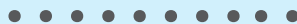




# STRENGTHENING OUR FOUNDATIONS FOR A *Happy* TOMORROW

ANNUAL REPORT 2020



LOGIN

**ATTAINABLE. COMFORT. CONVENIENCE. CONNECTED.**



*Making living a joy*  
**in Senadi Hills,**  
Johor Bahru's new heartbeat



**Senadi Hills** ✓  
*Live the dream of a never-ending holiday*

Surrounded by dreamy views from elevated grounds, Senadi Hills is a private residential enclave that welcomes elders and the less-abled with wheelchair-friendly spaces. Beautiful manicured gardens and parks enrich Senadi Hills with natural touches of nature and greenery.

[View Now](#)



“ Love the elegant and contemporary residences with panoramic views of green landscapes! An ideal option for upgraders, first-time homeowners and investors.

Abdullah Mazlan Isamudin



“ Surrounded by various amenities and facilities including world-class education establishments and landmarks such as Legoland and the international Puteri Harbour!

Lee Ming Yan



“ A beautiful evergreen lifestyle for those wishing to relax within a private, guarded community surrounded by a lush green landscape!

Chandra Nadarajan

Write a comment...





## A THREE-PRONGED APPROACH TO HELPING THE COMMUNITY



**Designing** *Happy*  
for you to Find your Happy



**UEM Sunrise** ✓  
Corporate Service

Our CSR objective is to balance the economic ambitions with socially responsible initiatives, based on a three-pronged approach – Education Enhancement, Community Development and Environmental Conservation. We know that business remains viable only when we can contribute enduring benefits to the stakeholders which ultimately brings social progress.

[Read More](#)



Had an excellent and tiring day plogging at the park with UEM Sunrise! Together, let's keep the environment clean and embrace a healthy and active lifestyle.

*Emiliya Nadzirah Razi*



It is heartwarming to see UEM Sunrise partnering with environmental NGOs, non-profits, societies, universities, and schools to further strengthen its CSR initiatives.

*Benny Chong*



There is only so much a teacher can educate a student about environmental responsibility within the four walls of a classroom, but it is these little things they do where they get to practice contributing to environmental conservation.

*Mageswari Rajagopal*

Write a comment...



## THE FUTURE OF LIVING



# hUb

the next chapter in our digital journey



**UEM Sunrise** ✓  
Corporate Service

In mitigating the impact brought on by the pandemic, UEM Sunrise has intensified its digital first approach through seamless and elevated customer experiences. Virtual tour, a revamped and optimised website as well as the launch of the hUb mobile app are among the tools and initiatives introduced as adaptable solutions in keeping with consumers' needs during this new normal environment.

[Learn More](#)



The future of living is here! I got all my chores done using hUb home.

*Munirah Izzati Abdul Rahim*



Thanks to hUb life! Visitor management, facilities booking and digital identification for residents can be done in just a few clicks!

*Riri Williams*



With hUb mall, I do all my Publika shopping online! Best of all, I get reward points and use them for more shopping.

*Devi Narayanan*

Write a comment...



Search



## STRENGTHENING OUR FOUNDATIONS FOR A *Happy* TOMORROW

As the world adjusts to a myriad of changes brought about by the COVID-19 pandemic, UEM Sunrise (UEM Sunrise or the Company) has remained committed to our customers to ensure we continue to fulfil our promise of bringing happiness to their lives. Despite the challenges, our unrelenting focus on ensuring high standards in customer excellence remains a key priority. We continue to improve and enhance elements that will further elevate a customer's experience. Our strategies implore us to become more efficient, more effective and more in touch with our customers' needs to deliver happiness. At UEM Sunrise, we are Strengthening Our Foundations for a Happy Tomorrow.

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# ABOUT THIS REPORT

## REPORTING PRINCIPLES AND FRAMEWORK

UEM Sunrise’s Annual Report is our primary communication tool informing stakeholders about our progress against our strategic plans and efforts to create value. In our efforts towards a fully integrated report, we have sought guidance from the International Integrated Reporting Council <IIRC> frameworks.

UEM Sunrise has further ensured that the Report is aligned with the Malaysian Code on Corporate Governance (MCCG 2017), the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, the Companies Act 2016, the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

Our sustainability reporting has been prepared in accordance with Bursa Malaysia’s Sustainability Reporting Guidelines, the Global Reporting Initiative Standards and FTSE4Good Bursa Malaysia Index. We are also aligned with the United Nations Sustainable Development Goals (UNSDGs) and the United Nations Global Compact (UNGC) principles.

## SUSTAINABILITY

UEM Sunrise produces a separate Sustainability Report annually, which provides a comprehensive representation of our approach in managing the economic, environmental and social aspects that affect our business and stakeholders. For this Annual Report, we have embedded our sustainability practices into the narrative. This year, you will find the following sustainability content in these sections.

Our Approach to Sustainability	page 12
Sustainability Governance	page 88
Listening to Our Stakeholders	page 62
Our Materiality	page 56
Sustainability Pillars	page 50 to 55

## SCOPE AND BOUNDARIES

This Report describes our financial and non-financial performance during the period from 1 January 2020 to 31 December 2020. It covers all aspects of UEM Sunrise’s businesses in Malaysia, particularly in the Central and Southern regions and internationally, namely Australia and South Africa. Apart from reporting on performance, the Report considers challenges to the business, and opportunities and risks that could impact our value creation process.

## HOW WE CAN FURTHER IMPROVE

UEM Sunrise engages with stakeholders frequently and we value your feedback, comments and enquiries on this Report. Our Investor Relations team can be contacted at: [ir@uemsunrise.com](mailto:ir@uemsunrise.com)

## OUR CAPITALS

- F** Financial Capital
- H** Human Capital
- SR** Social and Relationship Capital
- M** Manufactured Capital
- I** Intellectual Capital
- N** Nature Capital

## FORWARD-LOOKING STATEMENTS

Throughout the Report, we use forward-looking statements that relate to the plans, goals, strategies and future operations and performance of our organisation. These statements are not guarantees of future performance, as they involve risks and assumptions in the context of potential scenarios. While we endeavour to progress with our strategies and plans, changes in macroeconomic and operating landscapes may require us to adapt to follow suit.

## THE YEAR THAT WAS

### February

- 24 Consolidated results for the financial period ended 31 December 2019.
  - En Effizal Faiz Zulkifly appointed as Non-Independent Non-Executive Director on the Board of UEM Sunrise.
  - Sistem Penilaian Keselamatan Dan Kesihatan Dalam Pembinaan (SHASSIC)
    - 1) SHASSIC Score 91%:  
Eugenia 1 (1d1)
    - 2) SHASSIC Score 97%:  
Dahlia 1 (1b1)
 Awarded by SHASSIC

### March

- 16 Mr Siew Chee Seng appointed as Chief Financial Officer of UEM Sunrise.
  - Starproperty Awards 2020 Real Estate Developer
    - 1) Honours – The Poseidon Award (Kiara Bay)
    - 2) Excellence – The Neighbourhood Award [Below 500 Acres] (Kiara Bay)
    - 3) Excellence – The Business Estate Award (Solaris Parq)
    - 4) All-Stars Award – Best Overall Champion (UEM Sunrise Berhad)
 Awarded by StarProperty
  - APPIES Malaysia
    - 1) Gold (Festive & Entertainment)
 Awarded by Sledgehammer Communications (M) Sdn Bhd

### April

- 10 Issuance of RM200 million Islamic Commercial Paper in nominal value.
- 24 Redemption of 123.3 million UEM Sunrise redeemable convertible preference shares (UEMS RCPS) at RM150 million paid to UEM Group Berhad (UEM Group).

30

- Execution of a Deed of Variation with Scape Australia Management Pty Ltd (Scape) to vary the Contract of Sale dated 22 November 2019 in relation to the sale of en-bloc serviced apartment, car parks and part of retail in Aurora Melbourne Central for AUD125 million.
  - Issuance of RM130 million Islamic Medium-Term Notes (IMTN) in nominal value.
  - Extension of issuance of time for the issuance of 2019 Annual Report as granted by Bursa Malaysia Securities Berhad (Bursa) through the additional relief measures in view of COVID-19 and implementation of Movement Control Order.

### May

- 15 Extension of time to hold UEM Sunrise's 12<sup>th</sup> Annual General Meeting (AGM).
- 18 Issuance of RM105 million IMTN in nominal value.
- 29 Extension of time for submission of first quarter consolidated results for the financial period ended 31 March 2020.

### June

- 10 Issuance of RM270 million IMTN in nominal value.
  - Notice of UEM Sunrise's 12<sup>th</sup> AGM to be conducted virtually on 9 July 2020.
- 12 Issuance of RM150 million IMTN in nominal value.
- 19 First quarter consolidated results for the financial period ended 31 March 2020.
  - Quality Assessment System In Construction (QLASSIC)
    - 1) QLASSIC SCORE 84%:  
Serimbun Phase 2B
 Awarded by QLASSIC

### July

- 9 Held 12<sup>th</sup> AGM virtually.
  - Tan Sri Dato' Sri Zamzamairani Mohd Isa retired as Independent Non-Executive Chairman of UEM Sunrise.
  - Mr Lim Tian Huat retired as Independent Non-Executive Director of UEM Sunrise.
  - EDGEPROP Malaysia's Best Managed And Sustainable Property Awards
    - 1) Gold (EDGEPROP-ILAM Malaysia's Sustainable Landscape Award) – Mont'Kiara Palma
    - 2) Silver (Below 10 Years Multi-Own Strata Residential) – Grand Medini
    - 3) Bronze (Above 10 Years Multi-Own Strata Residential) – Mont'Kiara Bayu
 Awarded by EdgeProp.my

### August

- 13 Redesignation of Dato' Noorazman Abd Aziz from Non-Independent Non-Executive Director to Chairman of the Board of UEM Sunrise.
- 24 Second quarter consolidated results for the financial period ended 30 June 2020.

### September

- 21 Issuance of RM350 million IMTN in nominal value.
  - PROPERTYGURU Asia Property Awards
    - 1) Winner – Best Waterfront Development – Residensi AVA @ Kiara Bay
 Awarded by Propertyguru Malaysia
  - Malaysia Technology Excellence Awards 2020
    - 1) Winner: Digital – Real Estate
 Awarded by Singapore Business Review



- Asean Property Developer Awards 2019/2020
  - Winner – Best Inspired Landed Development (Forest Heights)
  - Winner – Best Landscape Residence Design (Forest Heights)

*Awarded by*  
Des Prix Infinitus Media

- CX Asia Excellence Awards 2020
  - Gold – Best Customer Experience Team

*Awarded by*  
CX Network

## October

- 5 Receipt of letter dated 2 October 2020 from UEM Group proposing a merger between UEM Sunrise and Eco World Development Group Berhad (ECW); both parties to respond with decision by 30 October 2020 (Proposed Merger).
- 7 Mr Subimal Sen Gupta resigned as Senior Independent Non-Executive Director of UEM Sunrise.
- 9 Execution of two Heads of Agreement with subsidiaries of AME Elite Consortium Berhad (AME) for the proposed sale of 72 freehold industrial plots of 169.8 acres in phase 3, Southern Industrial & Logistics Clusters (SiLC) in Iskandar Puteri, Johor for RM434 million (SiLC Phase 3 Sale).
- 14 Redesignation of Tan Sri Dr Azmil Khalili Dato' Khalid as Senior Independent Non-Executive Director of UEM Sunrise.
- 23 Sale of UEM Land Berhad's 20% equity in Aura Muhibah Sdn Bhd comprising 50,000 ordinary shares and 180 million redeemable non-convertible non-cumulative preference shares to KLK Land Sdn Bhd for RM183 million.
- 28 Extension of time to 2 January 2021 to decide on the Proposed Merger.
- 30 Conversion of balance 669.2 million UEMS RCPS held by UEM Group into 521 million new ordinary shares in UEM Sunrise upon maturity on 29 October 2020.

- Settlement of balance purchase price of AUD100 million by Scape for the sale of the en-bloc serviced apartment, car parks and part of retail.
- En Anwar Syahrin Abd Ajib resigned as Managing Director/Chief Executive Officer of UEM Sunrise.

## November

- 3 Listing of 521 million new ordinary shares held by UEM Group in UEM Sunrise.
- 4 Public shareholding spread falling below minimum 25% shareholding spread requirement; UEM Sunrise to apply to Bursa for a lower public spread and/or extension of time to address shortfall.
- 5 Mr Chari TV. Thirumala and Mr Poh Ying Loo appointed as Independent Non-Executive Directors of UEM Sunrise.
- 24 Third quarter consolidated results for the financial period ended 30 September 2020.

## December

- 1 Extension of time to 31 January 2021 granted by Securities Commission Malaysia for UEM Sunrise to announce any firm intention to make a take-over offer.
- 4 Bursa via its letter dated 3 December 2020 approved UEM Sunrise's application for acceptance of a lower public shareholding spread.
- 30 Execution of definitive agreements for the SiLC Phase 3 Sale.
- UEM Sunrise agreed to further engage with ECW to ascertain and validate the potential value of Proposed Merger.
- The Edge Property Excellence Awards
  - Top Property Developers Awards 2020: 6<sup>th</sup> Position

*Awarded by*  
The Edge Communications Sdn Bhd

## 2020 HIGHLIGHTS



Launched approximately **RM900 mil** worth of projects in FY2020

**Sold 72 freehold industrial plots**

in SiLC Phase 3 to AME for

**RM434 mil**



**Cash balances of RM1.3 bil** including short term investment as at the end of FY2020

**Acquired 11.4 acres**



in Taman Pertama, Cheras with plans to launch residential development towards the end of 2021



Unbilled Sales of **RM1.9 bil** as at FY2020 offers earnings visibility between the next 18-36 months

**Increase foothold in Melbourne by acquiring**

a 1.3-acre plot of land in Collingwood, Melbourne for residential development



**Landbank approximately 11,000 acres**

Gross and net gearings of **0.59x and 0.40x** as at FY2020



**Invested RM445,000** in CSR and community initiatives



**Invested RM100,000** to purchase a ventilator for a hospital

**Invested RM100,000** to purchase PPE for frontliners in Kuala Lumpur, Selangor and Johor

**Invested RM48,150** for #caringismyhappy face mask distribution in PINTAR adopted schools

## CORPORATE PROFILE

UEM Sunrise is a public-listed Company and one of Malaysia’s leading property developers. It is the flagship Company for township and property development businesses of UEM Group Berhad (UEM Group) and Khazanah Nasional Berhad (Khazanah).



**UEM SUNRISE** ✓  
Corporate Profile



The Company has core competencies in macro township development, high-rise residential, commercial, retail and integrated developments, as well as property management services. UEM Sunrise is the master developer of Iskandar Puteri, Johor, envisioned to become the largest fully integrated urban development in Southeast Asia. The Company is also renowned as the pioneer developer of award-winning and upmarket developments, located largely in the affluent Mont’Kiara enclave as well as surrounding neighbourhoods in Greater Kuala Lumpur. UEM Sunrise has extended its mark internationally with acclaimed properties in Singapore, Australia, Canada and South Africa.

Inspired by the ethos and tagline “Find your Happy”, the Company endeavours to inspire joy and happiness one space at a time, with its people, driven by the core values of CHIEF (Caring, Honest, Involved, Enthusiastic, Fun-loving).

Please visit our website at [uemsunrise.com](http://uemsunrise.com) for more information.



Please scan this QR code for more information on our Event Highlights  
[uemsunrise.com/corporate/media-centre](http://uemsunrise.com/corporate/media-centre)

Write a comment...







# VISION

Building communities of the future with you and for you.

# MISSION

UEM Sunrise brings together the talented and the skilled, the imaginative and the courageous. We create sustainable environments loved by homeowners, acclaimed by investors and recognised by the industry. We believe in thinking big and acting quickly to unlock potential and to thrive in a changing world.

# CHIEF Happiness Officers



**CARING**

We care about others as much as doing good work. We take pride in what we do and have the desire to do the best we can consistently – conscientiously finding ways to improve.

We find joy in the work we do, in the people we do it with and in the environment we create to do it in.

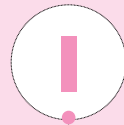
We care for people, places we create and our planet.



**HONEST**

This interest we have in inspiring others in their quest for happiness must come from a place of honesty. It must be genuine. It must also be used positively to build and move things forward. Through honesty with an intent to build, we create trust.

This becomes the foundation from which our business is built on and prospers. It influences and drives the way we do business. And the business we are in is to inspire and help others 'Find their Happy' through the environments we create, the products we offer, the services we provide and initiatives we undertake – one space at a time.



**INVOLVED**

We need to be actively involved in wanting to support our customers and stakeholders on their 'Find their Happy' journey regardless of whether it is a masterplan we are developing, a residential tower we are building, a commercial centre we are constructing, a space we are creating or a child whose education we are helping.

This involvement must be driven by genuine interest for it to be meaningful, fulfilling and powerful. When we are actively involved and genuinely interested, we will always find ways to help inspire hopefulness in our customers', stakeholders' and colleagues' Find your Happy journey.



**ENTHUSIASTIC**

We remain optimistic and enthusiastic in the outcome and effect our efforts are contributing to the lives of all the people we touch in their 'Find their Happy' journey.

With this enthusiasm, positivity and belief comes a confidence borne out of a principled approach far removed from arrogance and selfishness.



**FUN-LOVING**

As all our ideas, creativity and decisions are undertaken to positively impact others, we find this journey both fulfilling and enjoyable.

We seek and generate ways to find the fun, excitement and happy in everything we do as much as we can.



## OUR APPROACH TO SUSTAINABILITY

**We are committed to distinguishing ourselves as a leader in sustainability. Leveraging our knowledge and expertise and collaborating with employees, customers and suppliers, business partners and the communities in which we operate helps us achieve this goal. Sustainability is ingrained into all aspects of UEM Sunrise’s business operations.**

We have a different way of doing business; as we own and manage what we build, we design and construct for long-term ownership. The full life-cycle costs are considered rather than merely the initial costs. Working closely with contractors ensures that all properties are built with the future in mind.

Embracing the integration of Environmental, Social and Governance (ESG) factors into all aspects of the business ensures our support for our people, the planet and the communities in which we live and work is impactful.

Our sustainability strategy boosts innovation, encouraging employees to incorporate sustainability into everyday actions and working symbiotically to build communities of the future. Our goal is to minimise the risks associated with climate change, support the communities in which we operate and protect people and the planet while creating stakeholder value. We monitor ESG metrics as best as we can so that our performance can be tracked over time.



### ECONOMIC

We seek to create economic value for our suppliers and vendors through our business dealings; the government through taxes paid; and the nation through the development of infrastructure that attracts investments and economic activity.



### ENVIRONMENT

We manage our energy and water consumption to avoid and manage waste to minimise the impact on the environment. We incorporate innovative designs and features in our developments to reduce material use and find avenues to conserve biodiversity.



### SOCIAL

We commit to providing the best possible living environment for our customers while nurturing a conducive workplace for our employees. We establish partnerships in the communities in which we operate, and empower employees to volunteer. We also invest in the communities where we operate, to bridge socio-economic gaps.



### GOVERNANCE

Our Board of Directors ensures the highest level of integrity and transparency in all actions so that we can build and maintain our corporate reputation and ensure the trust that stakeholders have in us.





**UEM Sunrise Sustainability Policy**

Providing a healthy, safe, conducive and empowering workplace;

Being an environmentally responsible leader and partner in our communities;

Conserving natural resources by optimising re-use and recycling wherever possible;

Ensuring the efficient and responsible use of water and energy;

Utilising operational processes that do not adversely affect the environment;

Conducting rigorous audits, evaluations, and self-assessments on the implementation of this policy;

Working with our stakeholders to enhance awareness, and incorporating, practicing and promoting sound environmental practices, using our resources to provide leadership, guidance, and motivation where necessary; and

Taking steps to continually develop and provide environmentally supportive performance and advances including embedding sustainability into our decision making, planning and investment processes to create sustainable value for our shareholders.



**SUSTAINABILITY FOCUS AREAS**

**PLACES**

We transform places in which we invest to create value and enhance the lives of local communities

**PEOPLE**

Our employees are our most valuable assets and their contributions are critical to our success

**SOCIAL-ENVIRONMENTAL PERFORMANCE**

We develop high-quality societies while improving our social and environmental performance

**ECONOMIC PERFORMANCE**

We deliver sustainable economic performance that is underpinned by good corporate citizenship

**CORPORATE INFORMATION**



# Board of Directors

**Dato' Noorazman Abd Aziz**

Non-Independent Non-Executive Chairman

**Effizal Faiz Zulkifly**

Non-Independent Non-Executive Director

**Chari T.V. Thirumala**

Independent Non-Executive Director

**Tan Sri Dr Azmil Khalili Dato' Khalid**

Senior Independent Non-Executive Director

**Ungku Suseelawati Ungku Omar**

Independent Non-Executive Director

**Poh Ying Loo**

Independent Non-Executive Director

**Dato' Mohd Izani Ghani**

Non-Independent Non-Executive Director

**Datin Teh Ija Mohd Jalil**

Independent Non-Executive Director

**Zaida Khalida Shaari**

Non-Independent Non-Executive Director

**Christina Foo**

Independent Non-Executive Director

**AUDIT COMMITTEE**

Chairperson

**Christina Foo**

Member

**Chari T.V. Thirumala**

**Poh Ying Loo**

**NOMINATIONS & REMUNERATION COMMITTEE**

Chairperson

**Datin Teh Ija Mohd Jalil**

Member

**Ungku Suseelawati Ungku Omar**

**Dato' Mohd Izani Ghani**

**Christina Foo**

**BOARD TENDER COMMITTEE**

Chairman

**Dato' Mohd Izani Ghani**

Member

**Tan Sri Dr Azmil Khalili Dato' Khalid**

**Zaida Khalida Shaari**

**BOARD DEVELOPMENT COMMITTEE**

Chairman

**Tan Sri Dr Azmil Khalili Dato' Khalid**

Member

**Zaida Khalida Shaari**

**Effizal Faiz Zulkifly**

**Ungku Suseelawati Ungku Omar**

**BOARD GOVERNANCE & RISK COMMITTEE**

Chairman

**Chari T.V. Thirumala**

Member

**Christina Foo**

**Datin Teh Ija Mohd Jalil**

**Poh Ying Loo**

**Zaida Khalida Shaari**

**SECRETARIES**

**Liew Irene**

SSM PC No.: 201908001893

MAICSA 7022609

**Wong Lee Loo**

SSM PC No.: 201908001993

MAICSA 7001219

**AUDITORS**

**Ernst & Young PLT (AF: 0039)**

**Chartered Accountants**

Level 23A Menara Milenium

Jalan Damanela

Pusat Bandar Damansara

50490 Kuala Lumpur

**PRINCIPAL BANKERS**

**CIMB Bank Berhad**

**HSBC Amanah Malaysia Berhad**

**HSBC Bank Malaysia Berhad**

**Malayan Banking Berhad**

**STOCK EXCHANGE**

Main Market of Bursa Malaysia

**Securities Berhad**

Stock Name : UEMS

Stock Code : 5148

Stock Sector: Property

**PRINCIPAL SOLICITORS**

**Kadir Andri & Partners**

**Lee Hishammuddin Allen & Gledhill**

**Raja, Darryl & Loh**

**REGISTRARS**

**Boardroom Share Registrars Sdn Bhd**

11<sup>th</sup> Floor, Menara Symphony

No. 5, Jalan Professor Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor

Tel : +603-7890 4700

Fax : +603-7890 4670

**REGISTERED OFFICE**

Level U6, Block C5, Solaris Dutamas

No. 1, Jalan Dutamas 1

50480 Kuala Lumpur

Tel : +603-2718 7788

Fax : +603-6207 8003



**GROUP CORPORATE STRUCTURE** (As At 12 April 2021)



*Subsidiaries*

100%

- UEM Land Berhad
- Sunrise Berhad
- Allevia Sdn Bhd
- Arcoris Sdn Bhd
- Aurora Tower at KLCC Sdn Bhd
- Bandar Nusajaya Development Sdn Bhd
- Ibarat Duta Sdn Bhd
- Laser Tower Sdn Bhd
- Lembah Suria Sdn Bhd
- Lucky Bright Star Sdn Bhd
- Marina Management Sdn Bhd
- Milik Harta Sdn Bhd
- New Planet Trading Sdn Bhd
- Nusajaya Development Sdn Bhd
- Nusajaya DCS Sdn Bhd
- Nusajaya Greens Sdn Bhd
- Nusajaya Heights Sdn Bhd
- Nusajaya Medical Park Sdn Bhd
- Nusajaya Resort Sdn Bhd
- Nusajaya Rise Sdn Bhd
- Rise Digital Sdn Bhd
- SCM Property Services Sdn Bhd
- Solid Performance Sdn Bhd
- Sunrise Alliance Sdn Bhd
- Sunrise DCS Sdn Bhd

100%

- Sunrise Innovations Sdn Bhd
- Sunrise Mersing Sdn Bhd
- Sun Victory Sdn Bhd
- Sunrise Pioneer Sdn Bhd
- Symphony Hills Sdn Bhd
- UEM Sunrise (Australia) Sdn Bhd
- UEM Sunrise (Land) Pty Ltd
- UEM Sunrise (Developments) Pty Ltd
- UEM Sunrise (La Trobe Street) Unit Trust
- UEM Sunrise (Mackenzie Street) Unit Trust
- UEM Sunrise (Collingwood) Unit Trust
- UEM Sunrise (La Trobe Street Development) Pty Ltd
- UEM Sunrise (Mackenzie Street Development) Pty Ltd
- UEM Sunrise (Collingwood Development) Pty Ltd
- UEM Sunrise Properties Sdn Bhd

60%

- Aura Muhibah Sdn Bhd

50%

+ 1 share

- Mega Legacy (M) Sdn Bhd

*Joint Ventures*

80%

- Nusajaya Premier Sdn Bhd

60%

- Cahaya Jauhar Sdn Bhd

55%

- Nusajaya Lifestyle Sdn Bhd

51%

- Desaru North Course Residences Sdn Bhd

50%

- Horizon Hills Development Sdn Bhd
- Nusajaya Consolidated Sdn Bhd
- Sime Darby Property Sunrise Development Sdn Bhd (formerly known as Sime Darby Sunrise Development Sdn Bhd)
- Sunrise MCL Land Sdn Bhd

40%

- Haute Property Sdn Bhd
- Nusajaya Tech Park Sdn Bhd

30%

- FASTrack Iskandar Sdn Bhd

*Associate Companies*

40.2%

- Durban Point Development Company (Proprietary) Ltd

40%

- Sarandra Malaysia Sdn Bhd
- Scope Energy Sdn Bhd

39%

- Inneonusa Sdn Bhd

25%

- Setia Haruman Sdn Bhd

**Note:**

The complete list of subsidiaries, associates and joint ventures and their respective principal activities, country of incorporation and the Group's effective interest are shown in notes 45 to 47 of the Audited Financial Statements on pages 258 to 267 of this Annual Report.

## CHAIRMAN'S LETTER TO SHAREHOLDERS

# NAVIGATING THROUGH

Chairman's Letter to Shareholders

**Dato' Noorazman** ✓

**Abd Aziz**

Chairman

*Dear Valued Shareholders,*

—

**This marks my first Annual Statement as your Chairman. While the COVID-19 pandemic presented the property market with some of its biggest challenges to date, UEM Sunrise and its subsidiaries (the Group) remained resilient, as reflected by the Group's performance in 2020.**

Despite the many challenges we faced last year, undoubtedly brought on by the introduction of the various phases of the Movement Control Order (MCO) which resulted in limited business activities, UEM Sunrise has remained steadfast in returning sustainable value to our shareholders and customers.

This Report will highlight a demonstration of our spirit in facing challenges, our progress against strategies, and our undeterred determination in the pursuit of good corporate governance practices.

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### NAVIGATING THE IMPACT OF COVID-19 AND CHALLENGING 2020

It was a tumultuous period for Malaysia and the world as 2020 fell under the pall of COVID-19. The Malaysian economy recorded growth of -5.6%, compared to 4.3% in 2019, which was lower than Bank Negara Malaysia's (BNM) revised Gross Domestic Product (GDP) growth forecast of -3.5 to -5.5% for the year in review. According to the World Bank, the global economy contracted by 4.3% in 2020, compared to 2.3% in 2019, with Brent crude oil prices experiencing a particularly divisive year, beginning with the price war between Saudi Arabia and Russia in March, which was exacerbated by the pandemic.

# CHALLENGING TIMES



- In hopes of reinvigorating the economy, the government also introduced five fiscal stimulus packages Prihatin, Prihatin SME+, Penjana, Kita Prihatin and Permai,

worth

**RM322.5**  
billion

- World Bank forecasted a global **GDP growth of 4.0% in 2021** and moderate to 3.8% in 2022.

- The Malaysian economy recorded growth of -5.6%, compared to 4.3% in 2019

**in contrast to BNM's revised GDP growth forecast of**

**-3.5 to -5.5%**

for the year in review.

Malaysia went into MCO lockdown for the first time on 18 March 2020. As the number of infections dropped, restrictions were also eased. However, further outbreaks led to the re-introduction of various phases of the MCO by the Malaysian government throughout the year.

The move effectively nullified recoveries gained and had an adverse impact across industries. The construction sector saw a -19.4% growth in 2020 - the lowest among all sectors. In hopes of reinvigorating the economy, the government introduced five fiscal stimulus packages Prihatin, Prihatin SME+, Penjana, Kita Prihatin and Permai, with a combined worth of RM322.5 billion.

For the year in review, the Bursa Malaysia Property Index declined by 11.5% from 829.9 points in January 2020 to 734.7 points in December 2020, mirroring the soft market sentiments amid the lingering uncertainty looming over the economic environment. According to the National Property Information Centre's (NAPIC) Malaysia Property Market Report 2020, the property market performance recorded a significant decline in 2020 compared to 2019 with 295,968 transactions worth RM119.1 billion transacted in 2020, a decline by 9.9% in volume and 15.8% in value compared to 2019. There was a slight improvement in the number of overhung properties; down by 3.6% in volume compared to 2019, but in terms of value, there was a slight increase by 0.5%. New property launches were lesser as developers adopted a cautious stance in view of the challenging market environment. With the property market set to endure a challenging 2021, we expect to remain resilient and continue to monitor our operational and marketing activities in the months ahead.

### CONTINUING TO DRIVE OUR SUSTAINABILITY AGENDA

At UEM Sunrise, we take great pride in integrating ESG aspects into our business and operations. We are continuously finding ways to manage the impact of our activities on the environment, maximise energy efficiency at each stage of a building's life cycle, and at the same time remain committed to the economic and social advancement of our local communities.

In terms of sustainable homes, UEM Sunrise began embedding sustainable features in our developments since 2010 with 'green building' Imperia in Puteri Harbour and 28 Mont'Kiara while our Symphony Hills development adopted rainwater harvesting. Aspira Gardens is located on a 12.9-acre freehold land in Gerbang Nusajaya, Iskandar Puteri and was launched in late 2019. It features sustainable designs that aim to reduce the carbon footprint of residents with the availability of SolarReady Homes, solar street lighting and rainwater harvesting for its semi-detached houses. On top of that, in 2020, five of our projects achieved Green Building certifications, including the newly-launched Residensi Allevia in Mont'Kiara and KAIA Heights in Equine Park. We are also targeting a GreenRE certification for Solaris Parq (Plot B) in 2021. The project is currently at the planning and development stage.

## CHAIRMAN'S LETTER TO SHAREHOLDERS

On the social front, we embarked on the Highly Immersive Programme (H.I.P.), a speech and drama club workshop designed by Enfiniti Academy, with three of our PINTAR adopted schools to boost the confidence of students to speak and express themselves in English. A program spearheaded by Khazanah Nasional Berhad, PINTAR stands for Promoting Intelligence, Nurturing Talent, and Advocating Responsibility. In addition, we also organised weekly Publika Singer Songwriters' events providing avenues for aspiring musicians whose livelihoods were affected by the pandemic to busk. The performances were also live-streamed on Publika's Facebook Page. Besides that, several physical and virtual events for adults and children were conducted at our UEM Sunrise Fun Zone Community Centre. These included the virtual Malaysia Prihatin UEM Sunrise Cares Drawing Contest in conjunction with Merdeka Day and an event at Stellar International School in Almäs, Puteri Harbour, highlighting the importance of physical distancing in the new normal. Our latest initiative in April 2021 was in support of World Earth Day, an event celebrated around the world to pledge support for environmental protection. Further details on our ESG related initiatives are detailed in page 12 of this Report.

### CONTINUOUS PURSUIT OF GOOD GOVERNANCE AND LIVING WITH INTEGRITY

The Board remains committed to achieving high standards of corporate governance as we continue to demonstrate our ethics and integrity in upholding the trust of UEM Sunrise and the Group's investors and stakeholders.

Together, the Board and Management are dedicated to the pursuit of good corporate governance through continuous development, improvement, and strengthening of our governance processes, aligned with our best practices and approach in prioritising transparent disclosure. At the same time, the Board will continue to exemplify effective leadership and cultivate high ethical and robust corporate governance standards within the boardroom and throughout the Group to ensure that our employees fully understand and appreciate the value of good governance.



Aspira Gardens, sits on

**12.9**

acres of land in Gerbang Nusajaya

Cash Balances including short-term investments of

**RM1.3 billion**

Gross and Net gearings of

**0.59x and 0.40x**

The Group recorded

**RM1.1 billion**

in total sales

The Company's Corporate Governance Model, approved by the Board, embeds best practices within the Company and the Group. The five Committees and a Board Sub-committee established by the Board play a vital role in this regard. The Committees contribute to key areas such as financial review, procurement and development matters, internal controls and risk management, governance, as well as human capital management.

Furthermore, in illustrating our commitment towards Living with Integrity, UEM Sunrise developed an Integrity and Anti-Corruption Plan outlining the overall elements of the Company's integrity and anti-corruption initiatives with several measures implemented throughout 2020. These initiatives were in line with the Prime Minister's directive and the enforcement of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018) on adequate procedures, effective 1 June 2020.

The Board also approved the Company's Anti-Corruption Guidelines in March 2020. In line with the MACC's published Guidelines





on Adequate Procedures, the Company conducted a comprehensive Corruption Risk Assessment to identify, analyse, assess and prioritise the inbound and outbound corruption risks of the Group.

Committed in our undeterred pursuit of good governance, we will continue to seek opportunities to strengthen our governance structure and improve our governance practices and empower its adoption throughout the Company, as evidenced via the awareness sessions involving the Board, employees and business partners in December 2019 in conjunction with International Anti-Corruption Day. Our complete Corporate Governance Overview Statement can be found on page 86.

On a separate note, we received a proposal from UEM Group Berhad detailing a proposed merger between UEM Sunrise and Eco World Development Group Berhad (ECW) to transform the Company into a larger group via an exchange of shares and warrants where ECW will subsequently be de-listed from Bursa Malaysia. The Board on 30 December 2020 agreed to explore and further negotiate the merger with plans to conduct due diligence to validate the potential value of the proposal, given its size and complexity. However, on 13 January 2021, both UEM Sunrise and ECW collectively decided not to pursue further discussions on the proposed merger.

### INTRODUCTION OF UEMS 2025

In May 2020, the Board commissioned and approved UEMS 2025, the five-year strategy to transform UEM Sunrise into a balanced real estate company with sustainable returns. Central to the roll-out of UEMS 2025 has been the setting up of a Performance Delivery Unit (PDU) and the formation of eight key areas of interest – property; international growth; retail plus; portfolio re-balancing; new business; people DNA; best-in-class operations; and go-digital.

### OUTLOOK FOR THE YEAR AHEAD

The outlook for 2021 generally remains more positive, with recovery expected in the second half of the year. With vaccine rollouts underway, in addition to the easing of containment measures and implementation of policy support in a few of the larger global economies, consumer demand and GDP is expected to return to positive growth. In Malaysia, this is evidenced by BNM’s projection of Malaysia’s GDP growth in 2021 to be between 6.0% and 7.5%, supported by stronger external demand and higher private and public expenditure.

However, lingering caution remains with high uncertainty surrounding the progress and success of the National Immunisation Programme, the possibility of a rise in infections, and the continuation of the MCO, as well as political instability following amped-up talks of impending elections. The rising number of business insolvencies resulting in loss of income and rising unemployment rates could also give way to more cautious consumer spending. In 2020, Malaysia’s unemployment rate was at an all-time high of 4.5%.

In a view of the prevailing economic and challenging market condition, UEM Sunrise welcomed the Malaysian government’s decision to re-introduce the Home Ownership Campaign first introduced in 2019, from 30 June 2020 to 31 May 2021 (2020 HOC). As part of the third phase of the Economic Recovery Plan or PENJANA, the intention behind the 2020 HOC was to boost the economy during the pandemic, counting on its incentives and the current low interest rate environment to help spur demand and encourage buyers to purchase properties.

At the same time, the Company will continue to leverage on digital capabilities to supplement more robust consumer engagements and offer attainable homes that meet the needs and wants of the buyers, complemented with better financing options and flexible opportunities to rent as a prelude to ownership.

Rest assured, our goals remain unchanged as we continue to pursue our strategic growth in line with UEMS 2025 and cement our position as one of Malaysia’s leading property developers.

### APPRECIATION

In times like these, resilience truly shines through. Despite the challenges that came our way, the positive outcomes we achieved this year was a demonstration of the support and contribution shown by all our stakeholders. My sincere thanks and gratitude to the Board of Directors, whose counsel and diligence helped us weather through the storm, as well as our senior leadership team, who continues to lead with integrity and foresight. I would also like to single out our employees, our CHIEF Happiness Officers, for their effort and dedication to their work. Thank you for your faith and unwavering commitment to achieving our shared goals and aspirations.

**Dato’ Noorazman Abd Aziz**  
Chairman

For more information, please refer to Our Value Creation Model on 66 to 67.

