



**UEM SUNRISE BERHAD**  
Registration No. 200801028815 (830144-W)  
Incorporated In Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I(A). CONDENSED CONSOLIDATED INCOME STATEMENT**

|                                              | Note | INDIVIDUAL QUARTER |                  | CUMULATIVE QUARTER |                  |
|----------------------------------------------|------|--------------------|------------------|--------------------|------------------|
|                                              |      | Current year       | Preceding year   | Year Ended         | Year Ended       |
|                                              |      | quarter            | corresponding    | Year Ended         | Year Ended       |
|                                              |      | 31/12/2022         | 31/12/2021       | 31/12/2022         | 31/12/2021       |
|                                              |      | RM'000             | RM'000           | RM'000             | RM'000           |
| 1. (a) <b>Revenue</b>                        |      | <b>336,218</b>     | <b>469,633</b>   | <b>1,473,428</b>   | <b>1,184,511</b> |
| (b) Cost of sales                            |      | (222,879)          | (457,103)        | (1,042,246)        | (963,483)        |
| (c) Gross profit                             |      | 113,339            | 12,530           | 431,182            | 221,028          |
| (d) Other income                             |      | 21,881             | 10,680           | 59,179             | 37,530           |
| (e) Expenses                                 |      | (66,765)           | (139,292)        | (247,286)          | (335,416)        |
| (f) Finance costs                            |      | (36,593)           | (35,330)         | (143,470)          | (144,712)        |
| (g) Foreign exchange gain/(loss)             |      | 7,393              | (4,769)          | 5,947              | (5,332)          |
| (h) Share of net results of associates       |      | 544                | 9,545            | 4,043              | 11,154           |
| (i) Share of net results of joint ventures   |      | 505                | (1,106)          | 23,948             | 1,827            |
| (j) Profit/(loss) before income tax          |      | 40,304             | (147,742)        | 133,543            | (213,921)        |
| (k) Income tax (expense)/credit              | 14   | (19,757)           | (4,709)          | (51,479)           | 1,796            |
| (l) <b>Profit/(loss) for the period/year</b> |      | <b>20,547</b>      | <b>(152,451)</b> | <b>82,064</b>      | <b>(212,125)</b> |
| Attributable to:                             |      |                    |                  |                    |                  |
| (m) Owners of the Parent                     |      | 20,464             | (150,980)        | 80,539             | (213,047)        |
| (n) Non-controlling Interests                |      | 83                 | (1,471)          | 1,525              | 922              |
| Profit/(loss) for the period/year            |      | 20,547             | (152,451)        | 82,064             | (212,125)        |
| 2. Earning/(loss) per share based on         |      |                    |                  |                    |                  |
| 1(m) above                                   | 21   | 0.40 sen           | (2.98) sen       | 1.59 sen           | (4.21) sen       |

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this quarterly announcement.



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**I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|                                                                                                       | INDIVIDUAL QUARTER      |                                            | CUMULATIVE QUARTER   |                      |
|-------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------|----------------------|----------------------|
|                                                                                                       | Current year<br>quarter | Preceding year<br>corresponding<br>quarter | Year Ended           | Year Ended           |
|                                                                                                       | 31/12/2022<br>RM'000    | 31/12/2021<br>RM'000                       | 31/12/2022<br>RM'000 | 31/12/2021<br>RM'000 |
| Profit/(loss) for the period/year                                                                     | 20,547                  | (152,451)                                  | 82,064               | (212,125)            |
| Other comprehensive (expense)/income<br>to be reclassified to profit<br>or loss in subsequent period: |                         |                                            |                      |                      |
| Foreign currency translation<br>differences for foreign operations                                    | (13,783)                | 6,867                                      | (4,447)              | 4,566                |
| Total other comprehensive (expense)/<br>income for the period/year, net of tax                        | (13,783)                | 6,867                                      | (4,447)              | 4,566                |
| <b>Total comprehensive income/<br/>(expense) for the period/year</b>                                  | <b>6,764</b>            | <b>(145,584)</b>                           | <b>77,617</b>        | <b>(207,559)</b>     |
| Attributable to:                                                                                      |                         |                                            |                      |                      |
| Owners of the Parent                                                                                  | 14,564                  | (144,126)                                  | 76,081               | (208,487)            |
| Non-controlling Interests                                                                             | (7,800)                 | (1,458)                                    | 1,536                | 928                  |
| <b>Total comprehensive income/<br/>(expense) for the period/year</b>                                  | <b>6,764</b>            | <b>(145,584)</b>                           | <b>77,617</b>        | <b>(207,559)</b>     |

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this quarterly announcement.



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**I(C). REMARKS TO CONDENSED CONSOLIDATED INCOME STATEMENT**

|                                                                                                      | INDIVIDUAL QUARTER |                | CUMULATIVE QUARTER |            |
|------------------------------------------------------------------------------------------------------|--------------------|----------------|--------------------|------------|
|                                                                                                      | Current year       | Preceding year | Year Ended         | Year Ended |
|                                                                                                      | quarter            | corresponding  |                    |            |
|                                                                                                      | quarter            | quarter        |                    |            |
| Note                                                                                                 | 31/12/2022         | 31/12/2021     | 31/12/2022         | 31/12/2021 |
|                                                                                                      | RM'000             | RM'000         | RM'000             | RM'000     |
| Profit/(loss) before income tax from continuing operations is arrived at after charging/(crediting): |                    |                |                    |            |
| Finance costs                                                                                        | 36,593             | 35,330         | 143,470            | 144,712    |
| Depreciation                                                                                         | 12,965             | 14,286         | 53,342             | 56,308     |
| Interest income                                                                                      | (13,754)           | (9,530)        | (29,267)           | (22,716)   |
| (Gain)/loss on foreign exchange:                                                                     |                    |                |                    |            |
| - unrealised                                                                                         | (8,029)            | 4,729          | (6,483)            | 2,993      |
| - realised                                                                                           | 636                | 40             | 536                | 2,339      |
| Dividend income from investment at fair value through profit or loss                                 | (44)               | (271)          | (268)              | (3,094)    |
| (Write back of)/allowance for impairment of receivables                                              | (20)               | 353            | (576)              | (273)      |
| Net allowance for doubtful debts                                                                     | (1,542)            | 15,037         | (308)              | 17,130     |
| Impairment cost of:                                                                                  |                    |                |                    |            |
| - investment property                                                                                | 293                | 12,754         | 293                | 12,754     |
| - property development cost                                                                          | -                  | 20,605         | -                  | 20,605     |
| - property, plant and equipment                                                                      | -                  | 8,724          | -                  | 8,724      |
| Inventories written down                                                                             | -                  | 29,158         | -                  | 29,158     |
| Loss on disposal of subsidiaries                                                                     | 11,(a)             | -              | 479                | 842        |

Other than the above, there was no write-off of inventories, write-back of impairment of assets, exceptional items and reversal of provisions for the costs of restructuring.

- (a) On 18 March 2022, Sunrise Berhad, a wholly-owned subsidiary of the Company, completed the Share Sale and Purchase Agreement ("SSPA") with SCM Property Management Sdn Bhd ("Purchaser") for the disposal of 100% equity in SCM Property Services Sdn Bhd ("SCM") for a total sale consideration of RM1.7 million. Consequently, SCM ceased to be an indirect subsidiary of the Company ("SCM disposal").



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**II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|                                    | Unaudited<br>As at current<br>financial year end<br>31/12/2022<br>RM'000 | Audited<br>As at preceding<br>financial year end<br>31/12/2021<br>RM'000 |
|------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <b>ASSETS</b>                      |                                                                          |                                                                          |
| 1. Non-current assets              |                                                                          |                                                                          |
| Property, plant and equipment      | 407,260                                                                  | 446,687                                                                  |
| Investment properties              | 780,014                                                                  | 798,048                                                                  |
| Right-of-use assets                | 10,766                                                                   | 7,684                                                                    |
| Land held for property development | 5,239,422                                                                | 5,462,947                                                                |
| Interests in associates            | 835,380                                                                  | 850,358                                                                  |
| Interests in joint ventures        | 887,346                                                                  | 893,338                                                                  |
| Amounts due from joint ventures    | 160,827                                                                  | 165,309                                                                  |
| Goodwill                           | 621,409                                                                  | 621,409                                                                  |
| Deferred tax assets                | 283,003                                                                  | 290,191                                                                  |
| Long term receivables              | 443,693                                                                  | 293,116                                                                  |
|                                    | <b>9,669,120</b>                                                         | <b>9,829,087</b>                                                         |
| 2. Current assets                  |                                                                          |                                                                          |
| Property development costs         | 916,883                                                                  | 820,541                                                                  |
| Inventories held for sale          | 203,004                                                                  | 396,920                                                                  |
| Inventories under contract of sale | 102,096                                                                  | 59,967                                                                   |
| Receivables                        | 652,390                                                                  | 479,518                                                                  |
| Contract assets                    | 350,286                                                                  | 425,839                                                                  |
| Amounts due from associates        | 10,214                                                                   | 389                                                                      |
| Amounts due from joint ventures    | 103,473                                                                  | 82,120                                                                   |
| Short term investments             | 45,005                                                                   | 5,005                                                                    |
| Cash, bank balances and deposits   | 1,019,841                                                                | 853,027                                                                  |
|                                    | <b>3,403,192</b>                                                         | <b>3,123,326</b>                                                         |
| Assets classified as held for sale | 22,397                                                                   | -                                                                        |
| Total assets                       | <b>13,094,709</b>                                                        | <b>12,952,413</b>                                                        |



