

stronger together

UEM Sunrise Berhad
15th Annual General Meeting
7 June 2023





2022 long awaited recovery with lingering challenges



Triage

Stabilise

Sustain

Financial Performance

Strategic Turnaround Plan introduced towards the end of 2021 demonstrates positive outcome in 2022.

Improvements were recorded across the board allowing the Company to return to profitability after losses in the past two financial years.

Together with a healthy cash position, the Company declared a small dividend as a token of appreciation to shareholders.

Sales

RM0.9 bil

2021 RM1.5 bil ▼ 37%

Gross Profit

RM431.2 mil

2021 RM221.0 mil ▲ 95%

Share of Results

RM28.0 mil

2021 RM12.9 mil ▲ >100%

Revenue

RM1.5 bil

2021 RM1.2 bil ▲ 24%

PATANCI

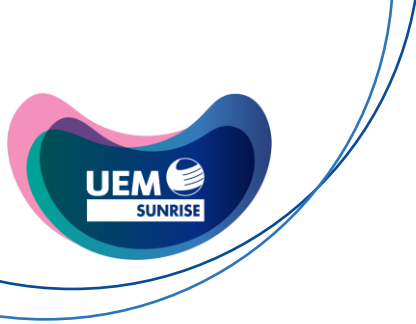
RM80.5 mil

2021 (RM213.0 mil) ▲ >100%

Dividend

0.5 sen

RM25.3 mil or 31% of PATANCI

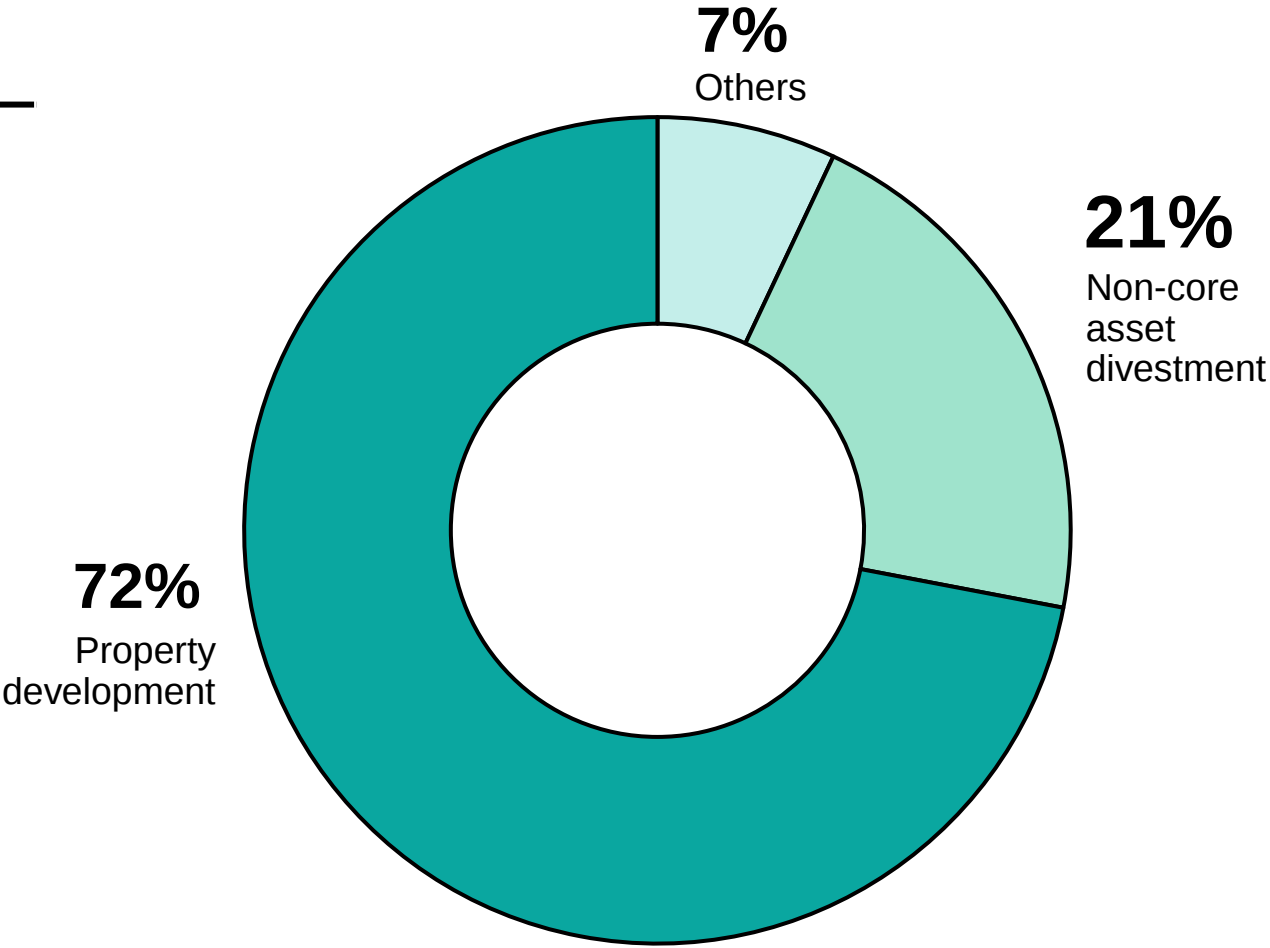


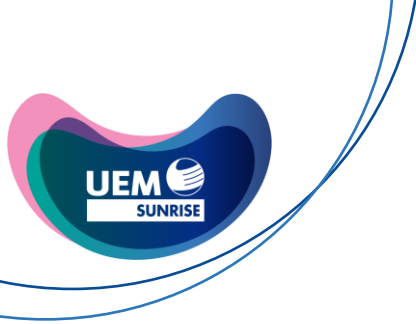
Revenue was driven mainly from property development activities. As the country transitioned into endemicity, construction progress has quickened.

