



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

THE FIGURES HAVE NOT BEEN AUDITED

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter 30/09/2024 RM'000	Preceding year corresponding quarter 30/09/2023 RM'000	Nine months to 30/09/2024 RM'000	Nine months to 30/09/2023 RM'000
1. (a) Revenue		369,329	312,354	799,508	917,087
(b) Cost of sales		(256,216)	(229,583)	(543,589)	(613,565)
(c) Gross profit		113,113	82,771	255,919	303,522
(d) Other income		22,144	22,974	89,235	51,109
(e) Expenses		(67,697)	(63,278)	(190,964)	(179,862)
(f) Finance costs		(35,332)	(38,755)	(113,784)	(117,062)
(g) Foreign exchange (loss)/gain		(3,991)	(43)	(1,803)	4,209
(h) Share of net results of associates		51	1,078	6,353	2,008
(i) Share of net results of joint ventures		10,968	8,822	27,008	23,457
(j) Profit before income tax					
from continuing operations		39,256	13,569	71,964	87,381
(k) Profit/(loss) before income tax					
from discontinued operations		(1,262)	(169)	2,811	(1,417)
(l) Profit before income tax		37,994	13,400	74,775	85,964
(j) Profit before income tax					
from continuing operations		39,256	13,569	71,964	87,381
(m) Income tax	14	(14,316)	(2,465)	(24,624)	(31,367)
(n) Profit for the period from continuing operations		24,940	11,104	47,340	56,014
(o) Profit/(loss) for the period from discontinuing operations		(1,262)	(169)	2,811	(1,417)
(p) Profit for the period		23,678	10,935	50,151	54,597



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2024	Preceding year corresponding quarter 30/09/2023	Nine months to 30/09/2024	Nine months to 30/09/2023
Note	RM'000	RM'000	RM'000	RM'000
Attributable to:				
1. (q) Owners of the parent				
Profit for the period from continuing operations	24,005	8,473	47,751	49,528
Profit/(loss) for the period from discontinued operations	<u>(1,015)</u>	<u>(136)</u>	<u>2,260</u>	<u>(1,139)</u>
Profit for the period attributable to owners of the parent	22,990	8,337	50,011	48,389
(r) Non-controlling interests				
Profit/(loss) for the period from continuing operations	935	2,631	(411)	6,486
Profit/(loss) for the period from discontinued operations	<u>(247)</u>	<u>(33)</u>	<u>551</u>	<u>(278)</u>
Profit for the period attributable to non-controlling interests	688	2,598	140	6,208
Profit for the period	<u>23,678</u>	<u>10,935</u>	<u>50,151</u>	<u>54,597</u>
2. Earning/(loss) per share based on 1(q) above	21			
- Continuing operations	0.47 sen	0.17 sen	0.94 sen	0.98 sen
- Discontinued operations	<u>(0.02)sen</u>	<u>0.00 sen</u>	<u>0.04 sen</u>	<u>(0.02) sen</u>
	<u>0.45 sen</u>	<u>0.17 sen</u>	<u>0.98 sen</u>	<u>0.96 sen</u>

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



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

I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2024 RM'000	Preceding year corresponding quarter 30/09/2023 RM'000	Nine months to 30/09/2024 RM'000	Nine months to 30/09/2023 RM'000
Profit for the period	23,678	10,935	50,151	54,597
Other comprehensive expense to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation differences for foreign operations	(49,023)	(6,694)	(49,484)	(6,694)
Total other comprehensive expense for the period, net of tax	(49,023)	(6,694)	(49,484)	(6,694)
Total comprehensive (expense)/ income for the period	(25,345)	4,241	667	47,903
Attributable to:				
Owners of the parent	(25,497)	(1,988)	515	41,674
Non-controlling interests	152	6,229	152	6,229
Total comprehensive (expense)/ income for the period	(25,345)	4,241	667	47,903

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UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

I(C). REMARKS TO CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year	Preceding year	Nine	Nine
	quarter	corresponding	months	months
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
Profit before income tax from continuing operations is arrived at after charging/ (crediting):				
Finance costs	35,332	38,755	113,784	117,062
Depreciation	9,716	11,599	33,744	38,554
Interest income	(13,756)	(11,937)	(36,428)	(30,981)
Loss/(gain) on foreign exchange:				
- unrealised	3,990	5	1,810	(3,815)
- realised	1	38	(7)	(394)
Dividend income from investment at fair value through profit or loss	-	(1,542)	(1,245)	(2,916)
Net allowance for doubtful debts	2,574	(538)	2,584	293
Gain on disposal of an associate	11(iv) -	-	(31,698)	-

