MANAGEMENT DISCUSSION & ANALYSIS

MARKET LANDSCAPE

UEM SUNRISE
Market Landscape

It was a tumultuous 2020 as the COVID-19 pandemic took the world by surprise, impacting the Malaysian economy and all markets worldwide.

Malaysia's GDP contracted by 5.6% in 2020, the biggest decline since the 1998 Asian Financial Crisis at -7.4%, and most certainly a far cry from the 4.3% growth it experienced in 2019.

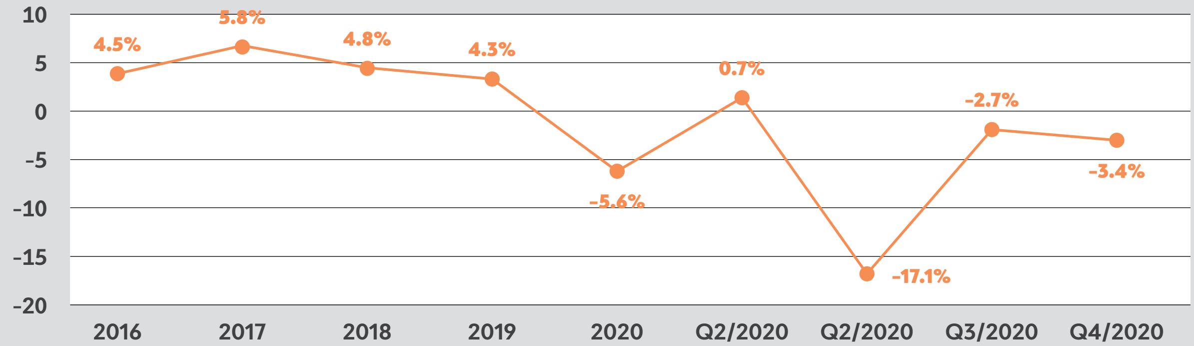
Containment restrictions, especially the strict measures applied during the first MCO, brought the country and much of its economic activities to a grinding halt. All economic sectors, excluding manufacturing, recorded negative growth in 2020. As a result, unemployment rate in 2020 reached the highest in some 30 years at 4.5% – a rate last seen in 1990 during the recovery from the recession of the late 1980s – after hitting 5.3% in May during the height of the first MCO.

To stimulate the economy, the Malaysian government introduced five fiscal stimulus packages – Prihatin, Prihatin SME+, Penjana, Kita Prihatin, and Permai – worth RM322.5 billion to keep the engines of the economy running amid the ongoing pandemic.

Kiara Bay

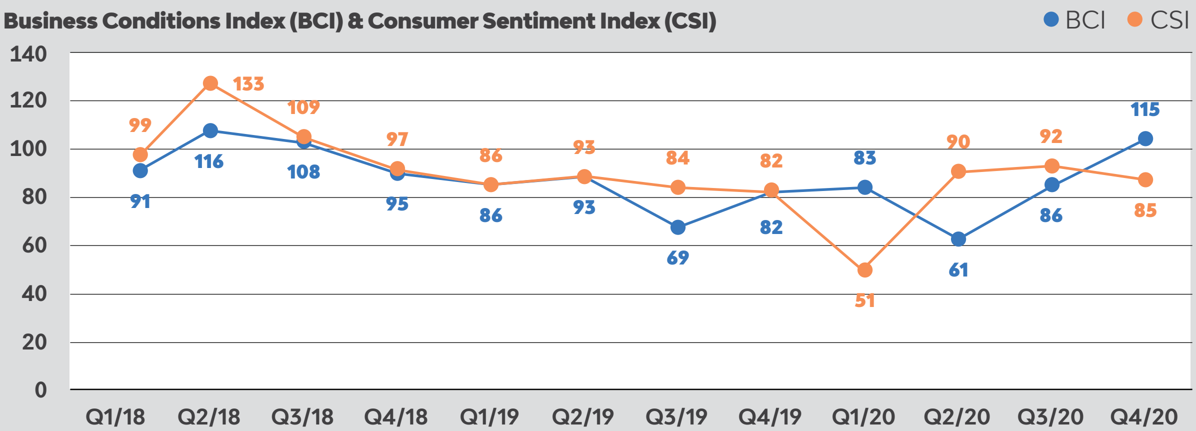
A year removed from the first outbreak of the pandemic, the global economy is looking forward to a post-COVID-19 recovery. In its baseline forecast, the World Bank expects the global GDP to expand by 4% in 2021, backed by effective vaccination programmes to limit community spread of COVID-19 and policymakers' prudent management of the pandemic together with continued monetary policy adjustments and diminishing fiscal support. While uncertainties and the possible materialisation of numerous downside risks raise the prospect of differing growth outcomes, an upside scenario could trigger a sharp rise in consumer confidence and unleash pent-up demand, which could see global growth accelerate to nearly 5%. At the same time, the World Bank also recently revised the GDP growth projection for Malaysia to 6% in 2021, from 6.7% earlier, amid the increase in COVID-19 infections, prevailing political uncertainty, and slower-than-expected rollout of vaccines in other developed economies.

GDP Growth



Source: Bank Negara Malaysia (BNM)

Business Conditions Index (BCI) & Consumer Sentiment Index (CSI)



Source: Malaysian Institute of Economic Research (MIER)

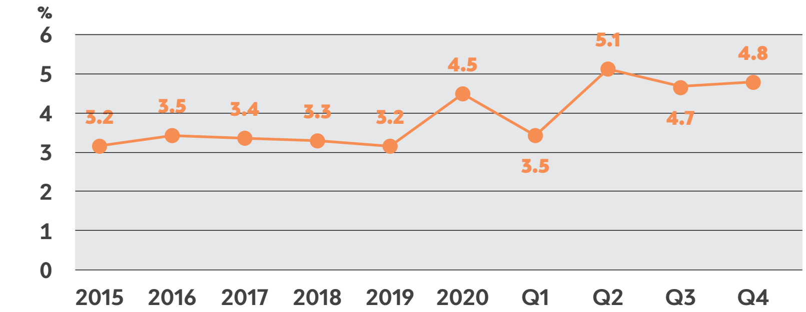
To help cushion and compensate the lingering impact of the pandemic, the Malaysian government launched its largest-ever budget of RM322.5 billion for 2021. However, resurgent cases of COVID-19 saw the re-introduction of the MCO in January and again in May of 2021 as well as the unprecedented declaration of a state of emergency until 1 August 2021 to curb widespread community infection.

MANAGEMENT DISCUSSION & ANALYSIS

MARKET LANDSCAPE

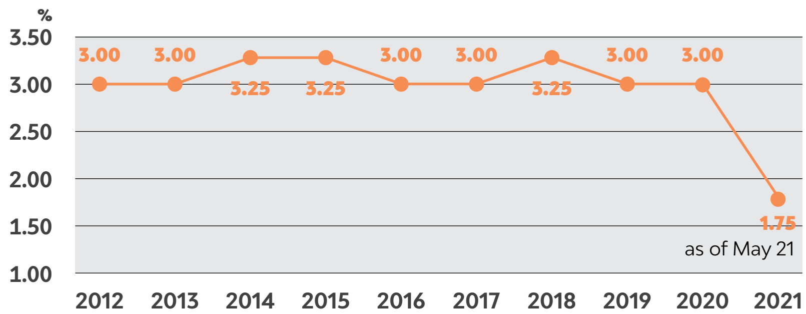
Mirroring global trends, BNM has projected an economic recovery of between 6% to 7.5% in 2021, on the back of domestic demand growth, with private consumption to double to 8% from 4.3% in 2020. Furthermore, the government also expects the unemployment rate to come down to 3.5% in 2021.

Unemployment Rate



Source: Department of Statistics Malaysia (DOSM)

Overnight Policy Rate (OPR)



Source: Bank Negara Malaysia (BNM)

Moreover, Malaysia's economic outlook is on the up-turn in 2021 following the commencement of the NIP in February. This, coupled with the expectation of BNM maintaining the OPR at 1.75% for the rest of the year, as well as the recently launched RM20 billion Pemerkasa (Strategic Programme to Empower the People and the Economy) stimulus package, brought some optimism of an economic rebound. Pemerkasa aims to focus on controlling the spread of COVID-19, acceleration of economic recovery, strengthening of Malaysia's competitiveness, implementation of the regional and community inclusion agenda, and economic transformation.

In the interim, the recovery trajectory will very much depend on the ability of the government to effectively contain the current resurgence in infections and the swift administration and efficacy of the vaccines. Furthermore, possible events following the lifting of the state of emergency on 1 August and the perceived risks surrounding a potential snap general election could lead to disruptions or even delays in the implementation of policies which could potentially lead to further market volatility.

PROPERTY MARKET

As anticipated, the property market remained somewhat subdued in 2020. Although the residential market saw positive growth, the magnitude of the COVID-19 outbreak is unprecedented and the measures implemented to contain the spread resulted in non-essential industries, including property and construction, ceasing operations for an extended period. These events had adverse effects on the economy, including the construction sector, which contracted by 19.4% compared with 2019.

In 2020, the Malaysian House Price Index stood at 199.3 points, having charted a slim 0.6% annual growth since 2010, with housing loan approvals rates remaining flat at more than 40% for the past few years. As income insecurity and increasing unemployment rates resulted in stringent loan approval in 2020, following the RMCO, the third quarter of 2020 saw the highest number of applications but the lowest loan approval rate of 35%.

According to the NAPIC Property Market Report 2020, market activity declined in 2020, recording 295,968 transactions worth RM119.1 billion, a decrease of 9.9% in numbers and decline of 15.8% in value compared to 2019. In 2020, the residential property market saw 195,223 units sold, including serviced apartments, worth RM68.4 billion, a relatively moderate decline of 8.5% and 9.1% respectively from 2019. The middle and lower price segments, i.e. <RM500,000, were the most impacted.

The residential sector was significantly affected as priorities shifted away from homebuying in the initial phases of the pandemic, and any chance for foreign buyers dissipated following travel restrictions and border closures. Financial institutions also tightened approval conditions as employment security waned and unemployment rates increased. New launches were also delayed due to market uncertainties with missed completion deadlines due to supply chain disruptions and the freezing of on-site activity.