Major contributors in 2022 were Residensi Solaris Parq, Serene Heights, Residensi AVA, Residensi Astrea and Senadi Hills.

Another contributor is the completion of the sale of the 33 industrial plots in SiLC Phase 3 and the sale of non-strategic lands in Seputeh, Mersing and smaller pocket lands in Iskandar Puteri.

Revenue
RM1.5 bil
2021 RM1.2 bil ▲ 24%





2022 sales achievement were impacted by delays in securing authorities' approvals. The setback affected planned launches for the year.

- In enhancing sales, the focus undertaken was to:
- Sell inventories which resulted in a 49% drop compared to 2021.
 - Sell ongoing projects and new launches.

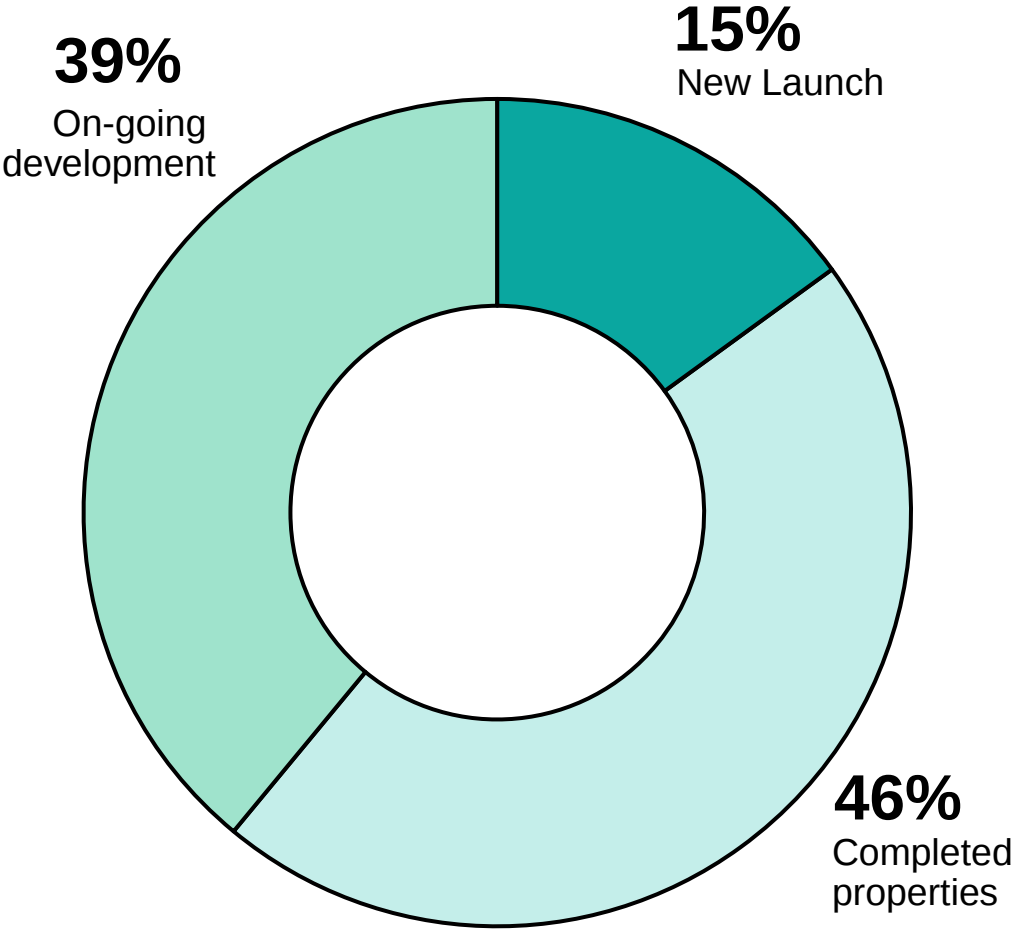
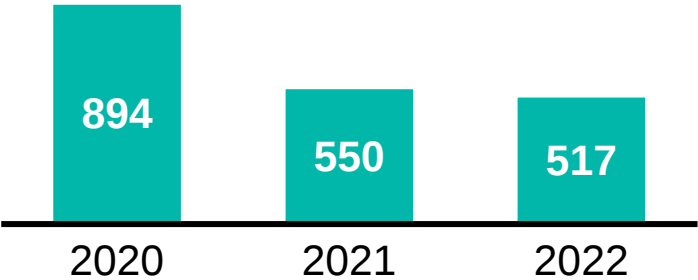
Sales

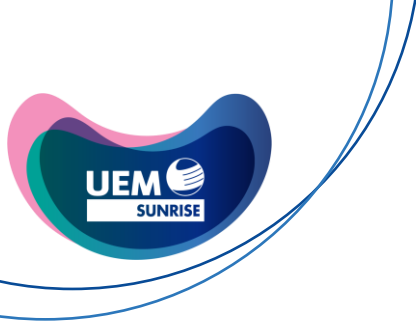
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Launch GDV

