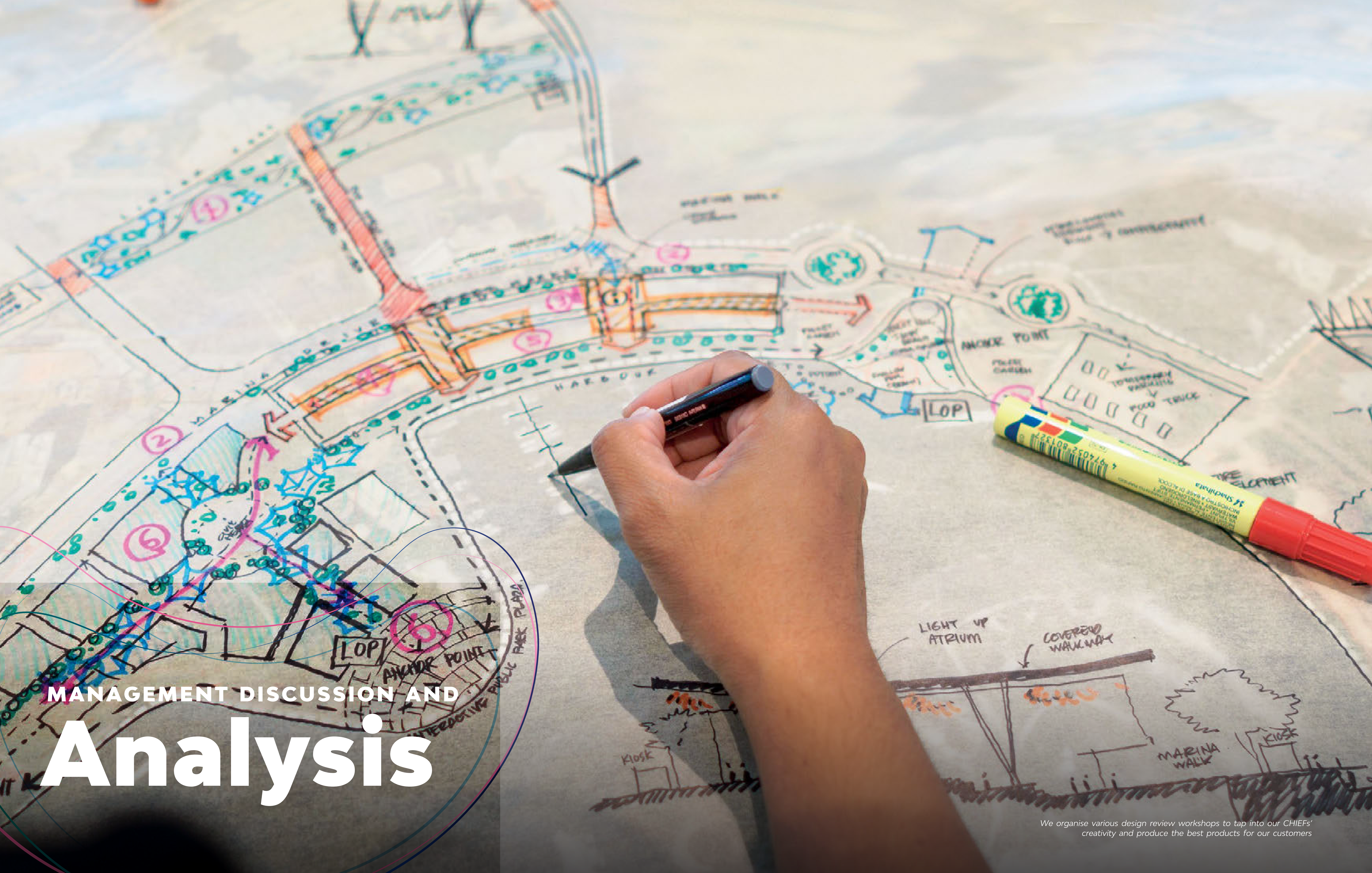


MANAGEMENT DISCUSSION AND

Analysis

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

PROPERTY MARKET & OUTLOOK

PROPERTY MARKET OVERVIEW

Global Economy

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

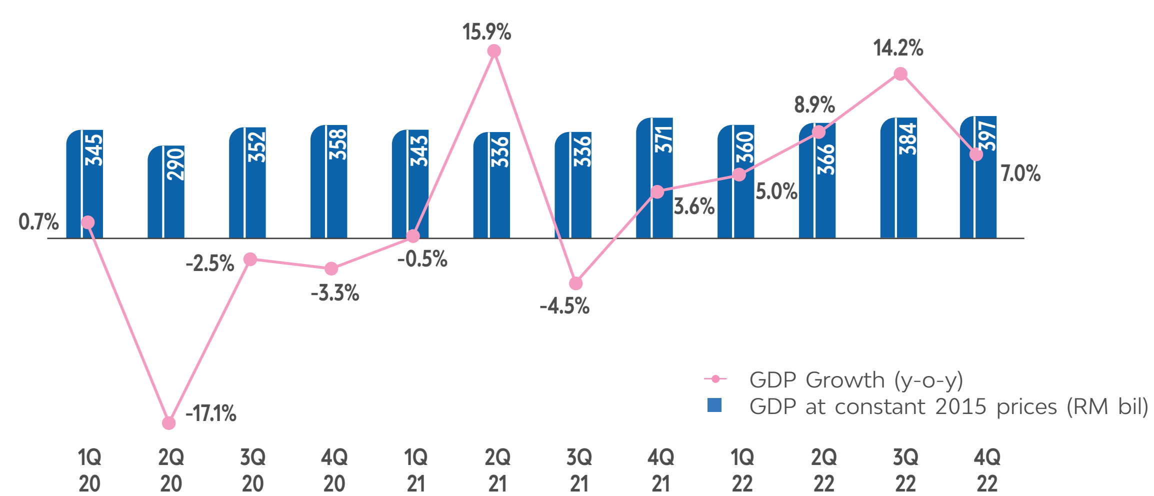
The most significant global event of 2022 was the military conflict that sparked in Ukraine in February 2022. The timing was particularly crucial as economies were reopening and demand was increasing. The conflict created disruptions in global logistics and supply chains with closures of shipping routes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

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

Domestic Economy

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

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



Source: Department of Statistics Malaysia

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

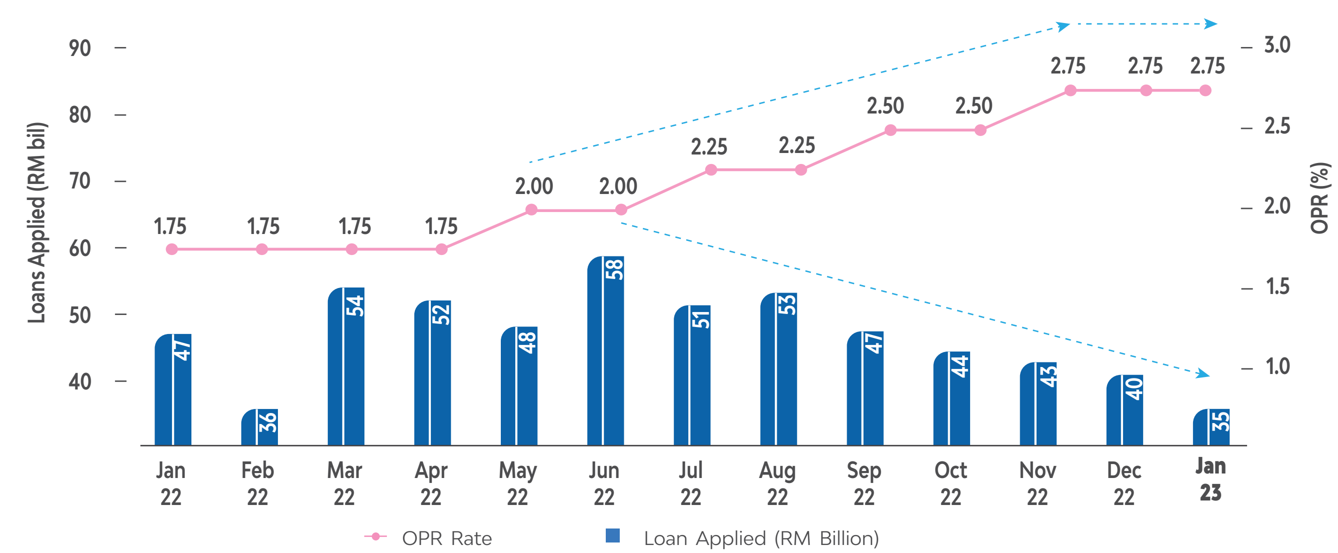
Malaysia Quarterly Headline Inflation Rate, 1Q 2020 – 4Q 2022