The residential overhang situation improved by a marginal 3.6% (-1,099 units) from 2019, however, serviced apartment overhang continued to grow exponentially, by 38% (+6,464 units) in 2020. Collectively, unsold residential and serviced apartments totalled 53,171 units valued close to RM40 billion. Approximately half of the figures were serviced apartments.

In response to the pandemic, coupled with the already softening market and oversupply, the market saw a decline in new launches, with 47,178 units unveiled in 2020 [2019: close to 60,000 units], which was met with a tepid response and a modest sales performance of 28.7%.

The 2020 HOC, first initiated in 2019, was re-introduced in June 2020, under the Short-Term Economic Recovery Plan (Penjana), whereby homebuyers were exempted from stamp duties fees for the purchase of residential units between 1 June 2020 and 31 May 2021. This move proved successful, generating the sale of 34,354 residential units valued at RM25.6 billion as at 28 February 2021. Affordable housing projects are also anticipated to be the main driver and provide support for financial activity in the residential sector. However, non-performing loans may surge once the various debt relief programmes mooted by the government comes to an end in June 2021.

Buoyed by several factors, the housing market in 2021 is projected to be stable or marginally better than 2020, owing to eager first-time home buyers, stable and consistent demand for affordable to mid-range landed property, and opportunistic long-term investors looking for value buys. Moreover, low interest rates, real property gains tax exemptions until December 2021, and attractive offers and discounts offered by developers and secondary market sellers set a conducive climate for buyers to land an attractive deal.

Furthermore, enhancements to digital capabilities will also be a welcomed addition that will improve consumer engagement. Not to mention affordable homes that meet the criteria of homebuyers, paired with better financing options and flexible opportunities to rent as a prelude to ownership.

The commercial property market remained generally soft, recording 20,255 transactions worth RM19.5 billion, registering the most significant decline of all segments, of 21.0% in volume and 32.6% in value as compared with 2019.

Retail was one of the most affected segments in 2020, as COVID-19 threatened the vitality of many non-essential retail businesses. According to NAPIC, the average retail centre occupancy rates fell by 1.7 percentage points to 77.5% amidst continued supply increase. Average occupancy rate in Kuala Lumpur was at 82%, followed by Selangor at 80%, and Johor, the lowest, at 75%. With the market still recovering from the fallout of COVID-19, the end of 2020 saw a recovery in footfalls as the retail sector, especially food and beverage and other retail trades, enjoyed a surge due to pent-up demand. However, sectors with a stronger online presence, such as fashion, may see a slower return, considering the exponential growth of online retailing during the pandemic and the corresponding shift in consumer behaviour, which is likely to see certain trade segments faced with lingering lower rentals.

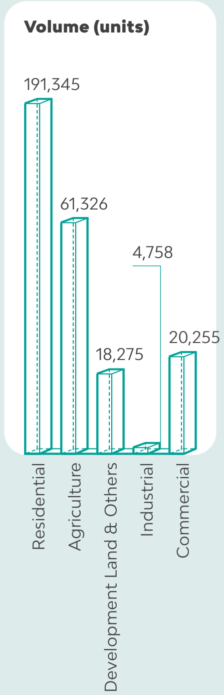
Similarly, the Purpose-Built Office (PBO) sector remains generally lacklustre, with average occupancy declining to 73.9% in 2020 compared to 80.6% in 2019. In view of this, UEM Sunrise has adapted strategies to tackle the abundance of supply of office space and weak business conditions, especially in the Klang Valley, with a targeted approach that will ensure the success of our commercial development pipeline. Besides that, rental and occupancy rates are anticipated to remain under some pressure in the near term amid the oversupply of PBO and a challenging business environment with a recognised preference towards managed office spaces.

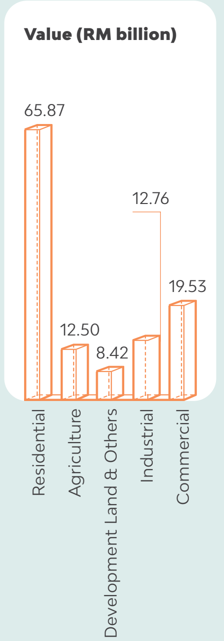
In Australia, residential markets showed remarkable resilience in 2020. Residential prices increased by 3% over the year, despite the pandemic, as the Australian economy rebounded strongly in the second half of 2020, contracting by only 1.1% in 2020, all thanks to prompt response and decisive actions by the Australian government.

In 2021, housing prices in Australia continued to climb as stronger gains projected for the year were aided by expectations of strong economic growth, record-low mortgage rates, heightened consumer confidence, low unemployment rates, and an effective vaccination rollout. However, the outlook on high-rise developments is slightly more challenging, with higher vacancy rates in city centres, due to border closures to expatriates and international students, giving risk to possible fall in home prices or remaining flat at best. At the same time, stronger price growth is expected in smaller cities, as city-based residents move to commutable country towns in response to the pandemic, a move further incentivised by cheaper housing, the flexibility of working from home, and the federal government's offer of a HomeBuilder's Grant.

Looking ahead, the Australian authorities are likely to introduce macro-prudential measures should the booming market overheat, although it is not expected to lift the official cash rate until 2024.

MARKET ACTIVITY 2020 PROPERTY TRANSACTIONS





Source: NAPIC

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

"COVID-19 profoundly impacted the property industry, and the subsequent implementation of the MCO severely disrupted businesses. For UEM Sunrise, the events in 2020 impacted the Company's operations, affecting our retail businesses, construction progresses, planned launches, and sales and marketing activities, eventually affecting the Group's overall revenue contribution and profitability."

As part of the MCO, construction works were halted for an extended period between the initial MCO, which began on 18 March, up until the introduction of the RMCO on 10 June. While these projects were allowed to resume under the CMCO, which began on 4 May, companies were required to apply for permission from the Ministry of International Trade and Industry to operate and execute critical construction works. However, approvals came complete with stringent provisions, including heightened safety and health measures, including the testing of workers for COVID-19, which proved to be costly and time-consuming. As a result, slow construction progress led to slow progress billings and low revenue recognition.

Our sales in the first half of the year were derived mainly from properties launched during previous years and inventories as there were no new property launches in the first half of 2020. New property launches, like Residensi Allevia in Mont'Kiara, Senadi Hills in Iskandar Puteri, and Serene Heights Bangi, were deferred to the second half of 2020. Furthermore, the ensuing nationwide lockdown also resulted in the closure of our offices and retail outlets, disruption to our sales and marketing initiatives, and the construction progress of ongoing projects.

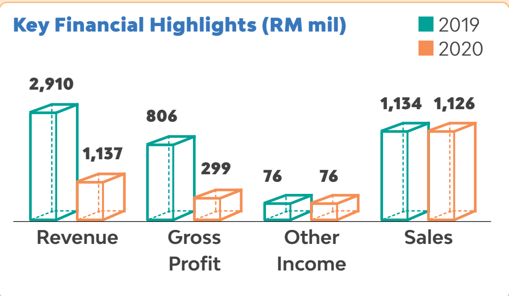
While the prolonged containment measures affected our overall operations and impacted us financially, we continued to assess the impact of such restrictions on our business at all angles and strategised to mitigate its effects. On top of that, the Australian border closure and the lockdown of the Victoria state in the second half of 2020 have also impacted the settlement of the remaining units in Aurora Melbourne Central and Conservatory. We anticipate finalising the settlement for both projects by end 2021.

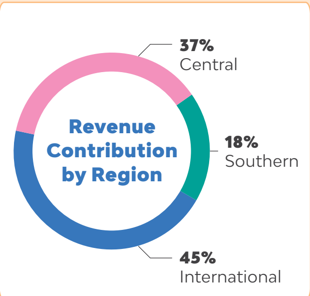
Notwithstanding the disruptions to operations, the Company recorded RM1.1 billion in revenue for FY2020, which was mainly contributed by the settlement of the sale of the en-bloc serviced apartment in Aurora Melbourne Central to Scape and higher contributions from Residensi Solaris Parq in Dutamas, Serene Heights Bangi, and Aspira ParkHomes in Gerbang Nusajaya.

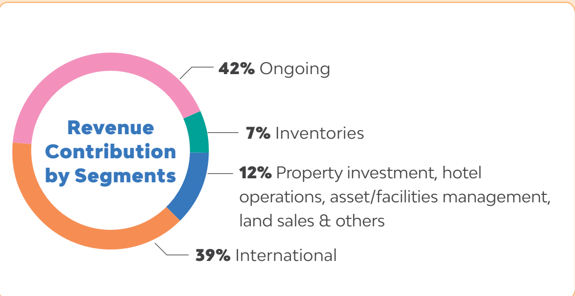
Tepid sales began to rally in the third quarter of 2020, following the reopening of the economy during the RMCO phase, and at the same time, uplifted by the launch of UEM Sunrise's The Happy Chase campaign in July 2020, that leveraged on the government's 2020 HOC. The main sales contributors for 2020 were high-rise developments, such as; Residensi AVA in Kiara Bay and Serene Heights Bangi both in the Central region, as well as Estuari Gardens in Puteri Harbour and 72 freehold industrial plots in SiLC's Phase 3 in the Southern region.

The Company's performance in the second half of 2020 improved compared to the first half of FY2020 as construction activities resumed with sales steadily picking up.

Revenue in the fourth quarter alone was over and above the total revenue of the first nine months combined, with sales contributing approximately 67% of the total sales of RM1.1 billion in 2020. The Company also launched projects with a total Gross Development Value (GDV) of approximately RM900 million in 2020, mainly in the Central region. Its unbilled sales as at 31 December 2020 remain at RM1.9 billion and will be substantially recognised over the next 18 to 36 months, depending on the progress completion of the various projects recorded under the total unbilled sales.