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



UEM SUNRISE BERHAD

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

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at current financial year end 30/09/2024 RM'000	Audited As at preceding financial year end 31/12/2023 RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	399,589	410,045
Investment properties	636,194	744,649
Right-of-use assets	15,730	17,723
Inventories - land held for property development	5,268,935	5,224,711
Interests in associates	488,270	839,177
Interests in joint ventures	898,716	870,981
Amounts due from joint ventures	186,202	184,800
Goodwill	621,409	621,409
Deferred tax assets	282,556	268,424
Long term receivables	187,104	240,855
	8,984,705	9,422,774
2. Current assets		
Inventories - property development costs	781,438	710,753
Contract cost assets	271,935	221,894
Inventories - completed properties and others	98,569	127,417
Inventories - land held for sales/assets under contract of sale	105,135	154,227
Receivables	425,627	528,882
Tax recoverable	122,715	121,946
Contract assets	412,761	330,423
Amounts due from associates	390	610
Amounts due from joint ventures	162,860	212,915
Short term investments	343,206	90,560
Cash, bank balances and deposits	832,328	1,001,572
	3,556,964	3,501,199
Assets classified as held for sale	135,836	49,561
Total assets	12,677,505	12,973,534



UEM SUNRISE BERHAD

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

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

	Note	Unaudited As at current financial year end 30/09/2024 RM'000	Audited As at preceding financial year end 31/12/2023 RM'000
EQUITY AND LIABILITIES			
3. Equity attributable to owners of the parent			
Share capital		4,960,276	4,960,276
Reserves			
Merger relief reserve		34,330	34,330
Other reserves		47,179	96,675
Retained profits		1,758,762	1,746,690
		6,800,547	6,837,971
4. Non-controlling interests		114,812	114,660
Total equity		6,915,359	6,952,631
5. Non-current liabilities			
Borrowings	16	3,338,913	3,164,259
Lease liabilities		12,212	14,608
Payables		110,792	23,952
Contract liabilities		210,857	210,081
Deferred income		239,000	243,652
Provisions		824	9,310
Deferred tax liabilities		121,066	120,028
		4,033,664	3,785,890
6. Current liabilities			
Provisions		129,986	145,013
Payables		708,740	942,266
Contract liabilities		60,512	66,503
Borrowings	16	794,835	1,015,672
Lease liabilities		4,519	3,970
Tax payable		29,890	61,589
		1,728,482	2,235,013
Total liabilities		5,762,146	6,020,903
Total equity and liabilities		12,677,505	12,973,534
7. Net assets per share attributable to owners of the parent		RM 1.34	RM 1.35

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



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Nine months to 30/09/2024	Unaudited Nine months to 30/09/2023
Note	RM'000	RM'000
Operating activities		
Cash receipts from customers	972,512	1,083,079
Cash receipts from related parties	59,494	48,558
Cash payments to contractors	(647,252)	(610,509)
Cash payments for land and development related costs	(653)	(8,809)
Cash payments to related parties	(329)	(4,925)
Cash payments to employees and for expenses	(188,707)	(176,014)
Cash generated from operations	195,065	331,380
Net income tax paid	(64,014)	(33,894)
Interest received	10,276	11,601
Net cash generated from operating activities	141,327	309,087
Investing activities		
Dividend received from joint ventures	6,500	36,000
Proceeds from disposal of investment properties	7,915	-
Proceeds from disposal of an associate	386,202	-
Purchase of property, plant and equipment	(5,107)	(66)
Purchase of investment properties	(7,598)	(9,551)
Redemption from a joint venture	5,000	5,425
Investment in a joint venture	(1,290)	-
Investment in land held for property development	(182,743)	(23,534)
Net investment of short term investments	(266,915)	73,373
Net cash (used in)/generated from investing activities	(58,036)	81,647



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

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

	Note	Unaudited Nine months to 30/09/2024 RM'000	Unaudited Nine months to 30/09/2023 RM'000
Financing activities			
Drawdown of borrowings		604,233	861,537
Drawdown of Islamic Medium Term Notes and Islamic Commercial Papers		700,000	1,345,000
Repayment of borrowings		(544,509)	(1,280,181)
Repayment of Islamic Medium Term Notes and Islamic Commercial Papers		(805,000)	(1,020,000)
Repayment of lease liabilities		(3,799)	(3,403)
Dividend paid		(37,939)	(25,292)
Interest paid		(155,125)	(164,056)
Net cash used in from financing activities		(242,139)	(286,395)
Effects of exchange rate changes		(27,680)	3,667
Net (decrease)/increase in cash and cash equivalents		(186,528)	108,006
Cash and cash equivalents as at beginning of period		763,314	995,768
Cash and cash equivalents as at end of period	(a)	576,786	1,103,774
		Unaudited As at 30/09/2024 RM'000	Unaudited As at 30/09/2023 RM'000

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

Cash, bank balances and deposits			
Unrestricted		571,421	595,953
Restricted		260,907	516,576
		832,328	1,112,529
Bank overdrafts (included in short term borrowings)	16	(3,971)	(8,755)
Deposit in bank balance with tenures of more than 3 months		(251,571)	-
Cash and cash equivalents		576,786	1,103,774