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**II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

|                                                              |             | Unaudited<br>As at current<br>financial year end<br>31/12/2022<br>RM'000 | Audited<br>As at preceding<br>financial year end<br>31/12/2021<br>RM'000 |
|--------------------------------------------------------------|-------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|
|                                                              | <b>Note</b> |                                                                          |                                                                          |
| <b>EQUITY AND LIABILITIES</b>                                |             |                                                                          |                                                                          |
| 3. Equity attributable to Owners of the Parent               | (a)         |                                                                          |                                                                          |
| Share capital                                                |             | 4,960,276                                                                | 4,960,276                                                                |
| Reserves                                                     |             |                                                                          |                                                                          |
| Merger relief reserve                                        |             | 34,330                                                                   | 34,330                                                                   |
| Other reserves                                               |             | 78,340                                                                   | 82,798                                                                   |
| Retained profits                                             |             | 1,696,255                                                                | 1,615,716                                                                |
|                                                              |             | 6,769,201                                                                | 6,693,120                                                                |
| 4. Non-controlling Interests                                 | (a)         | 104,467                                                                  | 102,931                                                                  |
| Total equity                                                 |             | 6,873,668                                                                | 6,796,051                                                                |
| 5. Non-current liabilities                                   |             |                                                                          |                                                                          |
| Borrowings                                                   | 16          | 2,360,802                                                                | 3,205,262                                                                |
| Lease liabilities                                            |             | 48                                                                       | 286                                                                      |
| Payables                                                     |             | 45,978                                                                   | 81,777                                                                   |
| Contract liabilities                                         |             | 272,079                                                                  | 240,634                                                                  |
| Deferred income                                              |             | 162,839                                                                  | 163,509                                                                  |
| Provisions                                                   |             | 68,317                                                                   | 68,279                                                                   |
| Deferred tax liabilities                                     |             | 163,395                                                                  | 178,609                                                                  |
|                                                              |             | 3,073,458                                                                | 3,938,356                                                                |
| 6. Current liabilities                                       |             |                                                                          |                                                                          |
| Provisions                                                   |             | 105,925                                                                  | 148,433                                                                  |
| Payables                                                     |             | 936,597                                                                  | 995,062                                                                  |
| Contract liabilities                                         |             | 123,388                                                                  | 62,108                                                                   |
| Borrowings                                                   | 16          | 1,954,985                                                                | 999,706                                                                  |
| Lease liabilities                                            |             | 10,919                                                                   | 8,716                                                                    |
| Tax payable                                                  |             | 15,769                                                                   | 3,981                                                                    |
|                                                              |             | 3,147,583                                                                | 2,218,006                                                                |
| Total liabilities                                            |             | 6,221,041                                                                | 6,156,362                                                                |
| Total equity and liabilities                                 |             | 13,094,709                                                               | 12,952,413                                                               |
| 7. Net assets per share attributable to Owners of the Parent |             | <b>RM 1.34</b>                                                           | <b>RM 1.32</b>                                                           |

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this quarterly announcement.



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**III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|                                                                                             | <b>Note</b> | <b>Unaudited<br/>Year Ended<br/>31/12/2022<br/>RM'000</b> | <b>Audited<br/>Year Ended<br/>31/12/2021<br/>RM'000</b> |
|---------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------|---------------------------------------------------------|
| <b>Operating Activities</b>                                                                 |             |                                                           |                                                         |
| Cash receipts from customers                                                                |             | 1,387,414                                                 | 886,392                                                 |
| Cash receipts from related parties                                                          |             | 10,765                                                    | 2,557                                                   |
| Cash payments to contractors                                                                |             | (637,338)                                                 | (544,174)                                               |
| Cash payments for land and development related costs                                        |             | (135,744)                                                 | (115,448)                                               |
| Cash payments to related parties                                                            |             | (545)                                                     | (26,193)                                                |
| Cash payments to employees and for expenses                                                 |             | (243,612)                                                 | (217,518)                                               |
| Cash generated from/(used in) operations                                                    |             | 380,940                                                   | (14,384)                                                |
| Net income tax paid                                                                         |             | (27,437)                                                  | (37,261)                                                |
| Interest received                                                                           |             | 19,430                                                    | 8,259                                                   |
| <b>Net cash generated from/(used in) operating activities</b>                               |             | <b>372,933</b>                                            | <b>(43,386)</b>                                         |
| <b>Investing Activities</b>                                                                 |             |                                                           |                                                         |
| Dividend received from joint ventures                                                       |             | 31,000                                                    | 101,000                                                 |
| Dividend received from an associate                                                         |             | -                                                         | 2,400                                                   |
| Proceeds from disposal of property, plant and equipment                                     |             | -                                                         | 120                                                     |
| Net proceeds from disposal of subsidiaries                                                  | 11(b)       | 356                                                       | 148,026                                                 |
| Purchase of property, plant and equipment                                                   |             | (1,861)                                                   | (12,923)                                                |
| Purchase of investment properties                                                           |             | (22,214)                                                  | (9,310)                                                 |
| Advances to an associate                                                                    |             | -                                                         | (2,600)                                                 |
| Repayment from joint ventures                                                               |             | 8,698                                                     | 4,000                                                   |
| Redemption of Redeemable Non-convertible Non-cumulative Preference Shares from an associate |             | 6,400                                                     | -                                                       |
| Investment in a joint venture                                                               |             | (900)                                                     | (900)                                                   |
| Investment in land held for property development                                            |             | (80,892)                                                  | (546,118)                                               |
| Net redemption in short term investments                                                    |             | (40,000)                                                  | 219,601                                                 |
| <b>Net cash used in investing activities</b>                                                |             | <b>(99,413)</b>                                           | <b>(96,704)</b>                                         |



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**III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

|                                                                        | <b>Note</b> | <b>Unaudited<br/>Year Ended<br/>31/12/2022<br/>RM'000</b> | <b>Audited<br/>Year Ended<br/>31/12/2021<br/>RM'000</b> |
|------------------------------------------------------------------------|-------------|-----------------------------------------------------------|---------------------------------------------------------|
| <b>Financing Activities</b>                                            |             |                                                           |                                                         |
| Drawdown of borrowings                                                 |             | 1,502,019                                                 | 484,696                                                 |
| Drawdown of Islamic Medium Term Notes<br>and Islamic Commercial Papers |             | 675,000                                                   | 1,140,000                                               |
| Repayment of borrowings                                                |             | (1,609,972)                                               | (721,853)                                               |
| Repayment of Islamic Medium Term Notes                                 |             | (460,000)                                                 | (785,000)                                               |
| Repayment of lease liabilities                                         |             | (22,262)                                                  | (12,042)                                                |
| Interest paid                                                          |             | (185,940)                                                 | (181,765)                                               |
| <b>Net cash used in financing activities</b>                           |             | <b>(101,155)</b>                                          | <b>(75,964)</b>                                         |
| Effects of exchange rate changes                                       |             | (5,098)                                                   | (16,474)                                                |
| <b>Net increase in cash and cash equivalents</b>                       |             | <b>167,267</b>                                            | <b>(232,528)</b>                                        |
| Cash and cash equivalents as at beginning of financial year            |             | 848,204                                                   | 1,080,732                                               |
| <b>Cash and cash equivalents as at end of financial year</b>           | <b>(a)</b>  | <b>1,015,471</b>                                          | <b>848,204</b>                                          |

| <b>Unaudited<br/>As at<br/>31/12/2022<br/>RM'000</b> | <b>Unaudited<br/>As at<br/>31/12/2021<br/>RM'000</b> |
|------------------------------------------------------|------------------------------------------------------|
|------------------------------------------------------|------------------------------------------------------|

**(a) Cash and cash equivalents comprise of the following amounts:**

|                                                     |    |                  |                |
|-----------------------------------------------------|----|------------------|----------------|
| Cash, bank balances and deposits                    |    |                  |                |
| Unrestricted                                        |    | 675,915          | 601,102        |
| Restricted                                          |    | 343,926          | 251,925        |
|                                                     |    | 1,019,841        | 853,027        |
| Bank overdrafts (included in short term borrowings) | 16 | (4,370)          | (4,823)        |
| <b>Cash and cash equivalents</b>                    |    | <b>1,015,471</b> | <b>848,204</b> |

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this quarterly announcement.



