



**UEM SUNRISE BERHAD**

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**THE FIGURES HAVE NOT BEEN AUDITED**

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
		30/09/2022	30/09/2021	30/09/2022	30/09/2021
		RM'000	RM'000	RM'000	RM'000
1. (a) <b>Revenue</b>		<b>355,759</b>	<b>213,043</b>	<b>1,137,210</b>	<b>714,878</b>
(b) Cost of sales		(261,150)	(151,727)	(829,367)	(506,380)
(c) Gross profit		94,609	61,316	307,843	208,498
(d) Other income		16,405	8,380	47,298	25,114
(e) Expenses		(50,311)	(66,808)	(180,523)	(194,388)
(f) Finance costs		(36,326)	(37,453)	(106,877)	(109,382)
(g) Foreign exchange loss		(4,574)	(5,557)	(1,446)	(563)
(h) Share of net results of associates		(2,738)	(1,000)	4,712	2,467
(i) Share of net results of joint ventures		8,803	2,486	23,443	2,933
(j) Profit/(loss) before income tax from continuing operations		25,868	(38,636)	94,450	(65,321)
(k) Loss before income tax from discontinued operations		(644)	(287)	(1,212)	(858)
(l) <b>Profit/(loss) before income tax</b>		<b>25,224</b>	<b>(38,923)</b>	<b>93,238</b>	<b>(66,179)</b>
Profit/(loss) before income tax from continuing operations		25,868	(38,636)	94,450	(65,321)
(m) Income tax (expense)/credit	14	(3,903)	(9,427)	(31,722)	6,505
(n) Profit/(loss) for the period from continuing operations		21,965	(48,063)	62,728	(58,816)
(o) Loss from discontinued operations		(644)	(287)	(1,212)	(858)
(p) <b>Profit/(loss) for the period</b>		<b>21,321</b>	<b>(48,350)</b>	<b>61,516</b>	<b>(59,674)</b>

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



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to	
	Note	30/09/2022 RM'000	30/09/2021 RM'000	30/09/2022 RM'000	30/09/2021 RM'000
Attributable to:					
(q) Owners of the Parent					
Profit/(loss) for the period from continuing operations		20,871	(50,150)	61,048	(61,377)
Loss for the period from discontinued operations		(518)	(231)	(974)	(690)
Profit/(loss) for the period attributable to owner of the parent		20,353	(50,381)	60,074	(62,067)
(r) Non-controlling Interests					
Profit for the period from continuing operations		1,094	2,087	1,680	2,561
Loss for the period from discontinued operations		(126)	(56)	(238)	(168)
Profit for the period attributable to non-controlling interests		968	2,031	1,442	2,393
Profit/(loss) for the period		21,321	(48,350)	61,516	(59,674)
2. Earning/(loss) per share based on					
1(q) above	21				
- Continuing operations		0.41 sen	(1.00)sen	1.21 sen	(1.21)sen
- Discontinued operations		(0.01)sen	0.00 sen	(0.02)sen	(0.01) sen
		0.40 sen	(1.00)sen	1.19 sen	(1.22)sen

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/09/2022</b> (Note 1) RM'000	Preceding year corresponding quarter <b>30/09/2021</b> (Note 1) RM'000	Nine months to <b>30/09/2022</b> (Note 1) RM'000	Nine months to <b>30/09/2021</b> (Note 1) RM'000
<b>Profit/(loss) for the period</b>	21,321	(48,350)	61,516	(59,674)
Other comprehensive expense to be reclassified to profit or loss in subsequent period:				
Foreign currency translation differences for foreign operations	(10,184)	(20,408)	(848)	(2,301)
Total other comprehensive expense for the period, net of tax	(10,184)	(20,408)	(848)	(2,301)
Attributable to:				
Owners of the Parent	10,138	(70,795)	59,207	(64,361)
Non-controlling Interests	999	2,037	1,461	2,386
<b>Total comprehensive income/ (expense) for the period</b>	<b>11,137</b>	<b>(68,758)</b>	<b>60,668</b>	<b>(61,975)</b>

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



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year	Preceding year	Nine	Nine
	quarter	corresponding	months	months
Note	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before income tax from continuing operations is arrived at after charging/(crediting):				
Finance costs	36,326	37,453	106,877	109,382
Depreciation	13,542	13,992	40,377	42,023
Interest income	(5,318)	(4,804)	(15,513)	(13,186)
Loss/(gain) on foreign exchange:				
- unrealised	4,602	3,287	1,546	(1,736)
- realised	(28)	2,270	(100)	2,299
Dividend income from investment at fair value through profit or loss	(37)	(699)	(224)	(2,823)
Write back of impairment of receivables	-	(118)	(556)	(626)
Net allowance for doubtful debts	(518)	(158)	1,234	2,093
Loss on disposal of subsidiaries	11,(a) 479	-	479	-

