A member of UEM Group

Find your Happy

UEM SUNRISE BERHAD 200801028815 (830144-W)

STRENGTHENING OUR FOUNDATIONS FOR A *Happy* TOMORROW

ANNUAL REPORT 2020

LOGIN

ATTAINABLE. COMFORT. CONVENIENCE. CONNECTED.

Senadi Hills

Live the dream of a never-ending holiday

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

View Now

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

Abdullah Mazlan Isamudin

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

Lee Ming Yan

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

Chandra Nadarajan

Write a comment...

A THREE-PRONGED APPROACH TO HELPING THE COMMUNITY

UEM Sunrise
Corporate Service

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

Read More

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

Emiliya Nadzirah Razi

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

Benny Chong

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

Mageswari Rajagopal

Write a comment...

THE FUTURE OF LIVING

UEM Sunrise
Corporate Service

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

Learn More

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

Munirah Izzati Abdul Rahim

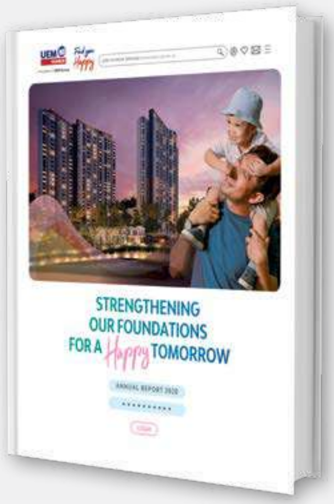
"Thanks to hUb life! Visitor management, facilities booking and digital identification for residents can be done in just a few clicks!"

Riri Williams

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

Devi Narayanan

Write a comment...



STRENGTHENING OUR FOUNDATIONS FOR A *Happy* TOMORROW

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

INSIDE THIS REPORT

ABOUT THIS REPORT

REPORTING PRINCIPLES AND FRAMEWORK

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

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

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

SUSTAINABILITY

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

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

SCOPE AND BOUNDARIES

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

HOW WE CAN FURTHER IMPROVE

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

OUR CAPITALS

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

FORWARD-LOOKING STATEMENTS

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

THE YEAR THAT WAS

February

24 Consolidated results for the financial period ended 31 December 2019.

- En Effizal Faiz Zulkifly appointed as Non-Independent Non-Executive Director on the Board of UEM Sunrise.

- Sistem Penilaian Keselamatan Dan Kesihatan Dalam Pembinaan (SHASSIC)
  1) SHASSIC Score 91%: Eugenia 1 (1d1)
  2) SHASSIC Score 97%: Dahlia 1 (1b1)

  Awarded by SHASSIC

March

16 Mr Siew Chee Seng appointed as Chief Financial Officer of UEM Sunrise.

- Starproperty Awards 2020 Real Estate Developer
  1) Honours – The Poseidon Award (Kiara Bay)
  2) Excellence – The Neighbourhood Award [Below 500 Acres] (Kiara Bay)
  3) Excellence – The Business Estate Award (Solaris Parq)
  4) All-Stars Award – Best Overall Champion (UEM Sunrise Berhad)

  Awarded by StarProperty

- APPIES Malaysia
  1) Gold (Festive & Entertainment)

  Awarded by Sledgehammer Communications (M) Sdn Bhd

April

10 Issuance of RM200 million Islamic Commercial Paper in nominal value.

24 Redemption of 123.3 million UEM Sunrise redeemable convertible preference shares (UEMS RCPS) at RM150 million paid to UEM Group Berhad (UEM Group).

30 Execution of a Deed of Variation with Scape Australia Management Pty Ltd (Scape) to vary the Contract of Sale dated 22 November 2019 in relation to the sale of en-bloc serviced apartment, car parks and part of retail in Aurora Melbourne Central for AUD125 million.

- Issuance of RM130 million Islamic Medium-Term Notes (IMTN) in nominal value.

- Extension of issuance of time for the issuance of 2019 Annual Report as granted by Bursa Malaysia Securities Berhad (Bursa) through the additional relief measures in view of COVID-19 and implementation of Movement Control Order.

May

15 Extension of time to hold UEM Sunrise's 12th Annual General Meeting (AGM).

18 Issuance of RM105 million IMTN in nominal value.

29 Extension of time for submission of first quarter consolidated results for the financial period ended 31 March 2020.

June

10 Issuance of RM270 million IMTN in nominal value.

- Notice of UEM Sunrise's 12th AGM to be conducted virtually on 9 July 2020.

12 Issuance of RM150 million IMTN in nominal value.

19 First quarter consolidated results for the financial period ended 31 March 2020.

- Quality Assessment System In Construction (QLASSIC)
  1) QLASSIC SCORE 84%: Serimbun Phase 2B

  Awarded by QLASSIC

July

9 Held 12th AGM virtually.

- Tan Sri Dato' Sri Zamzamzairani Mohd Isa retired as Independent Non-Executive Chairman of UEM Sunrise.

- Mr Lim Tian Huat retired as Independent Non-Executive Director of UEM Sunrise.

- EDGEPROP Malaysia's Best Managed And Sustainable Property Awards
  1) Gold (EDGEPROP-ILAM Malaysia's Sustainable Landscape Award) – Mont'Kiara Palma
  2) Silver (Below 10 Years Multi-Own Strata Residential) – Grand Medini
  3) Bronze (Above 10 Years Multi-Own Strata Residential) – Mont'Kiara Bayu

  Awarded by EdgeProp.my

August

13 Redesignation of Dato' Noorazman Abd Aziz from Non-Independent Non-Executive Director to Chairman of the Board of UEM Sunrise.

24 Second quarter consolidated results for the financial period ended 30 June 2020.

September

21 Issuance of RM350 million IMTN in nominal value.

- PROPERTYGURU Asia Property Awards
  1) Winner – Best Waterfront Development – Residensi AVA @ Kiara Bay

  Awarded by Propertyguru Malaysia

- Malaysia Technology Excellence Awards 2020
  1) Winner: Digital – Real Estate

  Awarded by Singapore Business Review

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

  Awarded by
  Des Prix Infinitus Media

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

  Awarded by
  CX Network

October

5 Receipt of letter dated 2 October 2020 from UEM Group proposing a merger between UEM Sunrise and Eco World Development Group Berhad (ECW); both parties to respond with decision by 30 October 2020 (Proposed Merger).

7 Mr Subimal Sen Gupta resigned as Senior Independent Non-Executive Director of UEM Sunrise.

9 Execution of two Heads of Agreement with subsidiaries of AME Elite Consortium Berhad (AME) for the proposed sale of 72 freehold industrial plots of 169.8 acres in phase 3, Southern Industrial & Logistics Clusters (SiLC) in Iskandar Puteri, Johor for RM434 million (SiLC Phase 3 Sale).

14 Redesignation of Tan Sri Dr Azmil Khalili Dato' Khalid as Senior Independent Non-Executive Director of UEM Sunrise.

23 Sale of UEM Land Berhad's 20% equity in Aura Muhibah Sdn Bhd comprising 50,000 ordinary shares and 180 million redeemable non-convertible non-cumulative preference shares to KLK Land Sdn Bhd for RM183 million.

28 Extension of time to 2 January 2021 to decide on the Proposed Merger.

30 Conversion of balance 669.2 million UEMS RCPS held by UEM Group into 521 million new ordinary shares in UEM Sunrise upon maturity on 29 October 2020.

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

November

3 Listing of 521 million new ordinary shares held by UEM Group in UEM Sunrise.

4 Public shareholding spread falling below minimum 25% shareholding spread requirement; UEM Sunrise to apply to Bursa for a lower public spread and/or extension of time to address shortfall.

5 Mr Chari T.V. Thirumala and Mr Poh Ying Loo appointed as Independent Non-Executive Directors of UEM Sunrise.

24 Third quarter consolidated results for the financial period ended 30 September 2020.

December

1 Extension of time to 31 January 2021 granted by Securities Commission Malaysia for UEM Sunrise to announce any firm intention to make a take-over offer.

4 Bursa via its letter dated 3 December 2020 approved UEM Sunrise's application for acceptance of a lower public shareholding spread.

30 Execution of definitive agreements for the SiLC Phase 3 Sale.

- UEM Sunrise agreed to further engage with ECW to ascertain and validate the potential value of Proposed Merger.
- The Edge Property Excellence Awards
  1) Top Property Developers Awards 2020: 6th Position

  Awarded by
  The Edge Communications Sdn Bhd

2020 HIGHLIGHTS

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

Sold 72 freehold industrial plots in SiLC Phase 3 to AME for **RM434 mil**

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

Acquired 11.4 acres in Taman Pertama, Cheras with plans to launch residential development towards the end of 2021

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

Increase foothold in Melbourne by acquiring a 1.3-acre plot of land in Collingwood, Melbourne for residential development

Landbank approximately 11,000 acres

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

Invested RM445,000 in CSR and community initiatives

Invested RM100,000 to purchase a ventilator for a hospital

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

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

CORPORATE PROFILE

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

UEM SUNRISE
Corporate Profile

Write a comment...

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

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

Please visit our website at **uemsunrise.com** for more information.

Please scan this QR code for more information on our Event Highlights uemsunrise.com/corporate/media-centre

VISION

Building communities of the future with you and for you.

MISSION

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

CHIEF *Happiness Officers*

C – CARING

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

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

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

H – HONEST

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

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

I – INVOLVED

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

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

E – ENTHUSIASTIC

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

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

F – FUN-LOVING

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

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

OUR APPROACH TO SUSTAINABILITY

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

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

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

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

ECONOMIC

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

ENVIRONMENT

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

SOCIAL

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

GOVERNANCE

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

UEM Sunrise Sustainability Policy

- Providing a healthy, safe, conducive and empowering workplace;
- Being an environmentally responsible leader and partner in our communities;
- Conserving natural resources by optimising re-use and recycling wherever possible;
- Ensuring the efficient and responsible use of water and energy;
- Utilising operational processes that do not adversely affect the environment;
- Conducting rigorous audits, evaluations, and self-assessments on the implementation of this policy;
- Working with our stakeholders to enhance awareness, and incorporating, practicing and promoting sound environmental practices, using our resources to provide leadership, guidance, and motivation where necessary; and
- Taking steps to continually develop and provide environmentally supportive performance and advances including embedding sustainability into our decision making, planning and investment processes to create sustainable value for our shareholders.

SUSTAINABILITY FOCUS AREAS

PLACES

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

PEOPLE

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

SOCIAL-ENVIRONMENTAL PERFORMANCE

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

ECONOMIC PERFORMANCE

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

CORPORATE INFORMATION

Board of Directors

Dato' Noorazman Abd Aziz
Non-Independent Non-Executive Chairman

Tan Sri Dr Azmil Khalili Dato' Khalid
Senior Independent Non-Executive Director

Dato' Mohd Izani Ghani
Non-Independent Non-Executive Director

Zaida Khalida Shaari
Non-Independent Non-Executive Director

Effizal Faiz Zulkifly
Non-Independent Non-Executive Director

Ungku Suseelawati Ungku Omar
Independent Non-Executive Director

Datin Teh Ija Mohd Jalil
Independent Non-Executive Director

Christina Foo
Independent Non-Executive Director

Chari T.V. Thirumala
Independent Non-Executive Director

Poh Ying Loo
Independent Non-Executive Director

AUDIT COMMITTEE
Chairperson
Christina Foo
Member
Chari T.V. Thirumala
Poh Ying Loo

NOMINATIONS & REMUNERATION COMMITTEE
Chairperson
Datin Teh Ija Mohd Jalil
Member
Ungku Suseelawati Ungku Omar
Dato' Mohd Izani Ghani
Christina Foo

BOARD TENDER COMMITTEE
Chairman
Dato' Mohd Izani Ghani
Member
Tan Sri Dr Azmil Khalili Dato' Khalid
Zaida Khalida Shaari

BOARD DEVELOPMENT COMMITTEE
Chairman
Tan Sri Dr Azmil Khalili Dato' Khalid
Member
Zaida Khalida Shaari
Effizal Faiz Zulkifly
Ungku Suseelawati Ungku Omar

BOARD GOVERNANCE & RISK COMMITTEE
Chairman
Chari T.V. Thirumala
Member
Christina Foo
Datin Teh Ija Mohd Jalil
Poh Ying Loo
Zaida Khalida Shaari

SECRETARIES
Liew Irene
SSM PC No.: 201908001893
MAICSA 7022609

Wong Lee Loo
SSM PC No.: 201908001993
MAICSA 7001219

AUDITORS
Ernst & Young PLT (AF: 0039)
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

PRINCIPAL BANKERS
CIMB Bank Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad

STOCK EXCHANGE
Main Market of Bursa Malaysia Securities Berhad
Stock Name : UEMS
Stock Code : 5148
Stock Sector: Property

PRINCIPAL SOLICITORS
Kadir Andri & Partners
Lee Hishammuddin Allen & Gledhill
Raja, Darryl & Loh

REGISTRARS
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Tel : +603-7890 4700
Fax : +603-7890 4670

REGISTERED OFFICE
Level U6, Block C5, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Tel : +603-2718 7788
Fax : +603-6207 8003

GROUP CORPORATE STRUCTURE (As At 12 April 2021)

Subsidiaries

100%
- UEM Land Berhad
- Sunrise Berhad
- Allevia Sdn Bhd
- Arcoris Sdn Bhd
- Aurora Tower at KLCC Sdn Bhd
- Bandar Nusajaya Development Sdn Bhd
- Ibarat Duta Sdn Bhd
- Laser Tower Sdn Bhd
- Lembah Suria Sdn Bhd
- Lucky Bright Star Sdn Bhd
- Marina Management Sdn Bhd
- Milik Harta Sdn Bhd
- New Planet Trading Sdn Bhd
- Nusajaya Development Sdn Bhd
- Nusajaya DCS Sdn Bhd
- Nusajaya Greens Sdn Bhd
- Nusajaya Heights Sdn Bhd
- Nusajaya Medical Park Sdn Bhd
- Nusajaya Resort Sdn Bhd
- Nusajaya Rise Sdn Bhd
- Rise Digital Sdn Bhd
- SCM Property Services Sdn Bhd
- Solid Performance Sdn Bhd
- Sunrise Alliance Sdn Bhd
- Sunrise DCS Sdn Bhd

100%
- Sunrise Innovations Sdn Bhd
- Sunrise Mersing Sdn Bhd
- Sun Victory Sdn Bhd
- Sunrise Pioneer Sdn Bhd
- Symphony Hills Sdn Bhd
- UEM Sunrise (Australia) Sdn Bhd
- UEM Sunrise (Land) Pty Ltd
- UEM Sunrise (Developments) Pty Ltd
- UEM Sunrise (La Trobe Street) Unit Trust
- UEM Sunrise (Mackenzie Street) Unit Trust
- UEM Sunrise (Collingwood) Unit Trust
- UEM Sunrise (La Trobe Street Development) Pty Ltd
- UEM Sunrise (Mackenzie Street Development) Pty Ltd
- UEM Sunrise (Collingwood Development) Pty Ltd
- UEM Sunrise Properties Sdn Bhd

60%
- Aura Muhibah Sdn Bhd

50% + 1 share
- Mega Legacy (M) Sdn Bhd

Joint Ventures

80%
- Nusajaya Premier Sdn Bhd

60%
- Cahaya Jauhar Sdn Bhd

55%
- Nusajaya Lifestyle Sdn Bhd

51%
- Desaru North Course Residences Sdn Bhd

50%
- Horizon Hills Development Sdn Bhd
- Nusajaya Consolidated Sdn Bhd
- Sime Darby Property Sunrise Development Sdn Bhd (formerly known as Sime Darby Sunrise Development Sdn Bhd)
- Sunrise MCL Land Sdn Bhd

40%
- Haute Property Sdn Bhd
- Nusajaya Tech Park Sdn Bhd

30%
- FASTrack Iskandar Sdn Bhd

Associate Companies

40.2%
- Durban Point Development Company (Proprietary) Ltd

40%
- Sarandra Malaysia Sdn Bhd
- Scope Energy Sdn Bhd

39%
- Inneonusa Sdn Bhd

25%
- Setia Haruman Sdn Bhd

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

CHAIRMAN'S LETTER TO SHAREHOLDERS

NAVIGATING THROUGH

Dato' Noorazman Abd Aziz
Chairman

Dear Valued Shareholders,

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

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

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

Go to Profile

NAVIGATING THE IMPACT OF COVID-19 AND CHALLENGING 2020

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

CHALLENGING TIMES

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

worth

RM322.5 billion

2 World Bank forecasted a global

GDP growth of

4.0% in 2021

and moderate to 3.8% in 2022.

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

in contrast to BNM's revised GDP growth forecast of

-3.5 to -5.5%

for the year in review.

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

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

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

CONTINUING TO DRIVE OUR SUSTAINABILITY AGENDA

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

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

CHAIRMAN'S LETTER TO SHAREHOLDERS

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

CONTINOUS PURSUIT OF GOOD GOVERNANCE AND LIVING WITH INTEGRITY

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

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

Aspira Gardens, sits on
12.9
acres of land in Gerbang Nusajaya

Cash Balances including short-term investments of
RM1.3 billion

Gross and Net gearings of
0.59x and 0.40x

The Group recorded
RM1.1 billion
in total sales

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

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

The Board also approved the Company's Anti-Corruption Guidelines in March 2020. In line with the MACC's published Guidelines on Adequate Procedures, the Company conducted a comprehensive Corruption Risk Assessment to identify, analyse, assess and prioritise the inbound and outbound corruption risks of the Group.

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

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

INTRODUCTION OF UEMS 2025

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

OUTLOOK FOR THE YEAR AHEAD

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

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

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

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

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

APPRECIATION

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

Dato' Noorazman Abd Aziz
Chairman

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

CEO'S LETTER TO SHAREHOLDERS

STABILISING THE BUSINESS

Sufian Abdullah
Chief Executive Officer

Dear Valued Shareholders,

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

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

Go to Profile

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

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

OUR BUSINESS PERFORMANCE

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

AND RESETTING THE FUTURE

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

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

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

New property launches were introduced to the market in the second half of the year starting with Frischia, a new phase of Serene Heights Bangi in June 2020. This was followed by Senadi Hills, a new residential development in Iskandar Puteri, located opposite Horizon Hills near Lebuhraya Sultan Iskandar, a tolled-free highway that connects the Johor Bahru City Centre to Iskandar Puteri. The first phase of the development featured double-storey terrace homes. By the end of 2020, we have launched approximately RM900 million worth of properties including high-rise residential development in Mont'Kiara; Residensi Allevia.

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

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

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

Aurora Melbourne Central

CEO'S LETTER TO SHAREHOLDERS

Introduction of MCO 1.0
18 Mar 2020

Conditional MCO (CMCO)
4 May 2020

Recovery MCO (RMCO)
7 Jun 2020 – 31 Dec 2020

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

CMCO 2.0
5 Mar – 5 May 2021

OPERATING IN A NEW BUSINESS ENVIRONMENT

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

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

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

ENSURING BUSINESS CONTINUITY

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

PUTTING EMPLOYEES FIRST

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

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

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

PROTECTING OUR FRONTLINERS AND PROVIDING FOR THE UNDERSERVED AND UNDERPRIVILEGED

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

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

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

REVAMPED SALES AND MARKETING INITIATIVES

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

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

CEO'S LETTER TO SHAREHOLDERS

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

DIGITALISATION INITIATIVES IN 2020

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

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

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

RISE DIGITAL

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

NEW CORPORATE WEBSITE

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

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

APPS DEVELOPED IN 2020

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

hUb Home hUb home	• UEM Sunrise partnered with Kaodim, Maid Easy, Bateriku, MyGroser, Zepto Express, and Bungkusit to offer customers quick solutions to their everyday lifestyle needs from home maintenance and groceries to on-demand delivery services. • Since its soft launch in May 2020, hUb Home has more than 400 downloads. • More partnerships are being lined up in 2021.
hUb Mall hUb mall	• hUb Mall is set to turn Publika into an e-mall, offering customers one-stop shopping solutions from the store directory, loyalty points collection and redemption. • hUb Mall has 27 merchants with more to come. • In the future, the app will feature parking redemption and reservation at the mall. Plans also include expanding the app to serve other retail malls owned by UEM Sunrise and extend loyalty points to other hUb apps. • Since its soft launch on 1 Oct 2020, the app has more than 350 active customers recording close to 1,000 various transactions.
hUb Life hUb life	• A condominium management app providing services such as visitor management, facilities booking, digital ID for residents, and the trial of Licence Plate Recognition. • The app collaborates with technology partner, Kiple Sdn Bhd. • UEM Sunrise aims to activate hUb Life at selected high-rise condominiums in Mont'Kiara, with two condominiums already on board with more than 275 customers. • hUb Life targets to serve 15 condominiums by the end of 2021.

CEO'S LETTER TO SHAREHOLDERS

RETAIL EXPERIENCE

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

ENHANCING CUSTOMER EXPERIENCE AND ENGAGEMENT

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

Trésor 2.0

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

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

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

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

CUSTOMER SATISFACTION AND NET PROMOTER SCORE

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

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

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

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

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

THE INTRODUCTION OF UEMS 2025

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

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

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

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

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

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

CEO'S LETTER TO SHAREHOLDERS

The 8 Key Areas

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

International Growth
Plans began in January 2021 and are currently underway. The Group has identified to focus on:
- Market Analysis
- Competitor Analysis
- Key Purchasing Criteria Analysis
- Resource Planning
- Risk Management Plan

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

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

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

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

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

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

OUR FRAMEWORK

The Preferred Lifestyle Developer*	Our Ultimate Goal
Creating New 'Exciting, Great Value & Easy to use' Innovative Products for our Customers	Our Mission
Property Development Monetising Spaces Expanding Services	Our Focus Area
Organic Partnership Acquisition	Our Strategy
Operational Excellence High Growth Culture Customer Digital Sustainability	Enablers

OUTLOOK & PROSPECTS

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

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

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

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

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

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

Thank you.

Sufian Abdullah
Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS

MARKET LANDSCAPE

UEM SUNRISE
Market Landscape

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

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

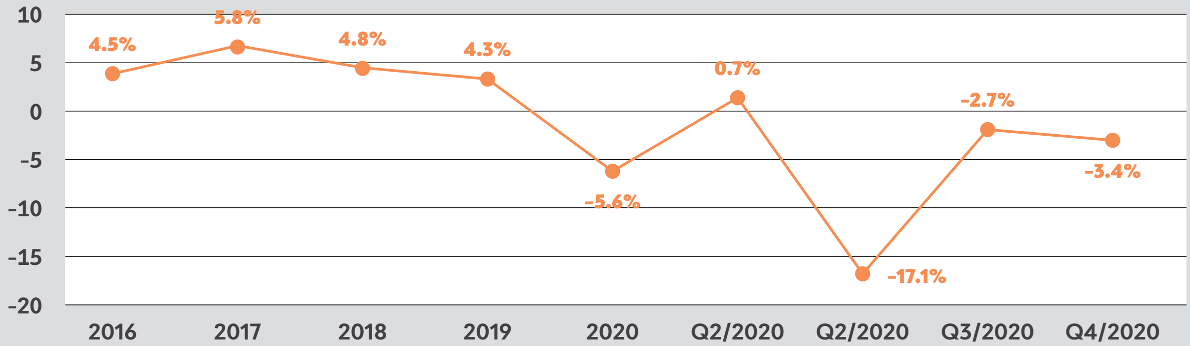
Containment restrictions, especially the strict measures applied during the first MCO, brought the country and much of its economic activities to a grinding halt. All economic sectors, excluding manufacturing, recorded negative growth in 2020. As a result, unemployment rate in 2020 reached the highest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

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

Kiara Bay

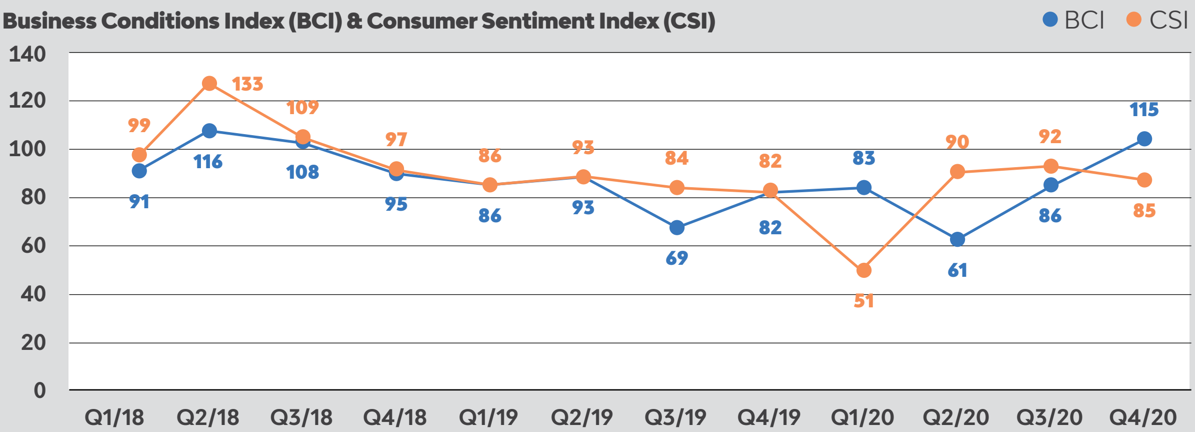
A year removed from the first outbreak of the pandemic, the global economy is looking forward to a post-COVID-19 recovery. In its baseline forecast, the World Bank expects the global GDP to expand by 4% in 2021, backed by effective vaccination programmes to limit community spread of COVID-19 and policymakers'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

GDP Growth



Source: Bank Negara Malaysia (BNM)

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



Source: Malaysian Institute of Economic Research (MIER)

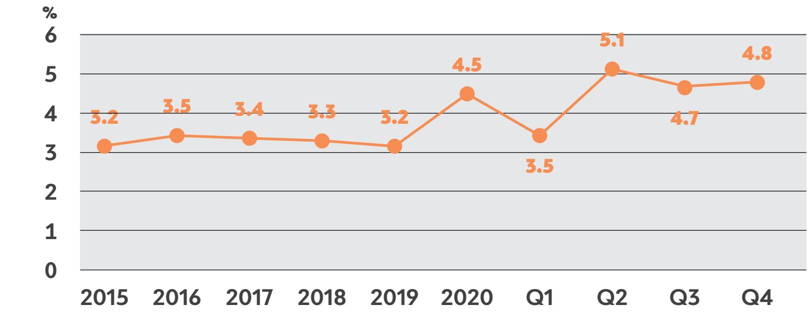
To help cushion and compensate the lingering impact of the pandemic, the Malaysian government launched its largest-ever budget of RM322.5 billion for 2021. However, resurgent cases of COVID-19 saw the re-introduction of the MCO in January and again in May of 2021 as well as the unprecedented declaration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

MANAGEMENT DISCUSSION & ANALYSIS

MARKET LANDSCAPE

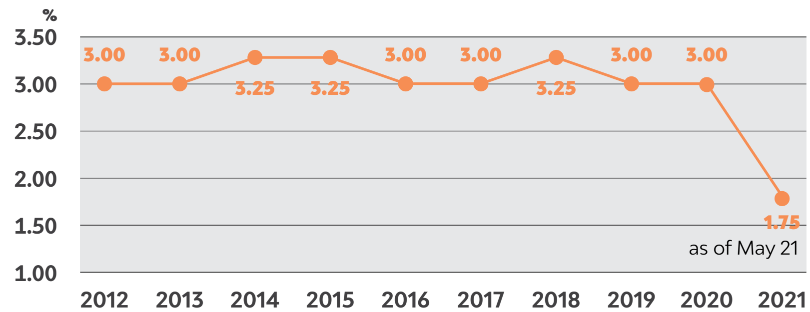
Mirroring global trends, BNM has projected an economic recovery of between 6% to 7.5% in 2021, on the back of domestic demand growth, with private consumption to double to 8% from 4.3% in 2020. Furthermore, the government also expects the unemployment rate to come down to 3.5% in 2021.

Unemployment Rate



Source: Department of Statistics Malaysia (DOSM)

Overnight Policy Rate (OPR)



Source: Bank Negara Malaysia (BNM)

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

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

PROPERTY MARKET

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

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

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

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

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

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

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

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

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

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

Retail was one of the most affected segments in 2020, as COVID-19 threatened the vitality of many non-essential retail businesses. According to NAPIC, the average retail centre occupancy rates fell by 1.7 percentage points to 77.5% amidst continued supply increase. Average occupancy rate in Kuala Lumpur was at 82%, followed by Selangor at 80%, and Johor, the lowest, at 75%. With the market still recovering from the fallout of COVID-19, the end of 2020 saw a recovery in footfalls as the retail sector, especially food and beverage and other retail trades, enjoyed a surge due to pent-up demand. However, sectors with a stronger online presence, such as fashion, may see a slower return, considering the exponential growth of online retailing during the pandemic and the corresponding shift in consumer behaviour, which is likely to see certain trade segments faced with lingering lower rentals.

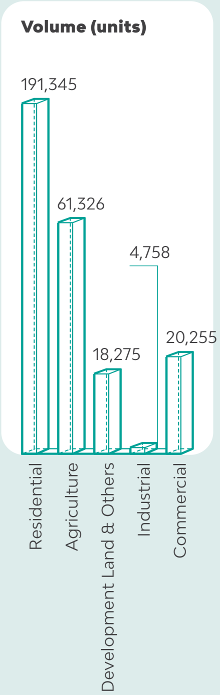
Similarly, the Purpose-Built Office (PBO) sector remains generally lacklustre, with average occupancy declining to 73.9% in 2020 compared to 80.6% in 2019. In view of this, UEM Sunrise has adapted strategies to tackle the abundance of supply of office space and weak business conditions, especially in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

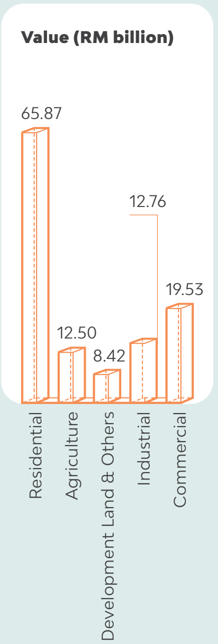
In Australia, residential markets showed remarkable resilience in 2020. Residential prices increased by 3% over the year, despite the pandemic, as the Australian economy rebounded strongly in the second half of 2020, contracting by only 1.1% in 2020, all thanks to prompt response and decisive actions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

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

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

MARKET ACTIVITY 2020 PROPERTY TRANSACTIONS





Source: NAPIC

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

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

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

Our sales in the first half of the year were derived mainly from properties launched during previous years and inventories as there were no new property launches in the first half of 2020. New property launches, like Residensi Allevia in Mont'Kiara, Senadi Hills in Iskandar Puteri, and Serene Heights Bangi, were deferred to the second half of 2020. Furthermore, the ensuing nationwide lockdown also resulted in the closure of our offices and retail outlets, disruption to our sales and marketing initiatives, and the construction progress of ongoing projects.

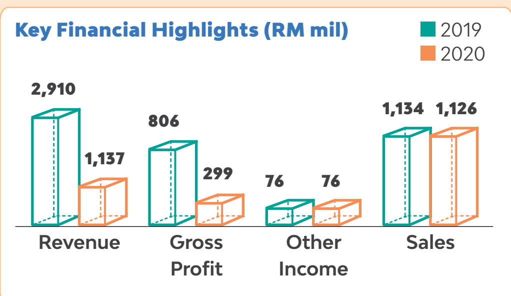
While the prolonged containment measures affected our overall operations and impacted us financially, we continued to assess the impact of such restrictions on our business at all angles and strategised to mitigate its effects. On top of that, the Australian border closure and the lockdown of the Victoria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

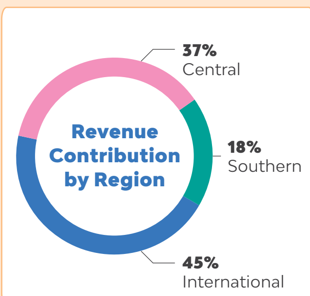
Notwithstanding the disruptions to operations, the Company recorded RM1.1 billion in revenue for FY2020, which was mainly contributed by the settlement of the sale of the en-bloc serviced apartment in Aurora Melbourne Central to Scape and higher contributions from Residensi Solaris Parq in Dutamas, Serene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

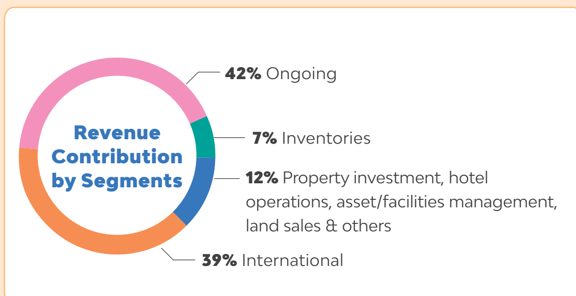
Tepid sales began to rally in the third quarter of 2020, following the reopening of the economy during the RMCO phase, and at the same time, uplifted by the launch of UEM Sunrise's The Happy Chase campaign in July 2020, that leveraged on the government's 2020 HOC. The main sales contributors for 2020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

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

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







Main Revenue Contributors

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

Main Sales Contributors

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

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

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

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

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

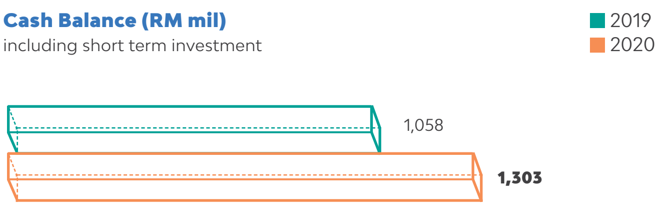
Notwithstanding the impact of the pandemic and the MCO, UEM Sunrise continued to engage in several key transactions during the year under review. In April 2020, UEM Sunrise redeemed 123.3 million redeemable convertible preference shares (RCPS) from UEM Group at a redemption value of RM150 million. The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

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

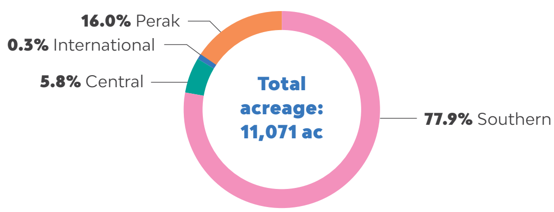
More on cashflow receipts, our subsidiary, UEM Land Berhad (UEM Land) entered into a Share Sale Agreement with KLK Land Sdn Bhd (KLKL) for the sale of 50,000 ordinary shares and 180 million redeemable non-convertible, non-cumulative preference shares owned in Aura Muhibah Sdn Bhd (AMSB) for RM183 million.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

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

Cash Balance (RM mil)
including short term investment



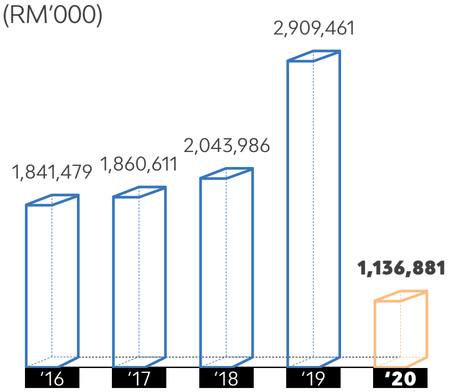
Breakdown of Remaining Landbank by Region as at 31 March 2021



MANAGEMENT DISCUSSION & ANALYSIS

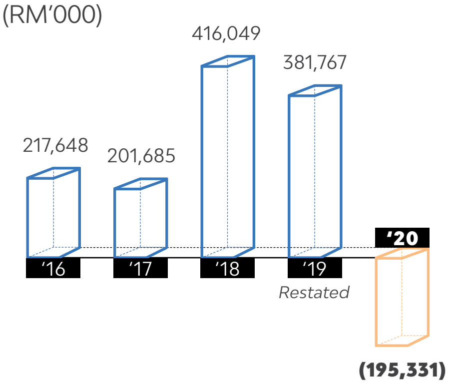
REVENUE[1]

(RM'000)



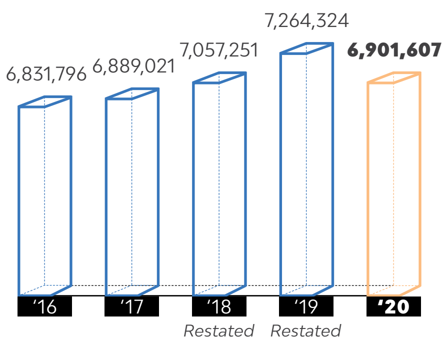
(LOSS)/PROFIT BEFORE ZAKAT AND INCOME TAX

(RM'000)



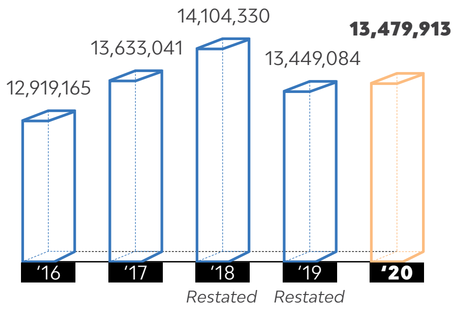
SHAREHOLDERS' EQUITY[2]

(RM'000)



