7,881</b>	7,463
Total comprehensive income attributable to:				
Owners of the parent	<b>94,062</b>	76,081	<b>7,881</b>	7,463
Non-controlling interests	<b>10,193</b>	1,536	-	-
	<b>104,255</b>	77,617	<b>7,881</b>	7,463

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

Group	Note	2023 RM'000	2022 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	410,045	407,260
Investment properties	13	744,649	780,014
Right-of-use assets	14(a)	17,723	21,831
Inventories - land held for property development	15	5,224,711	5,158,456
Interests in associates	17	839,177	844,980
Interests in joint ventures	19	870,981	891,191
Amounts due from joint ventures	20	184,800	156,982
Goodwill	22	621,409	621,409
Deferred tax assets	24	268,424	283,003
Long term receivables	28(a)	240,855	360,295
		<b>9,422,774</b>	9,525,421
<b>Current assets</b>			
Inventories - property development costs	25	710,753	767,859
Contract cost assets	26	221,894	210,843
Inventories - completed properties and others	27(a)	127,417	203,005
Inventories - land held for sale/assets under contract of sale	27(b)	154,227	102,096
Receivables	28(a)	528,882	586,981
Tax recoverable	28(b)	121,946	85,988
Contract assets	29	330,423	374,672
Amounts due from associates	18	610	612
Amounts due from joint ventures	20	212,915	103,473
Short term investments	31	90,560	45,005
Cash, bank balances and deposits	23	1,001,572	1,025,551
		<b>3,501,199</b>	3,506,085
Assets classified as held for sale	32	49,561	22,397
<b>Total assets</b>		<b>12,973,534</b>	13,053,903

## Statements of Financial Position

As at 31 December 2023 (cont'd.)

Group	Note	2023 RM'000	2022 RM'000
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	33	4,960,276	4,960,276
Reserves			
Merger relief reserve	33	34,330	34,330
Other reserves	34(a)	96,675	78,340
Retained profits	34(b)	1,746,690	1,696,255
		<b>6,837,971</b>	6,769,201
Non-controlling interests	35	114,660	104,467
<b>Total equity</b>		<b>6,952,631</b>	6,873,668
<b>Non-current liabilities</b>			
Borrowings	36	3,164,259	2,360,637
Lease liabilities	14(b)	14,608	18,414
Payables	38	23,952	45,976
Contract liabilities	29	210,081	239,678
Deferred income	39	243,652	162,839
Provisions	37	9,310	68,317
Deferred tax liabilities	24	120,028	163,395
		<b>3,785,890</b>	3,059,256
<b>Current liabilities</b>			
Provisions	37	145,013	104,003
Payables	38	942,266	937,938
Contract liabilities	29	66,503	105,041
Borrowings	36	1,015,672	1,954,611
Lease liabilities	14(b)	3,970	3,617
Tax payable		61,589	15,769
		<b>2,235,013</b>	3,120,979
<b>Total liabilities</b>		<b>6,020,903</b>	6,180,235
<b>Total equity and liabilities</b>		<b>12,973,534</b>	13,053,903

The accompanying notes form an integral part of the financial statements.

## Statements of Financial Position

As at 31 December 2023 (cont'd.)

Company	Note	2023 RM'000	2022 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	10,861	17,656
Right-of-use assets	14(a)	17,665	21,770
Interests in subsidiaries	16	4,307,636	4,339,037
Interests in joint ventures	19	287,497	295,567
Amounts due from joint ventures	20	10,200	11,000
Amounts due from subsidiaries	30	2,561,013	2,610,176
		<b>7,194,872</b>	7,295,206
<b>Current assets</b>			
Receivables	28(a)	68,762	102,767
Tax recoverable	28(b)	-	62
Amounts due from subsidiaries	30	1,816,925	1,693,458
Amount due from an associate	17	221	221
Amounts due from joint ventures	20	39,127	32,662
Short term investments	31	90,554	45,000
Cash, bank balances and deposits	23	17,142	15,515
		<b>2,032,731</b>	1,889,685
<b>Total assets</b>		<b>9,227,603</b>	9,184,891
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	33	4,960,276	4,960,276
Merger relief reserve	33	34,330	34,330
Retained profits	34(b)	113,825	131,236
<b>Total equity</b>		<b>5,108,431</b>	5,125,842
<b>Non-current liabilities</b>			
Borrowings	36	3,132,739	2,346,637
Amounts due to subsidiaries	30	-	37,054
Lease liabilities	14(b)	14,598	18,414
		<b>3,147,337</b>	2,402,105



## Statements of Financial Position

As at 31 December 2023 (cont'd.)

Company	Note	2023 RM'000	2022 RM'000
<b>Current liabilities</b>			
Payables	38	61,921	48,653
Amounts due to subsidiaries	30	1,969	5,686
Borrowings	36	903,469	1,599,113
Lease liabilities	14(b)	3,916	3,492
Tax payable		560	-
		<b>971,835</b>	1,656,944
<b>Total liabilities</b>		<b>4,119,172</b>	4,059,049
<b>Total equity and liabilities</b>		<b>9,227,603</b>	9,184,891

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Attributable to owners of the parent						Non-controlling interests (Note 35) RM'000	Total equity RM'000
	Non-distributable			Distributable				
	Share capital (Note 33) RM'000	Merger relief reserve (Note 33) RM'000	Other reserves (Note 34(a)) RM'000	Retained profits (Note 34(b)) RM'000	Total RM'000			
<b>At 1 January 2023</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>	
Total comprehensive income for the year	-	-	18,335	75,727	94,062	10,193	104,255	
Dividend paid (Note 10)	-	-	-	(25,292)	(25,292)	-	(25,292)	
<b>At 31 December 2023</b>	<b>4,960,276</b>	<b>34,330</b>	<b>96,675</b>	<b>1,746,690</b>	<b>6,837,971</b>	<b>114,660</b>	<b>6,952,631</b>	
<b>At 1 January 2022</b>	4,960,276	34,330	82,798	1,615,716	6,693,120	102,931	6,796,051	
Total comprehensive income for the year	-	-	(4,458)	80,539	76,081	1,536	77,617	
<b>At 31 December 2022</b>	4,960,276	34,330	78,340	1,696,255	6,769,201	104,467	6,873,668	

The accompanying notes form an integral part of the financial statements.

## Statements of Changes In Equity

For the financial year ended 31 December 2023 (cont'd.)

Company	Non-distributable		Distributable	Total equity RM'000
	Share capital (Note 33) RM'000	Merger relief reserve (Note 33) RM'000	Retained profits (Note 34(b)) RM'000	
<b>At 1 January 2023</b>	<b>4,960,276</b>	<b>34,330</b>	<b>131,236</b>	<b>5,125,842</b>
Total comprehensive income for the year	-	-	7,881	7,881
Dividend paid (Note 10)	-	-	(25,292)	(25,292)
<b>At 31 December 2023</b>	<b>4,960,276</b>	<b>34,330</b>	<b>113,825</b>	<b>5,108,431</b>
<b>At 1 January 2022</b>	4,960,276	34,330	123,773	5,118,379
Total comprehensive income for the year	-	-	7,463	7,463
<b>At 31 December 2022</b>	4,960,276	34,330	131,236	5,125,842

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from operating activities</b>				
Cash receipts from customers	1,475,508	1,393,124	43	330
Cash receipts from subsidiaries	-	-	317,010	200,517
Receipts from other related parties	75,245	53,326	2,241	2,361
Cash payments to suppliers	(250,973)	(212,324)	-	-
Cash payments to contractors	(636,380)	(425,014)	-	-
Cash payments for land and development related costs	(10,007)	(135,744)	-	-
Cash payments to other related parties	(5,407)	(39,408)	(1,227)	(10,608)
Cash payments to employees, for selling and distribution and for general expenses	(239,812)	(243,048)	(137,362)	(125,946)
Cash generated from operations	408,174	390,912	180,705	66,654
Net income tax paid	(71,402)	(27,437)	(2,387)	(2,344)
Zakat paid	(1,531)	-	-	-
Interest received	25,401	19,430	3,526	1,728
Net cash generated from operating activities	360,642	382,905	181,844	66,038
<b>Cash flows from investing activities</b>				
Dividend received from joint ventures	36,000	31,000	-	-
Dividend received from subsidiaries	-	-	87,500	371,000
Proceeds from disposals of:				
- property, plant and equipment	2	23	1	7
Net proceeds from partial disposal of a joint venture (Note 50)	8,655	-	8,655	-
Purchase of:				
- property, plant and equipment (Note (a))	(645)	(2,021)	(559)	(1,140)
- investment properties (Note (b))	(9,551)	(22,214)	-	-
Advances to subsidiaries	-	-	(1,185,827)	(1,302,938)
Repayment from subsidiaries	-	-	1,086,740	770,144
Redemption by a joint venture	11,250	5,000	-	-
Redemption of Redeemable Preference Shares ("RPS") from an associate	-	6,400	-	-
Investment in land held for property development	(33,742)	(80,892)	-	-
Investment in a joint venture	(1,725)	(900)	(825)	-
Net proceeds from disposal of:				
- a subsidiary (Note 49)	-	356	-	-
Net investment of short term investments	(252,032)	(65,276)	(41,391)	(39,862)
Net cash used in investing activities	(241,788)	(128,524)	(45,706)	(202,789)

## Statements of Cash Flows

For the financial year ended 31 December 2023 (cont'd.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from financing activities</b>				
Drawdown of term loans	154,108	63,272	-	-
Drawdown of Commodity Murabahah Finance	-	24,747	-	-
Drawdown of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP")	1,695,000	675,000	1,695,000	675,000
Drawdown of structured commodity	-	140,000	-	140,000
Drawdown of revolving credits	767,200	1,274,000	225,000	1,000,000
Repayment of term loans	(136,876)	(126,721)	-	-
Repayment of Commodity Murabahah Finance	-	(49,251)	-	-
Repayment of IMTN and ICP	(1,470,000)	(460,000)	(1,470,000)	(460,000)
Repayment of structured commodity	(50,000)	(140,000)	(50,000)	(140,000)
Repayment of revolving credits	(1,083,000)	(1,294,000)	(305,000)	(945,000)
Repayment of lease liabilities	(4,566)	(22,825)	(4,613)	(3,409)
Interest paid	(213,259)	(185,940)	(199,672)	(175,204)
Dividend paid	(25,292)	-	(25,292)	-
Net cash (used in)/generated from financing activities	(366,685)	(101,718)	(134,577)	91,387
<b>Net increase in cash and cash equivalents</b>	(247,831)	152,663	1,561	(45,364)
Effects of foreign exchange rate changes	15,377	(5,099)	66	(481)
Cash and cash equivalents at beginning of year	995,768	848,204	15,515	61,360
<b>Cash and cash equivalents at end of year (Note 23)</b>	<b>763,314</b>	<b>995,768</b>	<b>17,142</b>	<b>15,515</b>
Note (a):				
Additions of property, plant and equipment (Note 12)	4,136	4,757	559	1,140
Net accruals	(3,491)	(2,736)	-	-
Cash outflow for acquisition of property, plant and equipment	645	2,021	559	1,140
Note (b):				
Additions of investment properties (Note 13)	18,117	6,859	-	-
Interest capitalised (Note 7)	(28)	(740)	-	-
Net accruals	(8,538)	16,095	-	-
Cash outflow of purchase of investment property	9,551	22,214	-	-

\* There is no cash flows attributable to discontinued operation.

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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 29 March 2024.

## 2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise disclosed in the accounting policies below, and comply with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The new MFRSs and amendments to MFRSs adopted during the financial year are set out in Note 51(a) to the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

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 RM, which is also the Company's functional currency.



## Notes to the Financial Statements

31 December 2023

### 3. 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.   |

## 3. SEGMENT INFORMATION (CONT'D.)

## Business segment information

At 31 December 2023	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	1,223,210	100,682	15,168	-	1,339,060
Inter-segment revenue	-	258	122,862	(123,120)	-
Total revenue	1,223,210	100,940	138,030	(123,120)	1,339,060
<b>Results</b>					
Segment results	297,640	21,764	(30,841)	(12,215)	276,348
Finance costs	(95,798)	(41,885)	(32,313)	12,215	(157,781)
Share of results of associates	188	-	-	-	188
Share of results of joint ventures	24,185	(3,995)	-	-	20,190
Profit/(loss) before income tax and zakat	226,215	(24,116)	(63,154)	-	138,945
Zakat	(1,531)	-	-	-	(1,531)
Tax expense	(48,258)	4	(3,258)	-	(51,512)
Profit/(loss) for the year	176,426	(24,112)	(66,412)	-	85,902
<b>Attributable to:</b>					
Owners of the parent	165,945	(24,112)	(66,106)	-	75,727
Non-controlling interests	10,481	-	(306)	-	10,175
Profit/(loss) for the year	176,426	(24,112)	(66,412)	-	85,902
<b>Analysed as:</b>					
Continuing operations	177,973	(24,112)	(66,412)	-	87,449
Discontinuing operations	(1,547)	-	-	-	(1,547)
	176,426	(24,112)	(66,412)	-	85,902

## Notes to the Financial Statements

31 December 2023

## 3. SEGMENT INFORMATION (CONT'D.)

## Business segment information (cont'd.)

At 31 December 2023	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Assets</b>					
Segment assets	10,649,161	953,990	478,885	(990,167)	11,091,869
Interests in:					
- associates	839,175	-	2	-	839,177
- joint ventures	800,686	70,295	-	-	870,981
Income tax assets	118,835	330	2,781	-	121,946
	12,407,857	1,024,615	481,668	(990,167)	12,923,973
Assets held for sale (Note 32)	49,561	-	-	-	49,561
<b>Total assets</b>	<b>12,457,418</b>	<b>1,024,615</b>	<b>481,668</b>	<b>(990,167)</b>	<b>12,973,534</b>
<b>Liabilities</b>					
Segment liabilities	4,983,156	850,534	1,115,791	(990,167)	5,959,314
Income tax liabilities	61,589	-	-	-	61,589
<b>Total liabilities</b>	<b>5,044,745</b>	<b>850,534</b>	<b>1,115,791</b>	<b>(990,167)</b>	<b>6,020,903</b>
<b>Other information</b>					
Additions to non-current assets	228,791	19,415	5,015	-	253,221
Depreciation and amortisation	(4,423)	(29,541)	(17,328)	-	(51,292)



## 3. SEGMENT INFORMATION (CONT'D.)

## Business segment information (cont'd.)

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/(loss) before income tax	218,434	(31,393)	(53,498)	-	133,543
Tax expense	(46,977)	(540)	(3,962)	-	(51,479)
Profit/(loss) 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/(loss) for the year	171,457	(31,933)	(57,460)	-	82,064
<b>Analysed as:</b>					
Continuing operations	173,298	(31,933)	(57,460)	-	83,905
Discontinuing operations	(1,841)	-	-	-	(1,841)
	171,457	(31,933)	(57,460)	-	82,064

## Notes to the Financial Statements

31 December 2023

**3. SEGMENT INFORMATION (CONT'D.)****Business segment information (cont'd.)**

<b>At 31 December 2022</b>	<b>Property development RM'000</b>	<b>Property investment and hotel operation RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Assets</b>					
Segment assets	10,789,980	960,320	400,847	(941,800)	11,209,347
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
	12,529,243	1,040,472	403,591	(941,800)	13,031,506
Assets held for sale (Note 32)	22,397	-	-	-	22,397
<b>Total assets</b>	<b>12,551,640</b>	<b>1,040,472</b>	<b>403,591</b>	<b>(941,800)</b>	<b>13,053,903</b>
<b>Liabilities</b>					
Segment liabilities	5,352,633	848,044	905,589	(941,800)	6,164,466
Income tax liabilities	15,769	-	-	-	15,769
<b>Total liabilities</b>	<b>5,368,402</b>	<b>848,044</b>	<b>905,589</b>	<b>(941,800)</b>	<b>6,180,235</b>
<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)

**3. 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:

	<b>Revenue</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<b>1,331,402</b>	1,414,661
Australia	<b>7,658</b>	58,767
	<b>1,339,060</b>	1,473,428

	<b>Non-current assets</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<b>9,160,857</b>	9,266,431
Australia	<b>254,413</b>	249,567
South Africa	<b>7,504</b>	9,423
	<b>9,422,774</b>	9,525,421



## Notes to the Financial Statements

31 December 2023

## 4. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contract with customers	1,289,501	1,426,096	112,622	97,841
Revenue from other sources:				
- Rental income	49,559	47,332	-	-
- Dividend income from short term investments	-	-	4,120	195
- Dividend income from subsidiaries	-	-	60,500	87,500
	1,339,060	1,473,428	177,242	185,536
<b>Revenue from contract with customers</b>				
Property development:				
- Sales of development properties	946,648	1,054,313	-	-
- Sales of developed lands	10,307	173,705	-	-
	956,955	1,228,018	-	-
Strategic land sales	266,254	133,382	-	-
Car park operations	25,335	24,556	-	-
Hotel operations	25,789	19,368	-	-
Management fees from subsidiaries	-	-	112,622	97,841
Assets and facilities management and others	15,168	20,772	-	-
	1,289,501	1,426,096	112,622	97,841
<b>Geographical market</b>				
Malaysia	1,281,843	1,367,329	111,718	97,004
Australia	7,658	58,767	904	817
Singapore	-	-	-	20
	1,289,501	1,426,096	112,622	97,841
<b>Timing of revenue</b>				
At a point in time	382,302	469,086	112,622	97,841
Over time:				
- Property development (Note 29(a))	843,366	811,971	-	-
- Strategic land sales (Note 29(b))	53,526	32,270	-	-
- Sales of developed lands (Note 29(b))	10,307	112,769	-	-
	907,199	957,010	-	-
	1,289,501	1,426,096	112,622	97,841

## 4. REVENUE (CONT'D.)

### 4.1 Revenue from contract customers

#### Material accounting policy information

(a) Property development and strategic land sale

Revenue recognition from property development would be depending on the terms of the contract and the laws that apply to the contract, control of assets may transfer over the time or at a point in time.