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**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

|                                                              | ← Attributable to Owners of the Parent → |                                       |                             |                               |                  |                                        |                           |
|--------------------------------------------------------------|------------------------------------------|---------------------------------------|-----------------------------|-------------------------------|------------------|----------------------------------------|---------------------------|
|                                                              | ← Non-distributable →                    |                                       |                             | Distributable                 |                  |                                        |                           |
|                                                              | Share<br>Capital<br>RM'000               | Merger<br>Relief<br>Reserve<br>RM'000 | Other<br>Reserves<br>RM'000 | Retained<br>Profits<br>RM'000 | Total<br>RM'000  | Non-controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>Financial year ended 31 December 2022<br/>(Unaudited)</b> |                                          |                                       |                             |                               |                  |                                        |                           |
| At 1 January 2022                                            | 4,960,276                                | 34,330                                | 82,798                      | 1,615,716                     | 6,693,120        | 102,931                                | 6,796,051                 |
| Total comprehensive income for the year                      | -                                        | -                                     | (4,458)                     | 80,539                        | 76,081           | 1,536                                  | 77,617                    |
| At 31 December 2022                                          | <u>4,960,276</u>                         | <u>34,330</u>                         | <u>78,340</u>               | <u>1,696,255</u>              | <u>6,769,201</u> | <u>104,467</u>                         | <u>6,873,668</u>          |
| <b>Financial year ended 31 December 2021<br/>(Audited)</b>   |                                          |                                       |                             |                               |                  |                                        |                           |
| At 1 January 2021                                            | 4,960,276                                | 34,330                                | 78,238                      | 1,828,763                     | 6,901,607        | 468,974                                | 7,370,581                 |
| Total comprehensive expense for the year                     | -                                        | -                                     | 4,560                       | (213,047)                     | (208,487)        | 928                                    | (207,559)                 |
| Disposal of controlling interest in a subsidiary             | -                                        | -                                     | -                           | -                             | -                | (366,971)                              | (366,971)                 |
| At 31 December 2021                                          | <u>4,960,276</u>                         | <u>34,330</u>                         | <u>82,798</u>               | <u>1,615,716</u>              | <u>6,693,120</u> | <u>102,931</u>                         | <u>6,796,051</u>          |

The Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this quarterly announcement.

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**V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****1. Basis of preparation**

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard 134 : Interim Financial Reporting and also in compliance with IAS 34 : Interim Financial Reporting issued by the International Accounting Standards Board and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The notes to the condensed consolidated interim financial statements should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2021, which have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the Companies Act 2016.

**2. Changes in accounting policies and methods of computation**

The accounting policies and methods of computation adopted by the Group in this condensed consolidated interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2021 except for the newly issued MFRS, interpretation and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2022:

Amendment to MFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021

Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)

Property, Plant and Equipment: Proceeds before Intended Use

(Amendments to MFRS 116 Property, Plant and Equipment)

Onerous Contracts: Costs of Fulfilling a Contract

(Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)

Annual Improvements to MFRS Standards 2018-2020

The adoption of the above new standards and other pronouncements did not have any significant effects on the interim financial statements upon their initial applications.

**Standards issued but not yet effective**

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective:

|                                                                                                                               | <b>Effective for the financial periods beginning on or</b> |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| MFRS 17: Insurance Contracts                                                                                                  | 1 January 2023                                             |
| Amendments to MFRS 17 Insurance Contracts:                                                                                    |                                                            |
| Initial Application of MFRS 17 and MFRS 9 - Comparative information                                                           | 1 January 2023                                             |
| Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction         | 1 January 2023                                             |
| Amendments to MFRS 101 Presentation of Financial Statements:                                                                  |                                                            |
| Classification of Liabilities as Current or Non-current                                                                       | 1 January 2023                                             |
| Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2: Disclosure of Accounting Policies | 1 January 2023                                             |
| Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates   | 1 January 2023                                             |
| Amendment to MFRS 16 Leases: Lease Liability in a Sale and Leaseback                                                          | 1 January 2024                                             |
| Amendments to MFRS 101: Non-current Liabilities with Covenants                                                                | 1 January 2024                                             |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture     | Deferred                                                   |

The adoption of the above new standards and other pronouncements will not have any significant effects on the interim financial statements.



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### V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 3. Audit report in respect of the 2021 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2021 is not qualified.

#### 4. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

#### 5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period except for the estimates related to construction cost resulting in project cost savings of 7.2% (2021: 0.9%) over cost of sales.

#### 6. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year ended 31 December 2022 except for the issuance of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP") from its IMTN Programme as follows:

| Date              | Transaction | Amount<br>(RM'Million) | Tenure   | Rate<br>(per annum) |
|-------------------|-------------|------------------------|----------|---------------------|
| 15 February 2022  | Issuance    | 40                     | 3 years  | 4.60%               |
| 15 February 2022  | Issuance    | 10                     | 9 months | 3.30%               |
| 8 April 2022      | Repayment   | (150)                  | 7 years  | 4.80%               |
| 12 April 2022     | Issuance    | 100                    | 1 year   | 3.55%               |
| 12 April 2022     | Issuance    | 110                    | 3 years  | 4.79%               |
| 19 September 2022 | Issuance    | 150                    | 3 years  | 5.03%               |
| 19 September 2022 | Issuance    | 145                    | 5 years  | 5.37%               |
| 15 November 2022  | Repayment   | (10)                   | 9 months | 3.30%               |
| 9 December 2022   | Repayment   | (300)                  | 5 years  | 5.06%               |
| 13 December 2022  | Issuance    | 120                    | 3 years  | 5.50%               |

The proceeds from the IMTN and ICP are for UEMS' Shariah-compliant general corporate purposes.

#### 7. Dividend

The Board of Directors has declared a single-tier tax exempt dividend of 0.5 sen per share (2021: Nil) in respect of financial year ended 31 December 2022 amounting to RM25.3 million (2021: Nil). The proposed dividend will be paid on 22 May 2023 to shareholders registered at the close of business on 28 April 2023.

A depositor shall qualify for entitlement to the dividend only in respect of:

- Shares transferred into the depositors' securities account before 4.30pm on 28 April 2023 in respect of transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

#### 8. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current year.



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### 9. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2022 to the date of this announcement which would substantially affect the financial results of the Group for the financial year ended 31 December 2022 that have not been reflected in the condensed interim financial statements.

### 10. Operating segments

Operating segments information for the financial year ended 31 December 2022 is as follows:

|                                    | Property development |                  | Property investment |          |              |              |
|------------------------------------|----------------------|------------------|---------------------|----------|--------------|--------------|
|                                    | In Malaysia          | Outside Malaysia | and hotel operation | Others   | Eliminations | Consolidated |
|                                    | RM'000               | RM'000           | RM'000              | RM'000   | RM'000       | RM'000       |
| <b>Revenue</b>                     |                      |                  |                     |          |              |              |
| External revenue                   | 1,299,545            | 61,855           | 91,256              | 20,772   | -            | 1,473,428    |
| Inter-segment revenue              | -                    | -                | 582                 | 100,263  | (100,845)    | -            |
| Total revenue                      | 1,299,545            | 61,855           | 91,838              | 121,035  | (100,845)    | 1,473,428    |
| <b>Results</b>                     |                      |                  |                     |          |              |              |
| Segment results                    | 295,918              | (7,807)          | 11,257              | (29,665) | (20,681)     | 249,022      |
| Finance costs                      | (96,626)             | (104)            | (40,155)            | (27,266) | 20,681       | (143,470)    |
| Share of results of associates     | 2,453                | (1,843)          | -                   | 3,433    | -            | 4,043        |
| Share of results of joint ventures | 26,442               | -                | (2,494)             | -        | -            | 23,948       |
| Profit/(loss) before income tax    | 228,187              | (9,754)          | (31,392)            | (53,498) | -            | 133,543      |
| Income tax                         | (48,566)             | 1,589            | (540)               | (3,962)  | -            | (51,479)     |
| Profit/(loss) for the year         | 179,621              | (8,165)          | (31,932)            | (57,460) | -            | 82,064       |
| <b>Attributable to:</b>            |                      |                  |                     |          |              |              |
| Owners of the Parent               | 177,735              | (8,165)          | (31,933)            | (57,098) | -            | 80,539       |
| Non-controlling Interests          | 1,887                | -                | -                   | (362)    | -            | 1,525        |
| Profit/(loss) for the year         | 179,622              | (8,165)          | (31,933)            | (57,460) | -            | 82,064       |
| <b>Assets</b>                      |                      |                  |                     |          |              |              |
| Segment assets                     | 10,217,893           | 627,329          | 943,951             | 400,847  | (904,025)    | 11,285,995   |
| Interests in:                      |                      |                  |                     |          |              |              |
| - associates                       | 831,449              | 3,929            | -                   | 2        | -            | 835,380      |
| - joint ventures                   | 807,524              | -                | 79,822              | -        | -            | 887,346      |
| Tax recoverable                    | 79,631               | 3,285            | 330                 | 2,742    | -            | 85,988       |
| Total assets                       | 11,936,497           | 634,543          | 1,024,103           | 403,591  | (904,025)    | 13,094,709   |
| <b>Liabilities</b>                 |                      |                  |                     |          |              |              |
| Segment liabilities                | 5,327,217            | 28,447           | 848,044             | 905,589  | (904,025)    | 6,205,272    |
| Tax payable                        | 15,769               | -                | -                   | -        | -            | 15,769       |
| Total liabilities                  | 5,342,986            | 28,447           | 848,044             | 905,589  | (904,025)    | 6,221,041    |