## CEO'S LETTER TO SHAREHOLDERS

# STABILISING THE BUSINESS

CEO's Letter to Shareholders

**Sufian Abdullah** ✓  
Chief Executive Officer

*Dear Valued Shareholders,*

—

This marks my first letter to you since taking on the role of Chief Executive Officer. Albeit it has only been a short time nevertheless, I am delighted to be part of UEM Sunrise. I am deeply honoured to lead the Group during this time and would like to thank the Board of Directors for entrusting me to steer UEM Sunrise towards achieving our planned growth objectives for 2021.

The COVID-19 pandemic brought rapid and unexpected variables. As markets worldwide grappled with the effects of an unprecedented global health crisis, the focus quickly shifted towards economic recovery, containment, and mitigation of public health measures. In Malaysia, the government's implementation of the MCO between March to June 2020 caused major disruptions to our operations. While social isolation restrictions were necessary to curb infection rates, the lockdown itself severely affected our retail businesses, the progress of construction and our sales and marketing activities, which impacted the Group's overall revenue contribution and profitability.

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Nevertheless, the Group's thoughtful execution of its strategies and prudent measures allowed us to mitigate the impact of the pandemic and the MCO on our business, which led to an encouraging performance in the third and fourth quarter of 2020 following the ease in containment restrictions.

However, the impact of COVID-19 on the market was inevitable. The pandemic and the ensuing market sentiment hampered our ability to launch new projects in the first half of 2020. Slower project progress completion, especially in the first half of the year, in addition to unforeseen impairment provisions of our assets and inventories, amongst others, substantially impacted the Group's overall revenue contribution and profitability for the financial year ended 2020 (FY2020).

### OUR BUSINESS PERFORMANCE

Amid the challenging backdrop for the property sector, UEM Sunrise registered revenue of RM1.1 billion, a decline of 61% from the financial year ended 2019 (FY2019). The curtailment in business activities as a result of the introduction

# AND RESETTING THE FUTURE



of the MCO on 18 March 2020 affected the Group's operations during the year. The Group's performance picked up in the second half of the year as construction and sales activities resumed. This is evidenced when the Group's revenue in the fourth quarter of 2020 was over and above the total combined revenue of the first nine months while sales in the same quarter contributed 67% of the total sales in 2020.

However, for the year under review, the Group recorded a net loss after non-controlling interests of RM277 million following the lower revenue contribution and impairment of its assets and inventories of RM93 million, amongst others.

Although the Group's total sales of RM1.1 billion in 2020 was a 1% decrease compared to the sales achieved in FY2019, our sales performance for the year exceeded our 2020 sales target of RM1.0 billion by 13%. This was a positive development amid current market's soft sentiments.

New property launches were introduced to the market in the second half of the year starting with Frischia, a new phase of Serene Heights Bangi in June 2020. This was followed by Senadi Hills, a new residential development in Iskandar Puteri, located opposite Horizon Hills near Lebuhraya Sultan Iskandar, a tolled-free highway that connects the Johor Bahru City

Centre to Iskandar Puteri. The first phase of the development featured double-storey terrace homes. By the end of 2020, we have launched approximately RM900 million worth of properties including high-rise residential development in Mont'Kiara; Residensi Allevia.

The pandemic affected economic activities and growth in all sectors. The Group's assets and inventories were also not spared. The impact of the current environment, amongst others, affected the value of our assets and inventories which now have lower net realisable value, requiring appropriate impairment provisions. These impairments, however, have not affected the Group's cash flow position.

Meanwhile, the sale of the en-bloc serviced apartment to Scape Australia Management Pty Ltd (Scape) was finally settled in October 2020, contributing positively towards our FY2020 total revenue. The completed Aurora Melbourne Central and Conservatory are nearing full settlement. We anticipate a complete settlement of both projects by end 2021, which was previously deferred, following the closing of the Australian border and ensuing lockdown of Victoria state in the second half of 2020. The Group's net gearing for FY2020 stands at 0.40x and our unbilled sales of RM1.9 billion as at 31 December 2020 is expected to be substantially recognised over the next 18 to 36 months.

**The Group's revenue in the fourth quarter of 2020 was over and above the total combined revenue of the first nine months while sales in the same quarter contributed 67% of the total sales in 2020.**



Aurora Melbourne Central

## CEO'S LETTER TO SHAREHOLDERS

Introduction of  
MCO 1.0  
=

18 Mar  
2020

Conditional  
MCO  
(CMCO)  
=

4 May  
2020

Recovery  
MCO  
(RMCO)  
=

7 Jun  
2020

-  
31 Dec  
2020

Introduction  
of MCO 2.0  
=

13 Jan  
2021

MCO 2.0 was  
extended until  
4 March 2021 in  
Kuala Lumpur,  
Selangor,  
Penang and  
Johor following  
high record of  
COVID-19 cases

CMCO  
2.0  
=

5 Mar  
-  
5 May  
2021

### OPERATING IN A NEW BUSINESS ENVIRONMENT

Business resilience was the operative word for us in 2020, as we rapidly adapted and responded to the disruptions brought on by the COVID-19 pandemic, working diligently to safeguard our people and assets while finding viable solutions in continuing part of our business operations.

While the introduction of the first phase of the MCO on 18 March 2020 saw non-essential industries, including the property and construction, cease operations, it also heightened the need for enhanced technological capabilities for effective connectivity and communication amongst all business stakeholders. These turns of events undoubtedly encouraged UEM Sunrise to turn its focus on its digital efforts and HR policy changes towards re-shaping business strategies and action plans to zero in on the Company's goals and future aspirations.

During this pandemic, the Company ensured strict compliance with all Standard Operating Procedures (SOPs), with primary focus on enabling most employees to work remotely from their homes to prioritise their safety and wellbeing while minimising exposure and the spread of COVID-19. Our employees played a pivotal role in embracing the new norm and through their commitment and productivity, the Company saw the steady, yet affirmative change that allowed us to achieve positive outcomes following the reopening of the economy during the Recovery MCO (RMCO).

### ENSURING BUSINESS CONTINUITY

UEM Sunrise immediately formed a Crisis Management Committee (CMC) and Crisis Management Team (CMT) in February 2020 to identify potential impacts of the pandemic on business operations involving the workforce and assets and developing adequate response plans to mitigate the effects. One of the Committee's key focus areas was to ensure the health and well-being of our employees, customers, and partners as we worked swiftly in making arrangements in compliance with the government's SOPs, making sure all physical spaces were safe, with the proper practices and guidelines in place.

### PUTTING EMPLOYEES FIRST

When the government announced the MCO on 18 March, one of the first actions taken was to draw up our Work From Home (WFH) arrangements. Employees were allowed access to the office premises to retrieve their computers to enable them to work from home. Under the WFH arrangements, the Company provided reimbursements for the purchase of internet broadband/data plans/wireless dongles. Besides that, employees under the essential services category were granted reimbursements for the purchase of Personal Protective Equipment (PPE), including face masks, gloves and hand sanitisers.

On 13 May 2020, the Company resumed on-premise operations with half the total workforce, as the rest of the employees continued with WFH arrangements. Prior to this, the Company established and circulated its COVID-19 Pandemic Control Plan on 12 May as guidelines to all employees. The Control Plan was subsequently revised on 1 July, as employees returned to work. Besides that, Return to Work (RtO) arrangements also included sanitisation works (disinfection or misting) at our main offices in Central and Southern regions, temperature checks and, contactless check-in records either via the Company QR code or manually, at entrances of all premises to facilitate contact tracing should the need arise to do so.

On top of that, the People Division, together with the Sports and Recreation Club, established the Titans Caring Fund, providing aid to employees affected by the pandemic and experiencing financial difficulties during the MCO and Conditional MCO (CMCO) period.

### PROTECTING OUR FRONTLINERS AND PROVIDING FOR THE UNDERSERVED AND UNDERPRIVILEGED

Triggered by the far-reaching fallout of COVID-19, UEM Sunrise was resolute in our desire to support our communities by providing relief to our dedicated and tireless frontline medical workers as well as the underserved and underprivileged communities nationwide.





### REVAMPED SALES AND MARKETING INITIATIVES

To capitalise on the re-introduction of the 2020 HOC announced by the Malaysian government in June 2020, UEM Sunrise launched The Happy Chase campaign on 25 July to boost sales during the pandemic. Our buyers were able to leverage on the HOC incentives and at the same time enjoy our offerings under The Happy Chase campaign for selected developments. Under the campaign, buyers were able to participate in the Happy Chase Property Gameshow to win perks and utilise them to buy UEM Sunrise’s properties.

In line with the new normal, we also re-examined the delivery of our services, adopting new practices and digital enhancements. While sales galleries remained open during the CMCO, its operations were kept low-key as only customers with confirmed appointments were allowed to visit the galleries. During this time, our marketing initiatives were largely executed via digital channels with our sales personnel trained to conduct virtual sales presentations and equipped with tech capabilities, including filming drone videos, providing 3D virtual tours, guided videos and live chats.

Medical institutions /NGOs/Communities	Amount	Contribution
Hospital Kuala Lumpur (together with Melati Ehsan Holdings Berhad and Pelaburan Harta Berhad)	Exceeding RM200,000	Purchase of ventilator machine (one unit)
Malaysian Red Crescent (Johor)	RM50,000	Purchase of PPE, hazmat suit, face mask, and other necessities for frontliners
Malaysian Relief Agency (Kuala Lumpur and Selangor)	RM50,000	Purchase of PPE, hazmat suit, face mask, and other necessities for frontliners
Persatuan Kebajikan Mahmudah Malaysia (old folks home)	RM10,000	Purchase of groceries, medical supplies, and essential items
Kampung Muafakat, Kampung Baru, Taman Dato’ Syed Idrus and Taman Denai Nusantara	RM10,000	Financial aid to villagers who have suffered loss of income due to MCO
300 families in Johor (Together with the Mayor of Johor via Majlis Bandaraya Iskandar Puteri)	RM27,979	Purchase of groceries

“ In line with the new normal, we also re-examined the delivery of our services, adopting new practices and digital enhancements. ”

## CEO'S LETTER TO SHAREHOLDERS



These enhancements, albeit unplanned, were key toward rebuilding our sales funnel in the new normal. Moving forward, the Company will continue to explore digital channels and online platforms to supplement physical project launches and exploring the possibility of introducing the e-signing of sale and purchase agreements and e-Housing Developers' Accounts in the future.

### DIGITALISATION INITIATIVES IN 2020

During times like these, UEM Sunrise needed to continue to anticipate our customers' evolving needs and expectations through enhancements of our products, services and initiatives, as well as investments in technology and digital ventures. While the events of 2020 further exposed the need for enhanced adoption of digital tools across various industries, UEM Sunrise continued our digital journey, leveraging on our digital capabilities to tackle the challenges posed by the COVID-19 pandemic.

The Company's Modern Office transformation spearheaded by the Laptop First initiative in 2019, was further strengthened this year to involve two-thirds of the workforce. This, along with the subscription of Microsoft 365, paved the way for seamless communication as employees were able to participate in collaborative virtual meetings via Microsoft Teams as they adapted to mobile work arrangements. In addition, our sales team were also equipped with tools such as Zoom and Microsoft 365 for all their communications needs.

The Company also strengthened its cybersecurity initiatives in 2020, with several dedicated layers of external and internal protections in place. These included the setup of a Firewall with advanced network protection, email protection from spam and Malware, multi-factor authentication to strengthen user access, and End Points Protection to protect the user's devices. Besides that, an independent Cyber Security Assessment was conducted to comprehensively review the Company's governance, policies and implementation of IT initiatives.

### RISE DIGITAL

Rise Digital initiated in January 2020 is a key initiative for UEM Sunrise. It involved innovative start-ups with the technological expertise in enhancing our customer journey and completing the customer lifestyle ecosystem while complementing our core property business. Cognisant of the challenges faced by our customers, the implementation of Rise Digital directly impacts our business culture and sets a guided trajectory for our business strategies. Leveraging on Rise Digital and the hUb apps, we look forward to expanding the digitalisation of our services as desired by UEM Sunrise homeowners.






### NEW CORPORATE WEBSITE

The launch of UEM Sunrise’s fully-revamped website in November 2020 came complete with more intuitive features. These include an embedded virtual 360° degree-view tours of almost all properties to address restrictions on showroom visits during the various phases of the MCO, enabling simultaneous property comparisons and assessment of multiple properties, a fully integrated booking system and a payment gateway. The live chat feature with Caring, Honest, Involved, Enthusiastic, and Fun-loving (CHIEF) consultants, was launched on 31 December 2020.

In 2021, the Company will be looking into further improving our digitisation efforts with the enhancement of our customer experience, in addition to a guided-sales virtual tour and online loan eligibility check. Apart from improving our present automation, UEM Sunrise will be focusing on Big Data Analytics and will seek to introduce centralised data collection and information management to boost efficiency. The Company will also be looking into using Building Information Modeling (BIM), prefabrication home, or Industrialised Building System (IBS) to enhance our product offerings.

### APPS DEVELOPED IN 2020

UEM Sunrise successfully launched hUb Prop, a virtual concierge and the first in its suite of mobile apps 2019 in conjunction with the Malaysia Tech Week organised by Malaysia Digital Economy Corporation Sdn Bhd, an agency under the Ministry of Communications and Multimedia Malaysia. hUb Prop has more than 4,000 downloads, and earned UEM Sunrise the Digital-Real Estate award at the Malaysia Technology Excellence Awards 2020. In 2020, the Company developed three more apps – hUb Home, hUb Mall and hUb Life – officially launching them on 3 March 2021. More importantly, one of the key features developed in-house is the Single Sign On (SSO), which allows customers to use one login credential to access the entire series of hUb apps for a seamless user experience.

<p><b>hUb Home</b></p> 	<ul style="list-style-type: none"> <li>• UEM Sunrise partnered with Kaodim, Maid Easy, Bateriku, MyGroser, Zepto Express, and Bungkusit to offer customers quick solutions to their everyday lifestyle needs from home maintenance and groceries to on-demand delivery services.</li> <li>• Since its soft launch in May 2020, hUb Home has more than 400 downloads.</li> <li>• More partnerships are being lined up in 2021.</li> </ul>
<p><b>hUb Mall</b></p> 	<ul style="list-style-type: none"> <li>• hUb Mall is set to turn Publika into an e-mall, offering customers one-stop shopping solutions from the store directory, loyalty points collection and redemption.</li> <li>• hUb Mall has 27 merchants with more to come.</li> <li>• In the future, the app will feature parking redemption and reservation at the mall. Plans also include expanding the app to serve other retail malls owned by UEM Sunrise and extend loyalty points to other hUb apps.</li> <li>• Since its soft launch on 1 Oct 2020, the app has more than 350 active customers recording close to 1,000 various transactions.</li> </ul>
<p><b>hUb Life</b></p> 	<ul style="list-style-type: none"> <li>• A condominium management app providing services such as visitor management, facilities booking, digital ID for residents, and the trial of Licence Plate Recognition.</li> <li>• The app collaborates with technology partner, Kiple Sdn Bhd.</li> <li>• UEM Sunrise aims to activate hUb Life at selected high-rise condominiums in Mont’Kiara, with two condominiums already on board with more than 275 customers.</li> <li>• hUb Life targets to serve 15 condominiums by the end of 2021.</li> </ul>

## CEO'S LETTER TO SHAREHOLDERS

### RETAIL EXPERIENCE

UEM Sunrise introduced thermal imaging scanners at Publika to record accurate temperature measurements of its visitors as part of the SOP to curb the spread of COVID-19. The mall is also employing the use of artificial intelligence-enabled cameras to obtain data-driven actionable insights to better understand customer needs. Software-connected, these digital cameras can process images of people. Using specific algorithms, it can identify visitors' age, mood, and gender and manage situations better.

### ENHANCING CUSTOMER EXPERIENCE AND ENGAGEMENT

At UEM Sunrise, we understand that every interaction with our customers is an opportunity to demonstrate the values and priorities of the Company. In keeping engaged with our customers, we took steps towards enhancing our reach through initiatives using well-known digital tools.

### Trésor 2.0

Trésor, UEM Sunrise's loyalty programme, is aimed at creating value-added services and privileges for customers. The most significant development under the programme was the introduction of a new membership – Quartz. Made up of property owners with a total accumulated purchase value of between RM150,000 and RM300,000 with UEM Sunrise, the introduction of Quartz added 10% more to the base of the existing Trésor members (Trésorians).

Trésor 2.0 also saw the end of physical membership cards. As part of the Company's digital transformation and sustainability journey, an e-membership card has been introduced within the hUb Prop app to replace the physical version. Other improvements found in Trésor 2.0 include the Family Extension Rebate, which can be utilised by Trésorians' immediate family members to enjoy a rebate of up to 5% on the purchase price of any UEM Sunrise's development.

An increased emphasis on digital adaptability in 2020 saw the Company work continuously to find innovative ways to engage and interact with our Trésorians and the community at large. Throughout 2020, the Company carried out various virtual campaigns, weekly online classes and online competitions.

ACTIVITIES	DATE
<b>Virtual Language, Arts &amp; Crafts Classes</b>	Weekly
<b>Gift to Give Campaign</b>	29 Apr 2020
<b>Malaysia Prihatin - UEM Sunrise Cares Drawing Contest</b>	15 Aug 2020
<b>So You Think You Can Bollywood Dance</b>	4 Nov 2020
<b>Snapshot of 2020</b>	29 Dec 2020







### CUSTOMER SATISFACTION AND NET PROMOTER SCORE

UEM Sunrise’s Customer Satisfaction and Net Promoter Score (NPS) surveys conducted between 16 November 2020 and 7 December 2020 involved over 9,000 customers. The primary focus of the survey was to gauge four key customer’s experience (CX) indicators - customer satisfaction, customer effort, net promoter and core values engagement. The survey results positively reflected UEM Sunrise’s continuous drive in creating exceptional customer experience with all key indicators achieving healthy scores as well as positive improvements from 2019.

The improved scores can be attributed to the numerous initiatives introduced in 2020 across all touchpoints including digitalisation of key-handover process and defects submission, which has improved the overall Defect Liability Period experience. Moreover, 23% of the respondents were also very satisfied with the level of services rendered by UEM Sunrise, with more than a 10% improvement from 2019 for seamless and convenient key-handover process.

INDICATOR	2019	2020	YOY (+/-)
Customer Satisfaction Score (CSS)	75%	77%	+2%
Customer Effort Score (CES)	64%	70%	+6%
Net Promoter Score (NPS)	+12	+17	+2
Core Values Engagement Score (CVES)	N/A	73%	N/A

SOURCE: UEMS Customer Satisfaction Survey (CSS 2020) Topline Report, Ipsos Malaysia.

In addition, UEM Sunrise won Gold for the Best Customer Experience Team at the 2020 Customer Experience Asia Excellence Awards, beating out other renowned public listed companies in the continent. The award, presented to public listed companies at the CX Asia Week – Virtual Edition, saw 238 submissions across 12 categories from 102 participating companies in Asia.

### THE INTRODUCTION OF UEMS 2025

While the COVID-19 pandemic has further exacerbated existing challenges and uncertainties in the real estate market, the post-pandemic environment will be a litmus test for companies as they turn their focus towards long-term sustainability.

“ The primary focus of the survey was to gauge four key customers’ experience (CX) indicators - customer satisfaction, customer effort, net promoter and core values engagement. ”

Endorsed by the Board, the strategic transformation of UEM Sunrise or UEMS 2025 is a large-scale delivery programme launched in May of 2020 to recast UEM Sunrise as a well-balanced real estate group driven to build communities while delivering sustainable, attractive returns.

Central to the programme was the formation of the Performance Delivery Unit (PDU) that mobilised an expansive 50-member cross-functional team working to proactively reshape our agendas, tackling challenges that came our way as we continue to strategise our business priorities.

The PDU will be the catalyst in leading change, jointly delivering initiatives and problem-solving strategies, while leaders in critical functions will spearhead initiatives and at the same time motivate and embolden team members to execute the Group’s plan involving key eight key areas.

At its core, the key areas represent UEM Sunrise’s goals in strengthening its core residential community building, expanding its international presence, becoming the preferred retail partner, rebalancing its landbank, and investing in innovation.

## CEO'S LETTER TO SHAREHOLDERS

### The 8 Key Areas



#### Property

- To be sharper in our product offerings and zero in on the buyers' purchasing criteria by improving our understanding of our customer profiles for more targeted, effective marketing and to facilitate retail and new business.
- To ensure more targeted deployment of surveys to discover buyers' Key Purchasing Criteria, improve competitiveness, enhance customer experience and efficient conversion of bookings to sales.



#### International Growth

Plans began in January 2021 and are currently underway. The Group has identified to focus on:

- Market Analysis
- Competitor Analysis
- Key Purchasing Criteria Analysis
- Resource Planning
- Risk Management Plan



#### Retail Plus

A two-pronged strategy to divest non-strategic and non-performing assets and at the same time manage portfolio performance of asset. This includes improving the efficiency and effectiveness of operations resulting in improved cost effectiveness.



#### Right Land/Portfolio rebalancing

To identify land statuses to improve ease of planning for our landbank. In order to grow our market in the Klang Valley, we need to acquire more land. Our remaining land bank distribution is Johor (78%) and Klang Valley (6%). We have already identified pockets of lands for sale, most of which are in Johor. The cash generated from land sales will then be utilised to support land banking initiatives in Klang Valley while managing borrowings/gearings and maintaining a healthy cash balance.



#### New Business

To identify ways to consolidate our data to advise the setup of a new business and have narrowed down 11 potential business sectors to two - education and healthcare.



#### People DNA

In the first quarter, we focused on strengthening leadership skills, improving capabilities and competencies, by carrying out structured learning and development initiatives as well as identifying key leadership behaviours programmes and interventions. The Group also reviewed and implemented enhancement of the current performance management framework and reviewed, tracked and monitored CHIEF implementation plans.



#### Best-in-Class

The Group targets an annual savings cost of 3% to 5% from Gross Development Cost involving marketing expenses, land-related cost, as well as infrastructure, landscape, and earthworks preliminaries and building costs through the improvement of procurement, development playbook, and enhanced value engineering.



#### Go Digital

Digital opportunities and capabilities will serve as the enabler in achieving the targeted deliverables.

### OUR FRAMEWORK





## OUTLOOK & PROSPECTS

Following a global contraction of 4.3% in 2020, the World Bank forecasted the global economy to grow by 4% in 2021 and 3.8% in 2022, weighed down by the pandemic's damage to potential growth. The impact of COVID-19 is expected to erode growth prospects and set back several key development goals. Recovery is however expected to strengthen over the forecast horizon as confidence, consumption and trade gradually improve supported by ongoing vaccination. Policy stimulus too continues to provide support to economic activities while international trade recorded significant improvements.

For Malaysia, the economy is expected to recover in 2021 with growth ranging from 6.0% to 7.5% underpinned by stronger external demand and higher private and public expenditure. Resurgence of new cases towards the end of 2020 led to a third wave of the pandemic, prompting the government to introduce MCO 2.0 on 13 January 2021 in selected states. The impact, however, has not adversely affected our operations, having adapted to the new norm in doing business since the stricter MCO last year. Meanwhile, the rollout of the COVID-19 National Immunisation Programme (NIP) that commenced on 26 February 2021 and to be carried out in phases is expected to increase mobility across all sectors, improve confidence and support economic activities.

Like many other industries, the real estate business was not spared from the effects of COVID-19, and the Group is cognisant of how the pandemic has shaped the market. The pandemic heightened the urgency for digitalisation as we were compelled to reimagine our customer journeys as well as strengthen our business and operational capabilities, smoothly resuming curtailed construction projects following the various phases of MCOs imposed in 2020. The pandemic and ensuing MCOs gave way to new norms, and as such, the Group was able to make provisions to adhere to the SOPs that was set out by the Ministry of International Trade and Industry, effectively ensuring the continuance of our construction activities, and at the same time utilising digital channels and social media platforms for our marketing initiatives.

We are also wary of the current property market environment as the property market performance declined in 2020 compared to 2019 (down by 9.9% in volume and 15.8% in value) with 83% of the total transactions representing properties priced RM500,000 per unit and below. As such, for 2021, we have planned a series of affordable and more attainable products that will extend our product outreach to the local market worth approximately RM1.2 billion. We expect the products to be more appealing to the mid-market income bracket group, encouraging them to own UEM Sunrise's properties.

While the near-term growth will be affected by the re-introduction of stricter containment measures in 2021, the impact is expected to be less severe than that experienced in 2020. This is reflected in the introduction of MCO 2.0, which has not adversely impacted our activities. However, we remain cautious and are continuing to monitor the effects, if any, in the coming months ahead. Additionally, the Group is also very supportive towards the immunisation programme. We hope these measures, complemented with the 2020 HOC and the generally low interest rate environment, will lead to an overall economic and property market recovery in 2021.

On behalf of the management, I would like to thank our Board of Directors for their steadfast stewardship and support that enabled the Group to successfully navigate this challenging business environment. The Group owes a debt of gratitude to our incredible employees for their consummate dedication and unwavering focus to continue delivering value to all our stakeholders. Having such unyielding commitment places us in good stead as we look to come back stronger in 2021.

Thank you.

**Sufian Abdullah**  
Chief Executive Officer

## MANAGEMENT DISCUSSION & ANALYSIS

### MARKET LANDSCAPE



**UEM SUNRISE** ✓  
Market Landscape



**It was a tumultuous 2020 as the COVID-19 pandemic took the world by surprise, impacting the Malaysian economy and all markets worldwide.**

Malaysia's GDP contracted by 5.6% in 2020, the biggest decline since the 1998 Asian Financial Crisis at -7.4%, and most certainly a far cry from the 4.3% growth it experienced in 2019.

Containment restrictions, especially the strict measures applied during the first MCO, brought the country and much of its economic activities to a grinding halt. All economic sectors, excluding manufacturing, recorded negative growth in 2020. As a result, unemployment rate in 2020 reached the highest in some 30 years at 4.5% – a rate last seen in 1990 during the recovery from the recession of the late 1980s – after hitting 5.3% in May during the height of the first MCO.

To stimulate the economy, the Malaysian government introduced five fiscal stimulus packages – Prihatin, Prihatin SME+, Penjana, Kita Prihatin, and Permai – worth RM322.5 billion to keep the engines of the economy running amid the ongoing pandemic.



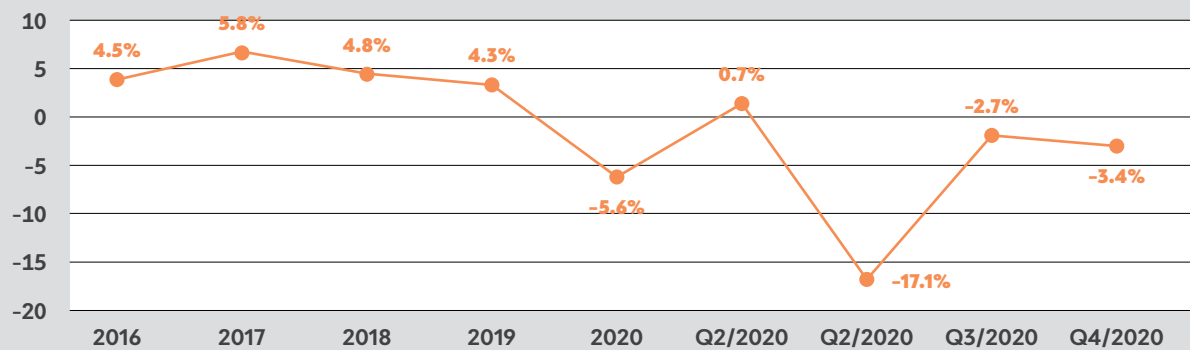
Kiara Bay





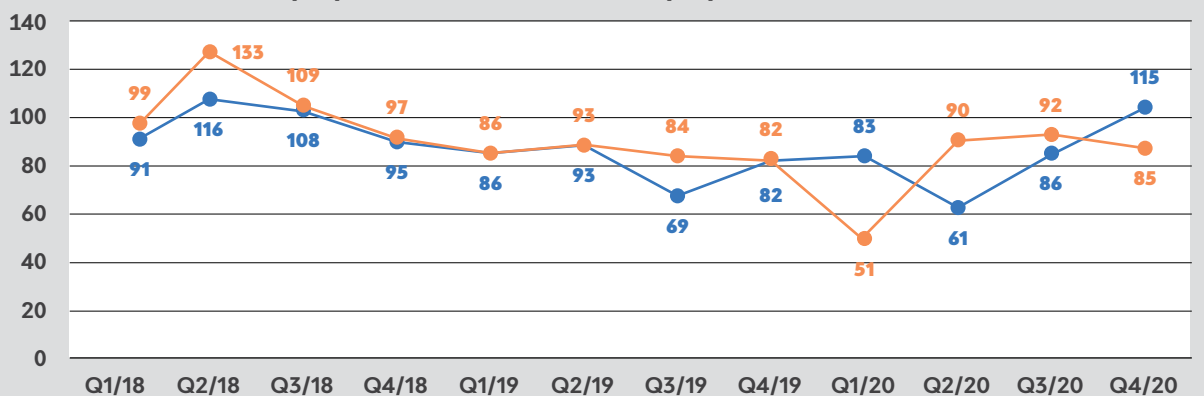
A year removed from the first outbreak of the pandemic, the global economy is looking forward to a post-COVID-19 recovery. In its baseline forecast, the World Bank expects the global GDP to expand by 4% in 2021, backed by effective vaccination programmes to limit community spread of COVID-19 and policymakers' prudent management of the pandemic together with continued monetary policy adjustments and diminishing fiscal support. While uncertainties and the possible materialisation of numerous downside risks raise the prospect of differing growth outcomes, an upside scenario could trigger a sharp rise in consumer confidence and unleash pent-up demand, which could see global growth accelerate to nearly 5%. At the same time, the World Bank also recently revised the GDP growth projection for Malaysia to 6% in 2021, from 6.7% earlier, amid the increase in COVID-19 infections, prevailing political uncertainty, and slower-than-expected rollout of vaccines in other developed economies.

**GDP Growth**



Source: Bank Negara Malaysia (BNM)

**Business Conditions Index (BCI) & Consumer Sentiment Index (CSI)**



Source: Malaysian Institute of Economic Research (MIER)

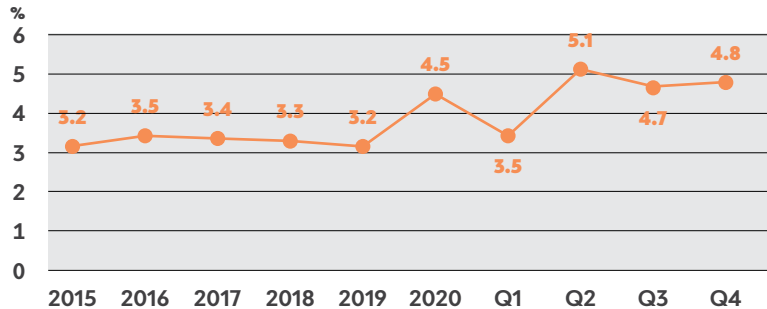
To help cushion and compensate the lingering impact of the pandemic, the Malaysian government launched its largest-ever budget of RM322.5 billion for 2021. However, resurgent cases of COVID-19 saw the re-introduction of the MCO in January and again in May of 2021 as well as the unprecedented declaration of a state of emergency until 1 August 2021 to curb widespread community infection.

## MANAGEMENT DISCUSSION & ANALYSIS

### MARKET LANDSCAPE

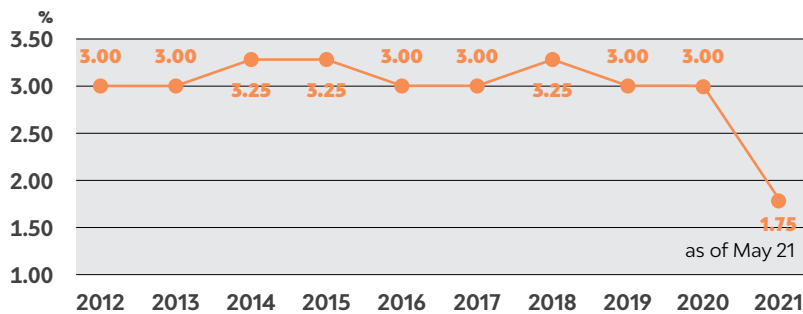
**Mirroring global trends, BNM has projected an economic recovery of between 6% to 7.5% in 2021, on the back of domestic demand growth, with private consumption to double to 8% from 4.3% in 2020. Furthermore, the government also expects the unemployment rate to come down to 3.5% in 2021.**

#### Unemployment Rate



Source: Department of Statistics Malaysia (DOSM)

#### Overnight Policy Rate (OPR)



Source: Bank Negara Malaysia (BNM)

Moreover, Malaysia's economic outlook is on the up-turn in 2021 following the commencement of the NIP in February. This, coupled with the expectation of BNM maintaining the OPR at 1.75% for the rest of the year, as well as the recently launched RM20 billion Pemerkasa (Strategic Programme to Empower the People and the Economy) stimulus package, brought some optimism of an economic rebound. Pemerkasa aims to focus on controlling the spread of COVID-19, acceleration of economic recovery, strengthening of Malaysia's competitiveness, implementation of the regional and community inclusion agenda, and economic transformation.

In the interim, the recovery trajectory will very much depend on the ability of the government to effectively contain the current resurgence in infections and the swift administration and efficacy of the vaccines. Furthermore, possible events following the lifting of the state of emergency on 1 August and the perceived risks surrounding a potential snap general election could lead to disruptions or even delays in the implementation of policies which could potentially lead to further market volatility.

#### PROPERTY MARKET

As anticipated, the property market remained somewhat subdued in 2020. Although the residential market saw positive growth, the magnitude of the COVID-19 outbreak is unprecedented and the measures implemented to contain the spread resulted in non-essential industries, including property and construction, ceasing operations for an extended period. These events had adverse effects on the economy, including the construction sector, which contracted by 19.4% compared with 2019.

In 2020, the Malaysian House Price Index stood at 199.3 points, having charted a slim 0.6% annual growth since 2010, with housing loan approvals rates remaining flat at more than 40% for the past few years. As income insecurity and increasing unemployment rates resulted in stringent loan approval in 2020, following the RMCO, the third quarter of 2020 saw the highest number of applications but the lowest loan approval rate of 35%.

According to the NAPIC Property Market Report 2020, market activity declined in 2020, recording 295,968 transactions worth RM119.1 billion, a decrease of 9.9% in numbers and decline of 15.8% in value compared to 2019. In 2020, the residential property market saw 195,223 units sold, including serviced apartments, worth RM68.4 billion, a relatively moderate decline of 8.5% and 9.1% respectively from 2019. The middle and lower price segments, i.e. <RM500,000, were the most impacted.

The residential sector was significantly affected as priorities shifted away from homebuying in the initial phases of the pandemic, and any chance for foreign buyers dissipated following travel restrictions and border closures. Financial institutions also tightened approval conditions as employment security waned and unemployment rates increased. New launches were also delayed due to market uncertainties with missed completion deadlines due to supply chain disruptions and the freezing of on-site activity.

The residential overhang situation improved by a marginal 3.6% (-1,099 units) from 2019, however, serviced apartment overhang continued to grow exponentially, by 38% (+6,464 units) in 2020. Collectively, unsold residential and serviced apartments totalled 53,171 units valued close to RM40 billion. Approximately half of the figures were serviced apartments.



In response to the pandemic, coupled with the already softening market and oversupply, the market saw a decline in new launches, with 47,178 units unveiled in 2020 [2019: close to 60,000 units], which was met with a tepid response and a modest sales performance of 28.7%.

The 2020 HOC, first initiated in 2019, was re-introduced in June 2020, under the Short-Term Economic Recovery Plan (Penjana), whereby homebuyers were exempted from stamp duties fees for the purchase of residential units between 1 June 2020 and 31 May 2021. This move proved successful, generating the sale of 34,354 residential units valued at RM25.6 billion as at 28 February 2021. Affordable housing projects are also anticipated to be the main driver and provide support for financial activity in the residential sector. However, non-performing loans may surge once the various debt relief programmes mooted by the government comes to an end in June 2021.

Buoyed by several factors, the housing market in 2021 is projected to be stable or marginally better than 2020, owing to eager first-time home buyers, stable and consistent demand for affordable to mid-range landed property, and opportunistic long-term investors looking for value buys. Moreover, low interest rates, real property gains tax exemptions until December 2021, and attractive offers and discounts offered by developers and secondary market sellers set a conducive climate for buyers to land an attractive deal.

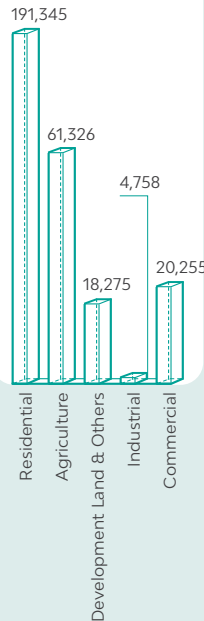
Furthermore, enhancements to digital capabilities will also be a welcomed addition that will improve consumer engagement. Not to mention affordable homes that meet the criteria of homebuyers, paired with better financing options and flexible opportunities to rent as a prelude to ownership.

The commercial property market remained generally soft, recording 20,255 transactions worth RM19.5 billion, registering the most significant decline of all segments, of 21.0% in volume and 32.6% in value as compared with 2019.

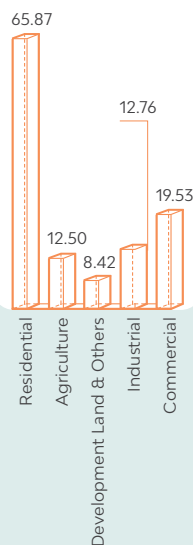
Retail was one of the most affected segments in 2020, as COVID-19 threatened the vitality of many non-essential retail businesses. According to NAPIC, the average retail centre occupancy rates fell by 1.7 percentage points to 77.5% amidst continued supply increase. Average occupancy rate in Kuala Lumpur was at 82%, followed by Selangor at 80%, and Johor, the lowest, at 75%. With the market still recovering from the fallout of COVID-19,

**MARKET ACTIVITY  
2020 PROPERTY  
TRANSACTIONS**

Volume (units)



Value (RM billion)



Source: NAPIC

the end of 2020 saw a recovery in footfalls as the retail sector, especially food and beverage and other retail trades, enjoyed a surge due to pent-up demand. However, sectors with a stronger online presence, such as fashion, may see a slower return, considering the exponential growth of online retailing during the pandemic and the corresponding shift in consumer behaviour, which is likely to see certain trade segments faced with lingering lower rentals.

