



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

THE FIGURES HAVE NOT BEEN AUDITED

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter (Note 1) 31/12/2023 RM'000	Preceding year corresponding quarter (Note 1) 31/12/2022 RM'000	Year Ended (Note 1) 31/12/2023 RM'000	Year Ended (Note 1) 31/12/2022 RM'000
1. (a) Revenue		421,973	336,218	1,339,060	1,473,428
(b) Cost of sales		(251,786)	(212,879)	(865,351)	(1,042,246)
(c) Gross profit		170,187	123,339	473,709	431,182
(d) Other income		21,802	11,881	72,911	59,179
(e) Expenses		(94,527)	(66,763)	(274,389)	(247,286)
(f) Finance costs		(40,073)	(36,593)	(157,135)	(143,470)
(g) Foreign exchange (loss)/gain		(937)	7,393	3,272	5,947
(h) Share of net results of associates		(273)	(669)	1,735	4,043
(i) Share of net results of joint ventures		(3,068)	505	20,389	23,948
(j) Profit before income tax and zakat from continuing operations		53,111	39,093	140,492	133,543
(k) Loss before income tax and zakat from discontinued operations		(130)	1,212	(1,547)	-
(l) Profit before income tax and zakat		52,981	40,305	138,945	133,543
(j) Profit before income tax and zakat from continuing operations		53,111	39,093	140,492	133,543
(m) Income tax and zakat	14	(21,676)	(19,757)	(53,043)	(51,479)
(n) Profit for the period/year from continuing operations		31,435	19,336	87,449	82,064
(o) Loss from discontinued operations		(130)	1,212	(1,547)	-
(p) Profit for the period/year		31,305	20,548	85,902	82,064

Note 1: Included discontinued operations with regard to Roc-Union Group. Refer the details in Note 11(iii).

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this quarterly announcement.



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I(A). CONDENSED CONSOLIDATED INCOME STATEMENT (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Preceding year		
	Current year	corresponding	Year Ended	Year Ended
	quarter	quarter	(Note 1)	(Note 1)
Note	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Attributable to:				
1. (q) Owners of the parent				
Profit for the period/year from continuing operations	27,443	19,490	76,971	80,539
(Loss)/profit for the period/year from discontinued operations	(105)	974	(1,244)	-
Profit for the period/year attributable to owners of the parent	27,338	20,464	75,727	80,539
(r) Non-controlling interests				
Profit/(loss) for the period/year from continuing operations	3,992	(154)	10,478	1,525
(Loss)/profit for the period/year from discontinued operations	(25)	238	(303)	-
Profit for the period/year attributable to non-controlling interests	3,967	84	10,175	1,525
Profit for the period/year	31,305	20,548	85,902	82,064
2. Earning/(loss) per share based on				
1(q) above	21			
- Continuing operations	0.54 sen	0.39 sen	1.52 sen	1.59 sen
- Discontinued operations	(0.00)sen	0.02 sen	(0.02)sen	0.00 sen
	0.54 sen	0.41 sen	1.50 sen	1.59 sen

Note 1: Included discontinued operations with regard to Roc-Union Group. Refer the details in Note 11(iii).

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I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter (Note 1) 31/12/2023 RM'000	Preceding year corresponding quarter (Note 1) 31/12/2022 RM'000	Year Ended (Note 1) 31/12/2023 RM'000	Year Ended (Note 1) 31/12/2022 RM'000
Profit for the period/year	31,305	20,548	85,902	82,064
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation differences for foreign operations	23,506	(13,783)	16,812	(4,447)
Total other comprehensive income/(expense) for the period/year, net of tax	23,506	(13,783)	16,812	(4,447)
Total comprehensive income for the period/year	54,811	6,765	102,714	77,617
Attributable to:				
Owners of the parent	50,847	14,565	92,521	76,081
Non-controlling interests	3,964	(7,800)	10,193	1,536
Total comprehensive income for the period/year	54,811	6,765	102,714	77,617

Note 1: Included discontinued operations with regard to Roc-Union Group. Refer the details in Note 11(iii).

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022 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	Year Ended	Year Ended
Note	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Profit before income tax from continuing operations is arrived at after charging/ (crediting):				
Finance costs	40,073	36,593	157,135	143,470
Depreciation	12,738	12,006	51,292	52,383
Interest income	(17,316)	(13,754)	(48,297)	(29,267)
Loss/(gain) on foreign exchange:				
- unrealised	1,187	(8,029)	(2,628)	(6,483)
- realised	(250)	636	(644)	536
Dividend income from investment at fair value through profit or loss	(1,204)	(44)	(4,120)	(268)
Net allowance for doubtful debts	9,113	(1,884)	9,406	(1,207)
Impairment of:				
- investment property	-	2,343	-	2,343
- inventories - property development costs	645	-	645	-
- property, plant and equipment	1,300	-	1,300	-
Reversal for impairment of:				
- investment property	(6,581)	-	(6,581)	-
- property, plant and equipment	(2,223)	(2,050)	(2,223)	(2,050)
Loss on disposal of subsidiaries (a)	-	-	-	479
Gain on partial disposal of a joint venture 11(iv)	(28)	-	(28)	-