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.

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.

(b) 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.

(c) 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.

(d) Car park operations

Car park operations are recognised net of goods and service tax or sales and service tax and upon services being rendered.

## Notes to the Financial Statements

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**4. REVENUE (CONT'D.)****4.1 Revenue from contract customers (cont'd.)****Material accounting policy information (cont'd.)**

## (e) 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.

## (f) Management fees

Management fees on the provision of shared services to subsidiaries are accrued when the services are rendered.

**4.2 Revenue from other sources**

## (a) Property investment

Rental income is accounted on a straight-line basis over the period of lease term.

## (b) Dividends

Dividends from subsidiaries, associates and other investments are included in profit or loss when the shareholders' right to receive payment has been established.

**5. COST OF SALES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property development:				
- Sales of development properties	697,295	764,093	-	-
- Sales of developed lands	10,637	192,087	-	-
	707,932	956,180	-	-
Strategic land sales	110,764	49,609	-	-
Rental income and car park operations	14,082	10,871	-	-
Hotel operations	11,512	7,994	-	-
Costs of services rendered to subsidiaries	-	-	106,832	93,228
Assets and facilities management and others	21,061	17,592	-	-
	865,351	1,042,246	106,832	93,228



## 6. OPERATING PROFIT

The following amounts have been included in arriving at operating profit from continuing operations:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net allowance for doubtful debts				
- receivables (Note 28 (a)(iv))	6,759	3,544	-	-
- amounts due from subsidiaries (Note 30)	-	-	7,187	9,220
Auditors' remuneration:				
- Fees for statutory audit				
EY and its affiliates:				
- Malaysian operations (current)	993	998	208	236
- overseas operations (current)	558	556	-	-
Overprovision of audit fees	-	(20)	-	(39)
Other auditors	17	17	-	-
- Fees for assurance related services				
EY (current)	78	75	78	75
Underprovision of assurance related services	-	5	-	-
- Fees for non-audit services				
EY (current)	6	5	-	-
Affiliates of EY (current)	755	558	57	20
Overprovision of non-audit services	-	-	-	(1)
Rental expenses of:				
- short-term leases	950	883	951	577
- low-value assets	772	1,447	595	1,249
Depreciation of property, plant and equipment (Note 12)	23,394	22,860	7,354	7,210
Depreciation of investment properties (Note 13)	23,647	21,339	-	-
Depreciation of right-of-use assets (Note 14(a))	4,251	8,184	4,246	5,449
Directors' remuneration (Note (i))	1,211	1,341	1,211	1,341
Staff costs (Note (iii))	105,944	97,190	84,823	77,071
Net remeasurement of long term receivables (Note 28(a)(v))	1,333	(141)	-	-
Write back of allowance for impairment:				
- receivables (Note 28(a)(vii))	-	(576)	-	-
- amount due from subsidiaries (Note 30)	-	-	(649)	-
(Gain)/loss on foreign exchange:				
- unrealised	(2,628)	(6,483)	(77)	(11)
- realised	(644)	536	11	434

## Notes to the Financial Statements

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**6. OPERATING PROFIT (CONT'D.)**

The following amounts have been included in arriving at operating profit: (cont'd.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Direct operating expenses arising from investment properties that are:				
- generating rental income	<b>18,258</b>	15,682	-	-
- not generating rental income	<b>5,842</b>	4,927	-	-
Dividend income from short term investments	<b>(4,120)</b>	(268)	<b>(4,120)</b>	(195)
Interest income:				
- deposits with licensed banks	<b>(22,613)</b>	(7,560)	<b>(3,526)</b>	(1,603)
- accretion of interest on long term receivables (Note 28(a)(v))	<b>(10,156)</b>	(11,763)	-	-
- subsidiaries	-	-	<b>(174,411)</b>	(155,797)
- joint ventures	<b>(9,316)</b>	(9,595)	<b>(776)</b>	(778)
- others	<b>(6,211)</b>	(349)	-	-
Provision for impairment/(Write-back) of:				
- interests in subsidiaries (Note 16)	-	-	<b>2,501</b>	20,644
- investment properties (Note 13)	<b>(6,581)</b>	2,343	-	-
- property, plant and equipment (Note 12)	<b>(2,224)</b>	(2,050)	-	-
Written off cost for property, plant and equipment (Note 12)	<b>383</b>	879	-	-
Loss/(gain) on disposal of:				
- a subsidiary (Note 49)	-	479	-	-
- partial interest in a joint venture (Note 50)	<b>(227)</b>	-	<b>(28)</b>	-
- property, plant and equipment	-	(23)	<b>(1)</b>	(7)
Fair value adjustments of investment in an associate (Note 17)	-	2,957	-	-

## 6. OPERATING PROFIT (CONT'D.)

(i) Directors' remuneration

	Group/Company			
	2023		2022	
	Director fees <sup>4</sup> RM'000	Other emoluments <sup>4</sup> RM'000	Director fees <sup>4</sup> RM'000	Other emoluments <sup>4</sup> RM'000
<b>Non-executive directors:</b>				
Datuk Mohamad Hishammudin Hamdan <sup>a</sup>	- <sup>3</sup>	-	-	-
Christina Foo	188	-	188	-
Dato' Mohd Izani Ghani	148 <sup>2</sup>	-	148 <sup>2</sup>	-
Zaida Khalida Shaari	163	-	163	-
Reagan Chan Chung Cheng <sup>a</sup>	- <sup>3</sup>	-	-	-
Chari Thandalam Veeravalli Thirumala	163	-	163	-
Poh Ying Loo	168	-	168	-
Datin Sri Badrunnisa Mohd Yasin Khan	133	-	137	-
Yeow Wai Siaw	123	-	123	-
Dato' Noorazman Abd Aziz <sup>b</sup>	105	20 <sup>1</sup>	210	41 <sup>1</sup>
Effizal Faiz Zulkifly <sup>b</sup>	- <sup>3</sup>	-	- <sup>3</sup>	-
	<b>1,191</b>	<b>20</b>	<b>1,300</b>	<b>41</b>
<b>Total directors' remuneration</b>		<b>1,211</b>		<b>1,341</b>

<sup>a</sup> Appointed on 1 July 2023.<sup>b</sup> Resigned on 1 July 2023.<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 waived by UEM Group in line with the policy of Khazanah.<sup>4</sup> Excluding SST where applicable.



## Notes to the Financial Statements

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**6. OPERATING PROFIT (CONT'D.)**

(ii) Staff costs

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages and salaries	<b>76,469</b>	75,948	<b>52,675</b>	48,082
Staff bonus, benefits and welfare	<b>29,338</b>	23,450	<b>21,029</b>	18,721
Statutory contribution to EPF and social security costs	<b>13,332</b>	11,162	<b>10,103</b>	9,460
Training expenses	<b>1,166</b>	1,138	<b>1,016</b>	808
	<b>120,305</b>	111,698	<b>84,823</b>	77,071
Capitalised to:				
Land held for property development (Note 15)	<b>(335)</b>	(933)	-	-
Property development costs (Note 25)	<b>(14,026)</b>	(13,575)	-	-
	<b>105,944</b>	97,190	<b>84,823</b>	77,071

**Material accounting policy information**

Defined contribution plans are post-employment benefits 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 contribution 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 contribution are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contribution to the Employees Provident Fund ("EPF").

**7. FINANCE COSTS**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Finance costs incurred and accrued during the year on:				
- IMTN, ICP, term loans and structured commodity	<b>207,100</b>	186,557	<b>203,809</b>	173,752
- revolving credits and bank overdraft	<b>5,528</b>	12,844	<b>1,065</b>	4,235
- loan from subsidiaries	-	-	<b>1,301</b>	4,225
- interest on lease liabilities (Note 14(b))	<b>926</b>	236	<b>920</b>	175
- accretion of interest on long term payables	<b>2,142</b>	3,808	-	-
- bank charges	<b>767</b>	1,023	<b>36</b>	30
	<b>216,463</b>	204,468	<b>207,131</b>	182,417

## 7. FINANCE COSTS (CONT'D.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capitalised in:				
- land held for property development (Note 15)	(56,675)	(56,236)	-	-
- property development costs (Note 25)	(1,979)	(4,022)	-	-
- investment properties (Note 13)	(28)	(740)	-	-
	<b>(58,682)</b>	(60,998)	-	-
	<b>157,781</b>	143,470	<b>207,131</b>	182,417

Finance 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 assets including land held for property development, property development costs and investment properties. Capitalisation of finance costs commences when the activities to prepare the assets for its intended use or sale are in progress and the expenditures and borrowing costs are incurred.

Finance costs are capitalised until the assets are substantially completed for their intended use.

The interest and profit rates for borrowing cost capitalised during the financial year range from 4.00% to 6.89% (2022: 3.03% to 5.50%) per annum.

## 8. ZAKAT

	Group	
	2023 RM'000	2022 RM'000
Expensed and paid in the financial year	1,531	-

## Notes to the Financial Statements

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## 9. INCOME TAX EXPENSES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Continuing operations</b>				
Income tax:				
Malaysian income tax	82,225	62,512	2,743	1,953
Foreign tax	741	(1,587)	-	-
(Over)/underprovision in prior years	(1,331)	3,099	266	999
	81,635	64,024	3,009	2,952
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	(25,783)	(1,005)	-	-
Overprovision of deferred tax in prior years	(3,969)	(11,098)	-	-
	(29,752)	(12,103)	-	-
<b>Discontinued operations</b>				
Income tax:				
Malaysian income tax	(371)	(442)	-	-
Total income tax expenses	51,512	51,479	3,009	2,952

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.



## 9. INCOME TAX EXPENSES (CONT'D.)

A reconciliation of income tax expense applicable between profit before zakat and income tax at the statutory income tax rate and income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Continuing operations</b>				
Profit before zakat and income tax	140,492	135,384	10,890	10,415
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	33,718	32,492	2,614	2,500
Effect of different tax rates in other country	(52)	95	-	-
Income not subject to tax	(1,316)	(2,498)	(15,466)	(21,033)
Expenses not deductible for tax purposes	11,325	22,818	15,595	20,486
Deferred tax assets not recognised during the year	19,847	13,731	-	-
Utilisation of previously unrecognised tax losses and other deductible temporary differences	(1,066)	-	-	-
Tax effect on share of associates' and joint ventures' results	(5,262)	(6,718)	-	-
(Over)/underprovision of income tax in prior years	(1,331)	3,099	266	999
Over provision of deferred tax in prior years	(3,969)	(11,098)	-	-
Zakat deduction	(382)	-	-	-
Tax expenses for the year	51,512	51,921	3,009	2,952
<b>Discontinued operations</b>				
Loss before zakat and income tax	(1,547)	(1,841)	-	-
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	(371)	(442)	-	-
Tax effect on share of associates'	371	442	-	-
Tax expenses for the year	-	-	-	-
Total income tax expense for the year	51,512	51,921	3,009	2,952

## Notes to the Financial Statements

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**10. DIVIDEND**

	Company	
	2023 RM'000	2022 RM'000
<b>In respect of financial year ended 31 December 2022</b>		
Interim single tier dividend of 0.5 sen per share on 5,058,476,221 ordinary shares paid on 22 May 2023	25,292	-

In respect of the financial year ended 31 December 2023, the Board of Directors has declared a single-tier tax exempt dividend of 0.75 sen per share on 5,058,476,221 ordinary shares amounting to RM37,938,572. The proposed dividend will be paid on 24 May 2024 to shareholders registered at the close of business on 30 April 2024.

The financial statements for the current financial year do not reflect this dividend. The dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2024.

**11. EARNINGS PER SHARE**

Earnings 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	
	2023	2022
Profit for the year attributable to owners of the parent (RM'000)	75,727	80,539
Weighted average number of ordinary shares in issue ('000)	5,058,476	5,058,476
* Earnings per share (sen)	1.5	1.6

\* Included loss per share from discontinued operations amounting to 0.02 sen (2022: 0.03 sen).

There have been no other transactions involving ordinary shares between the reporting date and the date of authorisation of these financial statements.

## 12. 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 2023</b>								
Net carrying amount at 1 January 2023	12,199	314,174	865	55,381	-	3	24,638	407,260
Additions	-	-	-	1,941	-	-	2,195	4,136
Disposal	-	-	-	-	-	-	(2)	(2)
Foreign currency translation	-	224	-	-	-	-	142	366
Transfer from assets held for sale (Note 32)	2,694	17,144	-	-	-	-	-	19,838
Write-off (Note 6)	-	-	(19)	(210)	-	-	(154)	(383)
Depreciation charge (Note 6)	-	(8,190)	-	(5,337)	-	-	(9,867)	(23,394)
Write-back of impairment (Note 6)	-	-	-	2,224	-	-	-	2,224
Net carrying amount at 31 December 2023	14,893	323,352	846	53,999	-	3	16,952	410,045
Cost	14,893	374,502	846	105,243	6,476	8,107	113,057	623,124
Accumulated depreciation	-	(51,150)	-	(44,228)	(6,476)	(8,104)	(96,105)	(206,063)
Accumulated impairment	-	-	-	(7,016)	-	-	-	(7,016)
Net carrying amount	14,893	323,352	846	53,999	-	3	16,952	410,045



## Notes to the Financial Statements

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## 12. 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 2022</b>								
Net carrying amount at 1 January 2022	14,896	336,251	3,626	57,551	-	9	34,354	446,687
Additions	-	2,571	464	-	-	-	1,722	4,757
Disposal of a subsidiary	-	-	-	-	-	-	(119)	(119)
Foreign currency translation	(3)	276	-	-	-	-	(252)	21
Transfer to assets held for sale (Note 32)	(2,694)	(17,068)	(2,635)	-	-	-	-	(22,397)
Write-off (Note 6)	-	-	(590)	(170)	-	-	(119)	(879)
Depreciation charge (Note 6)	-	(7,856)	-	(4,050)	-	(6)	(10,948)	(22,860)
Write-back of impairment (Note 6)	-	-	-	2,050	-	-	-	2,050
Net carrying amount at 31 December 2022	12,199	314,174	865	55,381	-	3	24,638	407,260
Cost	12,199	357,134	865	103,822	6,476	8,107	110,994	599,597
Accumulated depreciation	-	(42,960)	-	(39,201)	(6,476)	(8,104)	(86,356)	(183,097)
Accumulated impairment	-	-	-	(9,240)	-	-	-	(9,240)
Net carrying amount	12,199	314,174	865	55,381	-	3	24,638	407,260

## 12. 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 2023</b>			
Net carrying amount at 1 January 2023	80	17,576	17,656
Additions	59	500	559
Reclassification	(80)	80	-
Depreciation charge (Note 6)	-	(7,354)	(7,354)
Net carrying amount at 31 December 2023	59	10,802	10,861
Cost	59	43,884	43,943
Accumulated depreciation	-	(33,082)	(33,082)
Net carrying amount	59	10,802	10,861
<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 6)	-	(7,210)	(7,210)
Net carrying amount at 31 December 2022	80	17,576	17,656
Cost	80	43,311	43,391
Accumulated depreciation	-	(25,735)	(25,735)
Net carrying amount	80	17,576	17,656

**Material accounting policy information**

All items of property, plant and equipment are initially recorded at cost. After 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 computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building	2% - 5%
Plant and machinery	2.5% - 20%
Floating pontoons	10%
Motor vehicles	20% - 25%
Renovation, equipment and others	5% - 50%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

## Notes to the Financial Statements

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**13. INVESTMENT PROPERTIES**

Group	Investment properties under construction RM'000	Completed investment properties RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2023	6,938	978,525	985,463
Additions	16,232	1,885	18,117
Reclassification	(4,153)	4,153	-
Foreign translation	-	4,407	4,407
Transfer to asset held for sale (Note 32)	-	(53,662)	(53,662)
At 31 December 2023	19,017	935,308	954,325
<b>Accumulated depreciation</b>			
At 1 January 2023	-	(163,876)	(163,876)
Depreciation charge (Note 6)	-	(23,647)	(23,647)
Transfer to asset held for sale	-	12,839	12,839
At 31 December 2023	-	(174,684)	(174,684)
<b>Accumulated impairment</b>			
At 1 January 2023	-	(41,573)	(41,573)
Reversal of impairment (Note 6)	-	6,581	6,581
At 31 December 2023	-	(34,992)	(34,992)
Net carrying amount	19,017	725,632	744,649
Fair value of investment properties (Note 44)	#	1,121,557	1,121,557

**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 a write-back of impairment of RM6,581,000 and in prior year the impairment of RM2,343,000 was recognised.