Main Revenue Contributors

- **Serviced apartment in Aurora Melbourne Central**
- **Residensi Solaris Parq, Dutamas**
- **Serene Heights Bangi**
- **Estuari Gardens, Puteri Harbour**

Main Sales Contributors

- **Residensi AVA, Kiara Bay**
- **Serene Heights Bangi**
- **Residensi Solaris Parq, Dutamas**
- **Phase 3, SiLC**

Amid a challenging backdrop, the Company recorded a net loss after non-controlling interests of RM277 million for the financial year under review following the lower revenue contribution, poorer share of results from joint ventures and associates, additional tax assessment and derecognition of deferred tax assets in addition to the provisions for impairments of its assets and inventories of RM93 million. The ramification of COVID-19 also affected economic activities and growth in all sectors, including assets and inventories' valuations. As a result, these assets and inventories now have lower net realisable value requiring appropriate impairment provisions. Albeit on a positive note, these impairments, however, have no effect on the Company's cash flow position.

The introduction of the RMCO was greatly welcomed as we were able to resume site activities and reopen sales galleries, which undoubtedly brought positivity to the Company and a timely boost for the property market.

While the outcomes captured in the second half of 2020 bolstered the Company's overall performance for 2020, the impact of the pandemic and the unavoidable impairment provisions affected the Group's profitability for the year under review. It is important to note that UEM Sunrise remains financially sound, given the low gross and net gearings of 0.59x and 0.40x, respectively with cash balances including a short-term investment of RM1.3 billion at the end of FY2020 amidst the challenging market environment.

The Company fully supports the government's COVID-19 vaccination programme, anticipating an effective rollout across the country will increase mobility and support economic activities and the overall economic recovery in 2021. The Company is also geared up to leverage on several other stimulus packages and initiatives announced under Budget 2021 to uplift market demand in property sales.

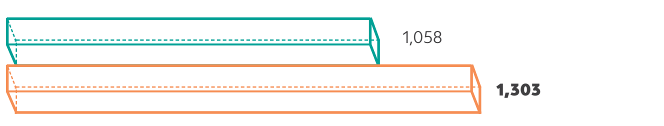
Notwithstanding the impact of the pandemic and the MCO, UEM Sunrise continued to engage in several key transactions during the year under review. In April 2020, UEM Sunrise redeemed 123.3 million redeemable convertible preference shares (RCPS) from UEM Group at a redemption value of RM150 million. The redemption was funded by internally generated funds. The balance of 669.2 million RCPS was converted into 521 million new UEM Sunrise ordinary shares upon maturity on 29 October 2020 and the shares were listed on 3 November 2020. The conversion exercise effectively increased UEM Group's shareholding in UEM Sunrise from 66.06% to 69.56%.

The Company also entered into few key transactions, including the acquisition of an 11.4-acre land in Taman Pertama, Cheras in Kuala Lumpur for RM170 million in August 2020, and the sale of the final 72 freehold industrial plots in SiLC's Phase 3 to AME Elite Consortium Berhad (AME) for RM434 million. The sale to AME is expected to progressively contribute to the Group's earnings and cash flows for the next three to four years. The transaction may complete earlier if all conditions can be met ahead of schedule. Proceeds from this sale will contribute towards the Group's funding requirements, including new land acquisitions.

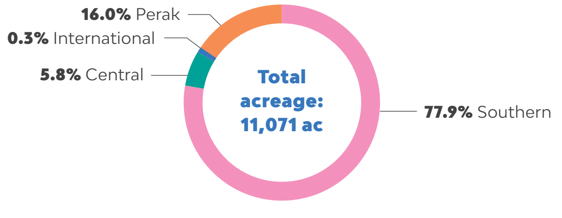
More on cashflow receipts, our subsidiary, UEM Land Berhad (UEM Land) entered into a Share Sale Agreement with KLK Land Sdn Bhd (KLKL) for the sale of 50,000 ordinary shares and 180 million redeemable non-convertible, non-cumulative preference shares owned in Aura Muhibah Sdn Bhd (AMSB) for RM183 million. The sale represents UEM Land's 20% equity holding in AMSB. Completion of the agreement is expected in the third quarter of 2021.

The Company remains cautious on the current outlook and is pursuing GDV and sales targets of RM1.2 billion respectively for 2021.

Cash Balance (RM mil)
including short term investment



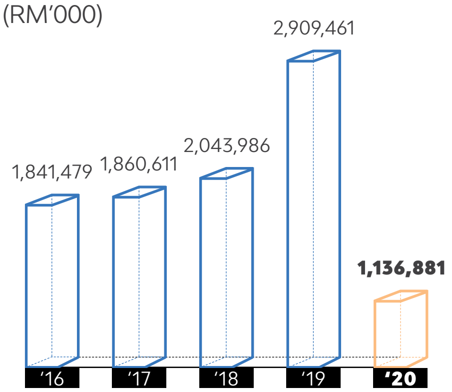
Breakdown of Remaining Landbank by Region as at 31 March 2021



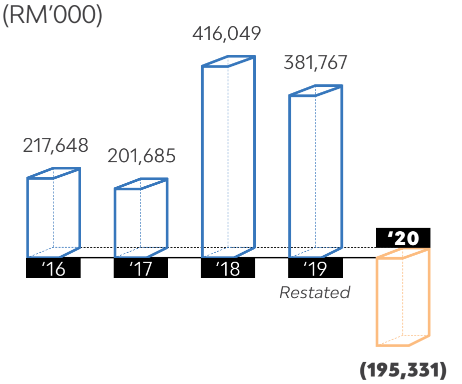
MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW - FIVE-YEAR FINANCIAL HIGHLIGHTS

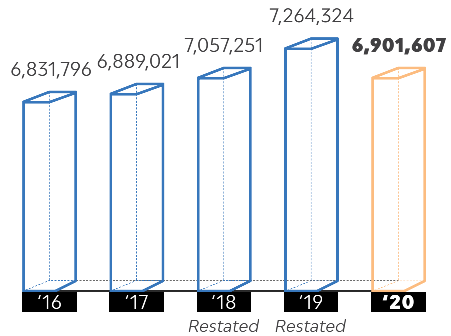
REVENUE[1]
(RM'000)



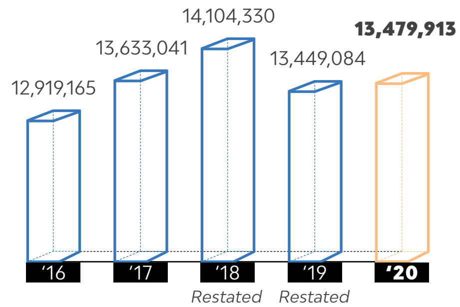
(LOSS)/PROFIT BEFORE ZAKAT AND INCOME TAX
(RM'000)



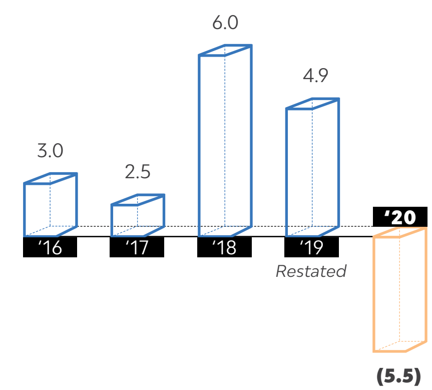
SHAREHOLDERS' EQUITY[2]
(RM'000)



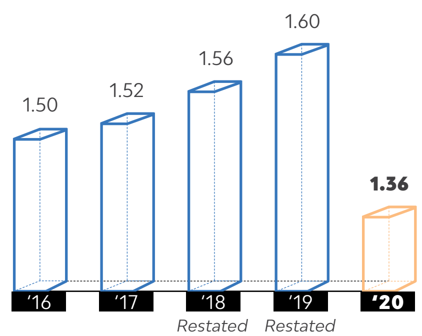
TOTAL ASSETS[3]
(RM'000)



(LOSS)/EARNING PER SHARE
(sen)



NET ASSETS PER SHARE
(RM per share)



Notes:

1 Revenue

- Lower revenue in 2020 is due to:
  - Lower contribution from the international segment namely Aurora Melbourne Central and Conservatory in Melbourne; currently at 98% and 92% settled, respectively.
  - Completion of Residensi Sefina in Mont'Kiara, and Serimbun and Almãs in Iskandar Puteri in FY2019 in contrast to FY2020 where most products are at the early stages of their development cycles, besides those recently launched in the second half of 2020 like Senadi Hills in Iskandar Puteri and Residensi Allevia in Mont'Kiara.
  - Introduction of the MCO on 18 March 2020 affected construction progress, delayed new product launches, impacted operations of retail outlets and resulted in lower property sales.

2 Shareholders' Equity

- Lower in line with loss incurred of RM277.3 million.
- Lower also due to the redemption of RCPS of RM150 million paid to UEM Group in April 2020 and conversion of the balance unredeemed RCPS into new ordinary shares of UEM Sunrise in October 2020.

3 Total Assets

- Total assets increased by RM30.8 million due to the following:
  - Higher land held for property development and property development costs due to the acquisition of 11.4 acres of land in Taman Pertama, Cheras and infrastructure costs in Puteri Harbour and Gerbang Nusajaya as well as the latter's planning costs for future developments.
  - Higher short-term investments.
  - Offset by lower inventories held for sale due to the higher sale of completed projects like Estuari Gardens and Denai Nusantara both in Iskandar Puteri and also Australian project settlements in FY2020.