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	Audited
	As at current	As at preceding
	financial year end	financial year end
	31/12/2023	31/12/2022
	RM'000	RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	410,045	407,260
Investment properties	744,649	780,014
Right-of-use assets	17,723	21,831
Inventories - land held for property development	5,164,461	5,158,456
Interests in associates	839,984	844,980
Interests in joint ventures	879,744	891,191
Amounts due from joint ventures	148,334	156,982
Goodwill	621,409	621,409
Deferred tax assets	268,424	283,003
Long term receivables	248,578	360,295
	9,343,351	9,525,421
2. Current assets		
Inventories - property development costs	888,438	869,135
Contract cost assets	147,017	109,567
Inventories - completed properties and others	127,417	203,005
Inventories - land held for sales/assets under contract of sale	130,266	102,096
Receivables	632,514	672,969
Contract assets	329,890	374,672
Amounts due from associates	610	612
Amounts due from joint ventures	244,421	103,473
Short term investments	90,560	45,005
Cash, bank balances and deposits	1,001,572	1,025,551
	3,592,705	3,506,085
Assets classified as held for sale (a)	54,000	22,397
Total assets	12,990,056	13,053,903



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

	Note	Unaudited As at current financial year end 31/12/2023 RM'000	Audited As at preceding financial year end 31/12/2022 RM'000
EQUITY AND LIABILITIES			
3. Equity attributable to owners of the parent			
Share capital		4,960,276	4,960,276
Reserves			
Merger relief reserve		34,330	34,330
Other reserves		95,134	78,340
Retained profits		1,746,690	1,696,255
		<u>6,836,430</u>	<u>6,769,201</u>
4. Non-controlling interests		114,660	104,467
Total equity		<u>6,951,090</u>	<u>6,873,668</u>
5. Non-current liabilities			
Borrowings	16	3,164,259	2,360,637
Lease liabilities		14,608	18,414
Payables		7,152	45,976
Contract liabilities		207,388	239,678
Deferred income		243,652	162,839
Provisions		29,263	68,317
Deferred tax liabilities		120,028	163,395
		<u>3,786,350</u>	<u>3,059,256</u>
6. Current liabilities			
Provisions		145,013	104,003
Payables		965,915	937,938
Contract liabilities		67,197	105,041
Borrowings	16	1,015,672	1,954,611
Lease liabilities		3,970	3,617
Tax payable		54,849	15,769
		<u>2,252,616</u>	<u>3,120,979</u>
Total liabilities		<u>6,038,966</u>	<u>6,180,235</u>
Total equity and liabilities		<u>12,990,056</u>	<u>13,053,903</u>
7. Net assets per share attributable to owners of the parent		<u>RM 1.35</u>	<u>RM 1.34</u>

(a) Included discontinued operations with regard to Roc-Union Group. Refer the details in Note 11(iii).

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this quarterly announcement.



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited Year Ended 31/12/2023 RM'000	Audited Year Ended 31/12/2022 RM'000
Operating activities			
Cash receipts from customers		1,475,508	1,393,124
Cash receipts from related parties		75,246	53,326
Cash payments to contractors		(891,021)	(637,338)
Cash payments for land and development related costs		(10,007)	(135,744)
Cash payments to related parties		(5,407)	(39,408)
Cash payments to employees and for expenses		(239,812)	(243,048)
Cash generated from operations		404,507	390,912
Net income tax paid		(67,734)	(27,437)
Zakat paid		(1,530)	-
Interest received		25,401	19,430
Net cash generated from operating activities		360,644	382,905
Investing activities			
Dividend received from joint ventures		36,000	31,000
Proceeds from disposal of property, plant and equipment		-	23
Net proceeds from disposal of subsidiary		-	356
Net proceeds from partial disposal of a joint ventures	11(iv)	8,655	-
Purchase of property, plant and equipment		(645)	(2,021)
Purchase of investment properties		(9,551)	(22,214)
Net repayment from joint ventures		11,250	5,000
Redemption of Redeemable Non-convertible Non-cumulative Preference Shares from an associate		-	6,400
Investment in a joint venture		(1,725)	(900)
Investment in land held for property development		(33,742)	(80,892)
Net redemption in short term investments		(15,977)	(65,276)
Net cash used in investing activities		(5,735)	(128,524)



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

	Note	Unaudited Year Ended 31/12/2023 RM'000	Audited Year Ended 31/12/2022 RM'000
Financing activities			
Drawdown of borrowings		921,308	1,502,019
Drawdown of Islamic Medium Term Notes and Islamic Commercial Papers		1,695,000	675,000
Repayment of borrowings		(1,265,334)	(1,609,972)
Repayment of Islamic Medium Term Notes		(1,474,542)	(460,000)
Repayment of lease liabilities		(4,566)	(22,825)
Dividend paid		(25,292)	-
Interest paid		(213,259)	(185,940)
Net cash used in financing activities		(366,685)	(101,718)
Effects of exchange rate changes		15,377	(5,099)
Net increase in cash and cash equivalents		3,601	147,564
Cash and cash equivalents as at beginning of year		995,768	848,204
Cash and cash equivalents as at end of year	(a)	999,369	995,768

Unaudited Year Ended 31/12/2023 RM'000	Audited Year Ended 31/12/2022 RM'000
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(a) Cash and cash equivalents comprise of the following amounts:

Cash, bank balances and deposits			
Unrestricted		577,423	683,628
Restricted		424,149	341,923
		1,001,572	1,025,551
Bank overdrafts (included in short term borrowings)	16	(2,203)	(4,370)
Deposit in bank balance with tenures of more than 3 months		-	(25,413)
Cash and cash equivalents		999,369	995,768

There is no cash and cash equivalents and its comparative from discontinued operations with regard to Roc-Union Group. Refer the details in Note 11(iii).