RM mil



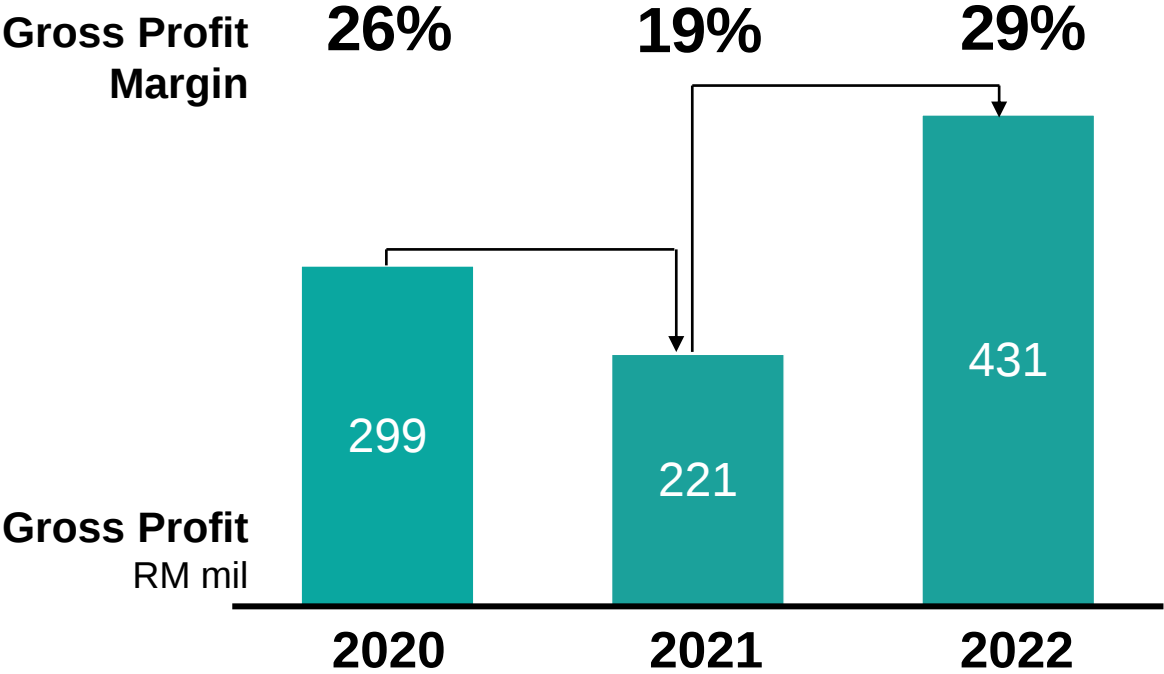


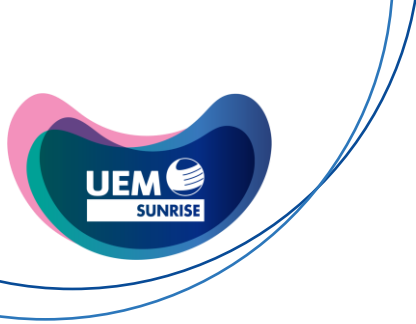
Higher revenue contribution from tail-end projects like Residensi Solaris Parq, cost savings derived from enhancements in processes and cost structures for completed projects and land sales resulted in improvements in gross profit.

Gross Profit

RM431.2 mil

2021 RM221.0 mil ▲ 95%





Earnings improved significantly contributed by healthier revenue, lower operating expenses and better share of results from joint ventures and associates, mainly from Horizon Hills and Nusajaya Tech Park both in Iskandar Puteri and Forest Heights in Seremban.

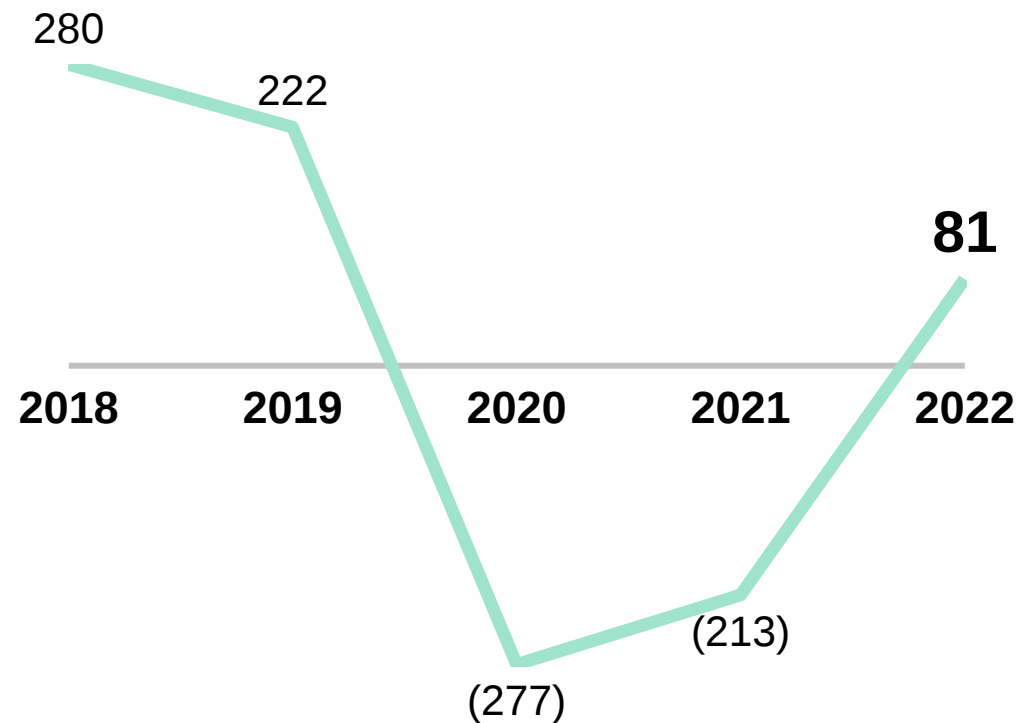
PATANCI

RM80.5 mil

2021 (RM213.0 mil)