Source: Department of Statistics Malaysia

IMPACT ON PROPERTY DEVELOPMENT

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

OPR & Property Purchase Loan Application

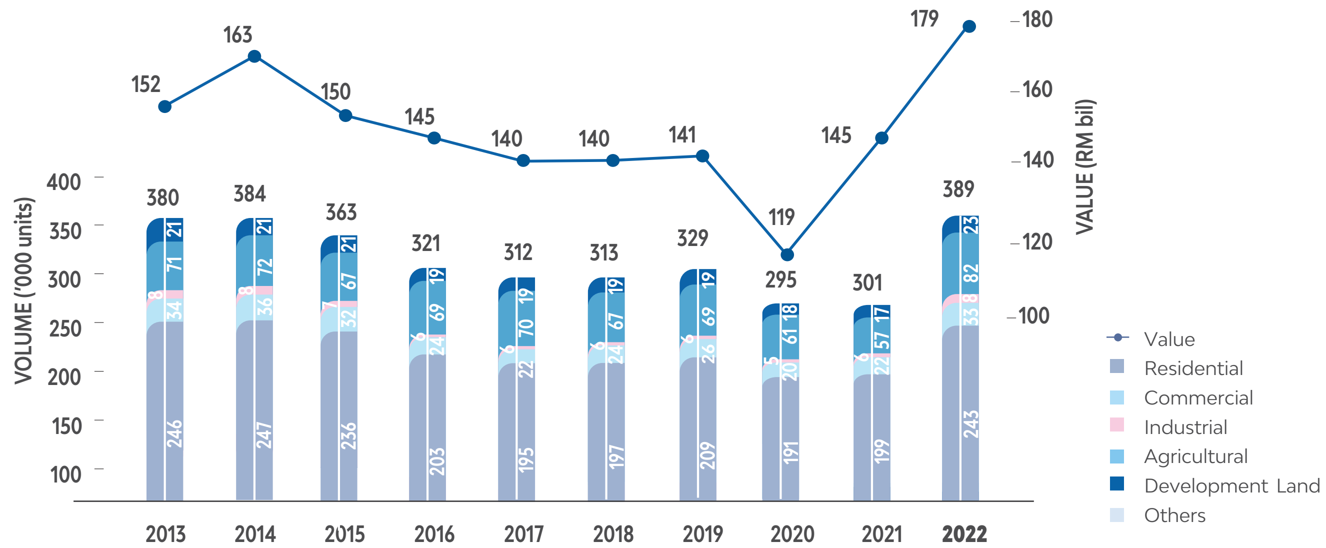


Source: Bank Negara Malaysia

PROPERTY MARKET & OUTLOOK

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

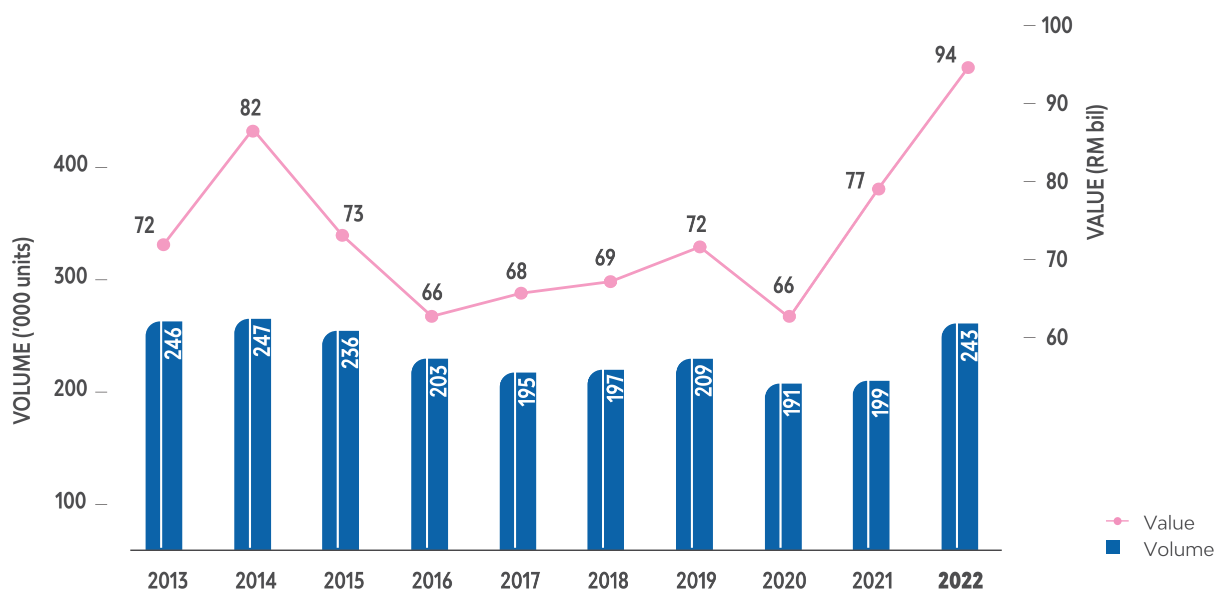
Malaysia Transaction Volume (unit) by segment and Total Value, 2013-2022



Source: NAPIC

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

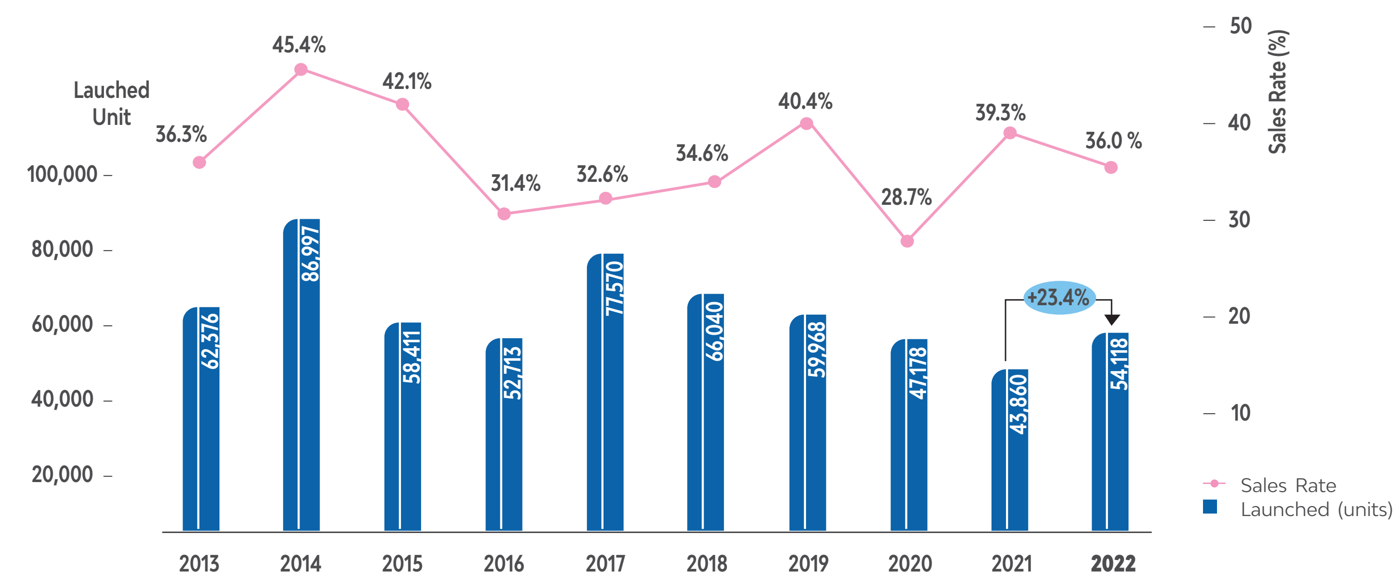
Malaysia Residential Transaction Volume (unit) and Value (RM bil), 2013-2022



Source: NAPIC

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

Malaysia Residential Launches and Sales Rate, 2013-2022



Source: NAPIC

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

OUTLOOK

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

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

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

KEY MARKET TRENDS SHAPING OUR BUSINESS

TECHNOLOGY AND DIGITALISATION

HOW IT IMPACTS OUR BUSINESS
- Improved efficiency and productivity.
- Increased competition due to technology and digitalisation.
- Optimised workforce through technology and automation.

HOW IT IMPACTS OUR STAKEHOLDERS
Customer
- Shift in customer behaviour: More customers are researching, comparing prices, and purchasing products online.

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

KEY RISKS & OPPORTUNITIES
Risks
- Cybersecurity exposure due to evolving IT and digital adoption.

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

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

Capitals: H F I

Stakeholders:

Material Matters: M14 M1 M6

EVOLVING CUSTOMER TRENDS

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

HOW IT IMPACTS OUR STAKEHOLDERS
Shareholders & Investors
- Shifting demand for the Company's products and services impacts financial performance.

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

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

KEY RISKS & OPPORTUNITIES
Risks
- Customer loss due to failure to meet their needs.

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

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

Capitals: F H M I S

Stakeholders:

Material Matters: M1 M2 M4 M12

RAPID URBANISATION & INDUSTRIALISATION

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

HOW IT IMPACTS OUR STAKEHOLDERS
Regulators
- Increased interest from foreign investors to set up their businesses in Malaysia.
- New compliance requirements from authorities pertaining ESG matters.