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



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to Owners of the Parent →						Total Equity RM'000
	← Non-distributable →			Distributable			
	Share Capital RM'000	Merger Relief Reserve RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interests RM'000	
Six months to 30 September 2024							
(Unaudited)							
At 1 January 2024	4,960,276	34,330	96,675	1,746,690	6,837,971	114,660	6,952,631
Total comprehensive income for the period	-	-	(49,496)	50,011	515	152	667
Dividend paid (Note 7)	-	-	-	(37,939)	(37,939)	-	(37,939)
At 30 September 2024	<u>4,960,276</u>	<u>34,330</u>	<u>47,179</u>	<u>1,758,762</u>	<u>6,800,547</u>	<u>114,812</u>	<u>6,915,359</u>
Six months to 30 September 2023							
(Unaudited)							
At 1 January 2023	4,960,276	34,330	78,340	1,696,255	6,769,201	104,467	6,873,668
Total comprehensive income for the period	-	-	(6,715)	48,389	41,674	6,229	47,903
Dividend paid	-	-	-	(25,292)	(25,292)	-	(25,292)
At 30 September 2023	<u>4,960,276</u>	<u>34,330</u>	<u>71,625</u>	<u>1,719,352</u>	<u>6,785,583</u>	<u>110,696</u>	<u>6,896,279</u>

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



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

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

The notes to the condensed consolidated interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2023, which have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the Companies Act 2016.

2. Changes in accounting policies and methods of computation

The accounting policies and methods of computation adopted by the Group in this condensed consolidated interim financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2023 except for the newly issued MFRS, interpretation and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2024:

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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

Standards issued but not yet effective

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

	Effective for the financial periods beginning on or
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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



UEM SUNRISE BERHAD

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

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. Audit report in respect of the 2023 financial statements

The audit report on the Group's financial statements for the year ended 31 December 2023 is not qualified.

4. Seasonal or cyclical factors

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

5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior years that have a material effect in the current period except for the estimates related to construction cost resulting in project cost savings of 3.1% (2023: 10.1%) over cost of sales.

6. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current period ended 30 September 2024 except for the issuance of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP") from its programme as follows:

Date	Transaction	Amount (RM'Million)	Tenure	Rate (per annum)
14 February 2024	Issuance	200	5 years	4.50%
14 February 2024	Issuance	100	7 years	4.67%
14 February 2024	Issuance	200	10 years	4.84%
16 February 2024	Repayment	(230)	3 years	4.00%
22 March 2024	Repayment	(300)	5 years	4.75%
15 April 2024	Repayment	(160)	1 year	5.05%
18 April 2024	Repayment	(115)	1 year	5.00%
23 August 2024	Issuance	200	9 years	4.04%

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

7. Dividend

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

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



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

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

10. Operating segments

Operating segments information for the period ended 30 September 2024 is as follows:

	Property development		Property investment and hotel operation	Others	Eliminations	Consolidated
	In Malaysia	Outside Malaysia				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	607,362	7,690	88,319	96,137	-	799,508
Inter-segment revenue	-	-	115	88,036	(88,151)	-
Total revenue	607,362	7,690	88,434	184,173	(88,151)	799,508
Results						
Segment results	145,538	(7,280)	31,687	(12,155)	(5,403)	152,387
Finance costs	(58,666)	(70)	(31,736)	(28,715)	5,403	(113,784)
Share of results of associates	6,353	2,811	-	-	-	9,164
Share of results of joint ventures	29,785	-	(2,777)	-	-	27,008
Profit/(loss) before income tax	123,010	(4,539)	(2,826)	(40,870)	-	74,775
Income tax credit/(expense)	(23,357)	1,961	-	(3,228)	-	(24,624)
Profit/(loss) for the period	99,653	(2,578)	(2,826)	(44,098)	-	50,151
Attributable to:						
Owners of the parent	100,257	(2,578)	(2,826)	(44,842)	-	50,011
Non-controlling interests	(604)	-	-	744	-	140
Profit/(loss) for the period	99,653	(2,578)	(2,826)	(44,098)	-	50,151
Assets						
Segment assets	9,936,933	558,842	957,714	737,559	(1,023,244)	11,167,804
Interests in:						
- associates	489,634	(1,366)	-	2	-	488,270
- joint ventures	829,259	-	69,457	-	-	898,716
Tax recoverable	117,242	2,571	118	2,784	-	122,715
Total assets	11,373,068	560,047	1,027,289	740,345	(1,023,244)	12,677,505
Liabilities						
Segment liabilities	4,760,341	11,636	859,302	1,124,221	(1,023,244)	5,732,256
Tax payable	23,510	6,380	-	-	-	29,890
Total liabilities	4,783,851	18,016	859,302	1,124,221	(1,023,244)	5,762,146



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Registration No. 200801028815 (830144-W)

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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11. Changes in the composition of the Group

There were no significant changes in the composition of the Group up to the date of this announcement including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operation since the preceding year ended 31 December 2023 except as disclosed below:

- (i) On 25 August 2023, UEM Sunrise South Africa Proprietary Limited ("UEMSSA"), a wholly-owned subsidiary of UEM Sunrise Overseas Corporation Sdn Bhd ("UEMSOC"), which is an indirect subsidiary of the Company, entered a Sale of Shares and Claims Agreement ("SSCA") with Azishe Properties Proprietary Limited ("APPL") for the divestment of UEMSSA's entire equity interest of 80.4% in Roc-Union Proprietary Limited ("Roc-Union") at a total consideration of Rand 118.4 million (equivalent to approximately RM29.5 million).