## 13. 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 2022	22,105	957,709	979,814
Additions	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 6)	-	(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 6)	-	(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 44)	#	1,123,590	1,123,590

# 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 2023.

Included in investment properties under construction is the borrowing cost of RM28,000 (2022: RM740,000) for the construction of a building.

## Notes to the Financial Statements

31 December 2023

**13. INVESTMENT PROPERTIES (CONT'D.)****Material accounting policy information**

- (a) 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.
- (b) Depreciation of completed investment properties is provided for at 2% to 10% per annum on a straight line basis to write off the cost of each assets to its residual value or over the estimated useful life. Investment properties under construction are not depreciated.
- (c) Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefits is expected. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the year which they arise.

**14(a). RIGHT-OF-USE ASSETS**

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
At 1 January 2023	21,827	4	21,831
Addition	143	-	143
Depreciation (Note 6)	(4,247)	(4)	(4,251)
At 31 December 2023	17,723	-	17,723
At 1 January 2022	7,674	10	7,684
Addition	22,331	-	22,331
Depreciation (Note 6)	(8,178)	(6)	(8,184)
At 31 December 2022	21,827	4	21,831

Company	Buildings	
	2023 RM'000	2022 RM'000
At 1 January	21,770	4,987
Addition	141	22,232
Depreciation (Note 6)	(4,246)	(5,449)
At 31 December	17,665	21,770

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.

**14(a). RIGHT-OF-USE ASSETS (CONT'D.)****Material accounting policy information**

- (a) The Group has elected not to recognise 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 on a straight-line basis over the lease term.
- (b) The right-of-use asset is depreciated using the straight-line method, at the following annual rates:
- |                     |           |
|---------------------|-----------|
| Plant and equipment | 20% - 30% |
|---------------------|-----------|
- (c) In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

**14(b). LEASE LIABILITIES**

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
At 1 January 2023	22,025	6	22,031
Addition	142	-	142
Accretion of interest (Note 7)	926	-	926
Billings	(4,515)	(6)	(4,521)
At 31 December 2023	<b>18,578</b>	-	<b>18,578</b>
Analysed into:			
Non-current	3,970	-	3,970
Current	14,608	-	14,608
	<b>18,578</b>	-	<b>18,578</b>
At 1 January 2022	8,990	12	9,002
Addition	22,331	-	22,331
Accretion of interest (Note 7)	236	-	236
Billings	(9,532)	(6)	(9,538)
At 31 December 2022	22,025	6	22,031
Analysed into:			
Non-current	18,414	-	18,414
Current	3,611	6	3,617
	22,025	6	22,031



## Notes to the Financial Statements

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## 14(b). LEASE LIABILITIES (CONT'D.)

Company	Buildings	
	2023 RM'000	2022 RM'000
At 1 January	21,906	5,469
Addition	141	22,232
Accretion of interest (Note 7)	920	175
Billings	(4,453)	(5,970)
At 31 December	18,514	21,906
Analysed into:		
Non-current	14,598	18,414
Current	3,916	3,492
	18,514	21,906

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>2023</b>			
Within 1 year	4,722	752	3,970
Between 1 to 2 years	4,738	566	4,172
Between 2 to 5 years	10,995	559	10,436
<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

**14(b). LEASE LIABILITIES (CONT'D.)**

The maturity analysis of lease liabilities is disclosed as below: (cont'd.)

Company	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
<b>2023</b>			
Within 1 year	4,666	750	3,916
Between 1 to 2 years	4,728	565	4,163
Between 2 to 5 years	10,994	559	10,435
<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

**15. INVENTORIES - LAND HELD FOR PROPERTY DEVELOPMENT**

	Group	
	2023 RM'000	2022 RM'000
<b>Cost</b>		
At 1 January	5,158,456	5,462,947
Additions	229,100	98,035
Disposal	(144,426)	(21,670)
Termination of purchase of land	(39,554)	-
Transfer from/(to) property development costs (Note 25)	20,946	(381,204)
Foreign currency translation	189	348
At 31 December	5,224,711	5,158,456

As at the reporting date, land and related development expenditures of RM838,551,000 (2022: RM804,330,000) are pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 36(a).

## Notes to the Financial Statements

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**15. INVENTORIES - LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)**

Included in the additions to the land held for property development of the Group during the financial year are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest capitalised (Note 7)	<b>56,675</b>	56,236
Staff costs capitalised (Note 6(ii))	<b>335</b>	933

**Material accounting policy information**

- (a) 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 stated at cost less impairment losses. Cost consists of land and development expenditure which include borrowing costs relating to the financing of the development and staff costs for activities carried out for the development.
- (b) Land held for property development is transferred to property development costs when the development activities has commenced.

**16. INTERESTS IN SUBSIDIARIES**

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Investment in subsidiaries, unquoted shares</b>		
At 1 January/31 December	<b>3,181,299</b>	3,181,299
<b>Investment in RCPS/RPS, issued by subsidiaries</b>		
At 1 January	<b>1,197,212</b>	1,155,212
Addition	-	42,000
Redemption of investment	<b>(28,900)</b>	-
At 31 December	<b>1,168,312</b>	1,197,212
<b>Impairment losses</b>		
At 1 January	<b>(39,474)</b>	(18,830)
Impairment losses (Note 6)	<b>(2,501)</b>	(20,644)
At 31 December	<b>(41,975)</b>	(39,474)
	<b>4,307,636</b>	4,339,037

Details of the subsidiaries are disclosed in Note 46.

**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.



## 17. INTERESTS IN ASSOCIATES

**Material accounting policy information**

The Group's interest in its associates are accounted for using the equity method.

	Group	
	2023 RM'000	2022 RM'000
<b>Investment in associates, unquoted shares</b>		
At 1 January	55,383	55,383
Transfer to asset held for sale (Note 32)	(45,614)	-
At 31 December	9,769	55,383
<b>Investment in RPS, issued by an associate</b>		
At 1 January	707,801	717,158
Redemption of investment	-	(6,400)
Fair value adjustment (Note 6)	-	(2,957)
At 31 December	707,801	707,801
<b>Share of post-acquisition reserves</b>		
At 1 January	108,484	104,439
Share of reserve during the year	188	4,045
Transfer to asset held for sale (Note 32)	12,935	-
At 31 December	121,607	108,484
<b>Foreign currency translation</b>		
At 1 January	(26,688)	(26,688)
Foreign currency translation	796	-
Transfer to asset held for sale (Note 32)	25,892	-
At 31 December	-	(26,688)
	<b>839,177</b>	<b>844,980</b>

## Notes to the Financial Statements

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**17. 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.	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	883,923	883,910	82,180	142,530	901,874	901,768
Current assets	19,224	18,854	658,618	704,091	14,770	7,407
Total assets	903,147	902,764	740,798	846,621	916,644	909,175
Non-current liabilities	-	-	-	-	637	-
Current liabilities	26	73	84,349	185,393	766	829
Total liabilities	26	73	84,349	185,393	1,403	829
Net assets	903,121	902,691	656,449	661,228	915,241	908,346

**Summarised statement of comprehensive income**

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	-	-	130,728	98,542	-	-
Profit/(loss) before income tax	533	365	(5,926)	11,585	8,550	10,643
Total comprehensive income/(expense)	430	294	(4,779)	9,343	6,895	8,583

**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.	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net assets at 1 January	902,691	902,397	661,228	651,885	908,346	915,763
Profit/(loss) for the year	430	294	(4,779)	9,343	6,895	8,583
Redemption of investment	-	-	-	-	-	(16,000)
Net assets at 31 December	903,121	902,691	656,449	661,228	915,241	908,346
Interests in associate	40%	40%	25%	25%	40%	40%
Unrealised profit arising from land sales	361,248	361,076	164,112	165,307	366,096	363,338
Fair value adjustments of options in investments	(35,902)	(35,902)	-	-	-	-
Fair value adjustments of options in investments	-	-	-	-	(12,770)	(12,770)
Carrying value of Group's interest	325,346	325,174	164,112	165,307	353,326	350,568

**17. INTERESTS IN ASSOCIATES (CONT'D.)****Aggregate information of associates that are not individually material**

	2023 RM'000	2022 RM'000
<b>Discontinued operation:</b>		
The Group's share of loss before income tax	(1,547)	(1,841)
The Group's share of loss after income tax	(1,547)	(1,841)

Share of loss for the year from discontinued operation is as disclosed in Note 32(a) to the financial statements.

Apart from as disclosed in Note 42, there is no material contingent liability and capital commitment relating to associates as at 31 December 2023 and 31 December 2022.

**18. AMOUNTS DUE FROM ASSOCIATES**

Group	2023 RM'000	2022 RM'000
Amount due from associates	16,197	16,199
Accumulated impairment losses		
At 1 January/31 December	(15,587)	(15,587)
	610	612
Analysed into:		
Current	610	612

Amounts due from associates are unsecured, non-interest bearing and repayable on demand.

**Company**

Amount due from associate is unsecured, non-interest bearing and repayable on demand.



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**19. INTERESTS IN JOINT VENTURES****Material accounting policy information**

The Group's interest in its joint ventures are accounted for using the equity method.

<b>Group</b>	<b>2023 RM'000</b>	<b>2022 RM'000</b>
<b>Investment in joint ventures, unquoted shares</b>		
At 1 January	33,704	33,954
Dissolution of a joint venture (Note (ii))	-	(250)
Partial disposal of joint ventures	(600)	-
At 31 December	33,104	33,704
<b>Investment in Redeemable Convertible Loan Stocks ("RCULS"), RCPS and RPS, issued by joint ventures</b>		
At 1 January	699,699	697,921
Additional investment (Note (i))	1,725	1,878
Dissolution of a joint venture (Note (ii))	-	(100)
Partial disposal of joint ventures	(13,277)	-
At 31 December	688,147	699,699
<b>Share of post-acquisition reserves</b>		
At 1 January	35,757	38,278
Share of post-acquisition	(8,712)	(2,521)
Partial disposal of joint venture	(87)	-
At 31 December	26,958	35,757
Amounts due from joint ventures (Note (iii))	184,092	183,351
<b>Accumulated impairment losses</b>		
At 31 December	(61,320)	(61,320)
Analysed into:		
Non-current	870,981	891,191

## 19. INTERESTS IN JOINT VENTURES (CONT'D.)

Company	2023 RM'000	2022 RM'000
<b>Investments in joint ventures, unquoted shares</b>		
At 1 January	23,580	23,580
Partial disposal of joint venture (Note 50)	(600)	-
At 31 December	22,980	23,580
<b>Investment in RCULS, RCPS and RPS, issued by joint ventures</b>		
At 1 January	503,540	502,562
Additional investment (Note (ii))	825	978
Partial disposal of joint venture (Note 50)	(13,277)	-
At 31 December	491,088	503,540
<b>Accumulated impairment losses</b>		
At 1 January	(231,553)	(231,553)
Partial disposal of joint venture (Note 50)	4,982	-
At 31 December	(226,571)	(231,553)
At 31 December	287,497	295,567
Analysed into:		
Non-current	287,497	295,567

(i) In current financial year, the Company subscribed for additional 825,000 Redeemable Preference Shares at RM1.00 per share in Nusajaya Lifestyle Sdn. Bhd. amounting to RM825,000.

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) In prior 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 42, there is no material contingent liability and capital commitment relating to joint ventures as at 31 December 2023 and 31 December 2022.

(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.

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## 19. 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 statements 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	244,310	243,410	387	2,473	169,763	173,556	231,514	291,234	193,981	194,127	111,555	121,283	951,510	1,026,083
Cash and cash equivalents	1,745	2,279	90,784	33,591	1,992	837	54,664	59,262	13,860	13,744	41,383	15,502	204,428	125,215
Other current assets	51,136	50,358	248,973	164,743	2,289	2,236	626,555	613,655	3,210	3,392	107,539	111,273	1,039,702	945,657
Total current assets	52,881	52,637	339,757	198,334	4,281	3,073	681,219	671,917	17,070	17,136	148,922	126,775	1,244,130	1,070,872
Total assets	297,191	296,047	340,144	200,807	174,044	176,629	912,733	964,151	211,051	211,263	260,477	248,058	2,195,640	2,096,955
Current liabilities	34	34	-	-	-	-	35,669	35,692	17,582	17,477	23,067	12,061	76,352	65,264
Trade and other payables and provisions	117	21	71,737	9,060	30,626	31,738	55,656	55,999	977	1,263	7,150	3,351	166,263	101,432
Total current liabilities	151	55	71,737	9,060	30,626	31,738	91,325	91,691	18,559	18,740	30,217	15,412	242,615	166,696
Non-current liabilities	-	-	45,359	-	-	-	179,629	207,360	-	-	-	-	224,988	207,360
Trade and other payables and provision	-	-	-	-	-	-	3,460	2,018	-	-	-	-	3,460	2,018
Total non-current liabilities	-	-	45,359	-	-	-	183,089	209,378	-	-	-	-	228,448	209,378
Total liabilities	151	55	117,096	9,060	30,626	31,738	274,414	301,069	18,559	18,740	30,217	15,412	471,063	376,074
Net assets	297,040	295,992	223,048	191,747	143,418	144,891	638,319	663,082	192,492	192,523	230,260	232,646	1,724,577	1,720,881



## 19. 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 statements of comprehensive income

	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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	-	-	101,290	86,848	2,994	2,699	218,228	109,044	-	-	137,085	71,947	459,597	270,538
Depreciation, amortisation & impairment loss	-	-	-	-	(979)	(1,735)	(2,931)	(1,177)	-	-	(207)	(198)	(4,117)	(3,110)
Interest income	44	17	1,653	516	692	583	-	-	391	281	1,173	845	3,953	2,242
Interest expenses	-	-	(1,056)	(20)	(923)	(881)	(2,763)	(1,051)	(765)	(785)	(85)	(92)	(5,592)	(2,829)
(Loss)/profit before tax	(1,952)	(1,790)	41,186	41,385	(2,973)	(1,221)	59,522	61,562	(31)	672	29,097	19,789	124,849	120,397
Income tax expenses	-	-	(9,885)	(10,083)	-	-	(14,285)	(14,775)	-	-	(6,983)	(4,749)	(31,153)	(29,607)
(Loss)/profit after tax	(1,952)	(1,790)	31,301	31,302	(2,973)	(1,221)	45,237	46,787	(31)	511	22,114	15,040	93,696	90,629
Total comprehensive (expense)/income	(1,952)	(1,790)	31,301	31,302	(2,973)	(1,221)	45,237	46,787	(31)	511	22,114	15,040	93,696	90,629