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

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

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

Capitals: F M N I

Stakeholders:

Material Matters: M1 M2 M8 M12 M14

INCREASED PRESSURE ON ESG

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

HOW IT IMPACTS OUR STAKEHOLDERS
Customer
- Demand for greener and more sustainable property development.

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

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

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

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

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

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

Capitals: S F N

Stakeholders:

Material Matters: M17 M10 M13 M15 M16 M4 M5 M7 M8 M9 M11

OUR MATERIAL MATTERS

Materiality Methodology

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

STEP 1

IDENTIFICATION

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

STEP 2

PRIORITISATION

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

STEP 3

VALIDATION

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

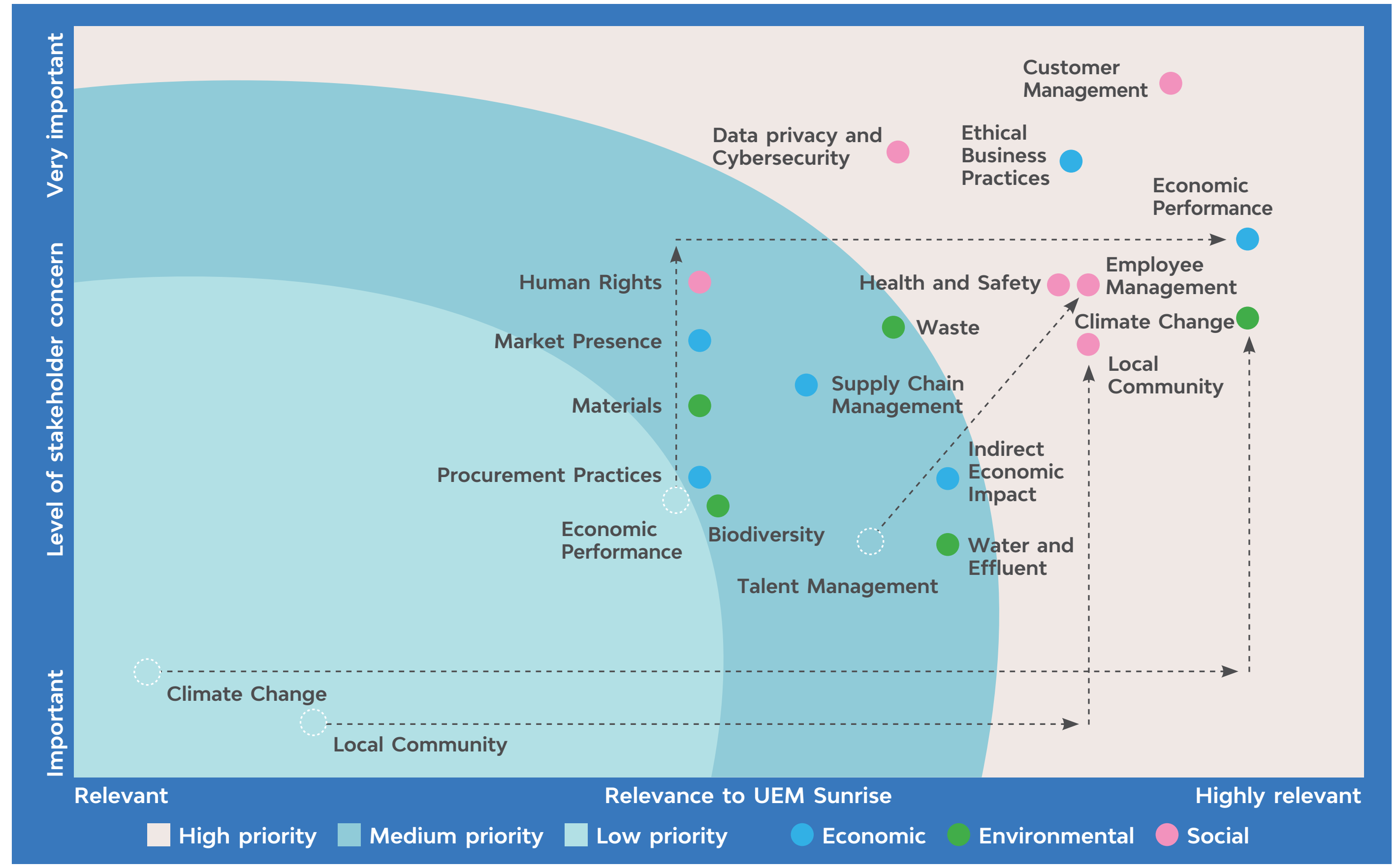
Establishing a culture of safety is part of CHIEF Amirul's focus in maintaining a safe workplace environment

OUR MATERIAL MATTERS

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

Materiality Matrix & Results

UEM Sunrise Materiality Matrix



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

Material Matters identified in FY2022

High Priority

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

Medium Priority

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

Legend: Economic Environmental Social

OUR MATERIAL MATTERS

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

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

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

DEFINITION & SCOPE

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

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

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

KEY RISKS AND MITIGATIONS

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

KEY RISK NO. 1

GLOBAL PANDEMIC RISK

DEFINITION

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

Stakeholders

Material Matters

M1 M2

IMPACT ON VALUE

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

MITIGATION MEASURES

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

OUTLOOK

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

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

KEY RISK NO. 2

COMPETITION RISK

DEFINITION

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

Stakeholders

Material Matters

M2 M12 M3

IMPACT ON VALUE

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

MITIGATION MEASURES

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

OUTLOOK

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

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

KEY RISK NO. 3

PEOPLE RISK

DEFINITION

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

Stakeholders

Material Matters

M4 M6

IMPACT ON VALUE

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

MITIGATION MEASURES

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

OUTLOOK

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

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

KEY RISK NO. 4

REGULATORY & CORRUPTION RISK

DEFINITION

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

Stakeholders

Material Matters

M3

IMPACT ON VALUE

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

MITIGATION MEASURES

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

OUTLOOK

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

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

KEY RISKS AND MITIGATIONS

KEY RISK NO. 5

FINANCIAL RISK

DEFINITION

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

Stakeholders

Material Matters

M2 M12

IMPACT ON VALUE

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

MITIGATION MEASURES

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

OUTLOOK

Short-Term

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

Medium to Long-Term

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

KEY RISK NO. 6

OPERATIONAL RISK

DEFINITION

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

Stakeholders

Material Matters

M2 M3 M4 M5 M6 M7 M9 M10 M11 M13 M15 M16 M17

IMPACT ON VALUE

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

MITIGATION MEASURES

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

OUTLOOK

Short-Term

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

Medium to Long-Term

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

OUR STRATEGY

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

Greater clarity on our short, medium, and long-term strategies, as well as execution plans to attain the desired operating model and optimal portfolio.

Have a more resilient income stream by reinforcing our core business capabilities and driving a steady product pipeline throughout.

Enhance our business processes, enablers, and cost structures to achieve greater efficiencies in our delivery.

Significantly improve our balance sheet, generate higher cash flow from operations, pare down debt and improve gearing, maximise the use of existing assets – all to create sustainable growth in the long run.

Deliver sustainable returns to our shareholders and all other stakeholders.

A comprehensive review of the market, our business, and overall influence on our stakeholders.

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

Triage

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

2022-2023

Stabilise

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

2024-2025

Sustain

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

2026 and Beyond

STRATEGIC PERFORMANCE REVIEW

STRENGTHEN CORE REVENUE STREAM

What It Means

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

Our Approach

Enhancing our project launch readiness, ensuring steady project pipeline.

What We Did

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

Link to

Capitals

F N H S

Material Matters

M2 M8 M12 M14

Stakeholders

Value Created for the Business

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

Value Created for the Stakeholders

Shareholders & Investors:

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

Customers:

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

Outlook

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

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

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

MANAGE RISK

What It Means

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

Our Approach

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

What We Did

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

Link to

Capitals

F H N S I

Material Matters

M2 M3 M12 M14

Stakeholders

Value Created for the Business

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

Value Created for the Stakeholders

Shareholders & Investors:

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

Employees:

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

Customers:

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

Outlook

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

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

STRATEGIC PERFORMANCE REVIEW

OFFER CLEAR VALUE PROPOSITIONS

What It Means

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

Our Approach

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

What We Did

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

Link to

Capitals

H S F N

Material Matters

M2 M3 M12 M14

Stakeholders

Value Created for the Business

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

Value Created for the Stakeholders

Customers:

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

Community:

- Experience living in a safe and sustainable neighbourhood.