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022 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 →						Total Equity
	← Non-distributable →			Distributable			
	Share Capital	Merger Relief Reserve	Other Reserves Note 1	Retained Profits Note 1	Total	Non-controlling Interests Note 1	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial year ended 31 December 2023							
(Unaudited)							
At 1 January 2023	4,960,276	34,330	78,340	1,696,255	6,769,201	104,467	6,873,668
Total comprehensive income for the year	-	-	16,794	75,727	92,521	10,193	102,714
Dividend paid (Note 7)	-	-	-	(25,292)	(25,292)	-	(25,292)
At 31 December 2023	<u>4,960,276</u>	<u>34,330</u>	<u>95,134</u>	<u>1,746,690</u>	<u>6,836,430</u>	<u>114,660</u>	<u>6,951,090</u>
Financial year ended 31 December 2022							
(Audited)							
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>

Note 1: Included discontinued operations with regard to Roc-Union Group. Refer the details in Note 11(iii).

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 2022 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 year ended 31 December 2022, 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 year ended 31 December 2022 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 2023:

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9: Comparative information

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities

arising from a Single Transaction

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities

as Current or Non-current

Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2:

Disclosure of Accounting Policies

Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors:

Definition of Accounting Estimates

Amendments to MFRS 112: International Tax Reform-Pillar Two Model Rules

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:

	Effective for the financial periods beginning on or
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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 2022 financial statements

The audit report on the Group's financial statements for the year ended 31 December 2022 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 years that have a material effect in the current year except for the estimates related to construction cost resulting in project cost savings of 9.0% (2022: 7.2%) 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 year ended 31 December 2023 except for the issuance of Islamic Medium Term Notes ("IMTN") and Islamic Commercial

Date	Transaction	Amount (RM'Million)	Tenure	Rate (per annum)
30 January 2023	Issuance	255	3 years	5.45%
7 March 2023	Issuance	165	3 years	5.39%
7 April 2023	Issuance	70	3 years	5.34%
12 April 2023	Repayment	(100)	1 year	3.55%
14 April 2023	Issuance	160	1 year	5.05%
14 April 2023	Issuance	80	2 years	5.25%
14 April 2023	Issuance	100	5 years	5.44%
19 April 2023	Issuance	115	1 year	5.00%
19 May 2023	Repayment	(500)	7 years	5.00%
9 June 2023	Repayment	(270)	3 years	4.00%
12 June 2023	Repayment	(150)	3 years	4.00%
19 June 2023	Issuance	120	3 years	5.30%
20 June 2023	Issuance	280	4 years	5.45%
21 September 2023	Repayment	(350)	3 years	3.90%
29 September 2023	Issuance	200	5 years	4.87%
29 September 2023	Issuance	150	7 years	5.09%
31 October 2023	Repayment	(105)	5 years	4.98%

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 0.75 sen per share (2022: 0.5 sen) in respect of year ended 31 December 2023 amounting to RM38 million (2022: RM25.3 million). The proposed dividend will be paid on 24 May 2024 to shareholders registered at the close of business on 30 April 2024.

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

- i. Shares transferred into the depositors' securities account before 4.30pm on 30 April 2024 in respect of transfers; and
- ii. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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.

9. Material events subsequent to the end of the current year

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 2023 to the date of this announcement which would substantially affect the financial results of the Group for the year ended 31 December 2023 that have not been reflected in the condensed interim financial statements.

10. Operating segments

Operating segments information for the year ended 31 December 2023 is as follows:

	Property development		Property investment and hotel operation	Others	Eliminations	Consolidated
	In Malaysia	Outside Malaysia				
	RM'000	Note 1 RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	1,215,552	7,658	100,682	15,168	-	1,339,060
Inter-segment revenue	-	-	258	122,862	(123,120)	-
Total revenue	1,215,552	7,658	100,940	138,030	(123,120)	1,339,060
Results						
Segment results	299,064	(2,269)	21,764	(30,841)	(12,215)	275,503
Finance costs	(95,106)	(46)	(41,885)	(32,313)	12,215	(157,135)
Share of results of associates	1,735	(1,547)	-	-	-	188
Share of results of joint ventures	24,185	-	(3,796)	-	-	20,389
Profit/(loss) before income tax	229,878	(3,862)	(23,917)	(63,154)	-	138,945
Income tax (expense)/credit	(49,766)	(23)	4	(3,258)	-	(53,043)
Profit/(loss) for the year	180,112	(3,885)	(23,913)	(66,412)	-	85,902
Attributable to:						
Owners of the parent	169,631	(3,885)	(23,913)	(66,106)	-	75,727
Non-controlling interests	10,481	-	-	(306)	-	10,175
Profit/(loss) for the year	180,112	(3,885)	(23,913)	(66,412)	-	85,902
Assets						
Segment assets	10,121,084	602,318	936,262	478,885	(990,167)	11,148,382
Interests in:						
- associates	842,786	(2,804)	-	2	-	839,984
- joint ventures	809,449	-	70,295	-	-	879,744
Tax recoverable	118,835	-	330	2,781	-	121,946
Total assets	11,892,154	599,514	1,006,887	481,668	(990,167)	12,990,056
Liabilities						
Segment liabilities	5,000,253	7,706	850,534	1,115,791	(990,167)	5,984,117
Tax payable	54,266	583	-	-	-	54,849
Total liabilities	5,054,519	8,289	850,534	1,115,791	(990,167)	6,038,966

Note 1: Included discontinued operations with regard to Roc-Union Group. Refer the details in Note 11(iii).