### 11. Changes in the composition of the Group

There were no significant changes in the composition of the Group up to the date of this announcement including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operation since the preceding financial year ended 31 December 2021 except as below:



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**11. Changes in the composition of the Group (cont'd)**

- (i) On 18 March 2022, Sunrise Berhad, a wholly-owned subsidiary of the Company, completed the Share Sale and Purchase Agreement ("SSPA") with SCM Property Management Sdn Bhd ("Purchaser") for the disposal of 100% equity in SCM Property Services Sdn Bhd ("SCM") for a total sale consideration of RM1.7 million. Consequently, SCM ceased to be an indirect subsidiary of the Company ("SCM")

- (a) The impact to profit or loss arising from the SCM disposal is as follows:

|                                        | RM'000  |
|----------------------------------------|---------|
| Proceeds from disposal                 | 1,700   |
| Carrying value of 100% interest in SCM | (2,179) |
| Loss on disposal of SCM                | (479)   |

- (b) Details of the cash inflow arising from the SCM disposal as follows:

|                                          |         |
|------------------------------------------|---------|
| Proceeds from disposal                   | 1,700   |
| Less: Deposit received in the prior year | (51)    |
| Less: Cash and balances in SCM disposed  | (1,293) |
| Net proceeds from SCM disposal           | 356     |

- (c) The impact of SCM Disposal to the consolidated statement of financial position is as follows:

**Assets**

|                               |       |
|-------------------------------|-------|
| Property, plant and equipment | 121   |
| Receivables                   | 1,930 |
| Cash and bank balances        | 1,293 |
|                               | 3,344 |

**Liability**

|                                |       |
|--------------------------------|-------|
| Payables                       | 1,165 |
| Net identifiable assets of SCM | 2,179 |
| Net assets deconsolidated      | 2,179 |

- (ii) On 19 August 2022, UEM Sunrise South Africa Proprietary Limited ("UEMSSA"), a wholly-owned subsidiary of UEM Sunrise Overseas Corporation Sdn Bhd ("UEMSOC"), which is an indirect subsidiary of the Company, entered into a Sale of Shares and Claims Agreement ("SSCA") with Olive Investment Trust ("OIT") for the divestment of UEMSSA's entire equity interest of 80.4% in Roc-Union Proprietary Limited ("Roc-Union") at a total consideration of Rand 142.6 million (equivalent to approximately RM36 million) ("Proposed Divestment"). The conditions precedent are to be fulfilled within 30 days of the SSCA date. The SSCA became unconditional on 16 September 2022 (17 September 2022 Malaysian date). All parties have mutually agreed to extend the closing date to 30 November 2022. On 30 November 2022, the parties decided to further extend the extended closing date to 16 January 2023.

On 15 December 2022, the parties have mutually agreed to discontinue with the divestment since the settlement of the consideration was not concluded and settled within the prescribed time. The parties are now re-evaluating the entire divestment proposal and considering engaging in fresh discussions on the subject matter.

- (iii) On 28 December 2022, UEM Sunrise (St Kilda Road Development) Pty Ltd ("UEMSKRD"), a wholly-owned subsidiary UEM Sunrise (Developments) Pty Ltd ("UEMSD"), which is an indirect subsidiary of the Company, has been deregistered from Australian Securities & Investments Commission.



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**12. Contingent liabilities**

There are no changes in the contingent liabilities since the preceding financial year ended 31 December 2021 except as disclosed below:

Income tax assessment

- (a) On 3 October 2011, Bandar Nusajaya Development Sdn Bhd ("BND") received a notice of additional assessment ("Form JA") from the Inland Revenue Board ("IRB") for additional tax and penalty amounting to RM73.8 million for the year of assessment 2006.

On 4 September 2012, the High Court ("HC") ruled in favour of BND that the IRB had no legal basis to raise the additional assessment.

On 20 May 2014, the Court of Appeal ("CoA") agreed with the decision of the HC which ruled in favour of BND.

On 18 October 2016, the Federal Court ("FC") reversed the decisions of CoA and HC and ordered that BND appeal by way of filing a notice of appeal ("Form Q") to the Special Commissioners of Income Tax ("SCIT"). The FC's decision resulted in the Form JA totalling RM73.8 million to become due and payable within 30 days, which was fully paid on 5 December 2016.

The IRB had confirmed the receipt of BND's Form Q dated 20 March 2017, and served the Form Q to the SCIT vide a letter dated 14 March 2018.

The SCIT hearing which was initially fixed on 29 and 30 August 2022 was vacated. The SCIT has now fixed the matter for hearing on 12 and 13 June 2023.

BND's solicitors are of the view that BND has an arguable case that the IRB has no legal or factual basis to issue the notice of additional assessment and to impose the penalty.

- (b) On 3 May 2021, UEM Land Berhad ("UEM Land") and Symphony Hills Sdn Bhd ("Symphony Hills") received notices of additional assessment from the IRB dated 30 April 2021, for additional taxes with penalties amounting to RM82.2 million ("Notices").

The Notices issued to UEM Land raised for the amount of RM8.5 million was for the years of assessment from 2013 to 2015 in relation to the removal of Bumiputera quota and low cost requirements for selected developments in Iskandar Puteri, while the Notices issued to Symphony Hills raised for the amount of RM73.7 million was for the reversal of tax losses utilisation for the years of assessment from 2006 to 2017.

After taking into account the advice from both the Company's tax consultant and solicitors, the Company believes that there are reasonable grounds to challenge and contest the basis of the assessments.

On 24 May 2021 and 25 May 2021, Symphony Hills and UEM Land were both granted an interim stay of the Notices by the Kuala Lumpur High Court including the enforcement of the Notices until the hearing of the application to intervene by the IRB and until the disposal of the leave application, respectively.

The hearings for the intervenor's application and leave for judicial review application for UEM Land was held on 3 January 2023 and the decision has been fixed on 31 January 2023 in which the date was vacated. The Court fixed 13 March 2023 as the new decision date. The Court also extended the interim stay until the new decision date. Whilst the hearing for the intervenor's application for Symphony Hills' case was held on 16 February 2023 in which the Court allowed the IRB's intervenor application with costs in the cause. The case management for the leave for judicial review application was also fixed on 28 March 2023.

The Company will continue to take all necessary actions to protect its interest and will make further announcements when there are material developments on this matter.



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**13. Capital commitments**

There are no material capital commitments in relation to the Group's capital expenditure except as disclosed below:

|                                 | RM'000         |
|---------------------------------|----------------|
| Approved and contracted for     | 67,423         |
| Approved but not contracted for | 33,800         |
| Total                           | <u>101,223</u> |

**14. Income tax**

|                                                                 | Current year<br>quarter<br>31/12/2022<br>RM'000 | Preceding year<br>corresponding<br>quarter<br>31/12/2021<br>RM'000 | Year Ended<br>31/12/2022<br>RM'000 | Year Ended<br>31/12/2021<br>RM'000 |
|-----------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------|------------------------------------|------------------------------------|
| Malaysian and foreign income tax                                |                                                 |                                                                    |                                    |                                    |
| - current tax                                                   | (24,656)                                        | (5,557)                                                            | (61,065)                           | (24,974)                           |
| - over/(under)provision in prior periods                        | 10,463                                          | (530)                                                              | 7,999                              | 2,749                              |
| Deferred tax                                                    |                                                 |                                                                    |                                    |                                    |
| - relating to origination and reversal of temporary differences | 6,452                                           | 19,224                                                             | 1,615                              | 43,651                             |
| - underprovision in prior periods                               | (12,016)                                        | (17,846)                                                           | (28)                               | (19,630)                           |
| Tax (expense)/income for the period/year                        | <u>(19,757)</u>                                 | <u>(4,709)</u>                                                     | <u>(51,479)</u>                    | <u>1,796</u>                       |

Higher effective tax rate (excluding share of results of associates and joint ventures) for the current period and year due to non-deductible expenses and unrecognised tax losses for certain loss-making entities and higher operating profit recorded in current period and year. In preceeding year cumulative periods, lower effective tax rate was a result in the recognition of deferred tax assets on prior years' tax losses.