Similarly, the Purpose-Built Office (PBO) sector remains generally lacklustre, with average occupancy declining to 73.9% in 2020 compared to 80.6% in 2019. In view of this, UEM Sunrise has adapted strategies to tackle the abundance of supply of office space and weak business conditions, especially in the Klang Valley, with a targeted approach that will ensure the success of our commercial development pipeline. Besides that, rental and occupancy rates are anticipated to remain under some pressure in the near term amid the oversupply of PBO and a challenging business environment with a recognised preference towards managed office spaces.

In Australia, residential markets showed remarkable resilience in 2020. Residential prices increased by 3% over the year, despite the pandemic, as the Australian economy rebounded strongly in the second half of 2020, contracting by only 1.1% in 2020, all thanks to prompt response and decisive actions by the Australian government.

In 2021, housing prices in Australia continued to climb as stronger gains projected for the year were aided by expectations of strong economic growth, record-low mortgage rates, heightened consumer confidence, low unemployment rates, and an effective vaccination rollout. However, the outlook on high-rise developments is slightly more challenging, with higher vacancy rates in city centres, due to border closures to expatriates and international students, giving risk to possible fall in home prices or remaining flat at best. At the same time, stronger price growth is expected in smaller cities, as city-based residents move to commutable country towns in response to the pandemic, a move further incentivised by cheaper housing, the flexibility of working from home, and the federal government's offer of a HomeBuilder's Grant.

Looking ahead, the Australian authorities are likely to introduce macro-prudential measures should the booming market overheat, although it is not expected to lift the official cash rate until 2024.

## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL REVIEW

**COVID-19 profoundly impacted the property industry, and the subsequent implementation of the MCO severely disrupted businesses. For UEM Sunrise, the events in 2020 impacted the Company's operations, affecting our retail businesses, construction progresses, planned launches, and sales and marketing activities, eventually affecting the Group's overall revenue contribution and profitability.**

As part of the MCO, construction works were halted for an extended period between the initial MCO, which began on 18 March, up until the introduction of the RMCO on 10 June. While these projects were allowed to resume under the CMCO, which began on 4 May, companies were required to apply for permission from the Ministry of International Trade and Industry to operate and execute critical construction works. However, approvals came complete with stringent provisions, including heightened safety and health measures, including the testing of workers for COVID-19, which proved to be costly and time-consuming. As a result, slow construction progress led to slow progress billings and low revenue recognition.

Our sales in the first half of the year were derived mainly from properties launched during previous years and inventories as there were no new property launches in the first half of 2020. New property launches, like Residensi Allevia in Mont'Kiara, Senadi Hills in Iskandar Puteri, and Serene Heights Bangi, were deferred to the second half of 2020. Furthermore, the ensuing

nationwide lockdown also resulted in the closure of our offices and retail outlets, disruption to our sales and marketing initiatives, and the construction progress of ongoing projects.

While the prolonged containment measures affected our overall operations and impacted us financially, we continued to assess the impact of such restrictions on our business at all angles and strategised to mitigate its effects. On top of that, the Australian border closure and the lockdown of the Victoria state in the second half of 2020 have also impacted the settlement of the remaining units in Aurora Melbourne Central and Conservatory. We anticipate finalising the settlement for both projects by end 2021.

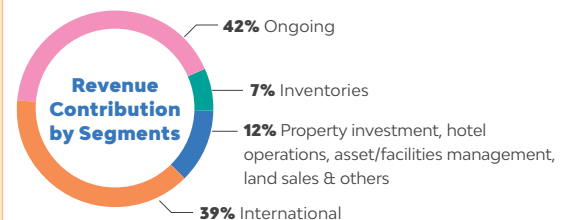
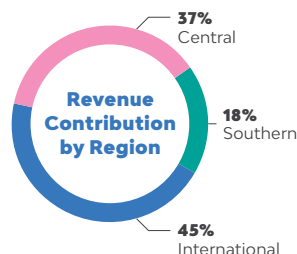
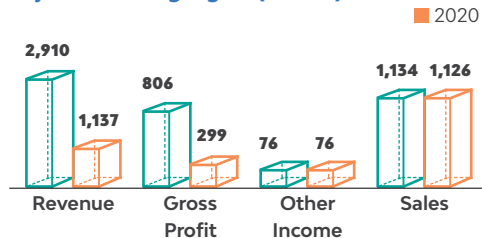
Notwithstanding the disruptions to operations, the Company recorded RM1.1 billion in revenue for FY2020, which was mainly contributed by the settlement of the sale of the en-bloc serviced apartment in Aurora Melbourne Central to Scape and higher contributions from Residensi Solaris Parq in Dutamas, Serene Heights Bangi, and Aspira ParkHomes in Gerbang Nusajaya.

Tepid sales began to rally in the third quarter of 2020, following the reopening of the economy during the RMCO phase, and at the same time, uplifted by the launch of UEM Sunrise's The Happy Chase campaign in July 2020, that leveraged on the government's 2020 HOC. The main sales contributors for 2020 were high-rise developments, such as; Residensi AVA in Kiara Bay and Serene Heights Bangi both in the Central region, as well as Estuari Gardens in Puteri Harbour and 72 freehold industrial plots in SiLC's Phase 3 in the Southern region.

The Company's performance in the second half of 2020 improved compared to the first half of FY2020 as construction activities resumed with sales steadily picking up.

Revenue in the fourth quarter alone was over and above the total revenue of the first nine months combined, with sales contributing approximately 67% of the total sales of RM1.1 billion in 2020. The Company also launched projects with a total Gross Development Value (GDV) of approximately RM900 million in 2020, mainly in the Central region. Its unbilled sales as at 31 December 2020 remain at RM1.9 billion and will be substantially recognised over the next 18 to 36 months, depending on the progress completion of the various projects recorded under the total unbilled sales.

#### Key Financial Highlights (RM mil)







**Main Revenue Contributors**

- Serviced apartment in Aurora Melbourne Central
- Residensi Solaris Parq, Dutamas
- Serene Heights Bangi
- Estuari Gardens, Puteri Harbour

**Main Sales Contributors**

- Residensi AVA, Kiara Bay
- Serene Heights Bangi
- Residensi Solaris Parq, Dutamas
- Phase 3, SiLC

Amid a challenging backdrop, the Company recorded a net loss after non-controlling interests of RM277 million for the financial year under review following the lower revenue contribution, poorer share of results from joint ventures and associates, additional tax assessment and derecognition of deferred tax assets in addition to the provisions for impairments of its assets and inventories of RM93 million. The ramification of COVID-19 also affected economic activities and growth in all sectors, including assets and inventories' valuations. As a result, these assets and inventories now have lower net realisable value requiring appropriate impairment provisions. Albeit on a positive note, these impairments, however, have no effect on the Company's cash flow position.

The introduction of the RMCO was greatly welcomed as we were able to resume site activities and reopen sales galleries, which undoubtedly brought positivity to the Company and a timely boost for the property market.

While the outcomes captured in the second half of 2020 bolstered the Company's overall performance for 2020, the impact of the pandemic and the unavoidable impairment provisions affected the Group's profitability for the year under review. It is important to note that UEM Sunrise remains financially sound, given the low gross and net gearings of 0.59x and 0.40x, respectively with cash balances including a short-term investment of RM1.3 billion at the end of FY2020 amidst the challenging market environment.

The Company fully supports the government's COVID-19 vaccination programme, anticipating an effective rollout across the country will increase mobility and support economic activities and the overall economic recovery in 2021. The Company is also geared up to leverage on several other stimulus packages and initiatives announced under Budget 2021 to uplift market demand in property sales.

Notwithstanding the impact of the pandemic and the MCO, UEM Sunrise continued to engage in several key transactions during the year under review. In April 2020, UEM Sunrise redeemed 123.3 million redeemable convertible preference shares (RCPS) from UEM Group at a redemption value of RM150 million. The redemption was funded by internally generated funds. The balance of 669.2 million RCPS was converted into 521 million new UEM Sunrise ordinary shares upon maturity on 29 October 2020 and the shares were listed on 3 November 2020. The conversion exercise effectively increased UEM Group's shareholding in UEM Sunrise from 66.06% to 69.56%.

The Company also entered into few key transactions, including the acquisition of an 11.4-acre land in Taman Pertama, Cheras in Kuala Lumpur for RM170 million in August 2020, and the sale of the final 72 freehold industrial plots in SiLC's Phase 3 to AME Elite Consortium Berhad (AME) for RM434 million. The sale to AME is expected to progressively contribute to the Group's earnings and cash flows for the next three to four years. The transaction may complete earlier if all conditions can be met ahead of schedule. Proceeds from this sale will contribute towards the Group's funding requirements, including new land acquisitions.

More on cashflow receipts, our subsidiary, UEM Land Berhad (UEM Land) entered into a Share Sale Agreement with KLK Land Sdn Bhd (KLKL) for the sale of 50,000 ordinary shares and 180 million redeemable non-convertible, non-cumulative preference shares owned in Aura Muhibah Sdn Bhd (AMSB) for RM183 million. The sale represents UEM Land's 20% equity holding in AMSB. Completion of the agreement is expected in the third quarter of 2021.

The Company remains cautious on the current outlook and is pursuing GDV and sales targets of RM1.2 billion respectively for 2021.

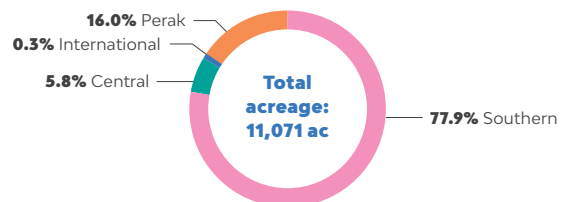
**Cash Balance (RM mil)**

including short term investment

■ 2019  
■ 2020



**Breakdown of Remaining Landbank by Region as at 31 March 2021**



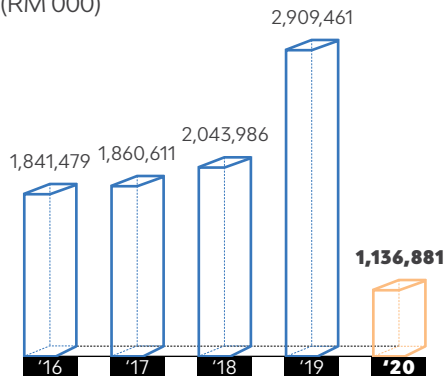
# MANAGEMENT DISCUSSION & ANALYSIS

## FINANCIAL REVIEW - FIVE-YEAR FINANCIAL HIGHLIGHTS



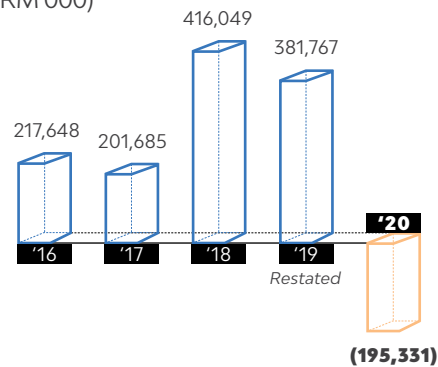
### REVENUE<sup>1</sup>

(RM'000)



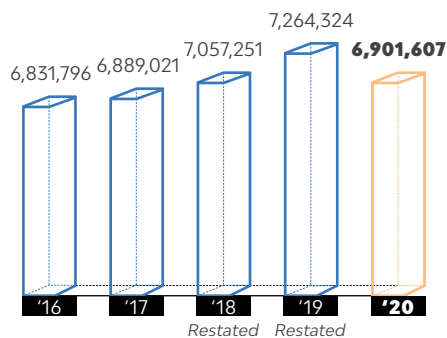
### (LOSS)/PROFIT BEFORE ZAKAT AND INCOME TAX

(RM'000)



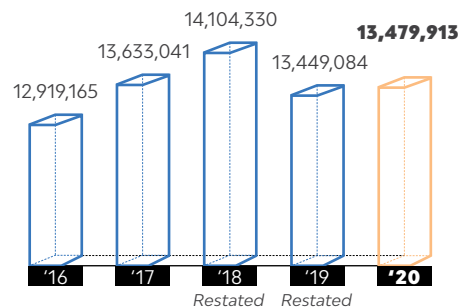
### SHAREHOLDERS' EQUITY<sup>2</sup>

(RM'000)



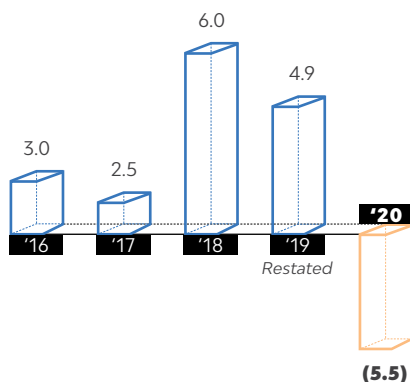
### TOTAL ASSETS<sup>3</sup>

(RM'000)



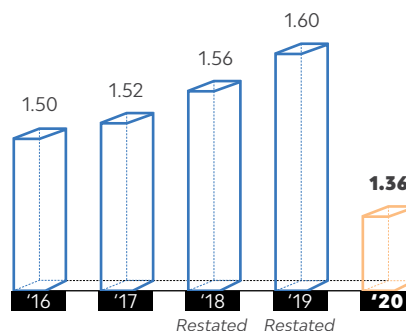
### (LOSS)/EARNING PER SHARE

(sen)



### NET ASSETS PER SHARE

(RM per share)



#### Notes:

##### 1 Revenue

- Lower revenue in 2020 is due to:
  - Lower contribution from the international segment namely Aurora Melbourne Central and Conservatory in Melbourne; currently at 98% and 92% settled, respectively.
  - Completion of Residensi Sefina in Mont'Kiara, and Serimbun and Almäs in Iskandar Puteri in FY2019 in contrast to FY2020 where most products are at the early stages of their development cycles, besides those recently launched in the second half of 2020 like Senadi Hills in Iskandar Puteri and Residensi Allevia in Mont'Kiara.
  - Introduction of the MCO on 18 March 2020 affected construction progress, delayed new product launches, impacted operations of retail outlets and resulted in lower property sales.

##### 2 Shareholders' Equity

- Lower in line with loss incurred of RM277.3 million.
- Lower also due to the redemption of RCPS of RM150 million paid to UEM Group in April 2020 and conversion of the balance unredeemed RCPS into new ordinary shares of UEM Sunrise in October 2020.

##### 3 Total Assets

- Total assets increased by RM30.8 million due to the following:
  - Higher land held for property development and property development costs due to the acquisition of 11.4 acres of land in Taman Pertama, Cheras and infrastructure costs in Puteri Harbour and Gerbang Nusajaya as well as the latter's planning costs for future developments.
  - Higher short-term investments.
  - Offset by lower inventories held for sale due to the higher sale of completed projects like Estuari Gardens and Denai Nusantara both in Iskandar Puteri and also Australian project settlements in FY2020.

**FINANCIAL REVIEW - FIVE-YEAR GROUP PERFORMANCE** (For the financial year ended 31 December)


In RM'000	2020*	2019* Restated	2018*	2017*	2016^
Revenue	<b>1,136,881</b>	2,909,461	2,043,986	1,860,611	1,841,479
Cost of sales	<b>(838,105)</b>	(2,103,636)	(1,302,726)	(1,317,476)	(1,330,998)
Operating expenses <sup>4</sup>	<b>(372,729)</b>	(402,030)	(339,652)	(350,124)	(360,739)
<b>Operating (loss)/profit</b>	<b>(73,953)</b>	403,795	401,608	193,011	149,742
Other income <sup>5</sup>	<b>76,150</b>	75,598	74,347	56,211	68,118
Finance costs <sup>6</sup>	<b>(132,850)</b>	(117,509)	(100,966)	(91,146)	(75,992)
Share of net results of associates & joint ventures <sup>7</sup>	<b>(64,678)</b>	19,883	41,060	43,609	75,780
<b>(Loss)/profit before zakat and income tax</b>	<b>(195,331)</b>	381,767	416,049	201,685	217,648
(Loss)/profit attributable to owners of the parent <sup>8</sup>	<b>(277,284)</b>	221,597	279,998	113,111	147,302
Shareholders' equity	<b>6,901,607</b>	7,264,324	7,057,251	6,889,021	6,831,796
(Loss)/earnings per share (sen)	<b>(5.5)</b>	4.9	6.0	2.5	3.0
Return on equity	<b>(4.0%)</b>	3.1%	4.0%	1.7%	2.2%

\* Figures reported based on MFRS framework

^ Figures reported based on FRS framework

**Notes:**
**4 Operating expenses (OPEX)**

- In general, OPEX decreased by RM29.3 million due to:
  - Lower staff cost in line with headcount reduction.
  - Savings as there were no new product launches or sales related expenses as events and promotional activities were impacted by the COVID-19 pandemic and the MCO.
  - However, there is a provision of impairment of RM93.4 million due to the lower net realisable value of assets and inventories as a result of the pandemic and MCO amongst others in FY2020. In FY2019, there was an impairment of RM51.1 million from joint venture company, Malaysian Bio-XCell Sdn Bhd, and RM4.9 million of written down inventories.

**5 Other income**

- Slightly higher by RM0.6 million mainly due to rental received from renting out the en-bloc serviced apartment to Scape prior to full settlement in October 2020, amongst others. In FY2019, there was no such income whilst foreign exchange gain and interest income were also lower.

**6 Finance costs**

- Higher by RM15.3 million due to higher borrowings for the year of RM4.1 billion (FY2019: RM3.4 bil) following the drawdown of several SUKUK's Islamic Medium Term Notes (IMTN).

**7 Share of net results of associates & joint ventures**

- Share of results reduced by RM84.6 million as a result of lower sales mainly in Horizon Hills, Nusajaya Tech Park and Radia Bukit Jelutong. For Nusajaya Lifestyle Sdn Bhd and Haute Property Sdn Bhd, their assets i.e. Medini Mall and Emerald Bay, respectively had to be impaired while for Setia Haruman Sdn Bhd, there was an expensed-off of interest previously capitalised.

**8 Loss attributable to owners of the parent**

- Recorded loss is in line with the lower revenue which resulted in an overall reduction in the Group's profitability.

## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL REVIEW - GROUP QUARTERLY PERFORMANCE (For the financial year ended 31 December)

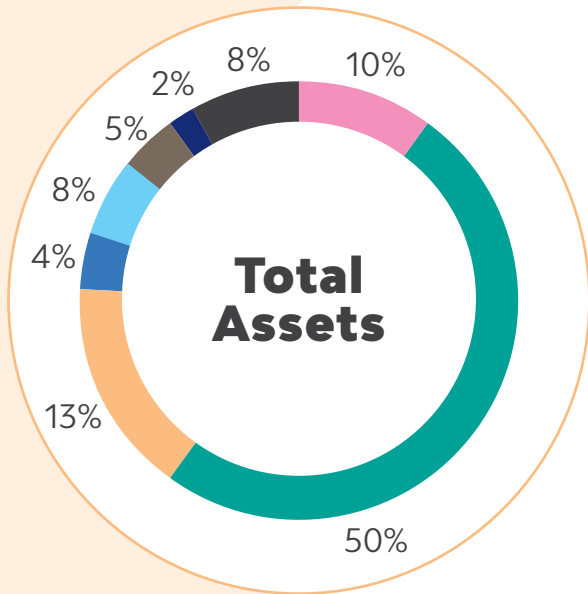


In RM'000	First Quarter 31/03/2020	Second Quarter 30/06/2020	Third Quarter 30/09/2020	Fourth Quarter 31/12/2020	Year Ended 31/12/2020
Revenue	195,854	111,957	217,435	611,635	1,136,881
Cost of sales	(120,719)	(122,189)	(141,925)	(453,272)	(838,105)
Operating expenses	(77,769)	(65,831)	(76,598)	(152,531)	(372,729)
<b>Operating (loss)/profit</b>	<b>(2,634)</b>	<b>(76,063)</b>	<b>(1,088)</b>	<b>5,832</b>	<b>(73,953)</b>
Other income	25,594	14,918	19,349	16,289	76,150
Finance costs	(27,750)	(31,140)	(34,789)	(39,171)	(132,850)
Share of net results of associates & joint ventures	(4,195)	(9,228)	(953)	(50,302)	(64,678)
<b>Loss before income tax and zakat</b>	<b>(8,985)</b>	<b>(101,513)</b>	<b>(17,481)</b>	<b>(67,352)</b>	<b>(195,331)</b>
Loss attributable to owners of the parent	(22,152)	(94,662)	(25,410)	(135,060)	(277,284)
Shareholders' equity	7,166,990	7,023,764	7,004,883	6,901,607	6,901,607
Loss per share (sen)	(0.5)	(2.1)	(0.6)	(2.7)	(5.5)
Return on equity*	(1.2%)	(5.3%)	(1.4%)	(7.6%)	(4.0%)

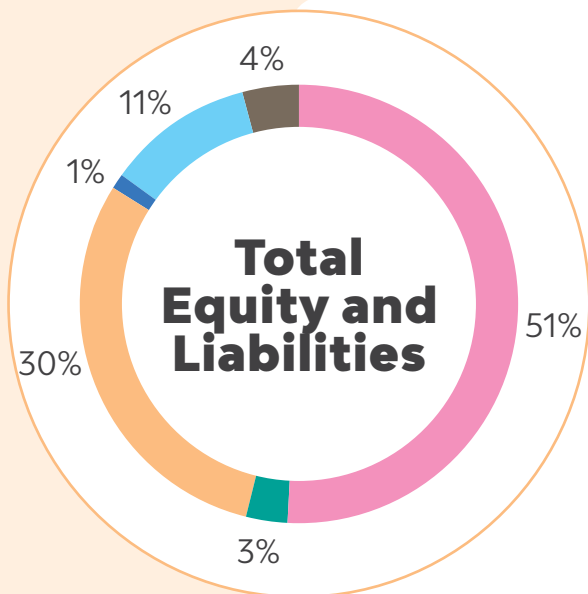
\* annualised



FINANCIAL REVIEW - SUMMARISED GROUP BALANCE SHEET



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



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

## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL REVIEW - FIVE-YEAR FINANCIAL REVIEW OF THE GROUP



In RM'000	2020	2019 Restated	2018 Restated	2017	2016
<b>TOTAL ASSETS</b>					
Property, plant and equipment, investment properties and right-of-use assets	<b>1,319,957</b>	1,330,196	1,174,255	1,026,806	947,561
Land held for property development and property development costs	<b>6,790,979</b>	6,484,009	6,526,850	6,973,762	6,522,464
Interests in associates, joint ventures & others	<b>1,697,559</b>	1,522,078	1,605,770	1,668,768	1,545,726
Inventories	<b>580,532</b>	948,947	1,293,609	609,690	585,244
Receivables	<b>1,127,448</b>	1,198,200	1,516,919	1,616,486	1,657,565
Goodwill	<b>621,409</b>	621,409	621,409	621,409	621,409
Deferred tax asset	<b>255,760</b>	286,799	286,917	308,116	239,388
Deposits, cash and bank balances	<b>1,086,269</b>	1,057,446	1,078,601	808,004	788,542
Asset held for sale	-	-	-	-	11,230
<b>Total assets</b>	<b>13,479,913</b>	13,449,084	14,104,330	13,633,041	12,919,165
<b>TOTAL EQUITY AND LIABILITIES<sup>9 &amp; 10</sup></b>					
Share capital	<b>4,960,276</b>	5,110,276	5,110,276	5,110,276	2,276,643
Share premium	-	-	-	-	2,829,546
Merger relief reserves	<b>34,330</b>	34,330	34,330	34,330	34,330
Other reserves	<b>78,238</b>	13,671	64,216	108,082	152,046
Retained profits	<b>1,828,763</b>	2,106,047	1,848,429	1,636,333	1,519,316
Non-controlling interests	<b>468,974</b>	468,332	363,722	363,127	361,556
<b>Total equity</b>	<b>7,370,581</b>	7,732,656	7,420,973	7,252,148	7,173,437
Borrowings and lease liabilities	<b>4,113,823</b>	3,416,955	4,683,501	4,219,742	3,714,673
Income tax liabilities	<b>19,008</b>	71,760	48,880	55,074	11,781
Payables	<b>1,446,130</b>	1,579,015	1,182,508	1,322,572	1,279,402
Provisions and others	<b>530,371</b>	648,698	768,468	783,505	739,872
<b>Total equity and liabilities</b>	<b>13,479,913</b>	13,449,084	14,104,330	13,633,041	12,919,165
Net asset per share attributable to owners of the parent (RM)	<b>1.36</b>	1.60	1.56	1.52	1.50

**Notes:**

**9 Total Equity**

- Total equity decreased by RM362.1 million due to:
  - Lower retained profit in line with the loss attributable to owners of the parent of RM277.3 mil.
  - Reduced share capital due to the redemption and conversion of RCPS.

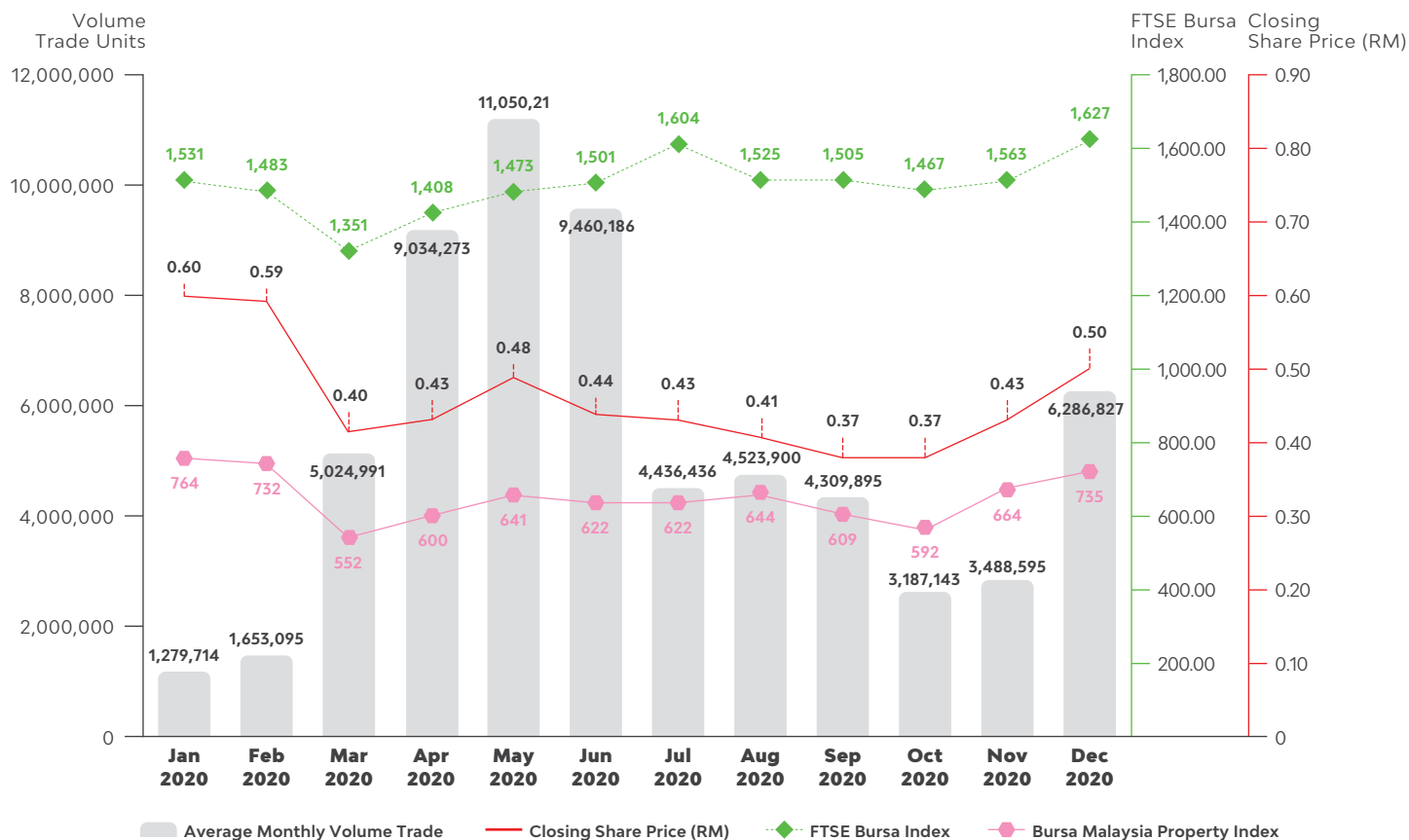
**10 Total Liabilities**

- Total liabilities increased by RM392.9 million mainly due to higher borrowings from the Sukuk's IMTN drawdown.

FINANCIAL REVIEW - SHARE PRICE & VOLUME TRADED



UEM SUNRISE SHARE PRICE MOVEMENT AND MONTHLY VOLUME TRADED



Month	Highest Share Price for the Month (RM)	Lowest Share Price for the Month (RM)	Average Monthly Volume Trade	<sup>1</sup> Closing Share Price (RM/share)	<sup>1</sup> FTSE Bursa Index	<sup>1</sup> Bursa Malaysia Property Index	Average FTSE Bursa Index
Jan'20	0.71	0.60	1,279,714	0.60	1,531	764	1,582
Feb'20	0.65	0.59	1,653,095	0.59	1,483	732	1,529
Mar'20	0.59	0.29	5,024,991	0.40	1,351	552	1,364
Apr'20	0.45	0.39	9,034,273	0.43	1,408	600	1,371
May'20	0.48	0.42	11,050,219	0.48	1,473	641	1,415
Jun'20	0.54	0.43	9,460,186	0.44	1,501	622	1,522
Jul'20	0.47	0.42	4,436,436	0.43	1,604	622	1,584
Aug'20	0.43	0.41	4,523,900	0.41	1,525	644	1,566
Sep'20	0.41	0.37	4,309,895	0.37	1,505	609	1,510
Oct'20	0.39	0.36	3,187,143	0.37	1,467	592	1,505
Nov'20	0.44	0.37	3,488,595	0.43	1,563	664	1,562
Dec'20	0.52	0.42	6,286,827	0.50	1,627	735	1,643

<sup>1</sup> Data is at the end of each respective month

## MANAGEMENT DISCUSSION & ANALYSIS

### BUSINESS REVIEW

## Property Development - Central Region



**The year 2020 saw the launch of Residensi Allevia, a new and elevated living experience with an added privilege to privacy right in the heart of Mont'Kiara.**

The high-rise residence, featuring 294 hotel-inspired units with built-up sizes between 1,703 square feet and 2,634 square feet and dedicated access via Jalan Kiara 4, was launched on 14 November 2020. Located next to Residensi Sefina, the development has a total GDV of RM546 million.



Residensi Allevia is located on a 2.9-acre land in Mont'Kiara. The four-unit per floor development with a base selling price of RM1.5 million per unit, is expected to be completed by 2025. Each unit features living and dining areas and a dry kitchen. The development will have a 0.9-acre facilities deck with a lap pool, open lawn, children's wet and dry play areas and a barbecue area. Furthermore, Residensi Allevia is also a QClassic and GreenRE compliant. For the niche market group of buyers, Mont'Kiara is still the preferred address with its excellent amenities, high net worth community and proximity to the city centre.

The sales performance of our developments in Mont'Kiara has always been encouraging. Residensi Astrea's latest take-up rate is 95% whilst Residensi Solaris Parq is 89%. The launch of Residensi Allevia does not imply that we are unaware of the market needs and are ignoring the mid-market and lower-income bracket groups. On the contrary, apart from Residensi Allevia, all our other product launches in 2020 and 2021, are to cater to these segments of the population.

In the Central region, we continue to launch new phases in our valued Serene Heights Bangi. In 2020, we launched new double storey-homes in Frischia and Verna both totaling a GDV of RM91 million. Frischia was launched on 13 June, while Verna was unveiled on 1 October. The cumulative take-up rate for both phases is at 96% as at end of April 2021.

### COLLABORATIONS WITH STRATEGIC PARTNERS

Forest Heights is a mixed residential township development in Seremban, Negeri Sembilan. A joint venture project with MCL Land Ltd of Hong Kong, the RM2.0 billion development spans 448 acres and features single and double-storey link houses, bungalows, retail and shop offices. The development has a total of 2,859 units with a total GDV of RM2.0 billion. A total of 1,448 units have been launched thus far, with a GDV of RM676 million. Forest Heights is scheduled to be completed by 2030. As at end of April 2021, the take-up rate for the project is at 93%.

Radia Bukit Jelutong, is a mixed development built on 20.9 acres of freehold land in Bukit Jelutong Selangor. A joint venture with Sime Darby Property Berhad, Radia Bukit Jelutong comprises 640 residences, 238 offices, and 186 retail spaces for a total gross floor area of about 2.7 million square feet. Boasting a unique hand fan-shaped design inspired by a fusion of Asian and Mediterranean themes, Radia commands a total GDV of





RM2.0 billion. The take-up rate for the development is at 68% as at the end of April 2021. Besides that, UEM Sunrise recently collaborated with Perpustakaan Negara Malaysia to create a community library in Radia called Buku2u. Occupying a space of 8,164 square feet, the community library features a kid zone area, a family lounge, a digital hub, an interactive zone, an AR corner, and a braille section. New tenants at Radia include Costa Coffee, Pizza Hut, Hero Supermarket, and Noko, an RM2 shopping store.

### ONGOING & COMPLETED PROJECTS

Central Region	Description	Launched GDV (RM mil)	Remaining GDV (RM mil)	Cumulative sales take-up (%)	Completed by
Serene Heights Bangi	A mixed residential development on a 448-acre land located in Bangi.	671.2	3,010.8	98	2030
Symphony Hills	High-end residential development on a 98-acre land located in Cyberjaya.	1,263.7	0.0	97	2025
Residensi Sefina	35-storey low-density residential tower in Mont'Kiara.	307.3	0.0	99	Completed
Arcoris	High-rise mixed development with 18-storey serviced residences in Mont'Kiara.	1,257.9	0.0	100	Completed
Summer Suites & VOS	High-rise commercial development within the Kuala Lumpur City Centre.	470.7	0.0	100	Completed
Residensi 22	Four 38-storey residential towers with spacious built-up units in Mont'Kiara.	971.3	0.0	100	Completed
Radia Bukit Jelutong (JV with Sime Darby Property)	A mixed development comprising serviced apartments, retail shops, and strata offices.	991.9	1,016.1	68	2030
Solaris Parq	An integrated mixed development in Dutamas featuring Residensi Solaris Parq, its high-rise residential component.	781.8	1,655.9	89	2024
Residensi Astrea	36-storey condominium development consisting 240 units, sited on a 2.4-acre land along Jalan Kiara 5 of Mont'Kiara.	324.6	0.0	95	2023
Kondominium Kiara Kasih	A 40-storey affordable housing project with condominium facilities under the RUMAWIP scheme, now known as Residensi Wilayah.	215.7	0.0	100	2022
Residensi Allevia (newly launched in 2020)	High-rise residential development offering 294 units in Mont'Kiara.	545.9	0.0	22	2025
Kiara Bay	An integrated masterplan development in Kuala Lumpur adjacent to the Kepong Metropolitan Park featuring Residensi AVA, its first high-rise residential development.	655.1	16,705.2	42	2034
Forest Heights (JV with MCL Land Ltd of Hong Kong)	A 488-acre development in Seremban, Negeri Sembilan featuring single-storey and double-storey link houses, bungalows and retail shop offices.	677.5	1,339.5	93	2030
KAIA Heights (newly launched in 2021)	A 19.2-acre hilltop residential development surrounded by a 6-acre nature reserve located in Equine Park, Seri Kembangan.	171.1	483.9	10	2025
<b>Total</b>		<b>9,305.7</b>	<b>24,211.4</b>		

\* take up as at 30 April 2021

### PLANS FOR 2021

The Group plans to launch new properties worth approximately RM1.2 billion in 2021. In the Central region, we expect to launch an estimated GDV of RM943 million, the largest for a new development, pursuant to the Group's acquisition of an 11.4-acre land in Taman Pertama, Cheras Kuala Lumpur, in August 2020. The Group is also set to launch high-rise residences for the low to middle-income group. The first phase of this new development will have an estimated GDV of RM473 million. KAIA Heights in Equine Park, Seri Kembangan, Serdang, was launched on 10 March 2021, with a total GDV of RM350 million. The first phase of the development comprises two condominium blocks, 517 units of a built-up size between 972 to 1,437 square feet with prices starting at RM567,800 per unit. Positioned in the mature neighbourhoods of Seri Kembangan with easy access to major highways and located near the Sungai Buloh-Serdang Putrajaya MRT line, we look forward to a positive market response for this new development. There are plans to launch more new phases in Serene Heights Bangi to cater to the middle to upper income group.

## MANAGEMENT DISCUSSION & ANALYSIS

### BUSINESS REVIEW

## Property Development – Southern Region



**Senadi Hills is our first launch in the Southern Region for 2020. A private residential enclave that offers multi-generational homes located in Iskandar Puteri, it sits only 2 km away from LEGOLAND and Horizon Hills.**

Phase 1A, which consists of 112 units of double-storey terrace houses with a built-up size of 2,080 square feet and a GDV of RM81 million, was launched on 16 June 2020. On 27 July, Phase 3 of Senadi Hills, a double-storey shop office development known as Senadi Square, with an average built-up size of 2,900 square feet, was launched. Next was the launch of more double-storey terrace houses in Phase 1B on 5 December 2020. Featuring 120 units, Phase 1B has a total GDV of RM91 million.