▲ >100%

PATANCI
RM mil



Triage

Stabilise

Sustain



**UEM Sunrise
maintained focused
on the 3-step
transformation
program.**

Triage

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01 Triage 2021 - 2023

Prioritising areas that needed immediate attention
- instilling launch discipline and achieving greater operational efficiency

- 1. Operating Structure Reset**
– Focus on value creation
- 2. Recalibration of Cost Structure**
– Improved procurement process
- 3. Pipeline Improvement**
– Approximately RM10.0 bil GDV activated for launches until 2025
- 4. Balance Sheet Improvement**
– Divestment of non-strategic assets & improved retail performance; improved cash balance RM1.0 bil & lower net gearing ratio by 4%
- 5. Inventory Reduction**
– 49% reduction from 2021
- 6. Improve Product Development & Delivery**
– Through Modern Methods of Construction

02 Stabilise 2022 - 2025

Towards empowering our People; realigning our Processes; and enhancing our Portfolio

- 1. Reinforce Product DNA**
– Launched Happy+
- 2. ESG Progress**
– Sustainability Blueprint
- 3. Scale Development**
– Impactful mixed development and consolidated development packages
- 4. Activate and revise masterplans**
– Improved GDV by 10-20% for selected projects
- 5. Invest in people and internal talent**
– Enhance talent in critical areas & conduct workforce transformation

03 Sustain 2025 & Beyond

Industry leadership through robust product built on ESG foundations



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- 5. Inventory Reduction**
– 52.4% reduction from 2021
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02 Stabilise 2022 - 2025

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03 Sustain 2025 & Beyond

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02 Stabilise 2022 – 2025

Visible achievements demonstrate progress of strategy implementation.

FY2022 provides needed momentum to FY2023 as unbilled sales is at RM1.8 bil and lower inventory.

Reinforce Product DNA

- Product Development Playbook
- Vendor Partnership – 9 partners signed in to align with product strategy
- Create affordable start-up products in Connaught & Kiara Bay
- Develop Common Data Environment (“CDE”) to allow seamless interaction with vendors

ESG Progress

- Sustainability Blueprint 1.0
- Materiality Assessment
- Incorporating ESG targets in design
- Gold Rating for Green Sukuk
- Zero Fatality on site
- 1,738 trees were planted in SIREH Park, 56.9% were of native International Union for Conservation of Nature (“IUCN”) Red List species

Scale Development

- Completed Residensi Solaris Parq (GDV RM781.9 mil), Kiara Kasih (GDV RM215.7 mil)
- Major Data Center investments in Nusajaya Tech Park (“NTP”), Activated Phase 2 (GDV RM0.3 bil)
- Finalising Section 13, PJ Land Development Order (“DO”) (GDV RM1.3 bil)
- Improved retail yield in Publika (2021: 2.6% vs 2022: 7.7%) & Anjung (2021: -1.6% vs 2022: 3.7%)



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Activate / Revise Master Layout Plans (“MLP”)

- Activated MLP v4 for Gerbang Nusajaya to launch Aspira Heights
- Followed by MLP v5 to unlock industrial and logistics potential
- Revised MLP for Puteri Harbour Avenue with a GDV upside of RM160.0 mil
- Launched Phase 2 KAIA Heights & first commercial phase in Serene Heights

Invest in People

- 16% of new recruits with new capabilities
- 35% of our Top Management are female
- 13% of our vacancies are filled by internal job movements (CHIEF Move)
- 12% of talent pool offered curated learning and mentoring programmes
- Curation of CHIEF Get2Gather and CHIEF Build our Bond programmes to drive engagement and collaboration with program, effectiveness at ~80%
- LinkedIn Learning access for all employees



Pipeline Readiness

The turnaround plan was a game-changer, we remained resilient and returned to profitability in 2022.

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RM2.5 bil

3 key
projects

The MINH, The Connaught
One and KMP7

> RM15.0 bil

60
phases

GDV of planned projects
up until 2030

> RM1.0 bil

3
phases

GDV of planned projects
to be injected into core
portfolio



Gerbang Nusajaya Precinct 2

GDV
RM11.6 bil

Products strategically priced to be attainable to the local market, accelerated to fulfil demand for mid-price landed residential.