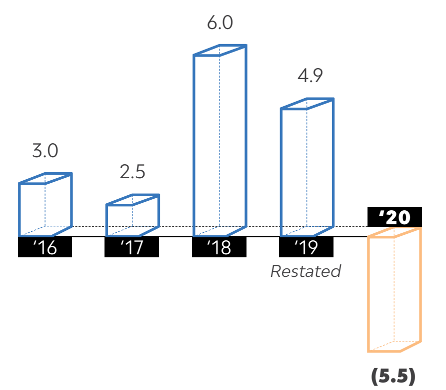
TOTAL ASSETS[3]

(RM'000)



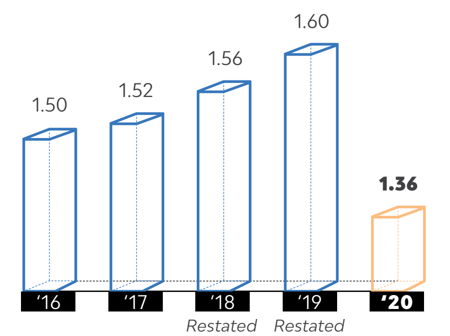
(LOSS)/EARNING PER SHARE

(sen)



NET ASSETS PER SHARE

(RM per share)



Notes:

1 Revenue

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

2 Shareholders' Equity

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

3 Total Assets

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

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

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

* *Figures reported based on MFRS framework*

^ *Figures reported based on FRS framework*

Notes:

4 Operating expenses (OPEX)

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

5 Other income

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

6 Finance costs

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

7 Share of net results of associates & joint ventures

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

8 Loss attributable to owners of the parent

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

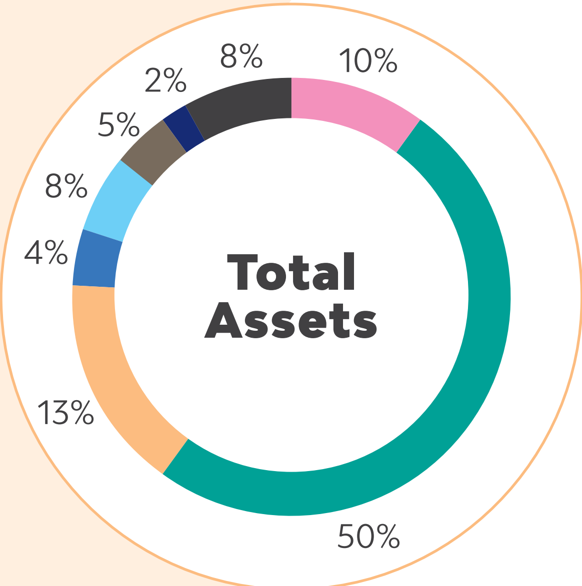
MANAGEMENT DISCUSSION & ANALYSIS

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

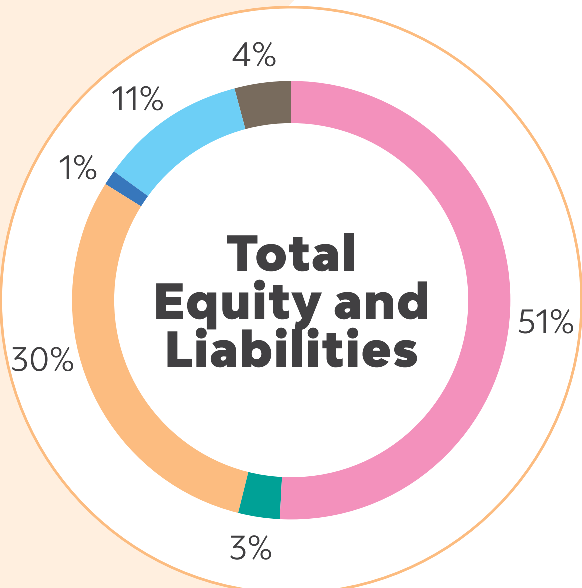
In RM'000	First Quarter 31/03/2020	Second Quarter 30/06/2020	Third Quarter 30/09/2020	Fourth Quarter 31/12/2020	Year Ended 31/12/2020
Revenue	195,854	111,957	217,435	611,635	1,136,881
Cost of sales	(120,719)	(122,189)	(141,925)	(453,272)	(838,105)
Operating expenses	(77,769)	(65,831)	(76,598)	(152,531)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

* *annualised*

FINANCIAL REVIEW - SUMMARISED GROUP BALANCE SHEET



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



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

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW - FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

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

Notes:

9 Total Equity

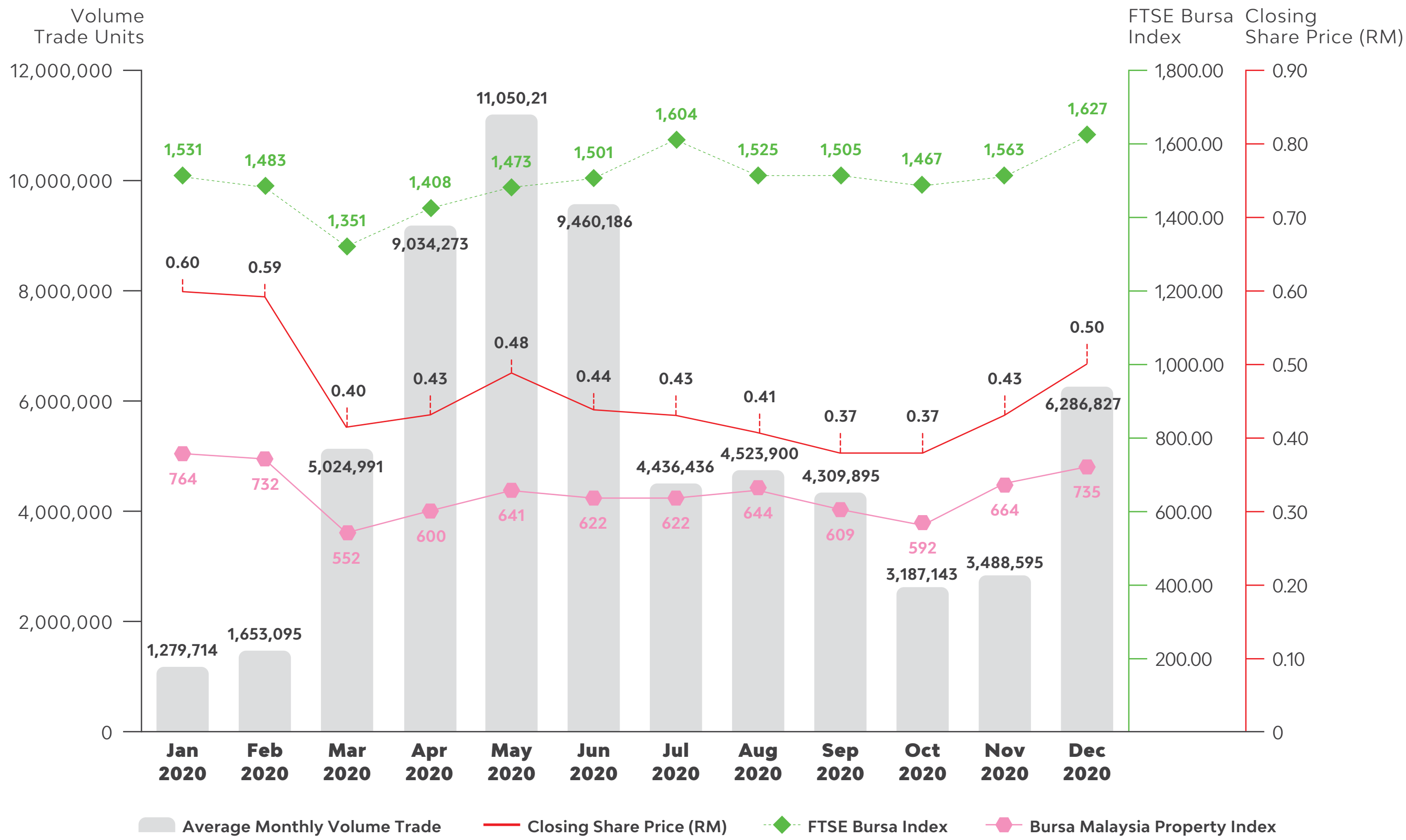
- Total equity decreased by RM362.1 million due to:
  - Lower retained profit in line with the loss attributable to owners of the parent of RM277.3 mil.
  - Reduced share capital due to the redemption and conversion of RCPS.

10 Total Liabilities

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

FINANCIAL REVIEW - SHARE PRICE & VOLUME TRADED

UEM SUNRISE SHARE PRICE MOVEMENT AND MONTHLY VOLUME TRADED



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

[1] Data is at the end of each respective month

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

Property Development – Central Region

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

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

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

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

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

COLLABORATIONS WITH STRATEGIC PARTNERS

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

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

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

ONGOING & COMPLETED PROJECTS

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

** take up as at 30 April 2021*

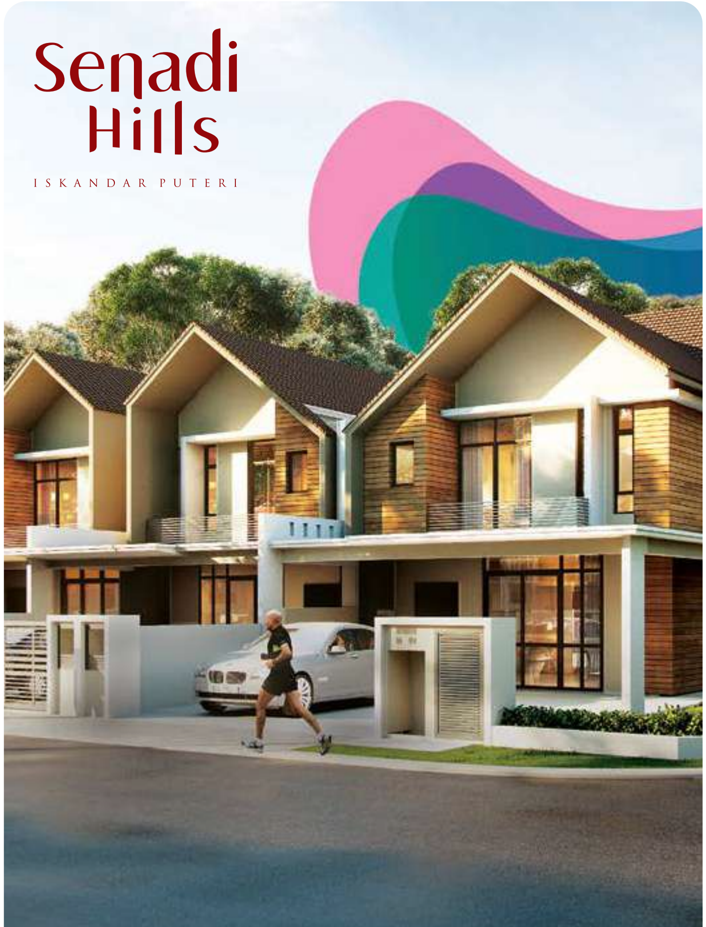
PLANS FOR 2021

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

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

Property Development – Southern Region



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

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

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

COLLABORATIONS WITH STRATEGIC PARTNERS

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

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

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

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

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

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

ONGOING & COMPLETED PROJECTS

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

* *take up as at 30 April 2021*

PLANS FOR 2021

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

Property Development – International

Aurora Melbourne Central

PLANS FOR 2021

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

Recently Completed Projects

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

** take up as at 30 April 2021*

Investment Properties - Retail

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

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

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

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

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

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

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

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

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

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

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

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

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

Impact of COVID-19 on Gross Turnover (GTO)

Central Retail Assets

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

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

Southern Retail Assets

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

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

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

Land Portfolio Rebalancing

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

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

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

Equine Park land
KAIA HEIGHTS
GDV RM350 million

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

Lot 1597 and 13752
RESIDENSI ALLEVIA
GDV RM546 million

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

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

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

Land sale

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

New land acquisition

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

SPA - Sale and Purchase Agreement

Outlook

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

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

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

- Implementation of Retail Management Software and Cashless Carpark System

Improving Retail Business Revenue and Customer Experience

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

Improving Cost Management

- Implementation of cost rationalisation and energy audits

Strengthening Loyalty Program

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

New Retail Business

- Diversification of retail business units

MANAGEMENT DISCUSSION & ANALYSIS

SUSTAINABILITY

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

UEM SUNRISE
Sustainability Statement

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

Key Areas of Focus

- Economic Value Creation
- Environment
- Community
- Human Rights and Labour Compliance Standards
- Product Responsibility

ECONOMIC VALUE CREATION

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

Southern
Launched GDV (RM)

Senadi Hills Phase 1A	Senadi Hills Phase 1B	Senadi Square Phase 3A & 3B	Aspira ParkHomes Phase 3B
RM81 million	RM91 million	RM24 million	RM61 million

Central
Launched GDV (RM)

Serene Heights Bangi Verna	Serene Heights Bangi Frischia	Residensi Allevia
RM51 million	RM40 million	RM546 million

TOTAL GDV (RM)
Approximately
RM900 million

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

At the same time, the leadership of UEM Sunrise have been collaborating with industry experts, namely the Federation of Public Listed Companies Bhd, FIABCI-Malaysia, Institute of Corporate Directors Malaysia, Malaysia Australia Business Council, and the Malaysian Advertisers Association to discuss issues and pressing matters relating to economic growth and sustainable development within the real estate industry.

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

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MANAGEMENT DISCUSSION & ANALYSIS

ENVIRONMENT

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

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

Green Real Estate (Green RE) Podium

Green RE Gold
- **Residensi Allevia**

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

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

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

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

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

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COMMUNITY

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

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

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

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

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

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MANAGEMENT DISCUSSION & ANALYSIS

HUMAN RIGHTS AND LABOUR COMPLIANCE STANDARDS

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

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

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

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

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PRODUCT RESPONSIBILITY

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

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

Purchasing a home is one of the biggest financial commitments an individual can take on in their lifetime. Therefore, it is just as vital that customers remain central at every stage of our project development as we continue to strive for superior customer experience and satisfaction. By meeting our customer's expectations and affording them exceptional experience throughout the purchasing process and after-sales service, we are ultimately fostering a positive brand reputation and affinity and overall acceptance as a trusted name in the property industry.

Putting Customers at The Centre of Every Decision

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

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

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OUR MATERIALITY

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

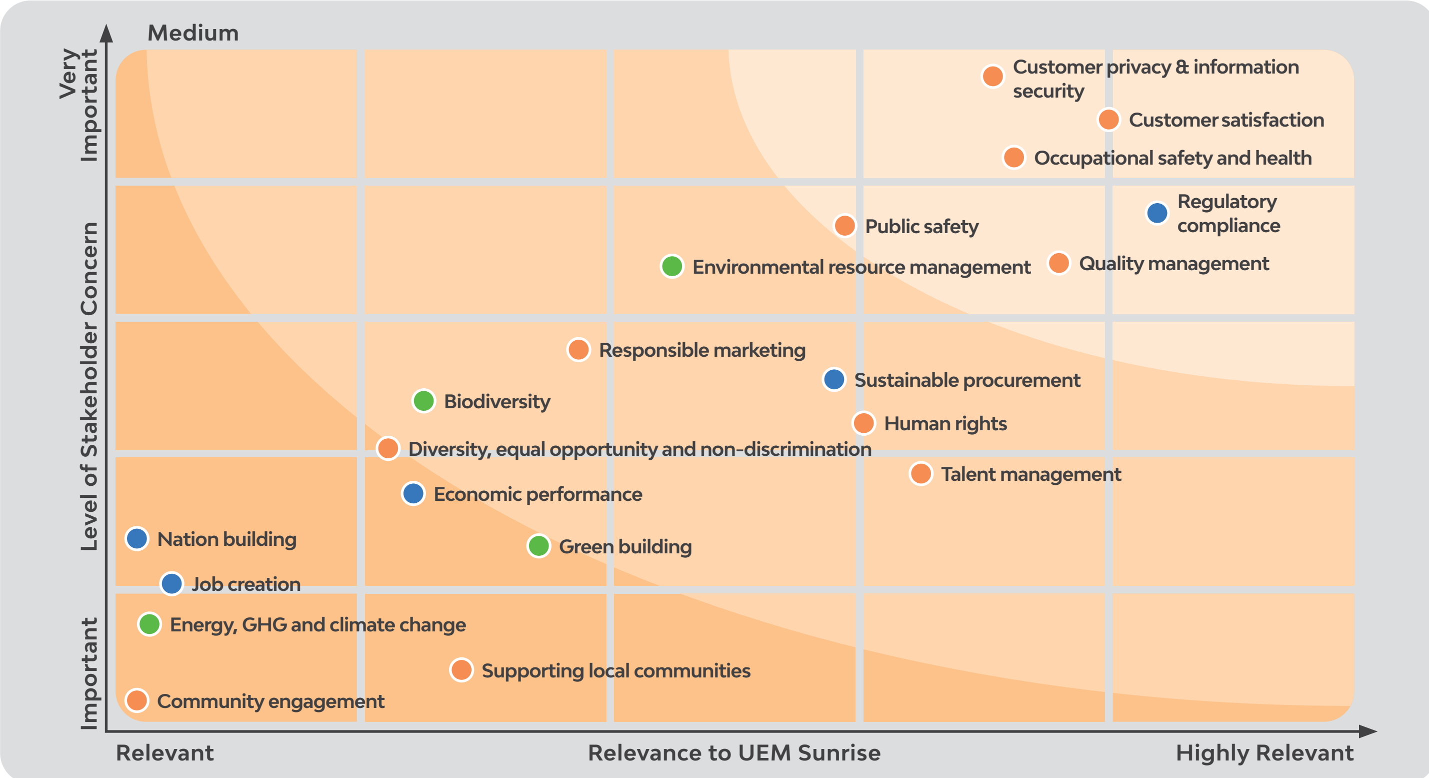
In 2019, UEM Sunrise conducted a detailed materiality assessment covering 20 material issues. We grouped nine stakeholder groups into seven distinct categories for the materiality survey. Using a weighted-ranking process, our assessment defines the future priorities and focus areas for UEM Sunrise.

UEM Sunrise's Materiality Process

Step 1: Identification	Step 2: Prioritisation	Step 3: Validation
Identified key issues and defined stakeholders for this consultation	Conducted online survey across 7 stakeholder groups over a duration of 2 weeks and collected 499 complete responses	Obtained Board of Directors input on the relevance of identified material issues

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

PRIORITISATION OF MATERIAL ISSUES



Legend: Economic Environment Social

Most material issues:

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

MOST IMPORTANT ISSUES TO SELECTED STAKEHOLDERS

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

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

UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

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

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

Material Issues	Relevant UN SDGs	Our Actions	Example
Customer Privacy and Information Security	12, 16	Continue our commitment to stringent data protection practices which respect customers' privacy and safeguard their data, to maintain customer trust	Fully adhere to the Personal Data Protection Act 2010 (PDPA). We issue a PDPA notice to all customers to obtain consent before using their data for commercial transactions. This notice informs customers of how data is collected, stored and handled in accordance with the PDPA and other Malaysian regulations.
Customer Satisfaction	12	Deliver products that meet or exceed customer expectations to enhance customer satisfaction	Projects are assessed using the QLASSIC quality management standard to ensure on-site workmanship meets the company's expectations. Our recently completed projects were rated with a commendable QLASSIC score of between 72 to 84.
Occupational Safety and Health	3, 4	Nurture a preventive workplace culture and encourages involvement in OSH activities to efficiently manage safety risks	Officially launched our HSE Excellence Campaign, which was attended by 161 people: 97 employees, 17 consultants and 47 contractors. Other HSE initiatives include training on health and safety standards.
Regulatory Compliance	4, 12, 16, 17	Improve compliance awareness and training throughout the organisation	As part of initiatives to combat the COVID-19 pandemic, Mandatory COVID-19 induction is done at the site to provide education and training on risk factors, preventive measures and work SOPs.
Quality Management	11	Continue to be guided by rigorous internal audit processes and various internationally-recognised management systems, represented by the ISO and OHSAS standards	We refer to international standards such as ISO 9001:20151, OHSAS 18001:2007, ISO 14001:20155, MS 1722:2011 and ISO/IEC 20000-1:2011. An IMS ISO audit was conducted on August 2020 with no major non-conformance found.

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

Material Issues	Relevant UN SDGs	Our Actions	Example
Public Safety	11, 12, 16	Continue to take all precautionary measures to ensure the safety and security of all tenants, residents, community and patrons visiting the premises	Development of the Security Department Enhancement Programme (SD 2025), a five-year transformation plan of the Auxiliary Police Unit (APU) and Security Services Unit (SSU).
Environmental Resource Management	9, 13	Manage the interaction and impact our activities have on the environment by conserving natural resources and maintaining balanced ecosystems	We display notices around our offices, pantries, toilets and prayer rooms, reminding staff to use water prudently and to ensure sustainable business operations at our offices. We also adjusted the air conditioner timer at our Johor office, Imperia from 7.30am-6.30pm to 8.00am-6.00pm to reduce our electricity usage.
Sustainable Procurement	12	Ensure the sustainability of products, materials sustainability and supplier practices	Our usual procurement practice is to source locally. New and existing vendors are screened according to social and environmental criteria, with additional points awarded to vendors with environmental accreditation such as ISO 14001.
Human Rights	10, 16	Support the Universal Declaration of Human Rights and share this responsibility to respect human rights within our operations and through business relationships	Vendors are required to sign a Directors' Circular Resolution complying with the UEM Sunrise Code of Conduct for Business Partners which among others includes abiding by laws enacted in Malaysia.
Talent Management	4, 8	Implement a consistent talent management strategy throughout the employee life cycle, from recruitment to hiring, retention and development of employees	Launched many initiatives that enliven our employee value proposition including digital learning (LinkedIn); upgrading essential workforce skills via Agile and Design Thinking training, and Coaching & Mentoring via programmes such as Executive Education and the UEM - Nottingham Programme.

UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

Material Issues	Relevant UN SDGs	Our Actions	Example
Responsible Marketing	12	Provide balanced, informative and transparent information that help customers make informed decisions	In November 2020, we launched our new revamped website for customers. They can now select multiple properties and view them side by side to compare and make the right choice that best fits their needs. With the embedded loan calculator, customers can also get an estimation of their loan premium.
Biodiversity	15, 16	Sustainable development while preserving the natural habitat and natural resources of the surrounding area	In our newly launched integrated mixed development, Kiara Bay, we leverage on the natural landscape of the adjacent Kepong Metropolitan Park to promote green outdoor spaces. Green public spaces are also set aside in our townships, as exemplified in our 343-acre SIREH Park that we seed-funded and developed in Iskandar Puteri.
Diversity, equal opportunity and non-discrimination	5, 10	Commit to workforce diversity to drive innovative and sustainable business	Female Board representation increased from 36% as of 31 December 2019 to 40% on 31 December 2020. Currently, one Non-Independent Non-Executive Director and three Independent Non-Executive Directors are female. We created an internal Tabung Penyayang Titans where employees can contribute funds to help other employees who are badly affected by the COVID-19 pandemic.
Economic performance	8	Deliver sustainable economic growth by implementing strategic initiatives that generate long-term value	We acquired land in Taman Pertama Cheras, KL on 28 August 2020 that is earmarked for affordable and low-cost housing project developments. We entered into definitive agreements with AME for the sale of 72 freehold industrial plots in SiLC Phase 3 that will create job opportunities and employment in Iskandar Puteri, Iskandar Malaysia, Johor and support the local community.

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

LISTENING TO OUR STAKEHOLDERS

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

IDENTIFYING	MAPPING	ENGAGING
Distinguished stakeholders who have a direct interest in our business operations	Associate stakeholders with their respective needs and expectations	Institute identified engagement initiatives to ensure stakeholders' needs are successfully achieved

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

STAKEHOLDER GROUPS	HOW WE IMPACT EACH OTHER	THEIR EXPECTATIONS	HOW WE ENGAGE AND RESPOND
Customers	The viability and sustainability of our business are a direct result of delivering strong customer satisfaction through unique and sustainable value propositions. In creating and delivering products, services and initiatives, we adopt our E.V.E approach — Exciting, brings Value and Easy to own — to allow our customers to find happiness through our brand, and in return drive our revenue and business performance.	• Superior customer experience throughout the home-ownership journey • A sophisticated developer that fulfils customers' needs • A developer that continuously engages with its customers and communities	• Identify potential customers through property exhibitions, property events and advertisements • Customer and community engagement through Trésor Loyalty Programme and Fun Zone Community Centre • Customer interaction through One Stop Centres, Customer Contact Centre and social media platforms • Annual Customer Satisfaction and Net Promoter Score (NPS) surveys • Focus Group Discussions (FGD) with identified customers • A series of mobile apps that provide a more digitalised and customer-centric experience for customers and the public • Newly-revamped, user-friendly website with enhanced functionalities: customers can now select multiple properties and view them side-by-side. Recently introduced features include live chat and a loan calculator.

STAKEHOLDER GROUPS	HOW WE IMPACT EACH OTHER	THEIR EXPECTATIONS	HOW WE ENGAGE AND RESPOND
Community	Building trust with our local communities and NGOs essentially gives us the social licence to operate. As our activities may negatively impact the environment, we must ensure we do all we can to mitigate this.	• Responsible marketing • Waste management • Energy management • Community care and charitable involvement • Corporate citizenship and good governance	• Various placemaking and civic engagement initiatives • Corporate social responsibility (CSR) initiatives across education enhancement, community engagement and environmental conservation
Employees	Providing our employees with a safe and conducive working environment, with a strong respect for ethics and a high-performance culture will help drive our business. Employees who are engaged and motivated will be more productive, resulting in a win-win outcome, as the Group benefits from better performance and our employees find fulfilment and develop their careers. We strive to instil our CHIEF brand values in everything we do, by being Caring, Honest, Involved, Enthusiastic and Fun-loving.	• Sense of pride and ownership to the company • Transparent communication from the senior leadership team • Career development and promotion opportunities • Fair and competitive benefits and remuneration packages	• Internal newsletters, quarterly townhall sessions and employees portal • Competitive benefits and remuneration packages • Implementation of flexible working hours and casual dress code • Corporate subscription to e-learning platforms • Organise team building, sports and recreation activities

LISTENING TO OUR STAKEHOLDERS

STAKEHOLDER GROUPS	HOW WE IMPACT EACH OTHER	THEIR EXPECTATIONS	HOW WE ENGAGE AND RESPOND
Investment-related (including analysts, shareholders, investors and fund providers)	Maintaining the trust and confidence of providers of financial capital is a key factor in supporting business growth, as it will lead to a rise in the value of our business, reflected through the Group's performance as a whole. In return, our sustained focus on enabling strong value creation outcomes from each project will yield good returns to investors.	• An experienced and solid senior leadership team • Healthy profit and social impact depending on business verticals • Value appreciation of the shares • Consistent dividend pay-out	• AGM • Bursa announcements and press releases • Working with industry associations and key partners (end-financiers, data aggregators and contractors/suppliers) in developing and advocating policies/incentives to support sectoral and economic growth • Engagement through analyst briefings, meetings and conferences • In 2020, 19 engagements were conducted with the investment community mainly via virtual platforms comprising meetings, webinars, conferences and teleconferences during the COVID-19 pandemic • During the year, our key engagements were with the Finance Minister, Menteri Besar Johor, Ketua Setiausaha Kementerian Perumahan dan Kerajaan Tempatan. At regional levels, we interact regularly with state government and local authorities including mayors of Dewan Bandaraya Kuala Lumpur (DBKL) and Majlis Bandaraya Iskandar. • The 12th AGM was held virtually on 9 July 2020
Contractors & Suppliers	Ensuring a strong partnership and collaboration approach with our contractors and suppliers that upholds the principles of integrity will help us maintain a transparent and cost-effective procurement process. Together with good safety practices that protect workers, this will lead to more sustainable outcomes and higher-quality products.	• Professional and transparent procurement processes • Competent management of vendors and timely payment of fees • Safe and conducive working environments	• Mandate a Letter of Declaration by all vendors committing them to adherence to UEM Sunrise's Code of Business Conduct • UEM Sunrise procurement policy, which is downloadable from the corporate website • Mandate all suppliers, contractors and sub-contractors to provide details of their approach in keeping with the company's Standard Operating Procedures on QASHE
Strategic Partners	Collaboration with strategic partners enables us to make quick entries into areas that would have taken longer to break into. In return, our partners can benefit from working with our large and exciting portfolio.	• Fair investment opportunities in all UEM Sunrise business verticals • High return on investment throughout the partnership period	• Proactive prospecting of business partners for existing and pipeline projects • Active sales and marketing initiatives

STAKEHOLDER GROUPS	HOW WE IMPACT EACH OTHER	THEIR EXPECTATIONS	HOW WE ENGAGE AND RESPOND
Government/ Regulatory Authorities	Conforming to laws and regulations while abiding by best practices will help strengthen our reputation as a responsible property developer. This in turn allows us to support Government agendas that concern stimulating economic growth, contributing to nation-building, providing housing and creating job opportunities.	• Comply with relevant laws and regulations • Contribute to industry best practices and the development of new policies and regulations • Support government initiatives	• Ensure full compliance in economic, environmental and social areas regardless of the sector of business operations • Active engagements with relevant ministries, regulators and authorities
Media	The media is an important partner that can help to strengthen our reputation and credibility. We will continue to provide the media with access to timely, reliable and accurate information about our operations.	• Thought leadership on the property market and industry	• Consistent engagement through press releases, networking sessions, press conferences and interviews
Industry Peers	Collaboration with industry peers in terms of knowledge sharing and through association meetings and industry conferences will help to promote sustainable growth of the property industry.	• Improve ease of doing business within the property industry • Share industry best practices and developments • Promote nation-building and sustainable growth in the property industry	• Contribute to influencing the overall industry policy • Participate in industry-wide organisations and conferences • Support government initiatives in industry developments

OUR VALUE CREATION MODEL

OUR SIX CAPITALS → INPUTS

F Financial Capital

The pool of funds available to UEM Sunrise, which we deploy to fund our business operations and add value to the other Capitals

M Manufactured Capital

Our investments, including UEM Sunrise assets and infrastructure, to drive business growth and add value to Financial Capital

H Human Capital

The skills and experience of our employees, enabling UEM Sunrise to deliver strategic initiatives, products and services to create value for stakeholders

I Intellectual Capital

The organisational and knowledge-based intangibles that improve efficiency and effectiveness in UEM Sunrise's business operations

N Natural Capital

All renewable and non-renewable environmental resources and processes that support the viability of the business

SR Social & Relationship Capital

Intangibles, such as shared values and commitments, encompassing the relationships and partnerships with our stakeholders

VISION

Building communities of the future with you and for you

A balanced Real Estate company with sustainability attractive returns

F

Total Assets **RM13.5 billion**

Debt Capital **RM3.3 billion of SUKUK** **RM1.2 billion drawn down**

Shareholder Equity **RM6.9 billion**

Cash balance including short term investment **RM1.3 billion**

Net Gearing Ratio **0.40 times**

M

Remaining Landbank **11,071 acres** (RM107.5 billion GDV)

Ongoing Developments **26**

Retail Space **1.14 million sq.ft.** across **11 assets** in Central and Southern regions

H

Number of employees **1,151**

Investment in training and development **~RM260k**

Employee engagement index/score **70%**

I

Digital team overseeing initiatives that optimise technology to improve convenience for customers and create new revenue streams

Product Design & Development team to ensure products are innovative, value creating and address customer demands

Battlefield teams consist of cross-functional team members within the organisation to work on business issues by providing insights and recommendations to deliver business results

Corporate Policy including Integrity & Anti-Corruption Plan (IACP), Code of Conduct (CoC) and Code of Conduct for Business Partners (CoC BP)

N

Electricity Usage **647,894kWh**

Fuel Usage **79,210.48 litres**

Water Usage **5,604m³**

SR

Total investment for Community engagement, CSR & Community event **~RM600k**

Ranked 6th in The Edge Top Property Developers Awards 2020

Silver recipient of Putra Brand Award (Property Development Category)

2020 INITIATIVES → OUTCOMES

DIFFERENTIATOR
'Digital innovation in everything we do'
Digital solutions from design to development, sustainability, marketing, sales, after-sales, and community building

Areas formed
- Go-Digital
- Best-in-class Ops
- People DNA
- New Business

ENABLERS
- Strengthen talent
- Cost & cash discipline

Entered into definitive agreements with AME for the sale of
72 FREEHOLD industrial plots in SiLC Phase 3

ISSUED RM1,205 million SUKUK in FY2020 under IMTN/ICP Programmes

Mandate a Letter of Declaration by all vendors committing to adhere to **UEM SUNRISE'S CODE OF BUSINESS CONDUCT**

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

Land acquisition in Taman Pertama, Cheras Kuala Lumpur for a project estimated at a total GDV of RM1.1 billion in August 2020 for RM170 million, targeted for mid-market and affordable residences in the development

Land acquisition in Section 13, Petaling Jaya on 8 March 2021 for **RM200 million** for a project estimated at a total GDV of RM1.3 billion for mixed commercial developments featuring serviced apartments and affordable residences

Launch of Residensi Allevia in Mont'Kiara in November 2020 with GDV of **RM546 million** priced starting from RM1.5 million with built up from 1,703 sqft to 2,634 sqft to cater to niche market which are still interested in premium living, big spacious condominium units in the Mont'Kiara area

Internal newsletters, quarterly townhall sessions and Titans' portal

Offer competitive benefits and remuneration packages

Implementation of flexible working hours and dress code

INTEGRATED DEVELOPMENT IN KIARA BAY ON A 72.7-ACRE LAND WITH ESTIMATED TOTAL GDV OF RM17.4 BILLION in Kuala Lumpur, next to the Kepong Metropolitan Park is to provide quality living for future residents of Kiara Bay and those living in the Kepong area as UEM Sunrise plans to have educational and medical institutions, malls and commercials and utilise adjacent lake and park to create conducive living

Free subscription to e-learning platforms.
~6000 training hours for all employees

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

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

OUTCOMES

Financially sound given the low net gearing of 0.40 times with cash balances including short term investment of **RM1.3 billion** as at the end of FY2020

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

RM1.1 billion sales achieved in 2020 whereby 61% sales were contributed from Southern region will instil investors' confidence to invest/buy properties in Johor which in turn will generate potential economic activities in Johor

More project launches attract employment opportunities, job creation, maintaining/extending supply chain networks which overall increase economic conditions for the whole community

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

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

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

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

Providing transparent and fair procurement processes that support local suppliers and encourage good environmental and social performance throughout the supply chain

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

OUR RISKS LINKED TO STRATEGY

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

Risk

INDUSTRY & MARKET

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

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

FINANCIAL

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

OPERATION

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

COMPLIANCE & PEOPLE

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

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

UEM SUNRISE PRINCIPAL RISKS

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

Risk Mitigation

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

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

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

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

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

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

BOARD OF DIRECTORS

EXPERIENCED, EFFECTIVE AND ENERGETIC LEADERSHIP

OUR LEADERSHIP

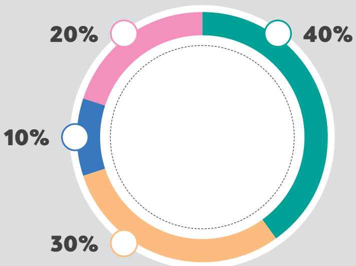
10 Directors

1 Senior Independent Non-Executive Director

5 Independent Non-Executive Director

4 Non-Independent Non-Executive Director

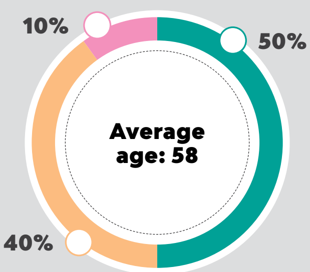
TENURE ON BOARD



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

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

AGE GROUP



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

Dato' Noorazman Abd Aziz
Non-Independent Non-Executive Chairman

Tan Sri Dr Azmil Khalili Dato' Khalid
Senior Independent Non-Executive Director

Ungku Suseelawati Ungku Omar
Independent Non-Executive Director

Datin Teh Ija Mohd Jalil
Independent Non-Executive Director

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

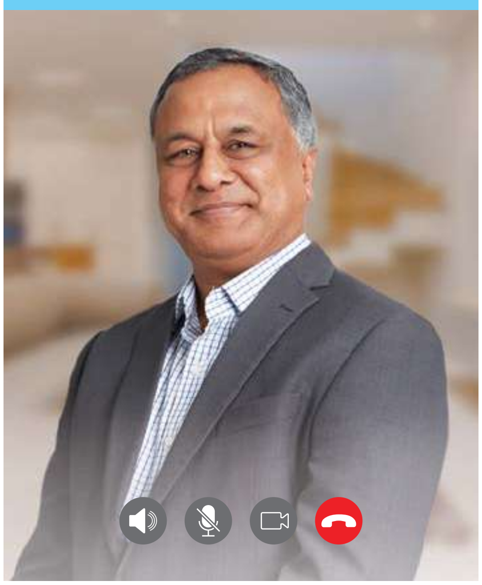
Dato' Mohd Izani Ghani
Non-Independent Non-Executive Director