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**15. Status of corporate proposals announced but not completed as at the date of this announcement**

All corporate proposals announced are completed as at the date of this announcement except for the following:

- a) The development agreement and a supplemental development agreement dated 19 December 2007 and 4 November 2010, respectively, between UEM Land Berhad ("UEM Land"), BND and Haute Property Sdn Bhd ("HPSB") for the development of a high end residential enclave over 111 acres held under H.S.(D) 453895, PTD 154910, Mukim Pulau, Daerah Johor Bahru, Johor. The development of the residential enclave is currently on-going.
- b) The Facilities Maintenance and Management Agreement ("FMMA") dated 10 March 2011 between Cahaya Jauhar Sdn Bhd, a 60% owned joint venture of UEM Land and 40% owned by State Government of Johor via Permodalan Darul Takzim Sdn Bhd for the provision of management and maintenance services for Phase 1 of Kota Iskandar. The FMMA covers a period of 30 years with a review every 3 years.
- c) The Master Agreement dated 23 October 2012 between UEM Land and Ascendas Land (Malaysia) Sdn Bhd ("Ascendas") ("MA") to undertake the development of an integrated tech park over approximately 519 acres of land in Gerbang Nusajaya, divided into phase 1 comprising 205 acres, phase 2 of 166 acres and phase 3 of 148 acres ("Land"), Iskandar Puteri, Johor and on 26 December 2012, a Subscription Agreement between UEM Land and Ascendas ("SA") to regulate the share subscription of joint venture company, Nusajaya Tech Park Sdn Bhd ("NTPSB"), UEM Land 40% : Ascendas 60% and Shareholders' Agreement to govern the parties' relationship as shareholders. The Land must be acquired within nine (9) years from the MA date ("Option Period").

On 28 September 2018, UEM Land and Ascendas entered into a second SA to vary the MA where both parties agreed that, amongst others, NTPSB will acquire phase 2 and 3 lands within the Option Period, instead of the original company B and C, as stipulated under the SA. Any reference to these companies was deleted from the MA.

The Option Period lapsed on 22 October 2021. As at the expiry of the Option Period, Plot B (remaining phase 1 land), phase 2 and phase 3 have yet to be acquired. Both parties have been discussing the potential sale of the remaining plots to NTPSB. The intentions were formalised in a letter acknowledged by Ascendas on 18 July 2022.

The 2 sets of Sale and Purchase agreements dated 15 December 2022 for the sale of 4 blocks of agriculture lands and 1 block of land plus building measuring approximately 67.7 acres in the Mukim of Tanjung Kupang, District of Johor Bahru, Johor ("Plot B Lands") for a total consideration of RM85.6 million ("Plot B Price") ("Plot B SPA") and 4 blocks of agriculture lands measuring approximately 166.8 acres in the Mukim of Pulau, District of Johor Bahru, Johor ("Phase 2 Lands") for a total consideration of RM203.6 million ("Phase 2 Lands Price") ("Phase 2 Lands SPA") between Nusajaya Rise Sdn Bhd ("NRSB") and Nusajaya Tech Park Sdn Bhd ("NTPSB"). Both Plot B Lands and Phase 2 Lands add up to a total consideration of RM289.2 million with a total land acreage of 234.5 acres.

50% of the Plot B Price was paid on 22 December 2022. The remaining 50% will be paid within 5 months of the Plot B SPA date or 1 month from the SPA's unconditional date, whichever later. Plot B SPA has a conditional period of 4 months.



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### 15. Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)

#### c) (cont'd)

For the Phase 2 Lands SPA, it is conditional upon the approvals of the Estate Land Board, the Economic Planning Unit and the relevant authorities' approval as per Section 433B of the 1965 National Land Code. The conditional period is 15 months from the SPA date. A deposit of 15% of the Phase 2 Lands Price or RM30.5 million was paid on 22 December 2022. The balance 85% is spread over 3 years where the first tranche (40% or RM81.4 million) will be paid within 21 days from the unconditional date, while the next 25% or RM50.9 million and 20% or RM40.7 million will be paid within 1 year and 2 years of the first tranche payment, respectively.

As at 16 February 2023, all conditions precedent under both Plot B SPA and Phase 2 Lands SPA have yet to be fulfilled.

- d) The definitive agreements comprising 2 sets of Sale and Purchase Agreements ("SPA") for the sale of 72 freehold vacant industrial plots in phase 3 of the Southern Industrial Logistics Clusters ("SiLC") measuring approximately 169.8 acres ("Industrial Plots") for a total consideration of RM434.3 million on 30 December 2020 ("Proposed Sale") between UEM Land and Nusajaya Heights Sdn Bhd with the subsidiaries of AME Elite Consortium Berhad ("AME") i.e. Pentagon Land Sdn Bhd ("Pentagon") and Greenhill SILC Sdn Bhd ("Greenhill") (collectively defined as the "Purchasers"). The first SPA was for the sale of 38 non-Bumiputera plots ("SPA 1"). The second SPA was for the sale of 34 Bumiputera plots ("SPA 2"). The parties also entered into Limited Power of Attorneys, Deed of Mutual Covenants and Deed of Revocation including a Management Agreement with Infinity Park Management Sdn Bhd.

SPA 1 became unconditional on 17 December 2021. For SPA 2, the conditional period for the release of the Industrial Plots' Bumiputera status ("Bumiputera Release") was extended for another 12 months to 30 December 2022. Under SPA 2, 33 out of 34 Industrial Plots have obtained approvals for Bumiputera Release; 19 Industrial Plots became unconditional on 3 March 2022, 1 plot became unconditional on 22 August 2022, and a further 13 Industrial Plots became unconditional on 8 November 2022.

As at 16 February 2023, the Bumiputera Release for the final and remaining 1 plot, is still pending.

- e) The Sale and Purchase Agreement between Lucky Bright Star Sdn Bhd ("LBSSB") with Nipponkey Sdn Bhd ("NSB" or the "Vendor") for the acquisition of a parcel of freehold land at Lot 228, Jalan Sultan Yahya Petra (formerly known as Jalan Semarak), held under Geran 23908 Lot 228, Seksyen 87A, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("Lot 228 SPA") measuring approximately 6.39 acres ("Land") for a total purchase price of RM384.0 million ("Purchase Price") to be satisfied in cash of RM235.8 million and in-kind of RM148.2 million on 4 August 2022 ("Lot 228 SPA") ("Proposed Acquisition").

The in-kind consideration is via the execution of 16 Disposal and Land Transfer Agreements ("DLTAs") between NSB (or the "Purchaser") with Nusajaya Rise Sdn Bhd ("NRSB") and Symphony Hills Sdn Bhd ("SHSB"), the registered landowners for land parcels totalling a net area of 107.82 acres in the Mukim of Tanjung Kupang, District of Johor Bahru, Johor ("Gerbang Nusajaya Lands"). The DLTAs were signed simultaneously with the execution of Lot 228 SPA. 19.21 acres of the Gerbang Nusajaya Lands registered under SHSB are Bumiputera ("Bumi") lands.



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### **15. Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)**

e) (cont'd)

- (i) Deposit of RM38.4 million was paid to Nipponkey's stakeholders on Lot 228 SPA date and will only be released to Nipponkey on the unconditional date.
- (ii) Tranche II Payment of RM153.6 million is to be paid within 30 days from the unconditional date, where:
  - RM40.5 million is in cash; and
  - RM113.1 million is in-kind via the delivery of NRSB and SHSB's land titles to Nipponkey's solicitor.
- (iii) Tranche III Payment of RM192.0 million (the balance of the Purchase Price) is to be paid on or before the expiry of the completion period, where:
  - RM156.9 million is in cash; and
  - RM35.1 million is in-kind via the delivery of SHSB's Bumiputera land titles to Nipponkey's

The conditional period for Lot 228 SPA is 6 months plus an extension of 3 months (as mutually agreed by the parties) from Lot 228 SPA date. The conditions precedent are:

- (i) Completion of the Land's soil investigation;
- (ii) Settlement of development charges of RM24.9 million and ISF contribution of RM667,000 to Dewan Bandaraya Kuala Lumpur;
- (iii) Issuance of release and disclaimer letters from Nipponkey's consultants;
- (iv) Receipt of certified documents relating to the Proposed Acquisition by LBSSB; and
- (v) NRSB DLTA and SHSB DLTA becoming unconditional.