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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 year ended 31 December 2022 except as disclosed below:

- (i) On 27 March 2023, UEM Sunrise (Subiaco East) Pty Ltd was incorporated and registered in Victoria, Australia as wholly-owned subsidiary of UEM Sunrise (Land) Pty Ltd, which in turn are indirect wholly-owned subsidiary of the Company with paid-up share capital of AUD2.00 divided into 2 Ordinary Shares.
- (ii) On 27 March 2023, UEM Sunrise (Subiaco East) Unit Trust was established with UEM Sunrise (Subiaco East) Pty Ltd as the trustee of the unit holder, UEM Sunrise (Land) Pty Ltd, both indirect wholly-owned subsidiaries of the Company, with paid-up share capital of AUD10.00 divided into 10 Ordinary Units and governed by the law in force in the State of Victoria, Australia.
- (iii) On 25 August 2023, 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 a Sale of Shares and Claims Agreement ("SSCA") with Azishe Properties Proprietary Limited ("APPL") 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 118.4 million (equivalent to approximately RM29.5 million). The SSCA is still pending for completion.
- (iv) On 20 September 2023, UEM Sunrise (Subiaco East Development) Pty Ltd was incorporated and registered in Victoria, Australia as wholly-owned subsidiary of UEM Sunrise (Developments) Pty Ltd, which in turn are indirect wholly-owned subsidiary of the Company with paid-up share capital of AUD2.00 divided into 2 ordinary shares.
- (iv) On 20 October 2023, UEM Sunrise Berhad ("UEMS") entered into a Share Sale and Purchase Agreement with Iskandar Harta Holdings Sdn Bhd ("IHH") and Nusajaya Lifestyle Sdn Bhd ("NLSB") for the disposal of 600,000 ordinary shares and 13,276,667 redeemable preference shares representing 6% equity interest in NLSB, by UEMS to IHH for a total consideration of RM8.9 million. A Supplemental Shareholders' Agreement was entered into between UEMS, IHH and NLSB on 20 October 2023 to reflect the latest shareholding structure in NLSB and the terms of agreement whereby IHH became the majority shareholder of NLSB. Following the completion of the Share Sale and Purchase Agreement upon the payment of full settlement on 20 October 2023, NLSB remained as a joint venture company of UEMS.

(a) The impact to profit or loss arising from NLSB's shares partial disposal is as follows:

	RM'000
Proceeds from disposal	8,923
Carrying value of 6% interest in NLSB	(8,895)
Gain on partial disposal of NLSB's shares	28

(b) Details of the cash inflow arising from NLSB's shares partial disposal is as follows:

Proceeds from disposal	8,923
Less: Real property gain tax	(268)
	8,655



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12. Contingent liabilities

There are no changes in the contingent liabilities since the preceding year ended 31 December 2022 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 took place on 2 October 2023. Following this, the SCIT gave instructions for filing and written submissions. The SCIT also instructed parties to attend clarification on 12 January 2024. The SCIT has fixed the decision of the appeal on 15 March 2024.

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

- (b) On 3 May 2021, UEM Land Berhad ("UEM Land") and Symphony Hills Sdn Bhd ("Symphony Hills") received notices of additional assessment from the IRB dated 30 April 2021, for additional taxes with penalties amounting to RM82.2 million ("Notices"). The Notices issued to UEM Land raised for the amount of RM8.5 million was for the years of assessment from 2013 to 2015 in relation to the removal of Bumiputera quota and low cost requirements for selected developments in Iskandar Puteri, while the Notices issued to Symphony Hills raised for the amount of RM73.7 million was for the reversal of tax losses utilisation for the years of assessment from 2006 to 2017.

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

On 13 March 2023, High Court's dismissed UEM Land's leave application to commence judicial review on IRB's decision to charge UEM Land additional assessments. This indicates that the interim stay of the additional assessments for UEM Land is no longer applicable resulting in UEM Land having to pay the additional taxes and penalties within 30 days of the High Court's decision. UEM Land has filed a Notice of Appeal to the Court of Appeal ("COA") on 14 March 2023 and a Stay Application has been filed at the Court of Appeal on 23 March 2023. The first stay hearing before the COA was adjourned from 3 May 2023 in which the next case management date at COA has been fixed on 25 May 2023. The stay hearing before the COA has been fixed on 18 July 2023. On 18 July 2023, the COA dismissed UEM Land's Stay Application. However, the appeal is still pending before the COA and the next case management date before the COA is on 5 February 2024. The hearing before the Court of Appeal has been fixed on 21 May 2024. IRB has allowed for the payments to be made via instalments over the next 36 months until 15 March 2026.



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12. Contingent liabilities (cont'd)

(b) (cont'd)

On 28 March 2023, Symphony Hills' case management for the leave for judicial review application held which fixed the hearing date on 18 September 2023. Interim Stay of the Notices has been granted until the disposal of the leave application. The decision of the leave application has been fixed on 8 November 2023.

On 8 November 2023, the High Court dismissed Symphony Hill's leave application to commence judicial review. Symphony Hills has filed a Notice of Appeal to the Court of Appeal ("COA") on 22 November 2023 and a Stay Application has been filed at the High Court on 8 December 2023. The High Court granted an interim stay of the Notices pending the disposal of the Stay Application at the High Court. A case management before the Court of Appeal has been fixed on 30 May 2024 and the stay hearing before the High Court has been fixed on 27 June 2024.