Zaida Khalida Shaari
Non-Independent Non-Executive Director

Effizal Faiz Zulkifly
Non-Independent Non-Executive Director

Christina Foo
Independent Non-Executive Director

Chari T.V. Thirumala
Independent Non-Executive Director



Poh Ying Loo
Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILE

Dato' Noorazman Abd Aziz

Non-Independent Non-Executive Chairman

65 Age | **M** Gender | **MY** Nationality

Date of Appointment

1 October 2018
Non-Independent Non-Executive Director

13 August 2020
Non-Independent Non-Executive Chairman

No. of Board Meetings attended in the financial year

24/24

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

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

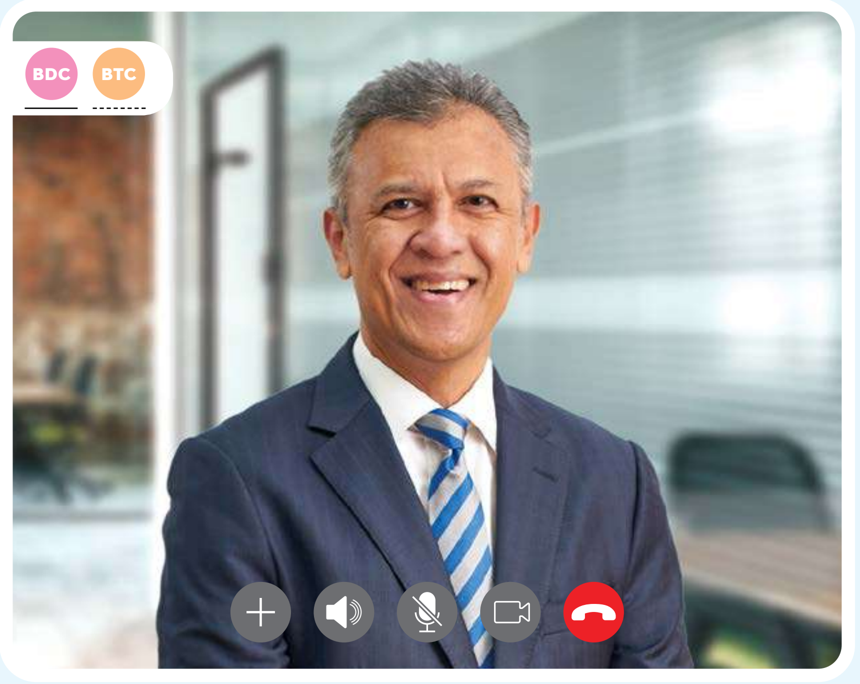
DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

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

Committee Key

- NRC — Nominations & Remuneration Committee
- BDC — Board Development Committee
- AC — Audit Committee
- BGRC — Board Governance & Risk Committee
- BTC — Board Tender Committee

——— Chairman
-------- Member



Tan Sri Dr Azmil Khalili Dato' Khalid

Senior Independent Non-Executive Director

60 Age | M Gender | MY Nationality

Date of Appointment

13 December 2017
Independent Non-Executive Director

14 October 2020
Senior Independent Non-Executive Director

No. of Board Meetings attended in the financial year

23/24

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- UEM Edgenta Berhad
- Reach Energy Berhad

M Male
F Female
MY Malaysian
IND Indian national

Notes

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

BOARD OF DIRECTORS' PROFILE

Dato' Mohd Izani Ghani

Non-Independent
Non-Executive Director

53 Age | M Gender | MY Nationality

Date of Appointment
1 June 2019

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

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

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

Committee Key

NRC Nominations & Remuneration Committee
BDC Board Development Committee
AC Audit Committee
BGRC Board Governance & Risk Committee
BTC Board Tender Committee

—— Chairman
-------- Member

Zaida Khalida Shaari

Non-Independent
Non-Executive Director

53 Age | **F** Gender | **MY** Nationality

Date of Appointment
8 April 2016

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

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- Cement Industries of Malaysia Berhad
- MNRB Holdings Berhad

M Male
F Female
MY Malaysian
IND Indian national

Notes

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

BOARD OF DIRECTORS' PROFILE

Effizal Faiz Zulkifly

Non-Independent Non-Executive Director

41 Age

M Gender

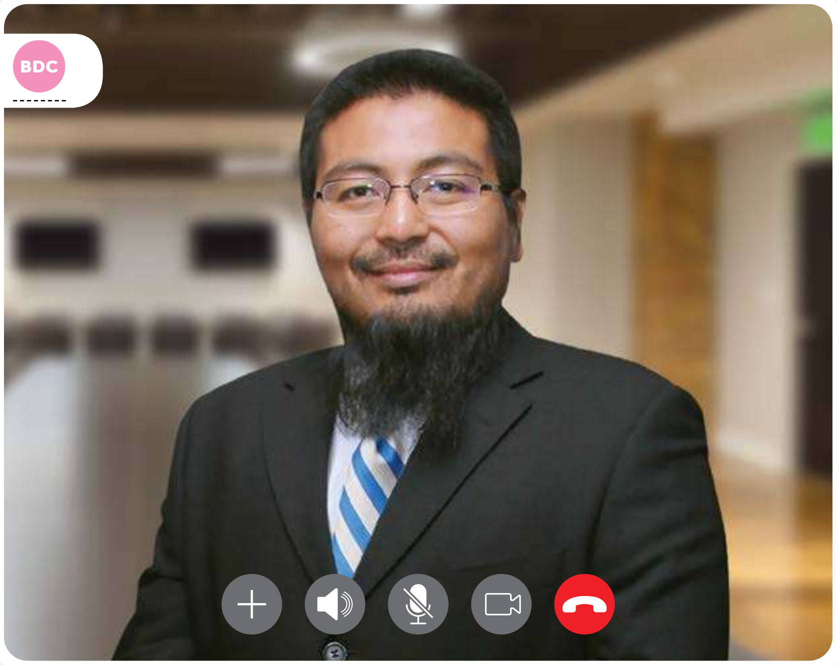
MY Nationality

Date of Appointment

24 February 2020

No. of Board Meetings attended in the financial year

20/20



ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

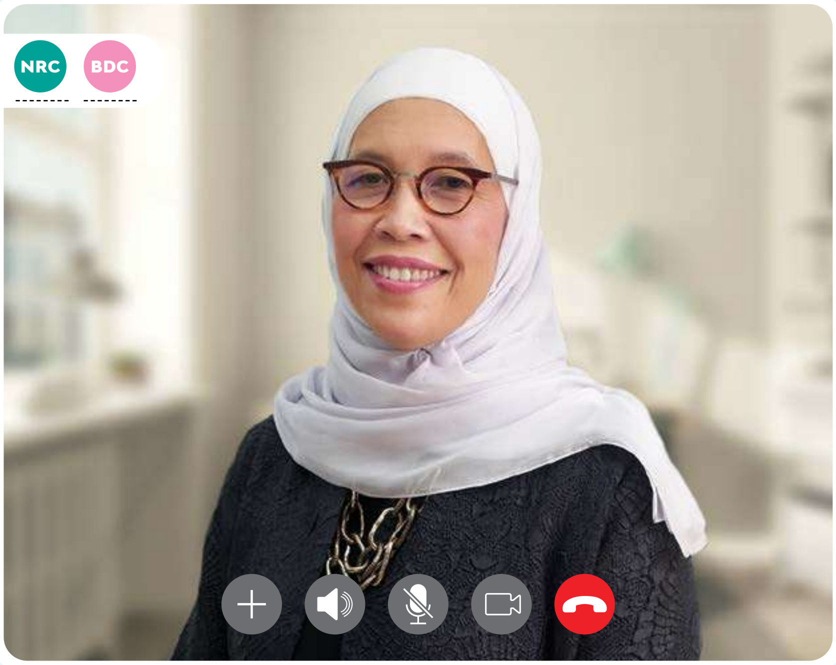
- He is currently Director of Investments at Khazanah Nasional Berhad (Khazanah), the strategic investment fund for the Government of Malaysia, overseeing assets within the SEA Private Equity space.
- He joined Khazanah in 2007, covering the infrastructure and property sector with a specific focus on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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- Biotropics Malaysia Berhad
- Blue Archipelago Berhad

Committee Key

NRC	Nominations & Remuneration Committee
BDC	Board Development Committee
AC	Audit Committee
BGRC	Board Governance & Risk Committee
BTC	Board Tender Committee
——	Chairman
--------	Member



Ungku Suseelawati Ungku Omar

Independent Non-Executive Director

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

Date of Appointment
19 March 2013

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

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- NIL

M Male
F Female
MY Malaysian
IND Indian national

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

BOARD OF DIRECTORS' PROFILE

Datin Teh Ija Mohd Jalil

Independent
Non-Executive Director

68 Age | **F** Gender | **MY** Nationality

Date of Appointment
1 March 2018

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

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

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

Committee Key

NRC Nominations & Remuneration Committee
BDC Board Development Committee
AC Audit Committee
BGRC Board Governance & Risk Committee
BTC Board Tender Committee

—— Chairman
-------- Member

Christina Foo

Independent Non-Executive Director

59 Age | **F** Gender | **MY** Nationality

Date of Appointment
23 November 2018

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

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- KPJ Healthcare Berhad

M Male | MY Malaysian
F Female | IND Indian national

Notes

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

BOARD OF DIRECTORS' PROFILE

Chari T.V. Thirumala

Independent Non-Executive Director

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

Date of Appointment
5 November 2020

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

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- NIL

Committee Key

- **NRC** Nominations & Remuneration Committee
- **BDC** Board Development Committee
- **AC** Audit Committee
- **BGRC** Board Governance & Risk Committee
- **BTC** Board Tender Committee

——— Chairman
-------- Member

Poh Ying Loo

Independent Non-Executive Director

59 Age | M Gender | MY Nationality

Date of Appointment
5 November 2020

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

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP

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

SKILLS AND EXPERIENCE

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS

- NIL

M Male
F Female
MY Malaysian
IND Indian national

Notes

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

JOINT SECRETARIES

LIEW IRENE
Joint Company Secretary

WONG LEE LOO
Joint Company Secretary

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

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

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

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

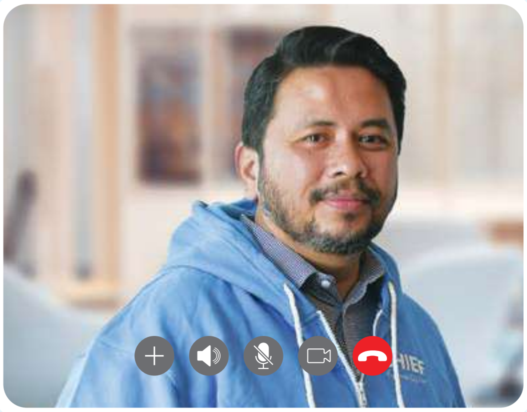
SENIOR MANAGEMENT TEAM'S PROFILE

SUFIAN ABDULLAH
Chief Executive Officer

46
Age

M
Gender

MY
Nationality



Date of Appointment **2 February 2021**

ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP
- Bachelor of Architecture (Hons), Canterbury School of Architecture, Canterbury, Kent, UK
- Bachelor of Arts (Hons), Canterbury School of Architecture, Canterbury, Kent, UK.

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

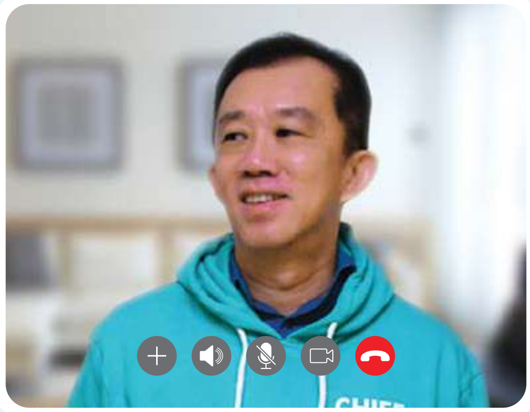
DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS
NIL

SIEW CHEE SENG
Chief Financial Officer

56
Age

M
Gender

MY
Nationality



Date of Appointment **16 March 2020**

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

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS
- ONE15 Marina Development Berhad

SENIOR MANAGEMENT TEAM'S PROFILE

LIONG KOK KIT
Chief Operations Officer, Central

44 Age
M Gender
MY Nationality

Date of Appointment **1 March 2020**

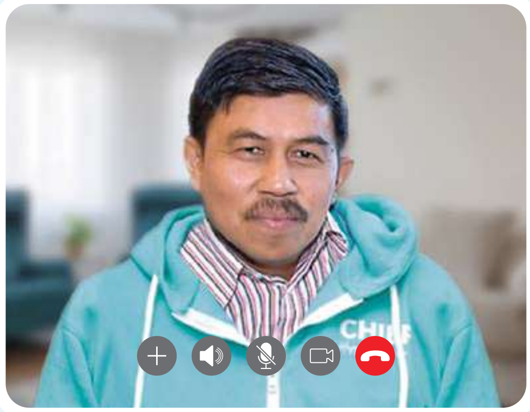
ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP
- Bachelor's Degree in Building Surveying from University of Malaya

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS
- Sunrise Berhad

ZAMRI YUSOF
Chief Operations Officer, Southern

51 Age
M Gender
MY Nationality



Date of Appointment **1 March 2020**

ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP
- Bachelor of Civil Engineering from Universiti Teknologi Mara (UiTM)

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS
- UEM Land Berhad
- Horizon Hills Resort Berhad

ZULFA ASHIDA ZULKIFLI
Chief People Officer

51 Age

F Gender

MY Nationality

Date of Appointment **1 March 2018**

KENNY WONG KOON KENG
Chief Marketing Officer

58 Age

M Gender

MY Nationality

Date of Appointment **2 July 2018**

ANUAR KASIM
Chief Officer, Performance Delivery

53 Age

M Gender

MY Nationality

Date of Appointment **29 June 2020**

ZULFA ASHIDA ZULKIFLI

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

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS
NIL

KENNY WONG KOON KENG

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

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS
- UEM Land Berhad
- Sunrise Berhad

ANUAR KASIM

ACADEMIC/PROFESSIONAL QUALIFICATION/ MEMBERSHIP
- Bachelor of Science in Chemical Engineering and several post-graduate certifications.

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

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS
- Sunrise Berhad
- UEM Land Berhad
- Horizon Hills Resort Berhad

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUPPORTING VALUE CREATION THROUGH GOOD GOVERNANCE

OVERVIEW

UEM SUNRISE
Corporate Governance

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

More >

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

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

COMPLIANCE WITH THE CODE

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

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

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

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

Core Principles

Principle A

BOARD LEADERSHIP AND EFFECTIVENESS
Continued focus on strategy and its execution and a strong, open and effective Board.

Refer to page 87

Principle B

EFFECTIVE AUDIT AND RISK MANAGEMENT
Close scrutiny of risks and controls.

Refer to page 97

Principle C

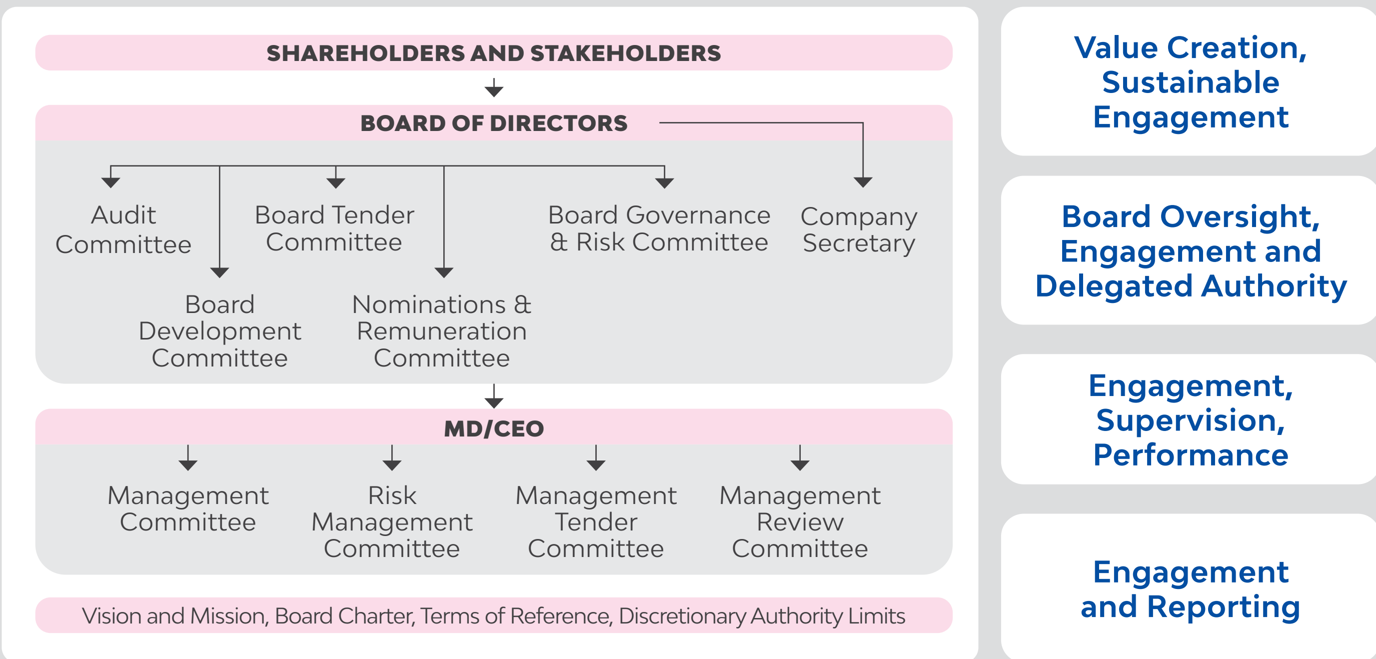
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS
Close engagement with stakeholders

Refer to page 98

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

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

CORPORATE GOVERNANCE MODEL



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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

Sustainability Governance

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

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

SUSTAINABILITY GOVERNANCE STRUCTURE

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

BOARD CHARTER AND TERMS OF REFERENCE

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

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

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

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

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

DISCRETIONARY AUTHORITY LIMITS

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

BOARD RESPONSIBILITIES

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

- Review and adopt strategic and annual plans and directions for the Group.
- Review the financial statements to give a true and fair view of the state of affairs of the Group.
- Oversee the conduct of the Group's business to evaluate whether the business is being properly managed.
- Identify principal risks and ensuring the implementation of appropriate systems to manage these risks.
- Succession planning, including appointing, training, reviewing the compensation and retention or replacement of Board members, MD/CEO and Senior Management.
- Develop and implement an investor relations programme or shareholder communication policy for the Group.
- Review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- Formalise and review performance of key sustainability initiatives and recommending improvements, which include environmental, ethical, social and governance aspects of the business.
- Oversee the development and implementation of an anti-corruption compliance programme.

KEY ROLES ON THE BOARD

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

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

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

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

LEGEND:

AC	Audit Committee	BTC	Board Tender Committee	BGRC	Board Governance & Risk Committee
NRC	Nominations & Remuneration Committee	BDC	Board Development Committee	WBC	Whistleblowing Committee (Dissolved on 1 April 2021)

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

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

© Chairman
* Reflects the number of Meetings attended and held during his/her tenure of appointments
(1) relinquished as NRC member on 24.2.2020
(2) appointed as BDC and NRC member on 24.2.2020
(3) ceased as AC and NRC member on 9.7.2020
(4) appointed as BTC member on 9.7.2020
(5) appointed as AC and NRC member on 9.7.2020
(6) relinquished as BTC member on 9.7.2020
(7) relinquished as BDC and BGRC member on 31.8.2020
(8) ceased as AC Chair and BGRC and WBC member on 7.10.2020
(9) appointed as NRC member on 14.10.2020
(10) relinquished as NRC member on 14.10.2020
(11) relinquished as BTC, BDC and BGRC member on 19.10.2020
(12) appointed as AC member on 5.11.2020
(13) appointed as AC, BGRC and WBC member on 5.11.2020
(14) relinquished as AC member on 5.11.2020

CORPORATE GOVERNANCE OVERVIEW STATEMENT

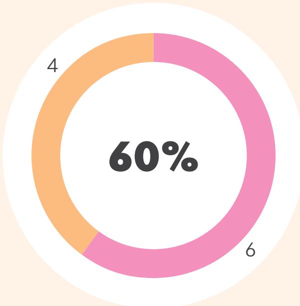
Principle A BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION

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

MCCG PRACTICE 4.1 – MAJORITY OF THE BOARD MUST BE INDEPENDENT DIRECTOR

AS AT 12 APRIL 2021

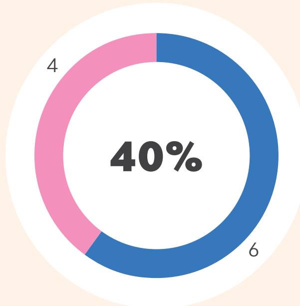


Independent

Non-Independent

MCCG PRACTICE 4.5 – 30% OF THE BOARD MUST BE WOMEN

AS AT 12 APRIL 2021



Male

Female

CODE OF CONDUCT

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

WHISTLEBLOWING POLICY

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

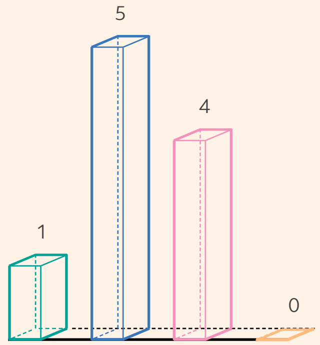
INDUCTION AND PROFESSIONAL TRAINING

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

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

AGE

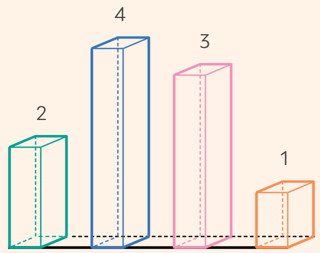
AS AT 12 APRIL 2021
AVERAGE AGE 58



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

TENURE ON BOARD

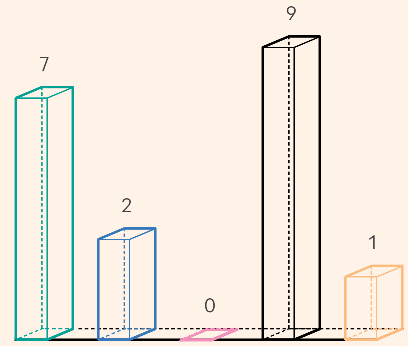
AS AT 12 APRIL 2021
NONE OF THE INDEPENDENT DIRECTORS ARE ABOVE 9 YEARS OF SERVICE



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

ETHNICITY/ NATIONALITY

AS AT 12 APRIL 2021



Malaysian Malay
Malaysian Indian
Foreigner
Malaysian Chinese
Total Malaysians

DIVERSITY

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

TENURE

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

NOMINATIONS & REMUNERATION COMMITTEE (NRC)

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

APPOINTMENTS

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

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

Step 1

Candidate identified

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

Step 2

Assessment and evaluation to be conducted by the NRC

Assessments are conducted based on the following criteria:

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

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

Step 3

Recommendation to be made by NRC to the Board

Step 4

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

YES

If the proposed appointment is approved:
Invitation or offer to be made to the proposed/ potential candidate to join the Board.

NO

If the proposed appointment is rejected:
The whole process to be re-commenced.

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

BOARD EFFECTIVENESS

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

REMUNERATION

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

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

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

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

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

<table>
<tr><th>NO.</th><th>FEES/BENEFITS</th><th>AMOUNT/DESCRIPTION</th></tr>
<tr><td>1</td><td>Directors' Fees</td><td>At the 12th AGM held on 9 July 2020, the Directors' fees as follows approved by the shareholders are payable on a quarterly basis:

<table>
<tr><th>Directors' Fees/person</th><th>Non-Executive Chairman Per Annum (RM)</th><th>Non-Executive Director/Member Per Annum (RM)</th></tr>
<tr><td>Board</td><td>210,000</td><td>108,000</td></tr>
<tr><td>Audit Committee</td><td>50,000</td><td>30,000</td></tr>
<tr><td>Other Board Committees</td><td>25,000</td><td>15,000</td></tr>
</table></td></tr>
<tr><td>2</td><td>Allowance</td><td>An allowance of RM1,000 per day will be paid to Directors for the following:

(i) Attending meetings with government representatives or third parties such as consultants, bankers and advisors on behalf of the Company; or
(ii) Visiting projects and/or reference sites to advise management and/or the Company.

For the financial year 2020, no allowance was paid in respect of meeting attendance with government representatives and/or site visit.</td></tr>
<tr><td>3</td><td>Meeting Allowance</td><td>Meeting allowance for ad-hoc or temporary Board Committees established for specific purposes:

(i) Chairman of committee – RM2,000 per meeting
(ii) Member of committee – RM1,000 per meeting

For the financial year 2020, no ad-hoc or temporary Board Committee meeting was held.</td></tr>
</table>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

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

NO.	FEES/BENEFITS	AMOUNT/DESCRIPTION
4	**Chairman's Benefits**	The benefits payable and accorded to the Non-Executive Chairman comprised the following, as approved at the 12th AGM held on 9 July 2020: (i) Car Allowance - RM3,400 per month (ii) Car-related benefits including maintenance, fuel and other permissible items/claims - Up to RM32,100 per annum
5	**Property Discount (which is the same policy applied for employees)**	Discount for purchase of property as follows: (i) Up to 10% discount will be given once in 5 years for residential property; and (ii) For subsequent purchase of residential property within 5 years' period or any non-residential property purchase, up to 3% discount will be given. For the year 2020, one Director bought a property and is entitled to staff property discount.
6	**Medical Benefits for Directors**	The medical benefits for Directors are as follows: (i) Medical coverage of RM7,000 per annum, inclusive of outpatient, clinical, specialist and dental; and (ii) Hospitalisation of RM100,000 per annum including room and board at RM500 per day. Where a Director sits on several boards, he will only be entitled to claim medical benefits from one (1) company only.
7	**Training and Development of Directors**	A training budget is allocated for Directors to attend relevant training programmes and seminars to enhance their knowledge and skills in discharging their duties.
8	**Directors' & Officers' Liability Insurance**	Directors are covered by Directors' and Officers' Liability Insurance maintained throughout the financial year to indemnify directors and officers against any liability incurred by them in the discharge of their duties while holding office as directors and officers of the Company. All the Directors contributed their portion of the premium payment for this policy for year 2020.

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

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

Principle B EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

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

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

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

DIVIDEND POLICY ADOPTED ON 12 JUNE 2012

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

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

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

CONDUCT OF GENERAL MEETINGS

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

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

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

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

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

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

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

INVESTOR RELATIONS

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

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

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

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

INVESTOR RELATIONS ENGAGEMENTS & ACTIVITIES

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

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

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

Key Engagements	Date	Details
One-on-one, small, or large group meetings and property site visits.	Throughout FY2020	• 13 meetings were recorded in 2020 inclusive of a site visit to Kiara Bay in January. • Meetings were frequently requested by analysts and fund managers. The IR team hosted, arranged, and organised the meetings. • Meetings after April were mainly held virtually.
Quarterly financial results briefing.	• 24 February – 4th quarter 2019 and FY2019 results • 19 June – 1st quarter 2020 results • 24 August – 2nd quarter 2020 results • 24 November – 3rd quarter 2020 results	• Financial results briefings are held on a quarterly basis via closed tele-conferencing and/or face to face. • Briefings take place immediately after the quarterly financial results are released to Bursa Malaysia. • The MD/CEO leads the face-to-face briefings. • The CFO leads the tele-conferencing meetings together with the IR team with the support of the MD/CEO.
12th Annual General Meeting	9 July	• Annual General Meetings are the primary engagement platform for the Board of Directors and Company's shareholders. • MD/CEO takes the opportunity to conduct business presentations and actively engage with the shareholders during the Q&A sessions. • MD/CEO leverages on this event to convey the Company's key developments and performance updates plus the Company's short term and long term strategies to the shareholders. • Shareholders are given opportunities to raise questions and concerns in relation to the Company.
Investor Conference	11 June	Participated in a briefing by Dato' Soam Heng Choon, REHDA Malaysia's President hosted by Citi Research.

FY2020: Financial year ended 2020
FY2019: Financial year ended 2019

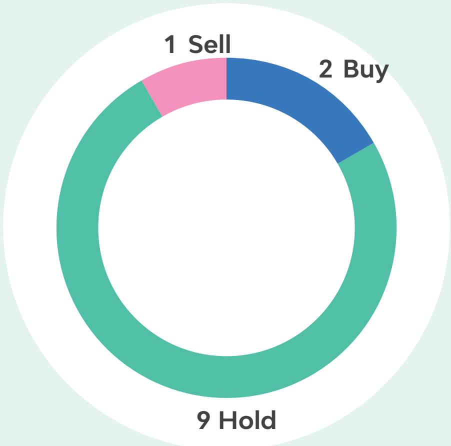
In view of the pandemic, the Company is inclined towards virtual engagements until the situation otherwise permits.

UEM SUNRISE'S COVERAGE

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

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

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



UEM SUNRISE IR PORTAL

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

uemsunrise.com/corporate/investor-relations/investors-home

ADDITIONAL COMPLIANCE INFORMATION

- IN ACCORDANCE WITH APPENDIX 9C OF THE LISTING REQUIREMENTS

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

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

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

MATERIAL CONTRACTS

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

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

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

AUDIT COMMITTEE REPORT

1. FORMATION

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

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

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

2. COMPOSITION

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

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

NAME	DESIGNATION	DIRECTORSHIP	QUALIFICATION
Christina Foo (Appointed as member of Audit Committee on 9 July 2020 and redesignated as Chairperson on 14 October 2020)	Chairperson	Independent Non-Executive Director	• Chartered Accountant of Malaysian Institute of Accountants (MIA) • Fellow, CPA Australia • Fellow, Malaysian Institute of Management • Fellow, Institute of Corporate Directors Malaysia (ICDM) • Member, ASEAN Chartered Professional Accountants • Member, Malaysian Institute of Corporate Governance • Bachelor of Business Studies (Accounting) from Deakin University, Australia
Chari T.V. Thirumala (Appointed on 5 November 2020)	Member	Independent Non-Executive Director	• Fellow, Chartered Institute of Management Accountants, UK • Member, Chartered Accountants of India • Master of Business Administration, Buffalo University, New York, USA • Post Graduate Diploma in Digital Business, Digital Transformation and Digital Marketing, Emeritus Institute of Management in collaboration with MIT and Columbia Business School
Poh Ying Loo (Appointed on 5 November 2020)	Member	Independent Non-Executive Director	• Fellow, Chartered Institute of Management Accountants • Fellow, ICDM • Member, Chartered Global Management Accountants • Member, MIA • Member, Institute of Enterprise Risk Practitioners

NAME	DESIGNATION	DIRECTORSHIP	QUALIFICATION
Subimal Sen Gupta (Ceased as Chairman following his resignation as director on 7 October 2020)	Chairman	Senior Independent Non-Executive Director	• Fellow, Institute of Chartered Accountants in England and Wales • Past President, Malaysian Institute of Certified Public Accountants (MICPA)
Lim Tian Huat (Ceased as member following his retirement at the conclusion of 12th Annual General Meeting on 9 July 2020)	Member	Independent Non-Executive Director	• Founding President, Insolvency Practitioners Association of Malaysia • Fellow, Association of Chartered Certified Accountants • Member, MIA • Member, MICPA • Bachelor of Economics (Honours)
Datin Teh Ija Mohd Jalil (Relinquished her membership on 5 November 2020)	Member	Independent Non-Executive Director	• Master of Business Administration, Southern New Hampshire University, USA • Bachelor of Arts (Honours), Universiti Malaya

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

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

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

3. MEETINGS

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

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

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

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

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

AUDIT COMMITTEE REPORT

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

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

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

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

Internal Audit

i. Reviewed and approved the annual risk-based internal audit plan to ensure adequate scope and comprehensive coverage of the activities of the Company and the Group.

ii. Reviewed and deliberated the internal audit reports on the adequacy, effectiveness and efficiency of operational, compliance and governance processes across the Company and its Group. Where appropriate, the Audit Committee advised Management to rectify and improve the control systems based on Internal Audit's recommendations and suggestions for improvements. The reports reviewed and deliberated during the year include planned and ad-hoc audits on:

- Business recovery measures and disaster recovery plan
- Debt management – Treasury
- Cyber security assessment
- Insurance management
- Assets and property management
- Human resources - review on compensation and benefits as well as medical benefits
- Customer experience management
- Project management
- Brand management
- Malaysian Anti-Corruption Commission (MACC) Corporate Liability Provision
- Annual quality assurance and improvement programme
- Recurrent related party transactions
- Whistleblower cases
- Follow-up on corrective actions

iii. Monitored the implementation of recommendations by Management on outstanding issues to ensure that all key risks and control weaknesses are adequately addressed as well as the timeliness of responses received and actions taken. Met with auditees on updates of selected key outstanding audit findings.

iv. Reviewed the performance, adequacy, scope, resources and competency of the Internal Auditors as well as the training needs of the Internal Audit function.

v. Approved the key performance indicators (KPI) and resource requirements of the Internal Audit function for 2021.

vi. Approved the 2019 KPI scorecard achievements of the Internal Audit function.

vii. Reviewed the Audit Reports issued and status of 2020 audit plan.

viii. Reviewed the adherence to the government's Standard Operating Procedures (SOP) post Movement Control Order, the effectiveness of business recovery strategies and measures that were put in place to ensure business sustainability and operational resilience.

External Audit

i. Reviewed with the External Auditors, the audit plan of the Company and of the Group for the year (inclusive of risk and audit approach, system evaluation, audit fees, issues raised and Management responses) prior to the commencement of the annual audit. The Audit Committee also reviewed and deliberated key audit matters and areas of emphasis highlighted by the External Auditors including Management's response/ actions taken.

ii. Met twice with the External Auditors on 20 March 2020 and 16 November 2020 without the presence of the MD/CEO and Management staff, to enquire the extent of assistance rendered by Management and issues and suggestions arising from audits.

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

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

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

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

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

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

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

Notes:

(a) *The non-audit services fees paid or payable to EY were for the quarterly review of the unaudited consolidated results and review on the joint ventures of UEM Sunrise.*

(b) *The non-audit services fees paid or payable to affiliates of EY were for the preparation, review and submission of tax returns and tax secondment.*

AUDIT COMMITTEE REPORT

Financial and Annual Reporting

i. Reviewed the quarterly and annual financial statements with Management and the External Auditors for recommendation to the Board for approval and release to Bursa Securities.

ii. Reviewed and recommended the Corporate Governance Overview Statement, Audit Committee Report and Statement on Internal Control and Risk Management for Annual Report 2019 of the Company and Corporate Governance Report in respect of Principle B of the MCCG to the Board for approval.

iii. Reviewed and with support of External Auditors, recommended the Solvency Statement in respect of redemption of Redeemable Convertible Preference Shares to the Board for approval.

Related Party Transactions

i. Reviewed related party transactions to be entered into by the Company and the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.

ii. Reviewed on a quarterly basis, the recurrent related party transactions of a revenue or trading nature entered into by the Group pursuant to applicable percentage stipulated under Paragraph 10.09(1), Chapter 10 of the Listing Requirements of Bursa Securities.

Internal Controls

i. Reviewed the representation by Senior Management on specific questions posed on:

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

Others

i. The Chairman of the Audit Committee had engaged on a continuous basis with the CFO, Head of Internal Audit and the External Auditors, in order to keep abreast of matters and issues affecting the Group.

ii. The Audit Committee had requested and received a written assurance from the MD/CEO and CFO that the risk management and internal control systems of the Company are generally adequate and effective in respect of the financial year ended 31 December 2019.

5. INTERNAL AUDIT FUNCTION

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

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

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

ii. It is the responsibility of Internal Audit to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating divisions within the Company and its Group, and the extent of compliance with established policies and procedures as well as relevant statutory requirements.

iii. The Audit Committee reviews on an ongoing basis the adequacy of the scope, functions, competency, proficiency and resources of the Internal Auditors as well as the quality of the audit reports and their monitoring progress.

iv. The Internal Audit adopts a risk-based approach in the preparation of the annual internal audit plan from the formulation of its three-year audit plan.

v. The Internal Audit highlighted to the Management and Audit Committee the audit findings including follow-up actions required to be taken by Management and arranged for the Audit Committee to meet the auditees and be briefed on progress of selected outstanding audit issues. The internal audit reports are sent to the Audit Committee and Management and deliberated at the Audit Committee meetings. During the financial year, the internal audit works covered operational, ad-hoc and special audits on the areas set out in the above section.

vi. Follow-up reviews are conducted subsequently to ascertain that improvement measures are implemented. In this respect, the Internal Audit strives to achieve sustainable control processes within the Group and to improve areas with weak controls.

vii. The Internal Audit reported to the Audit Committee on the internal audit findings and recommended action plans to close the gaps from the investigations carried out in respect of the whistleblower reports.

STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

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

BOARD'S RESPONSIBILITIES

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

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

Board Governance & Risk Committee (BGRC)

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

Audit Committee

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

STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

RISK MANAGEMENT

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

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

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

CONTROL STRUCTURE & MONITORING ACTIVITIES

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

Board Committees

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

AUDIT COMMITTEE	BOARD TENDER COMMITTEE	BOARD DEVELOPMENT COMMITTEE	NOMINATIONS & REMUNERATION COMMITTEE	BOARD GOVERNANCE & RISK COMMITTEE

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

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

Board Meetings

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

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

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

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

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

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

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

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

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

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

STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

Business Continuity Management

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

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

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

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

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

Joint Ventures and Associates

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

BOARD'S COMMITMENT

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

CONCLUSION

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

RISK MANAGEMENT REPORT

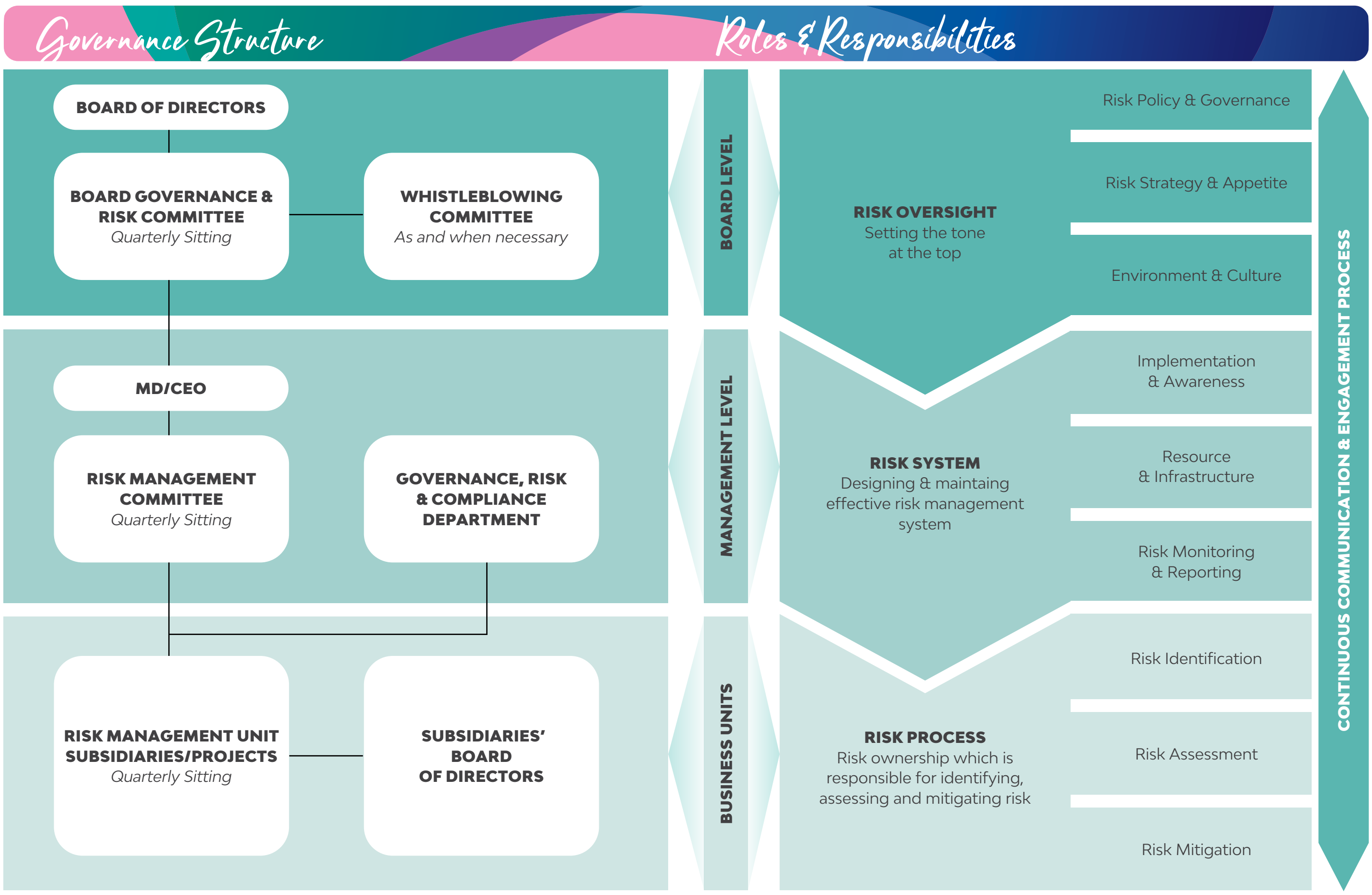
UEM Sunrise and its subsidiaries undertake various residential, commercial and mixed-use developments in the Southern and Central regions in Peninsula Malaysia, and has an international presence primarily in Australia and South Africa. The Group's business activities also extend to retail management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

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

RISK GOVERNANCE STRUCTURE AND RESPONSIBILITIES

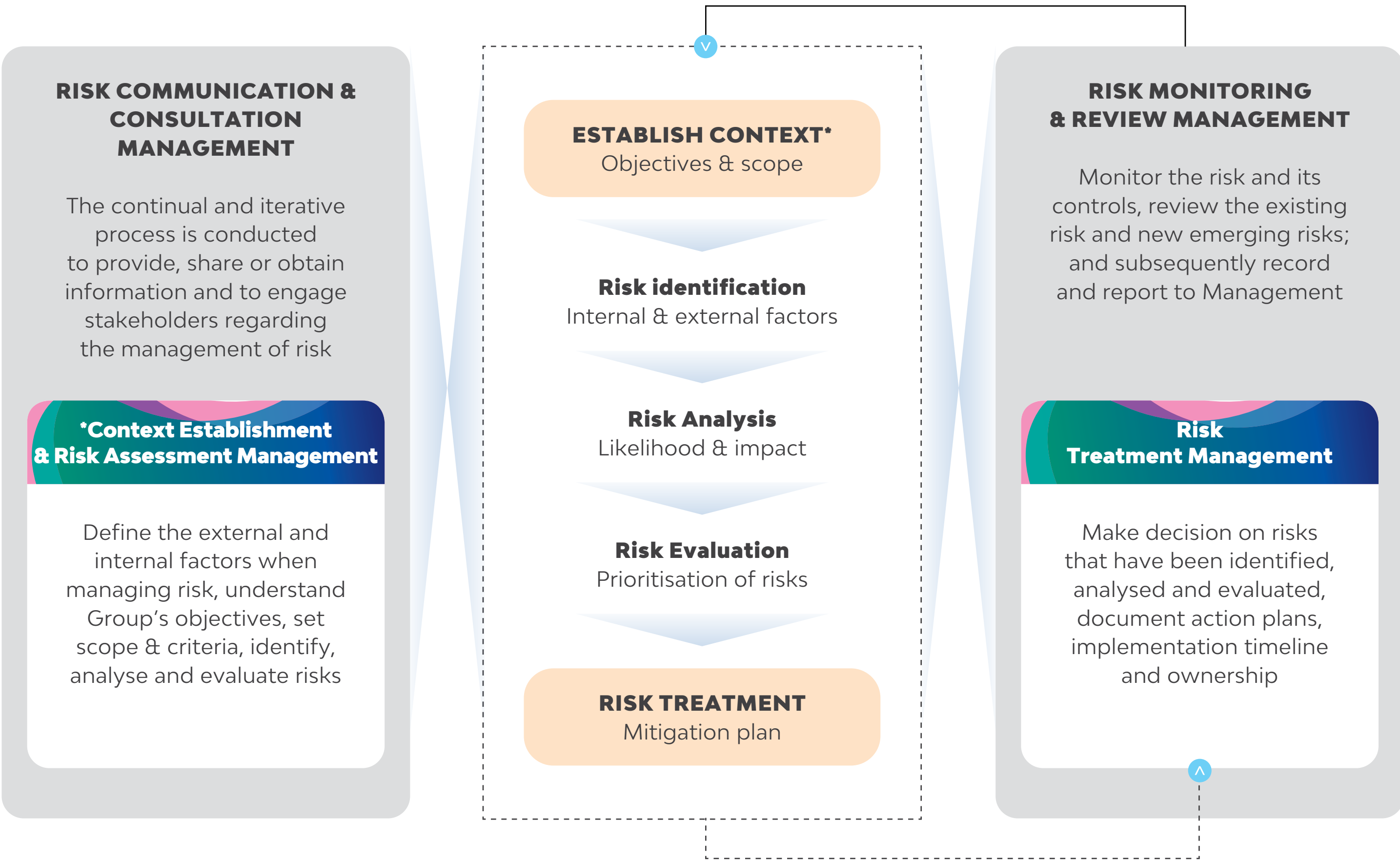
A strong governance structure is essential to ensure an effective and consistent implementation of the Framework. The Board of Directors (Board), assisted by the Board Governance & Risk Committee (BGRC), is ultimately responsible for the Group's risk management activities and sets the strategic directions,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

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



RISK MANAGEMENT PROCESS

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



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

CONCLUSION

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

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF FINANCIAL STATEMENTS

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

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

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

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

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. It also provides shared services for its subsidiaries.

The principal activities of the subsidiaries are property development, land trading, property investment, project procurement and management, hotel operations and investment holding.

There have been no significant changes in the nature of the principal activities during the financial year.

Other information relating to the subsidiaries is disclosed in Note 45 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
(Loss)/profit, net of tax	(276,716)	7,560
Attributable to:		
Owners of the parent	(277,284)	7,560
Non-controlling interests	568	-
	(276,716)	7,560

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than disclosed in Note 2.5(a) to the financial statements in respect of COVID-19 pandemic.

DIVIDEND

Since the end of the previous financial year, no dividend has been paid or declared by the Company.

The directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Noorazman Abd Aziz	
Tan Sri Dr Azmil Khalili Dato' Khalid **	
Dato' Mohd Izani Ghani	
Zaida Khalida Shaari **	
Effizal Faiz Zulkifly	(appointed on 24 February 2020)
YM Ungku Suseelawati Ungku Omar	
Datin Teh Ija Mohd Jalil	
Christina Foo	
Chari Thandalam Veeravalli Thirumala	(appointed on 5 November 2020)
Poh Ying Loo	(appointed on 5 November 2020)
Tan Sri Dato' Sri Zamzamzairani Mohd Isa	(retired on 9 July 2020)
Lim Tian Huat	(retired on 9 July 2020)
Subimal Sen Gupta	(resigned on 7 October 2020)
Anwar Syahrin Abdul Ajib **	(resigned on 30 October 2020)

** Also directors of certain subsidiaries of the Company.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Kutbuddin Asgar Ali	
Liong Kok Kit	
Mohamad Faizal Mohamad	
Ong Chee Wei	
Paul Sandanasamy Richard	
Saw Seong Keat	
Wong Koon Keng	
Yaw Choon Yee	
Zadil Hanief Mohamad Zaidi	
Zamri Yusof	
Zulfa Ashida Zulkifli	
Siew Chee Seng	(appointed on 20 April 2020)
Raja Norasikin Tengku Aziz	(appointed on 19 October 2020)
Anuar Kasim	(appointed on 30 October 2020)
Chua Siew Pei	(appointed on 15 November 2020)
Liew Irene	(appointed on 15 November 2020)
Mohd Fahmi Zakaria	(appointed on 15 November 2020)
Sufian Abdullah	(appointed on 15 February 2021)
Lim Chwee Muei	(appointed on 3 January 2020 and resigned on 15 December 2020)
Mohamed Rastam Shahrom	(resigned on 2 January 2020)
Azmy Mahbot	(resigned on 2 January 2020)
Siti Emilia Mamat	(resigned on 19 October 2020)
Lee Heng Meng	(resigned on 15 November 2020)
Nor Din Abdullah	(resigned on 15 November 2020)
Dato' Tan Thean Thye	
Lee Wen Ling	
Lee Jia Zheng	

DIRECTORS' REPORT

DIRECTORS (CONT'D.)

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are: (cont'd.)

Amalanathan Thomas	
Aminah Othman	
Stewart Tew Peng Eng	
Tan Sri Dato' Yap Suan Chee	
Lim Tong Hee	
Cheah Jit Peng	
Chan Chee Yean	
Professor Philip Sutton Cox	
Victor John Zacharias	
Dumisani Blessing Mnganga	
Virgine Guillaume	
Sophia Lim Siew Fay	
Meltem Amiot-Karakoc	(appointed on 6 January 2021)
Emmanuele Grippo	(appointed on 6 January 2021)
Annick Magermans	(appointed on 14 February 2020 and resigned on 6 January 2021)
Caroline Goergen	(resigned on 6 January 2021)
Olivier Richaud	(resigned on 14 February 2020)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares and debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 5(i) to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares of the Company and its related corporations during the financial year.

DIRECTORS' INDEMNITY

During the financial year, the directors and officers of the Group are covered under the Directors' and Officers' Liability Insurance ("DOLI") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Group subject to the terms of the DOLI policy. The insurance coverage for the period from 1 January 2020 until 30 June 2020 was under the DOLI policy procured by UEM Group Berhad, its immediate holding company, for its group of companies, whilst coverage for the period from 1 July 2020 until 31 December 2020 was under the policy procured by the Company. The total insurance premium incurred by the Company was RM85,504.

REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

On 24 April 2020, the Company had redeemed a total of 123,340,418 RCPS out of the share capital account for a redemption sum of RM150,000,000 at approximately RM1.22 for each RCPS following a redemption notice dated 17 April 2020 issued to UEM Group Berhad, the immediate holding company of the Company.

On 29 October 2020, all the outstanding 669,175,335 RCPS with value of RM833,664,000 matured and were automatically converted into 521,040,184 new ordinary shares at the conversion price of RM1.60 per RCPS for one (1) ordinary share. Upon issuance and allotment of the new ordinary shares on 30 October 2020, the issued share capital is RM4,960,276,000 comprising 5,058,476,221 ordinary shares.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that there were no known bad debts and that adequate allowance for impairment had been made for receivables; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the allowance for impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D.)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

There are no items, transactions or events of a material and unusual nature which have arisen during the financial year and since 31 December 2020 which would substantially affect the performance and financial position of the Group and of the Company, other than disclosed to Note 2.5(a) in the financial statements in respect of COVID-19 pandemic.

AUDITORS

The auditors, Ernst & Young PLT ("EY"), have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
EY and its affiliates	2,340	694
Other auditors	17	-
	2,357	694

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT during the financial year or since the end of financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 April 2021.

Dato' Noorazman Abd Aziz

Dato' Mohd Izani Ghani

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Noorazman Abd Aziz and Dato' Mohd Izani Ghani, being two of the directors of UEM Sunrise Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 130 to 271 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 April 2021.

Dato' Noorazman Abd Aziz

Dato' Mohd Izani Ghani

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Siew Chee Seng, being the officer primarily responsible for the financial management of UEM Sunrise Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 130 to 271 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovenamed Siew Chee Seng
at Kuala Lumpur in the Federal Territory
on 26 April 2021

Siew Chee Seng
(MIA Membership No. 7928)

Before me,
Haji Abdul Azizni bin Abu Bakar (No. W502)
Commissioner of Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of UEM Sunrise Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 130 to 271.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016, in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. The key audit matters for the audit of the financial statements of the Group and the Company are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key audit matters in respect of the financial statements of the Group

1. Impairment of goodwill

As at 31 December 2020, the carrying amount of goodwill recognised by the Group stood at RM621,409,000 which represents 6.3% and 4.6% of the Group's total non-current assets and total assets respectively.

The annual impairment assessment of goodwill is considered to be an area of audit focus because the assessment process is complex, involves significant management judgement and is based on assumptions that are affected by expected future market and economic conditions. The Group estimated the recoverable amount of goodwill by assessing the cash generating unit ("CGU") comprising projects, landed and investment properties based on the higher of fair value less cost of disposal ("FVLCD") or value in use ("VIU").

Our procedures to address this area of audit focus include, amongst others, the following:

(i) obtained an understanding of the relevant internal controls over estimating the recoverable amount of the CGU or groups of CGUs;

(ii) assessed and tested the reasonableness of the key assumptions to which the recoverable amount of the CGUs are most sensitive such as estimated selling price, budgeted gross margin, market value of identifiable assets, the weighted average cost of capital, by comparing them to internal empirical data and external valuers' report;

(iii) evaluated the assumptions applied in estimating the expected take up rate for each development phase by comparing to the actual take up rate of similar completed development phases in previous years; and

(iv) considered the historical accuracy of management's estimates of profits for similar completed property development activities; and also assessed whether the future cash flows used were based on the Annual Operating Plan 2021– 2025 approved by the Board of Directors.

Given the complexity of judgement on which the key underlying assumptions are based, our internal valuation specialists have assisted us in performing the review of management's assessment.

Further, we have reviewed management's analysis of the sensitivity of the goodwill balance to changes in the key assumptions.

For recoverable amounts of land properties and investment properties that are based on FVLCD, the Group benchmarked the carrying values of land properties against recently transacted prices of properties at nearby locations. We have reviewed such comparison by making reference to property transactions registered with the local authorities.

We have also focused on the adequacy of the Group's disclosures in the audited financial statements concerning the key assumptions mentioned above. The disclosure on goodwill, key assumptions and sensitivities of these assumptions are included in Note 19 to the financial statements.

INDEPENDENT AUDITORS' REPORT

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

Key audit matters in respect of the financial statements of the Group (cont'd.)

2. *Revenue and cost of sales from property development activities recognised based on percentage-of-completion method*

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 December 2020, property development revenue of RM510,494,000 and cost of sales of RM381,136,000 accounted for approximately 44.9% and 45.5% of the Group's revenue and cost of sales respectively. The Group uses the percentage-of-completion method in accounting for these property development contracts.

The amount of revenue and profit recognised from property development activities are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive the percentage-of-completion; the actual number of units sold and the estimated total revenue for each of the respective projects. We identified revenue and cost of sales from property development activities as area requiring audit focus as significant management judgement and estimates are involved in estimating the total property development costs which include the common infrastructure costs (which is used to determine gross profit margin of property development activities undertaken by the Group).

In assessing the appropriateness of the extent of costs incurred, total estimated costs of construction and total estimated revenue collectively, we have:

(i) obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost including the provisions and allocations of low-cost housing and common infrastructure costs over the life of township development, profit margin and percentage-of-completion of property development activities;

(ii) performed detailed procedures, for individually significant projects, on the contractual terms and conditions and their relationship to revenue and costs incurred. These procedures include, perusing the terms and conditions stipulated in the sale and purchase agreements entered into with customers to obtain an understanding of the specific terms and conditions. We also read the construction contracts including letters of award entered into with main and sub-contractors. We evaluated the determination of percentage-of-completion by examining supporting evidence such of contractors' progress claims and suppliers' invoice;

(iii) observed the progress of the property development phases by performing site visits and examined physical progress reports. We have also discussed the status of on-going property development phases with management, finance personnel and project officials; and

(iv) evaluated the estimates used, which include both budgeted gross development value and budgeted gross development cost for significant on-going projects by comparing the selling price and development cost per built up area and gross margin of the past similar projects.

Our assessment was performed after taking into consideration the historical accuracy of management estimates, identification and analysis of changes in assumptions from prior periods, and an assessment of the consistency of assumptions across other projects. We have assessed the achievability of the forecasted results of the projects, including the effect of variation orders, contingencies and known technical issues. We have also assessed the mathematical accuracy of the revenue and profit based on the percentage-of-completion calculations and considered the implications of identified errors and changes in estimates.

The Group's disclosure on property development costs recognised is included in Note 22 to the financial statements.

Key audit matters in respect of the financial statements of the Group (cont'd.)

3. *Net realisable value of completed property development units classified as inventories held for sale*

As at 31 December 2020, the carrying amount of completed property units of RM468,414,000 represents 12.9% and 3.5% of the Group's total current assets and total assets respectively. The Group has recorded a write down of inventories (completed property development units) of RM35,844,000 during the year.

The current economic outlook and property market environment posed challenges to the sale of these inventories. We considered the net realisable value of completed units to be an area of audit focus as such assessment includes estimates made by management and is influenced by assumptions concerning future market and economic conditions.

Our procedures to address this area of audit focus include, amongst others, the following:

(i) obtained an understanding of the internal controls performed by management in estimating the net realisable value of these inventories; and

(ii) evaluated the management's assessment of the estimated selling price (less estimated cost necessary to make the sale) of these inventories by comparing to the recent transacted prices of similar completed property development units within the vicinity.

The Group's disclosure on completed property units is included in Note 23(a) to the financial statements.

4. *Impairment of investment properties*

As at 31 December 2020, the carrying amount of investment properties amounted to RM823,932,000, representing approximately 8.4% and 6.1% is of the Group's total non-current assets and total assets respectively. The Group has recorded an impairment of investment properties of RM26,476,000 during the year.

The Group adopts the cost model for its completed investment properties. At the reporting date, the Group reviewed its investment properties for indications of impairment and where such indications exist, the Group performed an impairment assessment to determine the recoverable amounts of the investment properties. The Group has identified COVID-19 pandemic and/or continuous losses, as the indication of impairment for the investment properties. The Group has estimated the recoverable amounts of its investment properties based on the higher of FVLCD and VIU.

The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge, estimated rental value per square feet, expected market rental growth and discount rate.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant management judgement and estimates that are highly subjective.

INDEPENDENT AUDITORS' REPORT

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

Key audit matters in respect of the financial statements of the Group (cont'd.)

4. *Impairment of investment properties (cont'd.)*

   Our procedures to address this area of audit focus include, amongst others, the following:

   (i) Assessed the objectivity, competence and capabilities of the independent valuers;

   (ii) Reviewed the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;

   (iii) Evaluated the data used by the independent valuers as input into their valuations. We interviewed the external valuers and assessed the key assumptions applied in their valuation process; and

   (iv) Evaluated the key assumptions in which the Group has based its cash flow projections in deriving to the VIU, if the FVLCD of any of the investment properties is lower than their carrying amount.

   The Group's disclosure on investment properties is included in Note 12 to the financial statements.

Key audit matters in respect of the financial statements of the Company

1. *Impairment of interests in subsidiaries and joint ventures*

   As at 31 December 2020, the total carrying amount of the Company's interests in subsidiaries and joint ventures stood at RM4,317,681,000 and RM305,086,000 respectively which represents for 48.5% and 3.4% of the Company's total assets respectively. The Company had recorded an impairment of RM714,000 and RM34,877,000 for the interests in subsidiaries and joint ventures respectively during the year.

   At the reporting date, the Company reviewed its interests in subsidiaries and joint ventures for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of investments in subsidiaries and joint ventures. The Group has identified COVID-19 pandemic and/or continuous loss as the indications of impairment for the interests in subsidiaries and joint ventures.

   The Company estimated the recoverable amount of these investments by assessing their underlying CGU based on FVLCD or VIU, whichever is the higher. Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimated assumptions such as the revenue growth rates, discount rates and terminal growth rates.

   We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the interests in subsidiaries and joint ventures.

Key audit matters in respect of the financial statements of the Company (cont'd.)

1. *Impairment of interests in subsidiaries and joint ventures (cont'd.)*

Our procedures to address this area of focus for testing the recoverable amounts of CGUs that are valued based on VIU include the following:

(i) Obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts VIU of the CGUs;

(ii) Performed inquiries to management on the subsidiaries' and joint ventures' prospect;

(iii) Assessed and tested the reasonableness of key assumptions to which the recoverable amount of the CGUs are most sensitive such as estimated selling price, budgeted gross margin, market value of identifiable assets, the weighted average cost of capital, by comparing them to internal empirical data and external valuers' report;

(iv) Evaluated the assumptions applied in estimating the expected take up rate for each development phase by comparing to the actual take up rate of similar completed development phases in previous years; and

(v) Considered the historical accuracy of management's estimates of profits for similar completed property development activities; and also assessed whether the future cash flows used were based on the Annual Operating Plan 2021 – 2025 approved by the Board of Directors.

For recoverable amounts of land and investment properties included in the subsidiaries and joint ventures that are based on FVLCD, the Company benchmarked the carrying values of the said properties against recently transacted prices of properties at nearby locations. We have reviewed such comparison by making reference to property transactions registered with the local authorities.

The Company's disclosure of interests in subsidiaries and joint ventures are included in Note 15 and 17(a) to the financial statements respectively.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016, in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd.)

(vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 45 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF: 0039
Chartered Accountants

Ong Chee Wai
No. 02857/07/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 April 2021

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000 Restated	Company 2020 RM'000	Company 2019 RM'000
Revenue	3	**1,136,881**	2,909,461	**228,040**	210,559
Cost of sales	4	**(838,105)**	(2,103,636)	**(82,718)**	(105,700)
Gross profit		**298,776**	805,825	**145,322**	104,859
Other income		**76,150**	75,598	**136,427**	140,944
Selling and distribution expenses		**(24,883)**	(37,977)	**-**	-
Other expenses		**(347,846)**	(364,053)	**(109,181)**	(87,152)
Operating profit	5	**2,197**	479,393	**172,568**	158,651
Finance costs	6	**(132,850)**	(117,509)	**(164,936)**	(146,967)
Share of results of associates		**(7,628)**	(2,432)	**-**	-
Share of results of joint ventures		**(57,050)**	22,315	**-**	-
(Loss)/profit before zakat and income tax		**(195,331)**	381,767	**7,632**	11,684
Zakat	7	**(1,080)**	(2,006)	**-**	-
Income tax (expense)/benefit	8	**(80,305)**	(159,295)	**(72)**	506
(Loss)/profit for the year		**(276,716)**	220,466	**7,560**	12,190
Attributable to:					
Owners of the parent		**(277,284)**	221,597	**7,560**	12,190
Non-controlling interests		**568**	(1,131)	**-**	-
		(276,716)	220,466	**7,560**	12,190
(Loss)/earnings per share attributable to owners of the parent (sen):					
Basic, for (loss)/profit for the year	10	**(5.5)**	4.9		
Diluted, for (loss)/profit for the year	10	**(5.5)**	4.3		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Group		Company	
	2020 RM'000	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**
(Loss)/profit for the year	**(276,716)**	220,466	**7,560**	12,190
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent period:				
- Foreign currency translation differences of foreign operations	**64,641**	500	**-**	-
- Transfer to profit or loss on settlement of cash flow hedge	**-**	942	**-**	-
- Cash flow hedge	**-**	(15,988)	**-**	-
Total comprehensive (expense)/income for the year	**(212,075)**	205,920	**7,560**	12,190
Total comprehensive (expense)/income attributable to:				
Owners of the parent	**(212,717)**	207,073	**7,560**	12,190
Non-controlling interests	**642**	(1,153)	**-**	-
	(212,075)	205,920	**7,560**	12,190

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2020

Group	Note	2020 RM'000	2019 RM'000 Restated	As at 1 January 2019 RM'000 Restated
Assets				
Non-current assets				
Property, plant and equipment	11	**478,614**	456,056	445,552
Investment properties	12	**823,932**	845,611	728,703
Right-of-use assets	13	**17,411**	28,529	-
Land held for property development	14	**5,832,747**	5,611,632	4,706,729
Interests in associates	16(a)	**486,611**	495,254	497,317
Interests in joint ventures	17(a)	**989,012**	1,026,495	989,540
Amounts due from an associate	16(b)	**9,745**	-	-
Amounts due from joint ventures	17(b)	**173,252**	158,464	257,149
Other investments	18	**5,000**	-	-
Goodwill	19	**621,409**	621,409	621,409
Contract assets	25	**-**	2,752	10,168
Deferred tax assets	21	**255,760**	286,799	286,917
Long term receivables	24	**145,355**	166,052	113,434
		9,838,848	9,699,053	8,656,918
Current assets				
Interests in a joint venture		**-**	-	53,216
Property development costs	22	**958,232**	872,377	1,820,121
Inventories held for sale	23(a)	**468,414**	540,643	686,197
Inventories under contract of sale	23(b)	**112,118**	408,304	607,412
Receivables	24	**494,297**	641,741	948,761
Contract assets	25	**242,745**	175,988	106,726
Amounts due from associates	16(b)	**950**	14,938	1,537
Amounts due from joint ventures	17(b)	**61,104**	38,265	79,144
Derivative asset		**-**	-	15,956
Short term investments	27	**216,936**	329	49,741
Cash, bank balances and deposits	20	**1,086,269**	1,057,446	1,078,601
		3,641,065	3,750,031	5,447,412
Total assets		**13,479,913**	13,449,084	14,104,330

Group	Note	2020 RM'000	2019 RM'000 Restated	As at 1 January 2019 RM'000 Restated
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	28	**4,960,276**	5,110,276	5,110,276
Merger relief reserve	28	**34,330**	34,330	34,330
Other reserves	29(a)	**78,238**	13,671	64,216
Retained profits	29(b)	**1,828,763**	2,106,047	1,848,429
		6,901,607	7,264,324	7,057,251
Non-controlling interests	33	**468,974**	468,332	363,722
Total equity		**7,370,581**	7,732,656	7,420,973
Non-current liabilities				
Borrowings	34	**2,600,292**	2,337,883	2,394,812
Lease liabilities	13	**8,560**	19,714	-
Payables	36	**141,153**	170,241	6,080
Contract liabilities	25	**227,799**	258,646	291,116
Deferred income	37	**163,890**	164,193	151,864
Provisions	35	**68,317**	68,404	85,862
Deferred tax liabilities	21	**164,410**	238,426	234,762
		3,374,421	3,257,507	3,164,496
Current liabilities				
Provisions	35	**133,754**	177,675	295,070
Payables	36	**1,007,008**	1,083,888	845,790
Contract liabilities	25	**70,170**	66,240	39,522
Borrowings	34	**1,493,103**	1,048,978	2,288,689
Lease liabilities	13	**11,868**	10,380	-
Derivative liability		**-**	-	910
Tax payable		**19,008**	71,760	48,880
		2,734,911	2,458,921	3,518,861
Total liabilities		**6,109,332**	5,716,428	6,683,357
Total equity and liabilities		**13,479,913**	13,449,084	14,104,330

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2020

Company	Note	2020 RM'000	2019 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	**30,637**	32,445
Right-of-use assets	13	**10,932**	17,200
Interests in subsidiaries	15	**4,317,681**	4,318,395
Interests in an associate	16(a)	**1,170**	1,170
Interests in joint ventures	17(a)	**305,086**	339,963
Amounts due from joint ventures	17(b)	**10,200**	-
Other investments	18	**5,000**	-
Amounts due from subsidiaries	26	**2,732,283**	2,503,305
		7,412,989	7,212,478
Current assets			
Receivables	24	**244,061**	143,612
Amounts due from subsidiaries	26	**971,470**	937,273
Amounts due from an associate	16(b)	**221**	221
Amounts due from joint ventures	17(b)	**25,620**	29,328
Short term investments	27	**216,929**	322
Cash, bank balances and deposits	20	**23,487**	76,777
		1,481,788	1,187,533
Total assets		**8,894,777**	8,400,011
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	28	**4,960,276**	5,110,276
Merger relief reserves	28	**34,330**	34,330
Retained profits	29(b)	**115,476**	107,916
Total equity		**5,110,082**	5,252,522
Non-current liabilities			
Borrowings	34	**2,470,000**	2,250,000
Amounts due to subsidiaries	26	**201,951**	144,165
Lease liabilities	13	**5,469**	13,069
		2,677,420	2,407,234

Company	Note	2020 RM'000	2019 RM'000
Current liabilities			
Payables	36	**46,645**	60,814
Amounts due to subsidiaries	26	**24,480**	4,702
Borrowings	34	**1,030,000**	670,000
Lease liabilities	13	**6,150**	4,739
		1,107,275	740,255
Total liabilities		**3,784,695**	3,147,489
Total equity and liabilities		**8,894,777**	8,400,011

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2020

	← Attributable to owners of the parent →						
	← Non-distributable →			Distributable			
Group	**Share capital (Note 28) RM'000**	**Merger relief reserve (Note 28) RM'000**	**Other reserves (Note 29) RM'000**	**Retained profits (Note 29) RM'000**	**Total RM'000**	**Non-controlling interests (Note 33) RM'000**	**Total equity RM'000**
At 1 January 2020	**5,110,276**	**34,330**	**13,671**	**2,106,047**	**7,264,324**	**468,332**	**7,732,656**
Total comprehensive expense for the year	**-**	**-**	**64,567**	**(277,284)**	**(212,717)**	**642**	**(212,075)**
Redemption of RCPS (Note 28)	**(150,000)**	**-**	**-**	**-**	**(150,000)**	**-**	**(150,000)**
At 31 December 2020	**4,960,276**	**34,330**	**78,238**	**1,828,763**	**6,901,607**	**468,974**	**7,370,581**
At 1 January 2019 (restated)	5,110,276	34,330	64,216	1,848,429	7,057,251	363,722	7,420,973
Total comprehensive income for the year	-	-	(14,524)	221,597	207,073	(1,153)	205,920
Business combination (Note 48(b))	-	-	-	-	-	105,763	105,763
ESOS - expiry of vested employee share options	-	-	(36,021)	36,021	-	-	-
At 31 December 2019 (restated)	5,110,276	34,330	13,671	2,106,047	7,264,324	468,332	7,732,656

Company	← Non-distributable Share capital (Note 28) RM'000	Non-distributable Merger relief reserve (Note 28) RM'000	Non-distributable → Other reserve (Note 29) RM'000	Distributable Retained profits (Note 29) RM'000	Total equity RM'000
At 1 January 2020	**5,110,276**	**34,330**	**-**	**107,916**	**5,252,522**
Total comprehensive income for the year	**-**	**-**	**-**	**7,560**	**7,560**
Redemption of RCPS (Note 28)	**(150,000)**	**-**	**-**	**-**	**(150,000)**
At 31 December 2020	**4,960,276**	**34,330**	**-**	**115,476**	**5,110,082**
At 1 January 2019	5,110,276	34,330	36,021	59,705	5,240,332
Total comprehensive income for the year	-	-	-	12,190	12,190
ESOS - expiry of vested employee share options	-	-	(36,021)	36,021	-
At 31 December 2019	5,110,276	34,330	-	107,916	5,252,522

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2020

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash flows from operating activities				
Cash receipts from customers	**1,279,863**	3,057,907	**111**	2,774
Cash receipts from subsidiaries	**-**	-	**84,526**	106,370
Receipts from other related parties	**2,561**	24,374	**2,122**	6,982
Cash payments to suppliers	**(195,693)**	(148,010)	**-**	-
Cash payments to contractors	**(359,380)**	(584,413)	**-**	-
Cash payments for land and development related costs	**(302,905)**	(115,838)	**-**	-
Cash payments to other related parties	**(13,493)**	(16,493)	**(11,771)**	-
Cash payments to employees, for selling and distribution and for general expenses	**(324,665)**	(476,085)	**(156,443)**	(178,445)
Cash generated from/(used in) operations	**86,288**	1,741,442	**(81,455)**	(62,319)
Zakat paid	**(1,080)**	(2,006)	**-**	-
Net income tax (paid)/refunded	**(186,592)**	(101,062)	**(134)**	1,163
Interest received	**11,603**	21,859	**1,642**	458
Net cash (used in)/generated from operating activities	**(89,781)**	1,660,233	**(79,947)**	(60,698)
Cash flows from investing activities				
Dividend received from a joint venture	**500**	30,000	**-**	-
Dividend received from subsidiaries	**-**	-	**34,520**	84,280
Proceeds from disposals of:				
- investment property	**-**	2,810	**-**	-
- property, plant and equipment	**14**	5	**-**	-
Purchase of:				
- property, plant and equipment (Note (a))	**(16,834)**	(37,871)	**(3,906)**	(16,850)
- investment property	**(18,400)**	-	**-**	-
Advances to subsidiaries	**-**	-	**(415,694)**	(510,815)
Advances to joint ventures	**(36,824)**	(18,861)	**(2,784)**	(6,621)
Business combination (Note 48(b))	**-**	(214,074)	**-**	-
Deposit received for partial disposal of subsidiary	**12,785**	-	**-**	-
Deposit refunded for development rights of a land	**-**	10,000	**-**	-
Repayment from subsidiaries	**-**	-	**358,676**	498,787
Repayment from a joint venture	**4,500**	2,000	**-**	-
Investment in land held for property development	**(28,300)**	(45,000)	**-**	-
Investment in other investment	**(5,000)**	-	**(5,000)**	-
Net (investment)/redemption of short term investments	**(209,421)**	51,300	**(209,421)**	51,300
Net cash (used in)/generated from investing activities	**(296,980)**	(219,691)	**(243,609)**	100,081

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash flows from financing activities				
Drawdown of term loans	**41,306**	167,543	**-**	-
Drawdown of Commodity Murabahah Finance	**52,777**	44,659	**-**	-
Drawdown of Islamic Medium Term Notes ("IMTN")	**1,205,000**	300,000	**1,205,000**	300,000
Drawdown of structured commodity	**200,000**	140,000	**200,000**	140,000
Drawdown of revolving credits	**243,700**	638,300	**30,000**	450,000
Advance from a corporate shareholder	**2,000**	-	**-**	-
Redemption of Redeemable Convertible Preference Shares ("RCPS")	**(150,000)**	-	**(150,000)**	-
Repayment of term loans	**(19,987)**	(505,242)	**-**	-
Repayment of Commodity Murabahah Finance	**(110,650)**	(1,125,873)	**-**	-
Repayment of IMTN	**(550,000)**	(300,000)	**(550,000)**	(300,000)
Repayment to immediate holding company	**(55,555)**	-	**-**	-
Repayment of structured commodity	**(170,000)**	(70,000)	**(170,000)**	(70,000)
Repayment of revolving credits	**(135,000)**	(551,000)	**(135,000)**	(462,000)
Repayment of lease liabilities	**(3,866)**	(4,507)	**(5,943)**	(2,949)
Interest paid	**(172,855)**	(195,188)	**(153,799)**	(141,846)
Net cash generated from/(used in) financing activities	**376,870**	(1,461,308)	**270,258**	(86,795)
Net decrease in cash and cash equivalents	**(9,891)**	(20,766)	**(53,298)**	(47,412)
Effects of foreign exchange rate changes	**33,890**	556	**8**	2,970
Cash and cash equivalents at beginning of year	**1,056,733**	1,076,943	**76,777**	121,219
Cash and cash equivalents at end of year (Note 20)	**1,080,732**	1,056,733	**23,487**	76,777
Note (a):				
Additions of property, plant and equipment (Note 11)	**9,786**	44,856	**6,215**	17,860
Interest capitalised (Note 6)	**(125)**	(438)	**-**	-
Net accruals	**7,173**	(6,547)	**(2,309)**	(1,010)
Cash outflow for acquisition of property, plant and equipment	**16,834**	37,871	**3,906**	16,850

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur and the principal place of business is at Level U2, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

The principal activity of the Company is investment holding. It also provides shared services for its subsidiaries.