The conditional period for the Gerbang Nusajaya Lands DLTAs is 6 months from the DLTAs date. The conditional period for the SHSB Bumi DLTAs is 15 months from the date of the said DLTAs. The conditions precedent of the Gerbang Nusajaya Lands DLTAs are:

- (i) Economic Planning Units's approval;
- (ii) Estate Land Board's approval (where applicable);
- (iii) Johor State Secretary Office's approval for the release of Bumiputera restriction;
- (iv) Removal of restrictions in interest on the SHSB's land titles; and
- (iv) Revocation of exisiting power of attorney granted by SHSB to NRSB in January 2013.

The Proposed Acquisition is to be completed within 15 months (or extended mutually) from Lot 228 SPA date ("Completion Period"). It is deemed completed on the day that the land titles to the Land, as well as the NRSB and SHSB's lands (except for the SHSB's Bumiputera lands) are presented and registered in favour of the Purchaser and Nipponkey, respectively, and that the cash payment under Tranche III payment has been made. The in-kind payment under the SHSB Bumi lands' DLTAs becomes a debt due and owing by LBSSB. If SHSB is unable to transfer the Bumi lands to Nipponkey, LBSSB will settle the payment in cash upon the expiry of the Completion Period (or extended period).

The conditions precedent under Lot 228 SPA, NRSB DLTA and SHSB DLTA were not fulfilled within the conditional period which expired on 7 February 2023. As per agreements, since the conditions precedent are not fulfilled, Lot 228 SPA, NRSB DLTA and SHSB DLTA have lapsed. Nipponkey will refund the deposit including interest while LBSSB will return all relevant documents to Nipponkey. These 3 agreements will be terminated and be of no further effect except in respect of any antecedent breach. The SHSB Bumi DLTA is rescinded following the termination of Lot 228 SPA.

As at 16 February 2023, the deposit including interest has yet to be refunded to LBSSB.



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**15. Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)**

- f) Sale of Shares and Claims Agreement ("SSCA") between UEM Sunrise South Africa Proprietary Limited ("UEMSSA"), a wholly-owned subsidiary of UEM Sunrise Overseas Corporation Sdn Bhd ("UEMSOC"), and Olive Investment Trust ("OIT") for the divestment of UEMSSA's entire equity interest of 80.4% in Roc-Union Proprietary Limited ("Roc-Union") at a total consideration of Rand 142.6 million (equivalent to approximately RM37.0 million) on 19 August 2022 ("Proposed Divestment").

10% or Rand 14.3 million (approximately RM3.6 million) of the consideration is paid to the attorneys on behalf of UEMSSA within 7 business days from the SSCA date. It will be released to UEMSSA on the closing date, i.e. 3 business days after the date of the conditions precedent are fulfilled. The balance 90% of Rand 128.3 million (approximately RM32.8 million) will also be paid on the closing date. Upon the completion of the Proposed Divestment, UEMSOC will cease operations in Durban, South Africa.

The conditions precedent are to be fulfilled within 30 days of the SSCA date. The SSCA became unconditional on 16 September 2022 (17 September 2022 Malaysian date). All parties have mutually agreed to extend the closing date to 30 November 2022. On 30 November 2022, the parties decided to further extend the extended closing date to 16 January 2023.

On 15 December 2022, the parties have mutually agreed to discontinue with the divestment since the settlement of the consideration was not concluded and settled within the prescribed time. The parties are re-evaluating the entire divestment proposal and considering engaging in fresh discussions on the subject matter.

As at 16 February 2023, there is no material development on the matter.

- g) The 3 sale and purchase agreements ("SPA") with Tapah Land Development Sdn Bhd, an indirect subsidiary of Sunsuria Berhad, to dispose of 17 parcels of leasehold agriculture lands measuring a total of approximately 1,776.6 acres in Mukim Batang Padang and Mukim Bidor in the District of Batang Padang, State of Perak ("Lands") for a total consideration of RM75.5 million. The disposal is anticipated to be completed towards the end of 2023.

As at 16 February 2023, the SPA is pending completion.



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**16. Borrowings and debt securities**

|                                                              | Long term borrowings |                  |                  | Short term borrowings |                  |                  |
|--------------------------------------------------------------|----------------------|------------------|------------------|-----------------------|------------------|------------------|
|                                                              | Secured              | Unsecured        | Total            | Secured               | Unsecured        | Total            |
|                                                              | RM'000               | RM'000           | RM'000           | RM'000                | RM'000           | RM'000           |
| <b><u>As at 31 December 2022</u></b>                         |                      |                  |                  |                       |                  |                  |
| - Islamic Medium Term Notes and<br>Islamic Commercial Papers | -                    | 2,346,802        | 2,346,802        | -                     | 1,468,948        | 1,468,948        |
| - Term loan and<br>Commodity Murabahah Finance               | 14,000               | -                | 14,000           | 29,547                | -                | 29,547           |
| - Revolving credits                                          | -                    | -                | -                | 278,120               | 124,000          | 402,120          |
| - Structured commodity                                       | -                    | -                | -                | -                     | 50,000           | 50,000           |
| - Bank overdrafts                                            | -                    | -                | -                | 4,370                 | -                | 4,370            |
| <b>TOTAL</b>                                                 | <b>14,000</b>        | <b>2,346,802</b> | <b>2,360,802</b> | <b>312,037</b>        | <b>1,642,948</b> | <b>1,954,985</b> |

**As at 31 December 2021**

|                                                |               |                  |                  |                |                |                |
|------------------------------------------------|---------------|------------------|------------------|----------------|----------------|----------------|
| - Islamic Medium Term Notes                    | -             | 3,152,708        | 3,152,708        | -              | 450,000        | 450,000        |
| - Term loan and<br>Commodity Murabahah Finance | 52,554        | -                | 52,554           | 74,243         | -              | 74,243         |
| - Revolving credits                            | -             | -                | -                | 375,640        | 45,000         | 420,640        |
| - Structured commodity                         | -             | -                | -                | -              | 50,000         | 50,000         |
| - Bank overdrafts                              | -             | -                | -                | 4,823          | -              | 4,823          |
| <b>TOTAL</b>                                   | <b>52,554</b> | <b>3,152,708</b> | <b>3,205,262</b> | <b>454,706</b> | <b>545,000</b> | <b>999,706</b> |

During the financial year, the Group drew borrowings of RM2.2 billion including RM675 million of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP"), RM1,274 million of revolving credits and RM228 million of term loans and structured commodity. The Group also repaid borrowings of RM2.1 billion comprising RM460 million of IMTN and ICP, RM1,294 million of revolving credits and RM313 million of structured commodity and term loans.



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**17. Fair value hierarchy**

There were no transfers between any level of the fair value hierarchy during the current period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

**18. Material litigation**

Since the preceding financial year ended 31 December 2021, there is no change in material litigation as at the date of this announcement except as disclosed below:

- a) Decision by the Federal Court in respect of BND's and High Court on SHSB's and UEML's additional assessment raised by IRB for additional tax and penalty, as disclosed in Note 12.
- b) On 25 July 2017, UEM Land was served with the Claim filed by the Plaintiffs in relation to shares held in Setia Haruman Sdn Bhd ("Setia Haruman" or "the 1st Defendant"). UEM Land is cited as the 9th Defendant in the Claim.

The Claim seeks, amongst others, for:

- (i) a declaration that the 2nd to 9th Defendants respectively had managed and conducted the affairs of the 1st Defendant and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfairly prejudicial to the interest of the Plaintiffs as members of Setia Haruman pursuant to Section 346 of the Companies Act 2016; and
- (ii) an order that the 2nd to 9th Defendants do jointly and/or severally purchase the 750,000 ordinary shares of Setia Haruman owned or held by Impresive Circuit Sdn Bhd ("Impresive Circuit") defined at such price and on such terms as shall be determined by the Honourable Court.

On 25 April 2018, UEM Land had successfully applied to strike out Datuk Kasi A/L K.L. Palaniappan ("Datuk Kasi"), the First Plaintiff in the suit, as a party in the Claim. The remaining Plaintiff in the suit, Impresive Circuit, successfully added two other Defendants in the suit namely Menara Embun Sdn Bhd and Modern Eden Sdn Bhd.

On 25 June 2021, the High Court Judge, dismissed the Plaintiff's claim against all the Defendants and ordered the Plaintiff to pay costs in the sum of RM100,000 to each of the main parties in this suit ("High Court's Decision").

On 14 July 2021, the Plaintiff filed an appeal against the High Court's Decision.

The appeal was heard before the Court of Appeal on 28 April 2022, 13 September 2022 and 6 December 2022.

On 20 January 2023, the Court of Appeal found that there were no merits to the appeal and affirmed the High Court's decision. The Court of Appeal also ordered Impresive Circuit to pay costs of RM50,000 to each set of solicitors in the appeal.