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

- (ii) In February 2024, UEM Sunrise (Canada) Sdn Bhd, a wholly-owned subsidiary of the Company submitted its application to the Companies Commission of Malaysia ("CCM") to strike off its name from the register of CCM pursuant to Section 550 of the Companies Act 2016. UEM Sunrise (Canada) Sdn Bhd had been struck off from register and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 on 13 June 2024.
- (iii) On 28 June 2024, Sunrise International Development Ltd, a wholly-owned subsidiary of Sunrise Berhad, which is a subsidiary of the Company has been struck off from the Companies Register under the Acts of the Cayman Islands.
- (iv) On 18 June 2024, UEM Land Berhad ("UEML"), a wholly-owned subsidiary of the Company entered into a Share Sale Agreement ("SSA") with KLK Land Sdn Bhd ("KLKL") for the disposal of 100,000 ordinary shares and 353,600,000 redeemable non-convertible non-cumulative preference shares ("RPS") in Aura Muhibah Sdn. Bhd. ("AMSB") representing UEML's 40% equity in AMSB to KLKL for a total purchase consideration of RM386.2 million following the exercise of the call option over the sale shares by KLKL. A Second Deed of Rescission and Mutual Release ("2nd Deed") was entered between UEML, KLKL and AMSB on 18 June 2024 for the termination of the Shareholders' Agreement dated 23 October 2020.

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

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

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

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

	RM'000
Proceeds from disposal	386,202
Less: Capital gains tax	(3,250)
	<u>382,952</u>



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Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. Contingent liabilities

There are no changes in the contingent liabilities since the preceding year ended 31 December 2023 except as disclosed below:

Income tax assessment

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

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

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

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

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

The SCIT hearing took place on 2 October 2023. Following this, the SCIT gave instructions for filing and written submissions. Parties had also attended a clarification proceeding on 12 January 2024 and 3 May 2024. Following the last clarification proceeding, the SCIT instructed parties to file additional written submission. The decision for the appeal is fixed on 28 June 2024.

On 28 June 2024, the SCIT dismissed BND's Form Q and ruled that the Form JA is maintained. On 3 July 2024, BND filed an appeal to the HC against the SCIT's decision. The HC has further fixed a case management for the appeal on 27 November 2024.

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

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

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

On 13 March 2023, HC dismissed UEM Land's leave application to commence judicial review on IRB's decision to charge UEM Land additional assessments. This indicates that the interim stay of the additional assessments for UEM Land is no longer applicable resulting in UEM Land having to pay the additional taxes and penalties within 30 days of the High Court's decision.



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

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. Contingent liabilities (cont'd.)

(b) (cont'd.)

UEM Land has filed a Notice of Appeal to the Court of Appeal ("CoA") on 14 March 2023 and a Stay Application has been filed at the CoA on 23 March 2023. The first stay hearing before the CoA was adjourned from 3 May 2023 in which the next case management date at CoA has been fixed on 25 May 2023. The stay hearing before the CoA has been fixed on 18 July 2023.

On 18 July 2023, the CoA dismissed UEM Land's Stay Application. However, the appeal is still pending before the CoA and the next case management date before the CoA is on 5 February 2024. The hearing before the CoA has been fixed on 21 May 2024. The decision before the CoA has been fixed on 25 November 2024. IRB has allowed for the payments to be made via instalments over the next 36 months until 15 March 2026.

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

On 8 November 2023, the HC dismissed Symphony Hill's leave application to commence judicial review. Symphony Hills has filed a Notice of Appeal to the CoA on 22 November 2023 and a Stay Application has been filed at the HC on 8 December 2023. The HC granted an interim stay of the Notices pending the disposal of the Stay Application at the HC. A case management has been fixed before the CoA on 27 November 2024 and a case management for the stay application before the HC has been fixed on 17 December 2024.

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

13. Capital commitments

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

	RM'000
Approved and contracted for	39,517
Approved but not contracted for	28,232
Total	<u>67,749</u>



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14. Income tax

	Current year quarter 30/09/2024 RM'000	Preceding year corresponding quarter 30/09/2023 RM'000	Nine months to 30/09/2024 RM'000	Nine months to 30/09/2023 RM'000
Malaysian and foreign income tax				
- current tax	(6,976)	(8,011)	(31,666)	(35,012)
- (under)/overprovision in prior period	(1,965)	2,590	(1,805)	5,337
Deferred tax				
- relating to origination and reversal of temporary differences	(5,382)	401	9,513	(4,364)
- over/(under)provision in prior period	7	2,555	(666)	2,672
Income tax	<u>(14,316)</u>	<u>(2,465)</u>	<u>(24,624)</u>	<u>(31,367)</u>

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

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

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

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

- a) The development agreement and a supplemental development agreement dated 19 December 2007 and 4 November 2010, respectively, between UEM Land, BND and Haute Property Sdn Bhd ("HPSB") for the development of a high end residential enclave over 111 acres held under H.S.(D) 453895, PTD 154910, Mukim Pulai, Daerah Johor Bahru, Johor. The development of the residential enclave is currently on-going.
- b) The Facilities Maintenance and Management Agreement ("FMMA") dated 10 March 2011 between Cahaya Jauhar Sdn Bhd, a 60% owned joint venture of UEM Land and 40% owned by State Government of Johor via Permodalan Darul Takzim Sdn Bhd for the provision of management and maintenance services for Phase 1 of Kota Iskandar. The FMMA covers a period of 30 years with a review every 3 years.