The principal activities of the subsidiaries are property development, land trading, property investment, project procurement and management, hotel operations as well as investment holding.

There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year.

The immediate and ultimate holding companies are UEM Group Berhad ("UEM") and Khazanah Nasional Berhad ("Khazanah") respectively, both of which are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the summary of significant accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM’000) except where otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

(a) On 1 January 2020, the Group and the Company adopted the following amended MFRS mandatory for annual financial periods beginning on or after 1 January 2020:

	Effective for the financial period beginning on or after
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendment to MFRS 16 Leases: COVID-19-Related Rent Concessions	1 January 2020

The adoption of the above amendments does not have any significant impact on the financial performance or position of the Group and of the Company.

(b) Early adoption of standards and interpretations that have been issued and effective for annual period beginning on or after 1 July 2020.

Interpretation to MFRS 123: Borrowing cost relating to over time transfer of constructed good (Agenda Decision ("AD4"))

In March 2019, the International Financial Reporting Standards Interpretation Committee concluded that interest cost should not be capitalised for assets created under the percentage-of-completion method i.e. receivables, contract assets and inventories as these assets do not meet the definition of qualifying assets.

On 20 March 2019, the Malaysian Accounting Standards Board allowed the affected entities to apply the changes in accounting policies to their financial statements in relation to Agenda Decision ("AD4") beginning on or after 1 July 2020.

The Group opts for early adoption of interpretation to MFRS 123 during the financial year. The Group has restated the comparative financial statements to amounts reflecting the adoption of AD4. The group applies full restrospective method. The impacts arising from the changes are disclosed in Note 48(a). There is no effect on the statements of cash flows.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards and interpretations issued but not yet effective

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

	Effective for the financial period beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Reference to the Conceptual Framework (Amendments to MFRS 3: Business Combinations)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116: Property, Plant and Equipment)	1 January 2022
Onerous Contracts: Costs of Fulfilling a Contract (Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
MFRS 17: Insurance Contracts	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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards will have no significant impact to the financial statements in the period of initial application except for those discussed below.

(a) Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

As the amendments eliminate ambiguity in the wording of the standard, the directors of the Company do not expect the amendments to have any impact on the Group's and the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies

(a) Basis of consolidation

Pursuant to the restructuring in 2008, the Company was introduced as a new parent company. The introduction of the Company constitutes a Group reconstruction and has been accounted for using merger accounting principles as the combination of the companies meets the relevant criteria for merger, thus depicting the combination of those entities as if they have been in the combination for the current and previous financial years.

Business combinations involving entities under common control are accounted for by applying the merger accounting method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The profit or loss reflects the results of the combining entities for the full year, irrespective of when the combination takes place.

The consolidated financial statements comprise the financial statements of the Company and subsidiaries under its control as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. In order to support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated from the date on which control is obtained by the Group and are no longer consolidated from the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group assessed whether an acquisition of a company is accounted for as business combinations or acquisition of an asset or a group of assets. A business consists of inputs and processes applied to those inputs that have the ability to create outputs, although outputs are not necessarily required as an integrated set to qualify as a business.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9: Financial Instruments, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income ("OCI"). If the contingent consideration is not within the scope of MFRS 9, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

(i) Subsidiaries (cont'd.)

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Consistent accounting policies are applied to like transactions and events in similar circumstances.

Intragroup transactions, balances and resulting unrealised gains are eliminated upon consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

If the Group losses control of a subsidiary, any gain or loss is recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net fair value of the assets together with any balance of goodwill and exchange differences that were not previously recognised in profit or loss.

In the Company's separate financial statements, interests in subsidiaries are accounted for at cost less impairment losses. Upon disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's interests in its associates and joint ventures are accounted for using the equity method.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

(ii) Associates and joint ventures (cont'd.)

Under the equity method, the interests in an associate or a joint venture is initially recognised at cost. The carrying amount of the interests is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the interests and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interests in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its interests in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the interests in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained interests at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained interests and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, interests in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed under these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(n). Impairment losses recognised for goodwill shall not be reversed in the subsequent year.

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and capital work in progress are not depreciated. Depreciation of other property, plant and equipment is provided on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Building	2% - 5%
Plant and machinery	20%
Floating pontoons	10%
Motor vehicles	20% - 25%
Renovation, equipment and others	5% - 50%

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(c) Property, plant and equipment and depreciation (cont'd.)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(d) Investment properties

Investment properties comprise completed properties and properties under construction which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, completed investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses while investment properties under construction are stated at cost less any accumulated impairment losses.

Depreciation of the completed investment properties is provided for at 2% to 10% per annum on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life. Investment properties under construction are not depreciated.

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the year in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the net carrying amount at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, demand and short-term deposits, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, reduced by bank overdrafts that form an integral part of the Group's cash management.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(f) Inventories

(i) Land held for property development

Land held for property development consists of land where no development activity has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified as non-current assets and is stated at cost less impairment losses. Cost consists of land and development expenditure which include borrowing costs relating to the financing of the development. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(n).

Land held for property development is transferred to property development cost when the development activities have commenced.

(ii) Property development costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs are initially stated at cost. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost.

Property development cost is recognised as an expense when the corresponding revenue is recognised as per accounting policy in Note 2.4(m)(i).

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development cost not recognised as an expense is recognised as an asset, which is measured at the lower of cost or net realisable value.

Property development cost of unsold units or units pending transfer of control is transferred to inventories held for sale or inventories under contract of sale once the development is completed.

Property development cost balance includes contract cost assets which comprise of costs to fulfil contracts and costs to obtain contracts in accordance with Note 2.4(ac).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(f) Inventories (cont'd.)

(iii) Inventories held for sale

Units of development properties completed and held for sales are stated at the lower of cost and net realisable value ("NRV"). Costs comprise costs of land acquisition including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date less estimated costs of completion and the estimated costs necessary to make the sale, taking into account the time value of money if material.

(iv) Inventories under contract of sale

Completed inventories under contract of sale are recognised as cost of sales when the control is transferred to customers in accordance to the terms of the contract with customers. The related accounting policies in respect of inventories under contract of sale is similar to those under inventories held for sale.

(g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(h) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with interests in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with interests in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(h) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances changes. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(i) Sales and Service Tax ("SST") and Goods and Services Tax ("GST")

Revenue is recognised net of SST charged to customers. Expenses and assets are recognised inclusive of SST. The amount payable to taxation authority is included as payables in the statements of financial position.

Revenue, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The effective date for SST in Malaysia is on 1 September 2018. Prior to this date, Malaysia was under the GST regime.

(j) Zakat

The Group recognises its obligation towards the payment of zakat on business in profit or loss. Zakat is an obligation under the shariah principles and is computed based on a certain basis as approved by the Board of Directors.

(k) Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Employee benefits (cont'd.)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained profits upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

(l) Foreign currencies

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(l) Foreign currencies (cont'd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in OCI and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

On consolidation, the assets and liabilities of foreign operations are translated at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of foreign operation, the components of OCI relating to that particular foreign operation are reclassified in profit or loss.

(m) Revenue recognition

Revenue recognition from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(i) Property development and strategic land sale

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Revenue recognition (cont'd.)

Revenue recognition from contracts with customers (cont'd.)

(i) Property development and strategic land sale (cont'd.)

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset in accordance with Note 2.4(m)(ii).

The Group recognises revenue over time using the input method, which is based on the the level of completion in proportion of cost incurred to date against the expected total construction costs.

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

(ii) Completed properties and properties under contract of sale

The Group recognises the revenue at a point in time to the sale of completed properties and properties under contract of sale when the control of the properties has been transferred to the customers and it is probable that the Group will collect the consideration it is entitled to.

(iii) Assets and facilities management

Assets and facilities management income is derived from managing the residential, commercial and retail properties. The income is recognised when such services are rendered.

(iv) Project management

Revenue from provision of project management in relation to property development activities is recognised in the period in which the services are rendered, by reference to completion of the actual service provided as a proportion of the total services to be performed.

(v) Car park collections

Car park collections are recognised net of goods and service tax or sales and service tax and upon services being rendered.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Revenue recognition (cont'd.)

Revenue recognition from contracts with customers (cont'd.)

(vi) Hotel operations

Hotel operations generally consist of room rentals and food and beverage. Room rental revenue is accrued over time on customer-occupied rooms. Revenue from the sales of food and beverage is recognised when the customer receives and consumes, and the Company has a present right to payment for, the food and beverage product. Hotel room rental and food and beverages revenue are recorded based on the published rates, net of discounts.

(vii) Management fees

Management fees on the provision of shared services to subsidiaries are accrued when the services are rendered.

Revenue from other sources

(i) Property investment

Rental income is accounted on a straight-line basis over the period of lease term.

(ii) Dividends

Dividends from subsidiaries, associates and other investments are included in profit or loss when the shareholders' right to receive payment has been established.

(n) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(n) Impairment of non-financial assets (cont'd.)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to OCI. In this case the impairment is also recognised in OCI up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(o) Financial instruments: initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and

- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include receivables and amounts due from associates and joint ventures included under other non-current financial assets.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) (cont'd.)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at fair value through profit or loss (cont'd.)

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(i) Financial assets (cont'd.)

Derecognition (cont'd.)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(ii) Financial liabilities (cont'd.)

Initial recognition and measurement (cont'd.)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

This category generally applies to interest-bearing loans and borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(ii) Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(p) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

(q) Leases

The Group and the Company have applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained profits at 1 January 2019. Accordingly, the comparative information presented for 1 January 2019 has not been restated i.e. it is presented, as previously reported under MFRS 117: Leases ("MFRS 117") and related interpretations.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Leases (cont'd)

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset which this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are a lessee, the Group and the Company have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(ii) Recognition and initial measurement

As a lessee

The Group and the Company recognise right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

As a lessee (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group and the Company entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

As a lessor (cont'd)

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Buildings	25% - 50%
Plant and equipment	20% - 30%

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Leases (cont'd)

At 1 January 2019

(i) As lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

(ii) As lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(r) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends on ordinary shares are recognised in equity in the period where shareholders' right to the receipt of payment is established.

(s) Redeemable convertible preference shares ("RCPS")

The redeemable convertible preference shares were regarded as compound instruments, consisting of a liability component and an equity component. The component of redeemable convertible preference shares that exhibited characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares were recognised as interest expense in profit or loss using the effective interest rate method. Upon issuance of the redeemable convertible preference shares, the fair value of the liability component was determined using a market rate for an equivalent non-convertible debt and this amount was carried as a financial liability in accordance with the accounting policy for other payables.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(s) Redeemable convertible preference shares ("RCPS") (cont'd)

The residual amount, after deducting the fair value of the liability component, was recognised and included in shareholder's equity, net of transaction costs. The dividends on these shares were recognised in equity in the period in which they were declared.

Transaction costs were apportioned between the liability and equity components of the redeemable convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

The RCPS matured during the financial year and movements as disclosed in Note 28.

(t) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position.

(u) Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classified all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(v) Statements of cash flows

The statements of cash flows classify movements in cash and cash equivalents according to operating, investing and financing activities.

The Group and the Company do not consider any of its assets other than deposits with maturity not more than 3 months with financial institutions, which are subject to an insignificant risk of changes in value, cash and bank balances reduced by bank overdraft as meeting the definition of cash and cash equivalents.

(w) Fair value measurements

The Group measures financial instruments, such as, financial assets at fair value through profit or loss at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured with the assumption that when pricing the asset or liability, the market participants would act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(w) Fair value measurements (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(x) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred.

Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(y) Deferred income

The profit recognised from the sales of land by the Group to associates and a joint venture is eliminated to the extent of the Group's interests in the companies. Accordingly, the Group recognise the excess of the unrealised profit over the carrying value of the associate or the joint venture as deferred income. The deferred income is realised to profit or loss over the period when the underlying asset of the associate or the joint venture is realised or disposed.

(z) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 44, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(aa) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as currency swaps and profit rate swaps to hedge its currency and interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently remeasured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;

- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to:

  - A particular risk associated with a recognised asset; or
  - Liability or a highly probable forecast transaction; or
  - The foreign currency risk in an unrecognised firm commitment.

- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective of the hedge and strategy for undertaking the hedge.

Before 1 January 2018, the documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Beginning 1 January 2018, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ''an economic relationship'' between the hedged item and the hedging instrument;

- The effect of credit risk does not ''dominate the value changes'' that result from that economic relationship; and

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(aa) Derivative financial instruments and hedge accounting (cont'd.)

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses profit rate swaps to hedge its interest rate risk. The ineffective portion relating to the profit rate swaps is recognised in other operating income or expenses.

For profit rate swaps, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

(ab) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(ab) Contract assets and contract liabilities (cont'd.)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the contract.

(ac) Contract cost assets

(i) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained.

(ii) Costs to fulfil a contract

The costs incurred in fulfilling a contract with a customer who are not within the scope of other MFRSs such as MFRS 102: Inventories, MFRS 116: Property, Plant and Equipment and MFRS 138: Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:

- costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108: Accounting Policies, Changes in Accounting Estimate and Errors.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract cost, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract cost assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136: Impairment of Assets to that cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(ac) Contract cost assets (cont'd.)

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

2.5 Critical judgements and accounting estimates

Judgements, estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Consideration in respect of COVID-19 pandemic

The COVID-19 outbreak was first identified in Wuhan, China in December 2019 and it was declared a pandemic by the World Health Organisation in March 2020. A nationwide Movement Control Order ("MCO") was subsequently enforced from 18 March 2020 to 9 June 2020 to contain the spread of the virus. During this period, our sales galleries, retail outlets and offices were closed and there were no sales and construction activities.

The Recovery Movement Control Order ("RMCO"), introduced on 10 June 2020, was effective till 31 August 2020. Restrictions on inter-state travelling and economic activities were relaxed. We managed to obtain approvals from the Ministry of International Trade and Industry to reconvene construction for certain projects. Conditional Movement Control Order ("CMCO") took place in certain states from October 2020 to January 2021 and subsequently, the MCO was re-introduced from 13 January 2021 to 4 March 2021. The MCO was replaced with CMCO from 5 March 2021 ever since. The pandemic has impacted the Malaysian economy and significantly curtailed business activities.

The Group and the Company have accounted for the impact of the pandemic and its consequential effects on the assessment of the impairment of its assets as disclosed in Notes 2.5(b)(ii),(iii),(iv),(vii),(viii) and (ix).

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Tax recoverable for BND legal case

As disclosed in Note 40(a), Bandar Nusajaya Development Sdn. Bhd. ("BND") received an additional assessment from the Inland Revenue Board ("IRB") for additional tax payable and tax penalty in respect of year of assessment 2006 totalling to RM73.8 million which has been paid in full. As the Group is disputing the additional assessment, the amount paid is recorded as receivable instead of tax expense in the financial statements. The collectability of the receivable of RM73.8 million is dependent on the ultimate outcome of the legal proceedings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Critical judgements and accounting estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(ii) Income tax and deferred tax assets

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain. The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax as at reporting date is disclosed in Note 21.

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis and at other times when such indication exists. This requires an estimation of the fair value less costs of disposal and value-in-use ("VIU") of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and also to apply a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill are disclosed in Note 19.

(iv) Property development costs

The Group recognises property development revenue and expenses in profit or loss over time or at a point in time. The Group recognises revenue over time using the stage of completion method. The stage of completion is determined by reference to the proportion of costs incurred for the work performed to date over the estimated total costs where the outcome of the projects can be reliably estimated.

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development projects. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

Details of the property development costs are disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Critical judgements and accounting estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(v) Provision for construction costs

The Group recognises a provision for construction costs relating to estimated final claims by contractors which have not been finalised.

Significant judgement is required in determining the extent of the costs to be incurred and in making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

The carrying amount of the Group's provision for construction costs as at reporting date is disclosed in Note 35.

(vi) Provision for foreseeable losses for low cost housing

Provision for foreseeable losses for low cost housing is recognised for anticipated losses to be incurred for the development of low cost housing under the requirements of the local Government attributable to a premium housing project. The Group is of the view that the expected costs should be accrued progressively as and when the premium housing is constructed.

Significant judgement is required in determining the amount of the foreseeable losses for low cost housing, as the construction of low cost housing is typically over the life of township development spanning more than few financial years. Regulatory, technological and economics changes may result in significant changes to the provision amount which will subsequently affect the profitability of premium housing.

The carrying amount of the Group's provision for foreseeable losses for low cost housing as at reporting date is disclosed in Note 35.

(vii) Net realisable value of completed property development units classified as inventories

Inventories held for sale are stated at the lower of cost or net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories held for sale are reviewed on a regular basis and the Group will make an allowance for impairment primarily based on historical trends and management estimates of expected and future product demand and related pricing.

Demand and pricing levels could change from time to time. If such factors result in an adverse effect on the Group's products, the Group provides additional allowances for slow moving inventories.

The carrying amount of the Group's inventories held for sale as at 31 December 2020 is disclosed in Note 23(a).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Critical judgements and accounting estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(viii) Impairment of interests in subsidiaries, joint ventures and associates

At each reporting date, the Group and the Company assess if any indication of impairment exists. If there is any indication, the Group and the Company will make an estimate of the recoverable amounts of its interests. This requires an estimation of the fair value less costs of disposal and value-in-use of the cash-generating units of its interests in subsidiaries, joint ventures and associates. Significant judgement is required in determining the estimated realisable value of the net assets and potential third party claims and other liabilities. In making the judgement, the Group and the Company rely on independent accredited third-party valuers and quantity surveyors' assessment. In determining the impairment charge, the market value or the forced sale value of the assets, as the case maybe, are assessed together with the potential third party claims and related liquidation costs.

The carrying amount as at 31 December 2020 is disclosed in Note 15, Note 16(a) and Note 17(a).

(ix) Impairment of investment properties, property, plant and equipment, land held for development, property development costs and right-of-use assets

At each reporting date, the Group assesses if any indication of impairment exists. If there is any indication, the Group will make an estimate of the recoverable amounts of its investments. This requires an estimation of the fair value less costs of disposal and value-in-use of the cash-generating units of its investment properties, property, plant and equipment, land held for development, property development costs and right-of-use assets. Significant judgement is required in determining the estimated realisable value of the net assets and potential third party claims and other liabilities. In making the judgement, the Group relies on independent accredited third-party valuers assessment in determining the impairment charge less costs of disposal.

The carrying amount as at 31 December 2020 is disclosed in Note 11, Note 12, Note 13, Note 14 and Note 22.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

3. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contract with customers	**1,103,107**	2,871,404	**86,854**	110,986
Revenue from other sources:				
- Rental income	**33,774**	38,057	**-**	-
- Dividend income from short term investments	**-**	-	**7,186**	1,573
- Dividend income from subsidiaries	**-**	-	**134,000**	98,000
	1,136,881	2,909,461	**228,040**	210,559
Revenue from contract with customers				
Property development:				
- Sales of development properties	**1,003,785**	2,357,263	**-**	-
- Sales of developed lands	**-**	54,483	**-**	-
	1,003,785	2,411,746	**-**	-
Strategic land sales	**27,943**	374,749	**-**	-
Car park collections	**21,043**	26,803	**-**	-
Hotel operations	**10,302**	18,869	**-**	-
Management fees from subsidiaries	**-**	-	**86,854**	110,986
Assets and facilities management and others	**40,034**	39,237	**-**	-
	1,103,107	2,871,404	**86,854**	110,986
Geographical market				
Malaysia	**653,230**	927,459	**85,475**	108,416
Australia	**448,114**	1,942,022	**1,330**	1,066
Singapore	**1,763**	1,923	**49**	1,504
	1,103,107	2,871,404	**86,854**	110,986
Timing of revenue				
At a point in time	**592,613**	2,344,066	**86,854**	110,986
Over time:				
- Property development (Note 25(a))	**490,056**	500,087	**-**	-
- Strategic land sales (Note 25(b))	**20,438**	27,251	**-**	-
	1,103,107	2,871,404	**86,854**	110,986

4. COST OF SALES

	Group		Company	
	2020 RM'000	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**
Property development:				
- Sales of development properties	**781,034**	1,773,363	**-**	-
- Sales of developed lands	**-**	35,666	**-**	-
	781,034	1,809,029	**-**	-
Strategic land sales	**23,776**	253,883	**-**	-
Rental income and car park collections	**11,539**	14,115	**-**	-
Hotel operations	**6,285**	9,348	**-**	-
Costs of services rendered to subsidiaries	**-**	-	**82,718**	105,700
Assets and facilities management and others	**15,471**	17,261	**-**	-
	838,105	2,103,636	**82,718**	105,700

5. OPERATING PROFIT

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Allowance for doubtful debts				
- receivables (Note 24(vii))	**8,706**	1,909	**-**	-
- amounts due from subsidiaries (Note 26)	**-**	-	**30,614**	-
Rental expenses of:				
- short-term leases	**358**	748	**564**	206
- low-value assets	**658**	478	**568**	403
Auditors' remuneration:				
EY and its affiliates:				
- statutory audit for the year:				
- Malaysian operations	**955**	860	**303**	203
- overseas operations	**613**	602	**-**	-
- non-statutory audit	**322**	72	**322**	72
- EY affiliates	**450**	353	**69**	6
Other auditors	**17**	12	**-**	-
Depreciation of property, plant and equipment (Note 11)	**24,688**	20,163	**8,009**	2,845

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in arriving at operating profit: (cont'd.)

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Depreciation of investment properties (Note 12)	**21,382**	16,037	**-**	-
Depreciation of right-of-use assets (Note 13)	**10,892**	10,949	**6,483**	6,748
Directors' remuneration (Note (i))	**3,342**	3,161	**3,342**	3,161
Staff costs (Note (ii))	**130,632**	153,781	**71,761**	83,373
Remeasurement of long term receivables (Note 24(v))	**3,503**	(1,922)	**-**	-
Write back of allowance for impairment:				
- receivables (Note 24(vii))	**(591)**	(2,043)	**-**	-
Net inventories written down	**35,844**	4,921	**-**	-
Loss/(gain) on foreign exchange:				
- unrealised	**2,721**	9,036	**854**	(1,720)
- realised	**6,382**	(483)	**1**	(1,297)
Direct operating expenses arising from investment properties that are:				
- generating rental income	**20,634**	21,190	**-**	-
- not generating rental income	**7,392**	2,550	**-**	-
Dividend income from short term investments	**(7,186)**	(1,573)	**(7,186)**	(1,573)
Interest income:				
- deposits with licensed banks	**(6,399)**	(16,372)	**(1,670)**	(1,369)
- accretion of interest on long term receivables (Note 24(v))	**(2,092)**	(8,967)	**-**	-
- subsidiaries	**-**	-	**(135,031)**	(130,671)
- joint ventures	**(18,811)**	(7,729)	**-**	(5,079)
- an associate	**(176)**	(38)	**-**	-
- others	**(6,044)**	(5,487)	**-**	-
Provision for impairment of:				
- interests in subsidiaries (Note 15)	**-**	-	**714**	-
- interests in joint ventures	**-**	51,113	**34,877**	70,417
- investment property (Note 12)	**26,476**	-	**-**	-
- land held for property development (Note 14)	**17,458**	-	**-**	-
- property, plant and equipment (Note 11)	**2,566**	-	**-**	-
- property development costs (Note 22)	**1,065**	-	**-**	-
- right-of-use asset (Note 13)	**748**	-	**-**	-
(Gain)/loss on disposal of:				
- investment property	**-**	(2,048)	**-**	-
- property, plant and equipment	**(14)**	167	**-**	-

5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in arriving at operating profit: (cont'd.)

(i) Directors' remuneration

	Group/Company			
	2020		**2019**	
	Salary and other emoluments RM'000	**Benefits-in -kind RM'000**	**Salary and other emoluments RM'000**	**Benefits-in -kind RM'000**
Executive director:				
Anwar Syahrin Abdul Ajib	**1,493**	**94**	1,347	120

	Group/Company			
	2020		**2019**	
	Director fees[7] RM'000	**Other emoluments[7] RM'000**	**Director fees[7] RM'000**	**Other emoluments[7] RM'000**
Non-executive directors:				
Dato' Noorazman Abd Aziz	**179**	**16[1]**	126[2]	-
Tan Sri Dr Azmil Khalili Dato' Khalid	**166**	**-**	152	-
Dato' Mohd Izani Ghani	**156[3]**	**-**	92[4]	-
Zaida Khalida Shaari	**132**	**-**	142[5]	-
Effizal Faiz Zulkifly	**121[4]**	**-**	-	-
YM Ungku Suseelawati Ungku Omar	**138**	**-**	140	-
Datin Teh Ija Mohd Jalil	**201**	**-**	203	-
Christina Foo	**183**	**-**	153	-
Chari Thandalam Veeravalli Thirumala	**24**	**-**	-	-
Poh Ying Loo	**26**	**-**	-	-
Tan Sri Dato' Sri Zamzamzairani Mohd Isa	**110**	**66[6]**	210	117[6]
Subimal Sen Gupta	**157**	**-**	203	-
Lim Tian Huat	**80**	**-**	153	-
Wong Shu Hsien	**-**	**-**	3[4]	-
	1,673	**82**	1,577	117
	3,166	**176**	2,924	237
Total directors' remuneration		**3,342**		3,161

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

5. OPERATING PROFIT (CONT'D.)

(i) Directors' remuneration (cont'd.)

[1] Comprised car-related and other claimable benefits.
[2] Fees amounting to RM40,645 for the period up to 16.05.2019 for nominee of UEM Group Berhad ("UEM Group") on the Board of the Company are paid to Khazanah Nasional Berhad ("Khazanah"). From 17.05.2019 onwards, fees are paid to the Director. On 18.10.2019, he ceased to be a nominee of UEM Group on the Board of the Company.
[3] Fees amounting to RM33,094 for the period up to 15.03.2020 for nominee of UEM Group on the Board of the Company are paid to Khazanah. From 16.03.2020 onwards, fees are paid to UEM Group.
[4] Fees for nominees of UEM Group on the Board of the Company are paid to Khazanah.
[5] Fees for nominee of Khazanah on the Board of the Company are paid to Khazanah. From 02.01.2019, fees are paid to the Director. On 24.02.2020, she ceased to be a nominee of Khazanah on the Board of the Company.
[6] Comprised car-related benefits and other permissible items/claims, home guard security services and provision of driver.
[7] Excluding SST where applicable.

(ii) Staff costs

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Wages and salaries	**84,380**	95,193	**45,924**	55,994
Staff bonus, benefits and welfare	**41,471**	30,013	**17,566**	3,101
Restructuring cost	**-**	25,907	**-**	14,257
Statutory contribution to EPF and social security costs	**12,308**	14,426	**7,329**	8,741
Training expenses	**981**	1,398	**942**	1,280
	139,140	166,937	**71,761**	83,373
Capitalised to:				
Land held for property development (Note 14)	**(2,345)**	(4,210)	**-**	-
Property development costs (Note 22)	**(6,163)**	(8,946)	**-**	-
	130,632	153,781	**71,761**	83,373

6. FINANCE COSTS

	Group		Company	
	2020 RM'000	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**
Finance costs incurred and accrued during the year on:				
- IMTN, term loans and structured commodity	**155,202**	167,869	**143,150**	131,583
- revolving credits and bank overdraft	**21,219**	19,788	**13,575**	13,815
- loan from immediate holding company	**7**	2,694	**-**	-
- loan from subsidiaries	**-**	-	**7,519**	681
- interest on lease liabilities (Note 13)	**1,207**	1,683	**681**	888
- accretion of interest on long term payables	**5,199**	817	**-**	-
- bank charges	**1,019**	957	**11**	-
	183,853	193,808	**164,936**	146,967
Capitalised in:				
- land held for property development (Note 14)	**(41,033)**	(37,759)	**-**	-
- property development costs (Note 22)	**(9,794)**	(38,102)	**-**	-
- property, plant, and equipment (Note 11)	**(125)**	(438)	**-**	-
- investment property (Note 12)	**(51)**	-	**-**	-
	(51,003)	(76,299)	**-**	-
	132,850	117,509	**164,936**	146,967

The interest and profit rates for borrowing cost capitalised during the financial year range from 3.70% to 5.32% (2019: 3.85% to 5.52%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

7. ZAKAT

	Group	
	2020 RM'000	**2019 RM'000**
Expensed and paid in the financial year	**1,080**	2,006

8. INCOME TAX EXPENSE/(BENEFIT)

	Group		Company	
	2020 RM'000	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**
Income tax:				
Malaysian income tax	**19,843**	33,067	**-**	-
Foreign tax	**92,656**	115,611	**-**	-
Under/(over) provision in prior years	**8,981**	7,847	**72**	(506)
	121,480	156,525	**72**	(506)
Deferred tax (Note 21):				
Relating to origination and reversal of temporary differences	**(52,752)**	(450)	**-**	-
Underprovision of deferred tax in prior years	**11,577**	3,220	**-**	-
	(41,175)	2,770	**-**	-
Total income tax expense/(benefit)	**80,305**	159,295	**72**	(506)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

8. INCOME TAX EXPENSE/(BENEFIT) (CONT'D.)

A reconciliation of income tax expense/(benefit) applicable between (loss)/profit before zakat and income tax at the statutory income tax rate and income tax expense/(benefit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
(Loss)/profit before zakat and income tax	**(195,331)**	381,767	**7,632**	11,684
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**(46,879)**	91,624	**1,832**	2,804
Effect of different tax rates in other countries	**7,732**	25,141	**-**	-
Income not subject to tax	**(2,385)**	(2,661)	**(33,891)**	(24,630)
Expenses not deductible for tax purposes	**33,514**	22,925	**32,059**	21,826
Deferred tax assets not recognised during the year	**35,964**	14,752	**-**	-
Reversal of deferred tax assets	**16,537**	-	**-**	-
Withholding tax payable	**-**	1,700	**-**	-
Tax effect on share of associates' and joint ventures' results	**15,523**	(4,772)	**-**	-
Under/(over) provision of income tax in prior years	**8,981**	7,847	**72**	(506)
Under provision of deferred tax in prior years	**11,577**	3,220	**-**	-
Zakat deduction	**(259)**	(481)	**-**	-
Tax expense/(benefit) for the year	**80,305**	159,295	**72**	(506)

9. DIVIDEND

Since the end of the previous financial year, no dividend has been paid by the Company.

The directors do not recommend the payment of any dividend in respect of the current financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

10. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share are calculated by dividing profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2020	**2019**
(Loss)/profit for the year attributable to owners of the parent (RM'000)	**(277,284)**	221,597
Weighted average number of ordinary shares in issue ('000)	**5,058,476**	4,537,436
Basic (loss)/earnings per share (sen)	**(5.5)**	4.9

(b) Diluted

For the purpose of calculating diluted (loss)/earnings per share, the (loss)/profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year has been adjusted for the dilutive effect of all potential ordinary shares.

	Group	
	2020	**2019**
(Loss)/profit for the year attributable to owners of the parent (RM'000)	**(277,284)**	221,597
Weighted average number of ordinary shares in issue ('000)	**5,058,476**	4,537,436
Effects of dilution from RCPS ('000)	**-**	617,077
	5,058,476	5,154,513
Diluted (loss)/earnings per share (sen)	**(5.5)**	4.3

The RCPS matured during the financial year, hence balance is Nil at the reporting date. Details of the RCPS movement is disclosed in Note 28.

There have been no other transactions involving ordinary shares between the reporting date and the date of authorisation of these financial statements.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Building RM'000	Capital work-in-progress RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Renovation, equipment and others RM'000	Total RM'000
At 31 December 2020								
Net carrying amount at 1 January 2020	**14,882**	**305,220**	**14,651**	**78,814**	**28**	**191**	**42,270**	**456,056**
Additions	**-**	**1,682**	**6,485**	**-**	**-**	**-**	**1,619**	**9,786**
Foreign currency translation	**-**	**170**	**-**	**-**	**-**	**-**	**86**	**256**
Transfer to investment properties (Note 12)	**-**	**-**	**(3,569)**	**-**	**-**	**-**	**(1,312)**	**(4,881)**
Transfer from land held for development costs (Note 14)	**14**	**-**	**-**	**-**	**-**	**-**	**-**	**14**
Transfer from property development cost (Note 22)	**-**	**44,637**	**-**	**-**	**-**	**-**	**-**	**44,637**
Reclassification	**-**	**-**	**(13,934)**	**-**	**-**	**-**	**13,934**	**-**
Depreciation charge (Note 5)	**-**	**(6,969)**	**-**	**(5,295)**	**(28)**	**(105)**	**(12,291)**	**(24,688)**
Impairment (Note 5)	**-**	**-**	**-**	**(2,566)**	**-**	**-**	**-**	**(2,566)**
Net carrying amount at 31 December 2020	**14,896**	**344,740**	**3,633**	**70,953**	**-**	**86**	**44,306**	**478,614**
Cost	**14,896**	**372,458**	**3,633**	**104,927**	**6,476**	**9,787**	**109,898**	**622,075**
Accumulated depreciation	**-**	**(27,718)**	**-**	**(31,408)**	**(6,476)**	**(9,701)**	**(65,592)**	**(140,895)**
Accumulated impairment	**-**	**-**	**-**	**(2,566)**	**-**	**-**	**-**	**(2,566)**
Net carrying amount	**14,896**	**344,740**	**3,633**	**70,953**	**-**	**86**	**44,306**	**478,614**

Included in capital work-in-progress is the borrowing cost of RM125,000 (2019: RM438,000) for the construction of buildings.

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11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Building RM'000	Capital work-in-progress RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Renovation, equipment and others RM'000	Total RM'000
At 31 December 2019								
Net carrying amount at 1 January 2019	14,882	295,640	74,475	31,810	921	330	27,494	445,552
Additions	-	-	21,416	52	-	-	23,388	44,856
Adjustment to cost estimates	-	(613)	(1,166)	-	-	-	-	(1,779)
Disposal	-	-	-	-	-	-	(318)	(318)
Foreign currency translation	-	-	(1,928)	-	-	-	(6)	(1,934)
Transfer to property development cost (Note 22)	-	-	(10,158)	-	-	-	-	(10,158)
Reclassification	-	16,592	(67,988)	51,396	-	-	-	-
Depreciation charge (Note 5)	-	(6,399)	-	(4,444)	(893)	(139)	(8,288)	(20,163)
Net carrying amount at 31 December 2019	14,882	305,220	14,651	78,814	28	191	42,270	456,056
Cost	14,882	325,969	14,651	104,927	6,476	9,931	95,571	572,407
Accumulated depreciation	-	(20,749)	-	(26,113)	(6,448)	(9,740)	(53,301)	(116,351)
Net carrying amount	14,882	305,220	14,651	78,814	28	191	42,270	456,056

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Capital work-in-progress RM'000	Renovation, equipment and others RM'000	Total RM'000
At 31 December 2020			
Net carrying amount at 1 January 2020	**15,849**	**16,596**	**32,445**
Additions	**2,363**	**3,852**	**6,215**
Adjustment to cost estimates	**(4)**	**-**	**(4)**
Disposal	**-**	**(10)**	**(10)**
Reclassification	**(17,981)**	**17,981**	**-**
Depreciation charge (Note 5)	**-**	**(8,009)**	**(8,009)**
Net carrying amount at 31 December 2020	**227**	**30,410**	**30,637**
Cost	**227**	**41,841**	**42,068**
Accumulated depreciation	**-**	**(11,431)**	**(11,431)**
Net carrying amount	**227**	**30,410**	**30,637**
At 31 December 2019			
Net carrying amount at 1 January 2019	8,892	8,538	17,430
Additions	6,957	10,903	17,860
Depreciation charge (Note 5)	-	(2,845)	(2,845)
Net carrying amount at 31 December 2019	15,849	16,596	32,445
Cost	15,849	20,018	35,867
Accumulated depreciation	-	(3,422)	(3,422)
Net carrying amount	15,849	16,596	32,445

NOTES TO THE FINANCIAL STATEMENTS
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12. INVESTMENT PROPERTIES

Group	Investment properties under construction RM'000	Completed investment properties RM'000	Total RM'000
Cost			
At 1 January 2020	-	944,220	944,220
Addition	11,069	2,593	13,662
Transfer from property, plant and equipment (Note 11)	3,569	1,312	4,881
Foreign translation	-	7,636	7,636
At 31 December 2020	14,638	955,761	970,399
Accumulated depreciation			
At 1 January 2020	-	(98,609)	(98,609)
Depreciation charge (Note 5)	-	(21,382)	(21,382)
At 31 December 2020	-	(119,991)	(119,991)
Accumulated impairment			
At 1 January 2020	-	-	-
Impairment charge (Note 5)	-	(26,476)	(26,476)
At 31 December 2020	-	(26,476)	(26,476)
Net carrying amount	14,638	809,294	823,932
Fair value of investment properties (Note 42)	#	1,103,121	1,103,121

Impairment losses of investment properties

At the reporting date, the Group conducted an impairment review of its investment properties, principally based on the independent accredited third-party valuers assessment, which represents the directors' estimation of the market value less costs of disposal.