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

(a) In June 2021, UEM Land Berhad ("UEML"), a wholly-owned subsidiary of the Company, completed the Share Sale Agreement with KLK Land Sdn Bhd ("KLKL") for disposal of 50,000 ordinary shares and 180 million redeemable non-convertible noncumulative preference shares ("RPS") in Aura Muhibah Sdn Bhd ("AMSB") representing UEML's 20% equity in AMSB to KLKL for a total sale consideration of RM182.6 million with impact of loss on disposal RM0.8 million. A new shareholders agreement between UEML and KLKL was entered and consequently, AMSB ceased to be indirect subsidiary and has become an indirect associate of the Company.



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

	<b>Unaudited As at current financial year end 30/09/2022 RM'000</b>	<b>Audited As at preceding financial year end 31/12/2021 RM'000</b>
<b>ASSETS</b>		
<b>1. Non-current assets</b>		
Property, plant and equipment	429,929	446,687
Investment properties	781,781	798,048
Right-of-use assets	2,055	7,684
Land held for property development	5,430,965	5,462,947
Interests in associates	830,448	850,358
Interests in joint ventures	888,033	893,338
Amounts due from joint ventures	161,395	165,309
Goodwill	621,409	621,409
Deferred tax assets	280,329	290,191
Long term receivables	402,656	293,116
	<b>9,829,000</b>	<b>9,829,087</b>
<b>2. Current assets</b>		
Property development costs	780,060	820,541
Inventories held for sale	227,079	396,920
Inventories under contract of sale	34,114	59,967
Receivables	533,170	479,518
Contract assets	561,741	425,839
Amounts due from associates	10,213	389
Amounts due from joint ventures	94,868	82,120
Short term investments	5	5,005
Cash, bank balances and deposits	950,311	853,027
	<b>3,191,561</b>	<b>3,123,326</b>
Assets classified as held for sale	6,384	-
<b>Total assets</b>	<b>13,026,945</b>	<b>12,952,413</b>



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

	Note	Unaudited As at current financial year end 30/09/2022 RM'000	Audited As at preceding financial year end 31/12/2021 RM'000
<b>EQUITY AND LIABILITIES</b>			
3. Equity attributable to Owners of the Parent	(a)		
Share capital		4,960,276	4,960,276
Reserves			
Merger relief reserve		34,330	34,330
Other reserves		81,931	82,798
Retained profits		1,675,790	1,615,716
		6,752,327	6,693,120
4. Non-controlling Interests	(a)	104,392	102,931
Total equity		6,856,719	6,796,051
5. Non-current liabilities			
Borrowings	16	2,376,861	3,205,262
Lease liabilities		48	286
Payables		15,949	81,777
Contract liabilities		255,033	240,634
Deferred income		163,417	163,509
Provisions		68,279	68,279
Deferred tax liabilities		166,506	178,609
		3,046,093	3,938,356
6. Current liabilities			
Provisions		130,162	148,433
Payables		934,111	995,062
Contract liabilities		21,203	62,108
Borrowings	16	1,984,911	999,706
Lease liabilities		2,278	8,716
Tax payable		14,639	3,981
		3,087,304	2,218,006
Liabilities classified as held for sale		36,830	-
Total liabilities		6,170,227	6,156,362
Total equity and liabilities		13,026,946	12,952,413
7. Net assets per share attributable to Owners of the Parent		<b>RM 1.33</b>	<b>RM 1.32</b>

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

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



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

	<b>Unaudited Nine months to 30/09/2022</b>	<b>Unaudited Nine months to 30/09/2021</b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Operating Activities</b>		
Cash receipts from customers	894,205	567,891
Cash receipts from related parties	2,783	900
Cash payments to contractors	(456,106)	(428,498)
Cash payments for land and development related costs	(129,702)	(67,604)
Cash payments to related parties	(397)	(27,084)
Cash payments to employees and for expenses	(184,764)	(146,632)
Cash generated from/(used in) operations	126,019	(101,027)
Net income tax paid	(13,219)	(30,450)
Interest received	10,486	1,016
<b>Net cash generated from/(used in) operating activities</b>	<b>123,286</b>	<b>(130,461)</b>
<b>Investing Activities</b>		
Dividend received from joint ventures	31,000	71,000
Repayment from a joint venture	-	5,000
Net proceeds from disposal of subsidiaries	356	148,026
Purchase of property, plant and equipment	(1,634)	(8,902)
Purchase of investment properties	(9,216)	(7,860)
Advances to an associate	-	(2,600)
Net repayment from/(advances to) joint ventures	8,698	(1,000)
Investment in joint ventures	-	(900)
Redemption of Redeemable Non-convertible Non-cumulative Preference Shares from an associate	6,400	-
Investment in a joint venture	(900)	-
Investment in land held for property development	(70,414)	(198,918)
Net redemption in short term investments	5,138	(84,971)
<b>Net cash used in investing activities</b>	<b>(30,572)</b>	<b>(81,125)</b>