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

50% of the Plot B Price was paid on 22 December 2022. The remaining 50% will be paid within 5 months of the Plot B SPA date or 1 month from the SPA's unconditional date, whichever later. Plot B SPA has a conditional period of 4 months. On 14 April 2023, the parties mutually agreed to extend the conditional period for Plot B SPA to 15 June 2023 where the eventual unconditional date for the Plot B SPA was 8 June 2023. On 28 June 2023 upon the full payment of the Plot B Price, the Plot B SPA was completed.

For the Phase 2 Lands SPA, it is conditional upon the approvals of the Estate Land Board, the Economic Planning Unit and the relevant authorities' approval as per Section 433B of the 1965 National Land Code. The conditional period is 15 months from the SPA date. A deposit of 15% of the Phase 2 Lands Price or RM30.5 million was paid on 22 December 2022. The balance 85% is spread over 3 years where the first tranche (40% or RM81.4 million) will be paid within 21 days from the unconditional date, while the next 25% or RM50.9 million and 20% or RM40.7 million will be paid within 1 year and 2 years of the first tranche payment, respectively. The Phase 2 Lands SPA became unconditional on 28 November 2023.

As of 14 November 2024, NRSB has collected first tranche payment, pending the remaining purchase balance as per agreement terms.

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

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

As of 14 November 2024, both SPA and SPA 2 are pending full settlement of the total consideration.

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

As of 14 November 2024, the SPA has not been completed.



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

- f) The Contract of Sale (“Contract”) with Evolution MIT Services Pty Ltd, a trustee for the GS Collingwood Property Trust I (“Evolution”), for the sale of 1.33 acres of land at 21-53 Hoddle Street, Collingwood Vic 3066 in Melbourne, Australia (“Property”) for a purchase consideration of AUD45.1 million or approximately RM143.3 million (“Proposed Sale”), and the Fund Through Agreement (“FTA”) with Evolution and UEM Sunrise (Collingwood) Pty Ltd to facilitate the development of the Property for a Build to Rent (“BTR”) development where Evolution appoints UEM Sunrise (Collingwood Development) Pty Ltd (“UEMS Collingwood”) to undertake the construction and development of the Property for a total payment of AUD232.2 million plus GST or approximately RM731.5 million (“Total Payment”) (“Proposed BTR Development”).

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

As of 14 November 2024, the Contract has not been completed and on track against the stipulated schedule, while working on the Proposed BTR Development plans.

- g) The Sale of Shares and Claims Agreement (“SSCA”) between UEM Sunrise South Africa Proprietary Limited (“UEMSSA”), a wholly-owned subsidiary of UEM Sunrise Overseas Corporation Sdn Bhd (“UEMSOC”), and Azishe Properties Proprietary Limited (“Azishe”) for the divestment of UEMSSA's entire equity interest of 80.4% in Roc-Union Proprietary Limited (“Roc-Union”) at a total consideration of Rand 118.4 million (equivalent to approximately RM29.5 million) (“Purchase Consideration”) on 28 August 2023 (“Proposed Divestment”).

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

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

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

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



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

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

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

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

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

On 14 August, the conditions precedent of the Iskandar SPA 1 have been fulfilled, allowing the transaction to be completed within the timeframe specified in the SPA.

As of 14 November 2024, the Proposed DRA, Iskandar Land 1 and Iskandar Land 2 are pending for completion.



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. Borrowings and debt securities

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>As at 30 September 2024</u>						
Islamic Medium Term Notes and Islamic Commercial Papers	-	3,307,394	3,307,394	-	629,216	629,216
Term loan and Commodity Murabahah Finance	31,519	-	31,519	49,748	-	49,748
Revolving credits	-	-	-	103,600	8,300	111,900
Bank overdrafts	-	-	-	3,971	-	3,971
TOTAL	31,519	3,307,394	3,338,913	157,319	637,516	794,835

As at 30 September 2023

Islamic Medium Term Notes and Islamic Commercial Papers	-	2,881,450	2,881,450	-	901,901	901,901
Term loan and Commodity Murabahah Finance	-	7,645	7,645	28,319	-	28,319
Revolving credits	-	-	-	319,480	63,900	383,380
Bank overdrafts	-	-	-	8,755	-	8,755
TOTAL	-	2,889,095	2,889,095	356,554	965,801	1,322,355

Since 30 September 2023, the Group drew borrowings of RM1.7 billion including RM1.0 billion of Islamic Medium Term Notes ("IMTN") and Islamic Commercial Papers ("ICP"), RM523 million of revolving credits and RM142 million of term loans and structured commodity. The Group also repaid borrowings of RM1.8 billion comprising RM897 million of IMTN and ICP, RM795 million of revolving credits and RM101 million of structured commodity and term loans.