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19. 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 interest in the joint venture**

	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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net assets at 1 January	295,992	294,782	191,747	160,445	144,891	144,334	663,082	676,295	192,523	192,012	232,646	229,606	1,720,881	1,697,474
(Loss)/profit for the year	(1,952)	(1,790)	31,301	31,302	(2,973)	(1,221)	45,237	46,787	(31)	511	22,114	15,040	93,696	90,629
Additional issuance of RPS	3,000	3,000	-	-	1,500	1,778	-	-	-	-	-	-	4,500	4,778
Dividend paid	-	-	-	-	-	-	(70,000)	(60,000)	-	-	(2,000)	(2,000)	(72,000)	(62,000)
Redemption of investment	-	-	-	-	-	-	-	-	-	-	(22,500)	(10,000)	(22,500)	(10,000)
Net assets at 31 December	297,040	295,992	223,048	191,747	143,418	144,891	638,319	663,082	192,492	192,523	230,260	232,646	1,724,577	1,720,881
Interest in joint venture	30%	30%	40%	40%	49%	55%	50%	50%	80%	80%	50%	50%	836,890	847,069
Share of net assets of the Group	89,112	88,798	89,219	76,699	70,275	79,690	319,160	331,541	153,994	154,018	115,130	116,323	836,890	847,069
Unrealised profit arising from land sales or interest charged	-	-	-	-	-	-	(32,074)	(35,252)	-	-	-	-	(32,074)	(35,252)
Elimination of management fees	-	-	-	-	-	-	-	-	-	(2,495)	-	-	-	(2,495)
Carrying value of Group's interest	89,112	88,798	89,219	76,699	70,275	79,690	287,086	296,289	153,994	151,523	115,130	116,323	804,816	809,322

**Aggregate information of joint ventures that are not individually material**

Group	2023 RM'000	2022 RM'000
The Group's share of profit before tax	(23,740)	(20,726)
The Group's share of profit after tax	(23,740)	(18,686)

**20. AMOUNTS DUE FROM JOINT VENTURES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amounts due from joint ventures				
- Non-current (Note (i))	184,800	156,982	10,200	11,000
- Current (Note (ii))	212,915	103,473	39,127	32,662
	397,715	260,455	49,327	43,662

**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 6.1% (2022: 6.0%) per annum.
- (ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand except for an amount of RM5,100,000 (2022: RM6,020,000) which bears interest at an average rate of 7.7% (2022: 7.4%) 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 7.30% (2022: 6.89%) per annum.
- (ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand.

**21. OTHER INVESTMENTS**

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares in Malaysia	22,525	22,525
Less: Accumulated impairment losses	(22,525)	(22,525)
	-	-

**22. 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	
	2023 RM'000	2022 RM'000
At 1 January/31 December	621,409	621,409



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**22. GOODWILL (CONT'D.)****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 13.2% (2022: 12.9%).

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 1% (2022: 2%) or a reduction in the market value of identifiable assets by 6% (2022: 9%) or a reduction in the net development value of property sales by 3% (2022: 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 2023. The Group will continue to monitor and assess the assumptions applied.

**23. CASH, BANK BALANCES AND DEPOSITS**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks (Note (i))	383,466	52,778	-	-
Cash and bank balances (Note (ii))	618,106	972,773	17,142	15,515
	1,001,572	1,025,551	17,142	15,515
Less:				
Deposits with tenures of more than 3 months	(236,055)	(25,413)	-	-
Bank overdraft (Note 36)	(2,203)	(4,370)	-	-
Cash and cash equivalents	763,314	995,768	17,142	15,515

**23. CASH, BANK BALANCES AND DEPOSITS (CONT'D.)**

- (i) The interest rate and maturity of deposits of the Group as at financial year end ranges from 1.85% to 4.66% (2022: 1.58% to 2.85%) per annum and average of 360 days (2022: 360 days) respectively.
- (ii) Included in cash and bank balances of the Group are:

	Group	
	2023 RM'000	2022 RM'000
- Housing Development Accounts	404,695	341,485
- Securities under credit facilities*	425	1,654

\* 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 RM425,000 (2022: RM1,654,000).

**24. DEFERRED TAXATION**

	Group	
	2023 RM'000	2022 RM'000
At 1 January	(119,608)	(111,582)
Recognised in profit or loss (Note 9)	(29,752)	(12,103)
Foreign currency translation	964	4,077
At 31 December	(148,396)	(119,608)
Presented as follows:		
- Deferred tax liabilities	120,028	163,395
- Deferred tax assets	(268,424)	(283,003)
	(148,396)	(119,608)

## Notes to the Financial Statements

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**24. 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 2023	149,831	118,948	-	268,779
Recognised in profit or loss	(34,461)	(12,682)	972	(46,171)
At 31 December 2023	115,370	106,266	972	222,608
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	149,831	118,948	-	268,779

**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 2023	(195,518)	(153,182)	(39,687)	(388,387)
Recognised in profit or loss	21,481	(2,537)	(2,525)	16,419
Foreign currency translation	-	964	-	964
At 31 December 2023	(174,037)	(154,755)	(42,212)	(371,004)
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	(195,518)	(153,182)	(39,687)	(388,387)



**24. DEFERRED TAXATION (CONT'D.)**

Deferred tax assets are not recognised in respect of the following items:

	Group	
	2023 RM'000	2022 RM'000
Unutilised tax losses	430,698	359,678
Others	135,227	127,992
	<b>565,925</b>	<b>487,670</b>
Deferred tax benefit at 24%, if recognised	<b>135,822</b>	117,041

Deferred tax assets have not been recognised in respect of the following item:

	Group	
	2023 RM'000	2022 RM'000
Unutilised tax losses		
- Expires in FY2028	199,697	228,678
- Expires in FY2029	26,216	28,186
- Expires in FY2030	37,363	37,363
- Expires in FY2031	37,421	37,421
- Expires in FY2032	28,030	28,030
- Expires in FY2033	101,971	-
	<b>430,698</b>	<b>359,678</b>

Effective from year of assessment 2019, the unutilised tax losses shall be allowed to be carried forward for a maximum period of ten consecutive years of assessment. Any amount which is not utilised at the end of the carry forward period shall be disregarded.

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.

**Material accounting policy information**

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.

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### 24. DEFERRED TAXATION (CONT'D.)

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.

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.

### 25. INVENTORIES - PROPERTY DEVELOPMENT COSTS

#### Material accounting policy information

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 costs. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Borrowing costs, staff 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 costs.

Property development costs is recognised as an expense when the corresponding revenue is recognised in Note 51.4(a)(v).

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

**25. INVENTORIES - PROPERTY DEVELOPMENT COSTS (CONT'D.)**

	Group	
	2023 RM'000	2022 RM'000
At 1 January	767,859	681,241
Development costs incurred during the year	171,302	109,767
Transfer (to)/from:		
- contract cost assets (Note 26)	(176,069)	(379,141)
- land held for property development (Note 15)	(20,946)	381,204
- inventories held for sale	(31,393)	(5,431)
- inventories under contract of sale	-	(19,781)
	(57,106)	86,618
At 31 December	710,753	767,859

Included in costs incurred during the financial year are:

	Group	
	2023 RM'000	2022 RM'000
Interest capitalised (Note 7)	1,979	4,022
Staff costs capitalised (Note 6(ii))	14,026	13,575

As at the reporting date, freehold land and related development expenditure of RM348,959,000 (2022: RM398,222,000) are pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 36(a).

**26. CONTRACT COST ASSETS****Material accounting policy information****(i) Incremental costs of obtaining 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) Cost 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.



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**26. CONTRACT COST ASSETS (CONT'D.)**

	Group	
	2023 RM'000	2022 RM'000
Contract cost assets:		
Costs to fulfil contracts with customers	203,834	187,245
Incremental costs to obtain contracts with customers	18,060	23,598
	<b>221,894</b>	210,843

	Group	
	2023 RM'000	2022 RM'000
(a) Costs to fulfil contracts with customers		
At 1 January	187,245	107,957
Cost transferred from inventories - property development cost (Note 25)	176,069	379,141
Cost incurred during the year	471,935	431,538
Cost recognised in profit or loss during the year	(631,415)	(731,391)
At 31 December	<b>203,834</b>	187,245
(b) Costs to obtain contracts with customers		
At 1 January	23,598	31,341
Cost incurred during the year	12,825	5,017
Cost recognised in profit or loss during the year	(18,363)	(12,760)
At 31 December	<b>18,060</b>	23,598

**27. INVENTORIES****(a) Inventories held for sale****Material accounting policy information**

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.

**27. INVENTORIES (CONT'D.)****(a) Inventories held for sale (cont'd.)**

	Group	
	2023 RM'000	2022 RM'000
At cost		
Completed properties	20,447	55,359
Consumables	-	8
	<b>20,447</b>	55,367
At net realisable value		
Completed properties	78,969	119,469
Golf memberships*	28,001	28,169
	<b>127,417</b>	203,005

The cost of inventories recognised as cost of sales during the year amounted to RM77,762,777 (2022: RM197,424,000).

\* 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****Material accounting policy information**

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.

	Group	
	2023 RM'000	2022 RM'000
At cost		
Completed properties	154,227	102,096

The inventories under contract of sale relate to sales, which sale and purchase agreements have been entered into, pending settlement by the purchasers.

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**28(a). RECEIVABLES**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables	(i),(iv),(vii)	<b>679,677</b>	841,910	-	-
Amounts due from related parties	(ii)	<b>96</b>	2,502	-	-
Other receivables	(iii)	<b>127,845</b>	133,986	<b>68,762</b>	102,767
		<b>807,618</b>	978,398	<b>68,762</b>	102,767
Less: Allowance for impairment	(v)	<b>(37,881)</b>	(31,122)	-	-
		<b>769,737</b>	947,276	<b>68,762</b>	102,767
Analysed into:					
Non-current	(vi)	<b>240,855</b>	360,295	-	-
Current		<b>528,882</b>	586,981	<b>68,762</b>	102,767
		<b>769,737</b>	947,276	<b>68,762</b>	102,767

(i) Included in trade receivables is an amount of RM31,792,000 (2022: RM32,281,000) owing from a joint venture entity that arose from a sale of land in prior years and bears interest at 6% (2022: 6%) per annum.

(ii) Related parties refer to those as specified in Note 41. Amounts due from related parties are unsecured, non-interest bearing and repayable on demand.

(iii) Other receivables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Dividend receivable	-	-	<b>60,500</b>	87,500
Sundry debtors and prepayments (Note (a))	<b>103,418</b>	106,932	<b>8,262</b>	15,267
Deposits	<b>24,427</b>	27,054	-	-
	<b>127,845</b>	133,986	<b>68,762</b>	102,767

(a) Included in the sundry debtors are amounting to RM22.9 million (2022: RM22.9 million) representing additional tax and penalty paid under protest and subject to appeal to Inland Revenue Board (Note 42).

(iv) Allowance for impairment

	Group	
	2023 RM'000	2022 RM'000
Trade receivables	<b>10,673</b>	8,644
Amounts due from related parties	<b>628</b>	628
Sundry debtors	<b>26,580</b>	21,850
	<b>37,881</b>	31,122



**28(a). RECEIVABLES (CONT'D.)**

- (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	
	2023 RM'000	2022 RM'000
At 1 January	360,295	293,116
Additions	3,437	183,482
Reclassification to current receivables	(131,700)	(128,207)
Remeasurement (Note 6)	(1,333)	141
Accretion of interest (Note 6)	10,156	11,763
At 31 December	<b>240,855</b>	<b>360,295</b>

- (vi) The Group's normal trade credit terms range from 30 to 90 days (2022: 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.

- (vii) Ageing analysis

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2023 RM'000	2022 RM'000
Neither past due nor impaired	498,668	458,129
1 to 30 days past due not impaired	18,502	219,898
31 to 60 days past due not impaired	18,990	23,680
61 to 90 days past due not impaired	7,023	29,834
More than 90 days past due not impaired	125,821	101,725
Past due but not impaired	170,336	375,137
Impaired	10,673	8,644
	<b>679,677</b>	<b>841,910</b>
<u>Individually impaired</u>		
Nominal amount	10,673	8,644
Allowance for impairment	(10,673)	(8,644)
	-	-

## Notes to the Financial Statements

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**28(a). RECEIVABLES (CONT'D.)**

(vii) Ageing analysis (cont'd.)

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 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 2023.

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 performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by purchasers or the purchasers' end-financiers.

The movement in allowance account for receivables is as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	31,122	30,482
Charge for the year (Note 6)	6,759	3,544
Reversal of impairment loss (Note 6)	-	(576)
Write off	-	(2,328)
At 31 December	<b>37,881</b>	31,122

**28(b). TAX RECOVERABLE**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Tax recoverable	121,946	85,988	-	62

Included in the tax recoverable amounting to RM50.9 million (2022: RM50.9 million) representing additional tax and penalty paid under protest and subject to appeal to Inland Revenue Board (Note 42).

## 29. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
<b>Contract assets</b>		
Contract assets from property development (Note (a))	330,423	374,672
<b>Contract liabilities</b>		
Contract liabilities from property development (Note (a))	10,915	54,947
Contract liabilities from strategic land sales (Note (b))	265,669	289,772
Carrying amount at the end of the financial year	276,584	344,719
Analysed into:		
Non-current	210,081	239,678
Current	66,503	105,041
	276,584	344,719

**Material accounting policy information**

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.

**(a) Contract assets and contract liabilities from property development**

The Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

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	
	2023 RM'000	2022 RM'000
Contract assets	330,423	374,672
Contract liabilities	(10,915)	(54,947)
	319,508	319,725
As at 1 January	319,725	423,077
Revenue recognised during the financial year (Note 4)	843,366	811,971
Progress billings during the financial year	(843,583)	(915,323)
As at 31 December	319,508	319,725



## Notes to the Financial Statements

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**29. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)****(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	
	2023 RM'000	2022 RM'000
Contract liabilities	(265,669)	(289,772)
As at 1 January	(289,772)	(299,980)
Revenue recognised during the financial year (Note 4)	63,833	145,039
Deferred during the financial year	(39,730)	(134,831)
As at 31 December	<b>(265,669)</b>	<b>(289,772)</b>

**(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	
	2023 RM'000	2022 RM'000
Within 1 year	791,523	1,155,781
Between 1 and 4 years	591,052	286,078
More than 4 years	169,909	181,004
	<b>1,552,484</b>	<b>1,622,863</b>

## 30. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
<b>Amounts due from subsidiaries</b>		
- Non-current (Note (i))	2,561,013	2,610,176
- Current (Note (ii))	1,816,925	1,693,458
	<b>4,377,938</b>	4,303,634
At 31 December	<b>4,484,401</b>	4,403,559
Impairment loss	<b>(106,463)</b>	(99,925)
	<b>4,377,938</b>	4,303,634
<b>Amounts due to subsidiaries</b>		
- Non-current (Note (iii))	-	37,054
- Current (Note (iv))	1,969	5,686
	<b>1,969</b>	42,740

During the financial year, the Company has made a provision for impairment on the amounts due from subsidiaries of RM7,187,000 (2022: RM9,220,000) and a write-back of allowance for impairment of RM649,000.

- (i) Amounts due from subsidiaries are unsecured, not expected to be repayable in the next 12 months and bear interest rates ranging from 4.80% to 5.19% (2022: 4.62% 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 RM871,603,000 (2022: RM728,785,000) which bear interest rates ranging from 4.80% to 5.19% (2022: 4.67% to 4.82%) per annum.
- (iii) In prior financial year, 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% per annum. In current financial year, the amount was fully settled.
- (iv) Amounts due to subsidiaries mainly comprise advances, interest payable and payment on behalf which are unsecured, repayable on demand and non-interest bearing.