FINANCIAL REVIEW - FIVE-YEAR GROUP PERFORMANCE (For the financial year ended 31 December)

In RM'000	2020*	2019* Restated	2018*	2017*	2016^
Revenue	**1,136,881**	2,909,461	2,043,986	1,860,611	1,841,479
Cost of sales	**(838,105)**	(2,103,636)	(1,302,726)	(1,317,476)	(1,330,998)
Operating expenses[4]	**(372,729)**	(402,030)	(339,652)	(350,124)	(360,739)
Operating (loss)/profit	**(73,953)**	403,795	401,608	193,011	149,742
Other income[5]	**76,150**	75,598	74,347	56,211	68,118
Finance costs[6]	**(132,850)**	(117,509)	(100,966)	(91,146)	(75,992)
Share of net results of associates & joint ventures[7]	**(64,678)**	19,883	41,060	43,609	75,780
(Loss)/profit before zakat and income tax	**(195,331)**	381,767	416,049	201,685	217,648
(Loss)/profit attributable to owners of the parent[8]	**(277,284)**	221,597	279,998	113,111	147,302
Shareholders' equity	**6,901,607**	7,264,324	7,057,251	6,889,021	6,831,796
(Loss)/earnings per share (sen)	**(5.5)**	4.9	6.0	2.5	3.0
Return on equity	**(4.0%)**	3.1%	4.0%	1.7%	2.2%

* *Figures reported based on MFRS framework*

^ *Figures reported based on FRS framework*

Notes:

4 Operating expenses (OPEX)
- In general, OPEX decreased by RM29.3 million due to:
  - Lower staff cost in line with headcount reduction.
  - Savings as there were no new product launches or sales related expenses as events and promotional activities were impacted by the COVID-19 pandemic and the MCO.
  - However, there is a provision of impairment of RM93.4 million due to the lower net realisable value of assets and inventories as a result of the pandemic and MCO amongst others in FY2020. In FY2019, there was an impairment of RM51.1 million from joint venture company, Malaysian Bio-XCell Sdn Bhd, and RM4.9 million of written down inventories.

5 Other income
- Slightly higher by RM0.6 million mainly due to rental received from renting out the en-bloc serviced apartment to Scape prior to full settlement in October 2020, amongst others. In FY2019, there was no such income whilst foreign exchange gain and interest income were also lower.

6 Finance costs
- Higher by RM15.3 million due to higher borrowings for the year of RM4.1 billion (FY2019: RM3.4 bil) following the drawdown of several SUKUK's Islamic Medium Term Notes (IMTN).

7 Share of net results of associates & joint ventures
- Share of results reduced by RM84.6 million as a result of lower sales mainly in Horizon Hills, Nusajaya Tech Park and Radia Bukit Jelutong. For Nusajaya Lifestyle Sdn Bhd and Haute Property Sdn Bhd, their assets i.e. Medini Mall and Emerald Bay, respectively had to be impaired while for Setia Haruman Sdn Bhd, there was an expensed-off of interest previously capitalised.

8 Loss attributable to owners of the parent
- Recorded loss is in line with the lower revenue which resulted in an overall reduction in the Group's profitability.

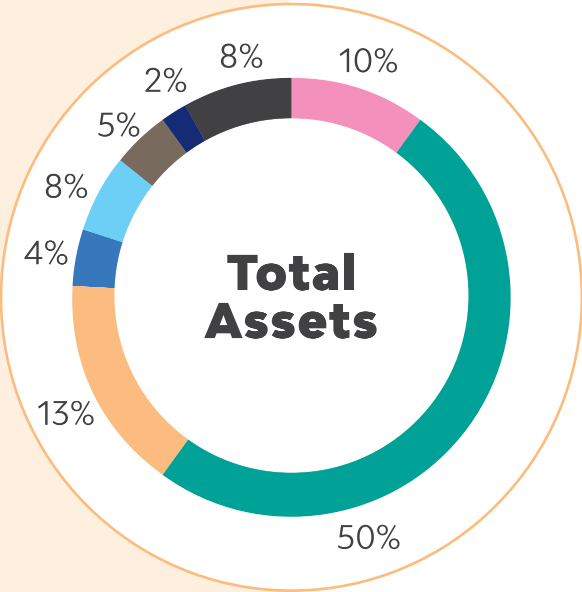
MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW - GROUP QUARTERLY PERFORMANCE (For the financial year ended 31 December)

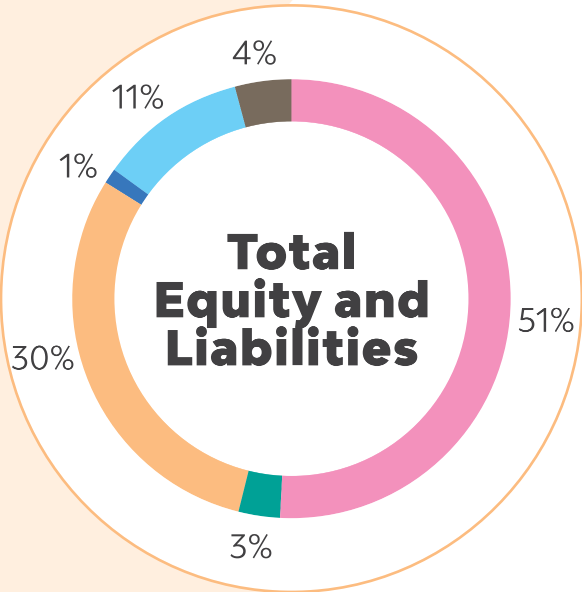
In RM'000	First Quarter 31/03/2020	Second Quarter 30/06/2020	Third Quarter 30/09/2020	Fourth Quarter 31/12/2020	Year Ended 31/12/2020
Revenue	195,854	111,957	217,435	611,635	1,136,881
Cost of sales	(120,719)	(122,189)	(141,925)	(453,272)	(838,105)
Operating expenses	(77,769)	(65,831)	(76,598)	(152,531)	(372,729)
Operating (loss)/profit	(2,634)	(76,063)	(1,088)	5,832	(73,953)
Other income	25,594	14,918	19,349	16,289	76,150
Finance costs	(27,750)	(31,140)	(34,789)	(39,171)	(132,850)
Share of net results of associates & joint ventures	(4,195)	(9,228)	(953)	(50,302)	(64,678)
Loss before income tax and zakat	(8,985)	(101,513)	(17,481)	(67,352)	(195,331)
Loss attributable to owners of the parent	(22,152)	(94,662)	(25,410)	(135,060)	(277,284)
Shareholders' equity	7,166,990	7,023,764	7,004,883	6,901,607	6,901,607
Loss per share (sen)	(0.5)	(2.1)	(0.6)	(2.7)	(5.5)
Return on equity*	(1.2%)	(5.3%)	(1.4%)	(7.6%)	(4.0%)

* *annualised*

FINANCIAL REVIEW - SUMMARISED GROUP BALANCE SHEET



- Property, plant and equipment, investment properties and right-of-use-assets
- Land held for property development and property development costs
- Interests in associates, joint ventures & others
- Inventories
- Receivables
- Goodwill
- Deferred tax asset
- Deposits, cash and bank balances



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

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW - FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

In RM'000	2020	2019 Restated	2018 Restated	2017	2016
TOTAL ASSETS					
Property, plant and equipment, investment properties and right-of-use assets	**1,319,957**	1,330,196	1,174,255	1,026,806	947,561
Land held for property development and property development costs	**6,790,979**	6,484,009	6,526,850	6,973,762	6,522,464
Interests in associates, joint ventures & others	**1,697,559**	1,522,078	1,605,770	1,668,768	1,545,726
Inventories	**580,532**	948,947	1,293,609	609,690	585,244
Receivables	**1,127,448**	1,198,200	1,516,919	1,616,486	1,657,565
Goodwill	**621,409**	621,409	621,409	621,409	621,409
Deferred tax asset	**255,760**	286,799	286,917	308,116	239,388
Deposits, cash and bank balances	**1,086,269**	1,057,446	1,078,601	808,004	788,542
Asset held for sale	-	-	-	-	11,230
Total assets	**13,479,913**	13,449,084	14,104,330	13,633,041	12,919,165
TOTAL EQUITY AND LIABILITIES[9 & 10]					
Share capital	**4,960,276**	5,110,276	5,110,276	5,110,276	2,276,643
Share premium	**-**	-	-	-	2,829,546
Merger relief reserves	**34,330**	34,330	34,330	34,330	34,330
Other reserves	**78,238**	13,671	64,216	108,082	152,046
Retained profits	**1,828,763**	2,106,047	1,848,429	1,636,333	1,519,316
Non-controlling interests	**468,974**	468,332	363,722	363,127	361,556
Total equity	**7,370,581**	7,732,656	7,420,973	7,252,148	7,173,437
Borrowings and lease liabilities	**4,113,823**	3,416,955	4,683,501	4,219,742	3,714,673
Income tax liabilities	**19,008**	71,760	48,880	55,074	11,781
Payables	**1,446,130**	1,579,015	1,182,508	1,322,572	1,279,402
Provisions and others	**530,371**	648,698	768,468	783,505	739,872
Total equity and liabilities	**13,479,913**	13,449,084	14,104,330	13,633,041	12,919,165
Net asset per share attributable to owners of the parent (RM)	**1.36**	1.60	1.56	1.52	1.50