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

13. Capital commitments

There are no material capital commitments in relation to the Group's capital expenditure in respect of purchase of property, plant and equipment and investment property except as disclosed below:

	RM'000
Approved and contracted for	34,020
Approved but not contracted for	46,675
Total	<u>80,695</u>



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14. Income tax and zakat

	Current year quarter 31/12/2023 RM'000	Preceding year corresponding quarter 31/12/2022 RM'000	Year Ended 31/12/2023 RM'000	Year Ended 31/12/2022 RM'000
Malaysian and foreign income tax				
- current tax	(47,583)	(24,656)	(82,595)	(61,065)
- (under)/overprovision in prior period/year	(4,006)	10,463	1,331	7,999
Deferred tax				
- relating to origination and reversal of temporary differences	30,147	6,452	25,783	1,615
- over/(under)provision in prior period/year	1,297	(12,016)	3,969	(28)
Income tax	<u>(20,145)</u>	<u>(19,757)</u>	<u>(51,512)</u>	<u>(51,479)</u>
Zakat	<u>(1,531)</u>	<u>-</u>	<u>(1,531)</u>	<u>-</u>
	<u>(21,676)</u>	<u>(19,757)</u>	<u>(53,043)</u>	<u>(51,479)</u>

The above is not included discontinued operations with regard to Roc-Union Group.

The effective tax rate (excluding share of results of associates and joint ventures) for current year and prior year's preceding period is higher than statutory tax rate mainly due to non-deductible expenses and unrecognised tax losses for certain loss-making entities.

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, 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 Pulai, Daerah Johor Bahru, Johor. The development of the residential enclave is currently ongoing.
- 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.



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

- c) 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 Pulai, 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. On 14 April 2023, the parties mutually agreed to extend the conditional period for Plot B SPA to 15 June 2023 where the eventual unconditional date for the Plot B SPA was 8 June 2023. On 28 June 2023 upon the full payment of the Plot B Price, the Plot B SPA was completed.

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. The Phase 2 Lands SPA became unconditional on 28 November 2023.

As of 20 February 2024, NRSB has collected first tranche payment, pending the remaining purchase balance as per agreement terms.

- 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.

On 13 December 2022, the parties agreed to extend the conditional period for the Bumiputera Release of the final plot i.e. PTD 206371, to 30 June 2023. However, since the Bumiputera release has yet to be secured, the parties agreed to further extend the conditional period to 30 August 2023. Further extend 6 months of the conditional period to 29 February 2024 as agreed by the parties since Bumiputera release has yet to be secured.

As of 20 February 2024, the Bumiputera release for the final Industrial Plot is still pending.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

- e) 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.

As of 20 February 2024, the SPA is pending completion.

- f) The SPA between Sunrise Innovations Sdn Bhd and Kwasa Properties Sdn Bhd, a wholly-owned subsidiary of the Employees Provident Fund Board for the acquisition of a parcel of freehold land at PT 67 held under H.S.(D) 175392 in Seksyen 40, Bandar Petaling Jaya, Selangor measuring approximately 9.05 acres for a purchase price of RM155.0 million on 6 June 2023. ("Proposed Acquisition).

A deposit of 10% of the total purchase price was paid on 6 June 2023, while the remaining 90% will be payable within 3 months from the SPA's unconditional date. The SPA became unconditional on 5 December 2023.

- g) The Contract of Sale ("Contract") with Evolution MIT Services Pty Ltd, a trustee for the GS Collingwood Property Trust I ("Evolution"), for the sale of 1.33 acres of land at 21-53 Hoddle Street, Collingwood Vic 3066 in Melbourne, Australia ("Property") for a purchase price of AUD45.1 million or RM143.3 million (based on the exchange rate published by Bank Negara Malaysia dated 20 June 2023 at 5.00pm where AUD1.00 was RM3.1505) ("Proposed Sale"), and the Fund Through Agreement ("FTA") with Evolution and UEM Sunrise (Collingwood) Pty Ltd to facilitate the development of the Property for a Build to Rent ("BTR") development where Evolution appoints UEM Sunrise (Collingwood Development) Pty Ltd ("UEMS Collingwood") to undertake the construction and development of the Property for a total payment of AUD232.2 million plus GST or RM731.5 million ("Total Payment") ("Proposed BTR Development").

The Proposed Sale and Proposed BTR Development are collectively referred to as the "Proposals". The total estimated transaction value for the Proposals is AUD277.3 million or RM873.7 million.

The Contract is expected to be completed upon the settlement of the purchase price tentatively in the first half of 2025. Construction works for the project is expected to commence in November 2024 with a target to complete separable portion 1 and 2 on 31 March 2027 and 30 June 2027, respectively.

As of 20 February 2024, the Contract is pending completion. As for the Proposed BTR Development, the parties are currently working on the relevant development plans.



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

- h) The 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 Azishe Properties Proprietary Limited ("Azishe") 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 118.4 million (equivalent to approximately RM29.5 million) ("Purchase Consideration") on 28 August 2023 ("Proposed Divestment").

10% or Rand 11.8 million (approximately RM2.9 million) of the consideration is paid by way of a non-refundable deposit to the attorneys on behalf of UEMSSA within 5 business days from the SSCA date. The balance 90% of Rand 106.6 million (approximately RM26.6 million) will be paid by way of bank guarantee within 60 business days from the SSCA date ("Guarantee Date").

On the closing date, which is 3 days from the Guarantee Date, UEMSSA will deliver the original share certificates, completed instrument of transfer of the SSCA, Board of Directors' resolutions approving the Proposed Divestment and written resignations of Roc-Union's Directors amongst others, to the Azishe on the closing date. The attorneys will release the Purchase Consideration to the UEMSSA on the next business day after it receives the full Purchase Consideration from the Azishe.

On 28 November 2023, the parties mutually agreed to extend the deadline for the payment of the balance purchase consideration to 15 February 2024. On 16 February 2024, the Purchaser has requested for a variation terms of the SSCA. The discussions between the parties are currently ongoing and further updates will be provided.

Upon the completion of the Proposed Divestment, UEMSSA and UEMSOC will cease operations in Durban, South Africa.

As of 20 February 2024, the settlement of the remaining 90% balance of the Proposed Divestment is still pending.