Employees:

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

Outlook

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

ASSET PORTFOLIO REPRIORITISATION

What It Means

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

Our Approach

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

What We Did

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

Link to

Capitals

N F H S

Material Matters

M2 M12 M14

Stakeholders

Value Created for the Business

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

Value Created for the Stakeholders

Shareholders & Investors

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

Outlook

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

STRATEGIC PERFORMANCE REVIEW

EMBED SUSTAINABILITY

What It Means

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

Our Approach

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

What We Did

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

Link to

Capitals

N H S F M

Material Matters

M4 M5 M7 M8 M9 M10 M11 M13 M15

Stakeholders

Value Created for the Business

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

Value Created for the Stakeholders

Employees:

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

Community:

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

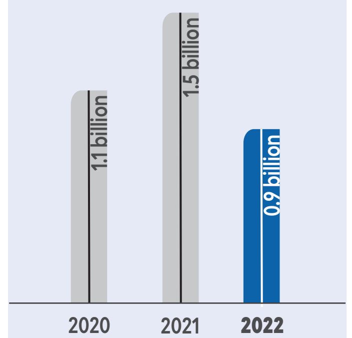
Outlook

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

KEY PERFORMANCE INDICATORS

FINANCIAL KPIS

Sales Performance

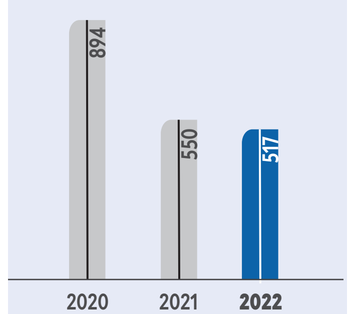


Unit: RM

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

2023 Target:
RM1.5 billion

GDV Launched



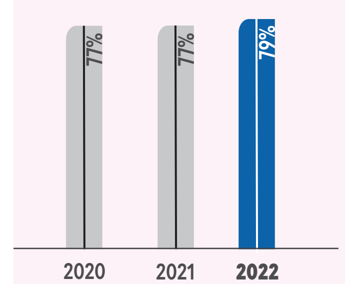
Unit: RM million

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

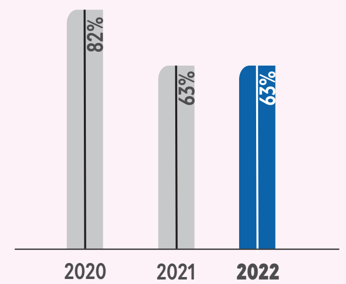
2023 Target:
RM2.5 billion

NON-FINANCIAL KPIS

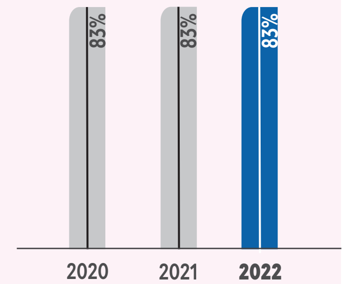
Customer Management



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



Service Level Agreement performance for defects management

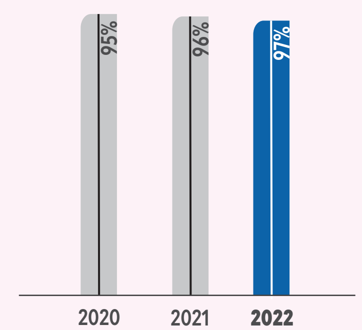


Quality Assessment System in Construction (QLASSIC)

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

2023 Target:	2023 Target:	2023 Target:
80%	80%	85%

Health and Safety

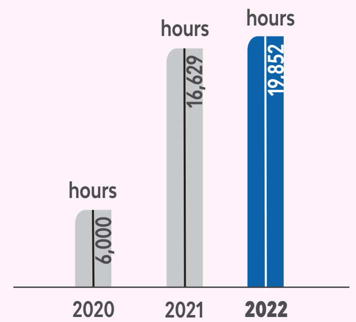


Safety and Health Assessment System in Construction (SHASSIC)

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

2023 Target:
95%

Employee Management



Total hours of training for all employees in a year

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

2023 Target:
20,000 hours

RESTORING THE NATURAL

Ecosystem

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

FINANCIAL REVIEW

by CHIEF FINANCIAL OFFICER

Siew Chee Seng | Chief Financial Officer

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

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

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

REVENUE AND EARNINGS: OUR TURNAROUND IN FY2022

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

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

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

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

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

24%

REVENUE

RM**1,473.4** million

2021: RM1,184.5 million

138%

PROFIT/(LOSS) AFTER TAX & NON CONTROLLING INTERESTS

RM**80.5** million

2021: (RM213.1 million)

95%

GROSS PROFIT

RM**431.2** million

2021: RM221.0 million

FINANCIAL REVIEW BY CHIEF FINANCIAL OFFICER

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

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

KEY DRIVERS OF PERFORMANCE: RECALIBRATING OUR FOCUS

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

01

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

02

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

03

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

04

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

STRONG BALANCE SHEET: PAVING THE WAY FOR GROWTH

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

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

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

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

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

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

SALES & NEW PRODUCT LAUNCHES: MAKING STRIDES IN DEVELOPMENT

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

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

MOVING FORWARD: A PROMISING OUTLOOK

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

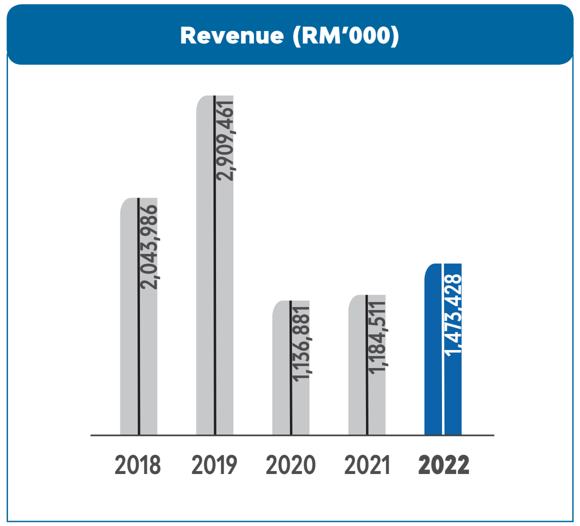
Our performance this year will also be supported by land sale transactions entered into during the previous years. This includes the sale of the remaining lands we own in Tapah, Perak of 1,777 acres which we are selling to Tapah Land Development Sdn. Bhd. for a total consideration of RM75.5 million and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

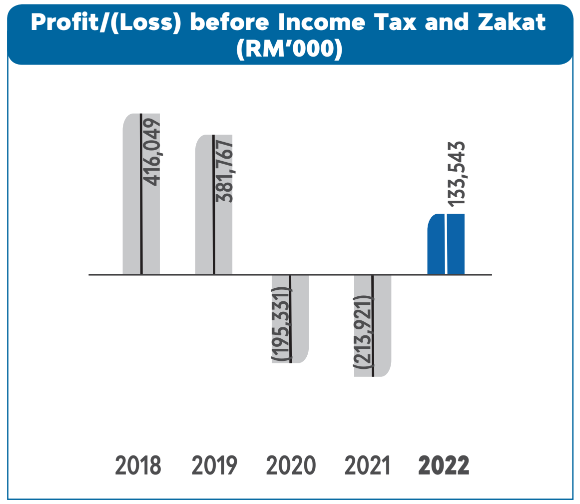
Our unbilled sales of RM1.8 billion as of 31 December 2022 indicate our expected future revenue stream, which is anticipated to be substantially recognised over the next 18 to 36 months, depending on the billings and projects' construction progress. This adds to our earnings visibility and underscores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

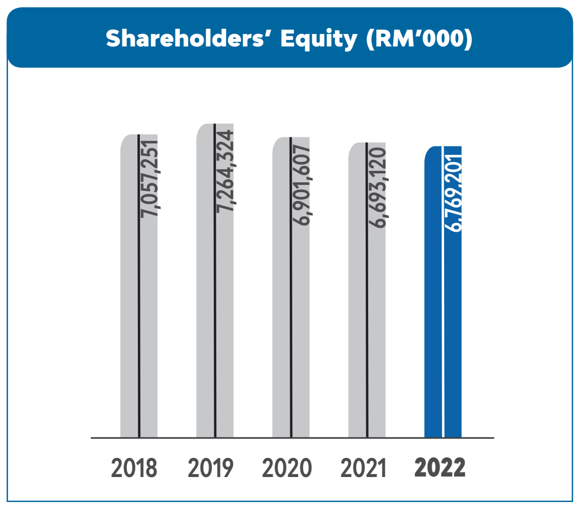
We are also excited at the prospect of introducing our products based on the Happy+ product series, which we launched in February 2023. Engagements with different market segments based on our product series allow us to collaborate and leverage to enrich customer experience and facilitate them in owning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