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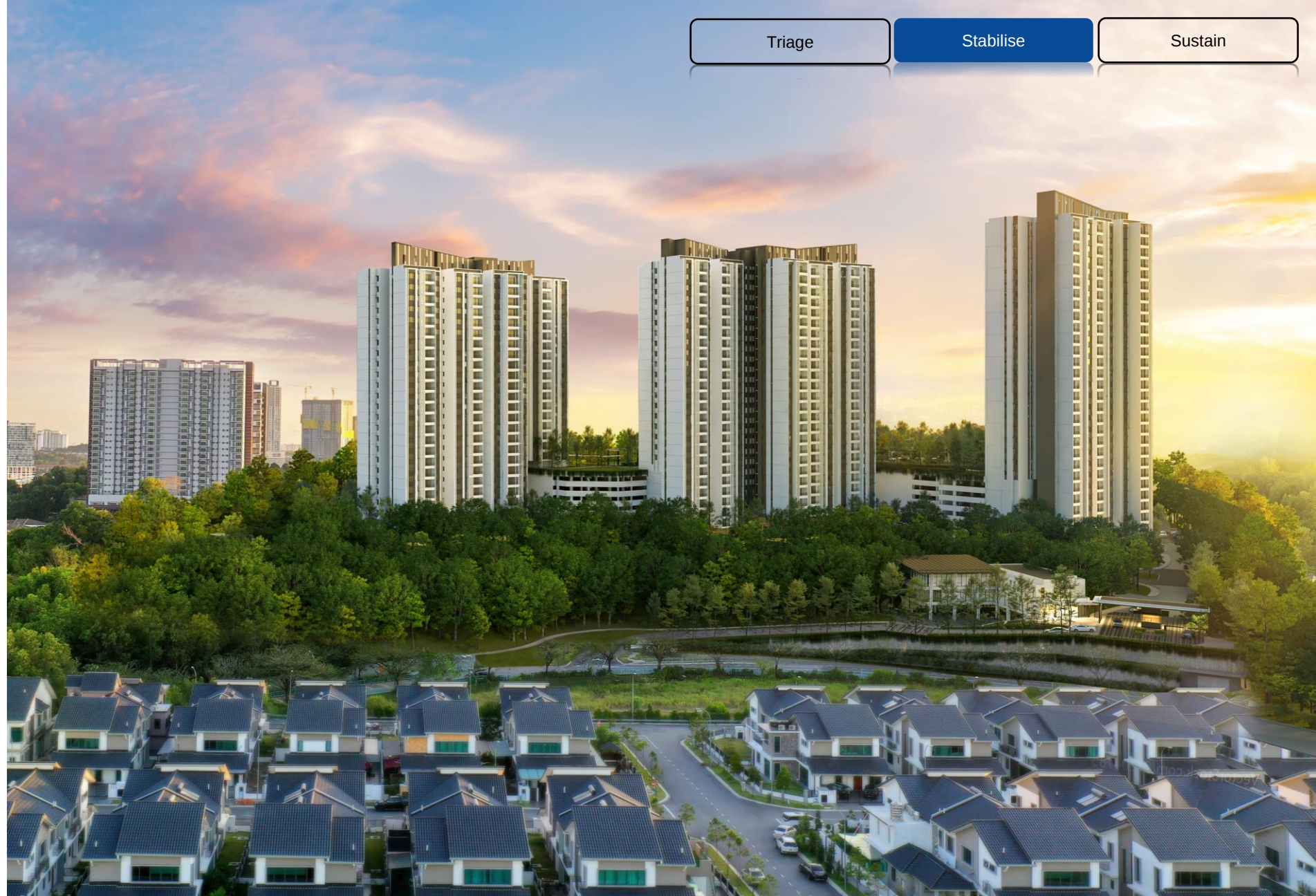
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KAIA Heights Phase 2

GDV
RM322.8 mil

A 19.24-acre multigenerational hilltop and nature living with a 6-acre nature reserve surrounds the development and 8-acre landscape and facilities.





Kiara Bay Masterplan

GDV
RM17.4 bil

Masterplan for 29.5-ha mixed development being improved to maximise potential and enhance value.