- i) The Sale and Purchase Agreement ("SPA") and Development Rights Agreement ("DRA") between Mega Legacy (M) Sdn Berhad ("MLSB") and Pembinaan Kery Sdn Bhd ("PKSB") dated 11 September 2023. The SPA is for the proposed sale of part of the land in Kiara Bay measuring 4.01 acres ("Land") for a total consideration of RM85.0 million ("Land Purchase Price") ("Proposed SPA"). The disposal is anticipated to be completed towards second half 2024.

The DRA is where PKSB gave irrevocable and exclusive rights to MLSB to develop the Land, market and sell the completed property units developed on the Land at a development rights of (a) RM93.5 million; or (b) the aggregate of Land Purchase Price plus PKSB's entitlement to the project profit, which is 20% of the project profit, whichever higher ("Proposed DRA").

The proposed SPA and Proposed DRA are collectively referred to as the New Proposals.

During the twelve months prior to this New Proposals, the Company has also dealt with the same party and/or persons connected with the party in the New Proposals on 19 May 2023. The SPA between Nusajaya Heights Sdn Bhd ("NHSB") and Sun Sakura Sdn Bhd measuring 66.1 acres for a total consideration of RM86.4 million ("Iskandar Land 1") and SPA between NHSB and Phoenix Legacy Sdn Bhd measuring 2.7 acres for a total consideration of RM2.1 million ("Iskandar Land 2"). Both lands located in Iskandar Puteri. Iskandar Land 1 and Iskandar Land 2 anticipated to be completed within 6 months and 9 months respectively upon fulfilled the conditions precedents from the SPA date.

As of 20 February 2024, the transactions are pending for completion.



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16. Borrowings and debt securities

	Long term borrowings			Short term borrowings		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
<u>As at 31 December 2023</u>						
Islamic Medium Term Notes	-	3,132,740	3,132,740	-	903,469	903,469
Term loan and Commodity Murabahah Finance	31,519	-	31,519	23,800	-	23,800
Revolving credits	-	-	-	70,000	16,200	86,200
Bank overdrafts	-	-	-	2,203	-	2,203
TOTAL	31,519	3,132,740	3,164,259	96,003	919,669	1,015,672

As at 31 December 2022

Islamic Commercial Papers	-	2,346,637	2,346,637	-	1,469,113	1,469,113
Term loan and Commodity Murabahah Finance	14,000	-	14,000	30,008	-	30,008
Revolving credits	-	-	-	277,120	124,000	401,120
Structured commodity	-	-	-	-	50,000	50,000
Bank overdrafts	-	-	-	4,370	-	4,370
TOTAL	14,000	2,346,637	2,360,637	311,498	1,643,113	1,954,611

During the year, the Group drew borrowings of RM2.6 billion including RM1.7 billion of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP"), RM767 million of revolving credits and RM154 million of term loans and structured commodity. The Group also repaid borrowings of RM2.7 billion comprising RM1.5 billion of IMTN and ICP, RM1.1 billion of revolving credits and RM145 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 year ended 31 December 2022, 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, High Court and COA on UEML's and High Court on SHSB'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 Impressive Circuit Sdn Bhd ("Impressive 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, Impressive Circuit, successfully added two other Defendants in the suit namely Menara Embun Sdn Bhd and Modern Eden Sdn Bhd.

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

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

The appeal was heard before the 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 Impressive Circuit to pay costs of RM50,000 to each set of solicitors in the appeal.

On 17 February 2023, Impressive Circuit filed an application to the Federal Court for leave to appeal against the Court of Appeal's decision. UEM Land is opposing Impressive Circuit's application. The Hearing for Impressive Circuit's Leave application is scheduled on 27 June 2023. The parties are currently in the process of filing the necessary cause papers and written submissions in the Federal Court.



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18. Material litigation (cont'd)

b) (cont'd)

On 20 June 2023, the Federal Court vacated the Hearing for Impressive Circuit's Leave application that was originally scheduled on 27 June 2023.

On 27 June 2023, the Federal Court re-scheduled the Hearing for Impressive Circuit's Leave application on 15 August 2023. Parties are in the process of filing additional written submissions in the Federal Court.

On 15 August 2023, the Federal Court has dismissed with cost Impressive Circuit Sdn Bhd's ("Impressive Circuit") application for leave to appeal against the decision of the Court of Appeal.

The Federal Court's decision brings these proceedings to an end as Impressive Circuit has no further avenue of appeal.

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.



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18. Material litigation (cont'd)

c) (cont'd)

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. Based on the file search conducted, Ireka's judicial management proceedings were discontinued on 9 January 2023 which put the judicial management of Ireka to an end. UEM Land's solicitors have notified the Tribunal that the judicial management of Ireka has ended and therefore the suspension of the arbitral proceedings shall be lifted. The Tribunal has directed for a procedural hearing to be held on 9 May 2023 to provide further directions.

The Tribunal has directed UEM Land to file the closing submission for its counterclaims by 9 July 2023. However, Ireka has been wound up on May 2023. The arbitration proceedings would have to be stayed and leave from the Court are required if UEM Land continue with the proceedings against Ireka as provided under Section 451(2) of the Companies Act 2016. The counterclaims will be time-barred if UEM Land discontinue the proceedings. UEM Land have instructed the solicitors to proceed to seek leave from the Court to continue the proceedings against Ireka.

UEM Land had filed the cause papers for the application for leave from court to continue with the arbitration proceedings on 31 October 2023. The registrar has fixed a hearing before the Judge on 4 March 2024 to hear UEM Land's leave application.