In addition to Senadi Hills, we also launched Phase 3B of Aspira ParkHomes in Gerbang Nusajaya on 25 July 2020. Phase 3B comprises 80 units of double-storey terrace houses with a total GDV of RM61 million. Phase 3A was launched back in December 2019.

### COLLABORATIONS WITH STRATEGIC PARTNERS

**Emerald Bay** in Puteri Harbour, Iskandar Malaysia, is one of UEM Sunrise's unique luxurious developments. A collaboration with Bandar Raya Developments Bhd (BRDB), the project features luxurious waterfront living with a total GDV of RM3.7 billion comprising super links, semi-detached houses, and villas at an average built-up size of 4,840 square feet. At the end of April 2021, Phase 1, which comprises 94 units, has been launched with a GDV of RM413 million.

**Horizon Hills** is a 1,200-acre integrated township jointly developed with Gamuda Berhad and sets the benchmark for property development in Johor. It is a low-density residential project featuring double-storey link houses, two to three semi-detached homes, bungalows, shop offices and landed villas. The development spreads across 13 precincts and boasts a private 18-hole signature and resort clubhouse. As at end of April 2021, a total of 4,880 units has been launched, at a GDV of RM5.5 billion.

On 20 April 2021, Horizon Hills Development Sdn Bhd, our 50:50 joint venture company with Gamuda Berhad, entered into a collaboration with CES Horizon Sdn Bhd, a wholly-owned subsidiary of Singapore-based Chip Eng Seng Corp Ltd to establish a built-to-school international school under the "Invictus" international school brand. The campus will sit on a 4.1-acre land in Horizon Hills, with a gross floor area of 203,875 square feet, and offer kindergarten, primary and secondary-level education. Construction of the first phase is expected to be complete in 2022. The school is planning to open its doors in 2023 with a capacity of up to 1,500 students.

**Mall of Medini**, a collaboration with Iskandar Investment Berhad (IIB), is a 35-acre street-style retail, entertainment facilities, shopping mall, and serviced apartments. Phase one focuses on food & beverages with tenants such as Subway, KFC, Burger King, Absolute Thai, myNEWS.com and Oldtown Kopitiam. Its major anchor tenant is Ben's Independent Grocer (B.I.G) supermarket. The remaining phases will feature entertaining facilities, supporting malls and residential apartments.

**Nusajaya Tech Park** is a 519-acre world-class integrated industrial park with eco-friendly infrastructure, designs, and facilities developed by Nusajaya Tech Park Sdn Bhd, a joint venture company with the Ascendas Group of Singapore. The landscaped and well-maintained facilities park is targeting sustainable medium industries. 43 units of ready-built factories (RBF) have been launched. Concurrent with the RBF, Nusajaya Tech Park also offers built to suit warehouses and factories. Its clients include multinational corporations and leading local companies. The park is part of the Southeast Asia Manufacturing Alliance, a programme initiated by the Economic Development Board and Enterprise Singapore to tap into a global network of potential clients.

**Embun Residences**, The Maris in Desaru is a joint venture project undertaken together with Desaru North Course Berhad, a subsidiary of Themed Attractions Resorts and Hotels Sdn Bhd. The plan for this joint venture is to develop five phases of landed residential products comprising cluster houses, semi-detached houses, bungalows and golf villas, on a 228-acre land at a total estimated GDV of RM2.0 billion. Embun Residences is phase one of the entire The Maris development. The development will feature 260 units of double-storey cluster houses on top of a 29.4-acre land on the premium Desaru Coast neighbourhood. A total of 66 units in phase one of Embun Residences was launched at a GDV of RM209 million. These units have built-up sizes ranging between 1,500 square feet and 1,800 square feet.



## ONGOING & COMPLETED PROJECTS

Southern Region	Description	Launched GDV (RM mil)	Remaining GDV (RM mil)	Cumulative sales take-up (%)	Completed by
East Ledang	Garden-themed luxury residential development featuring 31 landscaped gardens, link duplexes, twin villas, townhouses, bungalows, high-rise apartments, clubhouse and retail shop offices.	1,661.5	1,683.7	100	2035
Nusa Idaman	Mid-market residential development with double-storey terraces, semi-detached, bungalows, high-rise condominiums and retail shop offices.	946.4	932.8	100	2031
Nusa Bayu	Residential development of landed double-storey terraces for first-time home buyers.	750.9	447.4	98	2031
Imperia	The first waterfront high-rise development in Puteri Harbour. Facing the straits of Johor, Imperia sits on 3.3-acre freehold land and comprises a 35-storey residential tower (246 units) and a 16-storey office tower with retail lots.	475.8	0.0	99	Completed
Teega	High-rise mixed commercial residential development in Puteri Harbour comprising three 35-storey condominiums and serviced apartments with "Sky Park" and dedicated facilities.	1,314.1	37.4	96	Completed
Almās	A residential-mixed development that sits on a 12.2 acre of freehold land in Puteri Harbour. It comprises a residential tower, residential suites, offices and retail shop offices.	581.4	1,385.5	87	2030
Estuari Gardens	Located at the north of Kota Iskandar and Nakhoda (Commercial North) of Puteri Harbour, covering 394 acres.	651.8	3,850.6	70	2045
Denai Nusantara	Affordable residences with five 12-storey blocks comprising 1,109 three bedroom units and 108 single-storey shop lots.	188.5	0.0	100	Completed
Aspira LakeHomes	Landed strata mid-market residential development similar to Nusa Idaman located in Gerbang Nusajaya.	263.6	223.3	86	2028
Serimbun	Mid-market residential development with double-storey terrace houses near Bukit Indah.	139.6	0.0	100	Completed
68° Avenue	Commercial development with dual-street frontage to Jalan Nusa Perintis, Jalan Skudai-Gelang Patah and Lebuhraya Kota Iskandar, opposite SiLC.	167.6	13.5	77	2021
Aspira ParkHomes	First phase of Aspira ParkHomes launched in Gerbang Nusajaya in 2019.	306.6	0.0	67	2021
Aspira Square	Gerbang Nusajaya's first commercial development.	68.4	8.5	51	2022
Aspira Gardens	The first solar-ready residential development in Gerbang Nusajaya.	34.0	73.3	95	2023
Senadi Hills (newly launched in 2020)	A private residential development that offers multi-generational homes located opposite Horizon Hills.	196.6	205.7	58	2026
Mall of Medini (JV with IIB)	A 35-acre street-style development featuring retail shop offices, entertainment facilities, a shopping mall and serviced apartments adjacent to LEGOLAND.	103.0	2,097.0	-	2030
Horizon Hills (JV with Gamuda Berhad)	A low-density residential project located in the heart of the thriving township of Iskandar Puteri.	5,520.1	1,563.9	90	2030
Somerset (JV with UMLand)	A two-tower luxurious serviced residence on a 2.2 acres freehold land located in Puteri Harbour consisting of 168 units of freehold serviced apartments overlooking the waterfront and marina.	220.0	0.0	100	Completed
Emerald Bay (JV with BRDB)	Development of landed canal homes in Puteri Harbour.	413.4	3,246.6	72	2032
Nusajaya Tech Park (JV with Ascendas Group of Singapore)	A 519-acre world-class integrated industrial park.	342.0	3,158.0	-	2025
The Maris (Embun Residences) (JV with Desaru North Course Berhad)	228-acre residential development in Desaru Coast.	52.6	1,852.4	67	2030
<b>Total</b>		<b>14,397.8</b>	<b>20,779.6</b>		

\* take up as at 30 April 2021

## PLANS FOR 2021

In the Southern region, we plan to launch a total of RM320 million GDV that focuses primarily on mid-market products. We will introduce Gerbang Nusantara, our newest affordable residential development in Gerbang, Nusajaya. The first phase, phase 3A1, features 121 units of affordable double-storey terrace houses with a built-up size of 1,000 square feet, priced at RM150,000 per unit. We also plan to launch 130 units of 1,400 square feet affordable high-rise residences in Senadi Hills priced at RM300,000 per unit, plus Serassa Greens, a new mixed residential development featuring 220 double-storey terrace houses near 68° Avenue. Serassa Greens will have a built-up size starting from 1,750 square feet and a total estimated GDV of RM143 million. We will also be launching Oasis, our latest commercial development in Iskandar Puteri, before the end of the year.

## MANAGEMENT DISCUSSION & ANALYSIS

### BUSINESS REVIEW

### Property Development - International



Aurora Melbourne Central

#### PLANS FOR 2021

In Australia, we expect to finalise the settlement for both Aurora Melbourne Central and Conservatory by the end of 2021. We will also continue to increase our presence in Melbourne following the acquisition of a 1.3-acre land in Collingwood, Melbourne, in June 2020. The project, which has an estimated GDV of AUD250 million is currently in the early stages of design development, with the launch target set for 2022.

#### Recently Completed Projects

International	Description	Launched GDV (RM'mil)	Remaining GDV (RM 'mil)	Cumulative sales take-up (%)	Completed by
Aurora Central Melbourne	88-storey mixed-use development consisting of 959 residential apartments, 252 serviced apartments, 8 offices and 2,123 square meters of signature retail areas at the ground floor and lower ground with direct underground connection to the Melbourne Central Train Station in La Trobe Street.	2,160.3	0.0	100	Completed
Conservatory Melbourne	42-storey building consisting of 446 residential apartments with ground level pedestrian entry and lobby plus 300 square meters of signature retail areas in Mackenzie Street.	983.0	0.0	100	Completed
		<b>3,143.3</b>	<b>0.0</b>		

\* take up as at 30 April 2021





## Investment Properties - Retail

The retail spaces nationwide faced a sharp decline in footfalls during the MCO period, including retail businesses under UEM Sunrise. Impacted by the pandemic and the MCO, the number of visitors to our retail premises dropped substantially in the second quarter of 2020. The highest number of footfall occurred in the third quarter of 2020 following the revival of bazaars in August, tenants' promotional activities, and Merdeka sales.

Publika Shopping Gallery (Publika), one of the retail spaces developed and managed by UEM Sunrise, experienced a substantial drop in visitors before eventually seeing an increase in the first week of May. The Company offered rental rebates to most of its tenants except for B.I.G supermarket, pharmacies, ATMs and storage spaces, during the MCO from 18 March 2020 to 14 April 2020. Subsequently for the period of May to October 2020, rebates were given in a targeted manner.

Additionally, car park transactions in Solaris Dutamas in the vicinity of Publika declined by 24% in 2020 compared to 2019. A quarterly review revealed that the second quarter of 2020 showed the weakest vehicular traffic, with the third quarter being the strongest following the introduction of the RMCO in June 2020. Besides that, the recovery momentum for August and September of 2020 accounted for 89% and 98%, respectively. However, circumstances changed once more as the country reverted to the CMCO in October 2020.

Opening its doors once again, Publika collaborated with Fergana Art to organise Malaysia's first COVID-19 photography exhibition, Bridging the Distance: Making Us Stronger, in June 2020 after the first MCO. Launched by Communications and Multimedia Minister Dato' Saifuddin Abdullah, the month-long exhibition featured 110 images shot by 60 photographers from various Malaysian media outlets.

### Tenants' sales for May and June 2020 for Retail Assets in Central region



**Publika:**  
Sales of **RM21.4 million in June 2020** compared to RM21.1 million in May 2020; an increase of 1%

**Arcoris:**  
Sales of **RM1.4 million in June 2020** compared to RM1.1 million in May 2020; an increase of 32%

**Summer Suites:**  
Sales of **RM294,000 in June 2020** compared to RM158,000 in May 2020; an increase of 86%

### Tenants' sales for May and June 2020 for Retail Assets in Southern region



**Marina Walk:**  
Sales of **RM500,000 in June 2020** compared to RM383,000 in May 2020; an increase of 31%



**Anjung:**  
Sales of **RM4.3 million in June 2020** compared to RM5.8 million in May 2020; a reduction of 26%

**Mall of Medini:**  
Sales of **RM2.0 million in June 2020** compared to RM2.5 million in May 2020, a reduction of 20%

Besides that, UEM Sunrise was able to resume our community-based events. Busking performances were held every Thursday from June 2020 onwards and streamed live on Facebook, while July saw the return of weekend bazaars and Wheelie Sundays, the car-free cycling activity at the compound of Solaris Dutamas.

## Impact of COVID-19 on Gross Turnover (GTO)

### Central Retail Assets

**Publika**  
GTO rent increased by 51% between March and May 2020 in comparison to the corresponding period in 2019. Significant increase in anchor tenant's sales during MCO in March 2020 compared to February 2020.

**Arcoris**  
GTO rent increased by 29% between March and May 2020 in comparison to the corresponding period in 2019.

### Southern Retail Assets

**Anjung**  
GTO rent increased by 89% between March and May 2020 compared to the corresponding period in 2019. Pizza Hut opened in January 2020 while Watsons opened in April 2020.

**Mall of Medini**  
No GTO rent collected in year 2020. In 2019, GTO rent between March and May was comparable to that received at Anjung.

**Marina Walk**  
No GTO rent recorded in 2019. UEM Sunrise took over the assets in September 2019.

## MANAGEMENT DISCUSSION & ANALYSIS

### BUSINESS REVIEW

## Land Portfolio Rebalancing

We continue to explore geographical diversification opportunities for the sustainability of our business. To date, approximately 78% of our total landbank is in Johor. We have been reducing our exposure in Johor – divesting land or interest in other parts of the state other than Iskandar Puteri. As a result, we currently own a balance of 228 acres of land in Desaru via Desaru North Course Residences Sdn Bhd from the original 679 acres. We also plan to reduce our exposure in Kulai by selling 20% of our shares in AMSB, the joint venture company held jointly with KLKL to KLKL for RM183 million. UEM Sunrise via AMSB has been entrusted to develop the 2,500 acres land owned by AMSB in Kulai, Johor. Upon completion of the shares sale tentatively targeted in the third quarter of 2021, KLKL via AMSB will take the lead in developing the land. Meanwhile, in Perak, we divested 623 acres of non-strategic land to Lagenda Properties Berhad, with its completion expected in the third quarter of 2021.

We also entered into two sales and purchase agreements with AME involving the sale of 72 freehold industrial plots in SiLC's Phase 3 for RM434 million. Both sales, anticipated to progressively contribute to the Group's earnings and cash flow in the next three to four years, are expected to be completed in the first half of 2025. The proceeds received from these exercises are to be channelled towards new ventures and opportunities, in addition to securing new strategically located lands in hotspot areas.

In December 2017, we acquired a 19.2-acre land in Equine Park, Seri Kembangan. We also secured 72.7 acres of land next to the Kepong Metropolitan Park, Kuala Lumpur from Datuk Bandar Kuala Lumpur (via the acquisition of Mega Legacy (M) Sdn Bhd) in April 2018. This is followed by Lot 1863, Off Jalan Kiara 5 measuring 2.9 acres in June and another 2.9-acre land in Mont'Kiara (Lots 1597 and 13752), along Jalan Kiara 4, in March 2019. In August 2020, we purchased an 11.4-acre land in Taman Pertama, Cheras, Kuala Lumpur.

**Equine Park land**  
**KAIA HEIGHTS**  
GDV RM350 million

**Kepong Metropolitan Park adjacent land**  
**KIARA BAY**  
GDV RM17.4 billion

**Lot 1597 and 13752**  
**RESIDENSI ALLEVIA**  
GDV RM546 million

Continuing with the strategy to increase presence in strategic locations in the Central region, we acquired three parcels of land measuring approximately 10 acres in Petaling Jaya, Section 13, Selangor in March 2021. We plan to develop a mixed commercial project at an estimated GDV of RM1.3 billion.

This project is the Group's maiden venture into the Petaling Jaya township, after Mont'Kiara, Iskandar Puteri, and the new integrated mixed-use development in Kiara Bay, Kuala Lumpur. The acquisition of these lands is part of our initiative to rebalance our landbank portfolio.

Furthermore, pursuant to the success of Aurora Melbourne Central and Conservatory, UEM Sunrise decided to acquire a 1.3-acre freehold site at 21-53 Hoddle Street, Collingwood in Melbourne near the Central Business District. The site is in the Commercial 1 Zone as per the City of Yarra Planning Scheme and is located approximately 2.7 km from Aurora Melbourne Central and 2.6 km from Conservatory. The acquisition forms part of a broader expansion strategy for UEM Sunrise in Australia.

### Land sale

No	Date of SPA	Purchaser	Sales Proceeds	Acre	Location
1.	26/8/20	Lagenda Properties Berhad	RM29.9 million	623.1	Tapah, Perak
2.	30/12/20	AME Elite Consortium Berhad	RM434.3 million	169.8 (72 plots)	SiLC Phase 3, Iskandar Puteri

### New land acquisition

No	Date of SPA	Seller	Acquisition Cost	Acre	Estimated GDV	Location
1.	18/6/20	Jowett Properties Pty Ltd	AUD43 million	1.3	AUD250 mil	Hoddle Street, Collingwood, Melbourne
2.	28/8/20	Pacific Mutiara Sdn Bhd	RM170 million	11.4	RM1.1 bil	Taman Pertama, Cheras
3.	11/3/21	Dutch Lady Milk Industries Berhad	RM200 million	9.9	RM1.3 bil	Section 13, Petaling Jaya

SPA - Sale and Purchase Agreement



## Outlook

UEM Sunrise will continue to apply prudent measures as we look to strike a balance between rental and occupancy rate and optimising operation costs to ensure a sustainable retail business. Despite the challenging operating environment, we remain focused on our commitment to enhancing our value through strategic initiatives.

In delivering our performance in the years ahead, our key area focus includes retail-specific strategies for Publika and Marina Walk, as well as placemaking strategies for Central and Southern regions' assets. These initiatives will also be further supported by other measures such as the Cost Management Initiative, which will address critical focus areas in our operating expenses.



### Improving Retail Operation Efficiency and Capturing Sales of Tenants To Improve Our Revenues

- Implementation of Retail Management Software and Cashless Carpark System

### Improving Retail Business Revenue and Customer Experience

- Implementation of retail strategy for Publika with the execution of the refinement of trade and tenant mix for Publika; and
- Asset Enhancement Initiative to rejuvenate Level UG and organising signature placemaking events at Publika; and
- Implementation of retail strategy for Marina Walk and reviving on placemaking activities in Puteri Harbour

### Improving Cost Management

- Implementation of cost rationalisation and energy audits

### Strengthening Loyalty Program

- Implementation of hUb Mall go-to-market plan to drive membership and tenant participation

### New Retail Business

- Diversification of retail business units



## MANAGEMENT DISCUSSION & ANALYSIS

### SUSTAINABILITY



**UEM SUNRISE** ✓  
Sustainability Statement

At UEM Sunrise, sustainable development means adopting business strategies to deliver profitability for the company and its stakeholders, with equal priority placed in championing environmental protection, social wellbeing, and economic development.

Distributing #CaringIsMyHappy reusable face masks at SMK Kiaramas, Kuala Lumpur, a UEM Sunrise PINTAR Adopted School



### Key Areas of Focus



**Economic Value Creation**



**Environment**



**Community**



**Human Rights and Labour Compliance Standards**



**Product Responsibility**



ECONOMIC VALUE CREATION



The property sector is a major contributor to growth and a source of wealth creation. We launched projects worth close to RM900 million GDV in 2020. Sixteen of our ongoing projects are mainly residential developments in Iskandar Puteri in Johor, with six of them being joint ventures with third parties, and we remain positive about our development plans.

**Southern**  
Launched GDV (RM)

**Senadi Hills**  
Phase 1A

**RM81 million**

**Senadi Hills**  
Phase 1B

**RM91 million**

**Senadi Square**  
Phase 3A & 3B

**RM24 million**

**Aspira ParkHomes**  
Phase 3B

**RM61 million**

**Central**  
Launched GDV (RM)

**Serene Heights Bangi**  
Verna

**RM51 million**

**Serene Heights Bangi**  
Frischia

**RM40 million**

**Residensi Allevia**

**RM546 million**

TOTAL GDV (RM)  
Approximately

**RM900 million**

Balancing economic opportunities against the challenges brought on by COVID-19 was a key priority. The implementation of the MCO was a contributing factor in the decline in home seekers, sellers and property listings as potential buyers and investors temporarily put off purchasing properties. The pandemic also saw projects and developments put on hold as new launches were also postponed to the second half of 2020.

At the same time, the leadership of UEM Sunrise have been collaborating with industry experts, namely the Federation of Public Listed Companies Bhd, FIABCI-Malaysia, Institute of Corporate Directors

Malaysia, Malaysia Australia Business Council, and the Malaysian Advertisers Association to discuss issues and pressing matters relating to economic growth and sustainable development within the real estate industry.

More importantly, UEM Sunrise remains committed to the highest standards of integrity and has zero-tolerance for any corrupt practices in our business conduct and operations. Our Anti-Corruption Guidelines outlines the key principles and guidelines concerning improper solicitation, bribery, and other corrupt activities and issues that may arise in our business dealings and relationships.

Read More

Online Sustainability Report 2020 at [uemsunrise.com/corporate/about-us/information-and-downloads](https://uemsunrise.com/corporate/about-us/information-and-downloads)

## MANAGEMENT DISCUSSION & ANALYSIS

### ENVIRONMENT



As a leading property developer, we are committed to being a responsible partner to our communities by adopting safe, efficient, and environmentally-conscious operations as we look towards meeting the desires of home seekers in the present without compromising the needs of our future generations to come.

In 2020, five of our projects achieved Green Building certifications – showcasing efficiency in the use of energy, water, and materials while reducing building impact on health and the environment during the building’s lifecycle through better siting, design, construction, operation, maintenance, and approval.

It is well-documented that construction and development can harm wildlife. While land use may very well separate habitats, noise and light generated during construction have adverse effects on feeding and breeding behaviours. As such, UEM Sunrise is devoted to minimising the impact by conducting biodiversity risk assessments on existing and potential new projects.

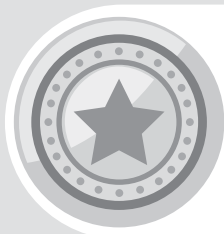
Furthermore, UEM Sunrise is also working to improve its operational efficiency in minimising energy use throughout operations and has already begun to decarbonise our business. In refining our management of materials and resources, we are also making sure sustainable and recyclable materials are preferred whenever possible and encouraging recycling and the adoption of environmentally-friendly building designs and materials.

In terms of water management, the Company believes that the use of sustainably sourced water can strike the right balance between its demand and supply, as evidenced by rainwater harvesting that can be used for potable and non-potable use in residential and commercial buildings to reduce the pressure on processed supply water while at the same juncture enhance the prospect of green living. We have also implemented proper waste management and control measures when using, handling, storing, packing, and labelling.

#### Green Real Estate (Green RE) Podium



Green RE Gold  
• **Residensi Allevia**



Green RE Silver  
• **KAIA Heights, Equine**



Green RE Bronze  
• **Solaris Parq (Plot B) - Residence**  
• **Solaris Parq (Plot B) - Office**  
• **Solaris Parq (Plot B) - Retail**

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COMMUNITY



**As a Company, UEM Sunrise strove to build vibrant communities of the future through engagement with our key stakeholders in determining action plans that are complementary to the Company’s aspirations of “Building Beyond Buildings”.**

We are committed to raising awareness on the importance of education and inspiring the young to become architects of their future while working diligently to balance our economic ambitions with socially responsible initiatives, focusing on education enhancement, community engagement, and environmental conservation.

Some of our standout initiatives include the PINTAR program. Conducted in collaboration with PINTAR Foundation, the PINTAR programme is a nationwide school adoption programme that aims to improve the educational outcomes of students in under-served communities.

Thus far, UEM Sunrise has adopted 16 schools under the programme. Besides, the BukuHub community library project launched in collaboration with the Ministry of Housing and Local Government, UEM Sunrise has to date built 12 community reading spaces to increase the accessibility of reading materials for the local B40 community.

In Australia, looking out for the community during the pandemic, the Company partnered with non-profit organisation Foodbank Victoria to create Melbourne’s first International Student Pop-Up Grocery Store at Aurora Melbourne Central, providing free fresh food and supplies to international students.



Read More

## MANAGEMENT DISCUSSION & ANALYSIS

### HUMAN RIGHTS AND LABOUR COMPLIANCE STANDARDS



UEM Sunrise is committed to aligning ourselves with the United Nations' Guiding Principles on Business and Human Rights as an extended value chain while striving to conduct our business ethically and sustainably.

Our shared values of Caring, Honest, Involved, Enthusiastic, and Fun-Loving (CHIEF) is at the heart of everything we do, and we wholeheartedly believe in creating joy and happiness by helping our people achieve their ambitions through the acceptance of diverse people, experience, and cultures at the workplace as well as upholding inclusive and fair employment practices and principles.



We continue to offer our employees opportunities for personal and professional growth through a comprehensive range of learning and development programmes, supporting personal and career advancement with digital learning and face-to-face coaching complemented with workshops on technical, business, and leadership aspects.

We place high importance on work-life balance. We offer our employees flexible working arrangements

and are working towards a more integrated, global approach emphasising motivational health wellness opportunities for all employees. Besides that, we also strive to remunerate our employees fairly to attract, retain and motivate our Titans. Our practices include equal benefits and a yearly review of remuneration against external benchmarks and our employees' performance. We also offer the option of sabbatical leave to employees on a case-by-case basis with guaranteed reemployment.

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PRODUCT RESPONSIBILITY



Sustainability development and strategies are paramount in fostering company longevity and its ability to stay competitive. Thus, we take a keen interest in ensuring that sustainable features are embedded throughout various stages of the project lifecycle, from land identification and acquisition to design development, launching, construction, and lastly, completion.

In addition, to minimise the impact of rapid urbanisation, UEM Sunrise is motivated to design and develop sustainable projects. Our environmentally-friendly properties offer great perks that include reductions in the cost of living and high-quality homes through our green development and practices.

Purchasing a home is one of the biggest financial commitments an individual can take on in their lifetime. Therefore, it is just as vital

that customers remain central at every stage of our project development as we continue to strive for superior customer experience and satisfaction. By meeting our customer's expectations and affording them exceptional experience throughout the purchasing process and after-sales service, we are ultimately fostering a positive brand reputation and affinity and overall acceptance as a trusted name in the property industry.

In continuing our digital transformation journey, Trésor, our customer loyalty programme that focuses on the end-to-end customer journey was enhanced, in November 2020. Besides that, hUb Prop has now replaced the Trésor physical membership card while its accompanying apps, hUb Home, hUb Mall, and hUb Life, now offer customers offer seamlessly interactive end-to-end customer journey with value-added services and privileges.

UEM Sunrise's goal is to be recognised for excellence in sustainable design and construction. We remain committed to delivering high-quality, well-designed, comfortable homes with a low environmental impact. We will continue to prioritise customer satisfaction, promote the benefits of sustainable living, and drive the market for sustainable homes.

Putting Customers at The Centre of Every Decision ✓



Read More ↗



## OUR MATERIALITY

We perform materiality analysis as outlined in the Global Reporting Initiative (GRI) Standards, “Reporting Principles for Defining Report Content” as part of our promise to conduct business as responsibly and sustainably as possible.

In 2019, UEM Sunrise conducted a detailed materiality assessment covering 20 material issues. We grouped nine stakeholder groups into seven distinct categories for the materiality survey. Using a weighted-ranking process, our assessment defines the future priorities and focus areas for UEM Sunrise.



### UEM Sunrise's Materiality Process

#### Step 1: Identification

Identified key issues and defined stakeholders for this consultation

#### Step 2: Prioritisation

Conducted online survey across 7 stakeholder groups over a duration of 2 weeks and collected 499 complete responses

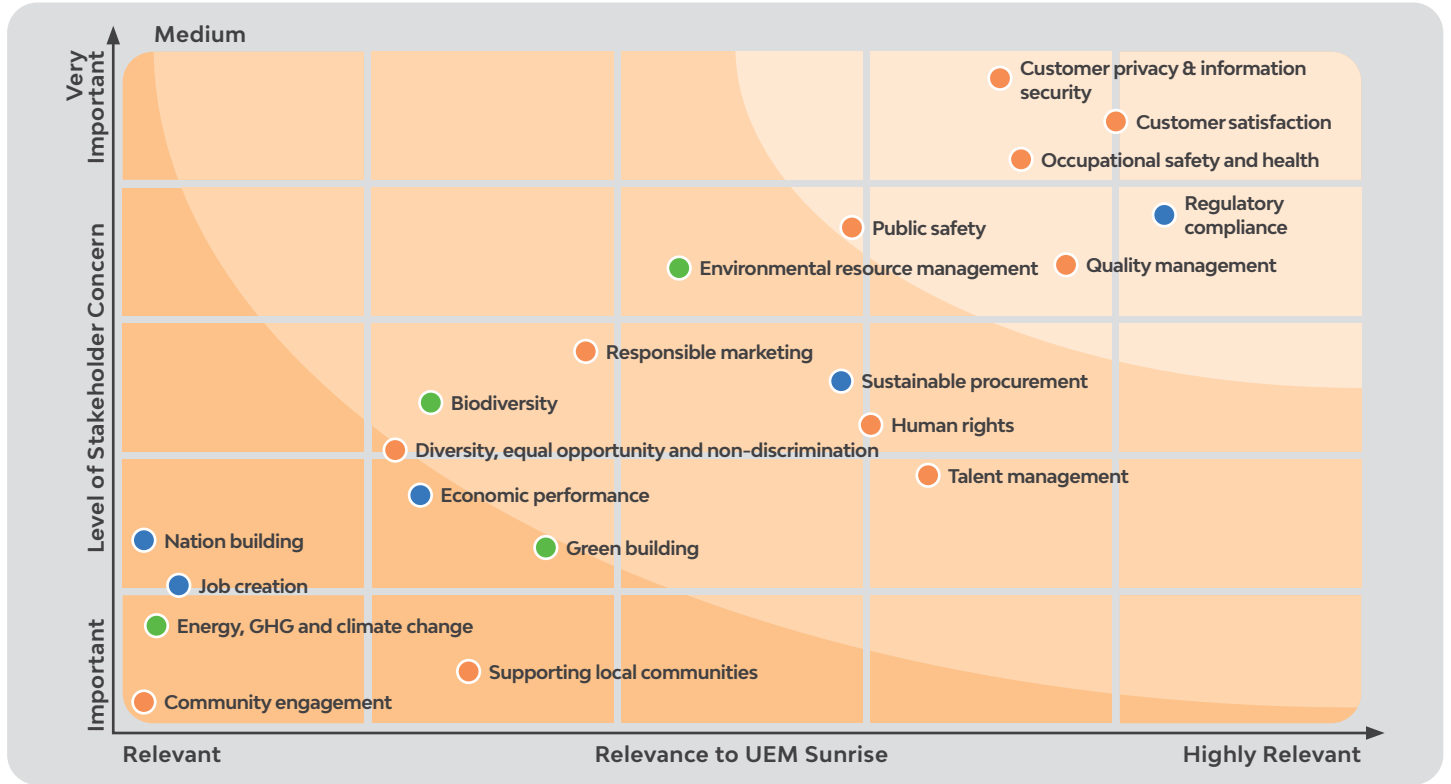
#### Step 3: Validation

Obtained Board of Directors input on the relevance of identified material issues

This year, we reviewed these materiality results by engaging with our stakeholders to find out more about their expectations and priorities. Through their feedback, we have a good understanding of the issues that matter to our stakeholders and why they are relevant. We found that the issues listed on the materiality matrix and their level of importance are still relevant given the unchanged focus areas and stakeholder universe of UEM Sunrise. Through this continuous dialogue we gain insights that enable us to align our sustainability initiatives to stakeholder requirements and ensure they deliver value to society.



### PRIORITISATION OF MATERIAL ISSUES



Legend: ● Economic ● Environment ● Social

#### Most material issues:

1. Customer privacy & information security
2. Customer satisfaction
3. Occupational safety & health
4. Regulatory compliance
5. Quality management
6. Public safety

#### MOST IMPORTANT ISSUES TO SELECTED STAKEHOLDERS











CUSTOMERS	EMPLOYEES	INVESTMENT-RELATED STAKEHOLDERS*	CONTRACTORS & SUPPLIERS	STRATEGIC PARTNERS	GOVERNMENT/REGULATORY AUTHORITIES
Occupational safety and health	Occupational safety and health	Sustainable procurement	Customer satisfaction	Environmental Resource management	Customer satisfaction
Customer privacy & information security	Quality management	Economic performance	Customer privacy & information security	Occupational safety and health	Job creation
Customer satisfaction	Regulatory compliance	Environmental resource management	Regulatory compliance	Public safety	Sustainable procurement

\* Encompasses shareholders, investment community, analysts, investors and fund providers

## UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS











The United Nations' Sustainable Development Goals (UN SDGs) are a universal call to action to address the world's biggest challenges by 2030. By embracing the UN SDGs, we are stepping up to ensure we do our part.

Although all 17 UN SDGs are relevant to UEM Sunrise and our stakeholders, we focus on goals in which we believe we can effect the greatest change. This is determined through our biennial materiality assessment process and additional stakeholder engagements. We address additional UN SDGs through our partnerships, memberships and community impact projects.

Material Issues	Relevant UN SDGs	Our Actions	Example
<b>Customer Privacy and Information Security</b>	 	Continue our commitment to stringent data protection practices which respect customers' privacy and safeguard their data, to maintain customer trust	Fully adhere to the Personal Data Protection Act 2010 (PDPA). We issue a PDPA notice to all customers to obtain consent before using their data for commercial transactions. This notice informs customers of how data is collected, stored and handled in accordance with the PDPA and other Malaysian regulations.
<b>Customer Satisfaction</b>		Deliver products that meet or exceed customer expectations to enhance customer satisfaction	Projects are assessed using the QLASSIC quality management standard to ensure on-site workmanship meets the company's expectations. Our recently completed projects were rated with a commendable QLASSIC score of between 72 to 84.
<b>Occupational Safety and Health</b>	 	Nurture a preventive workplace culture and encourages involvement in OSH activities to efficiently manage safety risks	Officially launched our HSE Excellence Campaign, which was attended by 161 people: 97 employees, 17 consultants and 47 contractors. Other HSE initiatives include training on health and safety standards.
<b>Regulatory Compliance</b>	   	Improve compliance awareness and training throughout the organisation	As part of initiatives to combat the COVID-19 pandemic, Mandatory COVID-19 induction is done at the site to provide education and training on risk factors, preventive measures and work SOPs.
<b>Quality Management</b>		Continue to be guided by rigorous internal audit processes and various internationally-recognised management systems, represented by the ISO and OHSAS standards	We refer to international standards such as ISO 9001:2015, OHSAS 18001:2007, ISO 14001:2015, MS 1722:2011 and ISO/IEC 20000-1:2011. An IMS ISO audit was conducted on August 2020 with no major non-conformance found.









These identified issues will allow us to address the sustainability areas of interest as prioritised by our stakeholders through informed decision-making, strategy formulation and target-setting. We have mapped the most material issues to our stakeholders against our adopted UN SDGs to prioritise our efforts and achieve meaningful impacts. We are committed to ensuring we meet the expectations of our stakeholders to maintain their trust in our brand.










Material Issues	Relevant UN SDGs	Our Actions	Example
<b>Public Safety</b>	  	Continue to take all precautionary measures to ensure the safety and security of all tenants, residents, community and patrons visiting the premises	Development of the Security Department Enhancement Programme (SD 2025), a five-year transformation plan of the Auxiliary Police Unit (APU) and Security Services Unit (SSU).
<b>Environmental Resource Management</b>	 	Manage the interaction and impact our activities have on the environment by conserving natural resources and maintaining balanced ecosystems	We display notices around our offices, pantries, toilets and prayer rooms, reminding staff to use water prudently and to ensure sustainable business operations at our offices. We also adjusted the air conditioner timer at our Johor office, Imperia from 7.30am-6.30pm to 8.00am-6.00pm to reduce our electricity usage.
<b>Sustainable Procurement</b>		Ensure the sustainability of products, materials sustainability and supplier practices	Our usual procurement practice is to source locally. New and existing vendors are screened according to social and environmental criteria, with additional points awarded to vendors with environmental accreditation such as ISO 14001.
<b>Human Rights</b>	 	Support the Universal Declaration of Human Rights and share this responsibility to respect human rights within our operations and through business relationships	Vendors are required to sign a Directors' Circular Resolution complying with the UEM Sunrise Code of Conduct for Business Partners which among others includes abiding by laws enacted in Malaysia.
<b>Talent Management</b>	 	Implement a consistent talent management strategy throughout the employee life cycle, from recruitment to hiring, retention and development of employees	Launched many initiatives that enliven our employee value proposition including digital learning (LinkedIn); upgrading essential workforce skills via Agile and Design Thinking training, and Coaching & Mentoring via programmes such as Executive Education and the UEM - Nottingham Programme.



## UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

Material Issues	Relevant UN SDGs	Our Actions	Example
<b>Responsible Marketing</b>		Provide balanced, informative and transparent information that help customers make informed decisions	In November 2020, we launched our new revamped website for customers. They can now select multiple properties and view them side by side to compare and make the right choice that best fits their needs. With the embedded loan calculator, customers can also get an estimation of their loan premium.
<b>Biodiversity</b>	 	Sustainable development while preserving the natural habitat and natural resources of the surrounding area	In our newly launched integrated mixed development, Kiara Bay, we leverage on the natural landscape of the adjacent Kepong Metropolitan Park to promote green outdoor spaces.  Green public spaces are also set aside in our townships, as exemplified in our 343-acre SIREH Park that we seed-funded and developed in Iskandar Puteri.
<b>Diversity, equal opportunity and non-discrimination</b>	 	Commit to workforce diversity to drive innovative and sustainable business	Female Board representation increased from 36% as of 31 December 2019 to 40% on 31 December 2020. Currently, one Non-Independent Non-Executive Director and three Independent Non-Executive Directors are female.  We created an internal Tabung Penyayang Titans where employees can contribute funds to help other employees who are badly affected by the COVID-19 pandemic.
<b>Economic performance</b>		Deliver sustainable economic growth by implementing strategic initiatives that generate long-term value	We acquired land in Taman Pertama Cheras, KL on 28 August 2020 that is earmarked for affordable and low-cost housing project developments. We entered into definitive agreements with AME for the sale of 72 freehold industrial plots in SiLC Phase 3 that will create job opportunities and employment in Iskandar Puteri, Iskandar Malaysia, Johor and support the local community.