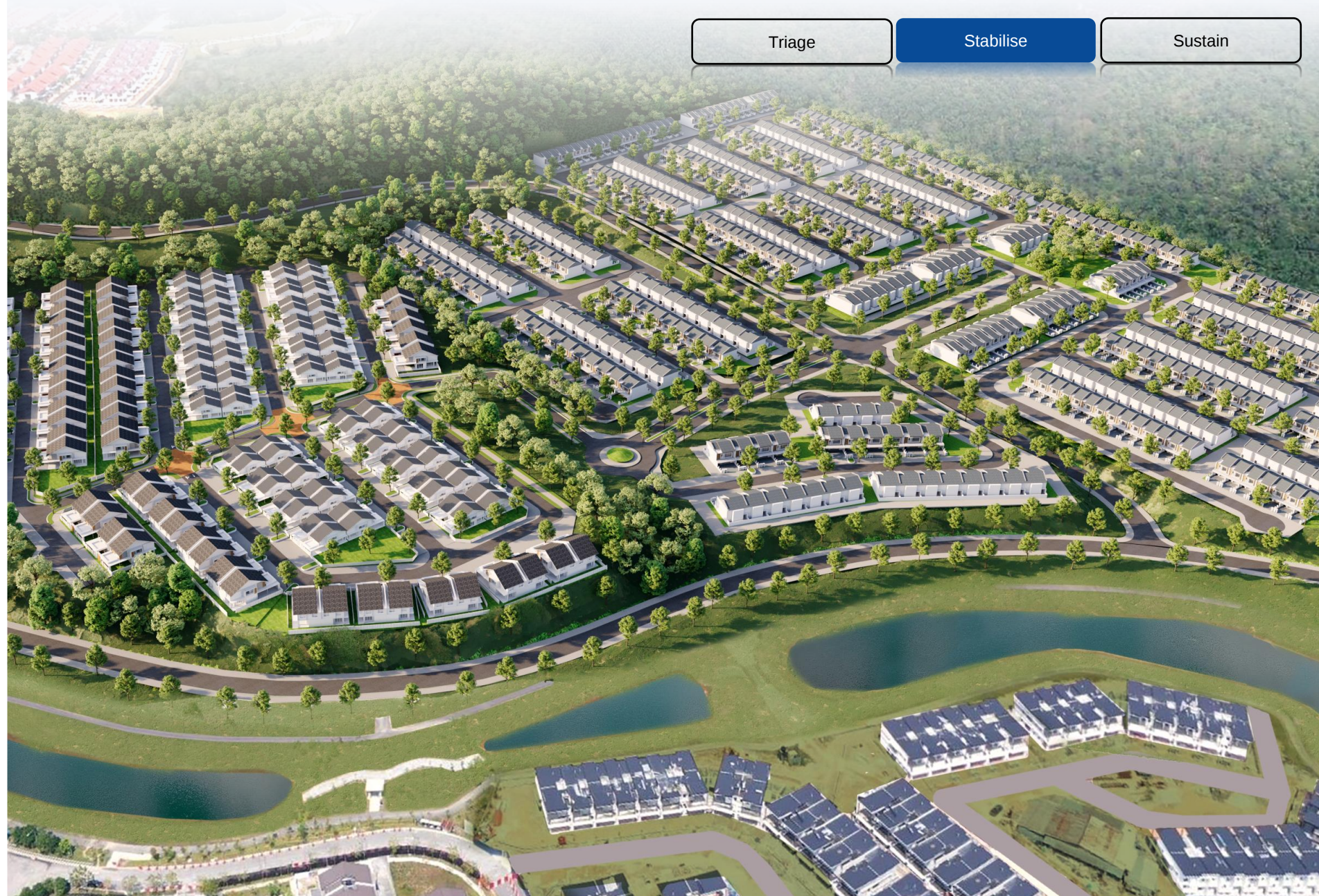




Serene Heights Phase 2 & 3

GDV
RM2.2 bil

Completing residential parcels, commencing development of commercial precinct (Phase 2) to create convenience.



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Operationalising ESG

SHIFT 2050 was initiated to fully align UEM Sunrise with national and global goals using relative targets to strengthen our embrace of ESG.

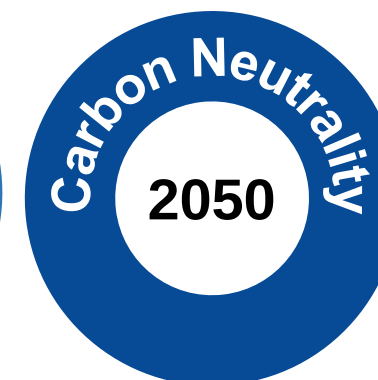


STRATEGIC HOLISTIC INCLUSIVE FUTURE-READY TARGETED

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FY2022 Key Achievements

Launched
Sustainability
Blueprint 1.0

MoU with
**Gentari &
PGTSSB**

Design for
Manufacturing &
Assembly
("DfMA")
adoption

FTSE4Good
upgrade to
3.5

DEI
33% female
board members

54% female
employees

9:7 F:M ratio
Project Managers

3:1
Bumi : Non-Bumi

Signed Vendors
Partnership
Programme
("VPP") with
9 Vendors

Planted
316 trees
in Kiara Bay

1,738 trees
were planted in SIREH Park,
56.9% were listed RED by
International Union for Conservation
of Nature ("IUCN")



Social & Community Engagement

In line with our core values, we extend every effort to be connected with our immediate and surrounding communities; to ensure we have positive impacts from business operations.

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PINTAR Schools Initiative

- Improving education for 17 underperforming schools and underprivilege students
- Organised a series of SPM examination workshop at schools in Johor
- Sponsored SK Kiaramas students for International STEM exhibition 2022

Back-to-School

- UEM Sunrise donated school supplies to 300 underprivileged students to equip them for the school session
- Each student received 2 sets of school uniform, a pair of shoes & socks, school bag and sports attire

K'Artulistiwa

- Working alongside local artists to promote art at our sales galleries and provide free space for art exhibitions and workshops
- Showcased themed exhibition which aligns to UEM Sunrise ESG strategy

Flood Relief

- Organised relief for affected employees that were affected by floods in early 2022
- Contributed to The Maris homeowners with essential items due to flood

Community ERT

- Together with our contractors, provided Emergency Response Team to the surrounding communities in Kg. Segambut when affected by flash floods

Community Outreach

- Donated skateboards to orang asli community in Desa Temuan for their skateboarding clinics
- School refurbishment at SK Sungai Melayu, Johor
- Participated in Citizen Action for Tiger Walk ("CAT Walk") for tiger conservation by reporting illegal activities and disarming snares and traps in the wild



Quality, Health & Safety

Health & Safety is a material issue in UEM Sunrise. We regularly review and update our policies and procedures, to ensure they are in line with the latest industry standards and best practices.

Health & Safety Snapshot

Key Measurements	2021	2022	
Fatality Fatality Rate for Overall UEM Sunrise Workplace	0.01%	0%	▼
HSE Performance for Corporate Office & Project	64%	77%	▲
Unsafe Acts & Condition	2,274	1,048	▼
CIDB Compliance Compliance of green card and skill workers accreditation (Act 520)	78%	93%	▲

2022 SHASSIC Rating

Residensi Astrea	93%
Frischia, Serene Heights	91%
Verna, Serene Heights	96%
Aspira ParkHomes Phase 2 & 3	96%
Senadi Square	97%
Verna Cluster Home & Twin Villas, Serene Heights	95%

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Quality Snapshot

2022 QLASSIC Rating

Eugenia 2, Serene Heights	86%
Aspira ParkHomes Phase 1	85%
Senadi Hills Phase 1A	82%
Residensi Solaris Parq	82%
The Maris Desaru	81%