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**18. Material litigation (cont'd)**

- c) By way of a Notice of Arbitration ("NOA") dated 17 April 2019, Ireka commenced arbitration proceedings against UEM Land for certain disputes arising from the Letter of Award dated 15 June 2012 ("LOA") for the construction of Imperia in Puteri Harbour, Iskandar Puteri, Johor ("Project"). The Asian International Arbitration Centre has appointed Mr. Wayne Martin from Australia as the arbitrator in this matter.

Based on the Statement of Claim dated 27 December 2019, Ireka is seeking inter-alia, 372 days of extension of time or alternatively for time at large declaration, RM20,395,000 for loss and expense, RM29,250,000 for the amount allegedly due to Ireka pursuant to the Statement of Final Account or alternatively any other amount assessed by the Arbitral Tribunal, interest on all sums directed to be paid from such date as the Tribunal deems fit and costs.

In the Amended Statement of Defence and Amended Counterclaim dated 6 July 2020, UEM Land disputed liability on all of Ireka's claims and sought counterclaims amounting to a total sum of RM34,374,000. The breakdown of UEM Land's counterclaims are as follows:

- a. LAD in the sum of RM27,288,000 being damages for delay in completion;
- b. Costs for defects rectification in the sum of RM2,791,000;
- c. Back charges and losses and expenses payable amounting to RM3,152,000;
- d. All direct payment made by UEM Land to Ireka's sub-contractor amounting to RM1,143,000.

The list of issues to be addressed by the expert and list of non-contentious facts were filed on 18 May 2021. Witness statements were exchanged on 25 October 2021. Procedural hearing was fixed on 11 November 2021 for the purpose of, amongst others, setting timeline to exchange rebuttal witness statements and expert reports. The parties have exchanged the expert reports in reply on 14 February 2022. The parties exchanged their respective rebuttal factual witness statements by 7 March 2022. The parties' respective experts held a without prejudice meeting on 7 March 2022 and delivered a joint expert report thereafter by 7 April 2022.

The hearing of the matter was commenced on 23 May 2022 and concluded on 2 June 2022. The parties to file and serve written submissions within 2 months from the date of receipt of the notes of proceeding. The notes of proceeding were finalised and submitted to the tribunal on 29 July 2022 and the deadline to file the written submissions is on 29 September 2022.

On 8 August 2022 Ireka has been placed under Judicial Management and pursuant to Section 410(c) of the Companies Act 2016, Ireka's solicitors will not be able to act for Ireka in this arbitration unless leave has been granted by the Court. By an Order dated 17 December 2022, the Arbitrator has temporarily suspended the arbitration proceedings until 9 December 2022 or such earlier time as the Judicial Manager of Ireka might advise. Following the order for suspension, all further steps with regard to the proceedings including the direction to file written submissions are now suspended.

On 25 January 2023, Ireka's solicitors have discharged themselves from acting for Ireka. Following from the discharge, Ireka's solicitors added the Interim Judicial Manager to address the Tribunal. There is no response or update from the Interim Judicial Manager till to-date. The judicial management order expired on 8 February 2023, unless an extension is obtained. Our solicitors are in the midst of conducting a file search to ascertain if any extension of the judicial management has been granted and the status of the matter.



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**V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**19. Comparison between the current quarter and the immediate preceding quarter**

|                                                | Current quarter<br>31/12/2022<br>RM'000 | Immediate<br>preceding quarter<br>30/09/2022<br>RM'000 | Variance<br>RM'000/(%) |
|------------------------------------------------|-----------------------------------------|--------------------------------------------------------|------------------------|
| Revenue                                        | 336,218                                 | 355,759                                                | (19,541) (-5%)         |
| Operating profit                               | 75,848                                  | 56,129                                                 | 19,719 (35%)           |
| Share of net results of JV and associates      | 1,049                                   | 6,065                                                  | (5,016) (-83%)         |
| Profit before interest and tax                 | 76,897                                  | 62,194                                                 | 14,703 (24%)           |
| Finance costs                                  | (36,593)                                | (36,326)                                               | (267) (-1%)            |
| Profit before income tax                       | 40,304                                  | 25,868                                                 | 14,436 (56%)           |
| Income tax                                     | (19,757)                                | (3,903)                                                | (15,854) (-406%)       |
| Profit for the period                          | 20,547                                  | 21,965                                                 | (1,418) (-6%)          |
| Non-controlling interests                      | (83)                                    | (968)                                                  | 885 (91%)              |
| Profit attributable to Owners of<br>the Parent | 20,464                                  | 20,997                                                 | (533) (-3%)            |

The Group's revenue for the current quarter recorded a slight decline compared to the revenue in the preceding quarter. The preceding quarter's revenue was supported by contribution from property development which represented 89% of the said quarter's revenue in contrast to the current quarter of 73%. The main property development contributors for both quarters are largely from ongoing projects such as Residensi Solaris Parq in Solaris Dutamas, Residensi AVA in Kiara Bay, Serene Heights in Semenyih and Residensi Allevia in Mont'Kiara, all in the Central region. In the Southern region, contributions were mainly from Senadi Hills and Aspira ParkHomes as well as the inventories' monetisation of Estuari Gardens in Puteri Harbour and East Ledang, all in Iskandar Puteri, Johor. Settlements from the Australian projects in Melbourne for the current quarter, amounted to RM13 million. Land sales and/or assets divestments contributed 18% of the total revenue for the current quarter mainly from the sale of the 13 industrial plots in phase 3 SiLC.

The Group's gross profit margin from property development for the current quarter recorded higher at 34% compared to the preceding quarter 29% due to recognition of project cost savings. The current quarter recorded slightly lower a profit after tax and non-controlling interest of RM20 million, compared to the preceding quarter of RM21 million.

**V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
**20. Detailed analysis of the performance for the current quarter and year**

|                                                       | Current year<br>quarter<br>31/12/2022<br>RM'000 | Preceding year<br>corresponding<br>quarter<br>31/12/2021<br>RM'000 | Variance<br>RM'000/(%) | Year Ended<br>31/12/2022<br>RM'000 | Year Ended<br>31/12/2021<br>RM'000 | Variance<br>RM'000/(%) |
|-------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------|------------------------|------------------------------------|------------------------------------|------------------------|
| Revenue                                               | 336,218                                         | 469,633                                                            | (133,415) (-28%)       | 1,473,428                          | 1,184,511                          | 288,917 (24%)          |
| Operating profit                                      | 75,848                                          | (120,851)                                                          | 196,699 (>100%)        | 249,022                            | (82,190)                           | 331,212 (>100%)        |
| Share of net results of<br>JV and associates          | 1,049                                           | 8,439                                                              | (7,390) (-88%)         | 27,991                             | 12,981                             | 15,010 (>100%)         |
| Profit/(loss) before interest and tax                 | 76,897                                          | (112,412)                                                          | 189,309 (>100%)        | 277,013                            | (69,209)                           | 346,222 (>100%)        |
| Finance costs                                         | (36,593)                                        | (35,330)                                                           | (1,263) (-4%)          | (143,470)                          | (144,712)                          | 1,242 (1%)             |
| Profit/(loss) before tax                              | 40,304                                          | (147,742)                                                          | 188,046 (>100%)        | 133,543                            | (213,921)                          | 347,464 (>100%)        |
| Income tax                                            | (19,757)                                        | (4,709)                                                            | (15,048) (>-100%)      | (51,479)                           | 1,796                              | (53,275) (>-100%)      |
| Profit/(loss) for the period/year                     | 20,547                                          | (152,451)                                                          | 172,998 (>100%)        | 82,064                             | (212,125)                          | 294,189 (>100%)        |
| Non-controlling interests                             | (83)                                            | 1,471                                                              | (1,554) (>-100%)       | (1,525)                            | (922)                              | (603) (-65%)           |
| Profit/(loss) attributable to<br>Owners of the Parent | 20,464                                          | (150,980)                                                          | 171,444 (>100%)        | 80,539                             | (213,047)                          | 293,586 (>100%)        |

The Group's revenue for the current quarter was lower by 28% as compared to the corresponding quarter in 2021. The fourth quarter of 2021 recorded a revenue contributed by the sale of industrial plots in phase 3 SiLC amounting to RM192 million as compared to the current quarter of RM42 million. The revenue contribution in the current quarter was mainly supported by local projects that are advanced in their development progress, namely Residensi Solaris Parq, Residensi AVA, Residensi Allevia and Residensi Astrea in the Central region. In the Southern region, the main revenue contributors were Senadi Hills, Estuari Gardens and Aspira ParkHomes.

