



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

THE FIGURES HAVE NOT BEEN AUDITED

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year	Preceding year	Six	Six
		quarter 30/06/2024 RM'000	corresponding quarter 30/06/2023 RM'000	months to 30/06/2024 RM'000	months to 30/06/2023 RM'000
1. (a) Revenue		205,223	363,955	430,179	604,733
(b) Cost of sales		(132,748)	(249,320)	(287,373)	(383,982)
(c) Gross profit		72,475	114,635	142,806	220,751
(d) Other income		46,871	15,094	67,091	28,135
(e) Expenses		(64,602)	(60,885)	(123,267)	(116,584)
(f) Finance costs		(39,136)	(44,271)	(78,452)	(78,307)
(g) Foreign exchange gain		2,118	1,083	2,188	4,252
(h) Share of net results of associates		1,041	1,053	6,302	930
(i) Share of net results of joint ventures		7,857	18,916	16,040	14,635
(j) Profit before income tax					
from continuing operations		26,624	45,625	32,708	73,812
(k) Profit/(loss) before income tax					
from discontinued operations		(246)	(678)	4,073	(1,248)
(l) Profit before income tax		26,378	44,947	36,781	72,564
(j) Profit before income tax					
from continuing operations		26,624	45,625	32,708	73,812
(m) Income tax	14	(9,194)	(17,057)	(10,308)	(28,902)
(n) Profit for the period from					
continuing operations		17,430	28,568	22,400	44,910
(o) Profit/(loss) for the period from					
discontinuing operations		(246)	(678)	4,073	(1,248)
(p) Profit for the period		17,184	27,890	26,473	43,662



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Preceding year	Six	Six
	Current year	corresponding	months	months
	quarter	quarter	to	to
Note	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
Attributable to:				
1. (q) Owners of the parent				
Profit for the period from continuing operations	19,040	25,243	23,746	41,055
Profit/(loss) for the period from discontinued operations	(197)	(545)	3,275	(1,003)
Profit for the period attributable to owners of the parent	18,843	24,698	27,021	40,052
(r) Non-controlling interests				
Profit/(loss) for the period from continuing operations	(1,610)	3,325	(1,346)	3,855
Profit/(loss) for the period from discontinued operations	(49)	(133)	798	(245)
Profit/(loss) for the period attributable to non-controlling interests	(1,659)	3,192	(548)	3,610
Profit for the period	17,184	27,890	26,473	43,662
2. Earning/(loss) per share based on				
1(q) above	21			
- Continuing operations	0.38 sen	0.50 sen	0.47 sen	0.81 sen
- Discontinued operations	0.00 sen	(0.01) sen	0.06 sen	(0.02) sen
	0.38 sen	0.49 sen	0.53 sen	0.79 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 2023 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 quarter 30/06/2024 RM'000	Preceding year corresponding quarter 30/06/2023 RM'000	Six months to 30/06/2024 RM'000	Six months to 30/06/2023 RM'000
Profit for the period	17,184	27,890	26,473	43,662
Other comprehensive income/ (expense) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation differences for foreign operations	(461)	12,921	(461)	12,921
Total other comprehensive income/ (expense) for the period, net of tax	(461)	12,921	(461)	12,921
Total comprehensive income for the period	16,723	40,811	26,012	56,583
Attributable to:				
Owners of the parent	17,276	40,353	26,565	52,960
Non-controlling interests	(553)	458	(553)	3,623
Total comprehensive income for the period	16,723	40,811	26,012	56,583

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2023 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 quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
Profit before income tax from continuing operations is arrived at after charging/ (crediting):				
Finance costs	39,136	44,271	78,452	78,307
Depreciation	12,497	14,203	24,028	26,955
Interest income	(10,715)	(10,652)	(22,672)	(19,044)
(Gain)/loss on foreign exchange:				
- unrealised	(2,482)	(649)	(2,180)	(3,820)
- realised	364	(434)	(8)	(432)
Dividend income from investment at fair value through profit or loss	(113)	(1,408)	(1,245)	(1,374)
Net allowance for doubtful debts	10	524	10	831
Gain on disposal of an associate	11(iv) (31,698)	-	(31,698)	-

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.