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

	Note	Unaudited Nine months to 30/09/2022 RM'000	Unaudited Nine months to 30/09/2021 RM'000
<b>Financing Activities</b>			
Drawdown of borrowings		896,126	79,248
Drawdown of Islamic Medium Term Notes and Islamic Commercial Papers		555,000	1,140,000
Repayment of borrowings		(1,142,319)	(651,422)
Repayment of Islamic Medium Term Notes		(150,000)	(435,000)
Repayment of lease liabilities		(20,997)	(2,361)
Interest paid		(132,251)	(117,281)
<b>Net cash generated from financing activities</b>		<b>5,559</b>	<b>13,184</b>
Effects of exchange rate changes		(837)	(14,219)
<b>Net increase in cash and cash equivalents</b>		<b>97,436</b>	<b>(212,621)</b>
Cash and cash equivalents as at beginning of financial period		848,204	1,080,732
<b>Cash and cash equivalents as at end of financial period</b>	(a)	<b>945,640</b>	<b>868,111</b>
		Unaudited As at 30/09/2022 RM'000	Unaudited As at 30/09/2021 RM'000

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

Cash, bank balances and deposits			
Unrestricted		610,546	631,237
Restricted		339,765	240,563
		950,311	871,800
Bank overdrafts (included in short term borrowings)	16	(4,671)	(3,689)
<b>Cash and cash equivalents</b>		<b>945,640</b>	<b>868,111</b>

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

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





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

	← Attributable to Owners of the Parent →						Total Equity
	← Non-distributable →			Distributable			
	Share Capital	Merger Relief Reserve	Other Reserves	Retained Profits	Total	Non-controlling Interests	
	RM'000	RM'000	Note 1 RM'000	Note 1 RM'000	RM'000	Note 1 RM'000	RM'000
<b>Nine months to 30 September 2022</b>							
<b>(Unaudited)</b>							
At 1 January 2022	4,960,276	34,330	82,798	1,615,716	6,693,120	102,931	6,796,051
Total comprehensive income for the period	-	-	(867)	60,074	59,207	1,461	60,668
At 30 September 2022	<u>4,960,276</u>	<u>34,330</u>	<u>81,931</u>	<u>1,675,790</u>	<u>6,752,327</u>	<u>104,392</u>	<u>6,856,719</u>
<b>Nine months to 30 September 2021</b>							
<b>(Unaudited)</b>							
At 1 January 2021	4,960,276	34,330	78,238	1,828,763	6,901,607	468,974	7,370,581
Total comprehensive expense for the period	-	-	(2,294)	(62,067)	(64,361)	2,386	(61,975)
Partial disposal of a subsidiary	-	-	-	-	-	(366,971)	(366,971)
At 30 September 2021	<u>4,960,276</u>	<u>34,330</u>	<u>75,944</u>	<u>1,766,696</u>	<u>6,837,246</u>	<u>104,389</u>	<u>6,941,635</u>

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

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



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

**1. Basis of preparation**

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

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

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

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

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

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

Property, Plant and Equipment: Proceeds before Intended Use

(Amendments to MFRS 116 Property, Plant and Equipment)

Onerous Contracts: Costs of Fulfilling a Contract

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

Annual Improvements to MFRS Standards 2018-2020

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

**Standards issued but not yet effective**

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

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

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



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

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

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

**4. Seasonal or cyclical factors**

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

**5. Material changes in estimates used**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period except for the estimates related to construction cost resulting in project cost savings of 2.3% (2021: 1.6%) over cost of sales.

**6. Debt and equity securities**

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2022 except for the issuance of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP") from its IMTN Programme as follows:

Date	Transaction	Amount (RM'Million)	Tenure	Rate (per annum)
15 February 2022	Issuance	40	3 years	4.60%
15 February 2022	Issuance	10	9 months	3.30%
8 April 2022	Repayment	(150)	7 years	4.80%
12 April 2022	Issuance	100	1 year	3.55%
12 April 2022	Issuance	110	3 years	4.79%
19 September 2022	Issuance	150	3 years	5.03%
19 September 2022	Issuance	145	5 years	5.37%

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

**7. Dividend**

The Directors do not recommend the payment of any dividend for the current financial period ended 30 September 2022 (2021: Nil).