Material Issues	Relevant UN SDGs	Our Actions	Example
<b>Green building</b>	 	Offer customers and tenants eco-friendly solutions by incorporating green features in our projects	Estuari Greens features a rainwater harvesting system in bathrooms for flushing; Solar-powered street lanterns to light up the internal roads in Aspira Garden; and water saving wares and fittings as standard across our product offerings.
<b>Nation building</b>		Ease the process for home ownership for Malaysians and contributions to infrastructure development	In 2020, we participated in the 2020 HOC, echoing the call by the Ministry of Housing and Local Government (KPKT) to ease the process for home ownership. A combined total of 491 residential units worth RM366 million was sold throughout the campaign duration.
<b>Job creation</b>		Offer employment opportunities including internships, training programmes and skills development initiatives	As part of our contribution to readying younger generations for employment, we recruited 17 practical trainees and eight graduates under the Graduate Trainee Programme in 2020.
<b>Energy, GHG and climate change</b>		Maximise energy efficiency at each stage of a building's life cycle	A passive design approach including best practice specifications is one of the main factors being implemented in developments. Improving space design with minimal environmental impact, is an approach that has been implemented in Residensi Allevia, Senadi Hills, KAIA Heights and Aspira Garden.
<b>Supporting local communities</b>	 	Commit to the economic and social advancement of local communities	We conducted the Highly Immersive Programme to encourage and instill confidence in students when communicating in English. A total of 180 students and 18 teachers benefited from this programme that was organised in three UEM Sunrise PINTAR schools.
<b>Community engagement</b>	 	Conduct regular engagement with our residents, customers and the wider society to enhance their wellbeing and strengthen relationships	On 22 August 2020, the UEM Sunrise Fun Zone Community Centre and Stellar International School (SIS) educated children on practicing physical distancing at the "One-Meter Distancing is My Happy" event. Thirty-two children showcased their creativity by creating 'distancing' wings from recycled cardboard.

## LISTENING TO OUR STAKEHOLDERS

We define stakeholders as key individuals, groups or organisations who matter and have an interest in what we do — those who can either be affected by our activities or are capable of having an impact on the business. Regular engagement allows us to gauge their perspectives and insights on emerging issues that are important to both our stakeholders and the business. As a public listed company, we regularly engage with our stakeholders through structured mechanisms in a timely, effective and transparent manner to ensure a fair representation of voices.



The COVID-19 pandemic has been a wake-up call to address the need for more sustainable practices. It has clearly demonstrated the fundamental need for authentic stakeholder engagement and community voice to serve as core aspects of good governance. When confronted with the consequences of COVID-19, speed is of the essence. At UEM Sunrise, we established control over management of the issue. One of the key aspects to control is crisis communications and stakeholder engagement. We believe that is vital to keeping, key internal and external stakeholders informed of the unfolding situation, its impact to our operations and response measures initiated. We are transparent and open about decisions being made and how these fit into the overall response, the new normal and our recovery plan.

STAKEHOLDER GROUPS	HOW WE IMPACT EACH OTHER	THEIR EXPECTATIONS	HOW WE ENGAGE AND RESPOND
<b>Customers</b>	The viability and sustainability of our business are a direct result of delivering strong customer satisfaction through unique and sustainable value propositions. In creating and delivering products, services and initiatives, we adopt our E.V.E approach — Exciting, brings Value and Easy to own — to allow our customers to find happiness through our brand, and in return drive our revenue and business performance.	<ul style="list-style-type: none"> <li>• Superior customer experience throughout the home-ownership journey</li> <li>• A sophisticated developer that fulfils customers' needs</li> <li>• A developer that continuously engages with its customers and communities</li> </ul>	<ul style="list-style-type: none"> <li>• Identify potential customers through property exhibitions, property events and advertisements</li> <li>• Customer and community engagement through Trésor Loyalty Programme and Fun Zone Community Centre</li> <li>• Customer interaction through One Stop Centres, Customer Contact Centre and social media platforms</li> <li>• Annual Customer Satisfaction and Net Promoter Score (NPS) surveys</li> <li>• Focus Group Discussions (FGD) with identified customers</li> <li>• A series of mobile apps that provide a more digitalised and customer-centric experience for customers and the public</li> <li>• Newly-revamped, user-friendly website with enhanced functionalities: customers can now select multiple properties and view them side-by-side. Recently introduced features include live chat and a loan calculator.</li> </ul>



STAKEHOLDER GROUPS	HOW WE IMPACT EACH OTHER	THEIR EXPECTATIONS	HOW WE ENGAGE AND RESPOND
<p><b>Community</b></p>	<p>Building trust with our local communities and NGOs essentially gives us the social licence to operate. As our activities may negatively impact the environment, we must ensure we do all we can to mitigate this.</p>	<ul style="list-style-type: none"> <li>• Responsible marketing</li> <li>• Waste management</li> <li>• Energy management</li> <li>• Community care and charitable involvement</li> <li>• Corporate citizenship and good governance</li> </ul>	<ul style="list-style-type: none"> <li>• Various placemaking and civic engagement initiatives</li> <li>• Corporate social responsibility (CSR) initiatives across education enhancement, community engagement and environmental conservation</li> </ul>
<p><b>Employees</b></p>	<p>Providing our employees with a safe and conducive working environment, with a strong respect for ethics and a high-performance culture will help drive our business. Employees who are engaged and motivated will be more productive, resulting in a win-win outcome, as the Group benefits from better performance and our employees find fulfilment and develop their careers. We strive to instil our CHIEF brand values in everything we do, by being Caring, Honest, Involved, Enthusiastic and Fun-loving.</p>	<ul style="list-style-type: none"> <li>• Sense of pride and ownership to the company</li> <li>• Transparent communication from the senior leadership team</li> <li>• Career development and promotion opportunities</li> <li>• Fair and competitive benefits and remuneration packages</li> </ul>	<ul style="list-style-type: none"> <li>• Internal newsletters, quarterly townhall sessions and employees portal</li> <li>• Competitive benefits and remuneration packages</li> <li>• Implementation of flexible working hours and casual dress code</li> <li>• Corporate subscription to e-learning platforms</li> <li>• Organise team building, sports and recreation activities</li> </ul>



## LISTENING TO OUR STAKEHOLDERS

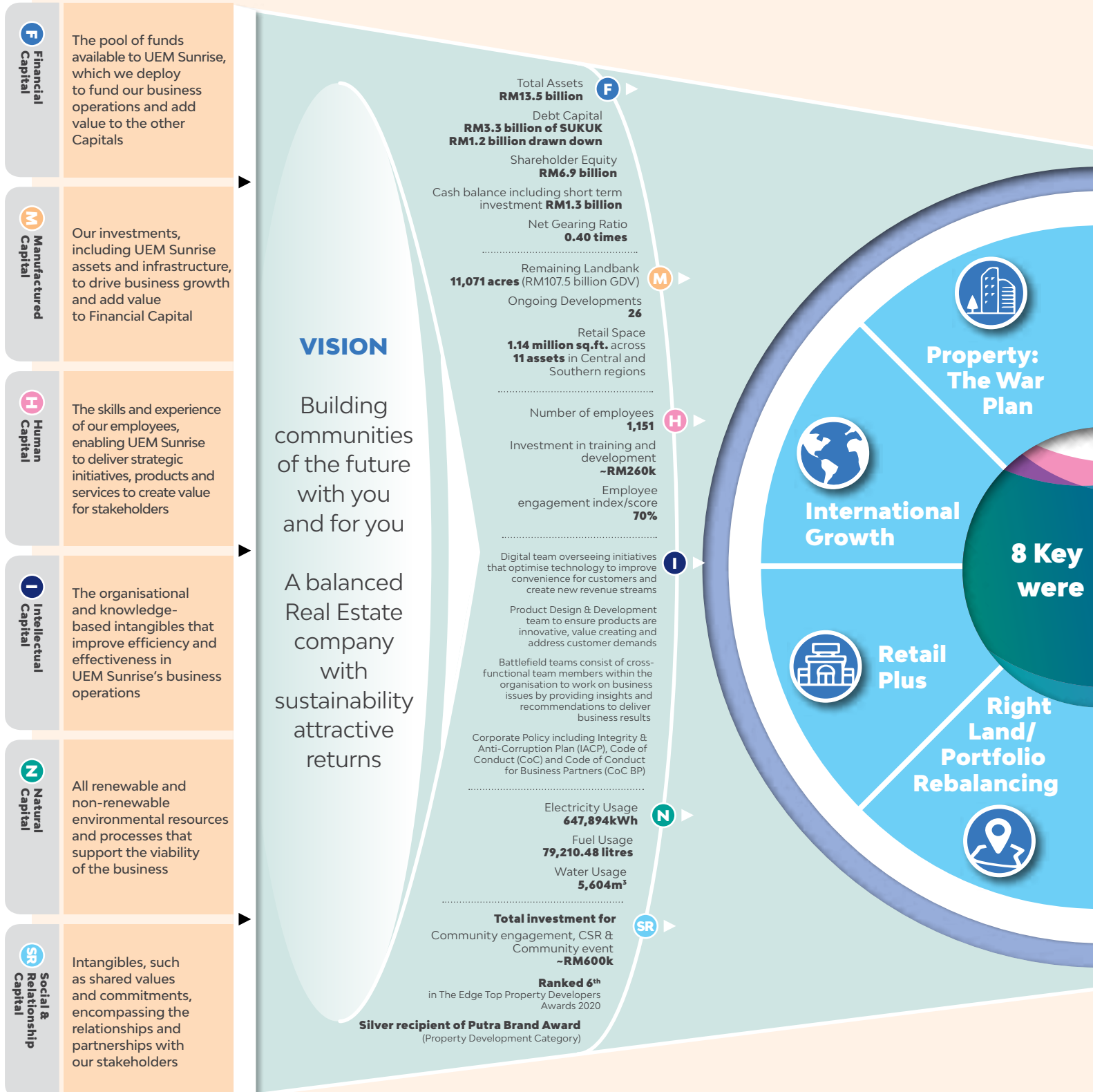
STAKEHOLDER GROUPS	HOW WE IMPACT EACH OTHER	THEIR EXPECTATIONS	HOW WE ENGAGE AND RESPOND
<p><b>Investment-related</b> (including analysts, shareholders, investors and fund providers)</p>	<p>Maintaining the trust and confidence of providers of financial capital is a key factor in supporting business growth, as it will lead to a rise in the value of our business, reflected through the Group's performance as a whole. In return, our sustained focus on enabling strong value creation outcomes from each project will yield good returns to investors.</p>	<ul style="list-style-type: none"> <li>• An experienced and solid senior leadership team</li> <li>• Healthy profit and social impact depending on business verticals</li> <li>• Value appreciation of the shares</li> <li>• Consistent dividend pay-out</li> </ul>	<ul style="list-style-type: none"> <li>• AGM</li> <li>• Bursa announcements and press releases</li> <li>• Working with industry associations and key partners (end-financiers, data aggregators and contractors/suppliers) in developing and advocating policies/incentives to support sectoral and economic growth</li> <li>• Engagement through analyst briefings, meetings and conferences</li> <li>• In 2020, 19 engagements were conducted with the investment community mainly via virtual platforms comprising meetings, webinars, conferences and teleconferences during the COVID-19 pandemic</li> <li>• During the year, our key engagements were with the Finance Minister, Menteri Besar Johor, Ketua Setiausaha Kementerian Perumahan dan Kerajaan Tempatan. At regional levels, we interact regularly with state government and local authorities including mayors of Dewan Bandaraya Kuala Lumpur (DBKL) and Majlis Bandaraya Iskandar.</li> <li>• The 12<sup>th</sup> AGM was held virtually on 9 July 2020</li> </ul>
<p><b>Contractors &amp; Suppliers</b></p>	<p>Ensuring a strong partnership and collaboration approach with our contractors and suppliers that upholds the principles of integrity will help us maintain a transparent and cost-effective procurement process. Together with good safety practices that protect workers, this will lead to more sustainable outcomes and higher-quality products.</p>	<ul style="list-style-type: none"> <li>• Professional and transparent procurement processes</li> <li>• Competent management of vendors and timely payment of fees</li> <li>• Safe and conducive working environments</li> </ul>	<ul style="list-style-type: none"> <li>• Mandate a Letter of Declaration by all vendors committing them to adherence to UEM Sunrise's Code of Business Conduct</li> <li>• UEM Sunrise procurement policy, which is downloadable from the corporate website</li> <li>• Mandate all suppliers, contractors and sub-contractors to provide details of their approach in keeping with the company's Standard Operating Procedures on QASHE</li> </ul>
<p><b>Strategic Partners</b></p>	<p>Collaboration with strategic partners enables us to make quick entries into areas that would have taken longer to break into. In return, our partners can benefit from working with our large and exciting portfolio.</p>	<ul style="list-style-type: none"> <li>• Fair investment opportunities in all UEM Sunrise business verticals</li> <li>• High return on investment throughout the partnership period</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive prospecting of business partners for existing and pipeline projects</li> <li>• Active sales and marketing initiatives</li> </ul>



STAKEHOLDER GROUPS	HOW WE IMPACT EACH OTHER	THEIR EXPECTATIONS	HOW WE ENGAGE AND RESPOND
<b>Government/ Regulatory Authorities</b>	<p>Conforming to laws and regulations while abiding by best practices will help strengthen our reputation as a responsible property developer. This in turn allows us to support Government agendas that concern stimulating economic growth, contributing to nation-building, providing housing and creating job opportunities.</p>	<ul style="list-style-type: none"> <li>• Comply with relevant laws and regulations</li> <li>• Contribute to industry best practices and the development of new policies and regulations</li> <li>• Support government initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure full compliance in economic, environmental and social areas regardless of the sector of business operations</li> <li>• Active engagements with relevant ministries, regulators and authorities</li> </ul>
<b>Media</b>	<p>The media is an important partner that can help to strengthen our reputation and credibility. We will continue to provide the media with access to timely, reliable and accurate information about our operations.</p>	<ul style="list-style-type: none"> <li>• Thought leadership on the property market and industry</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent engagement through press releases, networking sessions, press conferences and interviews</li> </ul>
<b>Industry Peers</b>	<p>Collaboration with industry peers in terms of knowledge sharing and through association meetings and industry conferences will help to promote sustainable growth of the property industry.</p>	<ul style="list-style-type: none"> <li>• Improve ease of doing business within the property industry</li> <li>• Share industry best practices and developments</li> <li>• Promote nation-building and sustainable growth in the property industry</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to influencing the overall industry policy</li> <li>• Participate in industry-wide organisations and conferences</li> <li>• Support government initiatives in industry developments</li> </ul>

## OUR VALUE CREATION MODEL

### OUR SIX CAPITALS → INPUTS



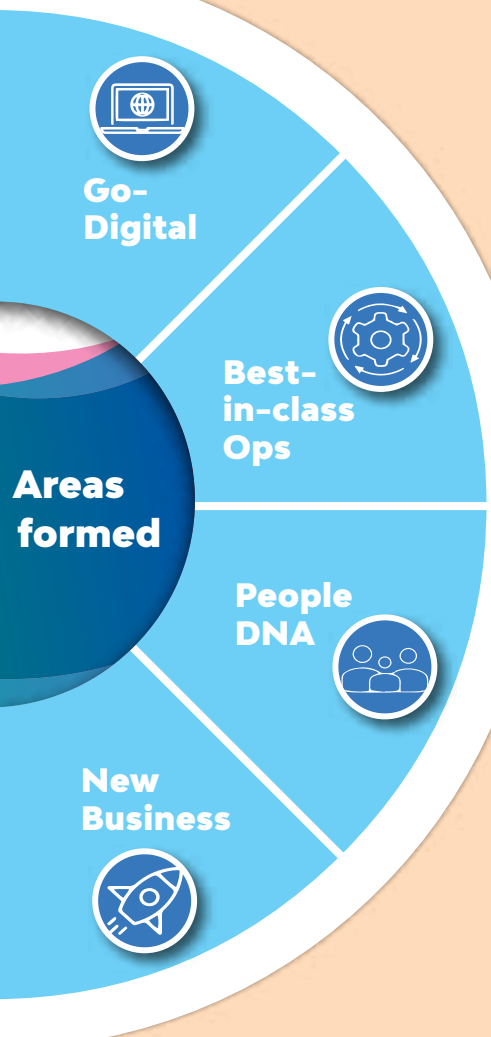


2020 INITIATIVES

OUTCOMES

**DIFFERENTIATOR**  
‘Digital innovation in everything we do’

Digital solutions from design to development, sustainability, marketing, sales, after-sales, and community building



**ENABLERS**

- Strengthen talent
- Cost & cash discipline

Entered into definitive agreements with AME for the sale of

**72 FREEHOLD**

industrial plots in SiLC Phase 3

**ISSUED RM1,205 million**

SUKUK in FY2020 under IMTN/ICP Programmes

Mandate a Letter of Declaration by all vendors committing to adhere to

**UEM SUNRISE'S CODE OF BUSINESS CONDUCT**

**19 ENGAGEMENTS**

with the investment community conducted mainly via virtual platforms comprising meetings, webinars, conferences, and tele-conferences during the COVID-19 pandemic. 12<sup>th</sup> AGM was also held virtually on 9 July 2020

**Land acquisition in Taman Pertama, Cheras Kuala Lumpur for a project estimated at a total GDV of**

**RM1.1 billion**

in August 2020 for RM170 million, targeted for mid-market and affordable residences in the development

**Land acquisition in Section 13, Petaling Jaya on 8 March 2021 for**

**RM200 million**

for a project estimated at a total GDV of RM1.3 billion for mixed commercial developments featuring serviced apartments and affordable residences

Launch of Residensi Allevia in Mont'Kiara in November 2020 with GDV of

**RM546 million**

priced starting from RM1.5 million with built up from 1,703 sqft to 2,634 sqft to cater to niche market which are still interested in premium living, big spacious condominium units in the Mont'Kiara area

Internal newsletters, quarterly townhall sessions and Titans' portal

Offer competitive benefits and remuneration packages

**Implementation of flexible working hours and dress code**

**INTEGRATED DEVELOPMENT IN KIARA BAY ON A 72.7-ACRE LAND WITH ESTIMATED TOTAL GDV OF RM17.4 BILLION**

in Kuala Lumpur, next to the Kepong Metropolitan Park is to provide quality living for future residents of Kiara Bay and those living in the Kepong area as UEM Sunrise plans to have educational and medical institutions, malls and commercials and utilise adjacent lake and park to create conducive living

**Free subscription to e-learning platforms.**

-6000 training hours for all employees

Commenced our COVID-19 Crisis Management Committee and Crisis Management Team in February 2020 as an initiative to overcome the crisis arises during the pandemic

Created an internal Tabung Penyayang Titans where employees donate funds into the "tabung" to help other employees who are badly affected by the pandemic

Financially sound given the low net gearing of 0.40 times with cash balances including short term investment of

**RM1.3 billion**  
as at the end of FY2020

Create job opportunities and employment in Iskandar Puteri, Iskandar Malaysia, Johor and support local community

**RM1.1 billion sales achieved in 2020 whereby 61% sales were contributed from Southern region**

will instil investors' confidence to invest/buy properties in Johor which in turn will generate potential economic activities in Johor

**More project launches attract employment opportunities, job creation, maintaining/ extending supply chain networks**

which overall increase economic conditions for the whole community

Supporting government efforts in promoting **ECONOMIC GROWTH**, development of infrastructure and affordable housing, and placemaking exercises

**Various digital initiatives**

taken to improve business process/workflow will increase the employees' work productivity indirectly enhancing efficiency and effectiveness in UEM Sunrise business operations

Addressing the population's needs for affordable houses; **INDIRECTLY BOOSTING** the property sector which in turn help support the economy

**More project launches indicate the need to appoint contractors to construct these newly launched properties;**

indirectly creating jobs for these contractors which in turn will need workers to carry out the job; providing employment opportunities and creating jobs. More construction jobs emphasise the need to have or maintain/extending supply chain networks which overall increase the economic condition for the whole community

**Providing transparent and fair procurement processes**

that support local suppliers and encourage good environmental and social performance throughout the supply chain

Property purchases trend have always been in tandem with the **GROWTH OF THE ECONOMY**

## OUR RISKS LINKED TO STRATEGY

The Board, supported by the Board Governance & Risk Committee and Risk Management Committee, is responsible for the overall risk governance and risk management practices to support the Group's strategic objectives. More information on risk governance and the Group's risk management framework and process is included in the corporate governance section of this annual report – refer pages 86 to 113.

### Risk

#### INDUSTRY & MARKET

##### Global Pandemic Risk

In 2020, the world experienced an unprecedented situation due to the COVID-19 outbreak, affecting not only social well-being but also economic growth and prosperity as a whole. Various measures introduced by governments across the world had hugely impacted the entire business environment, including the Group's business operations, with the introduction of movement control orders, lockdown measures and strict standard operating procedures to break the chain of infection.

##### Competition Risk

The property development market continues to be highly competitive and the Group is subjected to competition from various property developers, including but not limited to, the availability of strategically located and reasonably priced landbanks, key talents, supply of raw materials and labour and selling prices of property. The Group's income is predominantly contributed by its property development business and therefore exposes the Group to market or systemic risk.

#### FINANCIAL

##### Financial Risk

The Group is facing multifaceted financial risk exposures including, but not limited to, credit risk due to the inability to maintain credit ratings, business and earnings risk as a result of not meeting the financial targets as well as liquidity risk arising from the inability to efficiently meet the Group's present and future (both anticipated and unanticipated) funding obligations when they are due. These exposures may adversely affect the Group's financial management, daily operations and potentially incur unacceptable losses.

#### OPERATION

##### Operational Risk

The Group relies on third party contractors in many aspects of the project development. As such, the Group's operations may be affected by non-performance of these contractors. An effective internal process, system and operations also remains as a core element in delivering high quality product and services whilst managing time and cost factors. The Group remains cognisant of the evolving IT and digital landscape including the potential risk exposure arising from its adoption.

#### COMPLIANCE & PEOPLE

##### People Risk

One of the pillars of success is having the right talent with high growth mindset within the organisation. An optimal structure is required to allow the business and operations to run as intended to support the Group's strategic plans. The Group is also required to continuously upskill its staff to adapt to the Fourth Industrial Revolution (IR 4.0) business environment whilst ensuring sufficient bench strength and a robust leadership pipeline to meet future challenges and additionally, for succession planning.

##### Regulatory & Corruption Risk

The Group is committed to ensuring that its people, processes and operations are in compliance with all applicable policies and relevant laws and regulations including, but not limited to, the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018).





### UEM SUNRISE PRINCIPAL RISKS

The table below outlines the principal risks that have a material impact on UEMS' ability to create value and achieve its strategic objectives.

### Risk Mitigation

- The Group has developed a dedicated Business Continuity Plan for COVID-19 Outbreak to serve as the main guidance and reference point for the COVID-19 control plan implementation.
- The Group continues its business operations with strict compliance to the latest available directives and regulations imposed by the government, which help mitigate the overall impact to the businesses and recover from the slowdown of business activities in the early stage of COVID-19 outbreak.

- The Group undertakes a comprehensive review of the existing business operations and has developed a 5-year strategy named as UEMS 2025 with the goal of transforming the Group into a sustainable balanced real estate company. The strategy includes both lines of business (property development, retail, land portfolio, etc.) and enablers (human capital, operational excellence and digital).
- The Group has also put in place an annual strategic planning and thorough budgeting process to establish goals, targets and resources whereby performance is monitored on an ongoing basis.

- The Group diligently monitors its sales funnel, inventory levels, development plans and ensure the execution of the identified key deliverables to maintain adequate cash flow requirements and adequate buffers of liquidity throughout the year.
- The Group continues to monitor its borrowing repayment maturity profiles and financial covenants (e.g. gearing ratios are below the required thresholds).

- The Group continues to strengthen its project management capabilities via review and enhancement of operational processes and embedding the use of technology and digitisation to improve overall efficiency.
- Integrated Management Systems and Standard Operating Procedures is benchmarked against ISO 9001:2015 as well as other applicable standards and best practices, to ensure the quality of the products and services offered.
- The Group's IT infrastructure is adequately protected against unauthorised access and security threats using an Identity Access Management System, End Point Protection System and Unified Threat Management at both the end user level and the gateway level.

- The Group has a well-defined organisational structure which has been reviewed accordingly to ensure that it is aligned to the business as well as operational requirements.
- Performance Management Framework ensures the alignment between business objectives and deliverables through Key Performance Indicators (KPI) monitoring and review.
- The Group offers comprehensive learning and development for all staff to grow and develop themselves driven by our business strategy, future-skill requirements and individual development plans.
- Structured leadership and talent programmes are put in place to nurture emerging leaders and employees with high potential, as well as to enhance the leadership skills of existing leaders.

- The Group is committed to the highest standards of integrity and takes a zero-tolerance approach to all forms of corrupt acts in its business conduct and operations.
- Introduced the Anti-Corruption Guidelines to further strengthen the standard of behaviour and ethical conduct, in addition to the existing Code of Conduct and Code of Conduct for Business Partners.
- Conducted a comprehensive Corruption Risk Assessment (CRA) to identify, analyse, assess and prioritise the inbound and outbound corruption risks of the Group.
- Embarked on a further in-depth Gap Analysis Exercise on Adequate Procedures to assess the gaps and review of the anti-corruption policies and procedures to facilitate the closure of the gaps, as part of the continual improvement requirement.

## BOARD OF DIRECTORS

# EXPERIENCED, EFFECTIVE AND ENERGETIC LEADERSHIP

### OUR LEADERSHIP

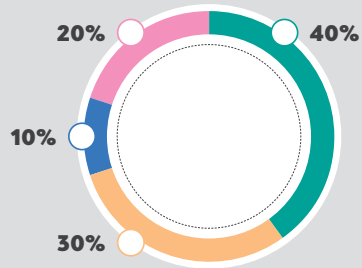
**10** Directors

**1** Senior Independent Non-Executive Director

**5** Independent Non-Executive Director

**4** Non-Independent Non-Executive Director

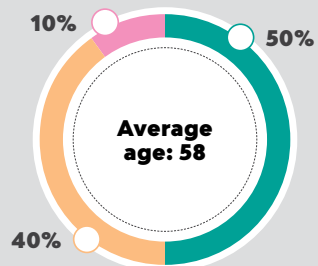
#### TENURE ON BOARD



- Up to 1 year
- More than 1 year and up to 3 years
- More than 3 years and up to 6 years
- More than 6 years and up to 9 years

Note: None of the Independent Directors are above 9 years of service

#### AGE GROUP



- Below 50 years old
- 50 - 60 years old
- 61 - 70 years old
- 71 - 80 years old

**Dato' Noorazman Abd Aziz** ✓

Non-Independent Non-Executive Chairman



**Tan Sri Dr Azmil Khalili Dato' Khalid** ✓

Senior Independent Non-Executive Director



**Ungku Suseelawati Ungku Omar** ✓

Independent Non-Executive Director



**Datin Teh Ija Mohd Jalil** ✓

Independent Non-Executive Director



The Board is committed to the creation of long-term sustainable value for the benefit of our shareholders and wider stakeholders, and strong and robust corporate governance is integral in supporting this.



**Dato' Mohd Izani Ghani** ✓

*Non-Independent Non-Executive Director*



**Zaida Khalida Shaari** ✓

*Non-Independent Non-Executive Director*



**Effizal Faiz Zulkifly** ✓

*Non-Independent Non-Executive Director*



**Christina Foo** ✓

*Independent Non-Executive Director*



**Chari T.V. Thirumala** ✓

*Independent Non-Executive Director*



**Poh Ying Loo** ✓

*Independent Non-Executive Director*



## BOARD OF DIRECTORS' PROFILE

### Dato' Noorazman Abd Aziz

Non-Independent  
Non-Executive Chairman



Date of Appointment

**1 October 2018**

Non-Independent Non-Executive Director

**13 August 2020**

Non-Independent

Non-Executive Chairman

No. of Board Meetings  
attended in the financial year

**24/24**



#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Bachelor of Science (Finance), Louisiana State University, USA
- Practising member, Chartered Institute of Islamic Finance Professionals
- Member, Australian Institute of Company Directors
- Member, Institute of Corporate Directors Malaysia

#### SKILLS AND EXPERIENCE

- He has over 37 years of experience in banking and finance, investments and capital markets after having served as Executive Director, Investments in Khazanah Nasional Berhad (Khazanah), Managing Director of Fajr Capital Ltd, a Khazanah investee company and held key positions in Citigroup, Bank Islam Malaysia Berhad, Kuala Lumpur Stock Exchange and Labuan Offshore Financial Services Authority (LOFSA), to name a few.
- He currently serves as Chairman of the Board of Trustees of Yayasan UEM, the philanthropic arm of UEM Group Berhad, and Chairman of Board of Trustees of International Centre for Education in Islamic Finance (INCEIF).
- He is a member of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan), advisor for Vynn Capital Sdn Bhd and also sits on the Advisory Boards of Ancora Fund Management Co. in Indonesia and Creador Sdn Bhd.
- In 2005, he was named as the winner of the first Asian Banker Achievement Award for Islamic Finance.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- UEM Edgenta Berhad
- PLUS Malaysia Berhad
- Kumpulan Perangsang Selangor Berhad
- Hong Leong Financial Group Berhad
- Yayasan UEM
- International Centre for Education in Islamic Finance (INCEIF)

#### Committee Key



Nominations & Remuneration Committee



Board Development Committee



Audit Committee



Board Governance & Risk Committee



Board Tender Committee

— Chairman

----- Member





## Tan Sri Dr Azmil Khalili Dato' Khalid

Senior Independent  
Non-Executive Director

60 Age    M Gender    MY Nationality

Date of Appointment

**13 December 2017**

Independent Non-Executive Director

**14 October 2020**

Senior Independent Non-Executive Director

No. of Board Meetings  
attended in the financial year  
**23/24**

### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Doctorate of Science (Honorary), University Hertfordshire, Hatfield, England
- Master of Business Administration, California State University, Dominguez Hills, USA
- Bachelor of Science in Civil Engineering, University of Hertfordshire, Hatfield, England and Northrop University, Los Angeles, USA

### SKILLS AND EXPERIENCE

- He began his career with a United Kingdom company, Tarmac National Construction. Upon his return to Malaysia, he worked for Trust International Insurance and Citibank NA.
- He was the President and Chief Executive Officer of both The AlloyMtd Group and ANIH Berhad from April 2011 to August 2017.
- He joined MTD Capital Bhd in 1993 as General Manager of Corporate Planning and held the position of Group Managing Director and Chief Executive Director in March 1996 before assuming the position as Group President and Chief Executive Officer of The MTD Group from April 2005 to April 2011.
- He was the President and Chief Executive Officer of MTD Capital Bhd's listed subsidiary namely, MTD ACPI Engineering Berhad and was also the Chairman of MTD Walkers PLC, a foreign subsidiary of MTD Capital Bhd listed on the Colombo Stock Exchange in the Republic of Sri Lanka.
- He is the Chairman of the Board of UEM Edgenta Berhad, Reach Energy Berhad and Cenviro Sdn Bhd.

### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- UEM Edgenta Berhad
- Reach Energy Berhad

#### Notes

- None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Sunrise.
- None of the Directors have any conflict of interest with UEM Sunrise.
- None of the Directors have been convicted of any offence within the past 5 years, other than traffic offences, if any, or imposed any public sanction or penalty by the relevant regulatory bodies during the year ended 31 December 2020.

**M** Male

**MY** Malaysian

**F** Female

**IND** Indian national



## BOARD OF DIRECTORS' PROFILE

### Dato' Mohd Izani Ghani

Non-Independent  
Non-Executive Director

**53** Age  
**M** Gender  
**MY** Nationality

Date of Appointment  
**1 June 2019**

No. of Board Meetings  
attended in the financial year  
**24/24**



#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Bachelor of Science (Economics) specialising in Accounting and Finance, London School of Economics and Political Science, UK
- Fellow, Association of Chartered Certified Accountants
- Member, Malaysian Institute of Accountants
- Member, Chartered Institute of Islamic Finance Professionals

#### SKILLS AND EXPERIENCE

- He was appointed as Executive Director of UEM Group Berhad (UEM Group) on 1 January 2019 and subsequently re-designated as Managing Director on 1 August 2019.
- He has over 28 years of investment and management experience. Prior to joining UEM Group, he was Executive Director, Investments at Khazanah Nasional Berhad (Khazanah) where he oversaw its Turkey Regional Office.
- He was formerly Khazanah's Chief Financial Officer where under his leadership, the government's strategic investment arm issued many landmark Sukuk transactions including exchangeable and Social Impact Sukuk.
- He had also previously served at Putrajaya Holdings Sdn Bhd and Renong Group.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- UEM Group Berhad
- UEM Edgenta Berhad
- UEM Builders Berhad
- PLUS Malaysia Berhad
- Projek Lebuhraya Usahasama Berhad
- PLUS Expressways International Berhad
- Cement Industries of Malaysia Berhad
- Yayasan UEM

#### Committee Key



Nominations & Remuneration Committee



Board Development Committee



Audit Committee



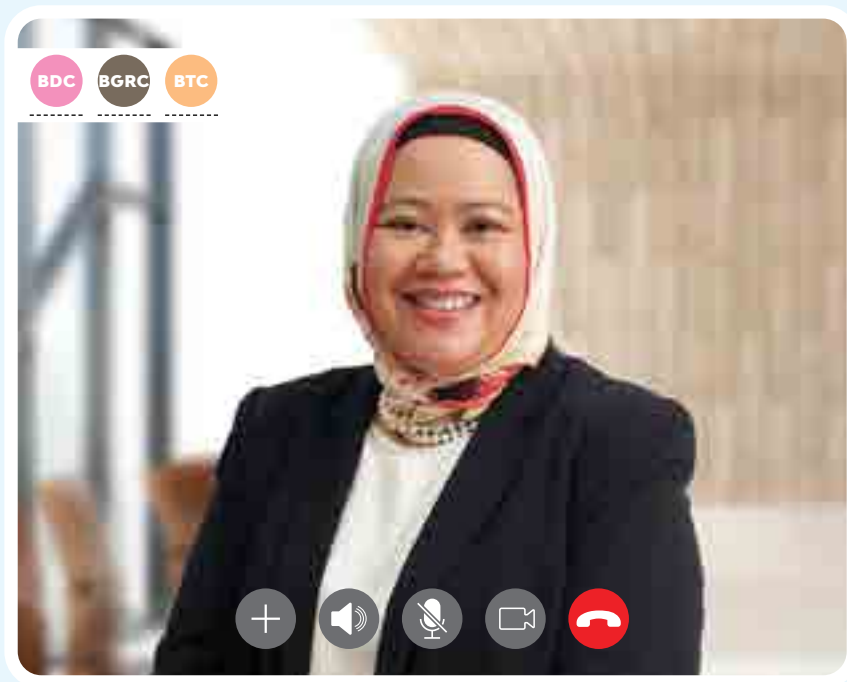
Board Governance & Risk Committee



Board Tender Committee

— Chairman

----- Member



### Zaida Khalida Shaari

Non-Independent  
Non-Executive Director

53 Age    
 F Gender    
 MY Nationality

Date of Appointment  
**8 April 2016**

No. of Board Meetings  
attended in the financial year  
**24/24**

#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- LLB (Honours), University of Warwick, UK
- Master of Business Administration, University of Strathclyde, UK
- Barrister-at-law and a member of the Honourable Society of Gray's Inn, London

#### SKILLS AND EXPERIENCE

- She began legal practice in 1991 with Messrs Zain & Co.
- She joined Permodalan Nasional Berhad (PNB) in 1997 as legal advisor to the corporate finance group and moved on to head the Legal and Compliance Department. In 2006, she was appointed as Company Secretary of PNB.
- She joined the Investments Divisions of Khazanah Nasional Berhad (Khazanah) in 2007 and served until January 2019 when she was Executive Director, Investments, overseeing the real estate and education investments of Khazanah.
- Presently, she is CEO of Yayasan AMIR, a non-profit organisation working with the Ministry of Education on the implementation of the Trust Schools Programme, as part of the initiatives of transforming public schools.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- Cement Industries of Malaysia Berhad
- MNRB Holdings Berhad

- M Male
- MY Malaysian
- F Female
- IND Indian national

#### Notes

- None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Sunrise.
- None of the Directors have any conflict of interest with UEM Sunrise.
- None of the Directors have been convicted of any offence within the past 5 years, other than traffic offences, if any, or imposed any public sanction or penalty by the relevant regulatory bodies during the year ended 31 December 2020.