The COVID-19 pandemic and restricted movement control order have affected the retail business with the reduction of footfall of customers. This resulted to decline in profitability and occupancy rates of the retails business during those periods, hence affected the market value of the properties which gave rise to recognition of impairment loss amounting to RM26,476,000 (2019: RMNil).

12. INVESTMENT PROPERTIES (CONT'D.)

Group	Completed investment properties RM'000
Cost	
At 1 January 2019	811,487
Addition	134,855
Disposal	(1,105)
Transfer from property development costs (Note 22)	4,471
Foreign translation	(5,488)
At 31 December 2019	944,220
Accumulated depreciation	
At 1 January 2019	(82,784)
Depreciation charge (Note 5)	(16,037)
Disposal	212
At 31 December 2019	(98,609)
Net carrying amount	845,611
Fair value of investment properties (Note 42) ^	1,165,895

\# The fair value of the investment properties under construction cannot be reliably determined and accordingly, no fair value information is being disclosed.

^ The fair value of investment properties as at 31 December 2019 includes the cost of properties completed in 2018 and recently obtained completion certificate of RM93,045,000 which approximates to fair value.

The Group has no restrictions on the realisability of its investment properties and no significant contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The fair value of the investment properties has been substantially arrived at via valuation performed by accredited independent valuers, in which categorised within the fair value hierarchy (Level 3), as the fair value is measured using inputs that are not based on observable market data.

The fair value of investment properties described above was based on conditions existing as at 31 December 2020.

Included in investment properties under construction is the borrowing cost of RM51,000 (2019: RMNil) for the construction of a building.

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13. RIGHT-OF-USE ASSETS

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
At 1 January 2020	**28,425**	**104**	**28,529**
Addition	**522**	**-**	**522**
Depreciation (Note 5)	**(10,842)**	**(50)**	**(10,892)**
Impairment (Note 5)	**(748)**	**-**	**(748)**
At 31 December 2020	**17,357**	**54**	**17,411**
At 1 January 2019	39,165	162	39,327
Addition	151	-	151
Depreciation (Note 5)	(10,891)	(58)	(10,949)
At 31 December 2019	28,425	104	28,529

Company	Buildings 2020 RM'000	Buildings 2019 RM'000
At 1 January	**17,200**	23,575
Addition	**537**	373
Write-off	**(322)**	-
Depreciation (Note 5)	**(6,483)**	(6,748)
At 31 December	**10,932**	17,200

The Group and the Company lease a number of offices and buildings for a period of between 1 year and 3 years, with fixed rents and an option to renew the lease.

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
Lease liabilities			
At 1 January 2020	**29,988**	**106**	**30,094**
Addition	**522**	**-**	**522**
Accretion of interest (Note 6)	**1,203**	**4**	**1,207**
Billings	**(11,342)**	**(53)**	**(11,395)**
At 31 December 2020	**20,371**	**57**	**20,428**
Analysed into:			
Non-current	**8,549**	**11**	**8,560**
Current	**11,822**	**46**	**11,868**
	20,371	**57**	**20,428**

13. RIGHT-OF-USE ASSETS (CONT'D.)

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
Lease liabilities			
At 1 January 2019	39,165	162	39,327
Addition	151	-	151
Accretion of interest (Note 6)	1,677	6	1,683
Billings	(11,005)	(62)	(11,067)
At 31 December 2019	29,988	106	30,094
Analysed into:			
Non-current	19,656	58	19,714
Current	10,332	48	10,380
	29,988	106	30,094

	Buildings	
Company	**2020 RM'000**	**2019 RM'000**
Lease liabilities		
At 1 January	**17,808**	23,575
Addition	**537**	373
Write-off	**(333)**	-
Accretion of interest (Note 6)	**681**	888
Billings	**(7,074)**	(7,028)
At 31 December	**11,619**	17,808
Analysed into:		
Non-current	**5,469**	13,069
Current	**6,150**	4,739
	11,619	17,808

The maturity analysis of lease liabilities is disclosed as below:

Group 2020	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
Within 1 year	**12,549**	**681**	**11,868**
Between 2 and 5 years	**8,729**	**169**	**8,560**

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

13. RIGHT-OF-USE ASSETS (CONT'D)

The maturity analysis of lease liabilities is disclosed as below (cont'd):

Group **2019**	**Future minimum lease payments RM'000**	**Interest RM'000**	**Present value of minimum lease payments RM'000**
Within 1 year	11,586	1,206	10,380
Between 2 and 5 years	20,534	820	19,714

Company	**Future minimum lease payments RM'000**	**Interest RM'000**	**Present value of minimum lease payments RM'000**
2020			
Within 1 year	**6,550**	**400**	**6,150**
Between 2 and 5 years	**5,574**	**105**	**5,469**
2019			
Within 1 year	5,439	700	4,739
Between 2 and 5 years	13,552	483	13,069

Group **Extension options** **2019**	**Lease liability recognised (discounted) RM'000**	**Potential future lease payments not included in lease liability (discounted) RM'000**	**Historical rate of exercise of extension options %**
Building	1,980	1,242	50%

Some leases of office buildings contain extension options exercisable by the Group up to three years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. During the financial year, the group did not opt for the extension options.

Sale and leaseback

In 2015, the Group sold an office building and leased the building back for seven years. This sale and leaseback transaction enabled the Group to gain access more capital while continuing to use the office building. The rent is adjusted every two years after the first tenancy period of three years to reflect increases in local market rents for similar properties.

14. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2020 RM'000	**2019 RM'000 Restated**
Cost		
At 1 January	**5,611,632**	4,706,729
Business combination (Note 48(b))	**-**	807,502
Additions	**354,444**	233,379
Disposal	**(2,000)**	-
Expense off	**-**	(1,494)
Impairment (Note 5)	**(17,458)**	-
Transfer to property, plant and equipments (Note 11)	**(14)**	-
Transfer to property development costs (Note 22)	**(113,857)**	(134,484)
At 31 December	**5,832,747**	5,611,632

As at the reporting date, land and related development expenditures of RM739,978,000 (2019: RM622,993,000) are pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 34(a).

Included in the additions to the land held for property development of the Group during the financial year are as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Interest capitalised (Note 6)	**41,033**	37,759
Staff costs (Note 5(ii))	**2,345**	4,210

Included in land held for property development of the Group are parcels of land committed through the Master Agreement between UEM Land Berhad ("UEM Land"), a wholly-owned subsidiary of the Company with Ascendas Land (Malaysia) Sdn. Bhd. ("Ascendas").

The Master Agreement was entered on 23 October 2012 whereby UEM Land has granted the option for Ascendas to purchase 519 acres of land within the nine years period commencing from the date of the Master Agreement. As at the end of the financial year, 399 acres of land remain unsold. The options shall automatically lapse if not exercised within the option period.

Impairment losses of land held for property development

At the reporting date, the Group conducted an impairment review on land held for property development, principally based on the independent accredited third-party valuers' assessment, which represents the directors' estimation of the market value less costs of disposal.

The review gave rise to the recognition of impairment losses of RM17,458,000 (2019: RMNil). The impairment losses arose mainly due to COVID-19 pandemic which resulted in a drop of market values of the assets.

NOTES TO THE FINANCIAL STATEMENTS
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15. INTERESTS IN SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
Investment in subsidiaries, unquoted shares		
At 1 January/31 December	**3,181,299**	3,181,299
Investment in RCPS/RPS, issued by subsidiaries		
At 1 January/31 December	**1,155,212**	1,155,212
Impairment losses		
At 1 January/31 December	**(18,116)**	(18,116)
Impairment losses (Note 5)	**(714)**	-
At 31 December	**(18,830)**	(18,116)
	4,317,681	4,318,395

Details of the subsidiaries are disclosed in Note 45.

Impairment losses of interests in subsidiaries

At the reporting date, the Company conducted an impairment review of its interests in certain subsidiaries, principally based on the Company's share of net assets in these subsidiaries, which represents the directors' estimation of fair value less costs of disposal of these subsidiaries.

16a. INTERESTS IN ASSOCIATES

	Group	
	2020 RM'000	**2019 RM'000 Restated**
Investment in associates, unquoted shares		
At 1 January	**56,553**	56,566
Written off	**-**	(13)
At 31 December	**56,553**	56,553
Investment in RPS, issued by an associate		
At 1 January/31 December	**360,000**	360,000
Share of post-acquisition reserves		
At 1 January	**103,313**	105,745
Share of reserve during the year	**(7,628)**	(2,432)
At 31 December	**95,685**	103,313
Foreign currency translation	**(25,627)**	(24,612)
	486,611	495,254

	Company	
	2020 RM'000	**2019 RM'000**
Investment in an associate, unquoted shares	**1,170**	1,170

Details of associates are disclosed in Note 46.

NOTES TO THE FINANCIAL STATEMENTS

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16a. INTERESTS IN ASSOCIATES (CONT'D.)

Summarised financial information in respect of Group's material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

Summarised statement of financial position

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000 Restated**
Non-current assets	**883,995**	883,935	**1,123,433**	1,060,698
Current assets	**19,197**	18,877	**1,583,672**	1,635,868
Total assets	**903,192**	902,812	**2,707,105**	2,696,566
Non-current liabilities	**-**	-	**1,880,534**	1,814,497
Current liabilities	**39**	43	**218,096**	249,210
Total liabilities	**39**	43	**2,098,630**	2,063,707
Net assets	**903,153**	902,769	**608,475**	632,859

Summarised statement of comprehensive income

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Revenue	**-**	-	**110,002**	177,342
Profit/(loss) before tax	**476**	735	**(30,236)**	20,418
Total comprehensive income/(expense)	**384**	593	**(24,384)**	16,466

16a. INTERESTS IN ASSOCIATES (CONT'D.)

(cont'd.)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in associates.

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Net assets at 1 January	**902,769**	902,176	**632,859**	616,393
Profit/(loss) for the year	**384**	593	**(24,384)**	16,466
Net assets at 31 December	**903,153**	902,769	**608,475**	632,859
Interests in associate	**40%**	40%	**25%**	25%
	361,261	361,108	**152,119**	158,215
Unrealised profit arising from land sales	**(35,902)**	(35,902)	**-**	-
Carrying value of Group's interest	**325,359**	325,206	**152,119**	158,215

Aggregate information of associates that are not individually material

	2020 RM'000	**2019 RM'000**
The Group's share of loss before tax	**(1,686)**	(6,960)
The Group's share of loss after tax	**(1,686)**	(6,960)

Apart from as disclosed in Note 40, there is no material contingent liability and capital commitment relating to associates as at 31 December 2020 and 31 December 2019.

16b. AMOUNTS DUE FROM ASSOCIATES

Group

Amounts due from associates are unsecured, non-interest bearing and repayable on demand except for amount of RM9,745,000 (2019: RM12,000,000) which bears interest at an average rate of 5.5% (2019: 5.5%) per annum.

Company

Amount due from associates are unsecured, non-interest bearing and repayable on demand.

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17a. INTERESTS IN JOINT VENTURES

	2020 RM'000	2019 RM'000 Restated
Group		
Investment in joint ventures, unquoted shares		
At 1 January/31 December	**33,954**	33,954
Investment in Redeemable Convertible Loan Stocks ("RCULS"), RCPS and RPS, issued by joint ventures		
At 1 January	**697,021**	662,016
Additional investment (Note (i))	**-**	35,005
At 31 December	**697,021**	697,021
Share of post-acquisition reserves	**137,084**	192,951
Amounts due from joint ventures (Note (ii))	**182,273**	163,889
Accumulated impairment losses	**(61,320)**	(61,320)
	989,012	1,026,495
Company		
Investments in joint ventures, unquoted shares		
At 1 January/31 December	**23,580**	23,580
Investment in RCULS, RCPS and RPS, issued by joint ventures		
At 1 January	**502,562**	467,557
Additional investment (Note (i))	**-**	35,005
At 31 December	**502,562**	502,562
Impairment losses (Note (iv))	**(221,056)**	(186,179)
At 31 December	**305,086**	339,963

17a. INTERESTS IN JOINT VENTURES (CONT'D.)

(i) Acquisition of investment in joint ventures

In the previous financial year, the Company subscribed additional Redeemable Preference Shares of RM47,958,000 at RM1.00 per share in Desaru North Course Residences Sdn. Bhd. upon the Desaru settlement arrangement with Themed Attractions Resorts & Hotels Sdn. Bhd. via acquisition of properties in Puteri Harbour, alongside redemption of Redeemable Preference Shares in Desaru South Course Land Sdn. Bhd. and Desaru South Course Residences Sdn. Bhd. of amounts RM265,000 and RM12,688,000 respectively.

(ii) Amounts due from joint ventures are unsecured and non-interest bearing. The Group views the non-trade amounts due from joint ventures as part of the Group's interests in joint ventures.

(iii) Apart from as disclosed in Note 40, there is no material contingent liability and capital commitment relating to joint ventures as at 31 December 2020 and 31 December 2019.

(iv) At the reporting date, the Company conducted an impairment review of its interests in certain joint ventures, principally based on the share of net assets in these joint ventures, which represents the directors' estimation of fair value less costs of disposal in these joint ventures.

The impairment losses arose mainly due to the decline in recoverable amounts and the values of the properties due to COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS
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17a. INTERESTS IN JOINT VENTURES (CONT'D.)

(v) Summarised financial information in respect of Group's material joint ventures are set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

Summarised statement of financial position

	FASTrack Iskandar Sdn. Bhd.		Nusajaya Tech Park Sdn. Bhd.		Nusajaya Lifestyle Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Sunrise MCL Land Sdn. Bhd.		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated
Non-current assets	**203,850**	202,953	**9,530**	8,237	**191,191**	222,996	**201,225**	207,773	**194,636**	194,117	**133,318**	120,993	**933,750**	957,069
Cash and cash equivalents	**2,564**	6,713	**21,263**	48,447	**710**	8,279	**243,687**	325,128	**249**	175	**48,745**	29,305	**317,218**	418,047
Other current assets	**87,163**	86,787	**153,019**	165,789	**6,665**	3,451	**634,216**	675,781	**10,470**	15,114	**79,934**	93,415	**971,467**	1,040,337
Total current assets	**89,727**	93,500	**174,282**	214,236	**7,375**	11,730	**877,903**	1,000,909	**10,719**	15,289	**128,679**	122,720	**1,288,685**	1,458,384
Total assets	**293,577**	296,453	**183,812**	222,473	**198,566**	234,726	**1,079,128**	1,208,682	**205,355**	209,406	**261,997**	243,713	**2,222,435**	2,415,453
Current liabilities	**-**	-	**-**	-	**-**	-	**122,387**	167,401	**15,206**	17,547	**1,281**	-	**138,874**	184,948
Trade and other payables and provisions	**48**	814	**8,861**	13,141	**33,967**	32,247	**74,832**	81,357	**157**	982	**39,088**	25,366	**156,953**	153,907
Total current liabilities	**48**	814	**8,861**	13,141	**33,967**	32,247	**197,219**	248,758	**15,363**	18,529	**40,369**	25,366	**295,827**	338,855
Non-current liabilities	**84**	84	**13,845**	46,036	**-**	-	**31,203**	126,371	**-**	-	**-**	-	**45,132**	172,491
Trade and other payables and provisions	**-**	-	**-**	-	**-**	-	**9,723**	16,126	**-**	-	**-**	-	**9,723**	16,126
Total non-current liabilities	**84**	84	**13,845**	46,036	**-**	-	**40,926**	142,497	**-**	-	**-**	-	**54,855**	188,617
Total liabilities	**132**	898	**22,706**	59,177	**33,967**	32,247	**238,145**	391,255	**15,363**	18,529	**40,369**	25,366	**350,682**	527,472
Net assets	**293,445**	295,555	**161,106**	163,296	**164,599**	202,479	**840,983**	817,427	**189,992**	190,877	**221,628**	218,347	**1,871,753**	1,887,981

17a. INTERESTS IN JOINT VENTURES (CONT'D.)

(v) (cont'd.)

Summarised statement of comprehensive income

	FASTrack Iskandar Sdn. Bhd.		Nusajaya Tech Park Sdn. Bhd.		Nusajaya Lifestyle Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Sunrise MCL Land Sdn. Bhd.		Total	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000 Restated**
Revenue	**-**	-	**15,612**	83,486	**5,760**	2,364	**150,803**	226,796	**-**	-	**82,971**	66,003	**255,146**	378,649
Depreciation amortisation and impairment	**-**	-	**-**	-	**(31,460)**	(1,495)	**(2,873)**	(2,831)	**-**	-	**(166)**	(117)	**(34,499)**	(4,443)
Interest income	**104**	316	**670**	96	**40**	48	**-**	-	**287**	422	**588**	806	**1,689**	1,688
Interest expenses	**(1,190)**	(4,303)	**(1,111)**	(2,409)	**(714)**	(932)	**(4,143)**	(6,528)	**(901)**	(861)	**(100)**	(92)	**(8,159)**	(15,125)
(Loss)/profit before tax	**(2,110)**	(2,200)	**(2,297)**	26,102	**(37,880)**	(4,976)	**30,995**	95,168	**(885)**	2,983	**17,475**	14,955	**5,298**	132,032
Income tax expenses	**-**	-	**107**	(1,599)	**-**	-	**(7,439)**	(22,840)	**-**	(716)	**(4,194)**	(3,589)	**(11,526)**	(28,744)
(Loss)/profit after tax	**(2,110)**	(2,200)	**(2,190)**	24,503	**(37,880)**	(4,976)	**23,556**	72,328	**(885)**	2,267	**13,281**	11,366	**(6,228)**	103,288
Total comprehensive (expense)/ income	**(2,110)**	(2,200)	**(2,190)**	24,503	**(37,880)**	(4,976)	**23,556**	72,328	**(885)**	2,267	**13,281**	11,366	**(6,228)**	103,288

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17a. INTERESTS IN JOINT VENTURES (CONT'D.)

(v) (cont'd.)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in the joint ventures

	FASTrack Iskandar Sdn. Bhd.		Nusajaya Tech Park Sdn. Bhd.		Nusajaya Lifestyle Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Sunrise MCL Land Sdn. Bhd.		Total	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000 Restated**
Net assets at 1 January	**295,555**	297,755	**163,296**	138,793	**202,479**	207,455	**817,427**	805,099	**190,877**	188,610	**218,347**	210,981	**1,887,981**	1,848,693
(Loss)/profit for the year	**(2,110)**	(2,200)	**(2,190)**	24,503	**(37,880)**	(4,976)	**23,556**	72,328	**(885)**	2,267	**13,281**	11,366	**(6,228)**	103,288
Dividend paid	**-**	-	**-**	-	**-**	-	**-**	(60,000)	**-**	-	**(1,000)**	-	**(1,000)**	(60,000)
Redemption of investment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(9,000)**	(4,000)	**(9,000)**	(4,000)
Net assets at 31 December	**293,445**	295,555	**161,106**	163,296	**164,599**	202,479	**840,983**	817,427	**189,992**	190,877	**221,628**	218,347	**1,871,753**	1,887,981
Interests in joint venture	**30%**	30%	**40%**	40%	**55%**	55%	**50%**	50%	**80%**	80%	**50%**	50%		
Share of net assets of the Group	**88,034**	88,667	**64,442**	65,318	**90,529**	111,363	**420,492**	408,714	**151,994**	152,702	**110,814**	109,174	**926,305**	935,938
Unrealised profit arising from land sales	**-**	-	**-**	-	**-**	-	**(38,437)**	(40,118)	**-**	-	**-**	-	**(38,437)**	(40,118)
Carrying value of Group's interest	**88,034**	88,667	**64,442**	65,318	**90,529**	111,363	**382,055**	368,596	**151,994**	152,702	**110,814**	109,174	**887,868**	895,820

Aggregate information of joint ventures that are not individually material

	2020 RM'000	**2019 RM'000**
The Group's share of loss before tax	**(52,418)**	(27,750)
The Group's share of loss after tax	**(52,418)**	(27,750)

Details of the joint venture entities are disclosed in Note 47.

17b. AMOUNTS DUE FROM JOINT VENTURES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Amounts due from joint ventures				
- Non-current (Note (i))	**173,252**	158,464	**10,200**	-
- Current (Note (ii))	**61,104**	38,265	**25,620**	29,328
	234,356	196,729	**35,820**	29,328

Group

(i) Amounts due from joint ventures are unsecured, not expected to be repayable in the next 12 months and bear interest at average rates of 5.0% to 7.0% (2019: 6.5% to 7.6%) per annum.

(ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand except for an amount of RM6,021,000 (2019: RM6,049,000) which bears interest at an average rate of 6.7% (2019: 7.4%) per annum.

Company

(i) Amount due from joint ventures are unsecured, not expected to be repayable in the next 12 months and bear interest at average rate of 7.02% (2019: Nil%) per annum.

(ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand except for an amount of RMNil (2019: RM14,062,000) which bears interest at an average rate of Nil% (2019: 7.15%) per annum.

18. OTHER INVESTMENTS

	Group and Company	
	2020 RM'000	**2019 RM'000**
Fair value through profit or loss:		
Sukuk Prihatin	**5,000**	-
Unquoted shares in Malaysia	**22,525**	22,525
Less: Accumulated impairment losses	**(22,525)**	(22,525)
	-	-

During the financial year, the Group and the Company have subscribed the "Sukuk Prihatin" issued by Government of Malaysia which earns profit at 2.0% per annum.

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19. GOODWILL

Goodwill arising from business combinations has been allocated into two individual cash-generating units ("CGU"), comprising two subsidiary groups principally engaged in property development activities for impairment testing. The carrying amount of goodwill allocated to CGU is as follows:

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January/31 December	**621,409**	621,409

Assumptions and approach used

The recoverable amounts of the CGU have been determined based on fair value less costs of disposal and value-in-use calculations using cash flow projections from financial budgets approved by the management covering a five-year period. The management has applied a pre-tax discount rate of 12.5% (2019: 13%).

The calculations of value-in-use for the CGU are most sensitive to the following assumptions:

Budgeted gross margins - Gross margins are based on historical trend of gross margins for the CGU.

Pre-tax discount rates - Discount rates reflect the weighted average cost of capital of the CGU.

Sales take-up rate - Sales take-up rate is based on historical trend of the market of which the CGU operates.

In determining fair value less costs of disposal of the properties, the Group relies on the works performed by the accredited independent valuers. In the absence of such valuation, the Group applies the previous transacted price.

There remains a risk that, due to unforeseen changes in the global economic condition and/or in the economy in which the CGU operates, the gross margins and sales take-up rate for property development may be adversely affected.

Impact of possible changes in key assumptions

The sensitivity tests indicated that with an increase in the discount rate by 3% or a reduction in the market value of identifiable assets by 20% or a reduction in the net development value of property sales by 13%, there will be no impairment loss required where other realistic variations remained the same.

The calculation for value-in-use for the CGU described above was based on conditions existing as at 31 December 2020. The Group will continue to monitor and assess the assumptions applied.

20. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deposits with licensed banks (Note (i))	**37,062**	11,501	**-**	-
Cash and bank balances (Note (ii))	**1,049,207**	1,045,945	**23,487**	76,777
	1,086,269	1,057,446	**23,487**	76,777
Bank overdraft (Note 34(a), 34(f))	**(5,537)**	(713)	**-**	-
Cash and cash equivalents	**1,080,732**	1,056,733	**23,487**	76,777

(i) The average interest rates and maturity of deposits of the Group as at financial year end were 0.36% (2019: 1.38%) and 41 days (2019: 54 days) respectively.

	Group	
	2020 RM'000	2019 RM'000
(ii) Included in cash and bank balances of the Group are:		
- Housing Development Accounts	**191,066**	187,398
- Securities under credit facilities *	**2,692**	1,907

Included in housing development accounts is a minimal foreign currency amount under fixed deposit in Canada which is restricted to the Letter of Credit, pending defect liability period.

* Comprise credit facilities as disclosed in Note 34(c).

21. DEFERRED TAXATION

	Group	
	2020 RM'000	2019 RM'000 Restated
At 1 January	**(48,373)**	(52,155)
Recognised in profit or loss (Note 8)	**(41,175)**	2,770
Foreign currency translation	**(1,802)**	1,012
At 31 December	**(91,350)**	(48,373)
Presented as follows:		
Deferred tax liabilities	**164,410**	238,426
Deferred tax assets	**(255,760)**	(286,799)
	(91,350)	(48,373)

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21. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Fair value adjustment of land and building RM'000	Interest capitalised RM'000	Others RM'000	Total RM'000
At 1 January 2020	**155,877**	**108,936**	**53,779**	**318,592**
Recognised in profit or loss	**(1,862)**	**(542)**	**(53,662)**	**(56,066)**
At 31 December 2020	**154,015**	**108,394**	**117**	**262,526**
At 1 January 2019	157,739	109,639	47,225	314,603
Recognised in profit or loss	(1,862)	(703)	6,554	3,989
At 31 December 2019	155,877	108,936	53,779	318,592

Deferred tax assets of the Group:

	Provisions RM'000	Tax losses and capital allowances RM'000	Others RM'000	Total RM'000
At 1 January 2020	**(187,589)**	**(121,602)**	**(57,774)**	**(366,965)**
Recognised in profit or loss	**5,724**	**(64)**	**9,231**	**14,891**
Foreign currency translation	**-**	**(1,802)**	**-**	**(1,802)**
At 31 December 2020	**(181,865)**	**(123,468)**	**(48,543)**	**(353,876)**
At 1 January 2019	(186,564)	(123,782)	(56,412)	(366,758)
Recognised in profit or loss	(1,025)	1,168	(1,362)	(1,219)
Foreign currency translation	-	1,012	-	1,012
At 31 December 2019	(187,589)	(121,602)	(57,774)	(366,965)

21. DEFERRED TAXATION (CONT'D.)

Deferred tax assets are not recognised in respect of the following items:

	Group	
	2020 **RM'000**	**2019** **RM'000**
Unused tax losses	**362,380**	176,781
Others	**47,083**	82,831
	409,463	259,612
Deferred tax benefit at 24%, if recognised	**98,271**	62,307

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group is subject to no substantial changes in shareholdings of the respective companies under the Income Tax Act, 1967, and guidelines issued by the tax authority. Effective from YA 2019, unused tax losses are allowed to be carried forward for a maximum period of seven years.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available in the Company and certain subsidiaries against which the Group can utilise the benefits.

22. PROPERTY DEVELOPMENT COSTS

	Group	
	2020 **RM'000**	**2019** **RM'000** **Restated**
At 1 January	**4,482,130**	4,441,054
Development costs incurred during the year	**419,678**	1,327,967
Transfer from/(to):		
- land held for property development (Note 14)	**113,857**	134,484
- property, plant and equipment (Note 11)	**(44,637)**	10,158
- investment properties (Note 12)	**-**	(4,471)
- inventories held for sale	**(24,251)**	(82,700)
- inventories under contract of sale	**-**	(304,199)
Disposal	**-**	(232,237)
Impairment (Note 5)	**(1,065)**	-
Reversal of cost arising from completed projects	**(1,694,862)**	(781,685)
Foreign currency translation	**-**	(26,241)
	(1,231,280)	41,076
At 31 December	**3,250,850**	4,482,130

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22. PROPERTY DEVELOPMENT COSTS (CONT'D.)

	Group	
	2020 RM'000	**2019 RM'000 Restated**
Costs recognised in profit or loss		
At 1 January	**(3,609,753)**	(2,620,933)
Recognised during the year	**(377,727)**	(1,767,220)
Reversal of cost arising from completed projects	**1,694,862**	781,685
Foreign currency translation	**-**	(3,285)
At 31 December	**(2,292,618)**	(3,609,753)
Property development costs as at 31 December	**958,232**	872,377

The property development costs balances include contract cost assets which comprise of costs to fulfil and obtain contracts are as follows:

	Group	
	2020 RM'000	**2019 RM'000 Restated**
Contract cost assets:		
Costs to fulfil contracts with customers	**104,639**	90,830
Incremental costs to obtain contracts with customers	**15,473**	13,901
	120,112	104,731
Amortised to profit or loss:		
Costs to fulfil contracts with customers	**363,916**	1,566,140
Incremental costs to obtain contracts with customers	**7,224**	72,448

Included in costs incurred during the financial year are:

	Group	
	2020 RM'000	**2019 RM'000 Restated**
Interest capitalised (Note 6)	**9,794**	38,102
Staff costs (Note 5(ii))	**6,163**	8,946

As at the reporting date, freehold land and related development expenditure of RM150,152,000 (2019: RM146,699,000) are pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 34 (a), (b) and (c).

23. INVENTORIES

(a) Inventories held for sale

	Group	
	2020 **RM'000**	**2019** **RM'000** **Restated**
At cost		
Completed properties	**196,169**	367,476
Consumables	**404**	404
	196,573	367,880
At net realisable value		
Completed properties	**243,630**	144,562
Golf memberships*	**28,211**	28,201
	468,414	540,643

The cost of inventories held for sale recognised as cost of sales during the year amounted to RM67,287,000 (2019: RM229,790,000).

* Under the terms of the Development Agreement dated 16 June 2005 between Horizon Hills Development Sdn. Bhd. ("HHDSB") and Nusajaya Greens Sdn. Bhd., HHDSB has settled part of the purchase consideration in the form of rights to club membership (golf and non-golf) which is to be issued by the Horizon Hills Resort Bhd., a wholly-owned subsidiary of HHDSB.

(b) Inventories under contract of sale

	Group	
	2020 **RM'000**	**2019** **RM'000**
At cost		
Completed properties	**112,118**	408,304

The inventories under contract of sale relate to sales, which sale and purchase agreements have been entered into, pending settlement by the purchasers.

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24. RECEIVABLES

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade receivables	(i), (vii)	**304,336**	461,127	**-**	-
Amounts due from related parties	(ii)	**3,085**	1,659	**-**	-
Other receivables	(iii)	**362,947**	367,608	**244,061**	143,612
		670,368	830,394	**244,061**	143,612
Less: Allowance for impairment	(iv)	**(30,716)**	(22,601)	**-**	-
		639,652	807,793	**244,061**	143,612
Analysed into:					
Non-current	(v)	**145,355**	166,052	**-**	-
Current		**494,297**	641,741	**244,061**	143,612
		639,652	807,793	**244,061**	143,612

(i) Included in the trade receivables is an amount of RM32,281,000 (2019: RM32,281,000) owing from a joint venture entity arising from a sale of land in the prior years which bears interest at 6% (2019: 6%) per annum.

(ii) Related parties refer to those as specified in Note 39. Amounts due from related parties are unsecured, non-interest bearing and repayable on demand.

(iii) Other receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Dividend receivable	**-**	-	**235,000**	135,520
Sundry debtors and prepayments (Note (a))	**208,832**	255,044	**8,158**	7,203
Tax recoverable (Note (a))	**97,780**	87,164	**903**	889
Deposits (Note (b))	**56,335**	25,400	**-**	-
	362,947	367,608	**244,061**	143,612

(a) (i) Included in the tax recoverable and sundry debtors are amounts of RM50.9 million and RM22.9 million respectively representing additional tax and penalty paid under protest and subject to appeal to Inland Revenue Board (Note 40(a)).

(ii) Included in the sundry debtors and prepayments are amounts representing GST claimable from the Australian Taxation Office amounting RMNil (2019: RM4.0 million) and the Royal Malaysian Customs Department amounting RMNil (2019: RM9.6 million).

(b) Included in the current financial year's deposits were RM19.0 million representing deposit paid by a subsidiary for the land acquisition of 1.33 acres freehold site 21-53 Hoddle Street, Collingwood, in Melbourne, Australia.

24. RECEIVABLES (CONT'D.)

(iv) Allowance for impairment

	Group	
	2020 RM'000	**2019 RM'000**
Trade receivables	**9,173**	2,417
Amounts due from related parties	**628**	628
Sundry debtors	**20,915**	19,556
	30,716	22,601

(v) Long term receivables arose from the negotiated sales term of which payment is not expected to be received within the next 12 months.

Pursuant to the measurement and recognition requirement of MFRS 9, the amounts due from the customers are measured at fair value which are computed based on estimated future cash flows discounted at the debtor's cost of borrowing as follows:

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January	**166,052**	113,434
Addition	**-**	67,440
Settlement	**(19,286)**	(25,711)
Remeasurement (Note 5)	**(3,503)**	1,922
Accretion of interest (Note 5)	**2,092**	8,967
At 31 December	**145,355**	166,052

(vi) The Group's normal trade credit terms range from 30 to 90 days (2019: 30 to 90 days). For strategic land sales and sales of developed land, credit terms are negotiated and approved on a case-by-case basis.

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24. RECEIVABLES (CONT'D.)

(vii) Ageing analysis

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Neither past due nor impaired	**141,414**	212,165
1 to 30 days past due not impaired	**38,566**	54,120
31 to 60 days past due not impaired	**16,091**	49,037
61 to 90 days past due not impaired	**14,450**	31,841
More than 90 days past due not impaired	**84,642**	111,547
Past due but not impaired	**153,749**	246,545
Impaired	**9,173**	2,417
	304,336	461,127
Individually impaired		
Nominal amount	**9,173**	2,417
Allowance for impairment	**(9,173)**	(2,417)
	-	-

Receivables that are neither past due nor impaired

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Based on past experience, the Board believes that no allowance for impairment is necessary in respect of those balances.

Receivables that are past due but not impaired

The Group has trade receivables that are related to customers with good track records with the Group or those with on-going transactions and/or progressive payments. Based on past experience, the Board believes that no allowance for impairment is necessary as the directors are of the opinion that this debt should be realised in full without making losses in the ordinary course of business.

The methods, assumptions and information used to measure expected credit loss ("ECL") at the reporting date were based on conditions existing as at 31 December 2020. Whilst it is not possible to predict the outcome of the Government's efforts to combat the outbreak and support businesses, it is likely that the ECL of some subsidiaries of the Group may be impacted in the next financial year.

24. RECEIVABLES (CONT'D.)

(vii) Ageing analysis (cont'd.)

Receivables that are impaired

The movement in allowance account for receivables is as follows:

	Group	
	2020 **RM'000**	**2019** **RM'000**
At 1 January	**22,601**	22,735
Charge for the year (Note 5)	**8,706**	1,909
Reversal of impairment loss (Note 5)	**(591)**	(2,043)
At 31 December	**30,716**	22,601

25. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2020 **RM'000**	**2019** **RM'000**
Contract assets		
Contract assets from property development (Note (a))	**242,745**	178,740
Contract assets from strategic land sales (Note (b))	**-**	-
Carrying amount at the end of the financial year	**242,745**	178,740
Analysed into:		
Non-current	**-**	2,752
Current	**242,745**	175,988
	242,745	178,740
Contract liabilities		
Contract liabilities from property development (Note (a))	**28,837**	35,990
Contract liabilities from strategic land sales (Note (b))	**269,132**	288,896
Carrying amount at the end of the financial year	**297,969**	324,886
Analysed into:		
Non-current	**227,799**	258,646
Current	**70,170**	66,240
	297,969	324,886

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25. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(a) Contract assets and contract liabilities from property development

The Group issues progress billings to purchasers when the billing milestones are attained recognises revenue when the performance obligation is satisfied.

The Group's contract assets and contract liabilities relating to the sale of properties at the end of each reporting period are shown as below:

	Group	
	2020 RM'000	**2019 RM'000**
Contract assets	**242,745**	178,740
Contract liabilities	**(28,837)**	(35,990)
	213,908	142,750
As at 1 January	**142,750**	97,556
Revenue recognised during the financial year (Note 3)	**490,056**	500,087
Progress billings during the financial year	**(418,898)**	(454,893)
As at 31 December	**213,908**	142,750

(b) Contract assets and contract liabilities from strategic land sales

The Group recognises revenue upon transfer of control and issues billings to purchasers based on contractual terms.

The Group's contract assets and contract liabilities relating to the strategic land sales at the end of each reporting period are shown as below:

	Group	
	2020 RM'000	**2019 RM'000**
Contract Assets	**-**	-
Contract Liabilities	**(269,132)**	(288,896)
	(269,132)	(288,896)
As at 1 January	**(288,896)**	(311,300)
Revenue recognised during the financial year (Note 3)	**20,438**	27,251
Deferred during the financial year	**(674)**	(4,847)
As at 31 December	**(269,132)**	(288,896)

25. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(c) Unsatisfied performance obligations

The unsatisfied performance obligations at the end of each reporting period are estimated to be recognised in the following periods:

	Group	
	2020 RM'000	**2019 RM'000**
Within 1 year	**975,538**	1,041,047
Between 1 and 4 years	**894,298**	551,497
More than 4 years	**225,991**	238,267
	2,095,827	1,830,811

26. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2020 RM'000	**2019 RM'000**
Amounts due from subsidiaries		
- Non-current (Note (i))	**2,732,283**	2,503,305
- Current (Note (ii))	**971,470**	937,273
	3,703,753	3,440,578
At 31 December	**3,737,027**	3,443,238
Impairment loss	**(33,274)**	(2,660)
	3,703,753	3,440,578
Amounts due to subsidiaries		
- Non-current (Note (iii))	**201,951**	144,165
- Current (Note (iv))	**24,480**	4,702
	226,431	148,867

During the financial year, the Company has made a provision for impairment on the amounts due from subsidiaries of RM30,614,000 (2019: RMNil).

(i) Amounts due from subsidiaries are unsecured, not expected to be repayable in the next 12 months and bear interest at rates ranging from 3.21% to 5.32% (2019: 4.75% to 5.32%) per annum.