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

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



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

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

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 September 2022 to the date of this announcement which would substantially affect the financial results of the Group for the financial period ended 30 September 2022 that have not been reflected in the condensed interim financial statements.

**10. Operating segments**

Operating segments information for the financial period ended 30 September 2022 is as follows:

	Property development		Property investment and hotel operation	Others	Eliminations	Consolidated
	In Malaysia	Outside Malaysia				
	RM'000	Note 1 RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External revenue	1,005,137	48,183	65,069	18,821	-	1,137,210
Inter-segment revenue	-	-	481	68,964	(69,445)	-
Total revenue	1,005,137	48,183	65,550	87,785	(69,445)	1,137,210
<b>Results</b>						
Segment results	197,057	(3,024)	8,011	(11,302)	(17,570)	173,172
Finance costs	(71,396)	(82)	(29,861)	(23,108)	17,570	(106,877)
Share of results of associates	1,799	(1,213)	-	2,914	-	3,500
Share of results of joint ventures	26,270	-	(2,827)	-	-	23,443
Profit/(loss) before income tax	153,730	(4,319)	(24,677)	(31,496)	-	93,238
Income tax	(29,532)	245	(540)	(1,895)	-	(31,722)
Profit/(loss) for the period	124,198	(4,074)	(25,217)	(33,391)	-	61,516
<b>Attributable to:</b>						
Owners of the Parent	122,514	(4,074)	(25,217)	(33,149)	-	60,074
Non-controlling Interests	1,684	-	-	(242)	-	1,442
Profit/(loss) for the period	124,198	(4,074)	(25,217)	(33,391)	-	61,516
<b>Assets</b>						
Segment assets	10,084,780	633,615	944,961	431,827	(885,480)	11,209,703
Interests in:						
- associates	832,567	4,264	-	-	-	836,831
- joint ventures	808,884	-	79,149	-	-	888,033
Tax recoverable	77,935	11,397	330	2,716	-	92,378
Total assets	11,804,166	649,276	1,024,440	434,543	(885,480)	13,026,945
<b>Liabilities</b>						
Segment liabilities	5,288,433	26,384	840,461	885,790	(885,480)	6,155,588
Tax payable	14,583	53	-	3	-	14,639
Total liabilities	5,303,016	26,437	840,461	885,793	(885,480)	6,170,227

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

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

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



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

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

(cont'd)

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

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

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

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

	RM'000
Proceeds from disposal	1,700
Less: Deposit received in the prior year	(51)
Less: Cash and balances in SCM disposed	(1,293)
Net proceeds from SCM disposal	<u>356</u>

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

	RM'000
<b>Assets</b>	
Property, plant and equipment	121
Receivables	1,930
Cash and bank balances	<u>1,293</u>
	3,344
<b>Liability</b>	
Payables	<u>1,165</u>
Net identifiable assets of SCM	<u>2,179</u>
Net assets deconsolidated	<u>2,179</u>

- (ii) On 19 August 2022, UEM Sunrise South Africa Proprietary Limited ("UEMSSA"), a wholly-owned subsidiary of UEM Sunrise Overseas Corporation Sdn Bhd ("UEMSOC"), which is an indirect subsidiary of the Company, a Sale of Shares and Claims Agreement ("SSCA") with Olive Investment Trust ("OIT") for the divestment of UEMSSA's entire equity interest of 80.4% in Roc-Union Proprietary Limited ("Roc-Union") became unconditional at a total consideration of Rand 142.6 million (equivalent to approximately RM36 million) ("Proposed Divestment"). All parties have mutually agreed to extend the closing date of the SSCA to 30 November 2022. The full settlement of the consideration will be made on or before the extended closing date.



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**12. Contingent liabilities**

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

Income tax assessment

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

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

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

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

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

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

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

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

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

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

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

The hearing for the intervenor's application case for UEM Land was held on 22 November 2022. However, the hearing was converted into case management. The new date for UEM Land's hearing is fixed on 3 January 2023, whilst Symphony Hills's case is fixed on 12 December 2022.