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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at current financial year end 30/06/2024 RM'000	Audited As at preceding financial year end 31/12/2023 RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	407,800	410,045
Investment properties	733,753	744,649
Right-of-use assets	16,707	17,723
Inventories - land held for property development	5,323,727	5,224,711
Interests in associates	495,842	839,177
Interests in joint ventures	891,311	870,981
Amounts due from joint ventures	184,612	184,800
Goodwill	621,409	621,409
Deferred tax assets	289,830	268,424
Long term receivables	246,735	240,855
	9,211,726	9,422,774
2. Current assets		
Inventories - property development costs	751,433	710,753
Contract cost assets	226,729	221,894
Inventories - completed properties and others	110,385	127,417
Inventories - land held for sales/assets under contract of sale	104,054	154,227
Receivables	459,667	528,882
Tax recoverable	108,175	121,946
Contract assets	435,915	330,423
Amounts due from associates	391	610
Amounts due from joint ventures	160,847	212,915
Short term investments	10,006	90,560
Cash, bank balances and deposits	1,243,736	1,001,572
	3,611,338	3,501,199
Assets classified as held for sale	50,458	49,561
Total assets	12,873,522	12,973,534



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

		Unaudited As at current financial year end 30/06/2024 RM'000	Audited As at preceding financial year end 31/12/2023 RM'000
	Note		
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		96,219	96,675
Retained profits		1,735,772	1,746,690
		6,826,597	6,837,971
4. Non-controlling interests		114,107	114,660
Total equity		6,940,704	6,952,631
5. Non-current liabilities			
Borrowings	16	3,437,216	3,164,259
Lease liabilities		13,290	14,608
Payables		110,731	23,952
Contract liabilities		330,445	210,081
Deferred income		243,553	243,652
Provisions		10,135	9,310
Deferred tax liabilities		122,999	120,028
		4,268,369	3,785,890
6. Current liabilities			
Provisions		138,881	145,013
Payables		647,158	942,266
Contract liabilities		58,682	66,503
Borrowings	16	775,701	1,015,672
Lease liabilities		4,414	3,970
Tax payable		39,613	61,589
		1,664,449	2,235,013
Total liabilities		5,932,818	6,020,903
Total equity and liabilities		12,873,522	12,973,534
7. Net assets per share attributable to owners of the parent		RM 1.35	RM 1.35

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to this quarterly announcement.



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months to Note 30/06/2024 RM'000	Unaudited Six months to 30/06/2023 RM'000
Operating activities		
Cash receipts from customers	625,267	818,265
Cash receipts from related parties	58,123	4,510
Cash payments to contractors	(449,142)	(379,840)
Cash payments for land and development related costs	(218)	(8,608)
Cash payments to related parties	(221)	(3,333)
Cash payments to employees and for expenses	(135,123)	(119,232)
Cash generated from operations	98,686	311,762
Net income tax paid	(32,555)	(26,827)
Interest received	5,414	9,660
Net cash generated from operating activities	71,545	294,595
Investing activities		
Dividend received from joint ventures	-	1,000
Proceeds from disposal of investment properties	2,800	-
Proceeds from disposal of an associate	386,202	-
Purchase of property, plant and equipment	(3,961)	(1)
Purchase of investment properties	-	(1,951)
Redemption from a joint venture	-	5,425
Investment in a joint venture	(1,290)	-
Investment in land held for property development	(179,371)	(55,096)
Net investment of short term investments	53,611	71,830
Net cash generated from investing activities	257,991	21,207



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

	Note	Unaudited Six months to 30/06/2024 RM'000	Unaudited Six months to 30/06/2023 RM'000
Financing activities			
Drawdown of borrowings		575,586	522,077
Drawdown of Islamic Medium Term Notes and Islamic Commercial Papers		500,000	1,345,000
Repayment of borrowings		(243,143)	(498,230)
Repayment of Islamic Medium Term Notes and Islamic Commercial Papers		(805,000)	(1,020,000)
Repayment of lease liabilities		(2,546)	(1,855)
Dividend paid		(37,939)	(25,292)
Interest paid		(104,757)	(107,328)
Net cash (used in)/generated from financing activities		(117,799)	214,372
Effects of exchange rate changes		733	14,586
Net increase in cash and cash equivalents		212,470	544,760
Cash and cash equivalents as at beginning of period		763,314	995,768
Cash and cash equivalents as at end of period	(a)	975,784	1,540,528