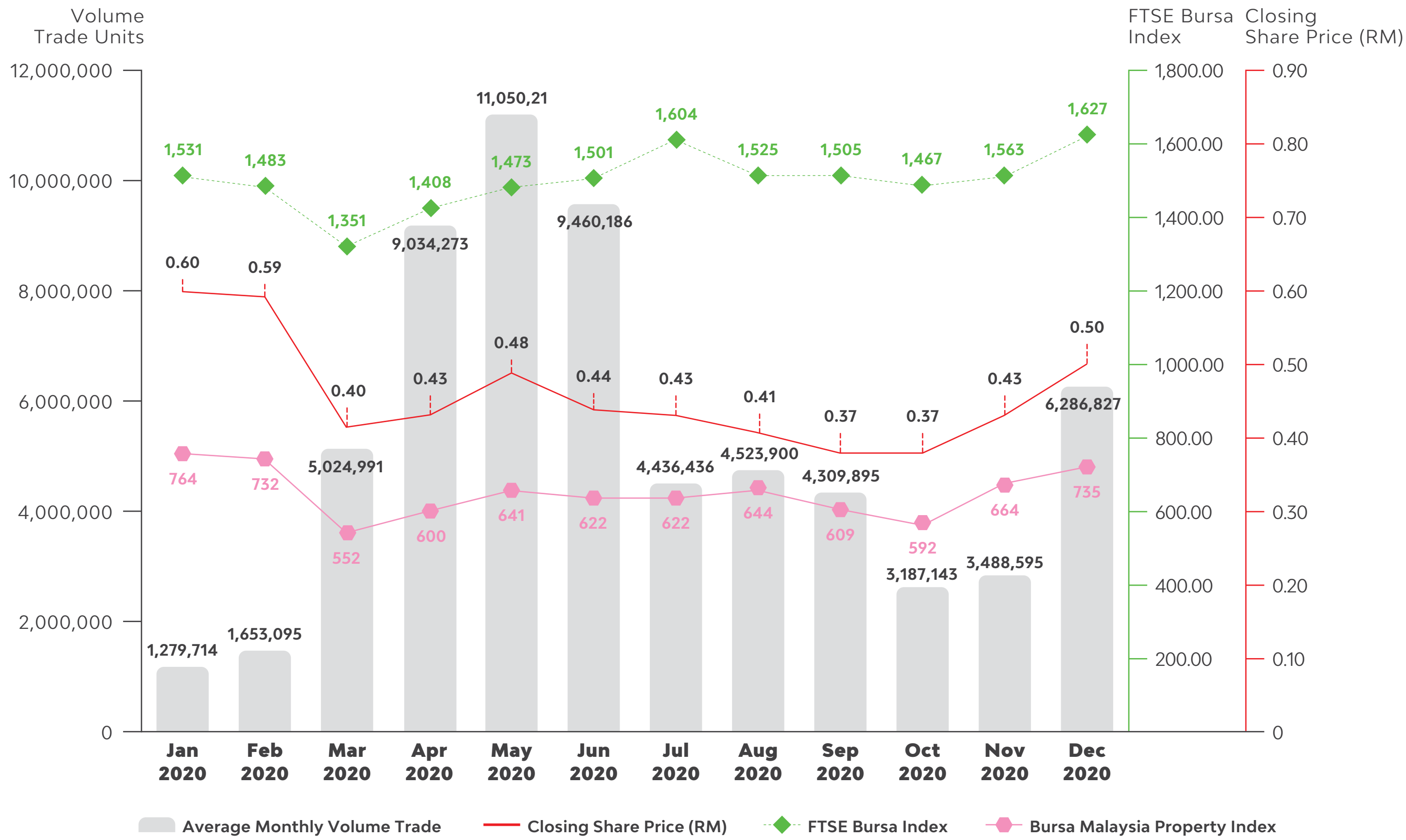
Notes:

9 Total Equity
- Total equity decreased by RM362.1 million due to:
  - Lower retained profit in line with the loss attributable to owners of the parent of RM277.3 mil.
  - Reduced share capital due to the redemption and conversion of RCPS.

10 Total Liabilities
- Total liabilities increased by RM392.9 million mainly due to higher borrowings from the Sukuk's IMTN drawdown.

FINANCIAL REVIEW - SHARE PRICE & VOLUME TRADED

UEM SUNRISE SHARE PRICE MOVEMENT AND MONTHLY VOLUME TRADED



Month	Highest Share Price for the Month (RM)	Lowest Share Price for the Month (RM)	Average Monthly Volume Trade	[1] Closing Share Price (RM/share)	[1] FTSE Bursa Index	[1] Bursa Malaysia Property Index	Average FTSE Bursa Index
Jan'20	0.71	0.60	1,279,714	0.60	1,531	764	1,582
Feb'20	0.65	0.59	1,653,095	0.59	1,483	732	1,529
Mar'20	0.59	0.29	5,024,991	0.40	1,351	552	1,364
Apr'20	0.45	0.39	9,034,273	0.43	1,408	600	1,371
May'20	0.48	0.42	11,050,219	0.48	1,473	641	1,415
Jun'20	0.54	0.43	9,460,186	0.44	1,501	622	1,522
Jul'20	0.47	0.42	4,436,436	0.43	1,604	622	1,584
Aug'20	0.43	0.41	4,523,900	0.41	1,525	644	1,566
Sep'20	0.41	0.37	4,309,895	0.37	1,505	609	1,510
Oct'20	0.39	0.36	3,187,143	0.37	1,467	592	1,505
Nov'20	0.44	0.37	3,488,595	0.43	1,563	664	1,562
Dec'20	0.52	0.42	6,286,827	0.50	1,627	735	1,643

[1] Data is at the end of each respective month

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

Property Development – Central Region

The year 2020 saw the launch of Residensi Allevia, a new and elevated living experience with an added privilege to privacy right in the heart of Mont'Kiara.

The high-rise residence, featuring 294 hotel-inspired units with built-up sizes between 1,703 square feet and 2,634 square feet and dedicated access via Jalan Kiara 4, was launched on 14 November 2020. Located next to Residensi Sefina, the development has a total GDV of RM546 million.

Residensi Allevia is located on a 2.9-acre land in Mont'Kiara. The four-unit per floor development with a base selling price of RM1.5 million per unit, is expected to be completed by 2025. Each unit features living and dining areas and a dry kitchen. The development will have a 0.9-acre facilities deck with a lap pool, open lawn, children's wet and dry play areas and a barbecue area. Furthermore, Residensi Allevia is also a Qlassic and GreenRE compliant. For the niche market group of buyers, Mont'Kiara is still the preferred address with its excellent amenities, high net worth community and proximity to the city centre.

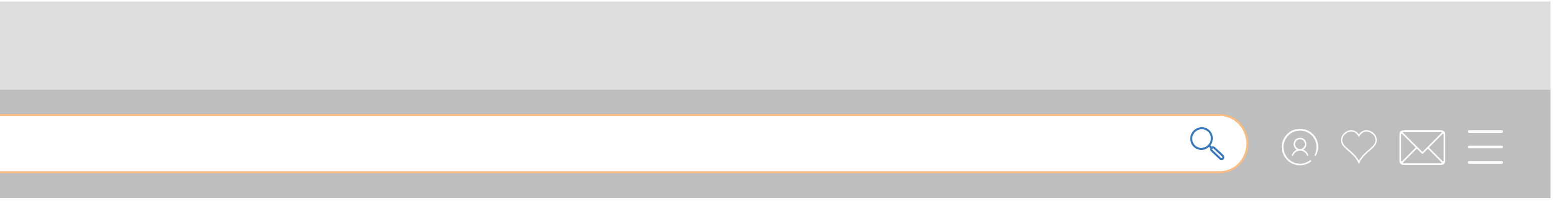
The sales performance of our developments in Mont'Kiara has always been encouraging. Residensi Astrea's latest take-up rate is 95% whilst Residensi Solaris Parq is 89%. The launch of Residensi Allevia does not imply that we are unaware of the market needs and are ignoring the mid-market and lower-income bracket groups. On the contrary, apart from Residensi Allevia, all our other product launches in 2020 and 2021, are to cater to these segments of the population.

In the Central region, we continue to launch new phases in our valued Serene Heights Bangi. In 2020, we launched new double storey-homes in Frischia and Verna both totaling a GDV of RM91 million. Frischia was launched on 13 June, while Verna was unveiled on 1 October. The cumulative take-up rate for both phases is at 96% as at end of April 2021.

COLLABORATIONS WITH STRATEGIC PARTNERS

Forest Heights is a mixed residential township development in Seremban, Negeri Sembilan. A joint venture project with MCL Land Ltd of Hong Kong, the RM2.0 billion development spans 448 acres and features single and double-storey link houses, bungalows, retail and shop offices. The development has a total of 2,859 units with a total GDV of RM2.0 billion. A total of 1,448 units have been launched thus far, with a GDV of RM676 million. Forest Heights is scheduled to be completed by 2030. As at end of April 2021, the take-up rate for the project is at 93%.

Radia Bukit Jelutong, is a mixed development built on 20.9 acres of freehold land in Bukit Jelutong Selangor. A joint venture with Sime Darby Property Berhad, Radia Bukit Jelutong comprises 640 residences, 238 offices, and 186 retail spaces for a total gross floor area of about 2.7 million square feet. Boasting a unique hand fan-shaped design inspired by a fusion of Asian and Mediterranean themes, Radia commands a total GDV of



RM2.0 billion. The take-up rate for the development is at 68% as at the end of April 2021. Besides that, UEM Sunrise recently collaborated with Perpustakaan Negara Malaysia to create a community library in Radia called Buku2u. Occupying a space of 8,164 square feet, the community library features a kid zone area, a family lounge, a digital hub, an interactive zone, an AR corner, and a braille section. New tenants at Radia include Costa Coffee, Pizza Hut, Hero Supermarket, and Noko, an RM2 shopping store.

ONGOING & COMPLETED PROJECTS

Central Region	Description	Launched GDV (RM mil)	Remaining GDV (RM mil)	Cumulative sales take-up (%)	Completed by
Serene Heights Bangi	A mixed residential development on a 448-acre land located in Bangi.	671.2	3,010.8	98	2030
Symphony Hills	High-end residential development on a 98-acre land located in Cyberjaya.	1,263.7	0.0	97	2025
Residensi Sefina	35-storey low-density residential tower in Mont'Kiara.	307.3	0.0	99	Completed
Arcoris	High-rise mixed development with 18-storey serviced residences in Mont'Kiara.	1,257.9	0.0	100	Completed
Summer Suites & VOS	High-rise commercial development within the Kuala Lumpur City Centre.	470.7	0.0	100	Completed
Residensi 22	Four 38-storey residential towers with spacious built-up units in Mont'Kiara.	971.3	0.0	100	Completed
Radia Bukit Jelutong (JV with Sime Darby Property)	A mixed development comprising serviced apartments, retail shops, and strata offices.	991.9	1,016.1	68	2030
Solaris Parq	An integrated mixed development in Dutamas featuring Residensi Solaris Parq, its high-rise residential component.	781.8	1,655.9	89	2024
Residensi Astrea	36-storey condominium development consisting 240 units, sited on a 2.4-acre land along Jalan Kiara 5 of Mont'Kiara.	324.6	0.0	95	2023
Kondominium Kiara Kasih	A 40-storey affordable housing project with condominium facilities under the RUMAWIP scheme, now known as Residensi Wilayah.	215.7	0.0	100	2022
Residensi Allevia (newly launched in 2020)	High-rise residential development offering 294 units in Mont'Kiara.	545.9	0.0	22	2025
Kiara Bay	An integrated masterplan development in Kuala Lumpur adjacent to the Kepong Metropolitan Park featuring Residensi AVA, its first high-rise residential development.	655.1	16,705.2	42	2034
Forest Heights (JV with MCL Land Ltd of Hong Kong)	A 488-acre development in Seremban, Negeri Sembilan featuring single-storey and double-storey link houses, bungalows and retail shop offices.	677.5	1,339.5	93	2030
KAIA Heights (newly launched in 2021)	A 19.2-acre hilltop residential development surrounded by a 6-acre nature reserve located in Equine Park, Seri Kembangan.	171.1	483.9	10	2025
Total		**9,305.7**	**24,211.4**		