## BOARD OF DIRECTORS' PROFILE

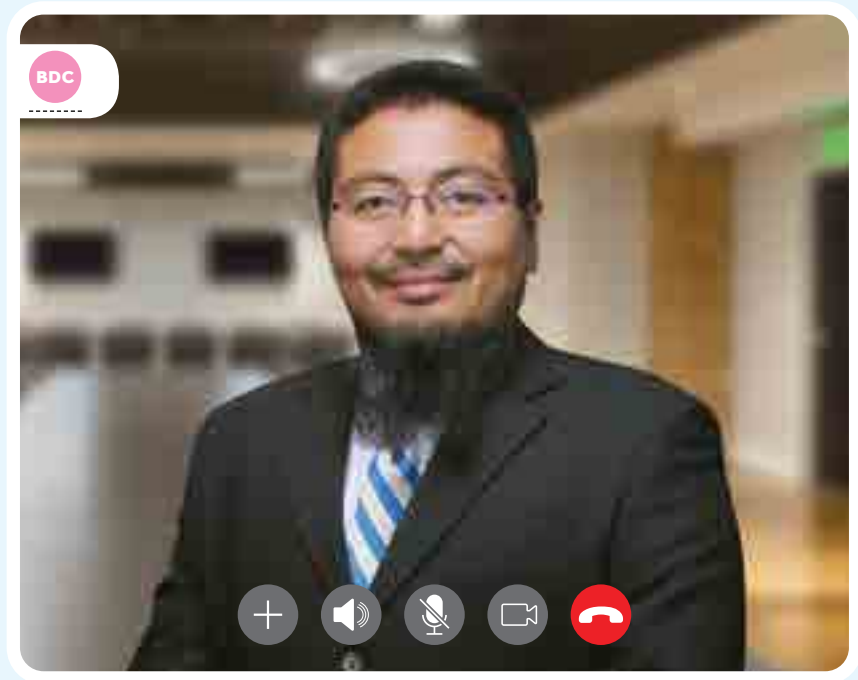
### Effizal Faiz Zulkifly

Non-Independent  
Non-Executive Director

**41** Age  
**M** Gender  
**MY** Nationality

Date of Appointment  
**24 February 2020**

No. of Board Meetings  
attended in the financial year  
**20/20**



#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Master of Business Administration, MIT Sloan Fellows Program, Massachusetts Institute of Technology, USA
- Master of Commerce, Finance and Business Information System, University of Sydney, Australia
- Bachelor of Commerce, Accounting, University of Queensland, Australia

#### SKILLS AND EXPERIENCE

- He is currently Director of Investments at Khazanah Nasional Berhad (Khazanah), the strategic investment fund for the Government of Malaysia, overseeing assets within the SEA Private Equity space.
- He joined Khazanah in 2007, covering the infrastructure and property sector with a specific focus on UEM Group Berhad and its group of companies.
- He had spent a year on secondment with Khazanah Americas incorporated in San Francisco in 2016 and following that continued his exposure within the infrastructure sector through his coverage of Malaysia Airports Holdings Berhad. More recently, he had led the Internet & Technology sector and the Innovation & Entrepreneurship sector coverage up until 2018.
- Prior to Khazanah, he spent four years as a business analyst with Citibank Berhad.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- Biotropics Malaysia Berhad
- Blue Archipelago Berhad

#### Committee Key



Nominations & Remuneration Committee



Board Development Committee



Audit Committee



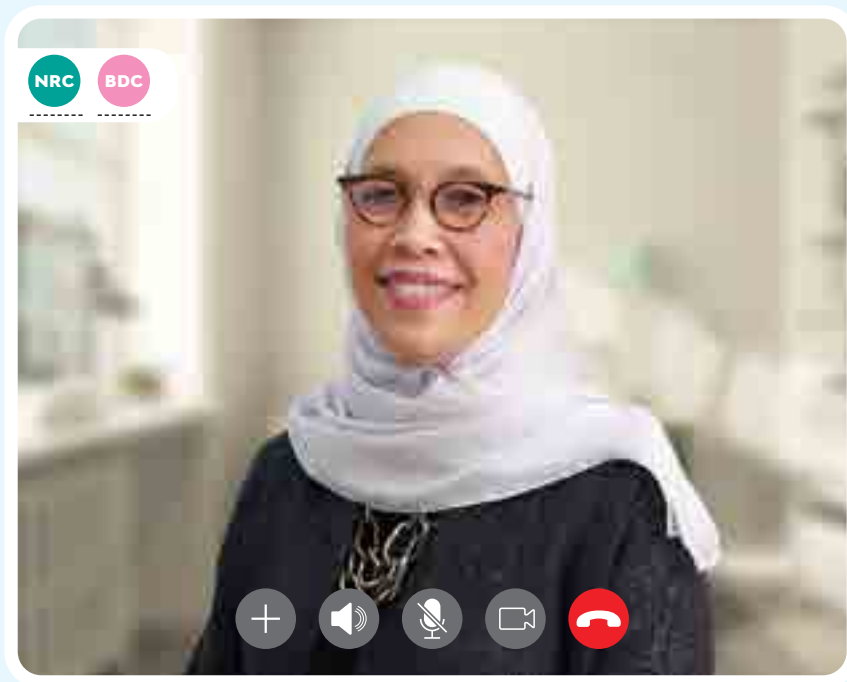
Board Governance & Risk Committee



Board Tender Committee

— Chairman

----- Member



## Ungku Suseelawati Ungku Omar

Independent  
Non-Executive Director

**63** Age      **F** Gender      **MY** Nationality

Date of Appointment  
**19 March 2013**

No. of Board Meetings  
attended in the financial year  
**23/24**

### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Bachelor of Science Honours in Marketing, University of Lancaster, UK

### SKILLS AND EXPERIENCE

- She is the Executive Director, Retail of Nawawi Tie Leung Group (formerly known as DTZ Nawawi Tie Leung Group). She is also Regional Head for Retail South East Asia.
- She is one of the three Malaysian founding shareholders of Nawawi Tie Leung Group in partnership with an international property advisory group.
- She was the Country Head of Nawawi Tie Leung Group from inception of the company until September 2012 where her key role was to grow and develop the Malaysian business by building on the strengths and resources of both the local and the international group and to provide seamless cross border services to its global clients.
- She is responsible for the retail business and her role is to provide strategic advice to developers and retailers on positioning, retail concept, planning and operations of shopping centres.
- She is a member of the Asia Pacific Research Council, International Council of Shopping Centers (ICSC).
- She was previously a Director of Suria KLCC Sdn Bhd from 2007 to 2011 and a Retail Council member of PROSPER Perbadanan Usahawan Nasional Berhad.
- She was a recipient of ICSC’s Gold Medallion Award 2015 for Research, being one of the 10 global recipients from North America, Europe, Asia and Latin America who have demonstrated significant commitment and contribution to the ICSC research programmes

### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- NIL

#### Notes

- None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Sunrise.
- None of the Directors have any conflict of interest with UEM Sunrise.
- None of the Directors have been convicted of any offence within the past 5 years, other than traffic offences, if any, or imposed any public sanction or penalty by the relevant regulatory bodies during the year ended 31 December 2020.

**M** Male

**MY** Malaysian

**F** Female

**IND** Indian national

## BOARD OF DIRECTORS' PROFILE

### Datin Teh Ija Mohd Jalil

Independent  
Non-Executive Director

**68**  
Age

**F**  
Gender

**MY**  
Nationality

Date of Appointment  
**1 March 2018**

No. of Board Meetings  
attended in the financial year  
**24/24**



#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Master of Business Administration, Southern New Hampshire University, USA
- Bachelor of Arts (Honours), Universiti Malaya

#### SKILLS AND EXPERIENCE

- She has built her competency in the area of economic policy-making and international trade and finance through her 24 years in the government from 1976 to 1999.
- During her service in the Securities Commission Malaysia (SC) from 2000 to 2017, she was directly involved in capital market policies development and regulation, including access to SME financing, human capital development at the Commission and for industry, and led pioneering work in training and education for capital market professionals, including executive education.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- Finance Accreditation Agency Berhad, an affiliate of Bank Negara Malaysia and the SC
- HSBC Bank Malaysia Berhad
- Securities Industry Development Corporation

#### Committee Key



Nominations & Remuneration Committee



Board Development Committee



Audit Committee



Board Governance & Risk Committee



Board Tender Committee

— Chairman

----- Member





**Christina Foo**

Independent  
Non-Executive Director

**59**  
Age

**F**  
Gender

**MY**  
Nationality

Date of Appointment  
**23 November 2018**

No. of Board Meetings  
attended in the financial year  
**24/24**

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP**

- Chartered Accountant, Malaysian Institute of Accountants
- Fellow, CPA Australia
- Fellow, Malaysian Institute of Management
- Fellow, Institute of Corporate Directors Malaysia
- Member, ASEAN Chartered Professional Accountants
- Member, Malaysian Institute of Corporate Governance
- Bachelor of Business Studies (Accounting), Deakin University, Australia

**SKILLS AND EXPERIENCE**

- In 2001, she founded Priority One group and is the Managing Director of Priority One Tax Services Sdn Bhd.
- From 1985 till 2001, she served Ernst & Young (EY) Malaysia, EY LLP based in Atlanta, EY International in London and EY Asia Pacific Consulting. Her last held position was Director, Business Development, EY Malaysia.
- From 2018 to 2019, she was appointed as a Senior Practice Fellow of Sunway Business School, Sunway University, Malaysia.
- She currently sits on the Board of KPJ Healthcare Berhad and Malaysian Technology Development Corporation Sdn Bhd.
- She chairs the Industry Advisory Board, Sunway Business School, Sunway University.
- She also chairs the Liaison Committee of The Mines Resort & Golf Club.

**DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS**

- KPJ Healthcare Berhad

**Notes**

- None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Sunrise.
- None of the Directors have any conflict of interest with UEM Sunrise.
- None of the Directors have been convicted of any offence within the past 5 years, other than traffic offences, if any, or imposed any public sanction or penalty by the relevant regulatory bodies during the year ended 31 December 2020.

**M** Male

**MY** Malaysian

**F** Female

**IND** Indian national

## BOARD OF DIRECTORS' PROFILE

### Chari T.V. Thirumala

Independent  
Non-Executive Director

**64** Age  
**M** Gender  
**IND** Nationality

Date of Appointment  
**5 November 2020**

No. of Board Meetings  
attended in the financial year  
**4/4**



#### ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

- Fellow, Chartered Institute of Management Accountants, UK
- Member, Chartered Accountants of India
- Master of Business Administration, University of Buffalo, New York, USA
- Post Graduate Diploma in Digital Business, Digital Transformation and Digital Marketing, Emeritus Institute of Management in collaboration with MIT and Columbia Business School

#### SKILLS AND EXPERIENCE

- After spending 20 years with Hewlett Packard in Senior Business Management and Finance roles and nine years with Axiata Group as Group Chief Financial Officer of Celcom Axiata Berhad and Axiata Group Berhad, he is currently serving as independent consultant to a large conglomerate, a global IT services & digital transformation company and a global forensics & valuation company.
- He has also consulted for a large listed company in the aviation industry and a semiconductor fabrication company.
- He continues to deliver a range of talks at local and international conferences, on topics like the Importance of Analytics, Digital Disruptions, Digital Transformation, Technology Risk Assessment, Purpose Driven Leadership and Investment Portfolio Management etc.
- He is an advisory member of a subcommittee of the Malaysian Institute of Accountants. He is also a mentor for entrepreneurs under Endeavor Malaysia and an advisory member to a plastic recycling company. He sits on the advisory Board of the Centre for Advanced Analytics and Data Sciences.
- He is a Board member and Board Audit Committee member of a subsidiary of Axiata Group Berhad, Ncell Axiata Limited in Nepal.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- NIL

#### Committee Key



Nominations & Remuneration Committee



Board Development Committee



Audit Committee



Board Governance & Risk Committee



Board Tender Committee

— Chairman

----- Member



**Poh Ying Loo**

Independent  
Non-Executive Director

**59**  
Age

**M**  
Gender

**MY**  
Nationality

Date of Appointment  
**5 November 2020**

No. of Board Meetings  
attended in the financial year  
**4/4**

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP**

- Fellow, Chartered Institute of Management Accountants
- Fellow, Institute of Corporate Directors Malaysia
- Member, Chartered Global Management Accountants
- Member, Malaysian Institute of Accountants
- Member, Institute of Enterprise Risk Practitioners

**SKILLS AND EXPERIENCE**

- He has more than 35 years' working experience across a diverse set of industries from auditing, manufacturing and trading, before joining the retail industry.
- He began his career as an auditor in Ong Boon Bah & Co in 1986 and joined Dreamland Holdings Berhad as an Accounts Executive in February 1988. He joined CPC/AJI (M) Sdn Bhd as Assistant Accountant in January 1989 and served as the Senior Accountant until June 1996.
- In July 1996, he joined AEON Co.(M) Bhd. (AEON) as Finance Manager and was promoted as Financial Controller in 2002. He was the Senior General Manager in charge of Business Support in January 2008 and Senior General Manager in charge of Corporate Finance and Investor Relations in February 2010. As the Chief Financial Officer and part of the senior management of AEON and Executive Director in charge of corporate management, he has oversight on the company's total businesses, strategies, operations and business developments. He retired from AEON on 24 June 2020 as Executive Director, a position he had held since May 2011.

**DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS**

- NIL

**M** Male

**MY** Malaysian

**F** Female

**IND** Indian national

**Notes**

- None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Sunrise.
- None of the Directors have any conflict of interest with UEM Sunrise.
- None of the Directors have been convicted of any offence within the past 5 years, other than traffic offences, if any, or imposed any public sanction or penalty by the relevant regulatory bodies during the year ended 31 December 2020.

## JOINT SECRETARIES



### LIEW IRENE

Joint Company Secretary



### WONG LEE LOO

Joint Company Secretary



Liew Irene is the Joint Company Secretary of UEM Sunrise and its subsidiaries. She is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

Irene started her secretarial career with an established secretarial firm in 1996. From 2001 until 2004, she was attached to the secretarial division of a large listed financial institution group. Prior to joining UEM Group Berhad in 2013, Irene served in a reputable secretarial firm since 2004 providing a wide array of corporate secretarial services to private companies, multi-national companies and public listed groups involved in banking, telecommunications, property development, manufacturing, shipping, healthcare equipment and information technology. In October 2017, she was transferred to UEM Sunrise to head the Company Secretarial Services department.

Wong Lee Loo is the Joint Company Secretary of UEM Sunrise and its subsidiaries. She is a Fellow Member of MAICSA and also holds a Bachelor of Laws degree with Honours from the University of London, UK and has a Certificate of Legal Practice.

Lee Loo joined the Legal and Secretarial Division of UEM Group Berhad (UEM) in 1991 and has served in various positions in the said Division over the years. She has previously served as the Joint Company Secretary of UEM and its group of companies, UEM World Berhad and Pharmaniaga Berhad. She was also formerly the Joint Company Secretary of UEM Sunrise from 2010 to 2012. She is a Joint Company Secretary of the subsidiaries of UEM Sunrise since 2010. In optimising and building up capabilities of internal resources, she was transferred to UEM Sunrise's Company Secretarial Services department on 1 January 2019 and relinquished her Joint Company Secretary position in UEM and its group of companies.

## SENIOR MANAGEMENT TEAM'S PROFILE



### SUFIAN ABDULLAH

Chief Executive Officer

46

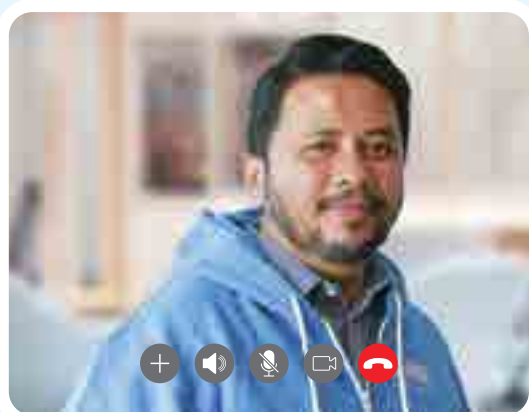
Age

M

Gender

MY

Nationality



Date of Appointment **2 February 2021**

### SIEW CHEE SENG

Chief Financial Officer

56

Age

M

Gender

MY

Nationality



Date of Appointment **16 March 2020**

#### ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP

- Bachelor of Architecture (Hons), Canterbury School of Architecture, Canterbury, Kent, UK
- Bachelor of Arts (Hons), Canterbury School of Architecture, Canterbury, Kent, UK.

#### SKILLS & EXPERIENCE

- He has more than 20 years of experience in the property development and real estate industry, with first-hand experience in leading innovation in several organisations.
- He is trained in architecture and urban design and has built his career with extensive corporate exposure.
- He was formerly the Chief Executive Officer (CEO) at KWEST Sdn Bhd (KWEST), a wholly owned subsidiary of Kumpulan Wang Persaraan (Diperbadankan) (KWAP) which was set up as KWAP's prime investment platform to invest in opportunistic real estate projects.
- He had previously held positions in Sime Darby Property Berhad as Vice President, Product Development & Land Planning from 2013 to 2014, Head of Innovation from 2008 to 2013 and Head of Business Development from 2003 to 2007.

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

NIL

#### ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP

- Certified Public Accountant Malaysia, Malaysian Institute of Certified Public Accountants
- Chartered Accountant Malaysia, Malaysian Institute of Accountants
- Certified Practising Accountant Australia, CPA Australia
- Masters of Business Administration, Heriot Watt University, UK

#### SKILLS & EXPERIENCE

- He has more than 30 years of experience in the field of finance, accounting and general management in which he has held various positions, including senior management positions in several companies. He has also undertaken various fundraising exercises in Malaysia and abroad, structuring & restructuring of companies, tax planning, land acquisitions and disposals and joint development ventures
- Prior to joining UEM Sunrise, he was the Director, Operations at Edgeprop Sdn. Bhd., a company licensed by the Securities Commission to operate a property crowdfunding platform
- He was previously the Chief Financial Officer of Skyworld Development Sdn. Bhd. from November 2015 to December 2017
- He was appointed Senior General Manager, Finance of the enlarged entity, UEM Sunrise Bhd following the merger between UEM Land Bhd with Sunrise Berhad in 2010

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- ONE15 Marina Development Berhad



## SENIOR MANAGEMENT TEAM'S PROFILE

### LIONG KOK KIT

Chief Operations Officer, Central

44

Age

M

Gender

MY

Nationality



Date of Appointment **1 March 2020**

### ZAMRI YUSOF

Chief Operations Officer, Southern

51

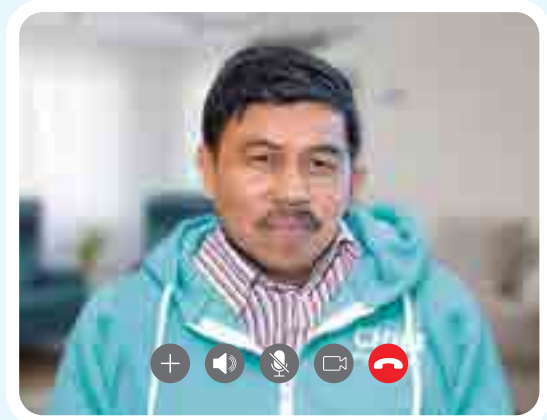
Age

M

Gender

MY

Nationality



Date of Appointment **1 March 2020**

#### ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP

- Bachelor's Degree in Building Surveying from University of Malaya

#### SKILLS & EXPERIENCE

- He has more than 20 years of professional experience in the property industry
- He possesses experience and leadership skills covering the entire spectrum of the multifaceted property industry, from identification of land for development or joint-venture, inception and feasibility of analysis through project management, sales and marketing to completion and property management
- He oversees the Central Business Unit of UEM Sunrise including sitting in the Committee of several key JV projects such as Kiara Bay, Radia and Forest Heights
- Prior to being appointed as Chief Operations Officer, Liong was the Director – Central 2 for UEM Sunrise
- His responsibilities include financing and risk evaluation, strategic planning and marketing, human resource and operations, construction management, procurement and property-related legal and strata matters

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- Sunrise Berhad

#### ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP

- Bachelor of Civil Engineering from Universiti Teknologi Mara (UiTM)

#### SKILLS & EXPERIENCE

- He has more than 25 years of professional experience in the property development sector
- He has held leadership roles in DRB-HICOM Bhd, Glenmarie Properties Sdn. Bhd., Proton City Development Corporation Sdn. Bhd., and HICOM Facility Management Bhd
- Prior to being appointed as Chief Operations Officer, Zamri was the Director – Southern 2 for UEM Sunrise
- He has been entrusted by UEM Sunrise to deliver the Company's financial targets for the Southern Region with over RM70 billion GDV portfolios, encompassing 8,500 acres of development land. Among the key portfolios include the Gerbang Nusajaya Township, an integrated mixed development with the future Iskandar Puteri HSR Station and Transit-Oriented Development (TOD); Puteri Harbour, the jewel of Iskandar Puteri with waterfront developments; Fraser Metropolis, Kulai which is poised to become the future mixed-development Central Business District of Kulai, Johor and the premier East Ledang, Nusa Bayu & Nusa Idaman developments with its high-end residential, residential, high-rise and commercial developments

#### DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- UEM Land Berhad
- Horizon Hills Resort Berhad



**ZULFA ASHIDA ZULKIFLI**

Chief People Officer

**51**  
Age

**F**  
Gender

**MY**  
Nationality



Date of Appointment **1 March 2018**

**KENNY WONG KOON KENG**

Chief Marketing Officer

**58**  
Age

**M**  
Gender

**MY**  
Nationality



Date of Appointment **2 July 2018**

**ANUAR KASIM**

Chief Officer, Performance Delivery

**53**  
Age

**M**  
Gender

**MY**  
Nationality



Date of Appointment **29 June 2020**

**ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP**

- BBA Finance (Hons) from Universiti Utara Malaysia
- MSc in Organisational Behaviour from the University of London
- Pursuing a Doctorate in Organisational Leadership

**SKILLS & EXPERIENCE**

- She has more than 25 years of professional experience in Human Resources and Change Management, spanning the full spectrum of human capital management, from Compensation and Benefits to Resourcing to Talent, Learning and OD, and Processes and Systems
- She has held regional and global roles in Malaysia, Hong Kong, North America and Europe in the Shell Group of companies and the BP Group (British Petroleum) Group
- Prior to joining UEM Sunrise, Zulfa was the Director of Group Human Resources for Bursa Malaysia Berhad, and before that was with AirAsia Berhad as the Group Head of People Department
- She has been instrumental in facilitating and supporting various organisations through major changes and transitions, including start-ups, mergers and acquisitions, outsourcing and offshoring, transformation and reorganisation programmes, and organisational culture

**DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS**

NIL

Notes:

- None of the Senior Management have any family relationship with any other Director and/or major shareholder of UEM Sunrise.
- None of the Senior Management have any conflict of interest with UEM Sunrise.
- None of the Senior Management have been convicted of any offence within the past 5 years, other than traffic offences, if any, or imposed any public sanction or penalty by the relevant regulatory bodies during the year ended 31 December 2020.
- The Chief Executive Officer does not hold any ordinary shares in UEM Sunrise.

**ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP**

- Bachelor's Degree in Economics, majoring in Statistics Mathematics and Econometrics from Universiti Kebangsaan Malaysia
- Certified Master Trainer from Human Resources Development Fund

**SKILLS & EXPERIENCE**

- He has more than 33 years of professional experience in various sectors including FMCG, telecommunications, motion pictures and film exhibition, aviation, property development and people development
- He has held senior marketing and leadership roles across ASEAN in his career, covering diverse markets such as Thailand, Singapore, the Philippines, Cambodia, Myanmar and Malaysia
- Prior to joining UEM Sunrise, Kenny was freelancing as a consultant coach and trainer and prior to that, he was Head of Marketing & Sales at Guocoland Malaysia
- Best Marketer in Data and Technology Marketing, Malaysian CMO Awards 2019

**DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS**

- UEM Land Berhad
- Sunrise Berhad

**ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP**

- Bachelor of Science in Chemical Engineering and several post-graduate certifications.

**SKILLS & EXPERIENCE**

- Reports to the Chief Executive Officer and is responsible for the development and delivery of key strategic programs, overall company strategy, corporate communications, and group procurement.
- Acquired more than 28 years of Business to Business (B2B) and Business to Government (B2G) experience in commodities, utilities, port, chemicals, oil & gas and international logistics (sea trade) industries, including a total of 5 years based in Argentina and the United Kingdom.
- Prior to joining UEM Sunrise, he served a number of local and multinational organisations in overall company management, managing profit & cost centres, business transformation, business portfolio management, strategy development/execution as well as domestic and international commercial activities - sales and marketing and business development.

**DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS**

- Sunrise Berhad
- UEM Land Berhad
- Horizon Hills Resort Berhad

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

# SUPPORTING VALUE CREATION THROUGH GOOD GOVERNANCE

### OVERVIEW



#### UEM SUNRISE ✓

Corporate Governance

The Board remains committed to strengthening the governance process of UEM Sunrise Berhad and its subsidiaries (the "Group") in view of ensuring that the business as a whole is aligned with best practices and that our approach to disclosure remains understandable and transparent. The Board will continue to provide effective leadership and promote high ethical standards in the organisation by embracing good governance principles and practices.

More >



This section provides a description of how the Company has applied the main principles and complied with relevant provisions of the Malaysian Code on Corporate Governance (MCCG 2017 or the Code). We remain committed to achieving high standards of corporate governance both in the boardroom and throughout the Group, which are critical to business integrity and to maintaining investors' and stakeholders' trust in the Company. We have used the core principles of the MCCG 2017 as the framework within which we explain our governance practices in this report.

This statement is to be read along with the Corporate Governance Report which can be found at: [www.uemsunrise.com/corporate/about-us/information-and-downloads](http://www.uemsunrise.com/corporate/about-us/information-and-downloads).

### COMPLIANCE WITH THE CODE

This statement takes guidance from the key corporate governance principles as set out in the MCCG 2017.

During the financial year ended 31 December 2020, UEM Sunrise complied in all material aspects with the principles set out in the MCCG. The Company adopted 32 out of the total 36 recommended practices in the MCCG 2017, including the three (3) step-up practices. One (1) practice was not applicable and the Company has not adopted Practice 7.2, step-up Practice 7.3 and Practice 11.2 of the MCCG namely the disclosure on named basis of the top five Senior Management's remuneration in bands of RM50,000, the disclosure on named basis of each member of Senior Management's remuneration and adoption of integrated reporting, respectively.

Explanations on the non-adoption of these practices can be found in our Corporate Governance Report.

The Board will continue to strengthen the Group’s governance processes to ensure that the business as a whole is aligned with best practices and that our approach to disclosure remains understandable and transparent.

**Core Principles**

**Principle A**

**BOARD LEADERSHIP AND EFFECTIVENESS**

Continued focus on strategy and its execution and a strong, open and effective Board.

Refer to page 87

**Principle B**

**EFFECTIVE AUDIT AND RISK MANAGEMENT**

Close scrutiny of risks and controls.

Refer to page 97

**Principle C**

**INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

Close engagement with stakeholders

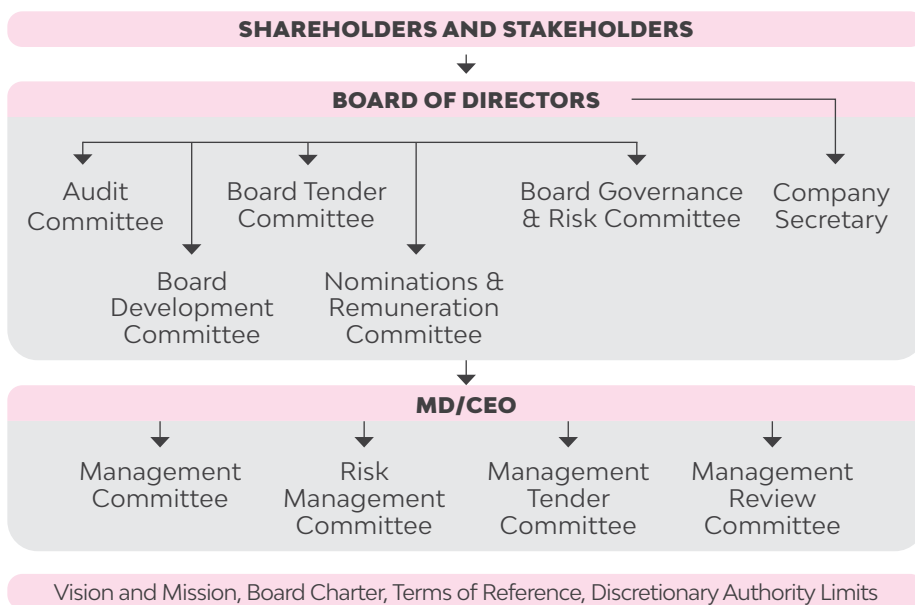
Refer to page 98



**Principle A BOARD LEADERSHIP AND EFFECTIVENESS**

The Board is primarily responsible for the Group’s strategic and annual plans for business performance, overseeing the proper conduct of business, talent and succession planning of key management, risk management, shareholders’ communication, internal controls, management information systems and relevant statutory matters. Management is accountable for the execution of expressed policies and attainment of the Group’s corporate objectives. The functions of the Board and Management are clearly demarcated to ensure the effectiveness of the Company’s business and its day-to-day operations.

**CORPORATE GOVERNANCE MODEL**



Value Creation, Sustainable Engagement

Board Oversight, Engagement and Delegated Authority

Engagement, Supervision, Performance

Engagement and Reporting

The Board approves the Corporate Governance Model adopted by the Company to embed best practices within the organisation, including where specific authorities of the Board are delegated to the relevant Board Committees, as well as to the Managing Director/Chief Executive Officer (MD/CEO). The Board has established five Committees and a Board Subcommittee, all of which comply with the provisions of the MCCG 2017 and play an important governance role through the detailed work they carry out to fulfil the responsibilities delegated to them. Briefing papers are prepared and circulated to Committee members in advance of each meeting. The Committees contribute their specialist skills to key area such as financial information review, procurement and development matters, internal controls and risk management, governance and human capital management.

During the year, there were two ad-hoc Board Committees established to carry out specific roles and responsibilities in relation to strategic review, a proposed corporate exercise and provide oversight to Management after the departure of the former MD/CEO. These two Committees were subsequently dissolved on 31 January 2021 when the subject matters were concluded. The Whistleblowing Committee, a Board Subcommittee, was dissolved on 1 April 2021 and its function was assumed by the Board Governance & Risk Committee (BGRC).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Principle A BOARD LEADERSHIP AND EFFECTIVENESS

#### Sustainability Governance

The corporate sustainability team oversees the implementation of the sustainability strategy set by the organisation, driving change within operational and functional groups. The team ensures that there is support for an ethical and sustainable supply chain through environmental and social efforts while mitigating risks as they occur.

Sustainability is an important part of the business oversight of our Board. It is integrated into the business strategy as it is central to our agenda. Sustainability matters are overseen by the BGRC. The Board appoints some of its members to serve on the BGRC. The BGRC is responsible for overseeing sustainability efforts to ensure alignment with UEM Sunrise's business strategy through the effective management of significant and material economic, environmental and social matters impacting our principal businesses. In parallel, the Board formalises and reviews the performance of key sustainability initiatives and recommends improvements which include environmental, ethical, social and governance aspects of the business.

#### SUSTAINABILITY GOVERNANCE STRUCTURE



Our senior leadership team is accountable for embedding sustainability initiatives and targets throughout our business operations and overseeing their execution. Sustainability principles are widely practised throughout UEM Sunrise including business conduct, product design and project developments, talent management, and engagements with the community and wider society.

#### BOARD CHARTER AND TERMS OF REFERENCE

The Board Charter is a comprehensive reference document for Directors on matters relating to the Board and its processes, as well as the roles and responsibilities of the Board, the individual Directors and the Senior Independent Director. It details high level duties of the Board, matters that are specifically reserved for the Board, as well as those which the Board may delegate to the Board Committees, the MD/CEO and Management. It is reviewed as and when required to align with best practices.





Board Committee Terms of Reference describes the purpose, scope and authority of the Committee. They are reviewed regularly to align with best practices.

During the year, the Company with the assistance of an independent corruption risk management consultant, undertook a review of UEM Sunrise’s Board Charter and Terms of Reference of the Board Committees in respect of the Board’s oversight responsibility on anti-bribery and corruption.

On 24 August 2020, the Board approved the revisions to the Board Charter to include the Board’s oversight responsibility over anti-corruption prevention as well as corruption risk management, update the Board Committees’ oversight roles and activities and alignment with the new Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by the Securities Commission on 30 July 2020.

On 14 October 2020, the Board approved the revisions to the Terms of Reference of all six (6) Board Committees (including a Board subcommittee) to include anti-corruption principles and ensure alignment with the revised Discretionary Authority Limits (DAL). On 18 December 2020, the Board approved further revisions to the Terms of Reference of the BGRC and Whistleblowing Committee to align with best practices for both committees to comprise solely Independent Directors. To enable the composition of BGRC to reflect a right mix of skills, the Terms of Reference of the BGRC was further revised on 24 March 2021 to comprise exclusively non-executive directors, a majority of whom are independent and a Non-Independent Non-Executive Director was appointed as a BGRC member effective 1 April 2021. On 24 March 2021, the Board also approved for the Whistleblowing Committee to be collapsed and that whistleblowing complaints be directed to the BGRC effective from 1 April 2021.

**DISCRETIONARY AUTHORITY LIMITS**

The Board extends the adoption of the DAL to its wholly owned subsidiaries whereby authority limits are delegated by the Board to the Senior Management for daily operations. DAL is reviewed as and when required, with the latest review on 24 March 2020, to ensure an optimum structure for efficient and effective decision-making within the Group.

**BOARD RESPONSIBILITIES**

The Board roles and responsibilities, amongst others, are as follows:

- Review and adopt strategic and annual plans and directions for the Group.
- Review the financial statements to give a true and fair view of the state of affairs of the Group.
- Oversee the conduct of the Group’s business to evaluate whether the business is being properly managed.

- Identify principal risks and ensuring the implementation of appropriate systems to manage these risks.
- Succession planning, including appointing, training, reviewing the compensation and retention or replacement of Board members, MD/CEO and Senior Management.
- Develop and implement an investor relations programme or shareholder communication policy for the Group.
- Review the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- Formalise and review performance of key sustainability initiatives and recommending improvements, which include environmental, ethical, social and governance aspects of the business.
- Oversee the development and implementation of an anti-corruption compliance programme.

**KEY ROLES ON THE BOARD**

Role	Key Responsibilities
Chairman	Leads the Board by setting the tone at the top, and managing the Board’s effectiveness by focusing on strategy, governance and compliance.
MD/CEO	Develop and execute the Group’s strategies in line with the Board’s direction;  Oversee the operations and drive the Group’s businesses and performance towards achieving its vision and goals.
Senior Independent Director	Act as a point of contact for shareholders for any query or concerns relating to the Company which may be deemed more suited to be communicated beyond the normal channels.
Non-Executive Director	Monitor and oversee Management’s conduct in running the business while bringing their expertise and wisdom to bear on the decision-making process.
Company Secretary	The Board is supported by suitably qualified and competent Company Secretaries who are accountable to the Board. All Directors have full access to the advice and services of the Company Secretaries who ensure that Board procedures are adhered to at all times.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Principle A BOARD LEADERSHIP AND EFFECTIVENESS

The roles and responsibilities of the Chairman and MD/CEO are clearly separated and distinct to ensure that there is a balance of power and authority.

Board meetings for each financial year are scheduled before the end of the preceding financial year to allow the Directors to plan ahead. The Board is expected to meet at least six (6) times annually. Additional ad hoc meetings are arranged outside the scheduled meetings for detailed discussion and decision-making as required. During the financial year ended 31 December 2020, the Board

DIRECTOR	BOARD MEETING		AC MEETING		NRC MEETING	
	ATTENDANCE	%	ATTENDANCE	%	ATTENDANCE	%
1 YBhg Dato' Noorazman Abd Aziz	24/24 <sup>Ⓞ</sup>	100			4/4 <sup>(9)*</sup>	100
2 YBhg Tan Sri Dr Azmil Khalili Dato' Khalid	23/24	96				
3 YBhg Dato' Mohd Izani Ghani	24/24	100			11/11	100
4 Puan Zaida Khalida Shaari	24/24	100			3/3 <sup>(1)*</sup>	100
5 Encik Effzail Faiz Zulkifly (appointed on 24.2.2020)	20/20*	100			4/4 <sup>(2)(10)*</sup>	100
6 YM Ungku Suseelawati Ungku Omar	23/24	96			10/11	91
7 YBhg Datin Teh Ija Mohd Jalil	24/24	100	5/5 <sup>(14)*</sup>	100	11/11 <sup>Ⓞ</sup>	100
8 Ms Christina Foo	24/24	100	2/2 <sup>(5)Ⓞ*</sup>	100	6/6 <sup>(5)*</sup>	100
9 Mr Chari T.V. Thirumala (appointed on 5.11.2020)	4/4*	100	1/1 <sup>(12)*</sup>	100		
10 Mr Poh Ying Loo (appointed on 5.11.2020)	4/4*	100	1/1 <sup>(13)*</sup>	100		
11 YBhg Tan Sri Dato' Sri Zamzamzairani Mohd Isa (retired on 9.7.2020)	12/12*	100				
12 Encik Anwar Syahrin Abdul Ajib (resigned on 30.10.2020)	20/20*	100				
13 Mr Subimal Sen Gupta S C Sen (resigned on 7.10.2020)	16/17*	94	5/5 <sup>(8)*</sup>	100		
14 Mr Lim Tian Huat (retired on 9.7.2020)	11/12*	92	4/4 <sup>(3)*</sup>	100	4/5 <sup>(5)*</sup>	80
<b>Total number of meetings for FY2020</b>	<b>24</b>		<b>6</b>		<b>11</b>	

#### LEGEND:

**AC** Audit Committee

**BTC** Board Tender Committee

**BGRC** Board Governance & Risk Committee

**NRC** Nominations & Remuneration Committee

**BDC** Board Development Committee

**WBC** Whistleblowing Committee (Dissolved on 1 April 2021)



met twenty-four (24) times comprising six (6) scheduled Board Meetings and eighteen (18) Special Board Meetings. In view of the COVID-19 pandemic and the implementation of the Movement Control Order (MCO) by the Malaysian government to curb the spread of COVID-19, the majority of the Board and Board Committees meetings in 2020 were held virtually via video-conferencing facilities. The Board has provided its commitment to the Company as evidenced by the attendance of Directors at Board and Board Committee meetings.