	Unaudited Six months to 30/06/2024 RM'000	Unaudited Six months to 30/06/2023 RM'000
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(a) Cash and cash equivalents comprise of the following amounts:

Cash, bank balances and deposits			
Unrestricted		879,225	1,069,768
Restricted		364,511	475,131
		1,243,736	1,544,899
Bank overdrafts (included in short term borrowings)	16	(3,707)	(4,371)
Deposit in bank balance with tenures of more than 3 months		(264,245)	-
Cash and cash equivalents		975,784	1,540,528

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2023 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 Capital RM'000	Merger Relief Reserve RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Six months to 30 June 2024 (Unaudited)							
At 1 January 2024	4,960,276	34,330	96,675	1,746,690	6,837,971	114,660	6,952,631
Total comprehensive income for the period	-	-	(456)	27,021	26,565	(553)	26,012
Dividend paid (Note 7)	-	-	-	(37,939)	(37,939)	-	(37,939)
At 30 June 2024	<u>4,960,276</u>	<u>34,330</u>	<u>96,219</u>	<u>1,735,772</u>	<u>6,826,597</u>	<u>114,107</u>	<u>6,940,704</u>
Six months to 30 June 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 period	-	-	12,908	40,052	52,960	3,623	56,583
Dividend paid	-	-	-	(25,292)	(25,292)	-	(25,292)
At 30 June 2023	<u>4,960,276</u>	<u>34,330</u>	<u>91,248</u>	<u>1,711,015</u>	<u>6,796,869</u>	<u>108,090</u>	<u>6,904,959</u>

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2023 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 2023, 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 2023 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 2024:

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 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 2023 financial statements

The audit report on the Group's financial statements for the year ended 31 December 2023 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 period except for the estimates related to construction cost resulting in project cost savings of 4% (2023: 15%) 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 period ended 30 June 2024 except for the issuance of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP") from its programme as follows:

Date	Transaction	Amount (RM'Million)	Tenure	Rate (per annum)
14 February 2024	Issuance	200	5 years	4.50%
14 February 2024	Issuance	100	7 years	4.67%
14 February 2024	Issuance	200	10 years	4.84%
16 February 2024	Repayment	(230)	3 years	4.00%
22 March 2024	Repayment	(300)	5 years	4.75%
15 April 2024	Repayment	(160)	1 year	5.05%
18 April 2024	Repayment	(115)	1 year	5.00%

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

7. Dividend

The final single tier dividend of 0.75 sen per share on 5,058,476,221 ordinary shares amounting to RM37,938,507 in respect of the financial year ended 31 December 2023 was paid on 24 May 2024.

The Directors do not recommend the payment of any dividend for the current financial period ended 30 June 2024.



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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 period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 June 2024 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 30 June 2024 that have not been reflected in the condensed interim financial statements.

10. Operating segments

Operating segments information for the period ended 30 June 2024 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
Revenue						
External revenue	307,169	6,739	59,948	56,323	-	430,179
Inter-segment revenue	-	-	83	57,164	(57,247)	-
Total revenue	307,169	6,739	60,031	113,487	(57,247)	430,179
Results						
Segment results	94,197	(3,020)	21,355	(19,675)	(4,039)	88,818
Finance costs	(41,855)	(15)	(20,421)	(20,200)	4,039	(78,452)
Share of results of associates	6,302	4,073	-	-	-	10,375
Share of results of joint ventures	17,836	-	(1,796)	-	-	16,040
Profit/(loss) before income tax	76,480	1,038	(862)	(39,875)	-	36,781
Income tax credit/(expense)	(10,335)	1,752	-	(1,725)	-	(10,308)
Profit/(loss) for the period	66,145	2,790	(862)	(41,600)	-	26,473
Attributable to:						
Owners of the parent	67,648	2,790	(862)	(42,555)	-	27,021
Non-controlling interests	(1,503)	-	-	955	-	(548)
Profit/(loss) for the period	66,145	2,790	(862)	(41,600)	-	26,473
Assets						
Segment assets	10,409,876	621,763	956,394	390,702	(1,000,541)	11,378,194
Interests in:						
- associates	494,583	1,257	-	2	-	495,842
- joint ventures	821,509	-	69,802	-	-	891,311
Tax recoverable	104,942	-	449	2,784	-	108,175
Total assets	11,830,910	623,020	1,026,645	393,488	(1,000,541)	12,873,522
Liabilities						
Segment liabilities	4,913,745	5,346	855,416	1,119,239	(1,000,541)	5,893,205
Tax payable	32,187	7,426	-	-	-	39,613
Total liabilities	4,945,932	12,772	855,416	1,119,239	(1,000,541)	5,932,818