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

17. Fair value hierarchy

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

18. Material litigation

Since the preceding year ended 31 December 2023, there is no change in material litigation as at the date of this announcement except as disclosed below:

- a) Decision by the Federal Court in respect of BND's, High Court and CoA on UEML's and High Court on SHSB's additional assessment raised by IRB for additional tax and penalty, as disclosed in Note 12.
- b) By way of a Notice of Arbitration ("NoA") dated 17 April 2019, Ireka commenced arbitration proceedings against UEM Land for certain disputes arising from the Letter of Award dated 15 June 2012 ("LoA") for the construction of Imperia in Puteri Harbour, Iskandar Puteri, Johor ("Project"). The Asian International Arbitration Centre has appointed Mr. Wayne Martin from Australia as the arbitrator in this matter.

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

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

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

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

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

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



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

18. Material litigation (cont'd.)

b) (cont'd.)

On 25 January 2023, Ireka's solicitors have discharged themselves from acting for Ireka. Following from the discharge, Ireka's solicitors added the Interim Judicial Manager to address the Tribunal. There is no response or update from the Interim Judicial Manager till to-date. Based on the file search conducted, Ireka's judicial management proceedings were discontinued on 9 January 2023 which put the judicial management of Ireka to an end. UEM Land's solicitors have notified the Tribunal that the judicial management of Ireka has ended and therefore the suspension of the arbitral proceedings shall be lifted. The Tribunal has directed for a procedural hearing to be held on 9 May 2023 to provide further directions.

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

UEML had filed the cause papers for the application for leave from court to continue with the arbitration proceedings on 31 October 2023. The registrar has fixed a hearing before the Judge on 4 March 2024 to hear UEML's leave application. By an Order dated 4 March 2024, UEML's leave application to proceed with the counterclaim in the arbitration proceedings was allowed since there was no objection from the solicitors for Ireka's Liquidator.

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

Ireka has just appointed Messrs Simrenjeet, Tay & Co as their solicitors and Ireka's solicitors have requested for extension of time until 2 August 2024 to serve their submission. The Arbitrator has allowed Ireka's solicitors request to serve the written submission by 2 August 2024. Ireka's solicitors have requested for a further extension of 2 weeks from 2 August 2024 to serve their written submissions. The Arbitrator has granted Ireka a 2-week extension and directed Ireka to serve their submissions by 16 August 2024. Ireka's solicitors have served their written submissions on 16 August 2024.

After serving their written submissions, Ireka's solicitors informed the Arbitrator that they were not aware that UEML has served the written submissions for its counterclaims on 4 April 2024 and proposed that the parties address submissions separately for the claim and counterclaims. The Arbitrator disagreed with Ireka's proposal and has directed Ireka to amend their written submissions to incorporate their response to UEML's counterclaim submissions by 19 September 2024 (which Ireka's solicitors have filed). UEML was directed to file its submission in reply by 11 November 2024 and Ireka was directed to file its submission in reply to UEML's submission in reply by 13 December 2024. If all matters progress as planned, the arbitration may conclude around March or April 2025 (i.e. when the Arbitrator delivers the final award).



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

	Current quarter 30/09/2024 RM'000	Immediate preceding quarter 30/06/2024 RM'000	Variance RM'000/(%)
Revenue	369,329	205,223	164,106 (80%)
Operating profit	63,569	56,862	6,707 (12%)
Share of net results of JV and associates	9,757	8,652	1,105 (13%)
Profit before interest and tax	73,326	65,514	7,812 (12%)
Finance costs	(35,332)	(39,136)	3,804 (10%)
Profit before income tax	37,994	26,378	11,616 (44%)
Income tax	(14,316)	(9,194)	(5,122) (-56%)
Profit for the period	23,678	17,184	6,494 (38%)
Non-controlling interests	(688)	1,659	(2,347) (>-100%)
Profit attributable to owners of the parent	22,990	18,843	4,147 (22%)

The Group recorded a significant increase in revenue, with property development leading as the main contributor, representing 61% of total revenue in the current quarter. This growth was primarily driven by ongoing projects in the Central region, notably Residensi AVA at Kiara Bay, The MINH in Mont'Kiara, and The Connaught One in Cheras, Kuala Lumpur. In the Southern region, projects such as Senadi Hills and Aspira LakeHomes in Iskandar Puteri, Johor, also contributed substantially to revenue.

The quarter recorded higher revenue contribution from land sales compared to the preceding quarters. The Group recorded RM113 million in land sales for the current quarter as compared to RM14 million in the immediate preceding quarter. The revenue from land sales above contributed to 30% and 7% of the total revenue in the current quarter and the immediate preceding quarter, respectively. In the current quarter, the revenue contribution from land sales was mainly from the divestment of non-strategic land in Iskandar Puteri, Johor of RM100 million.

The Group registered a decrease in gross profit margin of 31% as compared to the immediate preceding quarter of 35% due to lower savings from finalised project cost in the current quarter. This also led to decrease in operating profit margin of 17% in the current quarter as compared with immediate preceding quarter of 28%. Notwithstanding, the Group recognised higher profit after tax and non-controlling interests of RM23 million in current quarter, compared to the immediate preceding quarter of RM19 million. This was partly supported by favourable share of results of joint ventures and associates and lower finance costs.