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Incorporated In Malaysia

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

	Current quarter 31/12/2023 RM'000	Immediate preceding quarter 30/09/2023 RM'000	Variance RM'000/(%)
Revenue	421,973	312,354	109,619 (35%)
Operating profit	96,525	42,424	54,101 (>100%)
Share of net results of JV and associates	(3,471)	9,731	(13,202) (-136%)
Profit before interest and tax	93,054	52,155	40,899 (78%)
Finance costs	(40,073)	(38,755)	(1,318) (-3%)
Profit before income tax	52,981	13,400	39,581 (>100%)
Income tax	(21,676)	(2,465)	(19,211) (>-100%)
Profit for the period	31,305	10,935	20,370 (>100%)
Non-controlling interests	(3,967)	(2,598)	(1,369) (-53%)
Profit attributable to owners of the parent	27,338	8,337	19,001 (>100%)

The Group recorded increase in revenue by 35% for the current quarter as compared to the immediate preceding quarter. Revenue from property development contributes 58% from the total revenue, followed by land sales of 35% and property investment of 7% for the current quarter.

Revenue from property development was largely supported by ongoing projects such as Residensi Allevia in Mont'Kiara and KAIA Heights in Seri Kembangan, as well as the completion of Residensi Astrea in Mont'Kiara in December 2023, for the Central region. Meanwhile, for the Southern region, contributions were mainly from ongoing project of Senadi Hills, Aspira ParkHomes and Aspira Gardens, all in Iskandar Puteri. The divestment of non-strategic land sales in Iskandar Puteri, Johor, to Nusajaya Tech Park Sdn Bhd contributed to the Group's revenue recognition of RM96 million. Additionally, revenue of RM16 million was recognised from petrol land sales in Pulai, Johor, and Klang, Selangor for the current quarter. In the immediate preceding quarter, the Group only recognised RM31 million in revenue from the sale of non-strategic land in Iskandar Puteri, Johor.

The Group recorded higher gross profit margin of 40% as compared to the immediate preceding quarter of 26% mainly due to higher land sale revenue in the current quarter. In line with higher gross profit margins, the Group registered higher operating profit margin of 23% compared to 14% in the immediate preceding quarter. Albeit with a lower contribution from share of results of joint ventures and associates, the Group recorded a higher profit after tax and non-controlling interest of RM27 million, compared to the immediate preceding quarter of RM8 million.



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20. Detailed analysis of the performance for the current quarter

	Current year	Preceding year	Variance	Year Ended	Year Ended	Variance
	quarter	corresponding		Year Ended	Year Ended	
	31/12/2023	31/12/2022	RM'000/(%)	31/12/2023	31/12/2022	RM'000/(%)
	RM'000	RM'000		RM'000	RM'000	
Revenue	421,973	336,218	85,755 (26%)	1,339,060	1,473,428	(134,368) (-9%)
Operating profit	96,525	75,850	20,675 (27%)	275,503	249,022	26,481 (11%)
Share of net results of						
JV and associates	(3,471)	1,048	(4,519) (-431%)	20,577	27,991	(7,414) (-26%)
Profit before interest and tax	93,054	76,898	16,156 (21%)	296,080	277,013	19,067 (7%)
Finance costs	(40,073)	(36,593)	(3,480) (-10%)	(157,135)	(143,470)	(13,665) (-10%)
Profit before tax	52,981	40,305	12,676 (31%)	138,945	133,543	5,402 (4%)
Income tax	(21,676)	(19,757)	(1,919) (-10%)	(53,043)	(51,479)	(1,564) (-3%)
Profit for the period/year	31,305	20,548	10,757 (52%)	85,902	82,064	3,838 (5%)
Non-controlling interests	(3,967)	(84)	(3,883) (>-100%)	(10,175)	(1,525)	(8,650) (>-100%)
Profit attributable to						
owners of the parent	27,338	20,464	6,874 (34%)	75,727	80,539	(4,812) (-6%)

Revenue for the current quarter increased by 26% as compared to preceding year's corresponding quarter was mainly due to contribution from ongoing and completed projects in Central and Southern region as listed in note 19 above. Additionally, the Group recorded land sales of RM150 million, mainly from divestment of non-strategic land in Iskandar Puteri, Johor to Nusajaya Tech Park Sdn Bhd and petrol land sales in the current quarter as compared to prior years' corresponding quarter of RM61 million.

The Group's gross profit margin was higher in the current quarter at 40% compared to the prior year's corresponding quarter of 34% due to higher margin contribution from non-strategic land sales. Notwithstanding with the increase in gross profit margin, the Group's operating profit margins remain intact at 23% for current quarter and prior year's corresponding quarter. This is mainly due to slight increase in operational expenditure from selling and distribution expenses due to promotional activities incurred for the new project launches. However, the Group still recorded a higher profit after tax and non-controlling interests of RM27 million in the current quarter, as compared to the prior year's corresponding quarter of RM20 million.

For the full year in 2023, the Group recorded a lower revenue by 9% as compared to the prior year. This was mainly due to higher revenue contribution from property development in prior year contributed from completion of Residensi Solaris Parq in Mont'Kiara and higher settlements from Australia projects. In the current year, revenue recognition of property development revenue mainly contributed from ongoing projects such as Residensi AVA, Residensi Allevia and Serene Heights, with one completed project of Residensi Astrea in Central region. While, Aspira ParkHomes, Senadi Hills and Aspira Gardens are projects in Southern region that mainly contributed to the Group's revenue.

In the current year, the Group experienced a slight 1% increase in its operating profit margin compared to the prior year. However, despite this improvement, the Group's profit after tax and non-controlling interest decreased to RM76 million from RM80 million in the prior year. This is partly due to lower recognition share of results from joint ventures and associates due to impairment recorded in Haute Property Sdn Bhd.