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 year ended 31 December 2023 except as disclosed below:

- (i) 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).

As of 24 July 2024, UEMSSA has exercised its rights under the SSCA, to cancel the Sale Agreements effective immediately and discontinue the Proposed Divestment. This action followed the Purchaser's failure to honor its payment obligations under the structured payment plan, which constituted a breach of the Sale Agreements.

- (ii) In February 2024, UEM Sunrise (Canada) Sdn Bhd, a wholly-owned subsidiary of the Company submitted its application to the Companies Commission of Malaysia ("CCM") to strike off its name from the register of CCM pursuant to Section 550 of the Companies Act 2016. UEM Sunrise (Canada) Sdn Bhd had been struck off from register and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 on 13 June 2024.

- (iii) On 28 June 2024, Sunrise International Development Ltd, a wholly-owned subsidiary of Sunrise Berhad, which is a subsidiary of the Company has been struck off from the Companies Register under the Acts of the Cayman Islands.

- (iv) On 18 June 2024, UEM Land Berhad ("UEML"), a wholly-owned subsidiary of the Company entered into a Share Sale Agreement ("SSA") with KLK Land Sdn Bhd ("KLKL") for the disposal of 100,000 ordinary shares and 353,600,000 redeemable non-convertible non-cumulative preference shares ("RPS") in Aura Muhibah Sdn. Bhd. ("AMSB") representing UEML's 40% equity in AMSB to KLKL for a total purchase consideration of RM386.2 million following the exercise of the call option over the sale shares by KLKL. A Second Deed of Rescission and Mutual Release ("2nd Deed") was entered between UEML, KLKL and AMSB on 18 June 2024 for the termination of the Shareholders' Agreement dated 23 October 2020.

As of 28 June 2024, the proposed arrangement has been completed with full settlement of the remaining 90% of the total consideration, in accordance with the terms and conditions of the SSA as well as the 2nd Deed. Subsequent thereto, AMSB ceased to be indirect associate of the Company.

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

	RM'000
Proceeds from disposal	386,202
Carrying value of 40% interest in AMSB	(354,504)
Gain on disposal 40% interest in AMSB	<u>31,698</u>

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

	RM'000
Proceeds from disposal	<u>386,202</u>



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. Contingent liabilities

There are no changes in the contingent liabilities since the preceding year ended 31 December 2023 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. Parties had also attended a clarification proceeding on 12 January 2024 and 3 May 2024. Following the last clarification proceeding, the SCIT instructed parties to file additional written submission. The decision for the appeal is fixed on 28 June 2024.

On 28 June 2024, the SCIT dismissed BND's Form Q and ruled that the Form JA is maintained. On 3 July 2024, BND filed an appeal to the HC against the SCIT's decision. The HC has fixed a case management for the appeal on 5 September 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 ("HC") 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, HC 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.



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12. Contingent liabilities (cont'd.)

(b) (cont'd.)

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 CoA 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 CoA has been fixed on 21 May 2024. The decision before the CoA has been fixed on 24 October 2024. IRB has allowed for the payments to be made via instalments over the next 36 months until 15 March 2026.