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



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**13. Capital commitments**

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

	RM'000
Approved and contracted for	484,455
Approved but not contracted for	29,680
<b>Total</b>	<b><u>514,135</u></b>

**14. Income tax**

	Current year quarter <b>30/09/2022</b> RM'000	Preceding year corresponding quarter <b>30/09/2021</b> RM'000	Nine months to <b>30/09/2022</b> RM'000	Nine months to <b>30/09/2021</b> RM'000
Malaysian and foreign income tax				
- current tax	(10,840)	(4,836)	(36,409)	(19,417)
- underprovision in prior periods	(824)	3,340	(2,464)	3,279
Deferred tax				
- relating to origination and reversal of temporary differences	4,746	(2,749)	(4,837)	24,427
- overprovision in prior periods	3,015	(5,182)	11,988	(1,784)
<b>Tax (expense)/income for the period</b>	<b><u>(3,903)</u></b>	<b><u>(9,427)</u></b>	<b><u>(31,722)</u></b>	<b><u>6,505</u></b>

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

Lower effective tax rate (excluding share of results of associates and joint ventures) for the current quarter is mainly due to utilisation of tax losses. While effective tax rate for first nine months is higher than statutory tax rate due to non-deductible expenses and unrecognised tax losses for certain loss-making entities. In preceding year cumulative periods, lower effective tax rate was a results of recognition deferred tax assets on prior years' tax losses.



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

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

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

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

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

As at 16 November 2022, the definitive agreements have yet to be signed.

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





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

d) (cont'd)

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

As at 16 November 2022, the Bumiputera Release for the final and remaining 1 plot, is still pending.

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

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

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



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

e) (cont'd)

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

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

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

- (i) Economic Planning Units's approval;
- (ii) Estate Land Board's approval (where applicable);
- (iii) Johor State Secretary Office's approval for the release of Bumiputera restriction;
- (iv) Removal of restrictions in interest on the SHSB's land titles; and

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

As at 16 November 2022, all conditions precedent under both Lot 228 SPA and Gerbang Nusajaya Lands DLTAs have yet to be fulfilled.



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

- f) Sale of Shares and Claims Agreement ("SSCA") between UEM Sunrise South Africa Proprietary Limited ("UEMSSA"), a wholly-owned subsidiary of UEM Sunrise Overseas Corporation Sdn Bhd ("UEMSOC"), and Olive Investment Trust ("OIT") for the divestment of UEMSSA's entire equity interest of 80.4% in Roc-Union Proprietary Limited ("Roc-Union") at a total consideration of Rand 142.6 million (equivalent to approximately RM36.4 million) on 19 August 2022 ("Proposed Divestment").

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

The conditions precedent are to be fulfilled within 30 days of the SSCA date. The SSCA became unconditional on 16 September 2022 (17 September 2022 Malaysian date). All parties have mutually agreed to extend the closing date to 30 November 2022. Upon the completion of the Proposed Divestment, UEMSOC will cease operations in Durban, South Africa.

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

As at 16 November 2022, the settlement of the balance 90% of the Proposed Divestment is still pending.



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**16. Borrowings and debt securities**

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>As at 30 September 2022</u></b>						
- Islamic Medium Term Notes and Islamic Commercial Papers	-	2,326,463	2,326,463	-	1,678,033	1,678,033
- Term loan and Commodity Murabahah Finance	50,398	-	50,398	71,207	-	71,207
- Revolving credits	-	-	-	77,000	144,000	221,000
- Structured commodity	-	-	-	-	10,000	10,000
- Bank overdrafts	-	-	-	4,671	-	4,671
<b>TOTAL</b>	<b>50,398</b>	<b>2,326,463</b>	<b>2,376,861</b>	<b>152,878</b>	<b>1,832,033</b>	<b>1,984,911</b>

**As at 30 September 2021**

- Islamic Medium Term Notes	-	3,460,000	3,460,000	-	500,000	500,000
- Term loan and Commodity Murabahah Finance	110,901	-	110,901	49,630	-	49,630
- Revolving credits	-	-	-	77,000	25,000	102,000
- Bank overdrafts	-	-	-	3,413	276	3,689
<b>TOTAL</b>	<b>110,901</b>	<b>3,460,000</b>	<b>3,570,901</b>	<b>130,043</b>	<b>525,276</b>	<b>655,319</b>

Since 30 September 2021, the Group drew borrowings of RM1.8 billion including RM555 million of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP"), RM1,089 million of revolving credits and RM213 million of term loans and structured commodity. The Group also repaid borrowings of RM1.7 billion comprising RM510 million of IMTN and ICP, RM970 million of revolving credits and RM241 million of structured commodity and term loans.



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**17. Fair value hierarchy**

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

**18. Material litigation**

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

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

The Claim seeks, amongst others, for:

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

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

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

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

The appeal was heard in part during the hearing on 28 April 2022 and 13 September 2022. The hearing will resume on 6 and 7 December 2022.