** take up as at 30 April 2021*

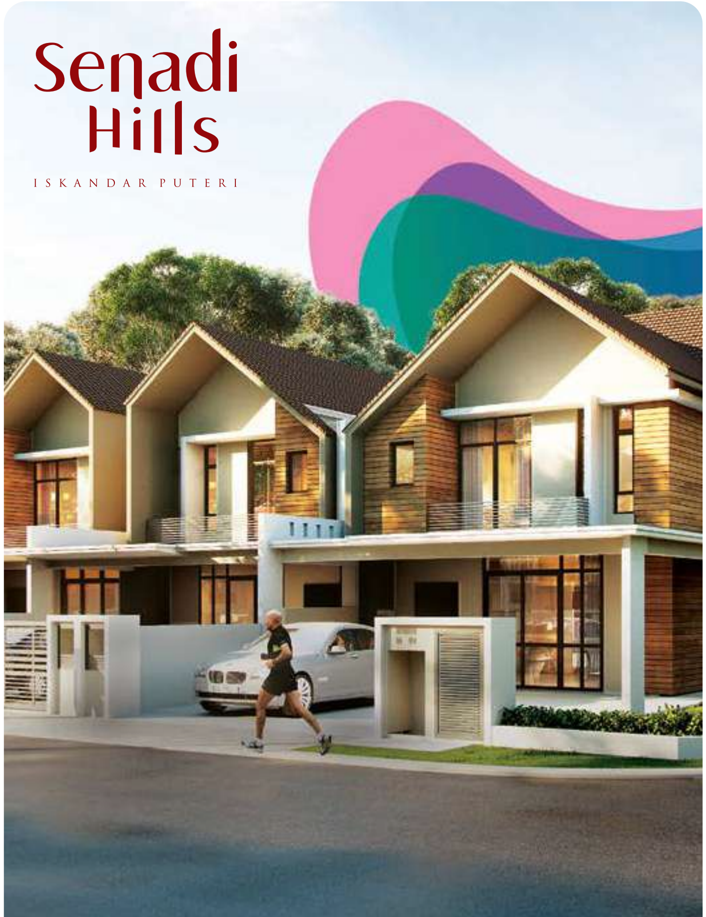
PLANS FOR 2021

The Group plans to launch new properties worth approximately RM1.2 billion in 2021. In the Central region, we expect to launch an estimated GDV of RM943 million, the largest for a new development, pursuant to the Group's acquisition of an 11.4-acre land in Taman Pertama, Cheras Kuala Lumpur, in August 2020. The Group is also set to launch high-rise residences for the low to middle-income group. The first phase of this new development will have an estimated GDV of RM473 million. KAIA Heights in Equine Park, Seri Kembangan, Serdang, was launched on 10 March 2021, with a total GDV of RM350 million. The first phase of the development comprises two condominium blocks, 517 units of a built-up size between 972 to 1,437 square feet with prices starting at RM567,800 per unit. Positioned in the mature neighbourhoods of Seri Kembangan with easy access to major highways and located near the Sungai Buloh-Serdang Putrajaya MRT line, we look forward to a positive market response for this new development. There are plans to launch more new phases in Serene Heights Bangi to cater to the middle to upper income group.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

Property Development – Southern Region



Senadi Hills is our first launch in the Southern Region for 2020. A private residential enclave that offers multi-generational homes located in Iskandar Puteri, it sits only 2 km away from LEGOLAND and Horizon Hills.

Phase 1A, which consists of 112 units of double-storey terrace houses with a built-up size of 2,080 square feet and a GDV of RM81 million, was launched on 16 June 2020. On 27 July, Phase 3 of Senadi Hills, a double-storey shop office development known as Senadi Square, with an average built-up size of 2,900 square feet, was launched. Next was the launch of more double-storey terrace houses in Phase 1B on 5 December 2020. Featuring 120 units, Phase 1B has a total GDV of RM91 million.

In addition to Senadi Hills, we also launched Phase 3B of Aspira ParkHomes in Gerbang Nusajaya on 25 July 2020. Phase 3B comprises 80 units of double-storey terrace houses with a total GDV of RM61 million. Phase 3A was launched back in December 2019.

COLLABORATIONS WITH STRATEGIC PARTNERS

Emerald Bay in Puteri Harbour, Iskandar Malaysia, is one of UEM Sunrise's unique luxurious developments. A collaboration with Bandar Raya Developments Bhd (BRDB), the project features luxurious waterfront living with a total GDV of RM3.7 billion comprising super links, semi-detached houses, and villas at an average built-up size of 4,840 square feet. At the end of April 2021, Phase 1, which comprises 94 units, has been launched with a GDV of RM413 million.

Horizon Hills is a 1,200-acre integrated township jointly developed with Gamuda Berhad and sets the benchmark for property development in Johor. It is a low-density residential project featuring double-storey link houses, two to three semi-detached homes, bungalows, shop offices and landed villas. The development spreads across 13 precincts and boasts a private 18-hole signature and resort clubhouse. As at end of April 2021, a total of 4,880 units has been launched, at a GDV of RM5.5 billion.

On 20 April 2021, Horizon Hills Development Sdn Bhd, our 50:50 joint venture company with Gamuda Berhad, entered into a collaboration with CES Horizon Sdn Bhd, a wholly-owned subsidiary of Singapore-based Chip Eng Seng Corp Ltd to establish a built-to-school international school under the "Invictus" international school brand. The campus will sit on a 4.1-acre land in Horizon Hills, with a gross floor area of 203,875 square feet, and offer kindergarten, primary and secondary-level education. Construction of the first phase is expected to be complete in 2022. The school is planning to open its doors in 2023 with a capacity of up to 1,500 students.

Mall of Medini, a collaboration with Iskandar Investment Berhad (IIB), is a 35-acre street-style retail, entertainment facilities, shopping mall, and serviced apartments. Phase one focuses on food & beverages with tenants such as Subway, KFC, Burger King, Absolute Thai, myNEWS.com and Oldtown Kopitiam. Its major anchor tenant is Ben's Independent Grocer (B.I.G) supermarket. The remaining phases will feature entertaining facilities, supporting malls and residential apartments.

Nusajaya Tech Park is a 519-acre world-class integrated industrial park with eco-friendly infrastructure, designs, and facilities developed by Nusajaya Tech Park Sdn Bhd, a joint venture company with the Ascendas Group of Singapore. The landscaped and well-maintained facilities park is targeting sustainable medium industries. 43 units of ready-built factories (RBF) have been launched. Concurrent with the RBF, Nusajaya Tech Park also offers built to suit warehouses and factories. Its clients include multinational corporations and leading local companies. The park is part of the Southeast Asia Manufacturing Alliance, a programme initiated by the Economic Development Board and Enterprise Singapore to tap into a global network of potential clients.

Embun Residences, The Maris in Desaru is a joint venture project undertaken together with Desaru North Course Berhad, a subsidiary of Themed Attractions Resorts and Hotels Sdn Bhd. The plan for this joint venture is to develop five phases of landed residential products comprising cluster houses, semi-detached houses, bungalows and golf villas, on a 228-acre land at a total estimated GDV of RM2.0 billion. Embun Residences is phase one of the entire The Maris development. The development will feature 260 units of double-storey cluster houses on top of a 29.4-acre land on the premium Desaru Coast neighbourhood. A total of 66 units in phase one of Embun Residences was launched at a GDV of RM209 million. These units have built-up sizes ranging between 1,500 square feet and 1,800 square feet.

ONGOING & COMPLETED PROJECTS

Southern Region	Description	Launched GDV (RM mil)	Remaining GDV (RM mil)	Cumulative sales take-up (%)	Completed by
East Ledang	Garden-themed luxury residential development featuring 31 landscaped gardens, link duplexes, twin villas, townhouses, bungalows, high-rise apartments, clubhouse and retail shop offices.	1,661.5	1,683.7	100	2035
Nusa Idaman	Mid-market residential development with double-storey terraces, semi-detached, bungalows, high-rise condominiums and retail shop offices.	946.4	932.8	100	2031
Nusa Bayu	Residential development of landed double-storey terraces for first-time home buyers.	750.9	447.4	98	2031
Imperia	The first waterfront high-rise development in Puteri Harbour. Facing the straits of Johor, Imperia sits on 3.3-acre freehold land and comprises a 35-storey residential tower (246 units) and a 16-storey office tower with retail lots.	475.8	0.0	99	Completed
Teega	High-rise mixed commercial residential development in Puteri Harbour comprising three 35-storey condominiums and serviced apartments with "Sky Park" and dedicated facilities.	1,314.1	37.4	96	Completed
Almãs	A residential-mixed development that sits on a 12.2 acre of freehold land in Puteri Harbour. It comprises a residential tower, residential suites, offices and retail shop offices.	581.4	1,385.5	87	2030
Estuari Gardens	Located at the north of Kota Iskandar and Nakhoda (Commercial North) of Puteri Harbour, covering 394 acres.	651.8	3,850.6	70	2045
Denai Nusantara	Affordable residences with five 12-storey blocks comprising 1,109 three bedroom units and 108 single-storey shop lots.	188.5	0.0	100	Completed
Aspira LakeHomes	Landed strata mid-market residential development similar to Nusa Idaman located in Gerbang Nusajaya.	263.6	223.3	86	2028
Serimbun	Mid-market residential development with double-storey terrace houses near Bukit Indah.	139.6	0.0	100	Completed
68° Avenue	Commercial development with dual-street frontage to Jalan Nusa Perintis, Jalan Skudai-Gelang Patah and Lebuh Kota Iskandar, opposite SiLC.	167.6	13.5	77	2021
Aspira ParkHomes	First phase of Aspira ParkHomes launched in Gerbang Nusajaya in 2019.	306.6	0.0	67	2021
Aspira Square	Gerbang Nusajaya's first commercial development.	68.4	8.5	51	2022
Aspira Gardens	The first solar-ready residential development in Gerbang Nusajaya.	34.0	73.3	95	2023
Senadi Hills (newly launched in 2020)	A private residential development that offers multi-generational homes located opposite Horizon Hills.	196.6	205.7	58	2026
Mall of Medini (JV with IIB)	A 35-acre street-style development featuring retail shop offices, entertainment facilities, a shopping mall and serviced apartments adjacent to LEGOLAND.	103.0	2,097.0	-	2030
Horizon Hills (JV with Gamuda Berhad)	A low-density residential project located in the heart of the thriving township of Iskandar Puteri.	5,520.1	1,563.9	90	2030
Somerset (JV with UMLand)	A two-tower luxurious serviced residence on a 2.2 acres freehold land located in Puteri Harbour consisting of 168 units of freehold serviced apartments overlooking the waterfront and marina.	220.0	0.0	100	Completed
Emerald Bay (JV with BRDB)	Development of landed canal homes in Puteri Harbour.	413.4	3,246.6	72	2032
Nusajaya Tech Park (JV with Ascendas Group of Singapore)	A 519-acre world-class integrated industrial park.	342.0	3,158.0	-	2025
The Maris (Embun Residences) (JV with Desaru North Course Berhad)	228-acre residential development in Desaru Coast.	52.6	1,852.4	67	2030
Total		**14,397.8**	**20,779.6**		