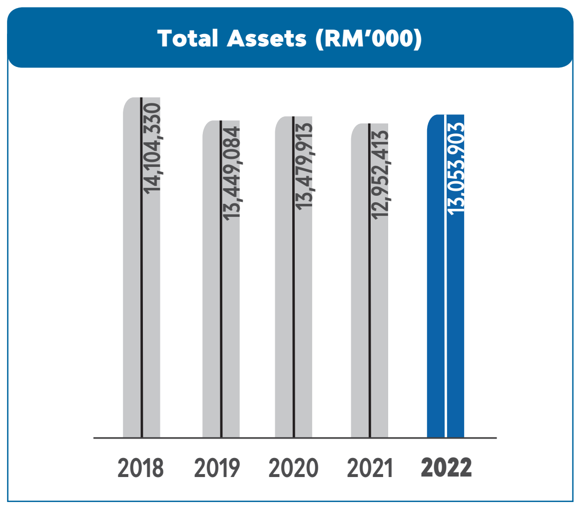
Through our efforts to diversify our revenue streams, optimise our landbank, and expand our development pipeline, we are confident that we will continue to achieve robust financial performance. In addition, our ongoing efforts to promote sustainable development practices across our operations are aligned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

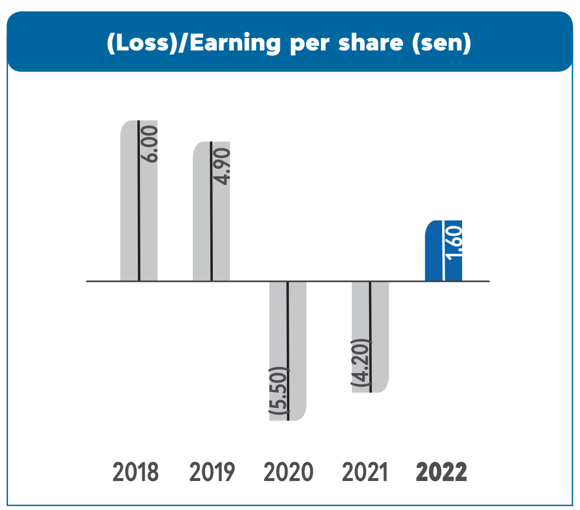
FIVE-YEAR FINANCIAL HIGHLIGHTS

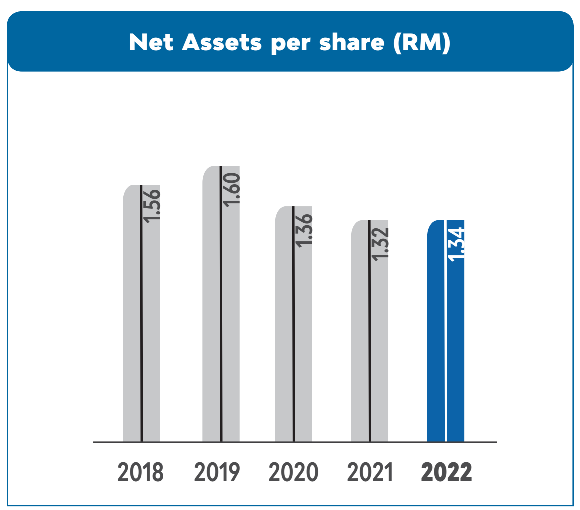












FIVE-YEAR GROUP PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

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

FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

AS AT 31 DECEMBER

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

GROUP QUARTERLY PERFORMANCE

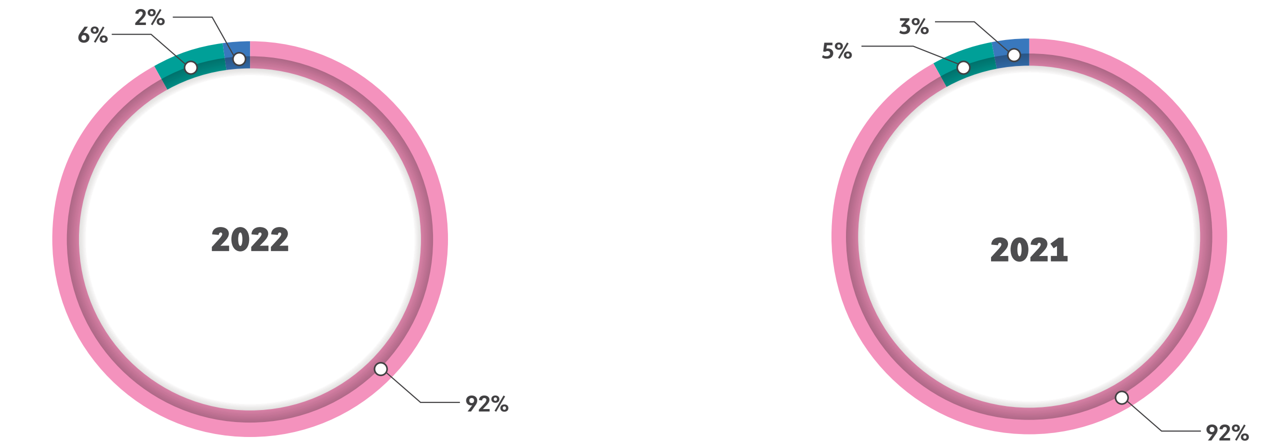
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