UEM Land denies allegations made by the Plaintiffs and is vigorously defending the Claim. Based on the foregoing, at this juncture, the Claim has no material financial and operational impact to the Group and the Company. The Company's solicitor is of the view that UEM Land has a reasonably good chance of success in defending the Plaintiffs' case against UEM Land.



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

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

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

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

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

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

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

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



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

	Current quarter 30/09/2022 RM'000	Immediate preceding quarter 30/06/2022 RM'000	Variance RM'000/(%)
Revenue	355,759	365,000	(9,241) (-3%)
Operating profit	56,129	57,759	(1,630) (-3%)
Share of net results of JV and associates	6,065	10,091	(4,026) (-40%)
Profit before interest and tax	62,194	67,850	(5,656) (-8%)
Finance costs	(36,326)	(35,615)	(711) (-2%)
Profit before income tax	25,868	32,235	(6,367) (-20%)
Income tax	(3,903)	(11,244)	7,341 (65%)
Profit for the period	21,965	20,991	974 (5%)
Non-controlling interests	(968)	(290)	(678) (-234%)
Profit attributable to Owners of the Parent	20,997	20,701	296 (1%)

Revenue contribution from property development is the highest in this current quarter compared to the preceding first and second quarters. Contributing 89% towards the current quarter's revenue, the property development revenue was largely attributable from ongoing projects such as Residensi Solaris Parq in Solaris Dutamas, Residensi AVA in Kiara Bay and Residensi Allevia in Mont'Kiara, all in Kuala Lumpur in the Central region. In the Southern region, contributions were mainly from Senadi Hills and Aspira ParkHomes, both in Iskandar Puteri, Johor. The contribution was also from the inventories' monetisation of Estuari Gardens and Teega, both in Puteri Harbour in Iskandar Puteri and higher settlements from the projects in Australia amounting to RM28 million.

The quarter recorded lower revenue contribution from land sales and/or assets divestment compared to preceding quarters. Only one industrial plot in phase 3 of the Southern Industrial and Logistics Clusters ("SiLC") amounting to RM5.9 million was recognised, compared to the sale of the lands in Mersing, Johor as well as pocket lands in Iskandar Puteri of RM51 million in the immediate preceding quarter. Revenue from land sales contributed to 2% and 14% of the total revenue in the current quarter and the immediate preceding quarter, respectively. This resulted in a slightly lower total revenue in the current quarter.

The Group's normalised gross profit margin contributed from property development segment were intact at 22% for both quarter. The slight decrease in Group's gross profit margin were due to in the current quarter the sale of the one industrial plot in SiLC and Cheras land sale was recorded with lower margin, as compared with the divestment of non-strategic lands in Mersing and Iskandar Puteri.

The Group's operating profit margin were intact at 16% and recorded profit after tax of RM20 million for both quarters under review.



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20.	Current year quarter <b>30/09/2022</b> RM'000	Preceding year corresponding quarter <b>30/09/2021</b> RM'000	<b>Variance</b> RM'000/(%)	Nine months to <b>30/09/2022</b> RM'000	Nine months to <b>30/09/2021</b> RM'000	<b>Variance</b> RM'000/(%)
Revenue	355,759	213,043	142,716 (67%)	1,137,210	714,878	422,332 (59%)
Operating profit	56,129	(2,669)	58,798 (>100%)	173,172	38,661	134,511 (>100%)
Share of net results of JV and associates	6,065	1,486	4,579 (>100%)	28,155	5,400	22,755 (>100%)
Profit/(loss) before interest and ta:	62,194	(1,183)	63,377 (>100%)	201,327	44,061	157,266 (>100%)
Finance costs	(36,326)	(37,453)	1,127 (3%)	(106,877)	(109,382)	2,505 (2%)
Profit/(loss) before tax	25,868	(38,636)	64,504 (>100%)	94,450	(65,321)	159,771 (>100%)
Income tax	(3,903)	(9,427)	5,524 (59%)	(31,722)	6,505	(38,227) (>-100%)
Profit/(loss) for the period	21,965	(48,063)	70,028 (>100%)	62,728	(58,816)	121,544 (>100%)
Non-controlling interests	(968)	(2,031)	1,063 (52%)	(1,442)	(2,393)	951 (40%)
Profit/(loss) attributable to Owners of the Parent	20,997	(50,094)	71,091 (>100%)	61,286	(61,209)	122,495 (>100%)

The Group's revenue for the current quarter was higher by 67% as compared to the corresponding quarter in 2021. The revenue contribution in the current quarter was mainly supported by local projects that are advanced in their development progress, namely Residensi Solaris Parq, Residensi AVA, Residensi Allevia and Residensi Astrea in Mont' Kiara all in Central region. In the Southern region, the main revenue contributors were, Senadi Hills Estuari Gardens, Aspira ParkHomes, followed by Teega. Higher settlement from the Australian projects also contributed to the increase in property development revenue.