## Notes to the Financial Statements

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**31. SHORT TERM INVESTMENTS**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
In Malaysia:				
Financial assets at fair value through other comprehensive income				
- quoted shares	6	5	-	-
Financial assets at fair value through profit or loss				
- unquoted unit trust <sup>#</sup>	90,554	45,000	90,554	45,000
	<b>90,560</b>	<b>45,005</b>	<b>90,554</b>	<b>45,000</b>

<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.

**32. ASSETS CLASSIFIED AS HELD FOR SALE**

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.

	Group	
	2023 RM'000	2022 RM'000
Assets classified as held for sale	49,561	22,397

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 as disclosed in Note 12 and 13.

In addition, the assets classified as held for sale also includes proposed disposal of 80.4% of equity interest in Roc-Union Proprietary Limited ("Roc-Union") and the Group has received 10% of purchase consideration amounting to RM2.95 million. The Group and the acquirer have mutually agreed for the remaining 90% balance of the purchase consideration to be paid in accordance with a payment plan and the deadline is extended to 31 December 2024. Other details are disclosed in Note 17.

**32. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D.)**

On 31 December 2023, the remaining 19.6% non-controlling interest in Roc-Union amounting to RM2,385,000.

(a) The financial results of the discontinued operation of disposal of Roc-Union is as follows:

	2023 RM'000	2022 RM'000
Share of results from associates/Loss for the year from discontinued operation	(1,547)	(1,841)
Attributable to:		
Owners of the Parents	(1,244)	(1,480)
Non-controlling interests	(303)	(361)
	(1,547)	(1,841)

The details assets transferred to assets held for sale is as follows:

	2023 RM'000	2022 RM'000
<b>Assets</b>		
Interest in an associate	6,787	3,928

\* 2022 comparative figures of assets held for sale has been reclassified to be consistent with 2023 classification.

**33. SHARE CAPITAL AND MERGER RELIEF RESERVE****(i) Share capital****Issued and fully paid up**

	← Group /Company →	
	2023 RM'000	2022 RM'000
Ordinary shares		
At 1 January/31 December	4,960,276	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.



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**34. OTHER RESERVES AND RETAINED PROFITS**

## (a) Other reserves

	Group	
	2023 RM'000	2022 RM'000
(i) Exchange fluctuation reserve		
At 1 January	46,435	50,893
Foreign currency translation	18,335	(4,458)
At 31 December	64,770	46,435
(ii) Merger reserve		
At 1 January/31 December	32,112	32,112
(iii) Fair value adjustments reserve		
At 1 January/31 December	(207)	(207)
	<b>96,675</b>	<b>78,340</b>

The merger reserve is arising from initial public offering undertaken by the group in 2008.

## (b) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2023 under the single-tier system.

**35. NON-CONTROLLING INTERESTS**

	Proportion of equity held by non-controlling interests	
	2023	2022
<b>Name of subsidiaries</b>		
Mega Legacy (M) Sdn. Bhd.	50%	50%
Marak Unggul Sdn. Bhd.	50%	50%
Roc-Union (Proprietary) Ltd.	20%	20%

**35. NON-CONTROLLING INTERESTS (CONT'D.)**

Total non-controlling interests of the Group are as follows:

	2023 RM'000	2022 RM'000
Mega Legacy (M) Sdn. Bhd.	116,558	106,077
Marak Unggul Sdn. Bhd.	487	555
Roc-Union (Proprietary) Ltd.	(2,385)	(2,165)
	<b>114,660</b>	<b>104,467</b>

The financial information of subsidiary that have material non-controlling interest is as follows:

**(i) Summarised statement of financial position**

	Mega Legacy (M) Sdn. Bhd.	
	2023 RM'000	2022 RM'000
Non-current assets	686,132	671,931
Current assets	229,170	150,249
Total assets	<b>915,302</b>	<b>822,180</b>
Non-current liabilities	194,319	113,547
Current liabilities	487,867	496,479
Total liabilities	<b>682,186</b>	<b>610,026</b>
Net assets	<b>233,116</b>	<b>212,154</b>
Net assets attributable to:		
Owner of the parent	116,558	106,077
Non-controlling interest	116,558	106,077
	<b>233,116</b>	<b>212,154</b>

**(ii) Summarised statement of comprehensive income**

	Mega Legacy (M) Sdn. Bhd.	
	2023 RM'000	2022 RM'000
Profit for the year	20,962	3,772
Profit attributable to owners of the Company	10,481	1,886
Profit attributable to non-controlling interest	10,481	1,886
	<b>20,962</b>	<b>3,772</b>

## Notes to the Financial Statements

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**35. NON-CONTROLLING INTERESTS (CONT'D.)****(iii) Summarised statement of cash flows**

	Mega Legacy (M) Sdn. Bhd.	
	2023 RM'000	2022 RM'000
Net cash generated from/(used in) operating activities	14,314	(18,805)
Net cash generated from/(used in) investing activities	1,884	(2,526)
Net cash generated from financing activities	4,376	5,921
Net change in cash and cash equivalents	20,574	(15,410)
Cash and cash equivalents at the beginning of the year	838	16,248
Cash and cash equivalents at the end of the year	21,412	838

**36. BORROWINGS**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current borrowings</b>					
<b>Secured</b>					
Term loans	(a)	31,519	14,000	-	-
<b>Unsecured</b>					
IMTN and ICP	(b)	3,132,740	2,346,637	3,132,739	2,346,637
		<b>3,164,259</b>	<b>2,360,637</b>	<b>3,132,739</b>	<b>2,346,637</b>
<b>Current borrowings</b>					
<b>Secured</b>					
Revolving credits	(a)	86,200	277,120	-	-
Term loans	(a)	23,800	30,008	-	-
Bank overdraft	(c)	2,203	4,370	-	-
<b>Unsecured</b>					
Revolving credits	(a)	-	124,000	-	80,000
IMTN	(b)	903,469	1,469,113	903,469	1,469,113
Structured commodity	(d)	-	50,000	-	50,000
		<b>1,015,672</b>	<b>1,954,611</b>	<b>903,469</b>	<b>1,599,113</b>
Total borrowings		<b>4,179,931</b>	<b>4,315,248</b>	<b>4,036,208</b>	<b>3,945,750</b>

## 36. BORROWINGS (CONT'D.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Maturities of borrowings:</b>				
Not later than one year	1,015,672	1,954,611	903,469	1,599,113
Later than 1 year and not later 2 years	898,179	643,767	898,179	629,767
Later than 2 years and not later 5 years	2,116,080	1,716,870	2,234,560	1,716,870
More than 5 years	150,000	-	-	-
	<b>4,179,931</b>	4,315,248	<b>4,036,208</b>	3,945,750

(a) The term loans and revolving credits facilities obtained from various banks, by the Company and certain subsidiaries, bear interest rates of 5.25% to 5.73% (2022: 4.09% to 5.35%) per annum. Certain loans are secured by land held for property development and property development costs as disclosed in Note 15 and Note 25.

(i) Mega Legacy (M) Sdn. Bhd. ("MLSB"), a subsidiary via Sunrise Berhad, has obtained the following banking facilities:

- Credit Facilities of up to RM199 million ("Credit Facilities 1");
- Credit Facilities of up to RM210 million ("Credit Facilities 2"); and
- Commodity Murabahah Revolving Financing ("CMRF-i"), with a limit of RM70 million to part-finance the development of Kiara Bay project in Kepong, Kuala Lumpur, secured by the following:-

Credit Facilities 1:

- Letter of Guarantee from Shareholders;
- Letter of Subordination of Debts from Shareholders and related party;
- Letter of Undertaking from Shareholders and related party; and
- First Party Legal Charge over land held for property development as disclosed in Note 15.

Credit Facilities 2:

- Letter of Undertaking from Shareholders and MLSB; and
- First Party Legal Charge over the development's land and several parcels of land held for property development as disclosed in Note 15.

CMRF-i:

- Corporate Guarantee from Shareholders; and
- A first party charge over several parcels of land held for property development is as disclosed in Note 15.

MLSB's Credit Facilities 1, Credit Facilities 2 and CMRF-i bear interest rates ranging from 5.43% to 5.73% (2022: 4.45% to 5.21%) per annum.

(ii) During the financial year, Sunrise Alliance Sdn Bhd ("SASB"), a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained Islamic Banking Facilities ("IBF") of up to RM208 million, to part-finance the development of KAIA Heights project in Seri Kembangan, Selangor, secured by the following:

- Corporate Guarantee from Sunrise Berhad, wholly-owned subsidiary of the Company;
- First Party Legal Charge over the development's land as disclosed in Note 24; and
- Letter of undertaking from Sunrise Berhad and SASB.

The IBF bear interest rates ranging from 5.25% to 5.40%.



## Notes to the Financial Statements

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**36. BORROWINGS (CONT'D.)**

- (b) (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 billion and a sub-limit on the ICP Programme of RM500 million in nominal value. The ICP Programme expired in 2019. Malaysian Rating Corporation Berhad ("MARC") has assigned a rating of AA-is for the IMTN Programme.

The details of the IMTN issuances are as follows:

	Tenures	Profit	At 1 January	Issuance	Repayment	At 31 December
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
08 September 2021	5	4.40%	290	-	-	290
21 September 2021	4	4.25%	150	-	-	150
			1,810	-	(770)	1,040
Adjustment			(5)			(4)
			1,805			1,036

- (ii) The Company further established its second programme: ICP Programme and IMTN Programme with a combined nominal value of RM2 billion and a sub-limit on the ICP Programme of RM500 million in nominal value. The ICP Programme has expired during the financial year. MARC has assigned a rating of AA-is for the IMTN Programme.

The details of the IMTN issuances are as follows:

	Tenures	Profit	At 1 January	Issuance	Repayment	At 31 December
20 May 2016	7	5.00%	500	-	(500)	-
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
			1,350	-	(600)	750
Adjustment			(1)			-
			1,349			750

**36. BORROWINGS (CONT'D.)**

- (b) (iii) The Company established its third programme: ICP Programme and IMTN Programme with a combined aggregate limit of up to RM4 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 and the ICP issuances are as follows:

	Tenures	Profit	At 1 January	Issuance	Repayment	At 31 December
15 February 2022	3	4.60%	40	-	-	40
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
30 January 2023	3	5.45%	-	255	-	255
07 March 2023	3	5.39%	-	165	-	165
07 April 2023	3	5.34%	-	70	-	70
14 April 2023	1	5.05%	-	160	-	160
14 April 2023	2	5.25%	-	80	-	80
14 April 2023	5	5.44%	-	100	-	100
19 April 2023	1	5.00%	-	115	-	115
19 June 2023	3	5.30%	-	120	-	120
20 June 2023	4	5.45%	-	280	-	280
29 September 2023	5	4.87%	-	200	-	200
29 September 2023	7	5.09%	-	150	-	150
			665	1,695	(100)	2,260
Adjustment			(4)			(10)
			661			2,250

- (c) The bank overdraft taken by MLSB, bears interest rates of 6.89% (2022: 6.39%) per annum as at end of the financial year.
- (d) 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.

In the previous financial year, the remaining RM50 million was utilised for projects and working capital purposes, which bore profit rate of 4.60% to 5.04% per annum. The facility has been fully repaid and cancelled in previous financial year.

## Notes to the Financial Statements

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**36. BORROWINGS (CONT'D.)**

(e) Reconciliation of liabilities arising from financing activities:

Group	2023 RM'000	2022 RM'000	Movement		
			Principal movement RM'000	Interest paid RM'000	Non-cash changes Interest cost and fair value movements RM'000
IMTN and ICP	4,036,208	3,815,750	225,000	(197,980)	193,438
Term loans	55,320	44,008	17,232	(7,681)	1,760
Revolving credits	86,200	401,120	(315,800)	(6,921)	7,801
Bank overdraft	2,203	4,370	-	(72)	(2,095) <sup>^</sup>
Structured commodity	-	50,000	(50,000)	(605)	605
	<b>4,179,931</b>	<b>4,315,248</b>	<b>(123,568)</b>	<b>(213,259)</b>	<b>201,509</b>

**Presented in statements of financial position**

	2023 RM'000	2022 RM'000
Non-current	3,164,259	2,360,637
Current	1,015,672	1,954,611
	<b>4,179,931</b>	<b>4,315,248</b>

<sup>^</sup> Where the movement is excluded in cash flows other than financing activities.

## 36. BORROWINGS (CONT'D.)

(e) Reconciliation of liabilities arising from financing activities: (cont'd.)

Group	2022 RM'000	2021 RM'000	Movement		
			Principal movement RM'000	Interest paid RM'000	Non-cash changes Interest cost and fair value movements RM'000
IMTN and ICP	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)^
Structured commodity	50,000	50,000	-	(877)	877
	4,315,248	4,204,968	107,047	(185,940)	189,173

## Presented in statements of financial position

	2022 RM'000	2021 RM'000
Non-current	2,360,637	3,205,262
Current	1,954,611	999,706
	4,315,248	4,204,968

^ Where the movement is excluded in cash flows other than financing activities.



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**36. BORROWINGS (CONT'D.)**

(e) Reconciliation of liabilities arising from financing activities: (cont'd.)

Company	2023 RM'000	2022 RM'000	Movement		
			Principal movement RM'000	Interest paid RM'000	Interest cost and others RM'000
IMTN and ICP	4,036,208	3,815,750	225,000	(197,979)	193,437
Revolving credits	-	80,000	(80,000)	(1,088)	1,088
Structured commodity	-	50,000	(50,000)	(605)	605
	4,036,208	3,945,750	95,000	(199,672)	195,130

**Presented in statements of financial position**

	2023 RM'000	2022 RM'000
Non-current	3,132,739	2,346,637
Current	903,469	1,599,113
	4,036,208	3,945,750

Company	2022 RM'000	2021 RM'000	Movement		
			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 <sup>^</sup>
Revolving credits	80,000	25,000	55,000	(2,806)	2,806
Structured commodity	50,000	50,000	-	(877)	877
	3,945,750	3,677,708	270,000	(175,204)	173,246

**Presented in statements of financial position**

	2022 RM'000	2021 RM'000
Non-current	2,346,637	3,152,708
Current	1,599,113	525,000
	3,945,750	3,677,708

<sup>^</sup> Including movement excluding in cash flow other than financing activities.

## 37. 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>2023</b>					
<b>Non-current</b>					
At 1 January	19,953	-	48,364	-	68,317
Reversal	(19,953)	-	(39,054)	-	(59,007)
At 31 December	-	-	9,310	-	9,310
<b>Current</b>					
At 1 January	2,388	79,603	20,097	1,915	104,003
Additions	4,299	117,406	174	-	121,879
Utilisation	(4,299)	(47,281)	-	-	(51,580)
Reversal	(2,388)	(10,341)	(16,544)	(16)	(29,289)
At 31 December	-	139,387	3,727	1,899	145,013
<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

**(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.

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**38. PAYABLES**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables and accruals	(i)	<b>415,976</b>	438,452	-	-
Amount due to immediate holding company	(ii)	<b>198</b>	5,806	<b>244</b>	533
Amounts due to related parties	(ii)	<b>344</b>	345	-	-
Amount due to a director of minority shareholder of a subsidiary	(iii)	<b>41,080</b>	41,080	-	-
Other payables and accruals	(iv)	<b>508,620</b>	498,231	<b>61,677</b>	48,120
		<b>966,218</b>	983,914	<b>61,921</b>	48,653
Analysed into:					
Non-current		<b>23,952</b>	45,976	-	-
Current		<b>942,266</b>	937,938	<b>61,921</b>	48,653
		<b>966,218</b>	983,914	<b>61,921</b>	48,653

The normal trade credit terms granted to the Group range from 30 to 60 days (2022: 30 to 60 days).

- (i) Included in trade payables and accruals is an amount of RM86.8 million (2022: RM61.6 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 (2022: 30 days).
- (iii) Amounts due to a director of minority shareholder of a subsidiary is unsecured, non-interest bearing and repayable on demand.
- (iv) Other payables and accruals

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Sundry creditors*	<b>125,916</b>	143,894	<b>2,185</b>	2,384
Deposits received	<b>35,939</b>	115,742	-	-
Accruals**	<b>346,765</b>	228,351	<b>48,874</b>	38,429
Employee benefits	-	10,244	<b>10,618</b>	7,307
	<b>508,620</b>	498,231	<b>61,677</b>	48,120

\* Included in the current financial year's sundry creditors of the Group is the remaining purchase consideration of RM31.9 million (2022: RM63.8 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 RM72.0 million.