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

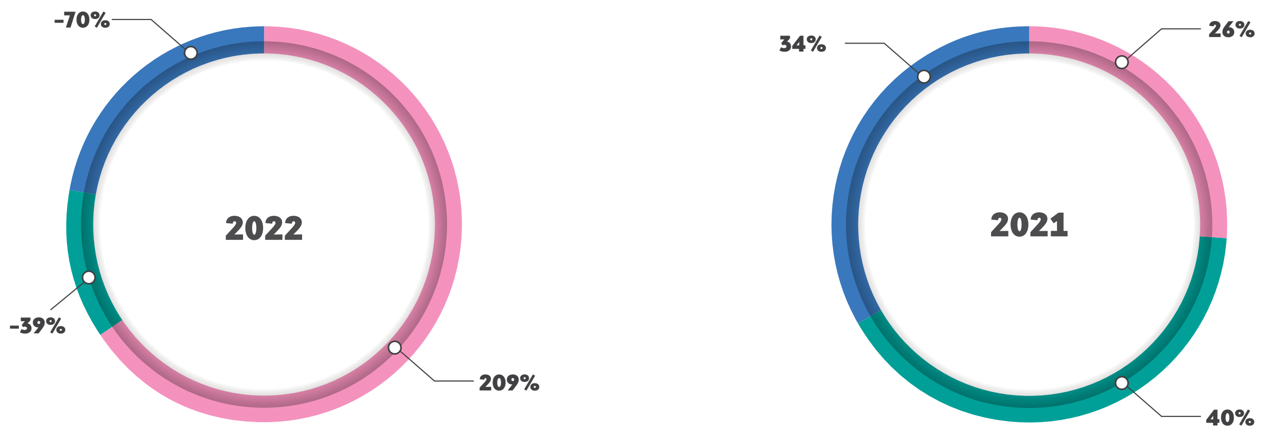
** annualised*

SEGMENTAL ANALYSIS

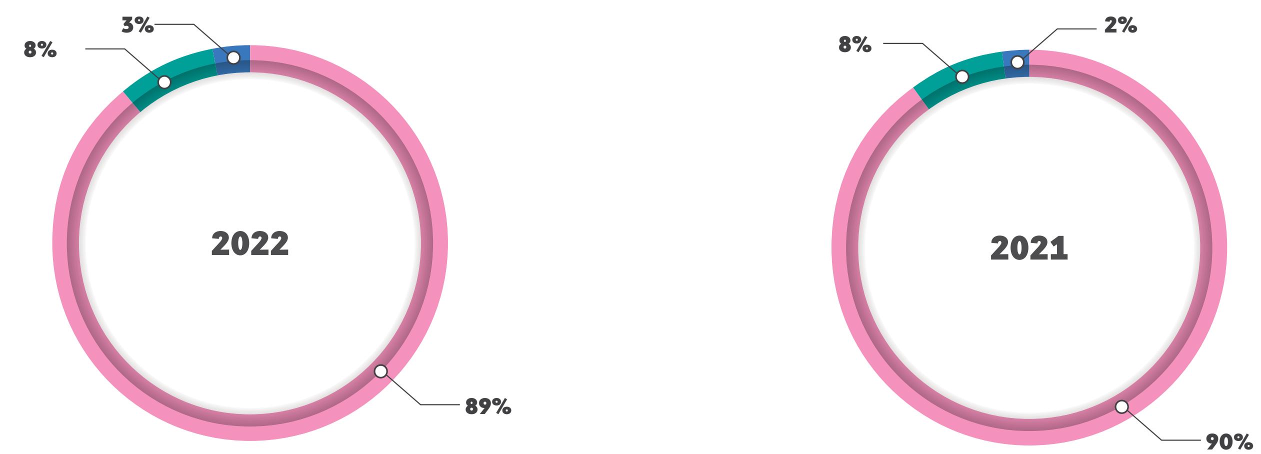
AS AT 31 DECEMBER 2022



Total revenue



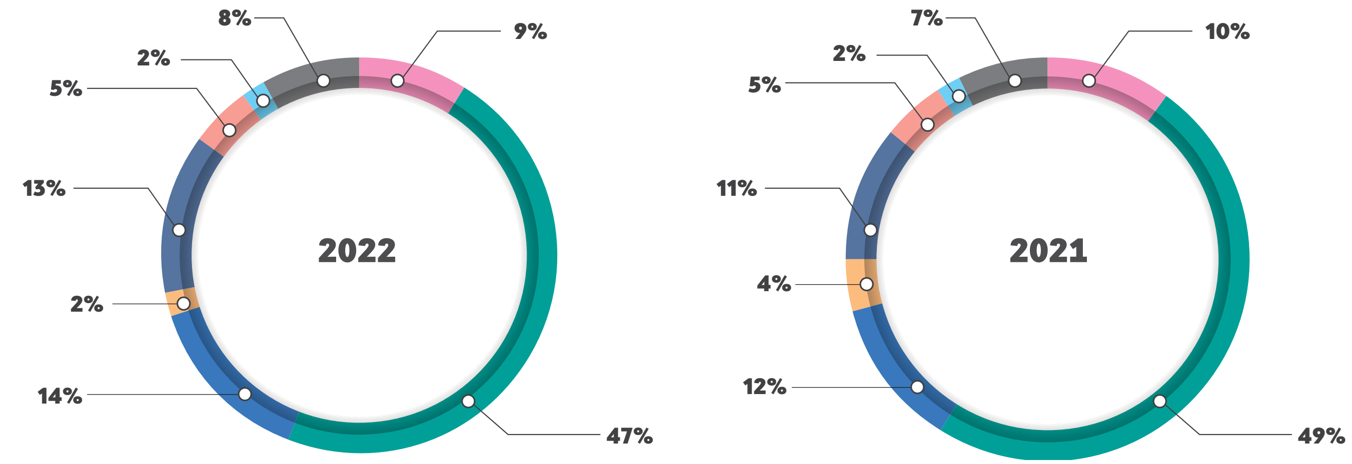
Profit/(loss) for the year



Total assets

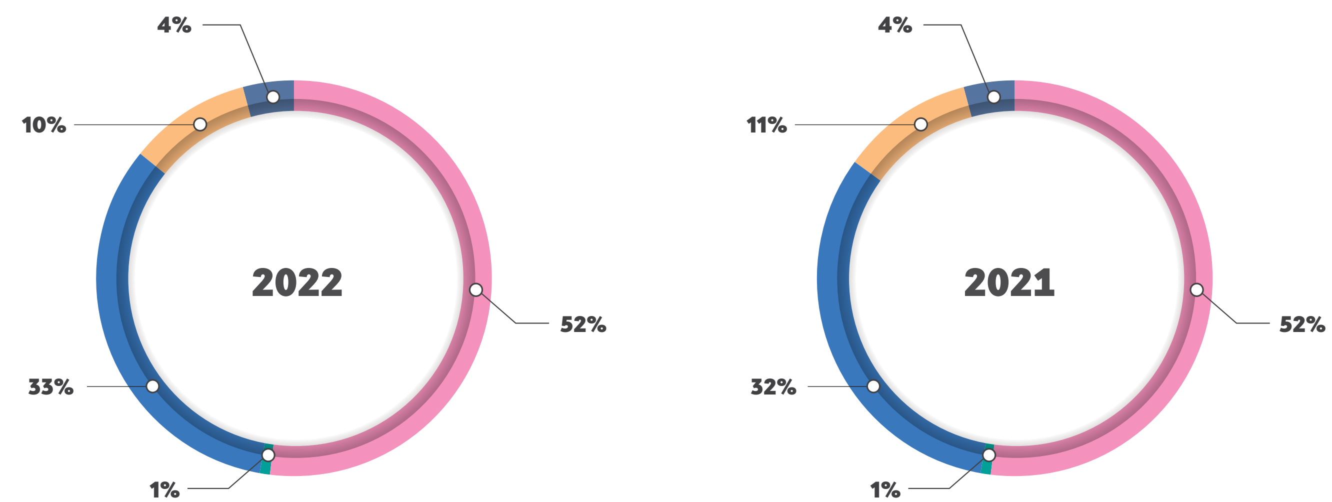
- Property Development
- Property Investment and Hotel Operation
- Others

SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION



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

Total Assets

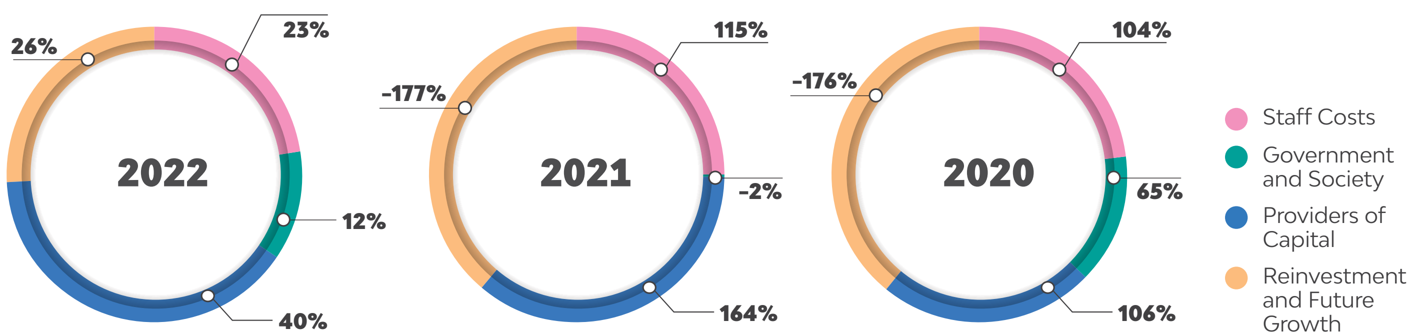


- Shareholders' equity
- Non-controlling interests
- Borrowings
- Payables
- Provisions and others

Total Equity And Liabilities

STATEMENT OF VALUE ADDED

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



FINANCIAL CALENDAR

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

Consolidated results for the financial year ended 31 December 2021.

23 February 2022

Announcement of Notice of 14th AGM.

28 April 2022

Issuance of Integrated Report for the financial year ended 2021.

29 April 2022

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

25 May 2022

14th AGM held virtually.

23 June 2022

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

24 August 2022

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

23 November 2022

INVESTOR INFORMATION

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

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

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

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

14th Annual General Meeting

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

Engagement Date	Audience	Meeting type
23 June 2022	862 shareholders and proxies	Virtual

Analyst Briefing

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

Engagement Date	Audience	Meeting type
Q4 2021 – 23 February 2022 Q1 2022 – 25 May 2022 Q2 2022 – 24 August 2022 Q3 2022 – 23 November 2022	Analysts and Fund Managers	Virtual

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

Investment Community Engagement

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

Engagement Date	Audience	Meeting type
Throughout the year	Analysts and Fund Managers	Physical or virtual meeting

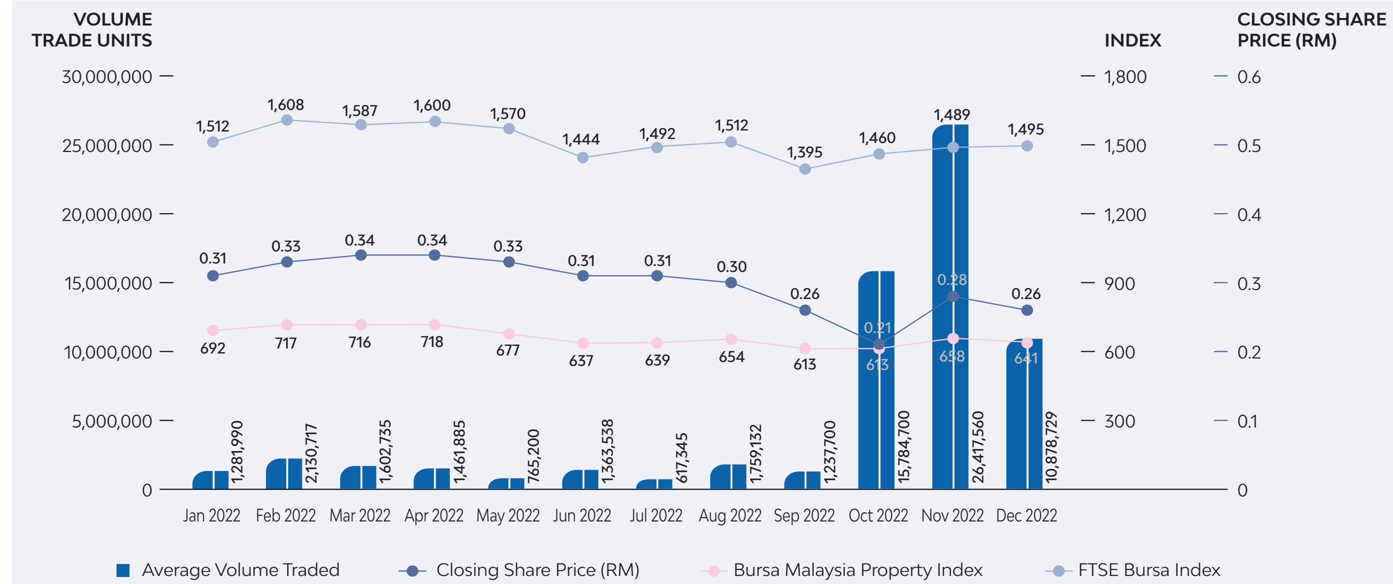
Other Communication Channels

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

Website	Email	Social Media
uemsunrise.com/corporate/investor-relations	ir@uemsunrise.com	LinkedIn: UEM Sunrise Berhad Instagram: uem_sunrise Facebook: UEM Sunrise Twitter: UEMSunrise_MY