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 HC dismissed Symphony Hill's leave application to commence judicial review. Symphony Hills has filed a Notice of Appeal to the CoA on 22 November 2023 and a Stay Application has been filed at the HC on 8 December 2023. The HC granted an interim stay of the Notices pending the disposal of the Stay Application at the HC. A case management has been fixed before the CoA on 12 September 2024 and a case management for the stay application before the HC has been fixed on 11 September 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	3,151
Approved but not contracted for	39,319
Total	<u>42,470</u>



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14. Income tax

	Current year quarter 30/06/2024 RM'000	Preceding year corresponding quarter 30/06/2023 RM'000	Six months to 30/06/2024 RM'000	Six months to 30/06/2023 RM'000
Malaysian and foreign income tax				
- current tax	(6,699)	(15,126)	(24,690)	(27,001)
- (under)/overprovision in prior period	(50)	2,755	160	2,747
Deferred tax				
- relating to origination and reversal of temporary differences	(2,455)	(4,631)	14,895	(4,765)
- over/(under)provision in prior period	10	(55)	(673)	117
Income tax	<u>(9,194)</u>	<u>(17,057)</u>	<u>(10,308)</u>	<u>(28,902)</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 the current period is higher than statutory tax rate due to non-deductible expenses and unrecognised tax losses for certain loss-making entities, cushioned by recognition of deferred tax assets.

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 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.



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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 15 August 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.

Both SPA 1 and SPA 2 became unconditional on 17 December 2021 and 13 March 2024 respectively.

As of 15 August 2024, both SPA and SPA 2 are pending full settlement of the total consideration.

- 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 15 August 2024, the SPA has not been completed.



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

- f) 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 consideration of AUD45.1 million or approximately RM143.3 million ("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 approximately 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 approximately RM873.7 million.

The Contract is expected to be completed upon the settlement of the purchase consideration 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.

Evolution has requested a variation to the terms of the New Equity Investor Condition Sunset Date of the FTA, scheduled for 21 June 2024, and is currently in discussion regarding this matter.

As of 15 August 2024, the Contract has not been completed and on track against the stipulated schedule, while working on the Proposed BTR Development plans.

- g) 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").



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

g) (cont'd.)

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.

Parties subsequently agreed to extend the Closing Date to 15 February 2024 via the Addendum to the SSCA signed on 28 November 2024. Pursuant to the First Addendum to the SSCA dated 28 November 2023, the parties mutually agreed to vary the terms of the SSCA by entering into a Second Addendum dated 11 March 2024 (SSCA, Addendum and Second Addendum are collectively referred to as the "Sale Agreements"). According to the new terms, the remaining Purchase Consideration will be paid according to a structured monthly payment plan, with the final deadline for completion extended to 31 December 2024.

On 24 July 2024, UEMSSA has exercised its rights under the SSCA, to cancel the Sale Agreements effective immediately and discontinue the Proposed Divestment. This action followed the Purchaser's failure to honor its payment obligations under the structured payment plan, which constituted a breach of the Sale Agreements.

h) 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 in 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.

The conditions precedent of the Proposed SPA have been fulfilled on 19 February 2024 and the Proposed SPA has been completed on 1 March 2024 upon receiving the full payment.

On 12 July 2024, the parties mutually agreed to extend the conditional period of Iskandar SPA 1 and 2 to 14 August 2024 and 18 January 2025 respectively.

As of 15 August 2024, the Proposed DRA, Iskandar Land 1 and Iskandar Land 2 are pending for 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
<u>As at 30 June 2024</u>						
Islamic Medium Term Notes and Islamic Commercial Papers	-	3,405,697	3,405,697	-	329,623	329,623
Term loan and Commodity Murabahah Finance	31,519	-	31,519	49,171	-	49,171
Revolving credits	-	-	-	102,000	291,200	393,200
Bank overdrafts	-	-	-	3,707	-	3,707
TOTAL	31,519	3,405,697	3,437,216	154,878	620,823	775,701

As at 30 June 2023

Islamic Medium Term Notes and Islamic Commercial Papers	-	2,880,159	2,880,159	-	1,250,334	1,250,334
Term loan and Commodity Murabahah Finance	-	4,910	4,910	35,893	-	35,893
Revolving credits	-	-	-	319,360	160,000	479,360
Bank overdrafts	-	-	-	4,371	-	4,371
TOTAL	-	2,885,069	2,885,069	359,624	1,410,334	1,769,958

Since June 2024, the Group drew borrowings of RM1.8 billion including RM850 million of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP"), RM822 million of revolving credits and RM153 million of term loans and structured commodity. The Group also repaid borrowings of RM2.2 billion comprising RM1.2 billion of IMTN and ICP, RM908 million of revolving credits and RM114 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 2023, 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) 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 High 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.)

b) (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.