**39. DEFERRED INCOME****Unrealised profits**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	<b>162,839</b>	163,509
Addition	<b>81,265</b>	-
Realised during the year	<b>(452)</b>	(670)
At 31 December	<b>243,652</b>	162,839

The unrealised profits relate to land sale by the Group 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.

**40. 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

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**40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (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 28. 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 28(a)(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 24% (2022: 22%) 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 88% (2022: 85%) of the total gross receivables and amount owing by a subsidiary representing 41% (2022: 47%) of the total gross amount due from subsidiaries as disclosed in Note 30.

The following are the carrying amounts of the financial instruments of the Group and the Company at reporting date:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial assets				
Receivables				
- Non-current (Note 28)	240,855	360,295	-	-
- Current*	523,122	580,425	66,627	100,046
Amounts due from subsidiaries				
- Non-current (Note 30)	-	-	2,561,013	2,610,176
- Current (Note 30)	-	-	1,816,925	1,693,458
Amounts due from associates				
- Current (Note 18)	610	612	221	221
Interests in joint ventures				
- Amounts due from joint ventures (Note 19)	184,092	183,351	-	-
Amounts due from joint ventures				
- Non-current (Note 20)	184,800	156,982	10,200	11,000
- Current (Note 20)	212,915	103,473	39,127	32,662
Short term investments (Note 31)	90,560	45,005	90,554	45,000
Cash, bank balances and deposits (Note 23)	1,001,572	1,025,551	17,142	15,515
	<b>2,438,526</b>	2,455,694	<b>4,601,809</b>	4,508,078

\* Trade and other receivables excluding prepayment.

**40. 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Australian Dollar ("AUD")	81	29,927	-	-
United States Dollar ("USD")	(18,253)	(17,458)	-	-

The following table demonstrates the sensitivity of the Group's and Company's profit 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 after tax			
	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
AUD / RM (strengthened 5%)	3	1,137	-	-
USD / RM (strengthened 5%)	(694)	(663)	-	-

**(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

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**40. 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade and other payables (Note 38)	966,218	983,914	61,921	48,653
Borrowings (Note 36)	4,179,931	4,315,248	4,036,208	3,945,750
Lease liabilities (Note 14(b))	18,578	22,025	18,514	21,906
Amounts due to subsidiaries (Note 30)	-	-	1,969	42,740
	<b>5,164,727</b>	<b>5,321,187</b>	<b>4,118,612</b>	<b>4,059,049</b>

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts is disclosed as follows:

	2023				
	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	942,266	23,952	-	-	966,218
Loans and borrowings	1,035,321	972,858	2,429,729	201,500	4,639,408
Lease liabilities (Note 14(b))	4,722	4,738	10,995	-	20,455
Corporate guarantee**	19,155	-	-	-	19,155
	<b>2,001,464</b>	<b>1,001,548</b>	<b>2,440,724</b>	<b>201,500</b>	<b>5,645,236</b>
<b>Company</b>					
Trade and other payables	61,921	-	-	-	61,921
Loans and borrowings	916,959	972,858	2,592,854	-	4,482,671
Lease liabilities (Note 14(b))	4,666	4,728	10,994	-	20,388
Amounts due to subsidiaries	1,969	-	-	-	1,969
	<b>985,515</b>	<b>977,586</b>	<b>2,603,848</b>	<b>-</b>	<b>4,566,949</b>

## 40. 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.)

	2022				Total RM'000
	Within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	More than 5 years RM'000	
<b>Group</b>					
Trade and other payables (Note 38)	937,938	45,976	-	-	983,914
Loans and borrowings (Note 36)	1,998,635	682,694	1,980,071	-	4,661,400
Lease liabilities (Note 14(b))	4,535	4,616	14,034	1,634	24,819
Corporate guarantee**	238	-	-	-	238
	2,941,346	733,286	1,994,105	1,634	5,670,371
<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 14(b))	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
	1,949,304	712,668	1,994,105	1,634	4,657,711

\*\* 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.



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**40. 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	
	2023 %	2022 %
<b>Financial assets</b>		
Floating rate	3.88	2.63
<b>Financial liabilities</b>		
Fixed rate	4.94	4.57
Floating rate	5.55	4.47

The average interest rates per annum on the financial liabilities can be further analysed as follows:

	Group	
	2023 %	2022 %
<b>Financial liabilities</b>		
Term loans	5.56	4.75
Revolving credits	5.52	4.36
Bank overdraft	6.89	6.39
IMTN	4.94	4.57
Lease liabilities	4.90	4.90
Structured commodity	-	4.95

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 will be higher/lower by approximately RM144,000 (2022: RM500,000) 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.

## 41. 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	
	2023 RM'000	2022 RM'000
Paid/payable to UEM:		
- Rental	(2,438)	(7,032)
Realisation of land sales to joint ventures:		
- Horizon Hills Development Sdn. Bhd.	3,178	2,832
- Haute Property Sdn. Bhd.	324	516
Realisation of land sales to associate:		
- Sarandra Malaysia Sdn. Bhd.	252	274
Sale of land to a joint venture:		
- Nusajaya Tech Park Sdn. Bhd.	289,201	-
Paid/payable to Telekom Malaysia Berhad, Khazanah Group's associate company:		
- Smart building services	(222)	(842)
Interest income from joint ventures:		
- Desaru North Course Residences Sdn. Bhd.	351	349
- Sime Darby Property Sunrise Development Sdn. Bhd.	4,450	4,435
- Nusajaya Lifestyle Sdn. Bhd.	85	230
- Nusajaya Consolidated Sdn. Bhd.	788	709
- Haute Property Sdn. Bhd.	3,643	3,872
Management fees received/receivable from joint ventures:		
- Cahaya Jauhar Sdn. Bhd.	420	420
- Desaru North Course Residences Sdn. Bhd.	52	1,095
- Nusajaya Lifestyle Sdn. Bhd.	102	108
Maintenance expenses paid/payable to Projek Lebuhraya Usahasama Berhad	-	(3,000)
	Company	
	2023 RM'000	2022 RM'000
Dividend from subsidiaries	60,500	87,500
Management fees from subsidiaries	118,255	91,760
Interest income from subsidiaries	174,411	155,797
Interest income from joint ventures	776	778
Rental paid/payable to UEM	(2,244)	(502)
Rental paid/payable to subsidiaries	(1,295)	(3,704)

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**41. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**

(a) (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries and other emoluments	11,703	10,737	8,984	8,390
Bonus and separation scheme	1,126	490	1,016	434
Defined contribution plan	1,532	1,399	1,268	1,133
Benefits-in-kind	507	284	490	266
Other benefits	-	15	-	15
	<b>14,868</b>	<b>12,925</b>	<b>11,758</b>	<b>10,238</b>

**42. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Corporate guarantees issued to bank for credit facilities granted to:				
- joint ventures	18,300	228	-	-
- a subsidiary	-	-	-	250,000
	<b>18,300</b>	<b>228</b>	<b>-</b>	<b>250,000</b>

**42. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES (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 Federal Court ("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 took place on 2 October 2023. Following this, the SCIT gave instructions for filing and written submissions. The SCIT also intrusted parties to attend clarification on 12 January 2024. The SCIT has fixed the decision of the appeal on 15 March 2024.

On 15 March 2024, the SCIT had requested parties assistance to source and submit additional documents. The SCIT fixed a clarification date on 3 May 2024 and decision on 10 May 2024.

BND's solicitors are of the view that BND has an arguable case that the IRB has no legal or factual basis to issue the notice of additional assessment and to impose the penalty.

- (b) On 3 May 2021, UEM Land Berhad ("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 ("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. UEM Land has filed a Notice of Appeal to the Court of Appeal ("CoA") on 14 March 2023 and a Stay Application has been filed at the CoA on 23 March 2023. The first stay hearing before the CoA was adjourned from 3 May 2023 in which the next case management date at CoA has been fixed on 25 May 2023. The stay hearing before the CoA has been fixed on 18 July 2023. On 18 July 2023, the CoA dismissed UEM Land's Stay Application. However, the appeal is still pending before the CoA and the next case management date before the CoA is on 5 February 2024. The hearing before the CoA has been fixed on 21 May 2024. IRB has allowed for the payments to be made via instalments over the next 36 months until 15 March 2026.



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### 42. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

#### Income tax assessment (cont'd.)

(b) (cont'd.)

On 5 March 2024 case management date, the CoA instructed both parties to file cause papers and the next case management date is on 18 April 2024.

On 28 March 2023, Symphony Hills' case management for the leave for judicial review application held which fixed the hearing date on 18 September 2023. Interim Stay of the Notices has been granted until the disposal of the leave application. The decision of the leave application has been fixed on 8 November 2023.

On 8 November 2023, the High Court dismissed Symphony Hill's leave application to commence judicial review. Symphony Hills has filed a Notice of Appeal to the CoA on 22 November 2023 and a Stay Application has been filed at the High Court on 8 December 2023. The High Court granted an interim stay of the Notices pending the disposal of the Stay Application at the High Court. A case management before the CoA has been fixed on 30 May 2024 and the stay hearing before the High Court has been fixed on 27 June 2024.

The Company will continue to take all necessary actions to protect its interest and will make further announcements when there are material development on this matter.

#### Material outstanding litigations

(c) 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 Honorable 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").

On 14 July 2021, the Plaintiff filed an appeal against the High Court's Decision.

The appeal was heard before the CoA on 28 April 2022, 13 September 2022 and 6 December 2022.

On 20 January 2023, the CoA found that there were no merits to the appeal and affirmed the High Court's decision. The CoA also ordered Impressive Circuit to pay costs of RM50,000 to each set of solicitors in the appeal.

**42. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)****Material outstanding litigations (cont'd.)**

(c) (cont'd.)

On 17 February 2023, Impressive Circuit has filed an application to the Federal Court for leave to appeal to against the CoA's decision. UEM Land is opposing Impressive Circuit's application. The Hearing for Impressive Circuit's Leave application is scheduled on 27 June 2023. The parties are currently in the process of filing the necessary cause papers and written submissions in the Federal Court.

On 20 June 2023, the Federal Court vacated the Hearing for Impressive Circuit's Leave application that was originally scheduled on 27 June 2023.

On 27 June 2023, the Federal Court re-scheduled the Hearing for Impressive Circuit's Leave application on 15 August 2023. Parties are in the process of filing additional written submission in the Federal Court.

On 15 August 2023, the Federal Court has dismissed with cost Impressive Circuit Sdn Bhd's ("Impressive Circuit") application for leave to appeal against the decision of the CoA.

The Federal Court's decision brings these proceeding to an end as Impressive Circuit has no further avenue of appeal.

(d) 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:

- a. LAD in the sum of RM27,288,000 being damages for delay in completion;
- b. Costs for defects rectification in the sum of RM2,791,000;
- c. Back charges and losses and expenses payable amounting to RM3,152,000; and
- d. 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 and pursuant to Section 410(c) of the Companies Act 2016, Ireka's solicitors will not be able to act for Ireka in this arbitration unless leave has been granted by the Court. By an Order dated 17 December 2022, the arbitrator has temporarily suspended the arbitration proceedings until 9 December 2022 or such earlier time as Judicial Manager of Ireka might advise. 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. Based on the file search conducted, Ireka's judicial management proceedings were discontinued on 9 January 2023 which put the judicial management of Ireka to an end. UEM Land's solicitors have notified the Tribunal that the judicial management of Ireka has ended and therefore the suspension of the arbitral proceeding shall be lifted. The Tribunal has directed for a procedural hearing to be held on 9 May 2023 to provide further directions.

## Notes to the Financial Statements

31 December 2023

**42. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)****Material outstanding litigations (cont'd.)**

(d) (cont'd.)

The Tribunal has directed UEM Land to file the closing submission for its counterclaims by 9 July 2023. However, Ireka has been wound up on May 2023. The arbitration proceedings would have to be stayed and leave from the Court are required if UEM Land continue with the proceedings against Ireka as provided under Section 451(2) of the Companies Act 2016. The counterclaims will be time-barred if UEM Land discontinue the proceedings. UEM Land have instructed the solicitors to proceed to seek leave from the Court to continue the proceedings against Ireka.

UEM Land had filed the cause papers for the application for leave from court to continue with the arbitration proceedings on 31 October 2023. The registrar has fixed a hearing before the Judge on 4 March 2024 to hear UEM Land's leave application. On 4 March 2024, the Court have granted leave order and UEM Land will continue the proceedings against Ireka.

**43. CAPITAL COMMITMENTS**

	Group	
	2023 RM'000	2022 RM'000
In respect of purchase of property, plant and equipment, and investment properties:		
Approved and contracted for	34,020	67,418
Approved but not contracted for	44,655	33,700
	<b>78,675</b>	101,118

**44. FAIR VALUES**

The following are fair value of financial instruments by classes:

	2023		2022	
	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)	3,164,259	3,124,578	2,360,637	2,402,330
<b>Company</b>				
Borrowings (non-current portion)	3,132,739	3,093,058	2,346,637	2,388,330

**44. FAIR VALUES (CONT'D.)**

As stipulated in Amendments to MFRS 7: Financial Instruments: Disclosures, 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 2023:</b>				
<b>Assets</b>				
<b>Group</b>				
Short term investments:				
Financial and other assets at fair value through other comprehensive income	6	-	-	6
Financial asset at fair value through profit or loss	-	90,646	-	90,646
	6	90,646	-	90,652
<b>Company</b>				
Short term investment:				
Financial asset at fair value through profit or loss	-	90,646	-	90,646
<b>At 31 December 2022:</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	-	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

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**44. FAIR VALUES (CONT'D.)**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 28)

Payables (Note 38)

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 (2022: RMNil) at the inception of issuance of the guarantees due to the likelihood of the guaranteed party defaulting is nil within the guaranteed period.

**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 2023:</b>				
Assets for which fair value are disclosed:				
Investment properties (Note 13)	-	-	1,121,557	1,121,557
<b>At 31 December 2022:</b>				
Assets for which fair value are disclosed:				
Investment properties (Note 13)	-	-	1,123,590	1,123,590

**44. FAIR VALUES (CONT'D.)****Non financial instruments (cont'd.)**

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

As at 31 December 2023, 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:

<b>Properties</b>	<b>Valuation technique</b>
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

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**44. FAIR VALUES (CONT'D.)**

Description of valuation techniques used and key inputs to valuation on investment properties are as below:

	<b>Valuation Techniques</b>	<b>Significant unobservable inputs</b>	<b>Rate/ Range</b>
Office	Investment approach	Capitalisation rate	4.0% to 5.3%
		Average rent	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	6.0% to 7.5%
		Average rent per carpark bay	RM4,788
Retail	Income approach	Market yield	4.5% to 6.0%
		Average rent per square metre	AUD3,492 to AUD9,403
	Comparison approach	Adjustment factors to prices of comparable properties	-31.0% to 8.0%
	Investment approach	Estimated rental value per square feet ("psf") per month	RM1.50 to RM8.50
		Void rate	5.0%
		Term yield	6.5%
	Depreciation replacement cost approach	Construction cost psf	RM40 to RM430
Ferry terminal	Comparison approach	Adjustment factors to prices of comparable properties	-20.0% to 20.0%
	Cost approach	Construction cost psf	RM250 to RM450
Plant and equipment	Depreciation replacement cost approach	Depreciation rate	5.0% to 6.0%
	- Cooling plant		
- Building	Comparison approach	Adjustment factors to price of comparable properties	-5.0% to -70.0%

**45. 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.

## 46. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2023 %	2022 %
Nusajaya Five O Sdn. Bhd.	Ceased operations	Malaysia	100	100
Nusajaya Resort Sdn. Bhd.	Operator of clubhouse and restaurant	Malaysia	100	100
Sunrise Berhad	Property development and investment holding	Malaysia	100	100
UEM Land Berhad	Property development, property investment, project procurement and management, and strategic investment holding	Malaysia	100	100
UEM Sunrise (Australia) Sdn. Bhd.	Investment holding	Malaysia	100	100
^^^ UEM Sunrise (Canada) Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	100	100
UEM Sunrise Management Services Sdn. Bhd.	Investment holding	Malaysia	100	100
UEM Sunrise Properties Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	100	100
<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 and investment	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



## Notes to the Financial Statements

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## 46. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2023 %	2022 %
<b>Subsidiaries of Sunrise Berhad (cont'd.)</b>				
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
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

## 46. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2023 %	2022 %
<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.	Dissolved	The Grand Duchy of Luxembourg	-	100
<b>Subsidiary of Sunrise Holdings S.à.r.l.</b>				
*^^^ Canada Sunrise Development Corp.	Dissolved	Canada	-	100
<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 undertaking 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

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## 46. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2023 %	2022 %
<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
<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.	Property development	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.	Property development	South Africa	80.4	80.4

## 46. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2023 %	2022 %
<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 (Subiaco East) Pty. Ltd.	Trustee company	Australia	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
# UEM Sunrise (Subiaco East) Unit Trust	Land holding entity	Australia	100	-
<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 (Collingwood Development) Pty. Ltd.	Project Development	Australia	100	100
# UEM Sunrise (Subiaco East Development) Pty. Ltd.	Project Development	Australia	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



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## 46. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2023 %	2022 %
<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 &amp; Young PLT or Ernst &amp; Young.