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

20. Detailed analysis of the performance for the current quarter

	Current year	Preceding year	Variance		Nine	Nine	Variance	
	quarter	corresponding			months	months		
	30/09/2024	30/09/2023			30/09/2024	30/09/2023		
	RM'000	RM'000	RM'000/(%)		RM'000	RM'000	RM'000/(%)	
Revenue	369,329	312,354	56,975	(18%)	799,508	917,087	(117,579)	(-13%)
Operating profit	63,569	42,424	21,145	(50%)	152,387	178,978	(26,591)	(-15%)
Share of net results of JV and associates	9,757	9,731	26	(0%)	36,172	24,048	12,124	(50%)
Profit before interest and tax	73,326	52,155	21,171	(41%)	188,559	203,026	(14,467)	(-7%)
Finance costs	(35,332)	(38,755)	3,423	(9%)	(113,784)	(117,062)	3,278	(3%)
Profit before tax	37,994	13,400	24,594	(>100%)	74,775	85,964	(11,189)	(-13%)
Income tax	(14,316)	(2,465)	(11,851)	(>-100%)	(24,624)	(31,367)	6,743	(21%)
Profit for the period/year	23,678	10,935	12,743	(>100%)	50,151	54,597	(4,446)	(-8%)
Non-controlling interests	(688)	(2,598)	1,910	(74%)	(140)	(6,208)	6,068	(98%)
Profit attributable to owners of the parent	22,990	8,337	14,653	(>100%)	50,011	48,389	1,622	(3%)

The Group's revenue for the current quarter was higher by 18% as compared to corresponding quarter in 2023 mainly due to the sales of non-strategic lands in Iskandar Puteri, Johor, but offset with lower contribution from property development. The corresponding quarter in 2023 witnessed higher property development revenue of local projects that are in the advanced stage of their development cycles, namely Residensi AVA in Kiara Bay, Residensi Allevia and Residensi Astrea in Mont'Kiara, Serene Heights in Semenyih as well as KAIA Heights in Seri Kembangan.

The Group's gross profit margin was higher in the current quarter at 31% compared to the prior year's corresponding quarter of 26% due to higher margin contributions from land sales. The Group's operating profit margins in the current quarter also improved substantially at 17% in the current quarter as compared to the prior year's corresponding quarter of 14%. As a result, the Group recorded a higher profit of RM23 million in the current quarter as compared to RM8 million in prior year's corresponding quarter.

For the first nine months of 2024, the Group recognised total revenue of RM800 million, a 13% decrease from RM917 million in the corresponding period of the prior year. The decline was due to lower contribution from property development, but offset with higher contribution from land sales. Revenue from property development dropped to RM524 million in the current period, compared to RM700 million in the same period in prior year. This is mainly due to the progression of projects at advanced stages like Residensi AVA in Kiara Bay, Residensi Astrea in Mont'Kiara and Serene Heights in Semenyih.

Operating profits recognised in the current period were in tandem with the lower revenue, as compared to the prior year's corresponding period. This was also further impacted by increased in operating expenses due to higher staff and general administrative costs. Despite that, the Group recorded a slightly higher profit after tax and non-controlling interests of RM50 million in the current period, compared to RM48 million in the same period in prior year due to lower profit attributable to non-controlling interest.

The Group has seen a remarkable 50% increase in sales performance in the current quarter, totaling RM426 million, up from RM283 million in the corresponding quarter in prior year. This increase was largely supported by strong sales from the Aspira LakeHomes in the Southern region, contributing RM91 million. In the Central region, projects such as The MINH in Mont'Kiara, Residensi ZIG in Kiara Bay, The Connaught One in Cheras, and Serene Heights in Semenyih collectively contributed approximately RM277 million.



UEM SUNRISE BERHAD

Registration No. 200801028815 (830144-W)

Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

21. Earning/(loss) per share

	Current year quarter 30/09/2024 RM'000	Preceding year corresponding quarter 30/09/2023 RM'000	Three months to 30/09/2024 RM'000	Three months to 30/09/2023 RM'000
Profit for the period attributable to owners of the parent from:				
-Continuing operations	24,005	8,473	47,751	49,528
-Discontinuing operations	(1,015)	(136)	2,260	(1,139)
	<u>22,990</u>	<u>8,337</u>	<u>50,011</u>	<u>48,389</u>
Weighted average number of ordinary shares in issue ('000)	<u>5,058,476</u>	<u>5,058,476</u>	<u>5,058,476</u>	<u>5,058,476</u>
Earning/(loss) per share				
-Continuing operations	0.47 sen	0.17 sen	0.94 sen	0.98 sen
-Discontinuing operations	(0.02) sen	0.00 sen	0.04 sen	(0.02) sen
	<u>0.45 sen</u>	<u>0.17 sen</u>	<u>0.98 sen</u>	<u>0.96 sen</u>

22. Prospects for the current year

Global and domestic economic outlook

The global economy is expected to stabilise with a growth rate of approximately 3.2% in 2024 and 2025, driven by easing inflation, rising real incomes, and more accommodative monetary policies across many countries, which are anticipated to sustain demand worldwide¹. President-Elect Trump's victory in the U.S. Election 2024 introduces both opportunities and uncertainties for the global outlook. The historically pro-growth policies such as tax reforms, deregulation, and infrastructure spending may boost economic activity arising from shifts in global trade dynamics. Key regions, such as East Asia and the Pacific, are projected to lead with a growth rate of 4.8% in 2024, supported by private consumption and services exports, although growth in private investment and goods exports remains subdued¹.