SHARE PRICE PERFORMANCE

UEM Sunrise Share Price Movement and Monthly Volume Traded



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

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

UEM SUNRISE'S COVERAGE

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

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

DELIVERING DREAM

Homes

The MINH, Mont'Kiara

BUSINESS REVIEW

SANIMAN MD APANDI
Chief Operations Officer, Southern

LIONG KOK KIT
Chief Operations Officer, Central

BUSINESS REVIEW

LIONG KOK KIT
Chief Operations Officer, Central

Central Region

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

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

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

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

BUSINESS REVIEW

CENTRAL REGION PROJECTS

RESIDENSI SOLARIS PARQ | DUTAMAS

LAUNCHED GDV
RM781.9 MILLION

PROGRESS
- Blocks A and B **completed**

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

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

RESIDENSI ASTREA | MONT'KIARA

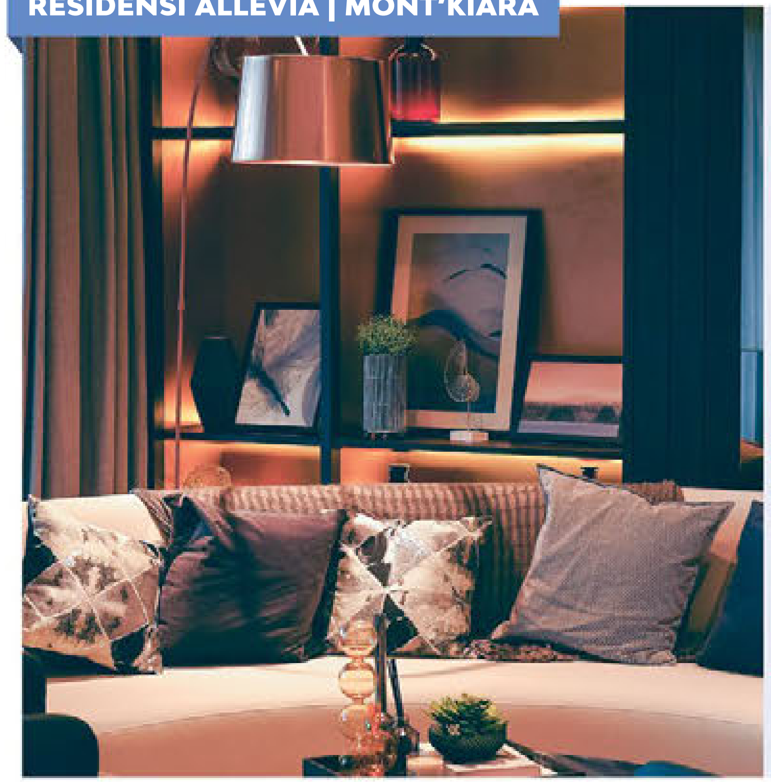
LAUNCHED GDV
RM324.9 MILLION

PROGRESS
- Expected Completion: **2024**

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

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

RESIDENSI ALLEVIA | MONT'KIARA



LAUNCHED GDV
RM545.8 MILLION

PROGRESS
- Expected Completion: **2025**

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

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

KONDOMINIUM KIARA KASIH | SEGAMBUT

LAUNCHED GDV
RM215.7 MILLION

PROGRESS
- Expected Completion: **2023**

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

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

BUSINESS REVIEW

CENTRAL REGION PROJECTS

SERENE HEIGHTS | SEMENYIH

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

LAUNCHED GDV
RM980.2
MILLION

REMAINING GDV
RM2,701.8
MILLION

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

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

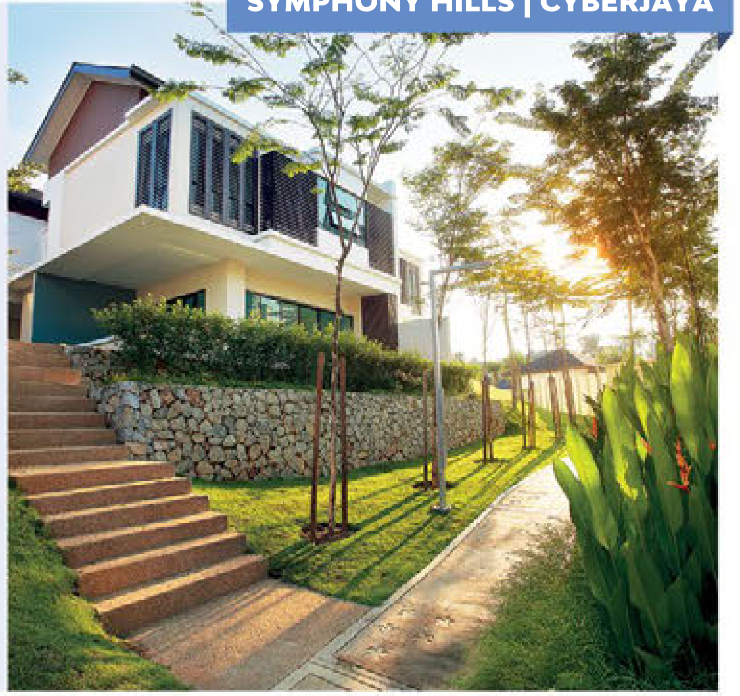
SYMPHONY HILLS | CYBERJAYA

LAUNCHED GDV
RM1,263.2
MILLION

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

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

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



RESIDENSI AVA | KEPONG

LAUNCHED GDV
RM655.1
MILLION

PROGRESS
- Expected Completion: **2024**

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

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

KAIA HEIGHTS | EQUINE PARK

LAUNCHED GDV
RM674.0
MILLION

PROGRESS
- Expected Completion: **2026**

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

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

BUSINESS REVIEW

CENTRAL REGION PROJECTS

RADIA | BUKIT JELUTONG

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

LAUNCHED GDV
RM990.2
MILLION

REMAINING GDV
RM1,017.8
MILLION

TAKE-UP RATE AS OF TO DATE
86%

PROGRESS
- Expected Completion: **2030**

FOREST HEIGHTS | SEREMBAN

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

LAUNCHED GDV
RM677.5
MILLION

REMAINING GDV
RM1,339.5
MILLION

TAKE-UP RATE AS OF TO DATE
96%

PROGRESS
- Expected Completion: **2030**

Residensi Solaris Parq, Dutamas

OUTLOOK

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

Among the projects we have lined up for launches this year in Central is the unveiling of the much awaited The MINH in Mont'Kiara. Valued at a total estimated GDV of RM947.0 million, The MINH features 496 residential units with built-up sizes ranging between 149 square meters (1,607 square feet) to 279 square meters (3,010 square feet). It is the first development to be launched under the Happy+ product series branding. Designated as a 'CLUB Edition by UEM Sunrise' product, The MINH is a harmonious combination of French Colonial design and the traditions of vernacular design in Vietnam. It is located next to Bukit Kiara Hills. The MINH offers a balance of outdoor and indoor living integrating new norm features with ESG characteristics, which are embedded into its development design. It comes with resort-style facilities, including a private lift lobby, express ramp to multi-level parking, EV charger bay and an automated waste collection system. We target to launch The MINH in the second quarter of 2023.