# The financial statements of these subsidiary companies are audited for consolidation purposes.

^ The company indirectly owned 50% + 1 share in the subsidiary.

^^ Dissolved on 21 December 2023.

^^^ Dissolved on 9 November 2023.

^^^^ Subsequent to year end, this subsidiary submitted its application to the Companies Commission of Malaysia ("CCM") to strike off its name from the register of CCM pursuant to Section 550 of the Companies Act 2016.

## 47. ASSOCIATES

Name of Associates	Principal activities	Country of incorporation	Effective interest	
			2023 %	2022 %
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.	In Member's Voluntary Winding Up	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.	Managing and developing of marina club, investment holding and construction	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.

^ Subsequent to year end, this associate has commenced its members' voluntary winding up in accordance with Section 439(1)(b) of the Companies Act 2016.

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## 48. JOINT VENTURES

Name of Joint ventures	Principal activities	Country of incorporation	Effective interest	
			2023 %	2022 %
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	49	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
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 a motorsport city with related facilities and services	Malaysia	30	30

## 48. JOINT VENTURES (CONT'D.)

Name of Joint ventures	Principal activities	Country of incorporation	Effective interest	
			2023 %	2022 %
<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.

## 49. 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:

	<b>2022 RM'000</b>
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:

	<b>2022 RM'000</b>
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 2023

**49. DISPOSAL OF A SUBSIDIARY (CONT'D.)**

(c) The effect of the disposal to the statement of financial position of the Group is as follows:

	2022 RM'000
<b>Assets</b>	
Property, plant and equipment	121
Receivables	1,930
Cash and bank balances	1,293
	3,344
<b>Liability</b>	
Payables	1,165
Net assets deconsolidated	2,179

**50. PARTIAL DISPOSAL OF A JOINT VENTURES**

On 20 October 2023, UEM Sunrise Berhad, completed the Share Sale and Purchase Agreement with Iskandar Harta Holdings Sdn Bhd ("IHH") for the disposal of 600,000 ordinary shares and 13,276,667 redeemable preference shares representing 6% equity interest in Nusajaya Lifestyle Sdn Bhd ("NLSB") for a total sale consideration of RM8.9 million. Following the completion of the Share Sale and Purchase Agreement, NLSB remained as a joint venture company of UEMS.

(a) The effects of the disposal to the statement of profit or loss of the Group and Company are as follows:

	2023	
	Group RM'000	Company RM'000
Proceeds from disposal	8,923	8,923
The Group's 6% share of net total asset of NLSB	(8,696)	-
The Company's carrying amount of 6% capital investment in NLSB	-	(8,895)
Gain on partial disposal interest in NLSB	227	28

(b) The effects of the disposal to the statements of cash flows of the Group and Company are as follows:

	Group/ Company 2023 RM'000
Proceeds from disposal	8,923
Less: Real property gain tax	(268)
Net proceeds received	8,655

(c) The effects of the disposal to the statement of financial position of the Group and Company are disclosed in Note 19.

## 51. MATERIAL ACCOUNTING POLICY INFORMATION

The Group also adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 - Disclosures of Accounting Policies from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity - specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

### 51.1 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

- (a) On 1 January 2023, the Group and the Company adopted the following amendments to MFRS mandatory for annual financial periods beginning on or after 1 January 2023:

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9: Comparative Information

Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2: Disclosure of Accounting Policies

Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform-Pillar Two Model Rules

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 except for amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2, Disclosure of Accounting Policy. The Group and the Company shall disclose material accounting policy information and any accounting policy relates to immaterial transactions, other events or conditions is immaterial no disclosure is required.

### 51.2 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 2024
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 107 and MFRS 7 : Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
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 2023

## 51. MATERIAL ACCOUNTING POLICY INFORMATION

### 51.3 Summary of material accounting policy information

#### (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, 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 2023.

#### (b) Sales and Service Tax ("SST")

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.

### 51.4 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 42, 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.

## 51. MATERIAL ACCOUNTING POLICY INFORMATION

### 51.4 Critical judgements and accounting estimates (cont'd.)

#### (a) Key sources of estimation uncertainty (cont'd.)

##### (ii) Additional tax assessment related to tax deductibility of bumiputra quota waiver

In 2021, 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 42(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 24.

##### (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 22.

##### (v) Revenue recognition of property development activities

Revenue on property development activities are recognised in accordance with the accounting policy in Note 4. The terms of the property development contracts and the laws that apply to these contracts, will determine whether the control of the properties sold is transferred and the corresponding revenue is recognised over time or at a point of time.



## Notes to the Financial Statements

31 December 2023

### 51. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

#### 51.4 Critical judgements and accounting estimates (cont'd.)

##### (a) Key sources of estimation uncertainty (cont'd.)

##### (v) Revenue recognition of property development activities (cont'd.)

The Group recognises certain of its property development activities over time or based on the percentage of completion method using the input method which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects. Revenue from property development activities of the Group that is recognised over time amounts to RM907,199,000 (2022: RM957,010,000).

Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation and this includes determining the extent of property development costs incurred and the total estimated costs of property development, which in turn is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group. In making these judgements, management relies on past experience and the work of specialist.

##### (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 37.

##### (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 37.

**51. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)****51.4 Critical judgements and accounting estimates (cont'd.)****(a) Key sources of estimation uncertainty (cont'd.)****(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 2023 is disclosed in Note 27(a).

**(ix) Impairment of interests in subsidiaries, associates and joint ventures**

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 2023 is disclosed in Note 16, Note 17 and Note 19.







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## SECTION 09

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It has been my privilege to contribute significantly to the development of PHIFT over the past 11 years. During this time, I have witnessed and facilitated our growth from inception to achieving a remarkable average of 300,000 passengers per year. In my capacity as Assistant Manager of Facility Security Operations, I have been steadfast in my commitment to ensuring the safety and security of our facilities, a role I approach with the utmost seriousness to uphold and protect the esteemed reputation of UEM Sunrise. I am committed to furthering the growth and expansion of Puteri Harbour International Ferry Terminal (PHIFT), notably through the introduction of a new route to Singapore. This endeavor will not only serve to enhance our service offering but also significantly increase our appeal to both international and local passengers, further solidifying Puteri Harbour as a key terminal in the region."

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**CHIEF Kharrul**  
PHIFT & Transportation



# BURSA MALAYSIA SUSTAINABILITY REPORTING DISCLOSURE

The performance data table below has been prepared in accordance with the requirements of the Bursa Malaysia Main Market Listing Requirements. It summarises the key indicators of the material matters that are pertinent to UEM Sunrise, and are in line with the enhanced Sustainability Reporting Guide, 3<sup>rd</sup> Edition.

Indicator	Measurement Unit	2023
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.39
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	88.89
Management	Percentage	100.00
Non-Management	Percentage	99.36
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	71.43
Senior Management Above 50	Percentage	28.57
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	79.08
Management Above 50	Percentage	20.92
Non-Management Under 30	Percentage	21.40
Non-Management Between 30-50	Percentage	72.18
Non-Management Above 50	Percentage	6.42
Gender Group by Employee Category		
Senior Management Male	Percentage	51.43
Senior Management Female	Percentage	48.57
Management Male	Percentage	45.41
Management Female	Percentage	54.59
Non-Management Male	Percentage	43.94
Non-Management Female	Percentage	56.06
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.67
Female	Percentage	33.33
Under 30	Percentage	0.00
Between 30-50	Percentage	11.11
Above 50	Percentage	88.89
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	1,109
Management	Hours	10,444
Non-Management	Hours	10,641
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	13.73
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	5
Management	Number	19
Non-Management	Number	89
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,929
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	282,740.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	27,480
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	66,552.42
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	482,487,590

Internal assurance    External assurance    No assurance

(\*)Restated

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2-3	Reporting period, frequency and contact point	About This Report, page 4
2-4	Restatements of information	No restatement of information in this report
2-5	External Assurance	About This Report, page 4
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<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>		
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<b>GRI 202: MARKET PRESENCE 2016</b>		
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3-3 Management of material topics	SASB IF-EN-410a.1	Sustainability Highlight, page 13 TCFD, page 168 Environmental Impact, page 173-174
<b>ENVIRONMENTAL IMPACT - WATER AND EFFLUENTS</b>		
<b>GRI 3: MATERIAL TOPICS</b>		
3-3 Management of material topics	SASB IF-RE-140a.4	Environmental Impact, page 175
<b>GRI 303: WATER AND EFFLUENTS 2018</b>		
303-1 Interactions with water as a shared resource	SASB IF-EN-160a.1	Environmental Impact, page 175-179
303-2 Management of water discharge-related impacts		Environmental Impact, page 175-179
303-5 Water consumption	SASB IF-RE-140a.2	Environmental Impact, page 175-179
<b>ENVIRONMENTAL IMPACT - BIODIVERSITY</b>		
<b>GRI 3: MATERIAL TOPICS</b>		
3-3 Management of material topics		Environmental Impact, page 180-181
<b>GRI 304: BIODIVERSITY 2016</b>		
304-2 Significant impacts of activities, products and services on biodiversity		Environmental Impact, page 181-183
304-3 Habitats protected or restored		Environmental Impact, page 181-183
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Environmental Impact, page 181-183

# INDEPENDENT LIMITED ASSURANCE REPORT



**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388  
Fax +60 (3) 7721 3399  
Website www.kpmg.com.my

Board of Directors  
**UEM Sunrise Berhad**  
Level U2, Block C5, Solaris Dutamas,  
No.1, Jalan Dutamas 1,  
50480 Kuala Lumpur.

Dear Sirs,

**Independent Limited Assurance Report to UEM Sunrise Berhad (“UEMS”) and its subsidiaries (the “Group”) on Selected Sustainability Information for the financial year ended 31 December 2023**

We, KPMG PLT (“KPMG”), were engaged by UEMS to provide limited assurance on Selected Sustainability Information (the “Subject Matter”), published in UEMS’s Integrated Annual Report for the financial year ended 31 December 2023 (the “Integrated Report”), in the form of an independent limited assurance conclusion as to whether anything has come to our attention that would cause us to believe that the Subject Matter, in all material respects, has not been prepared in accordance with the Group’s definition and calculation methodologies, including any significant inherent limitations (the “Applicable Criteria”).

**Subject Matter**

The Selected Sustainability Information covered by our limited assurance engagement are as follows:

- (i) Lost time incident rate (“LTIR”) (Rate);
- (ii) Percentage of employees by gender and age group, for each employee category (%); and
- (iii) New employee hires (No. and %) and total number of employee turnover by employee category (No.).

The boundary of the limited assurance engagement by KPMG on the Selected Sustainability Information represents the Group’s operations in Malaysia and Australia.

**Board of Directors’ and Management’s Responsibilities**

The Board of Directors of UEMS (the “Directors”) and the Management of UEMS (the “Management”) are responsible for the preparation and presentation of the Subject Matter in accordance with the Applicable Criteria, and the information and assertions contained within it; for determining the criteria that is appropriate to meet their needs; and for establishing and maintaining appropriate performance management and internal control systems from which the Subject Matter is derived.

The Directors and the Management are responsible for the prevention and detection of fraud and error, mainly through the implementation and continued operation of an adequate internal control system.

# Independent Limited Assurance Report



**UEM Sunrise Berhad (“UEMS”)**  
*Independent Limited Assurance Report on Selected Sustainability  
 Information of UEMS for the financial year ended 31 December 2023  
 4 April 2024*

## **Board of Directors’ and Management’s Responsibilities (continued)**

The Directors and the Management are also responsible for ensuring that staff involved with the preparation and presentation of the description of the Subject Matter in the Integrated Report are properly trained, ensuring that information systems are properly updated and that any changes in reporting encompass all significant business units.

The Directors and the Management are responsible for disclosing to us their knowledge of: (i) known, actual or possible non-compliance with laws or regulations that have or may have a material effect on the Subject Matter; and (ii) allegations of or suspected fraud or dishonesty committed against the Group.

The Directors and the Management are responsible to make available to us the Subject Matter and any other information timely to facilitate the completion of the engagement within the required time frame.

The Directors and the Management are responsible for disclosing to us facts that may affect the Subject Matter, of which they may become aware up to the date of the independent limited assurance report.

## **Our Responsibilities**

Our responsibility is to carry out a limited assurance engagement and to express a limited assurance opinion based on the work performed and evidence obtained.

We have conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform procedures to obtain limited assurance that nothing has come to our attention that causes us to believe that the Subject Matter, in all material respects, is not prepared in accordance with the Applicable Criteria.

## **Procedures Performed**

Our limited assurance engagement on the Subject Matter consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matter, and applying analytical and other evidence gathering procedures, as appropriate. These procedures, amongst others, included:

- Enquired Management to gain an understanding of the processes established from which the Subject Matter is derived;
- Interviewed relevant staff responsible for preparing and presenting the Subject Matter in the Integrated Report;
- Compared the Subject Matter presented in the Integrated Report to underlying sources on a sample basis to determine whether the relevant information has been appropriately disclosed; and
- Read the Subject Matter presented in the Integrated Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Group.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



**UEM Sunrise Berhad ("UEMS")**  
*Independent Limited Assurance Report on Selected Sustainability  
 Information of UEMS for the financial year ended 31 December 2023*  
 4 April 2024

### **Our Quality Management and Independence**

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

### **Inherent Limitations**

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Integrated Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Integrated Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

### **Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the limited assurance procedures performed and evidence obtained, as described above, nothing has come to our attention to cause us to believe that the Subject Matter for the financial year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Applicable Criteria.

### **Restriction of use of our report**

In accordance with the terms of our engagement, this report on the Subject Matter has been prepared for the Directors for the purpose as described in the first paragraph of this report and for no other purpose. Our report should also not be regarded as suitable to be used or relied on by any other party.