UEML 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 UEML's leave application. By an Order dated 4 March 2024, UEML's leave application to proceed with the counterclaim in the arbitration proceedings was allowed since there was no objection from the solicitors for Ireka's Liquidator.

In accordance with the direction from the Arbitrator, UEML had served its Written Submissions on 4 April 2024. The Arbitrator, through his email dated 6 May 2024, enquired if Ireka intends to defend UEML's counterclaim and proceed with their claim. Ireka's liquidator had issued a response requesting for 2 months' extension of time for them to obtain notes of proceedings and appoint solicitors to continue with the arbitration. The Tribunal has granted Ireka's request for an extension of 2 months and directed Ireka to serve their submissions by 8 July 2024.

Ireka has just appointed Messrs Simrenjeet, Tay & Co as their solicitors and Ireka's solicitors have requested for extension of time until 2 August 2024 to serve their submission. The Arbitrator has allowed Ireka's solicitors request to serve the written submission by 2 August 2024. Ireka's solicitors have requested for a further extension of 2 weeks from 2 August 2024 to serve their written submissions. The Arbitrator has granted Ireka a 2-week extension and directed Ireka to serve their submissions by 16 August 2024. The Arbitrator also indicated that any further extensions are unlikely to be allowed, unless unforeseen and exceptional circumstances arise.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

	Current quarter 30/06/2024 RM'000	Immediate preceding quarter 31/03/2024 RM'000	Variance RM'000/(%)
Revenue	205,223	224,956	(19,733) (-9%)
Operating profit	56,862	31,956	24,906 (78%)
Share of net results of JV and associates	8,652	17,763	(9,111) (-51%)
Profit before interest and tax	65,514	49,719	15,795 (32%)
Finance costs	(39,136)	(39,316)	180 (0%)
Profit before income tax	26,378	10,403	15,975 (>100%)
Income tax	(9,194)	(1,114)	(8,080) (>-100%)
Profit for the period	17,184	9,289	7,895 (85%)
Non-controlling interests	1,659	(1,111)	2,770 (>100%)
Profit attributable to owners of the parent	18,843	8,178	10,665 (>100%)

The Group recorded revenue of RM205 million for the current quarter, which is 9% lower than the immediate preceding quarter of RM225 million. The decrease in revenue was mainly attributable to lower land sales. The Group recorded RM14 million in land sales for the current quarter as compared to RM48 million in immediate preceding quarter. The revenue from land sales above contributed to 7% and 21% of the total revenue in the current quarter and the immediate preceding quarter, respectively.

Revenue from property development segments contributes 78% of total revenue in current quarter as compared to 63% in the immediate preceding quarter. The higher revenue was mainly driven by higher property sales and progressive revenue recognition from ongoing projects. The main projects which contributes to revenue in current year quarter were Residensi Allevia, The MINH in Mont'Kiara and KAIA Heights in Seri Kembangan for Central region, as well as Senadi Hills and Aspira Gardens in Iskandar Puteri for Southern region.

Overall, the Group's gross profit margin improved to 35% in current quarter from 31% in immediate preceding quarter mainly due to realisation of cost savings from completed development projects. Consequently, the Group recorded higher operating profit of 28% in the current quarter as compared with immediate preceding quarter of 4%. This was mainly due to a RM32 million gain from sale of Aura Muhibah Sdn Bhd as disclosed in Note 11(iv).

In line with the higher operating profit margins, the Group recognised higher profit after tax and non-controlling interests of RM18 million in current quarter, compared to the immediate preceding quarter of RM8 million despite lower contribution from share of results of joint ventures and associates.