BTC MEETING		BDC MEETING		BGRC MEETING		WBC MEETING	
ATTENDANCE	%	ATTENDANCE	%	ATTENDANCE	%	ATTENDANCE	%
		6/6 <sup>(7)*</sup>	100	3/3 <sup>(7)*</sup>	100		
3/3	100	8/8 <sup>ⓐ</sup>	100				
3/3 <sup>ⓐ</sup>	100						
1/1 <sup>(4)*</sup>	100	8/8	100				
		6/6 <sup>(2)*</sup>	100				
		8/8	100				
				5/5	100	3/3 <sup>ⓐ</sup>	100
2/2 <sup>(6)*</sup>	100			5/5 <sup>ⓐ</sup>	100	3/3	100
				2/2 <sup>(13)*</sup>	100	1/1 <sup>(13)*</sup>	100
3/3 <sup>(11)*</sup>	100	7/7 <sup>(11)*</sup>	100	2/3 <sup>(11)*</sup>	67		
2/2 <sup>(6)*</sup>	100			3/3 <sup>(8)*</sup>	100	2/2 <sup>(8)*</sup>	100
3		8		5		3	

ⓐ Chairman

\* Reflects the number of Meetings attended and held during his/her tenure of appointments

<sup>(1)</sup> relinquished as NRC member on 24.2.2020

<sup>(2)</sup> appointed as BDC and NRC member on 24.2.2020

<sup>(3)</sup> ceased as AC and NRC member on 9.7.2020

<sup>(4)</sup> appointed as BTC member on 9.7.2020

<sup>(5)</sup> appointed as AC and NRC member on 9.7.2020

<sup>(6)</sup> relinquished as BTC member on 9.7.2020

<sup>(7)</sup> relinquished as BDC and BGRC member on 31.8.2020

<sup>(8)</sup> ceased as AC Chair and BGRC and WBC member on 7.10.2020

<sup>(9)</sup> appointed as NRC member on 14.10.2020

<sup>(10)</sup> relinquished as NRC member on 14.10.2020

<sup>(11)</sup> relinquished as BTC, BDC and BGRC member on 19.10.2020

<sup>(12)</sup> appointed as AC member on 5.11.2020

<sup>(13)</sup> appointed as AC, BGRC and WBC member on 5.11.2020

<sup>(14)</sup> relinquished as AC member on 5.11.2020

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

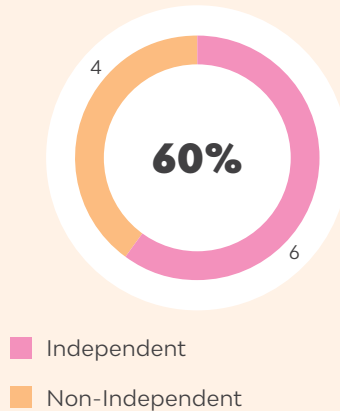
### Principle A BOARD LEADERSHIP AND EFFECTIVENESS

#### BOARD COMPOSITION

As at the date of this statement, the Board comprises ten (10) members. A Non-Independent Non-Executive Chairman, the Senior Independent Non-Executive Director, three (3) Non-Independent Non-Executive Directors and five (5) Independent Non-Executive Directors. Independent Non-Executive Directors account for a majority of the Board to ensure a balance of power and authority within the Board. The Board composition complies with the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Securities) which state that at least two (2) Directors or one-third of the Board, whichever is higher, must comprise Independent Directors.

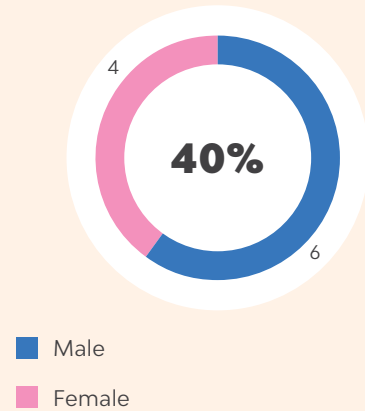
#### MCCG PRACTICE 4.1 - MAJORITY OF THE BOARD MUST BE INDEPENDENT DIRECTOR

AS AT 12 APRIL 2021



#### MCCG PRACTICE 4.5 - 30% OF THE BOARD MUST BE WOMEN

AS AT 12 APRIL 2021



#### CODE OF CONDUCT

The conduct of the Board and employees is governed by the revised Code of Conduct, approved by the Board on 26 November 2019, and is aligned with the Company's vision, mission and values. The Code covers the workplace, regulations as well as working with external stakeholders.

#### WHISTLEBLOWING POLICY

The Company has in place a Whistleblowing Policy to enable reporting of improper conduct or wrongdoing within the Group. In 2018, a Whistleblowing Committee comprising Board members, formed as a Subcommittee of the Board Governance & Risk Committee, took over the whistleblowing responsibility previously undertaken by the Audit Committee. The Whistleblowing Committee was dissolved on 1 April 2021 and its function is assumed by the BGRC. The Company's Whistleblowing Policy and procedures provide an avenue for legitimate concerns to be objectively investigated and addressed. The Whistleblowing Policy makes it clear that individuals can raise concerns about illegal, unethical or questionable practices in confidence and without risk of reprisal.

#### INDUCTION AND PROFESSIONAL TRAINING

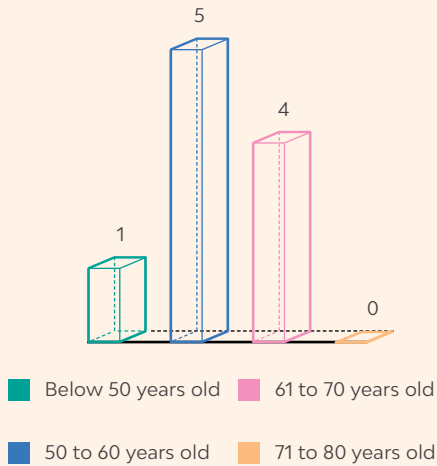
An induction programme is conducted for the newly appointed Directors to provide the new Directors with the necessary information to assist them in their understanding of the operations of the Company, current issues and corporate strategies as well as the corporate structure of the Company. During the financial year, on-boarding session of the induction programme for three (3) new Directors appointed in February 2020 and November 2020 were provided by the former MD/CEO and/or Senior Management team covering both operational and financial overview, future projects and strategies.

As at 31 December 2020, all Directors appointed to the Board have attended the Mandatory Accreditation Programme (MAP) accredited by Bursa Securities, save for a new Director who attended the MAP in January 2021. Directors continue to attend training programmes and seminars organised by regulatory authorities, professional bodies and other relevant organisations, to gain insights into the latest regulatory and industry developments in relation to the Group's businesses and further enhance their business acumen and professionalism in discharging their duties to the Group. In addition, some members of the Board have also been invited to participate in forums and/or seminars as a speaker, moderator or panelist in areas of their expertise. The training/conferences/seminars and/or workshops in which members of the Board had participated in during the financial year ended 31 December 2020 are set out in the Corporate Governance Report.



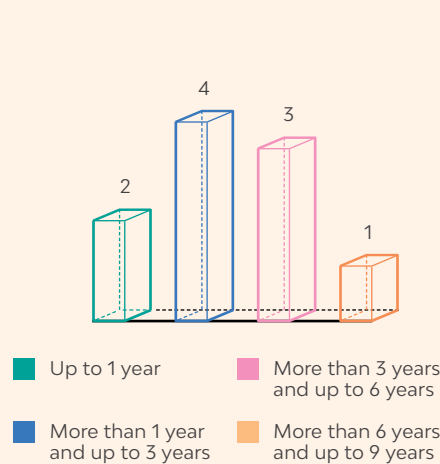
**AGE**

AS AT 12 APRIL 2021  
AVERAGE AGE 58



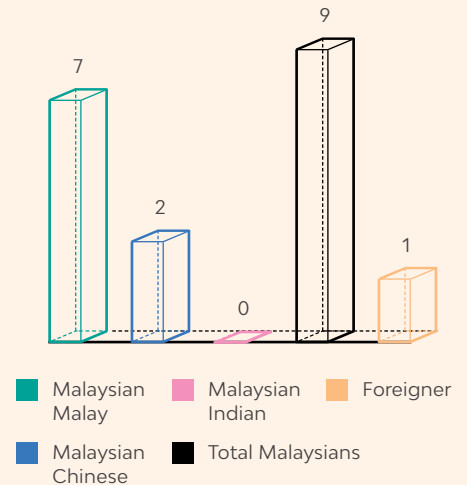
**TENURE ON BOARD**

AS AT 12 APRIL 2021  
NONE OF THE INDEPENDENT DIRECTORS  
ARE ABOVE 9 YEARS OF SERVICE



**ETHNICITY/ NATIONALITY**

AS AT 12 APRIL 2021



**DIVERSITY**

The Board is committed to providing fair and equal opportunities and nurturing diversity within the Group and strives for at least 30% of the Board to comprise women Directors. This was achieved with the percentage of women Directors on the Board as at 31 December 2020 at 40%.

**TENURE**

The Board has a policy for Independent Non-Executive Directors to serve a cumulative term of up to nine (9) years only. Such Directors may continue to serve on the Board provided he/she is re-designated as a Non-Independent Director. The Company shall therefore not retain an independent director for a period of more than nine (9) years.

**NOMINATIONS & REMUNERATION COMMITTEE (NRC)**

The NRC is made up exclusively of Non-Executive Directors with a majority of them being Independent Directors. The Committee is chaired by an Independent Director. The activities of the NRC in the discharge of its duties for the financial year under review are provided in the Corporate Governance Report.

**APPOINTMENTS**

The Board and the NRC take into account the skills, knowledge, expertise, experience, professionalism, character and integrity, gender, age and ethnicity of the existing Board in seeking potential candidates. The Board is committed to ensuring that its composition not only reflects the diversity as recommended by the MCCG 2017, but also has the right mix of skills and balance to contribute to the achievement of the Company's goals. A Board Skills Matrix has also been developed and used as reference for the Board's refresh and succession planning.

In selecting potential candidates for Senior Management roles, the Board and the NRC consider candidates who demonstrate, among others, key competencies and behaviours required at top management level. In addition to technical capabilities, experience and professional qualifications outlined in the job description of the respective position, the leadership competencies of the candidates are also considered vital for senior positions.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Principle A BOARD LEADERSHIP AND EFFECTIVENESS

The table below illustrates the procedures for the appointment of a new Director:

#### Step 1

##### Candidate identified

Candidates identified arising from the recommendation of existing Directors, Senior Management staff, shareholders, external registries of corporate directors, internal database of potential candidates, third party referrals or from executive searches.

#### Step 2

##### Assessment and evaluation to be conducted by the NRC

Assessments are conducted based on the following criteria:

- (i) Skills, knowledge, expertise and experience
- (ii) Professionalism
- (iii) Integrity, commitment (including time commitment), character and competence
- (iv) Gender, age and ethnicity/nationality for the purpose of boardroom diversity
- (v) Any business interest that may result in a conflict of interest
- (vi) Independent judgement
- (vii) Any other criteria deemed fit

The NRC also takes into consideration the size and composition of the Board to facilitate the making of informed and critical decisions as well as be guided by the MCCG 2017 and be in compliance with Listing Requirements.

#### Step 3

##### Recommendation to be made by NRC to the Board

#### Step 4

##### Discussion and decision to be made by the Board on the proposed new appointment

**YES**

##### If the proposed appointment is approved:

Invitation or offer to be made to the proposed/potential candidate to join the Board.

**NO**

##### If the proposed appointment is rejected:

The whole process to be re-commenced.

Following the announcement of the departure of former MD/CEO on 30 October 2020, the NRC was engaged in the search for suitable candidates for MD/CEO position including meeting up with the shortlisted candidates either in person where the situation permits or via video conferencing facilities. The NRC also engaged an external independent consultant to conduct assessment on the shortlisted candidates for CEO position. With the recommendation of the NRC, the Board approved the appointment of Encik Sufian Abdullah as CEO which was effected on 2 February 2021.

### BOARD EFFECTIVENESS

The Board through the NRC, conducts the annual Board Effectiveness Assessment on the overall effectiveness of the Board, its Committees and the contribution and performance of each Director. In 2020, the preparation of the assessment and the collation of the results were facilitated by the Company Secretaries and tabled at the NRC and Board Meetings. In view of the situation in 2020 due to COVID-19 pandemic and the increase in the number of meetings attributable to the strategic review and proposed corporate exercise, the NRC agreed to defer the independent Board assessment exercise to be facilitated by an external independent consultant given that the results of such independent assessment would not ordinarily be an accurate reflection of the annual evaluation.



**REMUNERATION**

The objective of the Directors’ Remuneration Policy is to attract and retain Directors of high calibre needed to lead the Group successfully. The Board has delegated to the NRC the responsibility to review and recommend matters relating to the remuneration of the Board and Senior Management.

The revised Directors’ Remuneration Framework was in place since 2012. The Remuneration Policy for Non-Executive Directors of the Company formalised on 26 November 2019 is available on the Company’s website at [www.uemsunrise.com/corporate/investor-relations/corporate-governance](http://www.uemsunrise.com/corporate/investor-relations/corporate-governance). The policy reflects the Company’s commitment to attract and retain talented and well-qualified Directors needed to enhance long-term value creation for the shareholders; to provide remuneration that would reasonably reflect the time commitment and risks and, to commensurate with the duties and responsibilities of the Directors; and to build sustainable shareholder value by aligning the interests of the Directors with the long-term interests of shareholders and by not linking fees to the results of the Company.

The Company’s Non-Executive Directors’ remuneration encompasses a fixed fee for the Chairman and members of the Board and Board Committees, not by a commission or on percentage of profits or turnover. The fees and benefits are tabled to the shareholders for approval at the AGM. The MD/CEO is remunerated in line with the Company’s general remuneration policy for its Senior Management. The remuneration policy for the Senior Management is in line with the business strategy, objectives, values and long-term goals and interests of the Company and guided by the Company’s affordability, approved remuneration and reward matrix and comparison against the current market practice in the same industry.

Non-Executive Directors’ remuneration is a matter to be decided by the Board collectively with the Directors concerned abstaining from deliberations or voting on the decision in respect of their individual remuneration.

The key details of the Directors’ Remuneration Framework are as follows:

NO.	FEES/BENEFITS	AMOUNT/DESCRIPTION												
1	<b>Directors’ Fees</b>	At the 12 <sup>th</sup> AGM held on 9 July 2020, the Directors’ fees as follows approved by the shareholders are payable on a quarterly basis:												
		<table border="1"> <thead> <tr> <th>Directors’ Fees/person</th> <th>Non-Executive Chairman Per Annum (RM)</th> <th>Non-Executive Director/Member Per Annum (RM)</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>210,000</td> <td>108,000</td> </tr> <tr> <td>Audit Committee</td> <td>50,000</td> <td>30,000</td> </tr> <tr> <td>Other Board Committees</td> <td>25,000</td> <td>15,000</td> </tr> </tbody> </table>	Directors’ Fees/person	Non-Executive Chairman Per Annum (RM)	Non-Executive Director/Member Per Annum (RM)	Board	210,000	108,000	Audit Committee	50,000	30,000	Other Board Committees	25,000	15,000
		Directors’ Fees/person	Non-Executive Chairman Per Annum (RM)	Non-Executive Director/Member Per Annum (RM)										
		Board	210,000	108,000										
Audit Committee	50,000	30,000												
Other Board Committees	25,000	15,000												
2	<b>Allowance</b>	An allowance of RM1,000 per day will be paid to Directors for the following:												
		<ul style="list-style-type: none"> <li>(i) Attending meetings with government representatives or third parties such as consultants, bankers and advisors on behalf of the Company; or</li> <li>(ii) Visiting projects and/or reference sites to advise management and/or the Company.</li> </ul> <p>For the financial year 2020, no allowance was paid in respect of meeting attendance with government representatives and/or site visit.</p>												
3	<b>Meeting Allowance</b>	Meeting allowance for <b>ad-hoc or temporary Board Committees</b> established for specific purposes:												
		<ul style="list-style-type: none"> <li>(i) Chairman of committee – RM2,000 per meeting</li> <li>(ii) Member of committee – RM1,000 per meeting</li> </ul> <p>For the financial year 2020, no ad-hoc or temporary Board Committee meeting was held.</p>												

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Principle A BOARD LEADERSHIP AND EFFECTIVENESS

The key details of the Directors' Remuneration Framework are as follows:

NO.	FEES/BENEFITS	AMOUNT/DESCRIPTION
4	<b>Chairman's Benefits</b>	<p>The benefits payable and accorded to the Non-Executive Chairman comprised the following, as approved at the 12<sup>th</sup> AGM held on 9 July 2020:</p> <ul style="list-style-type: none"> <li>(i) Car Allowance - RM3,400 per month</li> <li>(ii) Car-related benefits including maintenance, fuel and other permissible items/claims - Up to RM32,100 per annum</li> </ul>
5	<b>Property Discount (which is the same policy applied for employees)</b>	<p>Discount for purchase of property as follows:</p> <ul style="list-style-type: none"> <li>(i) Up to 10% discount will be given once in 5 years for residential property; and</li> <li>(ii) For subsequent purchase of residential property within 5 years' period or any non-residential property purchase, up to 3% discount will be given.</li> </ul> <p>For the year 2020, one Director bought a property and is entitled to staff property discount.</p>
6	<b>Medical Benefits for Directors</b>	<p>The medical benefits for Directors are as follows:</p> <ul style="list-style-type: none"> <li>(i) Medical coverage of RM7,000 per annum, inclusive of outpatient, clinical, specialist and dental; and</li> <li>(ii) Hospitalisation of RM100,000 per annum including room and board at RM500 per day.</li> </ul> <p>Where a Director sits on several boards, he will only be entitled to claim medical benefits from one (1) company only.</p>
7	<b>Training and Development of Directors</b>	<p>A training budget is allocated for Directors to attend relevant training programmes and seminars to enhance their knowledge and skills in discharging their duties.</p>
8	<b>Directors' &amp; Officers' Liability Insurance</b>	<p>Directors are covered by Directors' and Officers' Liability Insurance maintained throughout the financial year to indemnify directors and officers against any liability incurred by them in the discharge of their duties while holding office as directors and officers of the Company. All the Directors contributed their portion of the premium payment for this policy for year 2020.</p>

The Company seeks shareholders' approval at the AGM for the payment of fees and benefits for the Non-Executive Directors for items (1) to (5) of the above table, save for the removal of item (2) on allowance of RM1,000 per day in respect of meeting attendance with Government representatives or third parties such as consultants, bankers and advisors and for visiting project and/or reference sites, as reviewed and agreed by the NRC and Board of the Company while being mindful of cost during the present time..

The detailed disclosure of the Directors' remuneration on a named basis is set out in Note 5(i) of the Audited Financial Statements for the financial year ended 31 December 2020.



**Principle B EFFECTIVE AUDIT AND RISK MANAGEMENT**


**AUDIT COMMITTEE**

As at the financial year ended 31 December 2020, the Audit Committee comprises three members who are Independent Non-Executive Directors. Subsequent to the resignation of Mr Subimal Sen Gupta as Senior Independent Director and cessation as Chairman of the Audit Committee on 7 October 2020, the Audit Committee is chaired by Ms Christina Foo, an Independent Non-Executive Director. She is not the Chairman of the Board.

The Audit Committee Report including its membership, composition and summary of work carried out by the Audit Committee during financial year 2020 is presented on pages 102 to 106 of this Annual Report.

In the annual assessment on the suitability, objectivity and independence of the External Auditors, the Audit Committee is guided by the factors as prescribed under Paragraph 15.21 of the Listing Requirements of Bursa Securities as well as Bursa Malaysia's Corporate Governance Guide 3<sup>rd</sup> Edition. Additionally, the Board received a written assurance by the External Auditors, confirming their independence in providing both audit and non-audit services for the year under review.

Annually, the composition and performance evaluation of the Audit Committee is reviewed by the NRC and the results reported to the Board for approval. In the year under review, the Board has confirmed its satisfaction with the performance of the Audit Committee in discharging its duties and responsibilities in accordance with its Terms of Reference.

 For more information, please refer to the Audit Committee Report on pages 102 to 106.

**RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**

The Board fulfills its risk governance and oversight functions through the BGRC who reviews the effectiveness of the risk management framework and to manage the overall risk exposure to the Group.

The BGRC takes responsibility for assessing and monitoring the efficacy of the risk mitigations and control measures taken, whilst the adequacy and effectiveness of the internal controls are reviewed by the Audit Committee through the work performed by the Internal Audit function for the Group.

As at 31 December 2020, the BGRC comprises solely Independent Non-Executive Directors. Effective 1 April 2021, the composition of BGRC included a Non-Independent Non-Executive Director to reflect a right mix of skills. For the year under review, the Board confirmed its satisfaction with the performance of the BGRC in discharging its duties and responsibilities in accordance with its Terms of Reference.

The Board concluded in its annual assessment that the risk management and internal control system of the Company are generally adequate and effective for the financial year under review. Details on the Company's internal control and risk management framework are set out in the Statement on Internal Control and Risk Management as well as the Risk Management Report of this Annual Report.

 For more information, please refer to the Statement on Internal Control and Risk Management on pages 107 to 111.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT



### Principle C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### COMMUNICATION WITH STAKEHOLDERS

The Company continues to be transparent and accountable to its shareholders and investors recognising the importance of timely dissemination of information to shareholders and other stakeholders. The Board is also committed to ensuring that the shareholders and other stakeholders are well informed of major developments of the Group with information communicated through various channels including the Annual Report, disclosures and announcements to Bursa Securities, press releases, dialogues, discussions and presentations at general meetings and/or conferences as well as online investor relations on the Company's website at [www.uemsunrise.com](http://www.uemsunrise.com).

#### DIVIDEND POLICY ADOPTED ON 12 JUNE 2012

Paying out between 20% to 40% of the Group's consolidated profit after tax and minority interests subject to among others, availability of distributable reserves and adequate free cash flow from operations.

UEM Sunrise's Investor Relations and Communication Policy is available for reference on the Company's website [www.uemsunrise.com/corporate/investor-relations/corporate-governance](http://www.uemsunrise.com/corporate/investor-relations/corporate-governance).

UEM Sunrise embarked on its journey into integrated reporting through 2019 Annual Report, its first-ever Annual Report based on the Integrated Reporting (IR) Framework, which is the first part of the Company's 3-year plan to achieve full IR compliance. Moving to integrated reporting was a conscious, collective and organic decision, which permits the Company to be more focused and transparent in reporting its activities, inspiring it to think about the business in an integrated way.

#### CONDUCT OF GENERAL MEETINGS

The AGM of the Company is the primary platform for two-way interaction between the shareholders and the Board and Management of the Group.

In view of the COVID-19 pandemic and with the safety of the Company's shareholders, employees and directors being of primary concern, the Company having considered all available options decided to conduct the 12<sup>th</sup> AGM virtually via Remote Participation and Electronic Voting (RPEV) facilities without physical attendance by shareholders. The Company held its fully virtual AGM on 9 July 2020 at the Broadcast Venue at Board Room, Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur by leveraging technology in compliance with Section 327 of the Companies Act 2016 and Article 70 of the Company's Constitution. The fully virtual meeting was also in accordance with the Securities Commission's Guidance Note on the Conduct of General Meetings for Listed Issuers issued on 18 April 2020 and further updated on 24 June 2020.

In fostering effective participation of and engagement with shareholders at the AGM, all twelve (12) Directors (including the Chairmen of Audit Committee, NRC, Board Tender Committee, Board Development Committee, Board Governance & Risk Committee and Whistleblowing Committee) were present to engage with the shareholders, and be accountable for their stewardship of the Company. The Chairman, Audit Committee Chairman and MD/CEO were physically present at the Broadcast Venue together with the Joint Company Secretaries whilst the other nine (9) Directors, members of Senior Management and the partners from the external audit firm attended the meeting remotely via video conferencing access through the RPEV facilities. Our shareholders were able to successfully exercise their rights through the virtual AGM.

In line with MCCG Practice 12.1, the notice of the 12<sup>th</sup> AGM was issued at least 28 days prior to the meeting enabling the shareholders ample time in making necessary preparations to attend and participate in person or by corporate representative, proxy or attorney. More importantly, it enables the shareholders to consider the resolutions and make informed decisions in exercising their voting rights at the AGM.

For the 2020 AGM, shareholders were invited to send questions before the meeting by email to the Company's Investor Relations at [ir@uemsunrise.com](mailto:ir@uemsunrise.com). The Chairman also encouraged shareholders to participate at the meeting by submitting typed questions in real time on the meeting platform. Questions that were submitted prior to the 12<sup>th</sup> AGM and those that were posed at the meeting were addressed during the meeting.

The voting at the 12<sup>th</sup> AGM was conducted by poll in accordance with Paragraph 8.29A of the Listing Requirements. After verification by the independent Scrutineers, the Chairman announced the poll results to the meeting and declared that all the resolutions were carried. The poll results were also announced by the Company via BursaLINK on the same day for the benefit of all shareholders. The minutes of the 12<sup>th</sup> AGM including all the questions raised for the meeting and the answers thereto were made available on the Company's website.

This Statement is made in accordance with the resolution of the Board dated 26 April 2021.



**INVESTOR RELATIONS**



**At UEM Sunrise, we value our relationships with the shareholders, the financial and/or investment community and other relevant stakeholders (collectively referred to as the Stakeholders) by providing and delivering credible and reliable material information relating to the Company. The Company engages frequently with its Stakeholders in line with the recommendations of the Malaysian Code of Corporate Governance 2017 and other relevant regulatory bodies.**

We are committed to communicating information to the Stakeholders with the following principles in mind:

Criteria	
Consistency	The same information is given to the Stakeholders at the same time.
Clarity	Clear, concise and easily understood information is distributed to avoid any miscommunication and misunderstanding.
Equal Access	Stakeholders are given the same information through various channels.
Timeliness	Information is released to the Stakeholders immediately after it has been announced to the public unless there are legal constraints or legitimate business reasons to refrain from doing so.
Transparency	Information is presented in a fair manner irrespective of whether it is favorable to the Company.

The Company also maintains a direct and open communication with its Stakeholders to keep the market informed of all information which may have or could be expected to have a material impact on the value of its securities.

**INVESTOR RELATIONS ENGAGEMENTS & ACTIVITIES**

The Company’s IR team plays an important role in engaging regular meetings and dialogues with analysts, fund managers as well as the Company’s shareholders. These meetings and dialogues are usually headed by the Chief Financial Officer (CFO) and/or Investor Relations team unless there is a specific request by the investment community to meet up with the Managing Director/Chief Executive Officer (MD/CEO).

These engagements include conferences, physical meetings as well as site visits to our projects in the Southern region specifically in Iskandar Puteri, Johor as well as projects within the Central region. The main objective of these engagements is to update the Stakeholders on the Company’s financial performance, business operations, strategic directions and address issues or concerns relating to the Company.

Due to the COVID-19 pandemic and the MCO imposed by the Government of Malaysia on 18 March 2020 in addition to the subsequent phases of MCO throughout the second half of the year, the team’s opportunity to engage with the investment community in 2020 as planned was limited. As a result, only 19 engagements were conducted. These engagements were mainly via virtual platforms comprising meetings, webinars, conferences, and tele-conferences, except for the 2019 financial year results briefing which was held by the former MD/CEO, at the Kiara Bay Sales Gallery, the Company’s new integrated development adjacent to the Kepong Metropolitan Park in Kuala Lumpur on 24 February 2020.

## INVESTOR RELATIONS



Key Engagements	Date	Details
One-on-one, small, or large group meetings and property site visits.	Throughout FY2020	<ul style="list-style-type: none"> <li>13 meetings were recorded in 2020 inclusive of a site visit to Kiara Bay in January.</li> <li>Meetings were frequently requested by analysts and fund managers. The IR team hosted, arranged, and organised the meetings.</li> <li>Meetings after April were mainly held virtually.</li> </ul>
Quarterly financial results briefing.	<ul style="list-style-type: none"> <li>24 February – 4<sup>th</sup> quarter 2019 and FY2019 results</li> <li>19 June – 1<sup>st</sup> quarter 2020 results</li> <li>24 August – 2<sup>nd</sup> quarter 2020 results</li> <li>24 November – 3<sup>rd</sup> quarter 2020 results</li> </ul>	<ul style="list-style-type: none"> <li>Financial results briefings are held on a quarterly basis via closed tele-conferencing and/or face to face.</li> <li>Briefings take place immediately after the quarterly financial results are released to Bursa Malaysia.</li> <li>The MD/CEO leads the face-to-face briefings.</li> <li>The CFO leads the tele-conferencing meetings together with the IR team with the support of the MD/CEO.</li> </ul>
12 <sup>th</sup> Annual General Meeting	9 July	<ul style="list-style-type: none"> <li>Annual General Meetings are the primary engagement platform for the Board of Directors and Company's shareholders.</li> <li>MD/CEO takes the opportunity to conduct business presentations and actively engage with the shareholders during the Q&amp;A sessions.</li> <li>MD/CEO leverages on this event to convey the Company's key developments and performance updates plus the Company's short term and long term strategies to the shareholders.</li> <li>Shareholders are given opportunities to raise questions and concerns in relation to the Company.</li> </ul>
Investor Conference	11 June	Participated in a briefing by Dato' Soam Heng Choon, REHDA Malaysia's President hosted by Citi Research.

FY2020: Financial year ended 2020

FY2019: Financial year ended 2019

In view of the pandemic, the Company is inclined towards virtual engagements until the situation otherwise permits.

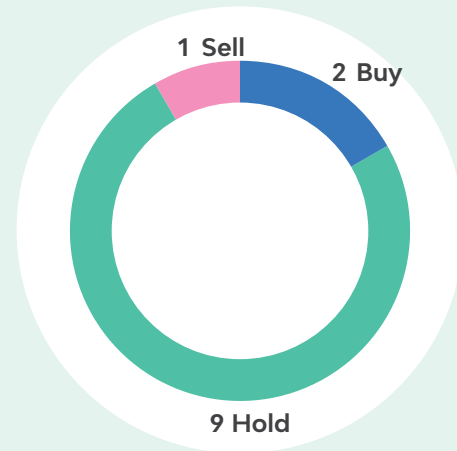
### UEM SUNRISE'S COVERAGE

The Company receives fair coverage and support from local and foreign research houses in 2020. Although it maintains a good rapport with CLSA Securities Malaysia Sdn Bhd and Macquarie Capital Securities Sdn Bhd, to date, 12 analysts from the following research houses provide coverage to UEM Sunrise:

1. AllianceDBS Research Sdn Bhd
2. AmInvestment Bank Berhad
3. CGS-CIMB Securities Sdn Bhd
4. Citi Research of Citigroup Global Markets Malaysia Sdn Bhd
5. Hong Leong Investment Bank Berhad
6. KAF Equities Sdn Bhd
7. Kenanga Investment Bank Berhad
8. Maybank Investment Bank Berhad
9. MIDF Amanah Investment Bank Berhad
10. Public Investment Bank Berhad
11. RHB Investment Bank Berhad
12. UOB Kay Hian Securities (M) Sdn Bhd

### Analysts' Recommendations

(based on reports released in conjunction with the release of the Company's 12 months 2020 financial results)



### UEM SUNRISE IR PORTAL

As a means to also disseminate relevant information on the Company to its Stakeholders and the public, the Company has provided an online IR portal as a point of reference.

[uemsunrise.com/corporate/investor-relations/investors-home](https://uemsunrise.com/corporate/investor-relations/investors-home)

## ADDITIONAL COMPLIANCE INFORMATION



- IN ACCORDANCE WITH APPENDIX 9C OF THE LISTING REQUIREMENTS

### UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Pursuant to its Islamic Commercial Paper (ICP) Programme (ICP Programme) and Islamic Medium Term Notes (IMTN) Programme (IMTN Programme) which have a combined aggregate limit of RM2.0 billion in nominal value and a sub-limit on the ICP Programme of RM500.0 million in nominal value, the Company had in 2020 issued the following ICP and IMTNs:

Date of Issuance	Type	Tenure	Utilisation of Proceeds
10 April 2020	RM200.0 million in nominal value of ICP under the ICP Programme established in 2016	Six (6) months, with maturity on 9 October 2020	The proceeds were utilised for UEM Sunrise's Shariah-compliant general corporate purposes which include redemption of the outstanding IMTN amounting to RM150.0 million in nominal value issued under UEM Sunrise's RM2.0 billion IMTN Programme established in 2012
30 April 2020	RM130.0 million in nominal value of IMTN under the IMTN Programme established in 2012	One (1) year and three (3) days, with maturity on 3 May 2021	The proceeds were utilised for UEM Sunrise's Shariah-compliant general corporate purposes
18 May 2020	RM105.0 million in nominal value of IMTN under the IMTN Programme established in 2012	One (1) year and one (1) day, with maturity on 19 May 2021	The proceeds were utilised for UEM Sunrise's Shariah-compliant general corporate purposes
10 June 2020	RM270.0 million in nominal value of IMTN under the IMTN Programme established in 2012	Three (3) years, with maturity on 9 June 2023	The proceeds were utilised for UEM Sunrise's Shariah-compliant general corporate purposes
12 June 2020	RM150.0 million in nominal value of IMTN under the IMTN Programme established in 2012	Three (3) years, with maturity on 12 June 2023	The proceeds were utilised for UEM Sunrise's Shariah-compliant general corporate purposes
21 September 2020	RM350.0 million in nominal value of IMTN under the IMTN Programme established in 2012	Three (3) years, with maturity on 21 September 2023	The proceeds were utilised for UEM Sunrise's Shariah-compliant general corporate purposes

### MATERIAL CONTRACTS

There were no material contracts including contracts relating to any loans entered into by the Company and/or its subsidiaries involving interests of the Directors, Managing Director/Chief Executive Officer and major shareholders, either still subsisting at the end of financial year ended 31 December 2020 or entered into since the end of the previous financial year.

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (RRPT)

The Company did not seek the approval of its shareholders on the renewal and/or new mandate for any of its RRPT during the financial year ended 31 December 2020 as the estimated aggregated transacted amount for the related parties is below the applicable percentage stipulated under Paragraph 10.09(1), Chapter 10 of the Listing Requirements of Bursa Securities. The Company will continue to monitor its RRPT and make appropriate announcement(s) to Bursa Securities of such transaction(s) where required in accordance with the requirements under Chapter 10 of the Listing Requirements.

## AUDIT COMMITTEE REPORT

### 1. FORMATION

The Audit Committee was established by the Board of Directors (Board) on 15 September 2008.

The Audit Committee is committed to its role to assist the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial and non-financial reporting practices of UEM Sunrise Berhad (the Company) and its subsidiaries (the Group). The Audit Committee reviews the adequacy and integrity of the Group's internal control systems and management information systems, related party transactions and conflict of interest situations that may arise within the Group, including compliance with applicable laws, rules, directives and guidelines through the Internal Audit function.

The Terms of Reference (TOR) of the Audit Committee were reviewed and revised on 14 October 2020, as part of the overall review of the TOR of all Board Committees to include anti-corruption principles and ensure alignment to the revised Discretionary Authority Limits (DAL). The TOR of the Audit Committee is available for reference at the Company's website at [www.uemsunrise.com/corporate/investor-relations/corporate-governance](http://www.uemsunrise.com/corporate/investor-relations/corporate-governance).

### 2. COMPOSITION

As at the end of the financial year ended 31 December 2020, the Audit Committee comprised three members of the Board, all of whom are Independent Non-Executive Directors. The Company has complied with Paragraph 15.09 of the Bursa Malaysia Securities Berhad (Bursa Securities) Main Market Listing Requirements (Listing Requirements), which requires all members of the Audit Committee to be Non-Executive Directors with a majority of them being Independent Directors. As at 31 December 2020, the Company has adhered to the step-up practice set out in the Malaysian Code on Corporate Governance (MCCG 2017) for having solely Independent Directors on its Audit Committee.

The members of the Audit Committee and their details are as follows:

NAME	DESIGNATION	DIRECTORSHIP	QUALIFICATION
<b>Christina Foo</b> (Appointed as member of Audit Committee on 9 July 2020 and redesignated as Chairperson on 14 October 2020)	Chairperson	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Chartered Accountant of Malaysian Institute of Accountants (MIA)</li> <li>Fellow, CPA Australia</li> <li>Fellow, Malaysian Institute of Management</li> <li>Fellow, Institute of Corporate Directors Malaysia (ICDM)</li> <li>Member, ASEAN Chartered Professional Accountants</li> <li>Member, Malaysian Institute of Corporate Governance</li> <li>Bachelor of Business Studies (Accounting) from Deakin University, Australia</li> </ul>
<b>Chari T.V. Thirumala</b> (Appointed on 5 November 2020)	Member	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Fellow, Chartered Institute of Management Accountants, UK</li> <li>Member, Chartered Accountants of India</li> <li>Master of Business Administration, Buffalo University, New York, USA</li> <li>Post Graduate Diploma in Digital Business, Digital Transformation and Digital Marketing, Emeritus Institute of Management in collaboration with MIT and Columbia Business School</li> </ul>
<b>Poh Ying Loo</b> (Appointed on 5 November 2020)	Member	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Fellow, Chartered Institute of Management Accountants</li> <li>Fellow, ICDM</li> <li>Member, Chartered Global Management Accountants</li> <li>Member, MIA</li> <li>Member, Institute of Enterprise Risk Practitioners</li> </ul>



NAME	DESIGNATION	DIRECTORSHIP	QUALIFICATION
<b>Subimal Sen Gupta</b> (Ceased as Chairman following his resignation as director on 7 October 2020)	Chairman	Senior Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Fellow, Institute of Chartered Accountants in England and Wales</li> <li>Past President, Malaysian Institute of Certified Public Accountants (MICPA)</li> </ul>
<b>Lim Tian Huat</b> (Ceased as member following his retirement at the conclusion of 12 <sup>th</sup> Annual General Meeting on 9 July 2020)	Member	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Founding President, Insolvency Practitioners Association of Malaysia</li> <li>Fellow, Association of Chartered Certified Accountants</li> <li>Member, MIA</li> <li>Member, MICPA</li> <li>Bachelor of Economics (Honours)</li> </ul>
<b>Datin Teh Ija Mohd Jalil</b> (Relinquished her membership on 5 November 2020)	Member	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Master of Business Administration, Southern New Hampshire University, USA</li> <li>Bachelor of Arts (Honours), Universiti Malaya</li> </ul>

The training attended by the Audit Committee members during the year under review are set out in the Corporate Governance Report.