We consent to the inclusion of this report in UEMS's Integrated Report in respect of FYE 2023, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Subject Matter. We will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

**KPMG PLT**  
 (LLP0010081-LCA & AF 0758)  
 Chartered Accountants

Petaling Jaya

Date: 4 April 2024



# ANALYSIS OF SHAREHOLDINGS

AS AT 22 MARCH 2024

## 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 22 March 2024

Size of Holdings	No. of shareholders	%	Total shareholdings	%
Less than 100	3,204	10.12	101,870	0.00
100 to 1,000	9,071	28.66	4,735,826	0.09
1,001 to 10,000	13,435	42.44	60,843,549	1.20
10,001 to 100,000	4,968	15.69	162,384,890	3.21
100,001 to 252,923,811 (less than 5% of issued shares)	978	3.09	1,311,878,123	25.94
252,923,812 and above (5% and above of issued shares)	1	0.00	3,518,531,963	69.56
<b>Total</b>	<b>31,657</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 22 March 2024

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. EXEMPT AN FOR AIA BHD.	118,896,400	2.35
3.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1)	108,283,802	2.14
4.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	70,890,100	1.40
5.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBLDN FOR POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC	48,119,334	0.95
6.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	46,897,300	0.93
7.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	46,000,000	0.91
8.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD. FOR PRINCIPAL DALI EQUITY GROWTH FUND	29,303,200	0.58
9.	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	21,055,055	0.42
10.	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	20,475,600	0.40
11.	LIEW SWEE MIO @ LIEW HOI FOO	17,300,000	0.34

## Analysis of Shareholdings

As at 22 March 2024

No.	Name of Shareholder	No. of Shares held	% of Issued shares
12.	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
13.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD. FOR PERTUBUHAN KESELAMATAN SOSIAL (UOB AMM6939-406)	15,768,400	0.31
14.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	12,381,000	0.24
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR ARECA EQUITYTRUST FUND (211882)	12,253,200	0.24
16.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD.	11,644,000	0.23
17.	RHB INVESTMENT BANK BERHAD IVT (SHQ-SW BOOK 1) EQD TEAM	11,385,200	0.23
18.	CARTABAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	10,607,300	0.21
19.	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	10,530,200	0.21
20.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (UOB AM SC EQ)	10,011,700	0.20
21.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. NATIONAL TRUST FUND (IFM EASTSPRING) (410140)	9,513,000	0.19
22.	UOBM NOMINEES (TEMPATAN) SDN. BHD. UOB ISLAMIC ASSET MANAGEMENT SDN. BHD. FOR LEMBAGA TABUNG HAJI	9,470,300	0.19
23.	CARTABAN NOMINEES (ASING) SDN. BHD. SSBT FUND J724 FOR SPDR PORTFOLIO EMERGING MARKETS ETF	9,460,088	0.19
24.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. NATIONAL TRUST FUND (IFM UOBAM) (446560)	9,400,000	0.19
25.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	8,261,365	0.16
26.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD. FOR PRINCIPAL DALI EQUITY FUND	8,124,100	0.16
27.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	8,063,200	0.16
28.	CHU BENG HAN	8,000,000	0.16
29.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	7,720,000	0.15
30.	HSBC NOMINEES (ASING) SDN. BHD. J.P. MORGAN SECURITIES PLC	7,585,139	0.15
<b>TOTAL</b>		<b>4,242,930,946</b>	<b>83.88</b>

## Analysis of Shareholdings

As at 22 March 2024

### SUBSTANTIAL SHAREHOLDERS

#### As per the Register of Substantial Shareholders

As at 22 March 2024

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

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 22 March 2024

#### ORDINARY SHARES OF UEM SUNRISE BERHAD

No.	Directors	No. of shares			
		Direct	%	Indirect	%
1.	Datuk Hisham Hamdan	-	-	-	-
2.	Christina Foo	-	-	-	-
3.	Dato' Mohd Izani Ghani	-	-	-	-
4.	Zaida Khalida Shaari	-	-	-	-
5.	Reagan Chan Chung Cheng	-	-	-	-
6.	Chari T.V. Thirumala	-	-	-	-
7.	Poh Ying Loo	-	-	-	-
8.	Datin Sri Badrunnisa Mohd Yasin Khan	-	-	-	-
9.	Alex Yeow Wai Siaw	-	-	-	-
10.	Dato' Sr. Azmar Talib	-	-	-	-
<b>Chief Executive Officer</b>					
1.	Sufian Abdullah	-	-	-	-

# MATERIAL PROPERTIES OF UEM SUNRISE BERHAD GROUP

AS AT 31 DECEMBER 2023

	<b>Location and address of property</b>	<b>Brief description and existing use</b>	<b>Area (sq meters)</b>	<b>Tenure and year of expiry</b>	<b>Age of building (years)</b>	<b>Net book value as at 31/12/2023 RM'000</b>	<b>Date of revaluation/acquisition</b>
1	Iskandar Puteri (fka Bandar Nusajaya), Iskandar Development Region, Johor Darul Takzim	Land held for property development and development in progress	17,898,539	Freehold	-	2,491,753	1995
2	PTD 26684-26685, 26687-26689, 26691-26693, Mukim Batu, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Land held for property development	251,970	Leasehold expiring on 29-Dec-2112	-	772,918	2-Apr-19
3	Solaris Dutamas, 1, Jalan Dutamas 1, 50480 Kuala Lumpur	Building - Retail and Carpark	150,187	Freehold	13	360,352	25-Jul-11
4	PTD 44503-44507, 44520, 44533 Mukim Semenyih, Daerah Ulu Langat, Selangor Darul Ehsan	Land held for property development	407,707	Freehold	-	377,333	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	6 (Hotel), 7 (Retail and Carpark)	285,704	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 25/03/2065 to 10/03/2066	-	210,265	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	-	179,823	28-Aug-20
9	21-53 Hoddle Street, Collingwood, Melbourne, Australia	Land held for property development	5,390	Freehold	-	139,757	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	-	91,239	14-Jun-11
11	Aurora Retail, 224-252 La Trobe Street, Melbourne, Australia	Building - Retail	2,123	Freehold	6	88,079	24-Aug-18
12	Geran 60863 Lot 58689, Mukim Batu, Daerah Kuala Lumpur	Land held for property development	15,308	Freehold	-	225,196	14-Jun-11
13	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
14	Lot PT 67 Seksyen 40, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan	Land held for property development	36,609	Freehold	-	155,755	6-Jun-23



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Sixteenth Annual General Meeting (16<sup>th</sup> AGM) of UEM Sunrise Berhad (the Company) will be held virtually and broadcasted live from Boardroom, Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur (Broadcast Venue) via <https://meeting.boardroomlimited.my> on Thursday, 6 June 2024 at 10.00 a.m. for the following business:

## AGENDA

### Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.

2. To re-elect Ms Christina Foo, who retires in accordance with Article 93 of the Company's Constitution and, being eligible, has offered herself for re-election.

**Ordinary Resolution 1**

Mr Poh Ying Loo retires by rotation as Director in accordance with Article 93 of the Company's Constitution at the conclusion of this 16<sup>th</sup> AGM.

3. To re-elect the following Directors, who retire in accordance with Article 100 of the Company's Constitution and, being eligible, have offered themselves for re-election:

- (i) YBhg Datuk Hisham Hamdan
- (ii) Mr Reagan Chan Chung Cheng
- (iii) YBhg Dato' Sr. Azmar Talib

**Ordinary Resolution 2**

**Ordinary Resolution 3**

**Ordinary Resolution 4**

4. To approve the Directors' fees and the payment thereof to the Directors for the period from 7 June 2024 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	60,000	240,000	37,500	150,000
Audit Committee	12,500	50,000	7,500	30,000
Other Board Committees	9,000	36,000	6,000	24,000

**Ordinary Resolution 5**

5. 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 7 June 2024 until the next AGM of the Company:

Description	Directors' remuneration/benefits
Offsite allowance will be paid to Directors for the following:	RM1,000 per day
(i) Attending meetings with Government representatives or third parties such as consultants, bankers and advisors on behalf of the Company; or	
(ii) Visiting project and/or reference sites to advise management and/or the Company.	
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 6**

6. To appoint Messrs Ernst & Young PLT as Auditors and to authorise the Directors to fix their remuneration.

**Ordinary Resolution 7**

7. To transact any other business for which due notice shall have been given.

**NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend this 16<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 30 May 2024. Only a depositor whose name appears on the ROD as at 30 May 2024 shall be entitled to attend this 16<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  
 30 April 2024

## Notice of Annual General Meeting

### NOTES:

#### 1. REMOTE PARTICIPATION AND ELECTRONIC VOTING, PROXY AND/OR CORPORATE REPRESENTATIVES

- 1.1 The Company's 16<sup>th</sup> AGM will be conducted **virtually** through live streaming from the Broadcast Venue using the remote participation and electronic voting (RPEV) facilities provided via <https://meeting.boardroomlimited.my>. Kindly refer to the procedures provided in the Administrative Notes for the 16<sup>th</sup> AGM to register, participate and vote remotely via the RPEV facilities.
- 1.2 The main and only venue for the 16<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 16<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 16<sup>th</sup> AGM no later than 10.00 a.m. on Friday, 31 May 2024. Shareholders may pose questions via real time submission of typed texts at <https://meeting.boardroomlimited.my> during live streaming of the 16<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 2023

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, 3 AND 4 – RE-ELECTION OF DIRECTORS

- 3.1 The Nominations & Remuneration Committee (NRC) has considered the performance, contribution and competencies 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 2023 as well as the assessment of new appointment, the performance, contribution and competencies 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:
- Probity, reputation, personal and financial integrity
  - Experience and competency
  - Time and commitment
- 3.4 The retiring INED has also fulfilled the independence criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other independence criteria applied by the Company.
- 3.5 The Board has endorsed the NRC's recommendation to seek shareholders' approval for the re-election of the retiring Directors and the Board's statements of support are set out in the Statement Accompanying Notice of AGM. The retiring Directors had abstained from deliberations and decisions on their re-election at the NRC and Board meetings.
- 3.6 The details and profiles of the Directors who are standing for re-election at the 16<sup>th</sup> AGM are provided in the Board of Directors' Profile section in the Company's Integrated Annual Report 2023.
- 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:
- Ordinary Resolution 5** on payment of Directors' fees to the Directors for the period from 7 June 2024 until the next AGM of the Company on a quarterly basis; and
  - Ordinary Resolution 6** on payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors for the period from 7 June 2024 until the next AGM of the Company.
- 4.2 The Company's Remuneration Policy for Directors and Senior Management sets out the procedures in determining the remuneration for the Directors. It provides that the NRC shall periodically review the remuneration framework of the Directors. As the Directors' fees were unchanged since the financial year 2012, NRC has in 2024 conducted a review on the Directors' fees 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 Board approved the NRC's recommendation for the Directors' remuneration with the proposed fee increase for Non-Executive Directors and Board Committees other than Audit Committee, based on the fee structure below:

Directors' Fees/ person	Current Fees Per Annum from 8 June 2023 to 6 June 2024 (RM)		Proposed Fees Per Annum from 7 June 2024 until the next AGM of the Company (RM)	
	Non- Executive Chairman	Non- Executive Director/ Member	Non- Executive Chairman	Non- Executive Director/ Member
Board	210,000	108,000	240,000	150,000
Audit Committee	50,000	30,000	50,000 No Change	30,000 No Change
Other Board Committees	25,000	15,000	36,000	24,000

- 4.4 The Directors' benefits remained unchanged as per the benefits approved at the last AGM held on 7 June 2023, save for the reinstatement of the offsite allowance of RM1,000 per day as reviewed and agreed by the NRC and Board of the Company given the improved Company's performance. The said allowance was last approved at the AGM held on 9 July 2020 in respect of meeting attendance with Government representatives or third parties such as consultants, bankers and advisors and for visiting project and/or reference sites and was not tabled for shareholders' approval for the past three (3) years from 2021 to 2023.



## Notice of Annual General Meeting

4.5 The benefits for the Non-Executive Chairman serve as a unique feature of the Company to attract and retain leadership for the Board and are given in recognition of the significant role in leadership and oversight including the wide-ranging scope of responsibilities expected of the position.

4.6 UEM Group Berhad waived all fees and allowances for services to be rendered by Datuk Hisham Hamdan and Mr Reagan Chan Chung Cheng as Non-Executive Chairman and Non-Executive Director of the Company, respectively, since their date of appointment to the Board on 1 July 2023, in accordance with Khazanah Nasional Berhad's internal policy.

### 5. ORDINARY RESOLUTION 7 – APPOINTMENT OF AUDITORS AND AUDIT FEES

5.1 The Audit Committee had, at its meeting held on 19 March 2024, 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 2024.

5.4 The Board had, at its meeting held on 29 March 2024, endorsed the Audit Committee's recommendation for the shareholders' approval to be sought at the 16<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 2024 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 2024 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 16<sup>th</sup> AGM are provided in the Board of Directors' Profile section in the Integrated Annual Report 2023.

Based on the Nominations & Remuneration Committee's review, the Board found that the performance, contribution and competencies of the following retiring directors in the discharge of their duties assessed during the Board Effectiveness Assessment (BEA) for the financial year 2023, as well as from the assessment of new appointment and their fit and proper criteria, were satisfactory, salient details as below:

**1. Ms. Christina Foo**

She has contributed effectively to the Board's deliberations. She has demonstrated utmost diligence, commitment and integrity, particularly as Audit Committee Chairperson. She brings extensive experience as a certified accountant and consultant to the Board. She has served on the Board for 5 years 4 months as at 22 March 2024 since the date of her appointment as Independent Non-Executive Director on 23 November 2018.

**2. Datuk Hisham Hamdan**

He has contributed effectively to the Board's deliberation. He has demonstrated his leadership, diligence and commitment as Board Chairman. He brings his extensive expertise and experience in investments (profit & loss responsibility), corporate finance, strategy and business development, and investment banking to the Board. He has served on the Board for 8½ months as at 22 March 2024 since the date of his appointment as Non-Independent Non-Executive Chairman on 1 July 2023.

**3. Mr. Reagan Chan Chung Cheng**

He has contributed effectively to the Board's deliberations. He has demonstrated his corporate finance and investment savviness, diligence and commitment, particularly to his role as member of Board Governance & Risk Committee and Board Development Committee. He brings extensive experience to the Board in the area of private equity, investments and corporate finance. He has served as Non-Independent Non-Executive Director for 8½ months as at 22 March 2024 since the date of his appointment on 1 July 2023.

**4. Dato' Sr. Azmar Talib**

He has over 40 years of working experience covering real estate, construction as well as banking and project turnaround. He brings invaluable industry expertise in the areas of township planning, real estate operations and construction as well as insights and leadership in real estate sector including commercial real estate to the Board. He has served as Independent Non-Executive Director for 11 days as at 22 March 2024 since the date of his appointment on 11 March 2024.

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 Ms Christina Foo, Datuk Hisham Hamdan, Mr Reagan Chan Chung Cheng and Dato' Sr. Azmar Talib to be tabled at the 16<sup>th</sup> AGM of the Company, as recommended by the Nominations & Remuneration Committee.

No individual is seeking election as a Director at the 16<sup>th</sup> AGM.

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# FORM OF PROXY

## UEM SUNRISE BERHAD

Registration no. 200801028815 (830144-W)

(Incorporated in Malaysia)



I/We \_\_\_\_\_ NRIC/Company No. \_\_\_\_\_

of \_\_\_\_\_

being a member of UEM Sunrise Berhad ("the Company") hereby appoint:

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and/or failing him/her

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting (16<sup>th</sup> AGM) of the Company to be held virtually and broadcasted live from Boardroom, Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur (Broadcast Venue) via <https://meeting.boardroomlimited.my> on Thursday, 6 June 2024 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 Ms Christina Foo who is retiring in accordance with Article 93 of the Company's Constitution.	1		
To re-elect YBhg Datuk Hisham Hamdan who is retiring in accordance with Article 100 of the Company's Constitution.	2		
To re-elect Mr Reagan Chan Chung Cheng who is retiring in accordance with Article 100 of the Company's Constitution.	3		
To re-elect YBhg Dato' Sr. Azmar Talib who is retiring in accordance with Article 100 of the Company's Constitution.	4		
To approve the payment of Directors' fees for the period from 7 June 2024 until the next AGM of the Company on a quarterly basis.	5		
To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors for the period from 7 June 2024 until the next AGM of the Company.	6		
To appoint Messrs Ernst & Young PLT as Auditors and to authorise Directors to fix their remuneration.	7		

\_\_\_\_\_  
Signature or Common Seal of Member

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
No. of shares  
\_\_\_\_\_  
CDS Account No.  
\_\_\_\_\_  
Telephone No.



## NOTES

1. The Company's 16<sup>th</sup> AGM will be conducted **virtually** through live streaming from the Broadcast Venue using the remote participation and electronic voting (RPEV) facilities provided via <https://meeting.boardroomlimited.my>. Kindly refer to the procedures provided in the Administrative Notes for the 16<sup>th</sup> AGM to register, participate and vote remotely via the RPEV facilities.
2. The main and only venue for the 16<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 16<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@quemsunrise.com](mailto:ir@quemsunrise.com) in relation to the agenda items for the 16<sup>th</sup> AGM no later than 10.00 a.m. on Friday, 31 May 2024. Shareholders may pose questions via real time submission of typed texts at <https://meeting.boardroomlimited.my> during live streaming of the 16<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.

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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.
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 30 April 2024.

**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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