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

	Current year quarter 30/06/2024 RM'000	Preceding year corresponding quarter 30/06/2023 RM'000	Variance RM'000/(%)		Six months 30/06/2024 RM'000	Six months to 30/06/2023 RM'000	Variance RM'000/(%)	
Revenue	205,223	363,955	(158,732)	(-44%)	430,179	604,733	(174,554)	(-29%)
Operating profit	56,862	69,927	(13,065)	(-19%)	88,818	136,554	(47,736)	(-35%)
Share of net results of JV and associates	8,652	19,291	(10,639)	(-55%)	26,415	14,317	12,098	(85%)
Profit before interest and tax	65,514	89,218	(23,704)	(-27%)	115,233	150,871	(35,638)	(-24%)
Finance costs	(39,136)	(44,271)	5,135	(12%)	(78,452)	(78,307)	(145)	(-0%)
Profit before tax	26,378	44,947	(18,569)	(-41%)	36,781	72,564	(35,783)	(-49%)
Income tax	(9,194)	(17,057)	7,863	(46%)	(10,308)	(28,902)	18,594	(64%)
Profit for the period/year	17,184	27,890	(10,706)	(-38%)	26,473	43,662	(17,189)	(-39%)
Non-controlling interests	1,659	(3,192)	4,851	(>100%)	548	(3,610)	4,158	(>100%)
Profit attributable to owners of the parent	18,843	24,698	(5,855)	(-24%)	27,021	40,052	(13,031)	(-33%)

For the current quarter, the Group's revenue decreased by 44% compared to prior year's corresponding quarter. This is mainly due to the sales of non-strategic lands in Tapah and Iskandar Puteri, which had significantly contributed to revenue in the prior year's corresponding quarter. Additionally, the prior year's corresponding quarter benefited from higher property development revenue from advanced local projects, including Residensi AVA in Kiara Bay, Residensi Astrea in Mont'Kiara, and Serene Heights in Semenyih.

Despite this, the Group improved its gross profit margin to 35%, up from 31% in the prior year's corresponding quarter. This improvement was driven by contribution from sales of non-strategic land and property development which carried higher profit margins. The Group's operating profits decreased in current quarter of RM57 million compared to RM70 million in prior year's corresponding quarter, impacted by lower gross profit and higher operating expenses offset by higher other income. This led to lower profit after tax and non-controlling interests of RM19 million in the current quarter as compared to RM25 million in prior year's corresponding quarter, exacerbated by unfavorable results from joint ventures and associates.

The first half of 2024 saw the Group's recognising lower revenue (by 29%) of RM430 million compared to RM605 million in the same period in prior year, mainly due to lower contributions from local property development projects. Revenue from property development dropped to RM300 million in the current period, compared to RM458 million in the same period in prior year, mainly due to the progression of projects at advanced stages like Residensi Astrea in Mont' Kiara and Serene Heights in Semenyih.

In line with the lower revenue, the Group recorded lower operating profit which also affected from a reduced cost savings and higher operating expenses, resulting from increased headcount and higher selling and distribution expenses to boost sales for ongoing projects such as The MINH, The Connaught One, and Residensi ZIG in the Central region. Consequently, the Group recorded a profit after tax and non-controlling interests of RM27 million in the current period, compared to RM40 million in the same period in prior year.

The Group experienced a significant 68% reduction in sales performance in the current period, totaling RM438 million, down from RM1,380 million in the same period in prior year. This decline in sales was mainly due to the sales of Collingwood project in the International region, which amounted to RM874 million in the same period in prior year.



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21. Earning/(loss) per share

	Current year quarter 30/06/2024 RM'000	Preceding year corresponding quarter 30/06/2023 RM'000	Three months to 30/06/2024 RM'000	Three months to 30/06/2023 RM'000
Profit for the period attributable to owners of the parent from:				
-Continuing operations	19,040	25,243	23,746	41,055
-Discontinuing operations	(197)	(545)	3,275	(1,003)
	<u>18,843</u>	<u>24,698</u>	<u>27,021</u>	<u>40,052</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	0.38 sen	0.50 sen	0.47 sen	0.81 sen
-Discontinuing operations	0.00 sen	(0.01) sen	0.06 sen	(0.02) sen
	<u>0.38 sen</u>	<u>0.49 sen</u>	<u>0.53 sen</u>	<u>0.79 sen</u>

22. Prospects for the current year

Malaysia's Gross Domestic Product ("GDP") growth is expected to reach the upper end of Bank Negara Malaysia (BNM)'s target of 4% to 5% for 2024¹. The GDP advanced by 5.9% in the Q2 of 2024 as compared to 4.2% in the Q1 of 2024 driven by stronger domestic demand and further expansion in exports². The key economic drivers include a resilient labour market, robust household spending, ongoing multi-year investments, increased foreign direct investment ("FDI") realisation, trade recovery and improving tourism¹.