1. Average SHASSIC Scoring overall for UEM Sunrise Project with 95.21% score
2. Received 4 Awards for SHEQ Day 2022 from CIDB Malaysia
3. SHASSIC Assessment using CIS 10 : 2022 Standard by CIDB Malaysia



happy+

by **UEM Sunrise**

Product series

introduced to deliver a more streamlined customer experience and implement innovative product features

Triage

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KASIH



Starter homes focusing on encouraging community-centric lifestyles

RISE



Attainable flexible homes designed to fit customers' lifestyle

NEST



Multigenerational oriented homes

CLUB



Curated residence, high-end features, emphasising prestigious resort living

LUXE



Unique & exquisite collection of homes



Section 13, PJ Phase 1 Redevelopment

GDV
RM468.9 mil

9.9-acre land acquired in 2021. Phase 1 scheduled for launching in 2025, with 786 units of service apartment.

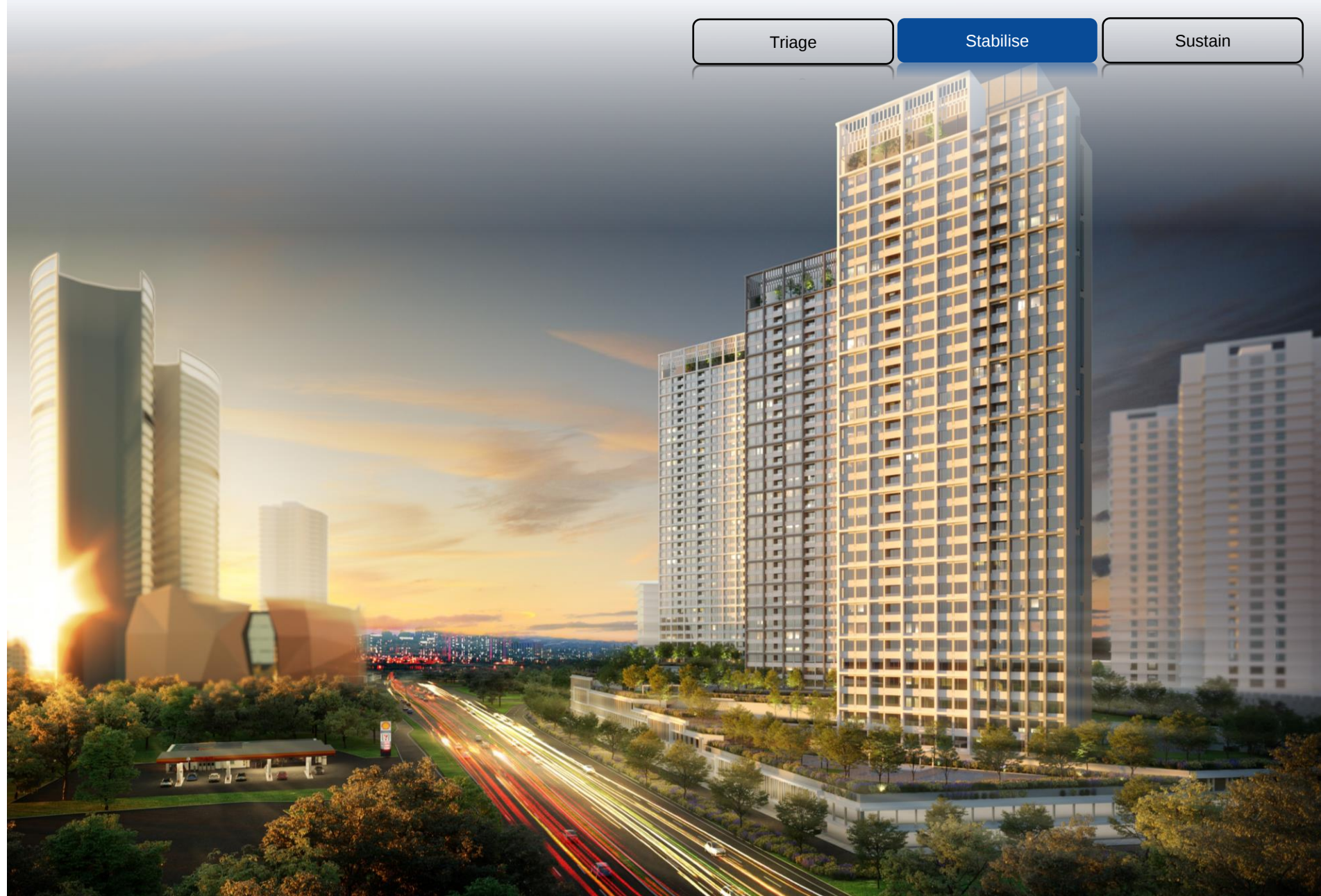




SS6, Kelana Jaya Redevelopment

GDV
RM1.1 bil

9.05-acre land acquired
in June 2023. Scheduled
for launching in 2025.