The Group's normalised gross profit margins was higher in the current quarter at 26% compared to the prior years' corresponding quarter of 23% in line with the increase in revenue. The Group's operating profit margins in the current quarter improved substantially at 16% compared to prior year's corresponding quarter of -1%. This is partly due to a one-off recognition of other operating income amounting to RM10 million and lower operating expenses due to fewer launches and bad debts recovery from retail segment. As a result, the Group recorded a profit after tax and non-controlling interest of RM20 million in the current quarter compared to a loss after tax and non-controlling interest of RM50 million in prior year's corresponding quarter. Another contributing aspect to the profits is the favourable share of results from joint ventures and associates, which was an improvement compared to the same quarter in prior year. This was mainly from Horizon Hills in Iskandar Puteri and Forest Heights in Seremban.

The Group's total revenue for the first nine months in 2022 is RM1,137 million, which was an increase of 59% compared to the same period in 2021 where the total revenue was RM715 million. 71% of the current total revenue is contributed by property development activities, 22% from land sales and/or assets divestment, while the remaining 7% is from property investments and others. Excluding land sales and/or assets divestment, the Group's revenue is still higher than prior year's nine months total revenue, reflecting the Group's progressive construction progress and billings in the current period. In the Central region, the property development revenue was mainly from Residensi Solaris Parq, Serene Heights in Semenyih and Residensi AVA. In the Southern region, main contributors were Senadi Hills, Aspira ParkHomes and Estuari Gardens. The sales take-up for these developments are more than 90% to-date. Higher settlement from the Group's Australian projects amounting to RM46 million, also contributed to the higher property development revenue.

The higher operating profits recorded in the current period were in tandem with the higher revenue, compared to prior year's corresponding period. This was also attributable to a slightly lower operating expense compared to the same period in prior year and a higher other income which saw an improvement of 89% compared to prior year's nine months period. The Group recorded a profit after tax and non-controlling interest of RM60 million as compared to a loss after tax and non-controlling interest of RM62 million in prior year's corresponding period. This was a result of the higher operating profits and favourable share of results from joint ventures and associates, mainly by Horizon Hills, Nusajaya Tech Park in Gerbang Nusajaya, Iskandar Puteri and Forest Heights, among others.





**UEM SUNRISE BERHAD**

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

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

	Current year quarter <b>30/09/2022</b> RM'000	Preceding year corresponding quarter <b>30/09/2021</b> RM'000	Nine months to <b>30/09/2022</b> RM'000	Nine months to <b>30/09/2021</b> RM'000
Profit/(loss) for the period attributable to Owners of the Parent from:				
- Continuing operations	20,871	(50,150)	61,048	(61,377)
- Discontinued operations	(518)	(231)	(974)	(690)
	<u>20,353</u>	<u>(50,381)</u>	<u>60,074</u>	<u>(62,067)</u>
Weighted average number of ordinary shares in issue ('000)	<u>5,058,476</u>	<u>5,058,476</u>	<u>5,058,476</u>	<u>5,058,476</u>
Earning/(loss) per share from:				
- Continuing operations	0.41 sen	(1.00) sen	1.21 sen	(1.21) sen
- Discontinued operations	(0.01)sen	0.00 sen	(0.02)sen	(0.01) sen
	<u>0.40 sen</u>	<u>(1.00) sen</u>	<u>1.19 sen</u>	<u>(1.22) sen</u>

**22. Prospects for the current financial year**

The Malaysian economy registered a strong growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%). Apart from the sizeable base effects from negative growth in the third quarter of 2021, the high growth was underpinned by continued expansion in domestic demand. Globally, growth continue to moderate in the third quarter of 2022, and expected to slow going into 2023. Rebound from the reopening of the economies will wane, and growth will likely be weighed down by tighter global financial conditions and high inflation. Central banks, especially in advanced economies, have quickened the pace of monetary policy adjustments to contain inflation. In November 2022, Bank Negara Malaysia's Monetary Policy Committee increased the OPR by 25 basis points to 2.75%<sup>1</sup>.

The property market performance, according to NAPIC, recorded a rebound in the first half of the year, a reflection of normalising economic activities as the country moves towards endemicity. With the positive projection on economic growth by Bank Negara Malaysia, supported by the implementation of various government initiatives and assistance, the property market performance is expected to be on a cautious track to recovery<sup>2</sup>.