To further stimulate economic growth, Government-Linked Investment Companies ("GLICs") are planning to invest RM400 billion to RM500 billion over the next five years. These investments will be focused on key projects such as the Johor-Singapore Special Economic Zone ("JS-SEZ"), Forest City, and various industrial parks, which aim to develop regional ecosystems and facilitate matching funding with projects, while extending FDI benefits through onshore supply chains¹.

The real estate market is projected to remain stable with growth throughout 2024. According to the Property Market Q1 2024 Snapshots by National Property Information Centre ("NAPIC"), the Malaysian property market recorded a 34.3% growth year-on-year, with over 104,297 transactions valued at RM56.5 billion. Additionally, total overhang volume and value decreased quarter-on-quarter by 6.2% and 6.7%, respectively³.

BNM's data indicates that total loan applications for property purchases rose to RM58.5 billion in May 2024, marking a 3.2% year-on-year (Y-on-Y) increase, following a 15% rise in April 2024. Approved property loans also saw a 3.2% Y-on-Y, reaching RM26.1 billion in May 2024. The reduction in residential overhang is attributed to heightened buying interest, which is likely to improve new property sales prospects for developers⁴. In alignment with the National Industrial Master Plan 2030, the Company has entered the industrial property sector by signing several Memorandums of Understanding ("MOU") for potential industrial developments in Gerbang Nusajaya.



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

The Company's international expansion efforts are also progressing, with the Development Application ("DA") for a residential development in Subiaco East, Perth, Western Australia submitted for approval on 27 May 2024. This development will include approximately 340 apartment units, with a Gross Development Value (GDV) of AUD450 million (RM1.3 billion), including up to 12% of affordable housing units.

On 28 June 2024, the Company completed its disposal of its remaining equity stake in Aura Muhibah Sdn. Bhd. to KLK Land Sdn. Bhd. for a total consideration of RM386.2 million. The proceeds from this divestment are expected to reduce maturing debts and lower the gross gearing ratio by year end.

As of 30 June 2024, the Company maintains a strong financial position, with a gross gearing ratio of 0.62 times and a net gearing ratio of 0.43 times, supported by cash and bank balances of RM1.2 billion. Unbilled sales amounted to RM2.7 billion are expected to be recognised over the next 18 to 36 months.

In the second half of 2024, the Company launched Aspira LakeHomes Phase 4 and 6 in Gerbang Nusajaya, part of the *NEST* series, which focuses on family-friendly homes catering to various lifestyle needs with a GDV of RM106.7 million. In addition, the Company launched an affordable housing project in Senadi Hills, Iskandar Puteri under the *Kasih* series, offering 130 high-rise apartment units with a GDV of RM19.5 million.

The Company's initial three-phase strategic turnaround plan: **Triage, Stabilise and Sustain (TSS)** has seen successful completion of 'Triage' in 2023, and embarked on the second stage of 'Stabilise' in 2024-2025, with digitalisation and innovation being key enablers for enhanced work productivity. 'Sustain', the final strategy beyond 2026, undertook detailed evaluation in its initiatives through prioritising financial stability and sustained revenue.

Following which, the Company will be transiting into its newly launched **U2030 Transformation Plan**. The comprehensive plan includes a range of short to long-term plans, aimed at activating development assets and refining core business processes through 2030. Central to this strategy is a renewed focus on instilling pipeline discipline, key to ensuring consistent achievement of Y-on-Y launch GDVs. A brand refresh exercise will also be conducted to realign the Company's vision, mission, and values against its refined strategies.

Note:

¹ Bernama's article on GDP growth to hit upper end of BNM's forecast by CIMB dated 29 July 2024.

² Bank Negara Malaysia's article on, *Economic and Financial Developments in Malaysia in the Second Quarter of 2024*, dated 16 August 2024.

³ NAPIC's *Property Market Q1 2024 Snapshots* dated 13 May 2024.

⁴ MIDF Research's *Sector Update Report* dated 10 July 2024.

23. Profit forecast

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

Kuala Lumpur
22 August 2024

By Order of the Board

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