(ii) Amounts due from subsidiaries mainly comprise advances, interest receivable and payment on behalf which are unsecured, repayable on demand and non-interest bearing except for amounts totalling of RM213,399,000 (2019: RM308,970,000) which bear interest rates ranging from 3.21% to 5.32% (2019: 4.30% to 5.10%) per annum.

(iii) Amounts due to subsidiaries not expected to be paid within the next 12 months mainly comprise advances, interest payable and payment on behalf which are unsecured and bear interest rate ranging from 3.77% to 5.02% (2019: 5.02%).

(iv) Amounts due to subsidiaries mainly comprise advances, interest payable and payment on behalf which are unsecured, repayable on demand and non-interest bearing.

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27. SHORT TERM INVESTMENTS

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
In Malaysia:				
Financial assets at fair value through other comprehensive income				
- quoted shares	**7**	7	**-**	-
Financial assets at fair value through profit or loss				
- unquoted unit trust #	**216,929**	322	**216,929**	322
	216,936	329	**216,929**	322

\# Unquoted unit trusts represent surplus funds that are invested through tax exempted funds with licensed fund managers in the funds approved by the Securities Commission. The portfolio of investment authorised by the Board of Directors comprises only deposits in Islamic instruments with financial institutions, hence are capital preserved. The investments can be uplifted at any point in time.

28. SHARE CAPITAL AND MERGER RELIEF RESERVE

(i) Share capital

Issued and fully paid up

	Group/Company	
	2020 RM'000	**2019 RM'000**
Ordinary shares		
At 1 January	**4,317,760**	4,317,760
Conversion from RCPS (Note ii)	**642,516**	-
At 31 December	**4,960,276**	4,317,760
RCPS (Note 30)		
At 1 January	**792,516**	792,516
Redemption (Note i)	**(150,000)**	-
Conversion to ordinary share (Note ii)	**(642,516)**	-
At 31 December	**-**	792,516
Total share capital	**4,960,276**	5,110,276

28. SHARE CAPITAL AND MERGER RELIEF RESERVE (CONT'D.)

(i) Share capital (cont'd.)

Issued and fully paid up (cont'd.)

The movement of RCPS during financial year:

(i) On 24 April 2020, the Company had redeemed a total of 123,340,418 RCPS out of the share capital account for a redemption sum of RM150,000,000 at approximately RM1.22 for each RCPS following a redemption notice dated 17 April 2020 issued to UEM Group Berhad, the immediate holding company of the Company.

(ii) On 29 October 2020, all the outstanding 669,175,335 RCPS with value of RM833,664,000 matured and were automatically converted into 521,040,184 new ordinary shares at the conversion price of RM1.60 per RCPS for one (1) ordinary share. Upon issuance and allotment of the new ordinary shares on 30 October 2020, the issued share capital is RM4,960,276,000 comprising 5,058,476,221 ordinary shares.

(ii) Merger relief reserve

The merger relief reserve represents the difference between the fair value and nominal value of shares issued as consideration for the acquisition of the UEM Land Berhad group, pursuant to the Restructuring Scheme in 2008.

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29. OTHER RESERVES AND RETAINED PROFITS

(a) Other reserves

		Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(i)	Exchange fluctuation reserve				
	At 1 January	**(18,234)**	(18,756)	**-**	-
	Foreign currency translation	**64,567**	522	**-**	-
	At 31 December	**46,333**	(18,234)	**-**	-
(ii)	Merger reserve				
	At 1 January/31 December	**32,112**	32,112	**-**	-
(iii)	Fair value adjustments reserve				
	At 1 January/31 December	**(207)**	(207)	**-**	-
(iv)	Employee share option reserve (Note 31)				
	At 1 January	**-**	36,021	**-**	36,021
	Expiry of vested employee share options	**-**	(36,021)	**-**	(36,021)
	At 31 December	**-**	-	**-**	-
(v)	Cash flow hedge reserve				
	At 1 January	**-**	15,046	**-**	-
	Transfer to profit or loss	**-**	942	**-**	-
	Gain on cash flow hedge	**-**	(15,988)	**-**	-
	At 31 December	**-**	-	**-**	-
	Total	**78,238**	13,671	**-**	-

(b) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2020 under the single-tier system.

30. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

The Company issued 792,515,753 RCPS of RM0.01 per RCPS at an issue price of RM1.00 per RCPS on 30 October 2015, as a partial settlement of the redemption of Bandar Nusajaya Development Sdn. Bhd. ("BND"), a wholly-owned subsidiary of the Company, RCPS held by UEM in BND.

The salient terms of the RCPS are as follows:

(a) Conversion price of RM1.60 per RCPS.

(b) The RCPS matures on 29 October 2020.

(c) The RCPS can be converted at any time after the 54th month from the Issuance Date at the option of the Subscriber at the Conversion Price into Conversion Shares. Any remaining RCPS that are not converted or redeemed by the expiry of the tenure of the RCPS shall be automatically converted into Conversion Shares at the Conversion Price.

(d) The RCPS can be redeemed at the option of the issuer at the Redemption Price at any time after the 48th month from the Issuance Date for a period of 6 months (up to the 54th month from the Issuance Date).

(e) The Redemption Price is equivalent to the Redemption Value in respect of each RCPS to be redeemed.

(f) The RCPS shall be converted or redeemed, at the value of each outstanding RCPS on the Conversion Date (as defined below) or Redemption Date (as defined below) (as the case may be) based on the following calculation:

Redemption Value = [Carrying Value 4 x 1.05 x (number of months from the 49th month from the Issuance Date to the Redemption Date / 12)] - any dividends declared for the period from the 49th month from the Issuance Date to the Redemption Date (as defined below).

Where:

Carrying value 4 = (Carrying Value 3 x 1.05) - any dividends declared for the period from the 37th to the 48th month from the Issuance Date.

Carrying value 3 = (Carrying Value 2 x 1.05) - any dividends declared for the period from the 25th to the 36th month from the Issuance Date.

Carrying value 2 = (Carrying Value 1 x 1.05) - any dividends declared for the period from the 13th to the 24th month from the Issuance Date.

Carrying value 1 = (Issue Price x 1.05) - any dividends declared for the period from the Issuance Date to the 12th month from the Issuance Date.

(g) The number of Conversion Shares to be issued to the Subscriber shall be calculated in accordance with the following formula:

$$\text{Number of Conversion Share} = \frac{\text{Conversion Value}}{\text{Conversion Price}}$$

NOTES TO THE FINANCIAL STATEMENTS
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30. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D.)

(h) Any dividends to be declared to the holders of the RCPS must be decided at the sole discretion of the Issuer whether to annually declare, any non-cumulative dividend and the quantum of such dividend to the Subscriber, provided always that:

(i) Such dividend shall not be more than 4.75 sen per RCPS; and

(ii) If dividends are declared to its ordinary shareholders, then dividends in respect of the RCPS shall be paid to the Subscriber in preference.

(i) The RCPS shall rank pari passu among themselves in respect of the right to receive dividends out of distributable profit. The Conversion Share to be issued upon conversion of the RCPS shall upon allotment and issue rank equal in all respects with the then existing shares of the Company.

31. EMPLOYEE SHARE OPTION RESERVE

Employee share option reserve represented the equity-settled share options granted to employees (Note 32). The reserve was made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the equity-settled share options and was reduced by the expiry or exercise of the share options.

32. EMPLOYEE BENEFITS

Employee share option scheme ("ESOS")

At an Extraordinary General Meeting held on 7 March 2012, the shareholders of the Company approved the implementation of an ESOS which will offer eligible employees and executive director(s) of the Company and its subsidiaries, options to subscribe for new ordinary shares in the Company ("ESOS shares").

The salient features of the ESOS are as follows:

(i) The scheme shall be in force for a period of 7 years from 9 April 2012 being the date of implementation.

(ii) The total number of ESOS shares which may be offered and issued under the ESOS shall not exceed 7.5% of the issued and paid-up ordinary share capital of the Company at any time during the duration of the ESOS.

(iii) If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of ESOS shares made available under the ESOS to exceed 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares), no further options shall be offered until the total number of ESOS shares to be made available under the ESOS falls below 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares). Any option granted prior to the adjustments of the Company's issued and paid-up ordinary share capital (excluding treasury shares) shall remain valid and exercisable (if applicable) in accordance with the provisions of the by-laws.

(iv) Even if the maximum number of ESOS shares stipulated is allocated to Eligible Employees, the actual number of ESOS shares to be issued will be lesser in view of the Company's adoption of Performance Vesting Criteria, whereby only Eligible Employees who are consistently "Excellent" performers for the whole duration of the ESOS would be entitled to the full vesting of their ESOS share allocation.

32. EMPLOYEE BENEFITS (CONT'D.)

Employee share option scheme ("ESOS") (cont'd.)

(v) The total number of ESOS shares which may be allocated to any one Eligible Employee under the ESOS shall be at the absolute discretion of the Company's Board/ESOS Committee, after taking into consideration, amongst others, the seniority (denoted by employee grade) of the Eligible Employees and such other criteria as the Board/ESOS Committee may deem relevant. Notwithstanding the foregoing, not more than 10% of ESOS shares made available under the ESOS shall be allocated to any Eligible Employee who, either individually or collectively through persons connected with the said Eligible Employee, holds 20% or more of the Company's issued and paid-up share capital (excluding treasury shares).

(vi) Not more than 30% of the ESOS shares shall be made available to the Company's Executive Director(s) and senior management.

(vii) Any employee (including Executive Director(s)) of the Group (other than the subsidiaries which are dormant) who fulfils the following as at the Offer Date shall be eligible to participate in the ESOS:

a) has attained the age of 18 years;

b) has entered into a full-time or fixed-term contract with, and is on the payroll of the Group (other than the subsidiaries which are dormant) and whose service has been confirmed (where applicable);

c) has been in continuous employment with the Group (other than with the subsidiaries which are dormant) for a period of at least 1 year prior to and up to the Offer Date, whereby the renewal of any fixed term employment contract(s) would be deemed as continuous employment and take into account of the employment period of the previous expired contract(s);

d) is not a non-executive or independent director of the Company; and

e) has fulfilled any other eligibility criteria as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion.

(viii) The Option Price shall be at the higher of the equivalent option tranche for the previous offers and the 5-day volume weighted average market price immediately preceding the date of offer. The exercise price for the subsequent option tranches is fixed by applying an annual escalation factor corresponding to the scheduled vesting.

<u>Movement of share options</u>

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	2020		2019	
	No. '000	**WAEP RM**	**No. '000**	**WAEP RM**
Outstanding at 1 January	-	-	84,588	2.80
Lapsed	-	-	(84,588)	2.80
Outstanding at 31 December	-	-	-	-
Exercisable at 31 December	-	-	-	-

On 8 April 2019, 84,587,850 share options remain unexcercised. Pursuant to Clause 14.1 of the ESOS By-Laws, all options lapsed upon the expiry of the ESOS.

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33. NON-CONTROLLING INTERESTS

The financial information of subsidiaries that have material non-controlling interest is as follows:

(i) Summarised statement of financial position

	Mega Legacy (M) Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Non-current assets	**678,106**	650,884	**901,373**	901,031
Current assets	**99,443**	55,773	**14,586**	11,812
Total assets	**777,549**	706,657	**915,959**	912,843
Non-current liabilities	**111,307**	139,657	**-**	-
Current liabilities	**457,986**	358,656	**1,278**	363
Total liabilities	**569,293**	498,313	**1,278**	363
Net assets	**208,256**	208,344	**914,681**	912,480
Net assets attributable to:				
Owner of the parent	**104,128**	104,172	**548,809**	547,488
Non-controlling interest	**104,128**	104,172	**365,872**	364,992
	208,256	208,344	**914,681**	912,480

(ii) Summarised statement of comprehensive income

	Mega Legacy (M) Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
(Loss)/profit for the year	**(88)**	(3,190)	**2,221**	2,306
(Loss)/profit attributable to owner of the Company	**(44)**	(1,595)	**1,333**	1,384
(Loss)/profit attributable to non-controlling interest	**(44)**	(1,595)	**888**	922
Total comprehensive (expense)/income	**(88)**	(3,190)	**2,221**	2,306

33. NON-CONTROLLING INTERESTS

The financial information of subsidiaries that have material non-controlling interest is as follows: (cont'd.)

(iii) Summarised statement of cash flows

	Mega Legacy (M) Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Net cash (used in)/generated from operating activities	**(105,948)**	(16,321)	**1,741**	1,741
Net cash used in investing activities	**(9,634)**	(5,330)	**-**	-
Net cash generated from financing activities	**116,977**	23,627	**-**	-
Increase in cash and cash equivalents	**1,395**	1,976	**1,741**	1,741
Cash and cash equivalents at the beginning of the year	**2,082**	-	**11,262**	9,521
Business combination (Note 48(b))	**-**	106	**-**	-
Cash and cash equivalents at the end of the year	**3,477**	2,082	**13,003**	11,262

34. BORROWINGS

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Non-current borrowings					
Secured					
Term loans	(a)	**91,046**	79,739	**-**	-
Commodity Murabahah Finance	(b)(i), (c)	**39,246**	8,144	**-**	-
Unsecured					
IMTN	(d)	**2,470,000**	2,250,000	**2,470,000**	2,250,000
		2,600,292	2,337,883	**2,470,000**	2,250,000

NOTES TO THE FINANCIAL STATEMENTS
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34. BORROWINGS (CONT'D.)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Current borrowings					
Secured					
Loan from immediate holding company	(e)	**-**	55,916	**-**	-
Revolving credits	(a)	**375,160**	180,980	**-**	-
Term loans	(a)	**30,000**	19,988	**-**	-
Commodity Murabahah Finance	(b)(i),(c)	**8,406**	97,381	**-**	-
Bank overdraft	(a)	**3,742**	-	**-**	-
Unsecured					
Revolving credits	(a)	**189,000**	274,000	**145,000**	250,000
IMTN	(d)	**785,000**	350,000	**785,000**	350,000
Bank overdraft	(f)	**1,795**	713	**-**	-
Structured commodity	(g)	**100,000**	70,000	**100,000**	70,000
		1,493,103	1,048,978	**1,030,000**	670,000
Total borrowings		**4,093,395**	3,386,861	**3,500,000**	2,920,000

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Maturities of borrowings:				
Not later than one year	**1,493,103**	1,048,978	**1,030,000**	670,000
Later than 1 year and not later than 5 years	**2,600,292**	2,087,883	**2,470,000**	2,000,000
More than 5 years	**-**	250,000	**-**	250,000
	4,093,395	3,386,861	**3,500,000**	2,920,000

34. BORROWINGS (CONT'D.)

(a) The term loans, revolving credits facilities and overdraft facilities obtained from various banks by certain subsidiaries, bear interest rates of 3.00% to 4.76% (2019: 4.32% to 5.62%) per annum. Certain loans are secured by land held for property development and property development cost as disclosed in Note 14 and Note 22 respectively.

On 29 October 2019, the Group obtained a new Revolving Financing-i Facility ("RF-i"), with a limit of RM300.0 million, which bears an interest rate of 4.32% per annum. A first party charge over the land held for property development is disclosed in Note 14. The Group utilised RM297.7 million of the RF-i.

During the financial year, Mega Legacy Sdn Bhd ("MLSB") obtained Credit Facilities of up to RM199.0 million on 20 February 2020 and Commodity Murabahah Revolving Financing ("CMRF-i"), with a limit of RM70.0 million on 14th September 2020 to part-finance the development of Kiara Bay project in Kepong, Kuala Lumpur, secured by the following:-

Credit Facilities:
- Letter of Guarantee from Shareholders
- Letter of Subordination of Debts from Shareholders and related party
- Letter of Undertaking from Shareholders and related party
- First Party Legal Charge over the development's land as disclosed in Note 22;

CMRF-i:
- Corporate Guarantee from Shareholders
- A first party charge over the land held for property development is as disclosed in Note 14.

(b) (i) On 10 May 2019, Milik Harta Sdn Bhd ("MHSB"), a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained a Commodity Murabahah Financing-i ("CMF-i") of up to RM 81.0 million, to part-finance the development of Residensi Astrea project in Mont'Kiara, Kuala Lumpur, secured by the following:-

- First Party Legal Charge over the development's land as disclosed in Note 22;
- Debentures (all monies): Fixed and Floating charge; and
- Corporate guarantee from Sunrise Berhad, its wholly-owned subsidiary of the Company.

MHSB utilised a total of RM17.6 million of the CMF-i at interest rates of 4.63% to 4.71% per annum and repaid RM0.5 million during the financial year.

(ii) On 16 May 2019, Lembah Suria Sdn Bhd, a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained Credit Facilities of up to RM 84.0 million, to part-finance the development of Kondominium Kiara Kasih project in Mont'Kiara, Kuala Lumpur, secured by the following:-

- Fixed Charge over project land as disclosed in Note 22;
- Debenture (specific assets): Fixed and Floating Charge;
- Deed of Subordination from shareholders and related parties;
- Guarantee from Sunrise Berhad for RM84.0 million together with interest; and
- Letter of Undertaking from Sunrise Berhad.

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34. BORROWINGS (CONT'D.)

(c) On 21 March 2018, Ibarat Duta Sdn. Bhd. ("IDSB"), a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained the following:-

- Commodity Murabahah Term Financing-i 1 ("CMTF-i 1") of up to RM60.0 million, to fully redeem the existing banking facility of up to RM60.0 million for the purpose of land acquisition;
- Commodity Murabahah Term Financing-I 2 ("CMTF-i 2") of up to RM140.0 million, to part-finance the development of Residensi Solaris Parq project in Mont'Kiara ("Residensi Solaris Parq project").

CMTF-i 1 & 2 are secured by the following:-

- Registered third party first legal mortgage over the land and building as disclosed in Note 22;
- Corporate Guarantee from Sunrise Berhad;
- Debenture over IDSB's present and future fixed and floating assets;
- Legal charge over Designated Accounts (except Housing Development Account);
- Assignment of rights, title, interest and benefits under all performance bonds, warranty and maintenance bonds (if any) in relation to Residensi Solaris Parq project;
- Assignment of IDSB's rights and benefits arising from all material contracts (including but not limited to the building agreement, design and construction contracts and Project Management and Marketing Contracts in relation to Residensi Solaris Parq project); and
- Assignment of rights, title, interest and benefits under all applicable takaful/insurance policies taken/ to be taken up by IDSB in relation to Residensi Solaris Parq project with the Bank where the bank is to be endorsed as Loss Payee.

During the financial year, the facility balance of RM39.6 million was utilised at profit rate of 3.34% (2019: 4.83% to 5.19%) per annum and RM119.6 million (2019: RM18.1 million) was repaid.

(d) (i) In 2012, the Company established its Islamic Commercial Paper Programme ("ICP Programme") and Islamic Medium Term Notes Programme ("IMTN Programme") with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. Malaysian Rating Corporation Berhad ("MARC") has assigned a rating of MARC-1is/AA-is for the ICP and IMTN Programme respectively.

The details of the IMTN issuances are as follows:

Issuance date	Tenure (Years)	Profit rate	At 1 January RM'million	Issuance RM'million	Repayment RM'million	At 31 December RM'million
30 June 2014	7	4.90%	200	-	-	200
10 April 2015	5	4.58%	150	-	(150)	-
10 April 2015	7	4.80%	150	-	-	150
22 March 2019	5	4.75%	300	-	-	300
30 April 2020	1	3.70%	-	130	-	130
18 May 2020	1	3.70%	-	105	-	105
10 June 2020	3	4.00%	-	270	-	270
12 June 2020	3	4.00%	-	150	-	150
21 September 2020	3	3.90%	-	350	-	350
			800			1,655

34. BORROWINGS (CONT'D.)

(d) (ii) In 2016, the Company established its second programme: ICP Programme and IMTN Programme with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. MARC has assigned a rating of MARC-1is/AA-is for the ICP and IMTN Programmes respectively.

The details of the IMTN issuances are as follows:

Issuance date	Tenure (Years)	Profit rate	At 1 January RM'million	Issuance RM'million	Repayment RM'million	At 31 December RM'million
20 May 2016	7	5.00%	500	-	-	500
11 December 2017	3	4.80%	200	-	(200)	-
11 December 2017	5	5.06%	300	-	-	300
11 December 2017	7	5.32%	100	-	-	100
31 October 2018	3	4.85%	350	-	-	350
31 October 2018	5	4.98%	100	-	-	100
31 October 2018	7	5.15%	250	-	-	250
10 April 2020	6 months	3.50%	-	200	(200)	-
			1,800			1,600

(e) The loan from immediate holding company borne interest of 4.85% (2019: 4.85%) per annum and is secured by land titles of approximately 78 acres (2019: 114 acres) of freehold land which are deposited with the immediate holding company. The loan was fully repaid during the financial year.

(f) The bank overdraft taken by Sunrise Berhad, a wholly-owned subsidiary of the Company, bears interest rates of 7.74% to 7.92% (2019: 7.71% to 7.73%) per annum.

(g) The Structured Commodity Financing-i facility ("SCF-i") of RM50 million was obtained by the Company in 2013. In 2015, the Company entered into an additional SCF-i Facility of RM50 million.

During the financial year, RM100 million was utilised for projects and working capital purposes, which bears profit rate of 3.60% (2019: 4.40% to 5.10%) per annum.

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34. BORROWINGS (CONT'D.)

(i) Reconciliation of liabilities arising from financing activities:

Group	2020 RM'000	2019 RM'000	Movement – Cash flows – Principal movement RM'000	Movement – Cash flows – Interest paid RM'000	Movement – Non-cash changes – Interest cost and fair value movements RM'000
Loan from immediate holding company	**-**	55,916	(55,555)	(679)	318
IMTN	**3,255,000**	2,600,000	655,000	(140,973)	140,973
Term loans	**121,046**	99,727	21,319	(5,703)	5,703
Commodity Murabahah Finance	**47,652**	105,525	(57,873)	(3,632)	3,632
Revolving credits	**564,160**	454,980	108,700	(18,766)	19,246
Bank overdraft	**5,537**	713	-	(308)	5,132^
Structured commodity	**100,000**	70,000	30,000	(2,794)	2,794
	4,093,395	3,386,861	701,591	(172,855)	177,798

Presented in statements of financial position

	2020 RM'000	2019 RM'000
Non-current	**2,600,292**	2,337,883
Current	**1,493,103**	1,048,978
	4,093,395	3,386,861

^ Where the movement is excluded in cash flows other than financing activities.

34. BORROWINGS (CONT'D.)

(i) (cont'd.)

Group	2019	2018	Movement: Cash flows		Movement: Non-cash changes	
			Principal movement	Interest paid	Interest cost and fair value movements	Foreign exchange movement
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Loan from immediate holding company	55,916	74,405	-	(21,175)	2,686	-
IMTN	2,600,000	2,600,000	-	(127,747)	127,747	-
Term loans	99,727	432,344	(337,699)	(7,279)	17,247	(4,886)
Commodity Murabahah Finance (including derivative asset and liabilities)	105,525	1,190,048	(1,081,214)	(20,091)	35,136	(18,354)
Revolving credits	454,980	370,000	87,300	(17,886)	15,566	-
Bank overdraft	713	1,658	-	(138)	(807)^	-
Structured commodity	70,000	-	70,000	(872)	872	-
	3,386,861	4,668,455	(1,261,613)	(195,188)	198,447	(23,240)

Presented in statements of financial position

	2019 RM'000	2018 RM'000
Non-current	2,337,883	2,394,812
Current	1,048,978	2,288,689
Derivative asset	-	(15,956)
Derivative liabilities	-	910
	3,386,861	4,668,455

^ Where the movement is excluded in cash flows other than financing activities.

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34. BORROWINGS (CONT'D.)

(i) (cont'd.)

Company	2020	2019	Movement: Cash flows: Principal movement	Movement: Cash flows: Interest paid	Movement: Non-cash changes: Interest cost and fair value movements
	RM'000	RM'000	RM'000	RM'000	RM'000
IMTN	**3,255,000**	2,600,000	655,000	(140,973)	140,973
Revolving credits	**145,000**	250,000	(105,000)	(10,032)	10,032
Structured commodity	**100,000**	70,000	30,000	(2,794)	2,794
	3,500,000	2,920,000	580,000	(153,799)	153,799

Presented in statements of financial position

	2020 RM'000	2019 RM'000
Non-current	**2,470,000**	2,250,000
Current	**1,030,000**	670,000
	3,500,000	2,920,000

Company	2019	2018	Movement: Cash flows: Principal movement	Movement: Cash flows: Interest paid	Movement: Non-cash changes: Interest cost and fair value movements
	RM'000	RM'000	RM'000	RM'000	RM'000
IMTN	2,600,000	2,600,000	-	(127,747)	127,747
Revolving credits	250,000	262,000	(12,000)	(13,299)	13,299
Structured commodity	70,000	-	70,000	(800)	800
	2,920,000	2,862,000	58,000	(141,846)	141,846

Presented in statements of financial position

	2019 RM'000	2018 RM'000
Non-current	2,250,000	2,300,000
Current	670,000	562,000
	2,920,000	2,862,000

35. PROVISIONS

Group	Provision for public infrastructure RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Provision for foreseeable losses RM'000 (Note c)	Other provisions RM'000 (Note d)	Total RM'000
2020					
Non-current					
At 1 January	**19,953**	**-**	**48,451**	**-**	**68,404**
Utilisation	**-**	**-**	**(87)**	**-**	**(87)**
At 31 December	**19,953**	**-**	**48,364**	**-**	**68,317**
Current					
At 1 January	**17,650**	**140,336**	**17,208**	**2,481**	**177,675**
Additions	**5,519**	**86,817**	**5,054**	**445**	**97,835**
Utilisation	**(2,491)**	**(116,612)**	**-**	**-**	**(119,103)**
Reversal	**-**	**(22,653)**	**-**	**-**	**(22,653)**
At 31 December	**20,678**	**87,888**	**22,262**	**2,926**	**133,754**
2019					
Non-current					
At 1 January	19,953	-	65,909	-	85,862
Adjustment to cost estimates	-	-	(17,458)	-	(17,458)
At 31 December	19,953	-	48,451	-	68,404
Current					
At 1 January	22,557	250,354	15,516	6,643	295,070
Additions	2,739	138,432	1,692	-	142,863
Utilisation	(7,646)	(179,278)	-	(4,138)	(191,062)
Reversal	-	(54,447)	-	(24)	(54,471)
Reclassification	-	(14,725)	-	-	(14,725)
At 31 December	17,650	140,336	17,208	2,481	177,675

(a) Provision for public infrastructure

Provision for public infrastructure comprises anticipated cost to be incurred for the obligation to complete the infrastructure for development projects.

(b) Provision for construction costs

Provision for construction costs comprises estimated final claims by contractors which have not been finalised.

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35. PROVISIONS (CONT'D.)

(c) Provision for foreseeable losses

This relates to anticipated losses to be incurred for the development of low cost housing under the requirement of the local Government.

(d) Other provisions

Other provisions mainly include provision for liquidated ascertained damages, which refers to liquidated ascertained damages expected to be claimed by the customers based on the terms of the applicable sale and purchase agreements.

36. PAYABLES

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade payables and accruals	(i)	**510,099**	562,617	**-**	-
Amount due to immediate holding company	(ii)	**50,123**	56,705	**17,498**	25,449
Amounts due to related parties	(ii)	**3,870**	6,164	**606**	-
Amount due to a director of minority shareholder of a subsidiary	(iii)	**41,080**	36,068	**-**	-
Other payables and accruals	(iv)	**542,989**	592,575	**28,541**	35,365
		1,148,161	1,254,129	**46,645**	60,814
Analysed into:					
Non-current		**141,153**	170,241	**-**	-
Current		**1,007,008**	1,083,888	**46,645**	60,814
		1,148,161	1,254,129	**46,645**	60,814

The normal trade credit terms granted to the Group range from 30 to 60 days (2019: 30 to 60 days).

(i) Included in trade payables and accruals is an amount of RM83.0 million (2019: RM69.9 million) representing accrued project development cost.

(ii) Amounts due to immediate holding company and related parties are unsecured and non-interest bearing with monthly instalment of payment over the over the period of 30 days (2019: 30 days).

(iii) Amount due to a director of minority shareholder of a subsidiary is unsecured and non-interest bearing with repayable of demand.

36. PAYABLES (CONT'D.)

(iv) Other payables and accruals

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Sundry creditors*	**200,188**	243,647	**2,989**	8,456
Deposits received	**30,803**	35,063	**-**	84
Accruals**	**311,998**	303,865	**25,552**	26,825
Employee benefits	**-**	10,000	**-**	-
	542,989	592,575	**28,541**	35,365

* Included in the current financial year:

(i) an amount of GST payable to the Australian Taxation Office amounting RMNil (2019: RM85.6 million).

(ii) remaining purchase consideration of RM87.0 million payable for the land acquisition in Cheras, Kuala Lumpur.

** Included in accruals of the Group is an amount of accrued development charges payable to Datuk Bandar Kuala Lumpur amounting RM197.0 million.

37. DEFERRED INCOME

Unrealised profits

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January	**164,193**	151,864
Adjustment to cost estimates	**-**	11,017
Addition	**-**	2,089
Realised during the year	**(303)**	(777)
At 31 December	**163,890**	164,193

In the previous financial year, the Group completed a land sale to an associate. The profit recognised from the sales of land by the Group to the associates and a joint venture to-date is eliminated to the extent of the Group's interests in the companies.

Accordingly, the Group recognises the excess of the unrealised profits over the carrying value of the associate or the joint venture as deferred income. The deferred income is realised to profit or loss over the period when the underlying asset of the associate or the joint venture is realised or disposed.

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency and market price risk. The Group's overall risk management strategy seeks to minimise the adverse effect from the unpredictability of economy on the Group's financial performance.

It is the Group's policy not to engage in foreign exchange and/or derivatives speculation and trading. The Group only undertakes hedging instruments where appropriate and cost-efficient.

In the domain of enterprise risk management, the Board of Directors ("Board"), assisted by the Board Governance and Risk Committee ("BGRC"), is ultimately responsible for the Group's risk management activities and sets the strategic directions, risk appetite and relevant framework for the Group. The Group Risk Management Framework ("Framework") comprises the risk management policy, risk assessment methodology, lines of responsibility and accountability.

In implementing this framework, the Risk Management Committee ("RMC") chaired by the Managing Director/Chief Executive Officer ("MD/CEO") or Chief Financial Officer, serves as the platform for the Management to deliberate on the identification, assessment and treatment of the Group's risks as well as an avenue to communicate, monitor and review the risks. The deliberation on the identified key risks and its mitigation plans is subsequently presented to the BGRC as well as the Board.

The policies for controlling these risks where applicable are set out below:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Generally, the Group does not require collateral in respect of its financial assets. The Group is not duly exposed to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument except as disclosed in Note 24. Furthermore, for property development in Malaysia, the developer has the option to terminate the sale and purchase agreement in the event of default by the purchaser.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statements of financial position. The Group's main financial assets are its receivables. Ageing analysis is disclosed in Note 24(vii).

The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or group of receivables except for the dividend receivable from subsidiaries representing 96% (2019: 94%) of the total gross receivables and amount owing by a subsidiary representing 47% (2019: 46%) of the total gross amounts due from subsidiaries as disclosed in Note 24 and Note 26 respectively.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

The following are the carrying amounts of the financial instruments of the Group and the Company at reporting date:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Financial assets				
Receivables				
- Non-current (Note 24)	**145,355**	166,052	**-**	-
- Current*	**388,701**	548,782	**4,806**	141,619
Amounts due from subsidiaries				
- Non-current (Note 26)	**-**	-	**2,732,283**	2,503,305
- Current (Note 26)	**-**	-	**971,470**	937,273
Amounts due from associates				
- Non-current (Note 16(b))	**9,745**	-	**-**	-
- Current (Note 16(b))	**950**	14,938	**221**	221
Interests in joint ventures				
- Amounts due from joint ventures (Note 17(a))	**182,273**	163,889	**-**	-
Amounts due from joint ventures				
- Non-current (Note 17(b))	**173,252**	158,464	**10,200**	-
- Current (Note 17(b))	**61,104**	38,265	**25,620**	29,328
Short term investments (Note 27)	**216,936**	329	**216,929**	322
Cash, bank balances and deposits (Note 20)	**1,086,269**	1,057,446	**23,487**	76,777
	2,264,585	2,148,165	**3,985,016**	3,688,845

* Trade and other receivables excluding prepayment and tax recoverable.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group and the Company maintain a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. When necessary, the Group and the Company entered into a currency swap to hedge the exposure to currency risk. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and short-term imbalances are addressed by buying or selling foreign currencies at spot rates.

The table below shows currency exposures of the Group and the Company, i.e. those transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the statements of profit or loss. Such exposures comprise the monetary assets and monetary liabilities of the Group and the Company that are not denominated in the operating currency of the operating units involved.

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Foreign currency risk (cont'd.)

	Functional currency of Group		Functional currency of Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Canadian Dollar ("CAD")	**10,684**	79,643	**-**	70,573
Singapore Dollar ("SGD")	**8**	7	**-**	-
South African Rand ("ZAR")	**23,308**	24,800	**-**	-
Australian Dollar ("AUD")	**-**	(30,718)	**-**	(30,718)
United States Dollar ("USD")	**15,975**	16,277	**-**	-
Canadian Dollar ("CAD")*	**-**	(69,014)	**-**	-
Ringgit Malaysia ("RM")*	**-**	(345,522)	**-**	-
	49,975	(324,527)	**-**	39,855

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax to a reasonably possible change in the CAD, SGD, ZAR, AUD, USD and RM exchange rates against the respective functional currencies of the Group's entities and the Company, with all other variables held constant.

	Effect on profit/(loss) after tax			
	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
CAD / RM (strengthened 5%)	**406**	3,026	**-**	2,682
ZAR / RM (strengthened 5%)	**886**	942	**-**	-
USD / RM (strengthened 5%)	**619**	619	**-**	-
AUD / RM (strengthened 5%)	**-**	(1,167)	**-**	(1,167)
CAD / AUD (strengthened 5%)*	**-**	(2,465)	**-**	-
RM / AUD (strengthened 5%)*	**-**	(12,505)	**-**	-

* Only applicable to a subsidiary with AUD as its functional currency.

(c) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash-convertible investments to meet its working capital requirements.

In addition, the Group's objective is to maintain a balance of cost of funding and flexibility through the use of credit facilities, short- and long-term borrowings. Short-term flexibility is achieved through credit facilities and short-term borrowings. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short-term funding so as to achieve the Group's objective.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and cash flow risk (cont'd.)

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Trade and other payables (Note 36)	**1,148,161**	1,254,129	**46,645**	60,814
Borrowings (Note 34)	**4,093,395**	3,386,861	**3,500,000**	2,920,000
Lease liabilities (Note 13)	**20,428**	30,094	**11,619**	17,808
Amounts due to subsidiaries (Note 26)	**-**	-	**226,431**	148,867
	5,261,984	4,671,084	**3,784,695**	3,147,489

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts is disclosed as follows:

	2020			
	Within 1 year RM'000	**2 to 5 years RM'000**	**5 years and above RM'000**	**Total RM'000**
Group				
Trade and other payables	**1,007,008**	**141,153**	**-**	**1,148,161**
Loans and borrowings	**1,637,355**	**2,810,722**	**-**	**4,448,077**
Lease liabilities (Note 13)	**12,549**	**8,729**	**-**	**21,278**
Corporate guarantee **	**6,200**	**-**	**-**	**6,200**
	2,663,112	**2,960,604**	**-**	**5,623,716**
Company				
Trade and other payables	**46,645**	**-**	**-**	**46,645**
Loans and borrowings	**1,168,606**	**2,673,478**	**-**	**3,842,084**
Lease liabilities (Note 13)	**6,550**	**5,574**	**-**	**12,124**
Corporate guarantee **	**309,270**	**-**	**-**	**309,270**
Amounts due to subsidiaries	**24,480**	**201,951**	**-**	**226,431**
	1,555,551	**2,881,003**	**-**	**4,436,554**

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and cash flow risk (cont'd.)

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows: (cont'd.)

	2019			
	Within 1 year RM'000	**2 to 5 years RM'000**	**5 years and above RM'000**	**Total RM'000**
Group				
Trade and other payables	1,083,888	170,241	-	1,254,129
Loans and borrowings	1,185,785	2,317,705	286,579	3,790,069
Lease liabilities (Note 13)	11,586	20,534	-	32,120
Corporate guarantee **	30,843	-	-	30,843
	2,312,102	2,508,480	286,579	5,107,161
Company				
Trade and other payables	60,814	-	-	60,814
Loans and borrowings	795,073	2,224,357	286,579	3,306,009
Lease liabilities (Note 13)	5,439	13,552	-	18,991
Corporate guarantee **	183,916	-	-	183,916
Amounts due to subsidiaries	148,867	-	-	148,867
	1,194,109	2,237,909	286,579	3,718,597

** Based on the maximum amount that can be called for under the corporate guarantees. No default has occurred as at the end of the financial year.

(d) Interest rate risk

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The average interest rates per annum on the financial assets and liabilities as at the reporting date were as follows:

	Group	
	2020 %	**2019 %**
Financial asset		
Floating rate	**0.36%**	1.38%
Financial liabilities		
Fixed rate	**4.63%**	4.92%
Floating rate	**3.45%**	4.66%

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Interest rate risk (cont'd.)