The Group's gross profit margin was higher in the current quarter at 34% compared to the prior year's corresponding quarter of 3% due to inventories impairment and fair value adjustment on SiLC land receivables totalling RM48 million which was charged in the fourth quarter of 2021. The Group's operating profit margins in the current quarter improved substantially at 22% compared to prior year's corresponding quarter of -26%. This is due to minimal provision of impairment for assets and inventories, in the year's current quarter as compared to the prior year's corresponding quarter. The Group also recorded project cost savings in the current quarter. The above results, improved the operating profit margin in the current quarter. Consequently, the Group recorded a profit after tax and non-controlling interest of RM20 million in the current quarter compared to a loss after tax and non-controlling interest of RM151 million in the prior year's corresponding quarter.

The Group's total revenue for the full year in 2022 is RM1,474 million, which was an increase of 24% compared to the same period in 2021 where the total revenue was RM1,184 million. 72% of the current total revenue is contributed by property development activities, 21% from land sales and/or assets divestment, while the remaining 7% is from property investments and others. Excluding land sales and/or assets divestment, the Group's revenue is still higher than the prior year's total revenue, reflecting the Group's progressive construction progress and billings in the current year. In the Central region, the property development revenue was mainly from Residensi Solaris Parq, Serene Heights and Residensi AVA. In the Southern region, main contributors were Senadi Hills, Aspira ParkHomes and Estuari Gardens. The sales take-up for these developments are more than 90% to-date. Higher settlement from the Group's Australian projects amounting to RM58 million also contributed to the higher property development revenue.

The higher operating profits recorded for the year was in tandem with the higher revenue, compared to prior year. This was also attributable to a lower operating expense as compared to prior year due to minimal provision of impairment for assets and inventories, bad debts recovery as well as project cost savings recognised in current year. The Group also recorded higher other income which saw an improvement of 58% compared to prior year. The Group recorded a profit after tax and non-controlling interest of RM81 million as compared to a loss after tax and non-controlling interest of RM213 million in prior year. This was a result of the higher operating profits and favourable share of results from joint ventures and associates, mainly by Horizon Hills and Nusajaya Tech Park, both in Iskandar Puteri and Forest Heights in Seremban, Negeri Sembilan, among others.



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#### 21. Earning/(loss) per share

|                                                                        | Current year<br>quarter<br>31/12/2022<br>RM'000 | Preceding year<br>corresponding<br>quarter<br>31/12/2021<br>RM'000 | Year Ended<br>31/12/2022<br>RM'000 | Year Ended<br>31/12/2021<br>RM'000 |
|------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------|------------------------------------|------------------------------------|
| Profit/(loss) for the period/year attributable to Owners of the Parent | 20,464                                          | (150,980)                                                          | 80,539                             | (213,047)                          |
| Weighted average number of ordinary shares in issue ('000)             | 5,058,476                                       | 5,058,476                                                          | 5,058,476                          | 5,058,476                          |
| Earning/(loss) per share                                               | 0.40 sen                                        | (2.98) sen                                                         | 1.59 sen                           | (4.21) sen                         |

#### 22. Prospects for the next financial year

The Malaysian economy registered a growth of 7.0% in the fourth quarter of 2022 (3Q: 14.2%) as support from the stimulus measures and low base effect waned. At 7.0%, the fourth quarter growth was still above the long-term average of 5.1%. For 2022, the economy expanded by 8.7% (2021: 3.1%). For 2023, the Malaysian economy is expected to grow more moderately. Growth will be driven by domestic demand, supported by the continued recovery in the labour market and realisation of multi-year investment projects<sup>1</sup>. The property market is expected to be more positive in 2023 following the increasing transactions last year compared to the pandemic years. Recent positive developments, which include the central bank's postponement of the interest rate hike, the ease in approval time and requirements of foreign labour and China's borders reopening are also contributing to the improvements in the overall market sentiment and consumer spending<sup>2</sup>.

This year's focus of the residential property market will continue to be landed residences, affordably priced high-rise apartments in strategic locations and niche high-end products in good locations<sup>2</sup>. This is consistent with our scheme and targets for 2023 since we plan to reinforce pipelines, improve sales, and adopt structural improvements to achieve operational excellence. These initiatives are to follow through to the following year and create a sustainable performance momentum in the mid to long-term.

The Group has performed well for the financial year ended 2022, and this momentum is expected to spill over and support our performance in 2023. Our ongoing projects continue to be progressing positively, with construction progress picking up pace contributing to the increase in revenue. We plan to have new products in the market and will launch a total GDV of RM2.5 billion in 2023.

In the Central region, the imminent plan is the launch of THE MINH in Mont'Kiara, followed by THE CONNAUGHT ONE in Taman Connaught, Cheras. THE MINH is a residential development featuring two blocks of 496 units. It is a 'CLUB Edition by UEM Sunrise' product, branded as resort-inspired lifestyle homes with a sense of prestige. THE CONNAUGHT ONE is a transit-oriented development due to its proximity to the Taman Connaught MRT Station of the MRT Kajang Line. It features residential and retail components totalling 1,334 units under the 'RISE Series by UEM Sunrise'; branded as flexible homes designed to change and fit one's personality and lifestyle. Thereafter, we plan to launch a new high-rise development code named KMP7 in Kiara Bay, and double-storey terrace homes and shop offices in Serene Heights. In the Southern region, new phases from Senadi Hills, Aspira LakeHomes and a new development code named Res 7 in Gerbang Nusajaya will also feature double-storey terrace homes while in Collingwood, Melbourne, plans for the estimated AUD250 million development are currently being finalised with a target to launch this year. On the back of these planned launches, we are aiming for a sales target of RM1.5 billion for 2023.



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**22. Prospects for the next financial year (cont'd)**

Our performance this year will also be supported by land sale transactions entered into the previous years. This includes the sale of the remaining lands we own in Tapah, Perak of 1,777 acres for a total consideration of RM75.5 million and the sale of 67.7 acres in Gerbang Nusajaya, Iskandar Puteri (part of the lands sold to Nusajaya Tech Park Sdn Bhd) 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. We remain committed in our efforts to divest non-strategic lands and/or non-core assets in line with our portfolio rebalancing strategy.

We are progressing with our 3-step transformation plan; Triage, Stabilise & Sustain. This includes the successful reduction of our completed inventories by 49%, which now stands at RM203 million compared to 31 December 2021, improvement in our operating cashflow, higher property development activities and launches of close to RM520 million properties. This, together with the divestment of several pocket lands and the termination of non-essential commitment, had helped facilitate the Group's return to profitability in 2022. Under Triage too, we started the journey of operationalising ESG into our business and operations, embedding it in our design framework, and collaborated with PETRONAS' subsidiaries to kickstart building a low carbon future by 2030. We improved the score for FTSE4Good to 3.5 (from 3.4 in June 2022), maintained an ESG grading band of 4 and received the MSWG: ASEAN Corporate Governance Award 2021 (Property) as well as The Edge Malaysia ESG Awards 2022 for the Property & REIT category (Silver).

Continuing Triage into 2023, a steady pipeline and a healthy product mix are critical contributors to the Group's revenue. We will continue to strengthen our core business and make every effort to ensure that our launch plans are intact as per our target this year. We are mindful of the prevailing headwinds within the industry and will mitigate this by instilling operational excellence in our processes and systems. Together with the monetisation of our inventories, non-strategic lands and/or non-core assets, we target to have a healthier balance sheet moving forward. Collectively, these efforts are expected to pave the way for the Group to be prepared for the Stabilise phase targeted to commence this year, which will focus on growth in other market segments, including industrial real estate and potentially further international expansion.

We remain steadfast in embracing sustainability in our business and operations, following through with the initiatives undertaken last year, aligned with the UEM Sunrise Sustainability Blueprint 1.0. We have identified the relevant ESG metrics as key performance indicator targets and continue holding a series of engagements to raise internal stakeholders' awareness of sustainability and ESG.

We are optimistic of the Group's performance in 2023, given its sound financial position with gross and net gearings of 0.64x and 0.48x, respectively and cash balances of RM1.02 billion as at 31 December 2022. Unbilled sales of RM1.80 billion will be substantially recognised over the next 18 to 36 months depending on the projects' construction progress.

**Note:**

<sup>1</sup> *BNM Quarterly Bulletin, Vol. 37, No. 4 issued on 10 February 2023.*

<sup>2</sup> *Henry Butcher Malaysia in its article in New Straits Times, 10 January 2023.*

<sup>3</sup> *Climate Value-at-Risk; forward-looking and return-based valuation assessment to measure climate related risks and opportunities in an investment portfolio.*

<sup>4</sup> *ESG – Environmental, Social and Governance, MSWG – Minority Shareholders' Watch Group.*



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### **23. Profit forecast**

The Group did not issue any profit forecast or profit guarantee in respect of current year.

**Kuala Lumpur**  
**23 February 2023**

**By Order of the Board**

**LIEW IRENE (SSM PC No.201908001893) (MAICSA 7022609)**  
**WONG LEE LOO (SSM PC No.201908001993) (MAICSA 7001219)**  
Joint Company Secretaries