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

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

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

SANIMAN MD APANDI
Chief Operations Officer, Southern

Southern Region

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

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

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

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

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

BUSINESS REVIEW

SOUTHERN REGION PROJECTS

ALMAS & TEEGA | PUTERI HARBOUR

Almas

LAUNCHED GDV	REMAINING GDV
RM581.4 MILLION	**RM1,385.5** MILLION

TAKE-UP AS OF TO DATE
88%

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

Teega

LAUNCHED GDV	TAKE-UP RATE AS OF TO DATE
RM1,314.1 MILLION	**100%**

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

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

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

Aspira LakeHomes, Gerbang Nusajaya

LAUNCHED GDV	REMAINING GDV
RM263.6 MILLION	**RM223.3** MILLION

TAKE-UP RATE AS OF TO DATE
99%

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

Aspira ParkHomes, Gerbang Nusajaya

LAUNCHED GDV
RM306.6 MILLION

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

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

Aspira Gardens, Gerbang Nusajaya

LAUNCHED GDV
RM107.9 MILLION

PROGRESS
- Expected Completion: **2025**

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

BUSINESS REVIEW

SOUTHERN REGION PROJECTS

SENADI HILLS | ISKANDAR PUTERI

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

LAUNCHED GDV
RM203.3
MILLION

REMAINING GDV
RM199.0
MILLION

TAKE-UP RATE AS OF TO DATE
99%

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

ESTUARI GARDENS | ISKANDAR PUTERI

LAUNCHED GDV
RM651.8
MILLION

REMAINING GDV
RM3,850.6
MILLION

TAKE-UP RATE AS OF TO DATE
99%

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

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

EAST LEDANG | ISKANDAR PUTERI

LAUNCHED GDV
RM1,661.5
MILLION

REMAINING GDV
RM1,683.7
MILLION

TAKE-UP RATE AS OF TO DATE
97%

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

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

NUSA IDAMAN | ISKANDAR PUTERI

LAUNCHED GDV
RM946.4
MILLION

REMAINING GDV
RM223.4
MILLION

TAKE-UP RATE AS AT TO-DATE
100%

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

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

BUSINESS REVIEW

SOUTHERN REGION PROJECTS

NUSA BAYU | ISKANDAR PUTERI

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

LAUNCHED GDV
RM750.9
MILLION

REMAINING GDV
RM447.4
MILLION

TAKE-UP RATE AS OF TO DATE
100%

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

HORIZON HILLS | ISKANDAR PUTERI

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

LAUNCHED GDV
RM5,520.3
MILLION

REMAINING GDV
RM1,563.7
MILLION

TAKE-UP RATE AS OF TO DATE
96%

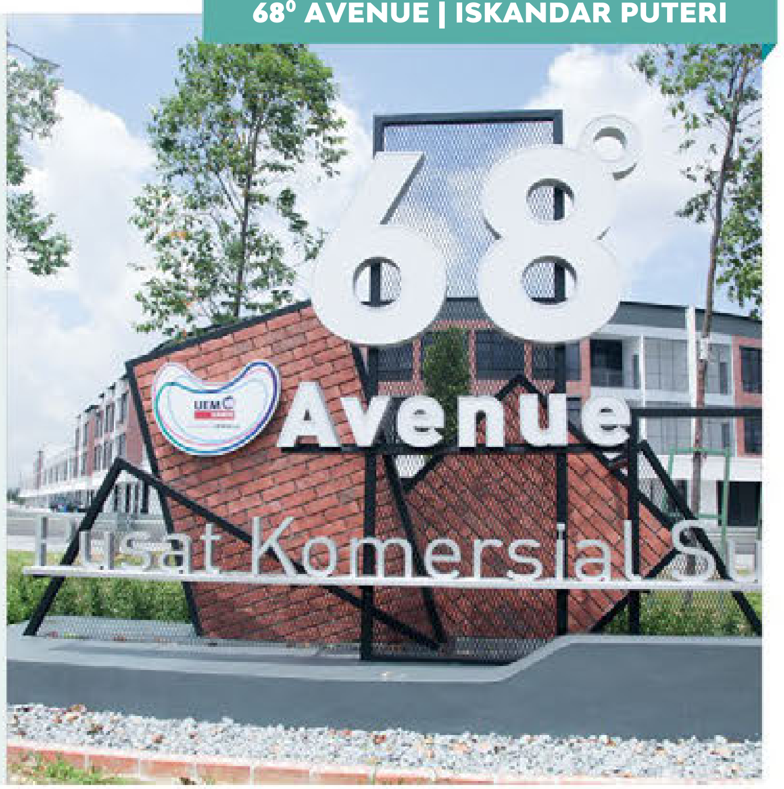
PROGRESS
- Expected Completion: **2030**

68° AVENUE | ISKANDAR PUTERI

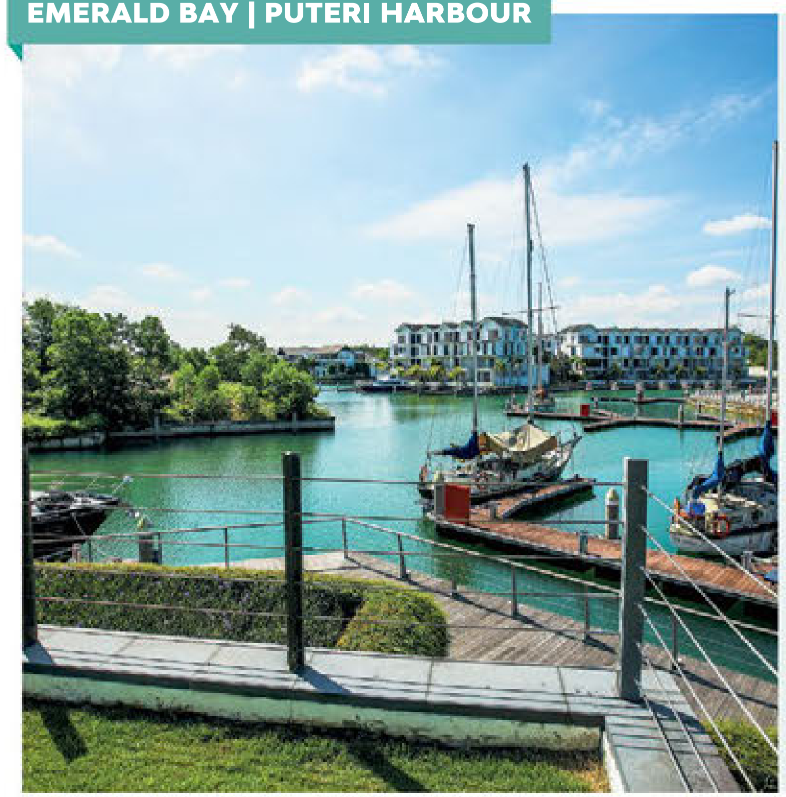
68° Avenue | Iskandar Puteri is a contemporary development that presents spacious 2-storey and 3-storey shop-lots/shop-offices which feature a scenic central courtyard designed for community activities and a comfortable common space for both tenants and visitors. Surrounded by greenery and pocket garden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

LAUNCHED GDV
RM167.7
MILLION

TAKE-UP RATE AS OF TO DATE
96%



EMERALD BAY | PUTERI HARBOUR



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

LAUNCHED GDV
RM413.4
MILLION

REMAINING GDV
RM3,246.6
MILLION

TAKE-UP RATE AS OF TO DATE
88%

PROGRESS
- Expected Completion: **2032**

BUSINESS REVIEW

THE MARIS | DESARU

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

LAUNCHED GDV **RM52.6** MILLION	REMAINING GDV **RM1,852.4** MILLION
TAKE-UP RATE AS OF TO DATE **100%**	PROGRESS • Expected Completion: **2030**

OUTLOOK

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

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

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

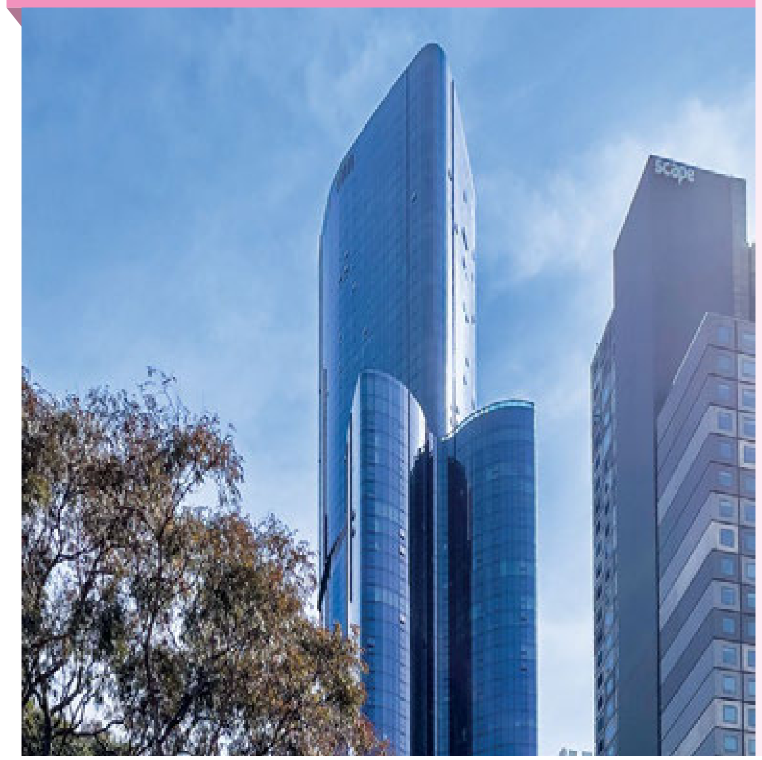
Driving happiness for our buyers through our brand is central to our revenue and business performance. We will continue to work closely with our contractors, suppliers, and other stakeholders to maintain a transparent and cost-effective business or project development process, upholding the principles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

International

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

BUSINESS REVIEW

AURORA MELBOURNE CENTRAL | MELBOURNE



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

INTERNATIONAL PROJECTS

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

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

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

CONSERVATORY | MELBOURNE

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

OUTLOOK

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

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

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