We foresee the rebound in measured quantity in view of the current market's operating environment following the increase in prices of raw materials, delays in securing authorities' approval and compressed companies' valuations. Nevertheless, we have put in place measures allowing us to navigate the current conditions.



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

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

Initiatives under *Triage* are ongoing. Our measures have resulted in the Group returning to profitability after two years of losses, improving our balance sheet partly through land and asset divestment. Methods undertaken include improving the procurement processes, having completed the first phase of our Integrated Management System ("IMS") 1.0, under the Organisational Process Algorithm. We are now mapping the IMS 2.0, which we foresee will be implemented in the *Stabilise* stage. On the digital front, we are working towards a common data environment platform and incorporating DfMA (Design for Manufacturing and Assembly) in the design and planning stages of our projects. Efforts in identifying non-core assets and businesses for divestments are ongoing with selected assets already divested. We have embarked on a rigorous exercise to unlock the value of our Southern landbank and at the same time, explore the prospect of investing in high yield assets to enhance future GDV. To recap, *Triage* is part of our three-pronged turnaround strategic plan. It is a period of reformation and fundamentals. *Stabilise* is the reorganisation and transformation of our people, process and portfolio, and finally *Sustain* focuses on income diversification for sustained revenue.

On our sustainability initiatives, we recently entered into memoranda of understanding with Gentari Sdn Bhd ("Gentari") and PETRONAS Global Technical Solutions Sdn Bhd ("PGTSSB"), both subsidiaries of Petroliaam Nasional Berhad. Gentari offers lower carbon solutions via renewable energy, hydrogen and green mobility to achieve net zero emissions and collaborate in joint explorations for electric vehicle charging deployments at our facilities and asset. PGTSSB offers consultancy services in areas relating to smart green energy, carbon scheme projects and sustainable technology solutions, among others. The exploration of these key areas is aligned with our objectives under the UEM Sunrise Sustainability Blueprint 1.0, which aims to build a low carbon future by 2030.

Despite the growing challenges, the Group's financial performance is expected to remain positive. This is reflected in our ability to reduce 43% of our inventories from RM396.9 million as of 31 December 2021 to RM227.1 million as of 30 September 2022, whilst our cash balances remain strong at RM950.3 million. For the remaining quarter of the year, we expect to complete the divestment of our interest in Durban, South Africa, settle the remaining units of Aurora Melbourne Central and Conservatory in Melbourne, and finalise the plans for our next project in Collingwood, Melbourne. At the local front, Residensi Solaris Parq, which is nearing full take up, and Kiara Kasih in Mont'Kiara, which is fully sold to-date, will be completed before the end of the year.

However, delays in securing authorities' approval have affected our planned launches schedule for THE MINH and CONNAUGHT ONE. This is likely to affect our GDV and sales targets for 2022. This setback will not affect the Group's profitability for the year. THE MINH in Mont'Kiara (plot 1 of MK 31) is now rescheduled for launch in the first quarter of 2023 followed by the first phase of our new development in Taman Connaught, Cheras; THE CONNAUGHT ONE in the second quarter. THE MINH is a product under the 'CLUB Edition by UEM Sunrise' located in Jalan Desa Kiara. It is a low-density development, featuring two blocks of 496 residential units; an estimated GDV of close to RM950 million. THE CONNAUGHT ONE on the other hand, is a transit-oriented development featuring two blocks of residential apartments and two-storey retail component, located near the Taman Connaught MRT Station of the MRT Kajang Line. It has an estimated GDV exceeding RM740 million, with 1,334 residential units and 15 retail lots.

In September 2022, we successfully launched Serene Square, our first commercial development in Serene Heights. It consists of 95 units of double storey shop offices and has a total GDV of RM113 million. Interest for the product is encouraging and we target to leverage on Serene Heights' growth momentum to achieve positive take ups within the next several months. Another successful development is KAIA Heights, in Equine Park, Seri Kembangan. Its first phase comprising towers A and B has reached 65% sales to-date. The second and final phase comprising towers C and D was launched in September 2022. It has a total GDV in excess of RM320 million and features two towers with 407 residential units.



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

The Group remains financially sound given the above and the gross and net gearings of 0.65x and 0.51x, respectively. Unbilled sales as at 30 September 2022 is RM2.2 billion. It will be substantially recognised over the next 18 to 36 months depending on the projects' construction progress.

*Note:*

*1 Bank Negara Malaysia (BNM) Quarterly Bulletin (3<sup>rd</sup> Quarter) issued on 11 November 2022.*

*2 NAPIC – National Property Information Centre, Press Release, Property Market First Half 2022, 13 September 2022.*

**23. Profit forecast**

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

**Kuala Lumpur  
23 November 2022**

**By Order of the Board**

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