The term of office and performance of the Audit Committee and each of its members were reviewed and assessed annually by the Nominations & Remuneration Committee in accordance with the Listing Requirements.

The Board also performed an annual assessment to assess the Audit Committee and each of its members' effectiveness in carrying out their duties in accordance with the TOR with the recommendation by the Nominations & Remuneration Committee. The Board is satisfied that the Audit Committee and each of its members have effectively discharged their duties in accordance with the TOR.

### 3. MEETINGS

Six (6) meetings were held during the financial year ended 31 December 2020 comprising five (5) scheduled Audit Committee Meetings and one (1) Special Audit Committee Meeting, with attendance details as follows:

NAME OF AUDIT COMMITTEE MEMBER	NO. OF MEETINGS ATTENDED/ HELD	PERCENTAGE OF ATTENDANCE (%)
Christina Foo	2/2 <sup>@</sup>	100
Chari T.V. Thirumala	1/1 <sup>@</sup>	100
Poh Ying Loo	1/1 <sup>@</sup>	100
Subimal Sen Gupta	5/5 <sup>@</sup>	100
Lim Tian Huat	4/4 <sup>@</sup>	100
Datin Teh Ija Mohd Jalil	5/5 <sup>@</sup>	100

<sup>@</sup> Reflects the number of meetings attended and held during his/her tenure.

The Managing Director/Chief Executive Officer (MD/CEO), Chief Financial Officer, relevant Senior Management and representatives of the Internal Auditors and External Auditors attended Audit Committee meetings upon invitation.

The External Auditors were engaged to conduct limited reviews on the condensed consolidated financial information and report to the Audit Committee on significant matters identified. Quarterly financial statements were presented to the Audit Committee for review and recommendation for the Board's approval prior to release to Bursa Securities.



## AUDIT COMMITTEE REPORT

The External Auditors as well as the Internal Auditors were invited to the first Audit Committee meeting in 2020 to report on the statutory audit in respect of the financial statements for the financial year 2019 as well as on the progress of the audit plan for years 2019 and 2020, respectively. Detailed internal audit reports, together with Management's responses were circulated to the Audit Committee members and MD/CEO, and significant issues were discussed at the Audit Committee meetings.

Upon conclusion of each meeting, the Audit Committee Chairman reported to the Board the activities that it had undertaken and the key recommendations for the Board's consideration and decision.

The Audit Committee met up with the External Auditors twice during the financial year without the presence of the MD/CEO and Management. During these sessions, the Audit Committee sought the External Auditors' advice on key issues affecting the Group as well as obtaining their views on any matters of concern that could impact the issuance of the audited financial statements. The External Auditors provided their insights on how the issues could be addressed and the cooperation with the Management in terms of information sharing and proficiency in financial reporting functions that would facilitate the accuracy of the disclosures.

#### 4. SUMMARY OF KEY ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

##### Internal Audit

- i. Reviewed and approved the annual risk-based internal audit plan to ensure adequate scope and comprehensive coverage of the activities of the Company and the Group.
- ii. Reviewed and deliberated the internal audit reports on the adequacy, effectiveness and efficiency of operational, compliance and governance processes across the Company and its Group. Where appropriate, the Audit Committee advised Management to rectify and improve the control systems based on Internal Audit's recommendations and suggestions for improvements. The reports reviewed and deliberated during the year include planned and ad-hoc audits on:
  - Business recovery measures and disaster recovery plan
  - Debt management - Treasury
  - Cyber security assessment
  - Insurance management
  - Assets and property management
  - Human resources - review on compensation and benefits as well as medical benefits

- Customer experience management
- Project management
- Brand management
- Malaysian Anti-Corruption Commission (MACC) Corporate Liability Provision
- Annual quality assurance and improvement programme
- Recurrent related party transactions
- Whistleblower cases
- Follow-up on corrective actions

- iii. Monitored the implementation of recommendations by Management on outstanding issues to ensure that all key risks and control weaknesses are adequately addressed as well as the timeliness of responses received and actions taken. Met with auditees on updates of selected key outstanding audit findings.
- iv. Reviewed the performance, adequacy, scope, resources and competency of the Internal Auditors as well as the training needs of the Internal Audit function.
- v. Approved the key performance indicators (KPI) and resource requirements of the Internal Audit function for 2021.
- vi. Approved the 2019 KPI scorecard achievements of the Internal Audit function.
- vii. Reviewed the Audit Reports issued and status of 2020 audit plan.
- viii. Reviewed the adherence to the government's Standard Operating Procedures (SOP) post Movement Control Order, the effectiveness of business recovery strategies and measures that were put in place to ensure business sustainability and operational resilience.

##### External Audit

- i. Reviewed with the External Auditors, the audit plan of the Company and of the Group for the year (inclusive of risk and audit approach, system evaluation, audit fees, issues raised and Management responses) prior to the commencement of the annual audit. The Audit Committee also reviewed and deliberated key audit matters and areas of emphasis highlighted by the External Auditors including Management's response/ actions taken.
- ii. Met twice with the External Auditors on 20 March 2020 and 16 November 2020 without the presence of the MD/CEO and Management staff, to enquire the extent of assistance rendered by Management and issues and suggestions arising from audits.



- iii. Considered the appointment of External Auditors and conducted an assessment of their independence, objectivity and cost effectiveness of the audit which covered quality of services provided, sufficiency of experience and resources, audit scope and planning, communication and interaction.

Having taken all appropriate factors into consideration and being satisfied with the suitability, performance, technical competency and audit independence of Messrs Ernst & Young PLT (EY), the Audit Committee recommended to the Board for approval, the appointment of EY as External Auditors of the Group for the financial year ended 31 December 2020.

The Audit Committee also considered the adequacy of experience and resources of the firm and the professional staff assigned to the audit and the level of non-audit services rendered by External Auditors to the Group for the financial year 2020 based on feedback from Management who had substantial contact with the external audit team throughout the financial year. The Audit Committee being satisfied with the suitability, performance, technical competency and audit independence of EY, recommended the appointment of EY as External Auditors of the Company for the financial year ending 31 December 2021 and recommended the same for the Board's approval. The appointment of the External Auditors is subject to the shareholders' approval being sought at the forthcoming 13<sup>th</sup> Annual General Meeting.

- iv. Reviewed, monitored and approved the non-audit services provided/to be provided by the External Auditors and/or its affiliates to ensure the provision of non-audit services does not impair their independence or objectivity as the External Auditors of the Group.

Having reviewed and considered the nature and scope of the non-audit services provided by EY and/or its affiliates for the financial year ended 31 December 2020 as well as the written assurance obtained from EY confirming that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, the Audit Committee was satisfied that they were not likely to create any conflict of interest nor impair the independence and objectivity of the External Auditors.

The details of the nature of non-audit services rendered by the External Auditors and/or its affiliates for the financial year ended 31 December 2020 are set out as follows:

	COMPANY RM'000	%	GROUP RM'000	%
Fees paid or payable to EY and its affiliates				
• Audit services				
- EY	303	43	1,568	67
• Non-audit services				
- EY	322	47	322	14
- Affiliates of EY	69	10	450	19
<b>Total</b>	<b>694</b>	<b>100</b>	<b>2,340</b>	<b>100</b>

Notes:

- (a) The non-audit services fees paid or payable to EY were for the quarterly review of the unaudited consolidated results and review on the joint ventures of UEM Sunrise.
- (b) The non-audit services fees paid or payable to affiliates of EY were for the preparation, review and submission of tax returns and tax secondment.

## AUDIT COMMITTEE REPORT



### Financial and Annual Reporting

- i. Reviewed the quarterly and annual financial statements with Management and the External Auditors for recommendation to the Board for approval and release to Bursa Securities.
- ii. Reviewed and recommended the Corporate Governance Overview Statement, Audit Committee Report and Statement on Internal Control and Risk Management for Annual Report 2019 of the Company and Corporate Governance Report in respect of Principle B of the MCCG to the Board for approval.
- iii. Reviewed and with support of External Auditors, recommended the Solvency Statement in respect of redemption of Redeemable Convertible Preference Shares to the Board for approval.

### Related Party Transactions

- i. Reviewed related party transactions to be entered into by the Company and the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- ii. Reviewed on a quarterly basis, the recurrent related party transactions of a revenue or trading nature entered into by the Group pursuant to applicable percentage stipulated under Paragraph 10.09(1), Chapter 10 of the Listing Requirements of Bursa Securities.

### Internal Controls

- i. Reviewed the representation by Senior Management on specific questions posed on:
  - the reasonableness and appropriateness of the financial statements in accordance with applicable approved accounting standards;
  - risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company; and
  - regulatory and legislative requirements are met and complied with by the Company.

### Others

- i. The Chairman of the Audit Committee had engaged on a continuous basis with the CFO, Head of Internal Audit and the External Auditors, in order to keep abreast of matters and issues affecting the Group.
- ii. The Audit Committee had requested and received a written assurance from the MD/CEO and CFO that the risk management and internal control systems of the Company are generally adequate and effective in respect of the financial year ended 31 December 2019.

### 5. INTERNAL AUDIT FUNCTION

- i. The Internal Audit function for the Company is undertaken by its own Internal Audit Department. The head of the Internal Audit Department reports directly to the Audit Committee and administratively to the MD/CEO. Mandated by the Internal Audit Charter, Internal Audit undertakes its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of risk management, internal control and governance systems.

The Internal Audit function is also guided by the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors, Inc.

For the financial year ended 31 December 2020, the total cost incurred for the audit function was RM2,419,475 (2019: RM2,187,885).

- ii. It is the responsibility of Internal Audit to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating divisions within the Company and its Group, and the extent of compliance with established policies and procedures as well as relevant statutory requirements.
- iii. The Audit Committee reviews on an ongoing basis the adequacy of the scope, functions, competency, proficiency and resources of the Internal Auditors as well as the quality of the audit reports and their monitoring progress.
- iv. The Internal Audit adopts a risk-based approach in the preparation of the annual internal audit plan from the formulation of its three-year audit plan.
- v. The Internal Audit highlighted to the Management and Audit Committee the audit findings including follow-up actions required to be taken by Management and arranged for the Audit Committee to meet the auditees and be briefed on progress of selected outstanding audit issues. The internal audit reports are sent to the Audit Committee and Management and deliberated at the Audit Committee meetings. During the financial year, the internal audit works covered operational, ad-hoc and special audits on the areas set out in the above section.
- vi. Follow-up reviews are conducted subsequently to ascertain that improvement measures are implemented. In this respect, the Internal Audit strives to achieve sustainable control processes within the Group and to improve areas with weak controls.
- vii. The Internal Audit reported to the Audit Committee on the internal audit findings and recommended action plans to close the gaps from the investigations carried out in respect of the whistleblower reports.

**STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT**



Paragraph 15.26(b) of the Main Market Listing Requirements (LR) of Bursa Malaysia Securities Berhad (Bursa Securities) requires the Board of Directors of Listed Companies to include in their annual report, a ‘statement about the state of risk management and internal controls of the listed issuer as a group’. The following statement outlines the nature and scope of risk management and internal controls within UEM Sunrise Berhad and its subsidiaries (Group) during the financial year under review.

**BOARD’S RESPONSIBILITIES**

The Board of Directors (Board) of UEM Sunrise is responsible and accountable for maintaining sound risk management and internal control systems and processes to safeguard shareholders’ investments and the Group’s assets, including by keeping abreast with the latest developments and best practices in both risk and governance. In view of limitations inherent in any process, and that risks cannot be eliminated completely, the Group has in place, a system of internal control and risk management designed to manage and mitigate risks within tolerable levels and to provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board acknowledges its responsibility to review and monitor the adequacy, effectiveness and integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board approves and monitors the Group’s risk management strategy, sets the risk appetite and oversees its implementation. The Board is supported by the Board Governance & Risk Committee as well as the Audit Committee in evaluating the adequacy of risk management and internal control framework. Overall, the Board is satisfied that the Group has put in place a systematic risk management framework incorporating processes to identify, evaluate and monitor principal risks; and to implement appropriate internal control processes and procedures to manage these risks across the Group.

**Board Governance & Risk Committee (BGRC)**

The main responsibility of the BGRC is to support the Board in overseeing the Group’s adherence to governance and anti-corruption compliance matters and make the necessary recommendations regarding risk, governance, anti-corruption compliance and sustainability matters in alignment to the Group’s long-term strategy. In respect of risk management, the BGRC assists the Board in ensuring a sound, robust Risk Management Framework and overseeing the implementation of appropriate systems and processes to enhance the Group’s corporate governance practices with focus on key risk areas and its mitigations. The BGRC also oversees the formulation of a strong governance, ethical and integrity culture within the Group and provides oversight and guidance on the Group’s integrity, governance and anti-corruption initiatives in line with Section 17A under the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018).

**Audit Committee**

The main responsibility of the Audit Committee is to assist the Board in assessing the effectiveness of the Group’s internal control systems and overseeing the financial and non-financial reporting. The Audit Committee also reviews the adequacy and integrity of the Group’s internal control systems, financial and non-financial reporting processes and management information systems, including compliance with applicable laws, rules, directives and guidelines through the Internal Audit function.

## STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

### RISK MANAGEMENT

The Group Risk Management Framework (Framework) is principally aligned to ISO 31000:2018 Risk Management. The Framework outlines the objectives, lines of responsibilities and accountabilities as well as the policy and processes where risk is managed to ensure the implementation and achievement of strategic objectives. This is achieved through the identification, analysis, evaluation, treatment as well as monitoring and review of the risks by risk owners at different levels of the Group.

Through a systematic and integrated process, the Framework emphasises the importance of balancing between risk and reward in making business decisions and ensuring sound corporate governance and compliance with all the relevant statutory and regulatory requirements. It serves as a tool in managing both existing and potential risks with the aim to enhance and protect key stakeholders' interests at the same time safeguarding the Group's reputation.

The Framework also ascertains the risk context in terms of strategic and operational risks. To ensure effective management of the risks, the Framework defines the risks into four distinct categories, i.e. industry and market, financial, operations, compliance and people in relation to the Group's business activities.

### CONTROL STRUCTURE & MONITORING ACTIVITIES

The following key internal controls are in place to assure the achievement of the Group's objectives and its operational effectiveness:

#### Board Committees

In undertaking its oversight function, the Board is supported by five Board Committees and a sub-committee whose responsibilities are outlined and governed by specific terms of reference and authority assigned for areas within their scope. The Board Committees are:

**AUDIT  
COMMITTEE**

**BOARD TENDER  
COMMITTEE**

**BOARD  
DEVELOPMENT  
COMMITTEE**

**NOMINATIONS &  
REMUNERATION  
COMMITTEE**

**BOARD  
GOVERNANCE  
& RISK  
COMMITTEE**

*Note: On 24 March 2021, the Board approved for Whistleblowing Committee, a sub-committee of BGRC, to be collapsed and the whistleblowing complaints be directed to BGRC effective from 1 April 2021.*

The Board Committees report to the Board and in line with their respective terms of reference and authorisation limits granted by the Board, the Board Committees either approve or make recommendations for the Board's decision. During the financial year ended 31 December 2020 (FY2020), there were 2 ad-hoc Board Committees established to carry out specific roles and responsibilities in relation to strategic review, proposed corporate exercise and provide oversight to Management after the departure of the Managing Director/Chief Executive Officer (MD/CEO). These 2 committees were subsequently dissolved on 31 January 2021 when the subject matters were concluded.

#### Board Meetings

Regular Board meetings are scheduled and the Chairman, in consultation with the MD/CEO or the then Co-Chairs of the Management Executive Committee (Exco) who assumed the authority limits of MD/CEO on 1 November 2020 after the departure of the former MD/CEO on 30 October 2020, decides the agenda for the meetings. Board papers are distributed at least five business days prior to the Board meetings and Board members are provided with access to all relevant information. Any urgent business is dealt with and decided only after all the required information is presented and deliberated. This ensures that the Board maintains full and effective supervision over key issues.





### Group and Organisational Structure

In line with the strategic direction of the Board, the Group's organisational structure has been revised accordingly in alignment with the business as well as operational requirements. As part of the Group's cost rationalisation and right-sizing initiatives, a well-defined New Operating Model (NOM) organisation structure has been put in place whilst clear lines of accountability and responsibility have been set and communicated via Organisation Charts, Strategic Plans, Annual Budgets and Authority Limits. The effectiveness of the New Operating Model is assessed regularly and enhancements will be implemented as and when necessary to ensure future-proofing.

### Strategic Plans and Budgets

The Group undertakes a comprehensive review of the existing businesses operations and has developed a 5-year strategy named as UEMS 2025 with the goal of transforming the Group into a sustainable balanced real estate company. The strategy includes both lines of business (property development, retail, land portfolio, etc.) and enablers (human capital, operational excellence and digital).

The Group also puts in place an annual strategic planning and thorough budgeting process to establish goals, targets and resources. The Board participates in the review and approval of the Annual Strategic Plans and Budget. Performances are monitored on a regular basis, and interventions are put in place, where required. The Board pays particular attention to significant variances of key performance indicators against plans and budget to monitor performance. Key variances are highlighted and followed up by Management through the appropriate mitigation plans.

The quarterly financial results released to the public are prepared by the Management and reviewed by the Audit Committee and the external auditors prior to recommendation to the Board for approval. This allows the Board to give their input and guidance on areas requiring attention.

### Authority Limits and Approved Policies

One of the critical elements of corporate governance is establishing clear roles, responsibilities and accountabilities throughout the organisation and in a transparent manner. In line with the NOM implementation, the Group has revisited the Discretionary Authority Limits (DAL) which was revised and enacted in September 2019 and made further enhancements effective 24 March 2020. The DAL was subsequently updated to align with the organisational structure that came into effect on 3 November 2020, which includes interim delegation of MD/CEO's authority following the departure of the MD/CEO. The DAL delineates authority limits for financial and non-financial transactions which are then assigned to certain individuals or a set of personnel to approve or carry out transactions in order to enable timely decisions to be made.

DAL has been formulated to ensure robust governance as well as adequate checks and balances in initiation and approval processes of authorised transactions. On a risk-based approach, the DAL enables implementation of balanced span of accountability and control among the authorised parties involving the Board, Board Committees and Management of the Group as necessary. The Board has also approved the Group's financial and operating policies, which are developed to comply with laws and regulations where applicable, to instill discipline in Management in performing their day-to-day operations.

### Integrated Management System

The Group has a dedicated team for Quality Assurance, Safety, Health and Environment (QASHE) within the Governance, Risk & Compliance (GRC) Department. The QASHE team is responsible to oversee the Group's processes and procedures including monitoring the projects and its supporting departments in terms of adherence to the Integrated Standard Operating Procedures which are continually reviewed and updated to reflect changes in the business environment and best practices to ensure that the products and services are delivered to the satisfaction of our customers. The QASHE team is also responsible to ensure that our business units comply with legal and other requirements relating to quality, occupational health, safety and environmental regimes including relevant directives and Standard Operating Procedures in managing COVID-19 outbreak in 2020.

The Group Integrated Management system is benchmarked against ISO 9001:2015 and few other standards outlined below, and is designed to embed operational risk management elements into key activities, initiatives and processes of the Group. The Group's OHSAS 18001:2007 Occupational Health and Safety Management System certification was renewed in June 2018, and will be upgraded to the latest ISO 45001:2018 standard in 2021. Certification to MS 1722:2011 Malaysia Occupational Health and Safety Management System was also renewed in June 2018. Additionally, the Group has also implemented a comprehensive Environment Management System and has successfully migrated to the ISO 14001:2015 standard in June 2018. Each certification is valid for a period of 3 years from the date of issuance. All the existing certifications are scheduled for renewal in 2021. The Group will remain compliant with the requirements of the respective standards at all times.

### Insurance on Key Assets

The Group undertakes insurance coverage for major assets and resources to cover against any mishap that may result in financial or material losses to the Group. The Group, in collaboration with the Group's insurance broker regularly assess the level of coverage and educate the asset owners on the respective assets, facilities, processes and responsibilities. The Group's insurance coverage is being renewed annually.

## STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

### Management Information System

Comprehensive Management Information Systems exist throughout the Group. Relevant data is captured, compiled, analysed and reported. These systems enable the Management to make decisions in an accurate and timely manner towards meeting the business objectives.

### Information and Communication Technology (ICT)

The ICT Security Policies prescribe the requirements to maintain an adequate level of security for IT systems and information used to support the Group's activities. UEM Sunrise's Digital Division was awarded the ISO/IEC 20000-1:2011 Information Technology – Service Management in December 2017 to elevate the quality of the information and communication system throughout the Group.

### Cyber Security Management

With the introduction of new digital businesses and the advancement of cyber security threats, one of Digital IT's immediate focuses is continuous control and management of Cyber Security. IT infrastructure is adequately protected against unauthorised access and security threats using an Identity Access Management System, End Point Protection System and Unified Threat Management at both the end user as well as the gateway levels. Several dedicated layers of external & internal protections are in place such as Firewall with advanced network protection, Email protection from Spam & Malware, Multi-factor authentication to strengthen user access and End Points Protection to protect the user's devices. The corporate IT perimeters are protected with 24/7 Proactive Network & Security monitoring, detection, advisory and remedial measures by an ISO/IEC 27000 Information Security Management certified Operation Centre provider.

An external party was appointed to conduct an independent Cyber Security Assessment, which includes a comprehensive review of governance, policies and implementation of IT initiatives. Besides, a Security Posture Assessment (SPA) i.e. White Hacker is scheduled bi-yearly to further strengthen security perimeters in addition to reviewing the technology deployed in the Group to mitigate potential exposure to cyber threats.

### Human Resources Policies and Procedures

The Human Resources (HR) Policies and Procedures provide clarity for the organisation in all aspects of human resource management of the Group. People Division reviews its policies and procedures periodically to ensure that they remain relevant, and appropriate controls are in place to manage operational risks. The Group uses several communications and learning channels for employees, including emails/memoranda, intranet, townhalls, learning and knowledge sharing session as well as department/division meetings, to ensure alignment of all employees towards the strategic objectives and compliance with relevant policies and procedures. These policies and procedures are also easily accessible by all employees via the staff intranet.

UEM Sunrise offers comprehensive learning and development for all staff to grow and develop themselves. Their development needs are driven by our business strategy, future-skill requirements and individual development plans. These needs are delivered through a holistic approach of on-the-job learning, coaching, mentoring, classroom and digital learnings to enhance their knowledge, skills and abilities in order to fulfil the Group's requirement.

Structured leadership and talent programmes are put in place as per business requirements to nurture emerging leaders and employees with high potential, as well as to enhance the leadership skills of existing leaders. This will ensure that the Group has sufficient bench strength and a robust leadership pipeline to meet future challenges and for succession planning.

### Integrity and Anti-Corruption

A dedicated Integrity and Governance Unit (IGU) within the GRC Department is responsible to drive the overall execution of the Group's integrity and anti-corruption initiatives outlined by the Group's Integrity and Anti-Corruption Plan (IACP). The Group introduced the Anti-Corruption Guidelines in March 2020 to further strengthen the standard of behaviour and ethical conduct, in addition to the existing Code of Conduct and Code of Conduct for Business Partners. In line with the Guidelines on Adequate Procedures, the Group has conducted a comprehensive Corruption Risk Assessment (CRA) to identify, analyse, assess and prioritise the inbound and outbound corruption risks of the Group. The Group subsequently embarked on a further in-depth Gap Analysis Exercise on Adequate Procedures to assess the gaps and review of the anti-corruption policies and procedures to facilitate the closure of the gaps, as part of the continual improvement requirement.

### Internal Audit

The internal audit function is undertaken by UEM Sunrise's Internal Audit Department. Empowered by its audit charter, Internal Audit provides independent and objective assurance and consulting activity to add value and improve operations. Internal Audit also advise on a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes for the Group.

A key role of Internal Audit is to undertake regular and systematic reviews to provide reasonable assurance to the Audit Committee and Board regarding the adequacy and effectiveness of risk management, internal control and governance systems. This is done through ongoing reviews of risks and internal controls relating to operational, financial and management information systems, as well as reviews of the Group's compliance with the principles and best practices of the Malaysian Code on Corporate Governance. The Audit Committee holds regular meetings to deliberate on internal audit findings and recommendations and reports them back to the Board.



To ensure the adequacy of coverage, internal audit assignments are prioritised based on the results of the risk management exercise, audit cycle and discussions with Senior Management. The Annual Internal Audit Plan is presented to the Audit Committee for approval.

**Business Continuity Management**

The Group is committed to safeguarding the interests of all our stakeholders by ensuring that critical business processes are resilient and the impact of disruptions to business operations is minimised and recovered in a timely manner following a disruption. The Group’s Business Continuity Management Policy (Policy) outlines the objectives, establishes proper oversight structure in response to a disruption, sets out clear roles and responsibilities, and key elements of the Business Continuity Plan (BCP).

In response to the global COVID-19 pandemic in early 2020, a dedicated Business Continuity Plan for the COVID-19 outbreak has been developed to serve as the main guidance and reference point for the control plan implementation. The Crisis Management Committee (CMC) and Crisis Management Team (CMT) were immediately formed to safeguard the health, safety and well-being of the employees while ensuring the continuity of the business operations. CMT, which comprises representatives from business units, convenes regularly to review and resolve any issues, and subsequently escalate to the CMC.

Among key response and control plans initiated during the COVID-19 outbreak include:

- ✔ Constant updates and communications on COVID-19 development and Standard Operating Procedures (SOPs) to relevant stakeholders within and outside the Group.
- ✔ Implementation of Work from Home (WFH) and split team operations except for essential services.
- ✔ Immediate digital enablement and support extended to all employees.
- ✔ Strict enforcement of SOPs compliance covering all different businesses within the Group in accordance with the prevailing regulations and requirements.
- ✔ Comprehensive sanitisation and fumigation carried out as and when required.
- ✔ Conduct talks on COVID-19 impact on Mental Health by an external medical practitioner.
- ✔ Enhanced staff well-being programme and coverage in collaboration with our partners.
- ✔ Establishment of Titans Caring Fund.

The Group has put in place the backup strategy for critical data and system software for the ICT systems in which data integrity is restored within 24 hours from the point of failure. In addition, the critical physical document is kept at dedicated department and centralised record management store. These initiatives will help mitigate the impact to business operations if unexpected events occur.

**Joint Ventures and Associates**

In the case of joint ventures and/or associates, the Group ensures that its interests and investments are protected by having Board representation at the respective joint ventures and/or associates. Notwithstanding this, the Management of the joint ventures/associates is responsible to oversee the administration, operation and performance of the joint venture and/or associates. Financial and operational information of these joint ventures/associates are provided regularly to the Management of the Group.

**BOARD’S COMMITMENT**

The Board recognises that the Group operates in a dynamic business environment in which the internal control and risk management system must be responsive and able to support its business objectives. The Board remains committed towards operating a sound system of internal control and risk management and recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board is committed to striving for continuous improvement and put in place appropriate action plans wherever necessary, to further enhance the Group’s internal control and risk management system.

**CONCLUSION**

The Board has received written assurance from the Chief Executive Officer, the then Management Exco Co-Chairs and Chief Financial Officer that the Group’s internal control and risk management system are operating adequately and effectively in all material aspects. In order to keep abreast with any changes in the business environment and an increasingly complex economic environment, the Group is committed to continuously review and strengthen the internal control and risk management system to ensure its adequacy and robustness. The Board is pleased to report that the state of the Group’s internal control and risk management system are generally adequate and effective for good corporate governance.

# RISK MANAGEMENT REPORT

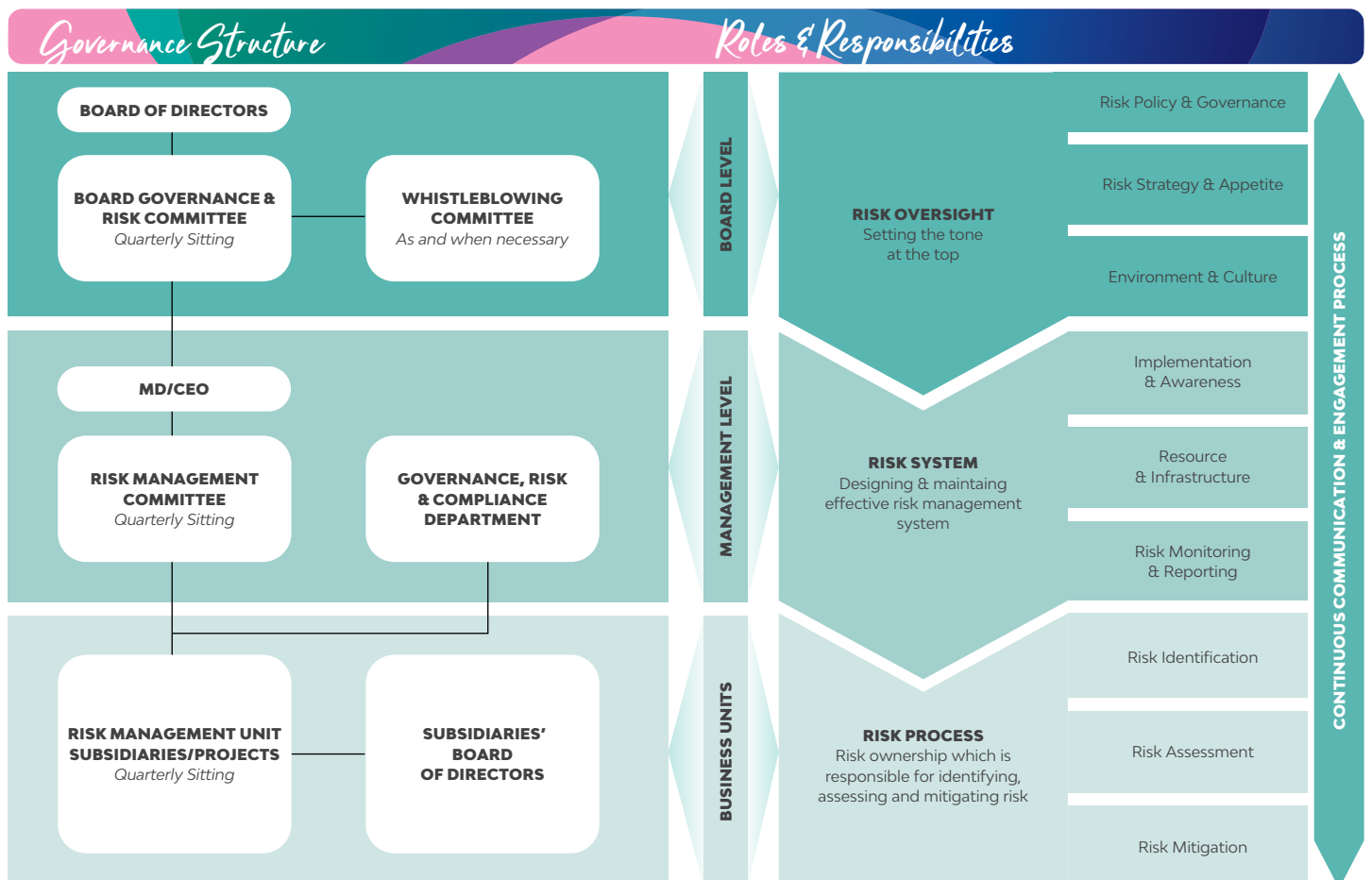
UEM Sunrise and its subsidiaries undertake various residential, commercial and mixed-use developments in the Southern and Central regions in Peninsula Malaysia, and has an international presence primarily in Australia and South Africa. The Group’s business activities also extend to retail management as well as property management. Hence, a robust system which focuses on effective risk management is of paramount importance to ensure the balancing of risk and reward in making strategic business decisions and in day-to-day operations as well as to ensure compliance with corporate governance practice and regulatory requirements.

The Group Risk Management Framework (Framework) comprises the risk management policy, risk assessment methodology, lines of responsibility and accountability. The Framework is principally aligned to ISO31000:2018 and serves as a tool to anticipate and manage both existing and potential risks through a systematic and integrated process, taking into consideration the changing risk profiles as influenced by changes in business environment.

## RISK GOVERNANCE STRUCTURE AND RESPONSIBILITIES

A strong governance structure is essential to ensure an effective and consistent implementation of the Framework. The Board of Directors (Board), assisted by the Board Governance & Risk Committee (BGRC), is ultimately responsible for the Group’s risk management activities and sets the strategic directions, risk appetite and relevant framework for the Group. The Risk Management Committee (RMC) serves as the platform for the Management to deliberate on the identification, assessment and treatment of the Group’s risks as well as an avenue to communicate, monitor and review the risks.

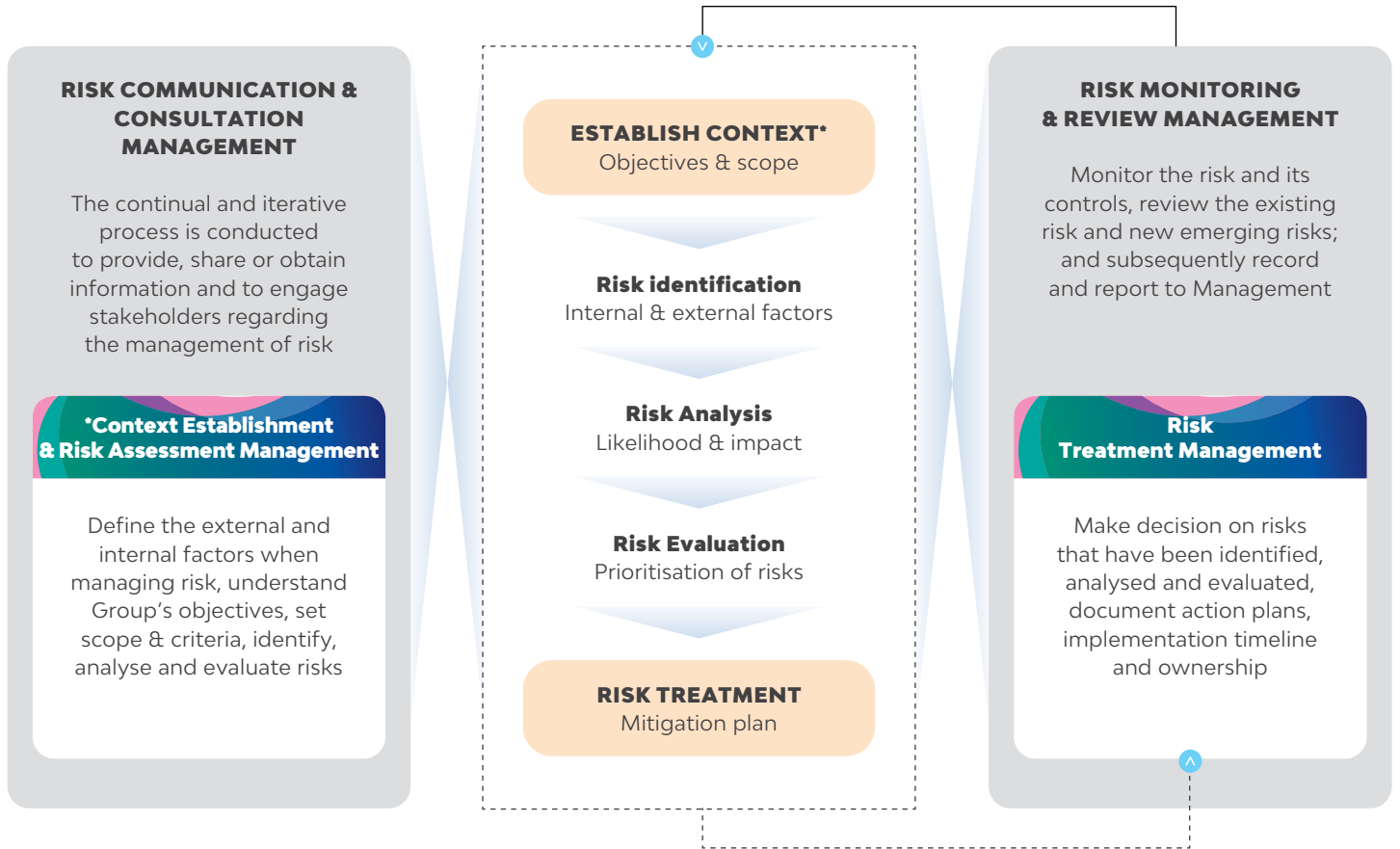
The following outlines the risk governance structure of the Group and the respective roles and responsibilities:





**RISK MANAGEMENT PROCESS**

The Group’s risk assessment approach is depicted in the following diagram:



Conducted on a continuous basis, the approach entails reviewing and assessing all relevant factors within the Group’s business context covering key areas including industry and market, financials, operations, compliance and people. The risk analysis and mitigation plans are consolidated to provide an enterprise-wide risk management overview and updated to the Management as well as the Board on a quarterly basis.

**CONCLUSION**

The Board has received assurance from the Chief Executive Officer, the then Co-Chairs of the Management Executive Committee (Exco) and Chief Financial Officer that the Group’s risk management framework is operating adequately and effectively, in all material aspects, during the financial year under review. The Board is of the view that the Framework is satisfactory and is committed to continuously review and strengthen the risk management process to ensure adequacy and robustness of the system is in line with the changes in business environment and complexity.



## DIRECTORS' RESPONSIBILITY STATEMENT



### IN RESPECT OF FINANCIAL STATEMENTS

**The Directors are required to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.**

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2020, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Board is satisfied that it has met its obligation to present a balanced and fair assessment of the Company's position and prospects in the Directors' Report on pages 116 to 120 and the Audited Financial Statements from pages 130 to 271 of this Annual Report.