In Malaysia, the GDP expanded by 5.3% year-on-year and 1.8% quarter-on-quarter in the third quarter of 2024 driven by strong investment activity and continued improvement in exports⁴. The construction sector remained robust, rising to 19.5% in Q3 2024, with strong contributions from specialised construction activities and non-residential buildings². Meanwhile, Malaysia's labour market showed resilience, with the unemployment rate declining to 3.2% in August 2024², while inflation remained stable at 1.9% in September 2024⁴, aided by stable commodity prices and a strengthening ringgit. The current economic backdrop is reflected in Malaysia's approval rate which have plateaued at 44% in 2023 and 2024, indicating a more stable lending environment and consistent credit evaluation criteria. The property market on the other hand, recorded notable growth, with a 23.8% year-on-year increase in transaction value, reaching RM106 billion in the first half of 2024³. A total of 199,000 properties were transacted, representing an 8% increase as compared to 184,000 units, in the first half of 2023³, underscoring robust market demand. This positive momentum provides a supportive backdrop for the company's current and upcoming projects.

Separately, the Belanjawan Madani 2025 introduces targeted initiatives to stimulate the real estate sector, focusing on affordable housing, sustainable development, and incentivising first-time homeownership. Key allocations include increased funding for affordable housing projects, tax incentives for developers utilising green building technologies, and expanded financing options to support first-time homebuyers. The budget also promotes urban regeneration and infrastructure enhancements, which are anticipated to stimulate demand in urban areas and strengthen property values. These measures align closely with the company's ongoing projects, particularly in residential developments, reinforcing our commitment to sustainable community-building and creating further growth opportunities.



UEM SUNRISE BERHAD

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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Company's Performance Updates

Leveraging current market conditions, the company achieved strong take-up rates during the previews for three of its latest Iskandar Puteri projects namely Aspira Hills (Phase 1), DiReka Square and Aspira LakeHomes (Phases 4, 5 and 6), amounting to a Gross Development Value (GDV) of RM499 million collectively in the quarter under review. The strong demand highlights the positive outlook of Iskandar Puteri, especially with the solid progress of the Johor-Singapore Special Economic Zone and its strategic position between Johor and Singapore. As of 30 September 2024, the Company have met its initial Launched GDV Target of RM0.8 billion and the Sales Target is progressing well having achieved 93% from initial target of RM1.0 billion.

Furthermore, as part of our ongoing exercise to enhance asset turnover and improve return on equity, the company continues its strategic efforts to divest non-core assets and non-strategic lands, thereby optimising the portfolio. As of 30 September 2024, the company maintains a strong financial position, with a gross gearing ratio of 0.61 times and a net gearing ratio of 0.43 times, supported by cash, bank balances and short-term investments of RM1.2 billion. Unbilled sales of RM2.9 billion are expected to be recognised over the next 18 to 36 months, indicating sustained revenue growth and financial stability.

On 10 October 2024, the company formalised a partnership with ITRAMAS Corporation Sdn Bhd (ITRAMAS) and China Machinery Engineering Corporation (CMEC) to develop a 40-acre Renewable Energy (RE) Industrial Park in Gerbang Nusajaya. This project represents a significant alignment with the country's renewable energy goals and supports the diversification of the company's portfolio.

Transformation and Strategic Vision (TSS and U2030 Plan)

The company successfully completed the 'Triage' phase of its three-phase Triage-Stabilise-Sustain ("TSS") strategy in 2023, focusing on process improvements and strengthening core operations. Moving forward, the 'Stabilise' phase for 2024-2025 will prioritise brand development and portfolio diversification. The final 'Sustain' phase, planned for 2026 and beyond, will then focus on adapting to future industry demands.

Subsequently, the company undertook detailed evaluation of its TSS initiatives and transitioned into U2030 Transformation Plan in December 2023, aimed to guide the company towards sustainable growth and operational excellence through 2030. The strategic alignment is vital to reassess the company's vision, mission, and values against long-term strategies, through purposeful leadership as well as organisational resilience.

Note:

¹ Ministry of Economy, Department of Statistic Malaysia's publication on Malaysia Economic Statistic Review Vol. 10 2024 published in October 2024.

² Bank Negara Malaysia's article on, Monetary and Financial Developments in September 2024, dated 30 October 2024.

³ The Edge's article on Malaysia's property sales surge 23.8% y-o-y to RM105b in 1H2024, says NAPIC, dated 4 November 2024.

⁴ Bank Negara Malaysia's article on, Economic and Financial Developments in Malaysia in the Third Quarter of 2024, dated 15 November 2024.

23. Profit forecast

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

Kuala Lumpur
21 November 2024

By Order of the Board

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