* *take up as at 30 April 2021*

PLANS FOR 2021

In the Southern region, we plan to launch a total of RM320 million GDV that focuses primarily on mid-market products. We will introduce Gerbang Nusantara, our newest affordable residential development in Gerbang, Nusajaya. The first phase, phase 3A1, features 121 units of affordable double-storey terrace houses with a built-up size of 1,000 square feet, priced at RM150,000 per unit. We also plan to launch 130 units of 1,400 square feet affordable high-rise residences in Senadi Hills priced at RM300,000 per unit, plus Serassa Greens, a new mixed residential development featuring 220 double-storey terrace houses near 68° Avenue. Serassa Greens will have a built-up size starting from 1,750 square feet and a total estimated GDV of RM143 million. We will also be launching Oasis, our latest commercial development in Iskandar Puteri, before the end of the year.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

Property Development – International

PLANS FOR 2021

In Australia, we expect to finalise the settlement for both Aurora Melbourne Central and Conservatory by the end of 2021. We will also continue to increase our presence in Melbourne following the acquisition of a 1.3-acre land in Collingwood, Melbourne, in June 2020. The project, which has an estimated GDV of AUD250 million is currently in the early stages of design development, with the launch target set for 2022.

Recently Completed Projects

International	Description	Launched GDV (RM'mil)	Remaining GDV (RM 'mil)	Cumulative sales take-up (%)	Completed by
Aurora Central Melbourne	88-storey mixed-use development consisting of 959 residential apartments, 252 serviced apartments, 8 offices and 2,123 square meters of signature retail areas at the ground floor and lower ground with direct underground connection to the Melbourne Central Train Station in La Trobe Street.	2,160.3	0.0	100	Completed
Conservatory Melbourne	42-storey building consisting of 446 residential apartments with ground level pedestrian entry and lobby plus 300 square meters of signature retail areas in Mackenzie Street.	983.0	0.0	100	Completed
		3,143.3	**0.0**		

** take up as at 30 April 2021*

Investment Properties – Retail

The retail spaces nationwide faced a sharp decline in footfalls during the MCO period, including retail businesses under UEM Sunrise. Impacted by the pandemic and the MCO, the number of visitors to our retail premises dropped substantially in the second quarter of 2020. The highest number of footfall occurred in the third quarter of 2020 following the revival of bazaars in August, tenants' promotional activities, and Merdeka sales.

Publika Shopping Gallery (Publika), one of the retail spaces developed and managed by UEM Sunrise, experienced a substantial drop in visitors before eventually seeing an increase in the first week of May. The Company offered rental rebates to most of its tenants except for B.I.G supermarket, pharmacies, ATMs and storage spaces, during the MCO from 18 March 2020 to 14 April 2020. Subsequently for the period of May to October 2020, rebates were given in a targeted manner.

Additionally, car park transactions in Solaris Dutamas in the vicinity of Publika declined by 24% in 2020 compared to 2019. A quarterly review revealed that the second quarter of 2020 showed the weakest vehicular traffic, with the third quarter being the strongest following the introduction of the RMCO in June 2020. Besides that, the recovery momentum for August and September of 2020 accounted for 89% and 98%, respectively. However, circumstances changed once more as the country reverted to the CMCO in October 2020.

Opening its doors once again, Publika collaborated with Fergana Art to organise Malaysia's first COVID-19 photography exhibition, Bridging the Distance: Making Us Stronger, in June 2020 after the first MCO. Launched by Communications and Multimedia Minister Dato' Saifuddin Abdullah, the month-long exhibition featured 110 images shot by 60 photographers from various Malaysian media outlets.

Tenants' sales for May and June 2020 for Retail Assets in Central region

Publika:
Sales of **RM21.4 million in June 2020** compared to RM21.1 million in May 2020; an increase of 1%

Arcoris:
Sales of **RM1.4 million in June 2020** compared to RM1.1 million in May 2020; an increase of 32%

Summer Suites:
Sales of **RM294,000 in June 2020** compared to RM158,000 in May 2020; an increaseof 86%

Tenants' sales for May and June 2020 for Retail Assets in Southern region

Marina Walk:
Sales **RM500,000 in June 2020** compared to RM383,000 in May 2020; an increase of 31%

Anjung:
Sales of **RM4.3 million in June 2020** compared to RM5.8 million in May 2020; a reduction of 26%

Mall of Medini:
Sales of **RM2.0 million in June 2020** compared to RM2.5 million in May 2020, a reduction of 20%

Besides that, UEM Sunrise was able to resume our community-based events. Busking performances were held every Thursday from June 2020 onwards and streamed live on Facebook, while July saw the return of weekend bazaars and Wheelie Sundays, the car-free cycling activity at the compound of Solaris Dutamas.

Impact of COVID-19 on Gross Turnover (GTO)

Central Retail Assets

Publika
GTO rent increased by 51% between March and May 2020 in comparison to the corresponding period in 2019. Significant increase in anchor tenant's sales during MCO in March 2020 compared to February 2020.

Arcoris
GTO rent increased by 29% between March and May 2020 in comparison to the corresponding period in 2019.

Southern Retail Assets

Anjung
GTO rent increased by 89% between March and May 2020 compared to the corresponding period in 2019. Pizza Hut opened in January 2020 while Watsons opened in April 2020.

Mall of Medini
No GTO rent collected in year 2020. In 2019, GTO rent between March and May was comparable to that received at Anjung.

Marina Walk
No GTO rent recorded in 2019. UEM Sunrise took over the assets in September 2019.

Land Portfolio Rebalancing

We continue to explore geographical diversification opportunities for the sustainability of our business. To date, approximately 78% of our total landbank is in Johor. We have been reducing our exposure in Johor – divesting land or interest in other parts of the state other than Iskandar Puteri. As a result, we currently own a balance of 228 acres of land in Desaru via Desaru North Course Residences Sdn Bhd from the original 679 acres. We also plan to reduce our exposure in Kulai by selling 20% of our shares in AMSB, the joint venture company held jointly with KLKL to KLKL for RM183 million. UEM Sunrise via AMSB has been entrusted to develop the 2,500 acres land owned by AMSB in Kulai, Johor. Upon completion of the shares sale tentatively targeted in the third quarter of 2021, KLKL via AMSB will take the lead in developing the land. Meanwhile, in Perak, we divested 623 acres of non-strategic land to Lagenda Properties Berhad, with its completion expected in the third quarter of 2021.

We also entered into two sales and purchase agreements with AME involving the sale of 72 freehold industrial plots in SiLC's Phase 3 for RM434 million. Both sales, anticipated to progressively contribute to the Group's earnings and cash flow in the next three to four years, are expected to be completed in the first half of 2025. The proceeds received from these exercises are to be channelled towards new ventures and opportunities, in addition to securing new strategically located lands in hotspot areas.

In December 2017, we acquired a 19.2-acre land in Equine Park, Seri Kembangan. We also secured 72.7 acres of land next to the Kepong Metropolitan Park, Kuala Lumpur from Datuk Bandar Kuala Lumpur (via the acquisition of Mega Legacy (M) Sdn Bhd) in April 2018. This is followed by Lot 1863, Off Jalan Kiara 5 measuring 2.9 acres in June and another 2.9-acre land in Mont'Kiara (Lots 1597 and 13752), along Jalan Kiara 4, in March 2019. In August 2020, we purchased an 11.4-acre land in Taman Pertama, Cheras, Kuala Lumpur.

Equine Park land
KAIA HEIGHTS
GDV RM350 million

Kepong Metropolitan Park adjacent land
KIARA BAY
GDV RM17.4 billion

Lot 1597 and 13752
RESIDENSI ALLEVIA
GDV RM546 million

Continuing with the strategy to increase presence in strategic locations in the Central region, we acquired three parcels of land measuring approximately 10 acres in Petaling Jaya, Section 13, Selangor in March 2021. We plan to develop a mixed commercial project at an estimated GDV of RM1.3 billion.

This project is the Group's maiden venture into the Petaling Jaya township, after Mont'Kiara, Iskandar Puteri, and the new integrated mixed-use development in Kiara Bay, Kuala Lumpur. The acquisition of these lands is part of our initiative to rebalance our landbank portfolio.

Furthermore, pursuant to the success of Aurora Melbourne Central and Conservatory, UEM Sunrise decided to acquire a 1.3-acre freehold site at 21-53 Hoddle Street, Collingwood in Melbourne near the Central Business District. The site is in the Commercial 1 Zone as per the City of Yarra Planning Scheme and is located approximately 2.7 km from Aurora Melbourne Central and 2.6 km from Conservatory. The acquisition forms part of a broader expansion strategy for UEM Sunrise in Australia.