The Group's sales performance for 2023 showed a significant improvement, reaching RM2,138 million compared to the prior year's RM722 million. The notable increase in sales was primarily driven by the international region, with the Collingwood project contributing RM874 million. On the local front, newly launched projects in the Central region, such as The MINH in Mont'Kiara, The Connaught One in Taman Connaught, Kuala Lumpur, and Residensi ZIG in Kiara Bay, collectively contributed approximately RM640 million. In the Southern region, the Senadi Hills project contributed RM65 million to the Group's total sales.



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21. Earning/(loss) per share

	Current year quarter 31/12/2023 RM'000	Preceding year corresponding quarter 31/12/2022 RM'000	Year Ended 31/12/2023 RM'000	Year Ended 31/12/2022 RM'000
Profit for the period/year attributable to owners of the parent from:				
-Continuing operations	27,443	19,490	76,971	80,539
-Discontinuing operations	(105)	974	(1,244)	-
	<u>27,338</u>	<u>20,464</u>	<u>75,727</u>	<u>80,539</u>
Weighted average number of ordinary shares in issue ('000)	<u>5,058,476</u>	<u>5,058,476</u>	<u>5,058,476</u>	<u>5,058,476</u>
Earning/(loss) per share				
-Continuing operations	0.54 sen	0.39 sen	1.52 sen	1.59 sen
-Discontinuing operations	(0.00) sen	0.02 sen	(0.02) sen	0.00 sen
	<u>0.54 sen</u>	<u>0.41 sen</u>	<u>1.50 sen</u>	<u>1.59 sen</u>

22. Prospects for the next year

Global inflation is projected to diminish steadily, from 6.9% in 2023 to 5.8% this year, predominantly due to tighter monetary policy aided by lower international commodity prices¹.

In contrast, the local economy grew by 3% in the fourth quarter of 2023 (3Q: 3.3%) and 3.7% for the full year of 2023², slightly below the government's forecast of a 4% expansion³. This marks a notable decline from 8.7% achieved in 2022². Moving forward, Malaysia's economic growth is projected to pick up slightly to 4.3%, supported by resilient private consumption and investment, along with a rebound in public spending³. Inflation is projected to moderate further ranging from 2.1% to 3.6% in 2024, though the inflation outlook remains uncertain².

A survey by The Real Estate and Housing Developers' Association (REHDA) observed that new launches and sales performance have improved in 2023. This positive trend is anticipated to continue in first half of 2024, despite potential challenges arising from factors such as elevated interest rates, consumer preference for renting, increased material price and higher cost of living. The focus of the residential property market in 2024 will continue to be on landed residences, affordably priced high-rise apartments in strategic locations, smaller built-ups which are attainable, and niche high-end products in prime locations⁴.

In line with this, the Company has recorded a total launched GDV of RM3.6 billion and sales of RM2.1 billion in 2023, notably from projects such as The MINH in Mont'Kiara, The Connaught One in Cheras, Residensi ZIG in Kiara Bay, Intrika in Serene Heights, Senadi Hills in Iskandar Puteri and the Build-to-Rent scheme with Greystar in Collingwood, Australia.

For 2024, we plan to launch a total GDV of RM0.8 billion. Leveraging on the proposed Johor-Singapore Special Economic Zone (JS-SEZ) in Iskandar Malaysia, our target launch pipeline focuses on the Southern region with projects such as Aspira Hills Phase 1 in Gerbang Nusajaya with an expected GDV of RM266 million, DiReka Square, Laman DiReka with an expected GDV of RM165 million, Estuari ParkHomes Phase 2C-1 with an expected GDV of RM123 million and Estuari Greens Phase 1B-1 with an expected GDV of RM65 million; all in Iskandar Puteri. Whilst in the Central region, we plan to launch new phases in Symphony Hills and Serene Heights with a combined GDV of RM217 million. Through these planned launches for the current year, the Company aims for a sales target of RM1.0 billion for 2024.



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

Our performance this year will also be supported by divestment of non-strategic land and non-core assets, for which the key focus will be securing the necessary approvals for our previously announced land sales in Tapah, Perak as well as in Iskandar Puteri. The proposed divestment of our interest in Durban, South Africa is still ongoing and expected to complete by end 2024.

As part of the Company's financial and debt management initiatives and on the back of recent successful capital market issuances, we remain financially firm given our gross and net gearing of 0.61x and 0.45x, respectively, as of 31 December 2023. The gearing ratio reduced from 0.64x and 0.48x, respectively, in the last financial year. Our cash balances stand healthy at RM1.1 billion as of 31 December 2023, whilst unbilled sales of RM2.7 billion will be substantially recognised over the next 18 to 48 months.

The Company shall continue to focus on its three-phase strategic turnaround plan: **Triage**, **Stabilise** and **Sustain**. Following the successful completion of **Triage** in 2023, we have now moved into the first stage of **Stabilise** (2024 to 2025) with digitalisation and innovation being the key enablers for enhanced efficiency in our operations. **Sustain**, the third and final strategy goes beyond 2026, intended to diversify income streams and uphold our revenue.

Note:

1. IMF World Economic Outlook: Navigating Global Divergences Report, Oct 2023.
2. Bank Negara Malaysia's Economic and Financial Developments in Malaysia in 4Q 2023, Feb 2024.
3. IMF Staff Completes the 2024 Article IV Mission to Malaysia by the International Monetary Fund, Dec 2023.
4. Malaysia Property Outlook 2024 by Henry Butcher Malaysia.

23. Profit forecast

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

Kuala Lumpur
27 February 2024

By Order of the Board

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