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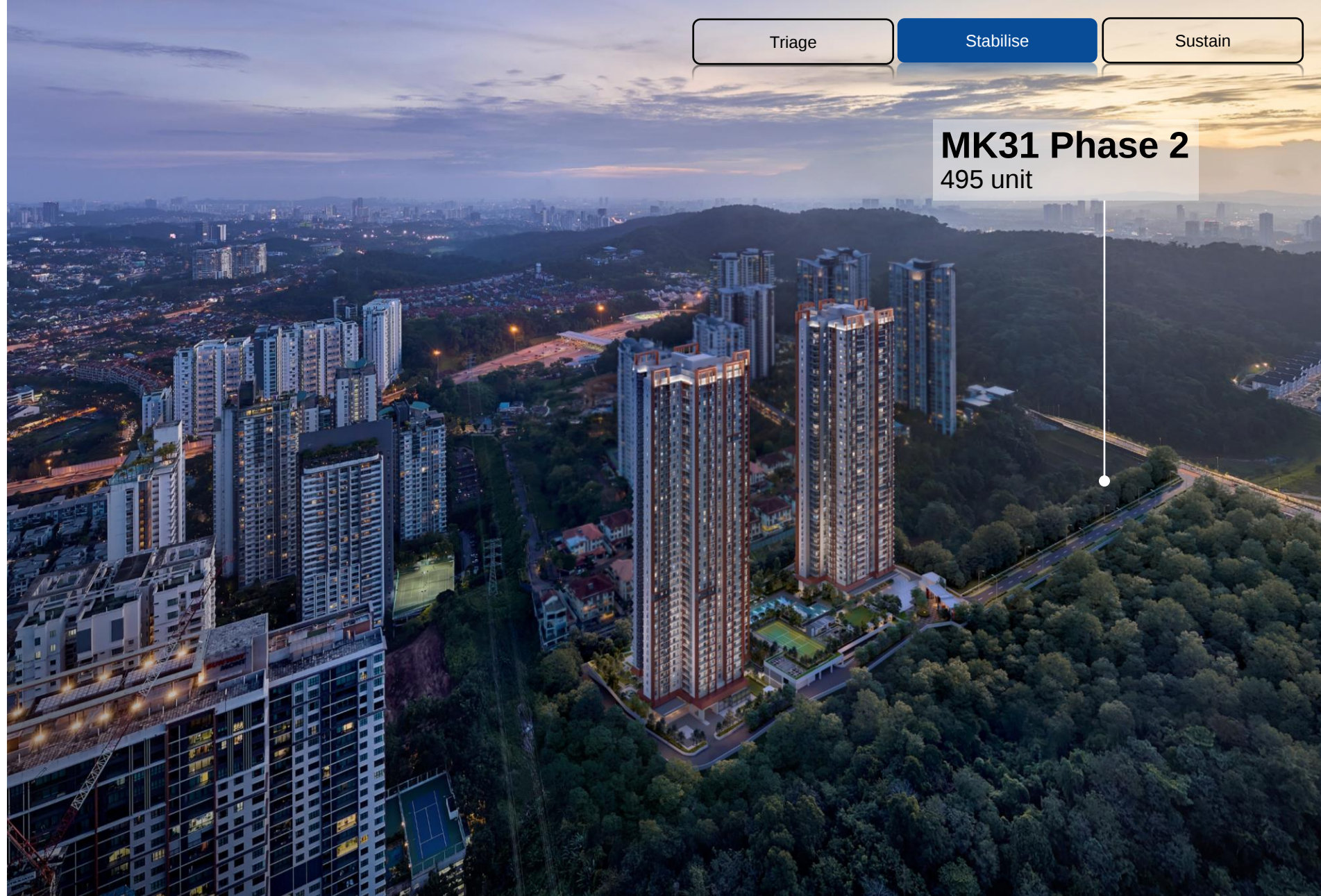
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MK31 Phase 2

GDV
RM822.0 mil

12-acre land in Mont'Kiara.
Phase 1 launched in
May 2023.



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MK31 Phase 2
495 unit



KMP7, Kiara Bay

GDV
RM646.2 mil

2nd launch after Residensi
AVA, scheduled for
launching in Q3 2023.





CONNAUGHT 2

GDV
RM696.0 mil

7-acre land acquired
in 2021, UEMS' first TOD.





Outlook

The turnaround plan was a game-changer, we remained resilient and returned to profitability in 2022.

Group

- Confidence as we move to stabilise operations to heal revenue stream
- Cautious on inflation & interest rate, material cost volatility & supply chain stability
- Improved Return on Equity ("ROE") will gradually be seen after 2025 for better Total Shareholder Return ("TSR")
- Investment in people, systems & infrastructure will increase to ensure resilience
- Digital will remain a strong enabler in better customer engagement, brand outreach and operational efficiency
- Maintaining strong credit rating, liquidity and acceptable ratios
- Our net gearing remains at a manageable level of 0.48x, down from 0.50x in FY2021. Funds from land sales utilised to purchase new lands and pare down debts

Operations

- Johor will remain a challenge for residential products but:
 - Industrial, logistics & data centers are gaining traction
 - Great opportunity for renewables
- Pricing will be key but Happy+ will help with positioning
- Product pipeline will continue to be improved until we have a 2:1 pipeline to launch ratio
- Will gradually see greater cost certainty in managing material volatility through consolidated procurement & 2 stage tenders
- Building Information Modeling ("BIM") & Design for Manufacturing and Assembly ("DfMA") will be the driving force in achieving material efficiency and sustainability
- Strategic procurement has yielded 3% savings, will improve with Vendor Development Programme ("VDP") & Vendor Partnership Programme ("VPP")



Outlook

The turnaround plan was a game-changer, we remained resilient and returned to profitability in 2022.

Retail & Commercial

- Portfolio is on the mend as yield is increasing & divestment is underway for legacy assets
- Smaller mix will be introduced to create a manageable core portfolio (CRE+) for yield income

International

- Australia will be set to grow with smaller scale project with higher churn to allow for quicker capital recycling
- Fund through arrangements will be prioritised to balance risk

Thank You

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