Land sale

No	Date of SPA	Purchaser	Sales Proceeds	Acre	Location
1.	26/8/20	Lagenda Properties Berhad	RM29.9 million	623.1	Tapah, Perak
2.	30/12/20	AME Elite Consortium Berhad	RM434.3 million	169.8 (72 plots)	SiLC Phase 3, Iskandar Puteri

New land acquisition

No	Date of SPA	Seller	Acquisition Cost	Acre	Estimated GDV	Location
1.	18/6/20	Jowett Properties Pty Ltd	AUD43 million	1.3	AUD250 mil	Hoddle Street, Collingwood, Melbourne
2.	28/8/20	Pacific Mutiara Sdn Bhd	RM170 million	11.4	RM1.1 bil	Taman Pertama, Cheras
3.	11/3/21	Dutch Lady Milk Industries Berhad	RM200 million	9.9	RM1.3 bil	Section 13, Petaling Jaya

SPA - Sale and Purchase Agreement

Outlook

UEM Sunrise will continue to apply prudent measures as we look to strike a balance between rental and occupancy rate and optimising operation costs to ensure a sustainable retail business. Despite the challenging operating environment, we remain focused on our commitment to enhancing our value through strategic initiatives.

In delivering our performance in the years ahead, our key area focus includes retail-specific strategies for Publika and Marina Walk, as well as placemaking strategies for Central and Southern regions' assets. These initiatives will also be further supported by other measures such as the Cost Management Initiative, which will address critical focus areas in our operating expenses.

Improving Retail Operation Efficiency and Capturing Sales of Tenants To Improve Our Revenues

- Implementation of Retail Management Software and Cashless Carpark System

Improving Retail Business Revenue and Customer Experience

- Implementation of retail strategy for Publika with the execution of the refinement of trade and tenant mix for Publika; and
- Asset Enhancement Initiative to rejuvenate Level UG and organising signature placemaking events at Publika; and
- Implementation of retail strategy for Marina Walk and reviving on placemaking activities in Puteri Harbour

Improving Cost Management

- Implementation of cost rationalisation and energy audits

Strengthening Loyalty Program

- Implementation of hUb Mall go-to-market plan to drive membership and tenant participation

New Retail Business

- Diversification of retail business units

SUSTAINABILITY

Distributing #CaringIsMyHappy reusable face masks at SMK Kiaramas, Kuala Lumpur, a UEM Sunrise PINTAR Adopted School

UEM SUNRISE
Sustainability Statement

At UEM Sunrise, sustainable development means adopting business strategies to deliver profitability for the company and its stakeholders, with equal priority placed in championing environmental protection, social wellbeing, and economic development.

Key Areas of Focus

- Economic Value Creation
- Environment
- Community
- Human Rights and Labour Compliance Standards
- Product Responsibility

ECONOMIC VALUE CREATION

The property sector is a major contributor to growth and a source of wealth creation. We launched projects worth close to RM900 million GDV in 2020. Sixteen of our ongoing projects are mainly residential developments in Iskandar Puteri in Johor, with six of them being joint ventures with third parties, and we remain positive about our development plans.

Southern
Launched GDV (RM)

Senadi Hills Phase 1A	Senadi Hills Phase 1B	Senadi Square Phase 3A & 3B	Aspira ParkHomes Phase 3B
RM81 million	RM91 million	RM24 million	RM61 million

Central
Launched GDV (RM)

Serene Heights Bangi Verna	Serene Heights Bangi Frischia	Residensi Allevia
RM51 million	RM40 million	RM546 million

TOTAL GDV (RM)

Approximately

RM900 million

Balancing economic opportunities against the challenges brought on by COVID-19 was a key priority. The implementation of the MCO was a contributing factor in the decline in home seekers, sellers and property listings as potential buyers and investors temporarily put off purchasing properties. The pandemic also saw projects and developments put on hold as new launches were also postponed to the second half of 2020.

At the same time, the leadership of UEM Sunrise have been collaborating with industry experts, namely the Federation of Public Listed Companies Bhd, FIABCI-Malaysia, Institute of Corporate Directors Malaysia, Malaysia Australia Business Council, and the Malaysian Advertisers Association to discuss issues and pressing matters relating to economic growth and sustainable development within the real estate industry.

More importantly, UEM Sunrise remains committed to the highest standards of integrity and has zero-tolerance for any corrupt practices in our business conduct and operations. Our Anti-Corruption Guidelines outlines the key principles and guidelines concerning improper solicitation, bribery, and other corrupt activities and issues that may arise in our business dealings and relationships.

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MANAGEMENT DISCUSSION & ANALYSIS

ENVIRONMENT

As a leading property developer, we are committed to being a responsible partner to our communities by adopting safe, efficient, and environmentally-conscious operations as we look towards meeting the desires of home seekers in the present without compromising the needs of our future generations to come.

In 2020, five of our projects achieved Green Building certifications – showcasing efficiency in the use of energy, water, and materials while reducing building impact on health and the environment during the building's lifecycle through better siting, design, construction, operation, maintenance, and approval.

Green Real Estate (Green RE) Podium

Green RE Gold
- **Residensi Allevia**

Green RE Silver
- **KAIA Heights, Equine**

Green RE Bronze
- **Solaris Parq (Plot B) - Residence**
- **Solaris Parq (Plot B) - Office**
- **Solaris Parq (Plot B) - Retail**

It is well-documented that construction and development can harm wildlife. While land use may very well separate habitats, noise and light generated during construction have adverse effects on feeding and breeding behaviours. As such, UEM Sunrise is devoted to minimising the impact by conducting biodiversity risk assessments on existing and potential new projects.

Furthermore, UEM Sunrise is also working to improve its operational efficiency in minimising energy use throughout operations and has already begun to decarbonise our business. In refining our management of materials and resources, we are also making sure sustainable and recyclable materials are preferred whenever possible and encouraging recycling and the adoption of environmentally-friendly building designs and materials.

In terms of water management, the Company believes that the use of sustainably sourced water can strike the right balance between its demand and supply, as evidenced by rainwater harvesting that can be used for potable and non-potable use in residential and commercial buildings to reduce the pressure on processed supply water while at the same juncture enhance the prospect of green living. We have also implemented proper waste management and control measures when using, handling, storing, packing, and labelling.

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COMMUNITY

As a Company, UEM Sunrise strove to build vibrant communities of the future through engagement with our key stakeholders in determining action plans that are complementary to the Company's aspirations of "Building Beyond Buildings".

We are committed to raising awareness on the importance of education and inspiring the young to become architects of their future while working diligently to balance our economic ambitions with socially responsible initiatives, focusing on education enhancement, community engagement, and environmental conservation.

Some of our standout initiatives include the PINTAR program. Conducted in collaboration with PINTAR Foundation, the PINTAR programme is a nationwide school adoption programme that aims to improve the educational outcomes of students in under-served communities.

Thus far, UEM Sunrise has adopted 16 schools under the programme. Besides, the BukuHub community library project launched in collaboration with the Ministry of Housing and Local Government, UEM Sunrise has to date built 12 community reading spaces to increase the accessibility of reading materials for the local B40 community.

In Australia, looking out for the community during the pandemic, the Company partnered with non-profit organisation Foodbank Victoria to create Melbourne's first International Student Pop-Up Grocery Store at Aurora Melbourne Central, providing free fresh food and supplies to international students.

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MANAGEMENT DISCUSSION & ANALYSIS

HUMAN RIGHTS AND LABOUR COMPLIANCE STANDARDS

UEM Sunrise is committed to aligning ourselves with the United Nations' Guiding Principles on Business and Human Rights as an extended value chain while striving to conduct our business ethically and sustainably.

Our shared values of Caring, Honest, Involved, Enthusiastic, and Fun-Loving (CHIEF) is at the heart of everything we do, and we wholeheartedly believe in creating joy and happiness by helping our people achieve their ambitions through the acceptance of diverse people, experience, and cultures at the workplace as well as upholding inclusive and fair employment practices and principles.

We continue to offer our employees opportunities for personal and professional growth through a comprehensive range of learning and development programmes, supporting personal and career advancement with digital learning and face-to-face coaching complemented with workshops on technical, business, and leadership aspects.

We place high importance on work-life balance. We offer our employees flexible working arrangements and are working towards a more integrated, global approach emphasising motivational health wellness opportunities for all employees. Besides that, we also strive to remunerate our employees fairly to attract, retain and motivate our Titans. Our practices include equal benefits and a yearly review of remuneration against external benchmarks and our employees' performance. We also offer the option of sabbatical leave to employees on a case-by-case basis with guaranteed reemployment.

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PRODUCT RESPONSIBILITY

Sustainability development and strategies are paramount in fostering company longevity and its ability to stay competitive. Thus, we take a keen interest in ensuring that sustainable features are embedded throughout various stages of the project lifecycle, from land identification and acquisition to design development, launching, construction, and lastly, completion.

In addition, to minimise the impact of rapid urbanisation, UEM Sunrise is motivated to design and develop sustainable projects. Our environmentally-friendly properties offer great perks that include reductions in the cost of living and high-quality homes through our green development and practices.

Purchasing a home is one of the biggest financial commitments an individual can take on in their lifetime. Therefore, it is just as vital that customers remain central at every stage of our project development as we continue to strive for superior customer experience and satisfaction. By meeting our customer's expectations and affording them exceptional experience throughout the purchasing process and after-sales service, we are ultimately fostering a positive brand reputation and affinity and overall acceptance as a trusted name in the property industry.

In continuing our digital transformation journey, Trésor, our customer loyalty programme that focuses on the end-to-end customer journey was enhanced, in November 2020. Besides that, hUb Prop has now replaced the Trésor physical membership card while its accompanying apps, hUb Home, hUb Mall, and hUb Life, now offer customers offer seamlessly interactive end-to-end customer journey with value-added services and privileges.

UEM Sunrise's goal is to be recognised for excellence in sustainable design and construction. We remain committed to delivering high-quality, well-designed, comfortable homes with a low environmental impact. We will continue to prioritise customer satisfaction, promote the benefits of sustainable living, and drive the market for sustainable homes.

Putting Customers at The Centre of Every Decision

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