The average interest rates per annum on the financial liabilities can be further analysed as follows:

	Group	
	2020	**2019**
	%	**%**
Financial liabilities		
Loan from immediate holding company	**-**	4.85%
Commodity Murabahah Finance	**3.31%**	4.84%
Term loans	**4.11%**	5.03%
Revolving credits	**3.27%**	4.52%
Bank overdraft	**6.32%**	7.73%
IMTN	**4.63%**	4.93%
Lease liabilities	**4.90%**	4.90%
Structured commodity	**3.60%**	4.74%

At the reporting date, if the interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit after tax will be higher/lower by approximately RM656,000 (2019: RM583,000) as a result of lower/higher interest expense on borrowings.

(e) Market risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate as a result of changes in market prices (other than interest or exchange rates). The Group's exposure to market price risk is minimal as the Group's investment in quoted equity instruments is small compared to its total assets.

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39. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2020 **RM'000**	**2019** **RM'000**
Paid/payable to UEM:		
- Facility and maintenance fees	**-**	(686)
- Rental	**(6,717)**	(6,500)
- Management fees payable	**-**	(570)
- Information technology shared cost	**(2,008)**	(3,527)
- Interest on loan	**(7)**	(2,694)
- Training fees	**-**	(81)
Paid/payable to UEM Sunrise Edgenta TMS Sdn. Bhd., an associate:		
- Facility and maintenance fees	**-**	(2,567)
- Management fees	**(73)**	(792)
Realisation of land sales to joint ventures:		
- Horizon Hills Development Sdn. Bhd.	**1,668**	7,037
- Haute Property Sdn. Bhd.	**88**	591
- Sarandra Malaysia Sdn. Bhd.	**463**	179
Sale of land to an associate:		
- Sarandra Malaysia Sdn. Bhd.	**-**	10,000
Paid/payable to Telekom Malaysia Berhad, Khazanah Group's associate company:		
- UniFi building services	**-**	(966)
- Smart building services	**(1,055)**	(4,024)
Interest income from joint ventures:		
- Desaru South Course Residences Sdn. Bhd.	**-**	2,739
- Desaru North Course Residences Sdn. Bhd.	**90**	1,159
- Sime Darby Sunrise Development Sdn. Bhd.	**4,124**	2,950
- Nusajaya Lifestyle Sdn. Bhd.	**153**	216
- Nusajaya Consolidated Sdn. Bhd.	**646**	610
- Desaru South Course Land Sdn. Bhd.	**-**	55
- Haute Property Sdn. Bhd.	**13,798**	-
Interest income from an associate:		
- Sarandra Malaysia Sdn. Bhd.	**176**	38
Rental income from a joint venture:		
- UEM Sunrise WOTSO Malaysia Sdn. Bhd.	**197**	197
Management fees received/receivable from joint ventures:		
- Nusajaya Tech Park Sdn. Bhd.	**59**	102
- Cahaya Jauhar Sdn. Bhd.	**420**	420
- Nusajaya Premier Sdn. Bhd.	**117**	158
- Desaru North Course Residences Sdn. Bhd.	**403**	334

39. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) (cont'd.)

	Group	
	2020 RM'000	**2019 RM'000**
Management fees received/receivable from joint ventures (cont'd):		
- Nusajaya Lifestyle Sdn. Bhd.	**128**	192
Rental expenses paid/payable to Khazanah Group's joint venture company		
- M+S Pte. Ltd.	**-**	(631)
Professional services rendered by firms related to directors of the Company:		
- Nawawi Tie Leung group of companies	**(478)**	(501)
Sales of properties to:		
- Directors of the Company	**1,557**	-
- Directors of subsidiaries of the Company	**-**	2,425

	Company	
	2020 RM'000	**2019 RM'000**
Dividend from subsidiaries	**134,000**	98,000
Management fees from subsidiaries	**86,854**	110,986
Interest income from subsidiaries	**135,031**	130,671
Interest income from joint ventures	**-**	5,079
Paid/payable to UEM:		
- Information technology shared cost	**(2,008)**	(3,527)
- Management fees payable	**-**	(570)
- Training fees	**-**	(81)
Rental paid/payable to subsidiaries	**(4,870)**	(3,687)

Related parties refer to:

- subsidiaries, associates and joint ventures of the Company and their subsidiaries;
- Khazanah Nasional Berhad, the ultimate holding company, its subsidiaries and associates excluding subsidiaries of the Company;
- those companies controlled, jointly controlled and significantly influenced by the Government of Malaysia, other than those mentioned above;
- directors and key management personnel having authority and representation for planning, directing and controlling the activities of the Company and their close family members;
- enterprises owned by directors and key management personnel; and
- enterprises that have a member of key management in common with the Company.

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39. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) (cont'd.)

The directors are of the opinion that all the transactions above have been entered into in the normal course of the business and have been established on mutually agreed terms and conditions.

(b) The remuneration of members of key management personnel during the financial year is as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Salaries and other emoluments	**10,903**	10,516	**7,557**	6,848
Bonus and separation scheme	**1,812**	2,612	**1,422**	1,977
Defined contribution plan	**1,721**	1,590	**1,274**	1,131
Benefits-in-kind	**696**	970	**586**	811
Other benefits	**82**	264	**82**	193
	15,214	15,952	**10,921**	10,960
Included in compensation of key management personnel are executive director's remuneration (Note 5(i))	**1,587**	1,467	**1,587**	1,467

40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Corporate guarantees issued to bank for credit facilities granted to:				
- joint ventures	**5,959**	29,352	**-**	-
- a subsidiary	**-**	-	**300,000**	176,300
	5,959	29,352	**300,000**	176,300

40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

(a) Income tax assessment

On 3 October 2011, Bandar Nusajaya Development Sdn Bhd (''BND''), an indirect wholly-owned subsidiary of the Company, received a notice of additional assessment (''Form JA'') from the Inland Revenue Board (""IRB"") for additional tax and penalty of RM50.9 million and RM22.9 million respectively, totalling to RM73.8 million in respect of the year of assessment 2006.

On 4 September 2012, the Kuala Lumpur High Court ("KLHC") ruled in favour of BND and declared that the IRB had no legal basis to raise the additional assessment. Following the decision held by KLHC, the IRB had filed an appeal to the Court of Appeal ("CoA") against the decision made.

The CoA, having heard and considered the submissions by both parties on 19 and 20 May 2014, unanimously decided that there were no merits in the appeal by the IRB and thus agreed with the decision of KLHC which ruled in favour of BND. The IRB had on 18 June 2014 filed an application for leave to the Federal Court ("FC") to appeal against the decision of CoA.

On 18 October 2016, the FC reversed the decisions of CoA and KLHC 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.

Subsequent to the FC's decision, on 25 and 26 October 2016, BND filed the Form Q to the IRB. The Form Q was rejected by the IRB on 25 and 26 October 2016 respectively. On 10 November 2016, BND filed a notice for extension of time to file the Form Q (''Form N'') which was rejected by the IRB on 8 February 2017.

A judicial review application against the rejection of Form Q was filed on 17 January 2017. In addition to the judicial review, BND filed a written representation directly to the SCIT requesting the approval to file the Form Q. The SCIT granted their approval on 3 March 2017. Vide a letter dated 21 March 2017, the IRB confirmed the receipt of BND's Form Q dated 20 March 2017. The IRB had 12 months from the date of receipt of Form Q to review and present it to the SCIT. The judicial review application was withdrawn on 17 May 2017 given that the IRB did not appeal against the decision of the SCIT.

Vide a letter dated 14 March 2018, the IRB served the Form Q to the SCIT. Case management was fixed before the SCIT on 18 May 2018. Further to the case management, the SCIT fixed this matter for hearing on 14 and 15 September 2021. Upon the hearing of this case, BND's solicitors can then proceed to present the merits of the case to the SCIT. BND's solicitors are of the view that BND has a strong case to argue that the IRB has no legal or factual basis to issue the notice of additional assessment nor there is legal or factual basis for the IRB to impose the penalty.

(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

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40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

(b) (cont'd.)

The Claim seeks, amongst others, for: (cont'd.)

(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 23 May 2018, Datuk Kasi and the 2nd to 6th Defendants have respectively filed their appeal to the Court of Appeal against the High Court's ("HC") decision on 25 April 2018. Datuk Kasi is appealing against the HC's decision in allowing the 7th to 9th Defendants Striking Out and Misjoinder application, striking Datuk Kasi out as a party ("Datuk Kasi's Appeals"). The 2nd to 6th Defendants appealed against the dismissal of their application to strike themselves out as parties to the action by the HC ("2nd to 6th Defendants' Appeals"). On 18 September 2019, Datuk Kasi's Appeals were withdrawn, whereas the 2nd to 6th Defendants' Appeals were dismissed by the Court of Appeal.

On 28 May 2019, the Plaintiff has filed a motion in the Court of Appeal, seeking for an extension of time to serve a notice of appeal against the 7th to 12th Defendants. The motion has been withdrawn on 12 October 2020. Further, on 3 December 2019, the Court allowed the Plaintiff's application to cross-examine deponents of various affidavits filed by the Defendants. Testimonies were completed on 19 March 2021. The Court has directed parties to file their respective written submissions by 10 May 2021 and attend clarification on 4 June 2021.

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.

(c) On 18 April 2019, UEM Land was served with a Notice of Arbitration ("NOA") dated 17 April 2019 filed by Ireka Engineering & Construction Sdn Bhd ("IECSB") in relation to disputes arising from the Agreement and Conditions of PAM Contract 2006 (With Quantities) ("Agreement") together with a Letter of Award dated 15 June 2012 ("LOA") for the construction of Imperia in Puteri Harbour, Iskandar Puteri, Johor ("Project") seeking a declaration sum of RM29,250,000 as the total amount of the final account. The LOA is to be read together with the Agreement (collectively referred to as the "Contract").

IECSB was appointed by UEM Land as the main contractor for the construction of the Project under the Contract at a sum of RM268.6 million. Its scope covers the:

a. Overall main works;
b. 'Stesen Suis Utama' and 'Pencawang Pembahagian Utama'; and
c. Construction of mock-up units.

IECSB has raised certain claims with respect to the performance of the obligations in the Contract and seeks inter alia, a declaration that RM29,250,000 be the total and final amount of the final account or any other amount assessed by the Arbitral Tribunal.

40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

(c) (cont'd.)

UEM Land's position is that IECSB's claims are without merits and UEM Land will vigorously defend its position accordingly.

The Asian International Arbitration Centre has appointed Mr. Wayne Martin as the arbitrator on behalf of both parties. It has been agreed by both parties that IECSB to file its Statement of Claim within 45 days from 21 October 2019, and UEM Land to file its Statement of Defence and Counterclaim within 45 days from the receipt of the Statement of Claim. Subsequently, IECSB to file its Statement of Reply and Defence to Counterclaim within 30 days from the receipt of the Defence and Counterclaim, and UEM Land to file its Statement of Reply to Defence to Counterclaim within 30 days from the receipt of the Statement of Reply and Defence to Counterclaim.

Based on the Statement of Claim dated 27 December 2019, IECSB is seeking inter-alia, RM20,395,000 for loss and expense, RM29,250,000 for the amount due and owing to IECSB 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 Statement of Defence and Counterclaim dated 2 March 2020, UEM Land denied and disputed liability on IECSB's claims and sought counterclaims amounting to total sum of RM31,757,000 for amongst others, Liquidated Ascertained Damages for delay in the completion of the works and defects rectification cost and back-charges.

UEM Land filed an application dated 15 June 2020 to amend its Defence and Counterclaim to include further counterclaim for back-charges to amount of RM34,374,000 and the application was allowed by the Tribunal. The Reply to Defence and Defence to Counterclaim was filed by IECSB on 8 July 2020. UEM Land filed its Reply to the Defence to Counterclaim on 17 August 2020. The hearing dates for this matter fixed to be from 17 May to 28 May 2021 have now been vacated and a new set of hearing dates will be fixed in the next procedural hearing which is on 22 September 2021. The witness statement and expert report are due on 10 September 2021. At the moment, the parties are exchanging additional bundle of documents and applying for discovery of documents.

The Group believes that the NOA and potential arbitration proceedings are not expected to have material financial and operational impact to the Group.

(d) The Company and its subsidiaries have been subjected to a tax audit as of February 2018. A total of 31 companies were selected for the years of assessment up to 2018. To date, there are currently 2 remaining companies under the audit which are still on going.

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41. CAPITAL COMMITMENTS

	Group	
	2020 RM'000	**2019 RM'000**
In respect of purchase of property, plant and equipment, and investment properties:		
Approved and contracted for	**14,565**	24,781
Approved but not contracted for	**404,069**	395,406
	418,634	420,187

42. FAIR VALUES

The following are fair value of financial instruments by classes:

	2020		2019	
	Carrying amount RM'000	**Fair values (Level 3) RM'000**	**Carrying amount RM'000**	**Fair values (Level 3) RM'000**
Group				
Borrowings (non-current portion)	**2,600,292**	**2,549,604**	2,337,883	2,248,053
Company				
Borrowings (non-current portion)	**2,470,000**	**2,419,311**	2,250,000	2,160,170

As stipulated in Amendments to MFRS 7: Improving Disclosure about Financial Instruments, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

42. FAIR VALUES (CONT'D.)

The following table presents the Group's and the Company's other financial assets and financial liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2020:				
Assets				
Group				
Short term investments:				
Financial assets at fair value through other comprehensive income	**7**	**-**	**-**	**7**
Financial asset at fair value through profit or loss	**5,000**	**216,929**	**-**	**221,929**
	5,007	**216,929**	**-**	**221,936**
Company				
Short term investment:				
Financial asset at fair value through profit or loss	**5,000**	**216,929**	**-**	**221,929**
At 31 December 2019:				
Assets				
Group				
Short term investments:				
Financial assets at fair value through other comprehensive income	7	-	-	7
Financial asset at fair value through profit or loss	-	322	-	322
	7	322	-	329
Company				
Short term investment:				
Financial asset at fair value through profit or loss	-	322	-	322

Determination of fair values

The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

Receivables (Note 24)
Payables (Note 36)

The carrying amounts of the financial assets and financial liabilities are reasonable approximations of fair values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS
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42. FAIR VALUES (CONT'D.)

Determination of fair values (cont'd.)

(a) Borrowings (current)

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

(b) Unquoted debt securities and corporate bonds

Fair value is estimated by using a discounted cash flow model based on various assumptions, including current and expected future credit losses, market rates of interest, prepayment rates and assumptions regarding market liquidity.

(c) Long term receivables/payables

Fair values of long term receivables/payables are based on discounting expected future cash flows at market incremental lending rate for the receivables/payables.

(d) Corporate guarantees

Fair value of all unexpired corporate guarantees given to bank for credit facilities granted to subsidiaries was assessed to be RMNil (2019: RMNil) at the inception of issuance of the guarantees due to the likelihood of the guaranteed party defaulting is nil within the guaranteed period.

Non financial instruments

The following table provides the fair value measurement hierarchy of the Group's assets.

Quantitative disclosures fair value measurement hierarchy for asset:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2020:				
Assets for which fair value are disclosed:				
Investment properties (Note 12)	**-**	**-**	**1,103,121**	**1,103,121**
At 31 December 2019:				
Assets for which fair value are disclosed:				
Investment properties (Note 12)	-	-	1,165,895^	1,165,895

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

^ The fair value of investment properties as at 31 December 2019 includes the cost of properties completed in 2018 and recently obtained completion certificate of RM93,045,000 which approximates to fair value.

42. FAIR VALUES (CONT'D.)

Non financial instruments (cont'd.)

As at 31 December 2020, accredited independent valuers have been engaged to perform a valuation of the Group's properties. Depending on the types of properties, the independent valuers applied various valuation techniques.

Description of valuation techniques used and key inputs:

Properties	Valuation technique
Offices	Comparison and investment approaches
Car parks	Income and comparison approaches
Retail	Investment, income and comparison approaches
Ferry terminal	Comparison and cost approaches

The investment method is an analysis based on the relationship between the rate of return that an investor or buyer expects or requires and the net income that a property produces.

The income approach uses valuation techniques to convert estimated future amounts of cash flows or income to a single present value (discounted) amount. To this estimated future amounts of cash flows or income, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

The comparison method seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Due considerations are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of its depreciation and obsolescence to arrive at the depreciated building value.

43. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and acceptable capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting dividend payment policies.

There are no externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
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44. SEGMENT INFORMATION

(a) Business unit segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

(i) Property development - development and sales of residential and commercial properties, as well as sales of lands;

(ii) Property investment and hotel operation - holds to earn rental income and/or capital appreciation including hotel operation; and

(iii) Others - investment holding, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments have been entered into a normal course of business and have been established on mutually agreed terms and conditions. The reported segment revenue, segment results and eliminations exclude intercompany dividends.

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in four geographical areas:

(i) Malaysia - the operations in this area are principally development and sales of residential and commercial properties, development of investment properties, held to earn rental income and/or sales of lands, hotel operation, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies;

(ii) Australia - the operations in this area are principally development and sales of residential and commercial properties as well as development of investment properties, held to earn rental income;

(iii) Singapore - the operation in this area is principally project management; and

(iv) South Africa - the operations in this area are principally development and sales of residential and commercial properties.

44. SEGMENT INFORMATION (CONT'D.)

Business segment information

At 31 December 2020	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External revenue	1,031,728	65,119	40,034	–	1,136,881
Inter-segment revenue	–	1,631	96,679	(98,310)	–
Total revenue	1,031,728	66,750	136,713	(98,310)	1,136,881
Results					
Segment results	106,523	(46,687)	(20,287)	(37,352)	2,197
Finance costs	(93,091)	(34,149)	(42,962)	37,352	(132,850)
Share of results of associates	(7,195)	–	(433)	–	(7,628)
Share of results of joint ventures	(34,853)	(22,197)	–	–	(57,050)
Loss before zakat and income tax	(28,616)	(103,033)	(63,682)	–	(195,331)
Zakat	(1,080)	–	–	–	(1,080)
Tax (expense)/benefit	(79,348)	13	(970)	–	(80,305)
Loss for the year	(109,044)	(103,020)	(64,652)	–	(276,716)
Attributable to:					
Owners of the parent	(109,000)	(103,020)	(65,264)	–	(277,284)
Non-controlling interests	(44)	–	612	–	568
Loss for the year	(109,044)	(103,020)	(64,652)	–	(276,716)

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44. SEGMENT INFORMATION (CONT'D.)

Business segment information (cont'd.)

At 31 December 2020	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Assets					
Segment assets	11,179,215	994,584	421,844	(689,133)	11,906,510
Interests in:					
- associates	485,439	-	1,172	-	486,611
- joint ventures	898,350	90,662	-	-	989,012
Income tax assets	95,827	348	1,605	-	97,780
Total assets	12,658,831	1,085,594	424,621	(689,133)	13,479,913
Liabilities					
Segment liabilities	5,173,482	793,266	812,709	(689,133)	6,090,324
Income tax liabilities	18,489	-	519	-	19,008
Total liabilities	5,191,971	793,266	813,228	(689,133)	6,109,332
Other information					
Additions to non-current assets	367,163	4,485	6,767	-	378,415
Depreciation and amortisation	(10,592)	(24,361)	(22,009)	-	(56,962)

44. SEGMENT INFORMATION (CONT'D.)

Business segment information (cont'd.)

(Restated)

At 31 December 2019	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External revenue	2,786,495	83,729	39,237	-	2,909,461
Inter-segment revenue	-	2,228	123,816	(126,044)	-
Total revenue	2,786,495	85,957	163,053	(126,044)	2,909,461
Results					
Segment results	577,160	3,752	(50,744)	(50,775)	479,393
Finance costs	(98,315)	(35,279)	(34,690)	50,775	(117,509)
Share of results of associates	2,163	-	(4,595)	-	(2,432)
Share of results of joint ventures	31,645	(7,227)	(2,103)	-	22,315
Profit/(loss) before zakat and income tax	512,653	(38,754)	(92,132)	-	381,767
Zakat	(2,006)	-	-	-	(2,006)
Tax expense	(160,173)	(206)	1,084	-	(159,295)
Profit/(loss) for the year	350,474	(38,960)	(91,048)	-	220,466
Attributable to:					
Owners of the parent	352,066	(38,960)	(91,509)	-	221,597
Non-controlling interests	(1,592)	-	461	-	(1,131)
Profit/(loss) for the year	350,474	(38,960)	(91,048)	-	220,466

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44. SEGMENT INFORMATION (CONT'D.)

Business segment information (cont'd.)

(Restated)

At 31 December 2019	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Assets					
Segment assets	11,219,583	1,020,052	265,995	(665,459)	11,840,171
Interests in:					
- associates	493,631	-	1,623	-	495,254
- joint ventures	914,999	111,496	-	-	1,026,495
Income tax assets	85,589	316	1,259	-	87,164
Total assets	12,713,802	1,131,864	268,877	(665,459)	13,449,084
Liabilities					
Segment liabilities	5,377,395	760,666	172,066	(665,459)	5,644,668
Income tax liabilities	71,700	6	54	-	71,760
Total liabilities	5,449,095	760,672	172,120	(665,459)	5,716,428
Other information					
Additions to non-current assets	293,485	141,773	18,256	-	453,514
Depreciation and amortisation	(11,287)	(23,744)	(12,118)	-	(47,149)

44. SEGMENT INFORMATION (CONT'D.)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2020 RM'000	**2019 RM'000**
Malaysia	**687,004**	965,516
Australia	**448,114**	1,942,022
Singapore	**1,763**	1,923
	1,136,881	2,909,461

	Non-current assets	
	2020 RM'000	**2019 RM'000**
Malaysia	**9,697,939**	9,546,544
Australia	**126,895**	134,822
South Africa	**12,890**	15,141
Singapore	**1,124**	2,546
	9,838,848	9,699,053

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45. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
Nusajaya Five O Sdn. Bhd.	Provision of security services	Malaysia	**100**	100
Nusajaya Resort Sdn. Bhd.	Operator of clubhouse and restaurant	Malaysia	**100**	100
Sunrise Berhad	Property development and investment holding	Malaysia	**100**	100
UEM Land Berhad	Property development, property investment, project procurement and management, and strategic investment holding	Malaysia	**100**	100
UEM Sunrise (Australia) Sdn. Bhd.	Investment holding	Malaysia	**100**	100
UEM Sunrise (Canada) Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	**100**	100
UEM Sunrise Management Services Sdn. Bhd.	Investment holding	Malaysia	**100**	100
UEM Sunrise Properties Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	**100**	100
Subsidiaries of Sunrise Berhad				
Arcoris Sdn. Bhd.	Property investment and development	Malaysia	**100**	100
Ascot Assets Sdn. Bhd.	Property development	Malaysia	**100**	100
Allevia Sdn. Bhd.	Property investment, development and construction	Malaysia	**100**	100
Aurora Tower at KLCC Sdn. Bhd.	Property development	Malaysia	**100**	100
Ibarat Duta Sdn. Bhd.	Property development	Malaysia	**100**	100
Laser Tower Sdn. Bhd.	Property development	Malaysia	**100**	100
Lembah Suria Sdn. Bhd.	Property development	Malaysia	**100**	100
Lucky Bright Star Sdn. Bhd.	Property investment and development	Malaysia	**100**	100
Mega Legacy (M) Sdn. Bhd.	Property development	Malaysia	**50**	50
Milik Harta Sdn. Bhd.	Property development	Malaysia	**100**	100

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of Sunrise Berhad (cont'd.)				
	New Planet Trading Sdn. Bhd.	Property investment and development	Malaysia	**100**	100
	Prinsip Eramaju Sdn. Bhd.	Property development	Malaysia	**100**	100
	SCM Property Services Sdn. Bhd.	Provision of property management services	Malaysia	**100**	100
	Solid Performance Sdn. Bhd.	Property development	Malaysia	**100**	100
	Summer Suites Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Alliance Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Benchmark Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Century Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Innovations Sdn. Bhd.	Property development	Malaysia	**100**	100
*	Sunrise International Development Ltd.	Investment holding	The Cayman Islands	**100**	100
	Sunrise Landmark Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Mersing Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Oscar Sdn. Bhd.	Investment holding	Malaysia	**100**	100
	Sunrise Overseas Corporation Sdn. Bhd.	Investment holding and provision of management services	Malaysia	**100**	100
	Sunrise Paradigm Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Pioneer Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Project Services Sdn. Bhd.	Property development and project management for property development projects	Malaysia	**100**	100
	Sunrise Quality Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Region Sdn. Bhd.	Property development	Malaysia	**100**	100

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45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of Sunrise Berhad (cont'd.)				
	Sunrise Sovereign Sdn. Bhd.	Property development and investment holding	Malaysia	**100**	100
	Sun Victory Sdn. Bhd.	Property investment and development, and hotel operation	Malaysia	**100**	100
	Sunrise MS Pte. Ltd.	Provision of consultancy, advisory and technical services in relation to project development	Singapore	**100**	100
	Sunrise Overseas (S) Pte. Ltd.	Promotion and management services relating to the Group's properties in Malaysia	Singapore	**100**	100
* ^	Sunrise Hospitality and Leisure Sdn. Bhd.	In Member's Voluntary Winding Up	Malaysia	**100**	100
	Subsidiary of Sunrise Oscar Sdn. Bhd.				
	Sunrise DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	**100**	100
	Subsidiary of Sunrise International Development Ltd.				
*	Sunrise Holdings S.àr.l.	Investment holding	The Grand Duchy of Luxembourg	**100**	100
	Subsidiary of Sunrise Holdings S.àr.l.				
*	Canada Sunrise Development Corp.	Property investment and development	Canada	**100**	100
	Subsidiaries of Canada Sunrise Development Corp.				
*@	Canada Sunrise Developments (Richmond) Ltd.	Dissolved	Canada	**-**	100

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of UEM Land Berhad				
	Aura Muhibah Sdn. Bhd.	Property development	Malaysia	**60**	60
	Bandar Nusajaya Development Sdn. Bhd.	Investment holding, property development, land trading and an agent for its subsidiaries	Malaysia	**100**	100
	Finwares Sdn. Bhd.	Investment holding	Malaysia	**100**	100
	Fleet Group Sdn. Bhd.	Investment holding	Malaysia	**100**	100
	Mahisa Sdn. Bhd.	Property development and undertakes construction and turnkey development contracts	Malaysia	**100**	100
	Marak Unggul Sdn. Bhd.	Dormant	Malaysia	**50**	50
	Marina Management Sdn. Bhd.	Marina management and property management	Malaysia	**100**	100
	Nusajaya Development Sdn. Bhd.	Property development	Malaysia	**100**	100
*	Nusajaya Medical Park Sdn. Bhd.	Construct, manage and/or operate specialised buildings for long-term lease and property development	Malaysia	**100**	100
	UEM Sunrise Overseas Corporation Sdn. Bhd.	Investment holding	Malaysia	**100**	100
*	Hatibudi Nominees (Tempatan) Sdn. Bhd.	In Member's Voluntary Winding Up	Malaysia	**100**	100
*	UEM Sunrise Nusantara Sdn. Bhd.	In Member's Voluntary Winding Up	Malaysia	**100**	100
	Subsidiaries of Bandar Nusajaya Development Sdn. Bhd.				
	Nusajaya Gardens Sdn. Bhd.	Land trading and investment holding	Malaysia	**100**	100
	Nusajaya Greens Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	**100**	100
	Nusajaya Heights Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	**100**	100
	Nusajaya Industrial Park Sdn. Bhd.	Property development	Malaysia	**100**	100
	Nusajaya Land Sdn. Bhd.	Property development	Malaysia	**100**	100

NOTES TO THE FINANCIAL STATEMENTS
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45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of Bandar Nusajaya Development Sdn. Bhd. (cont'd.)				
	Nusajaya Rise Sdn. Bhd.	Property development, land trading, investment holding and money lending activity	Malaysia	**100**	100
	Nusajaya Seaview Sdn. Bhd.	Land trading and investment holding	Malaysia	**100**	100
	Symphony Hills Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	**100**	100
	Subsidiary of UEM Sunrise Nusantara Sdn. Bhd. (In Member's Voluntary Winding Up)				
	P.T. Bias Permata	Investment holding	Indonesia	**100**	100
	Subsidiary of UEM Sunrise Overseas Corporation Sdn. Bhd.				
*	UEM Sunrise South Africa (Pty) Ltd.	Investment holding	South Africa	**100**	100
	Subsidiary of UEM Sunrise South Africa (Pty) Ltd.				
*	Roc-Union (Proprietary) Ltd.	Investment holding	South Africa	**80.4**	80.4
	Subsidiary of Roc-Union (Proprietary) Ltd.				
*	Rocpoint (Proprietary) Ltd.	Acquisition and development of land	South Africa	**80.4**	80.4
	Subsidiaries of UEM Sunrise (Australia) Sdn. Bhd.				
	UEM Sunrise (Land) Pty. Ltd.	Holding and financing company	Australia	**100**	100
	UEM Sunrise (Developments) Pty. Ltd.	Holding and financing company	Australia	**100**	100

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of UEM Sunrise (Land) Pty. Ltd.				
	UEM Sunrise (La Trobe Street) Pty. Ltd.	Trustee company	Australia	**100**	100
	UEM Sunrise (Mackenzie Street) Pty. Ltd.	Trustee company	Australia	**100**	100
	UEM Sunrise (St Kilda Road) Pty. Ltd.	Trustee company	Australia	**100**	100
	UEM Sunrise (Collingwood) Pty. Ltd.	Trustee company	Australia	**100**	-
#	UEM Sunrise (La Trobe Street) Unit Trust	Landowning entity	Australia	**100**	100
#	UEM Sunrise (Mackenzie Street) Unit Trust	Landowning entity	Australia	**100**	100
#	UEM Sunrise (St Kilda Road) Unit Trust	Landowning entity	Australia	**100**	100
#	UEM Sunrise (Collingwood) Unit Trust	Landowning entity	Australia	**100**	-
	Subsidiaries of UEM Sunrise (Developments) Pty. Ltd.				
#	UEM Sunrise (La Trobe Street Development) Pty. Ltd.	Development company	Australia	**100**	100
#	UEM Sunrise (Mackenzie Street Development) Pty. Ltd.	Development company	Australia	**100**	100
#	UEM Sunrise (St Kilda Road Development) Pty. Ltd.	Development company	Australia	**100**	100
#	UEM Sunrise (Collingwood Development) Pty. Ltd.	Property Development	Australia	**100**	-
#	UEM Sunrise (Aurora Melbourne Central Property Management) Pty. Ltd.	Property management services	Australia	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of UEM Sunrise (Developments) Pty. Ltd. (cont'd)				
#	UEM Sunrise (Conservatory Melbourne Property Management) Pty. Ltd.	Property management services	Australia	**100**	100
	Subsidiary of UEM Sunrise (Canada) Sdn. Bhd.				
* @	UEM Sunrise (Canada) Development Ltd.	Dissolved	Canada	**-**	100
	Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.				
	UEM Sunrise Project Services Sdn. Bhd.	Project management for property development	Malaysia	**100**	100
	Rise Digital Sdn. Bhd.	Provision of digital services	Malaysia	**100**	100
	Subsidiaries of UEM Sunrise Properties Sdn. Bhd.				
	UEM Sunrise Nusajaya Properties Sdn. Bhd.	Property investment	Malaysia	**100**	100
	Nusajaya DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	**100**	100
	Opera Retreat Sdn. Bhd.	Property investment	Malaysia	**100**	100
	Puteri Harbour Convention Centre Sdn. Bhd.	Own and operate a convention centre	Malaysia	**100**	100

Note:

* Subsidiaries not audited by Ernst & Young PLT or Ernst & Young.

The financial statements of these subsidiary companies are audited for consolidation purposes.

^ On 20 November 2020, the Company announced that the final meeting of Sunrise Hospitality and Leisure Sdn. Bhd., an indirect subsidiary of the Company was held on 10 November 2020, and the return by Liquidator relating to the final meeting ("Returns") was lodged on 19 November 2020 with the Companies Commission of Malaysia and Official Receiver respectively and accordingly. The Company will be dissolved on the expiration of three (3) months after the date of lodgement of the Returns by Liquidator and cease to be a subsidiary of the Company.

@ The subsidiaries were dissolved on 15 October 2020 by way of voluntary dissolution under the Business Corporations Act and ceased to be indirect wholly-owned subsidiaries of the Company.

46. ASSOCIATES

	Name of associates	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	UEM Sunrise Edgenta TMS Sdn. Bhd.	Investment holding and management of real estate	Malaysia	**30**	30
	Associates of UEM Land Berhad				
*	Inneonusa Sdn. Bhd.	Provision of smart building infrastructure, smart safety and security system, smart in-building services and smart wide services including smart tenant services for building owners, operators, residents and visitors	Malaysia	**39**	39
*	Setia Haruman Sdn. Bhd.	Township development, property development, project development and sale of land	Malaysia	**25**	25
*	Scope Energy Sdn. Bhd.	Property development	Malaysia	**40**	40
	Sarandra Malaysia Sdn. Bhd.	Investment holding company, constructuring, managing and developing of marina club	Malaysia	**40**	40
	Associate of Rocpoint (Proprietary) Ltd.				
*	Durban Point Development Company (Proprietary) Ltd.	Property development	South Africa	**40.2**	40.2

Note:

* Associates not audited by Ernst & Young PLT or Ernst & Young.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

47. JOINT VENTURES

	Name of joint ventures	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Desaru North Course Residences Sdn. Bhd.	Property development	Malaysia	**51**	51
	Desaru South Course Land Sdn. Bhd.	Property development	Malaysia	**51**	51
	Desaru South Course Residences Sdn. Bhd.	Property development	Malaysia	**51**	51
	Nusajaya Premier Sdn. Bhd.	Property development and investment holding	Malaysia	**80**	80
	Nusajaya Lifestyle Sdn. Bhd.	Property and real estate development, management and property management	Malaysia	**55**	55
*	Malaysian Bio-XCell Sdn. Bhd.	Development and operation of a biotechnology park in the Southern Industrial Logistics Cluster in Iskandar Puteri, Iskandar Malaysia, Johor (In receivership and in liquidation)	Malaysia	**40**	40
	Joint ventures of UEM Land Berhad				
	Cahaya Jauhar Sdn. Bhd.	Undertake the turnkey design and build contract for the development of the Johor State New Administrative Centre (now known as Kota Iskandar) and State Government staff housing in Iskandar Puteri, Johor and provision of facilities maintenance and management services	Malaysia	**60**	60
*	Gerbang Leisure Park Sdn. Bhd.	Property development	Malaysia	**50**	50
	Horizon Hills Development Sdn. Bhd.	Property development	Malaysia	**50**	50
	Nusajaya Tech Park Sdn. Bhd.	Property development	Malaysia	**40**	40
*	Nusajaya Consolidated Sdn. Bhd.	Property development and related activities	Malaysia	**50**	50

47. JOINT VENTURES (CONT'D.)

	Name of joint ventures	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Joint ventures of UEM Land Berhad (cont'd)				
*	Haute Property Sdn. Bhd.	Property development and property marketing	Malaysia	**40**	40
	FASTrack Iskandar Sdn. Bhd.	Property development and to develop, construct, operate and manage motorsport city with related facilities and services	Malaysia	**30**	30
	Joint ventures of Sunrise Berhad				
*	Sime Darby Property Sunrise Development Sdn. Bhd. (formerly known as Sime Darby Sunrise Development Sdn. Bhd.)	Property development	Malaysia	**50**	50
*	Sunrise MCL Land Sdn. Bhd.	Property development and property investment	Malaysia	**50**	50
	Joint venture of UEM Sunrise Properties Sdn. Bhd.				
*	UEM Sunrise WOTSO Malaysia Sdn. Bhd.	Provision of co-working, office and event space	Malaysia	**50**	50

Note:

* Joint ventures not audited by Ernst & Young PLT or Ernst & Young.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

48a. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

Interpretation to MFRS 123: Borrowing Costs relating to over time transfer of constructed good (Agenda Decision 4 ("AD4"))

As disclosed in Note 2.2(b), the Group opts for early adoption of AD4 during the financial year. The Group has restated the comparative financial statements to amounts reflecting the adoption of AD4, whereby interest cost is no longer capitalised for assets created under the percentage-of-completion method i.e. receivables, contract assets and inventories as these assets do not meet the definition of qualifying assets hence to be expensed off. The effect of the adoption of the AD4 on the Group's assets and its related profit or loss impact have been adjusted for retrospectively.

The effect on the comparative financial statements of the Group is as follows:

(i) Reconciliation of the consolidated statement of financial position as at 1 January 2019:

	As previously stated RM'000	Adoption of AD4 RM'000	As Restated RM'000
Assets			
Land held for property development	4,711,896	(5,167)	4,706,729
Interests in associates	500,635	(3,318)	497,317
Interests in joint ventures	993,441	(3,901)	989,540
Deferred tax assets	283,601	3,316	286,917
Other non-current assets	2,176,415	-	2,176,415
Total non-current assets	8,665,988		8,656,918
Property development costs	1,821,615	(1,494)	1,820,121
Inventories held for sale	695,271	(9,074)	686,197
Other current assets	2,941,094	-	2,941,094
Current assets	5,457,980		5,447,412
Total assets	14,123,968		14,104,330
Equity			
Retained profits	1,868,067	(19,638)	1,848,429
Other equity	5,572,544	-	5,572,544
Total equity	7,440,611		7,420,973
Total liabilities	6,683,357	-	6,683,357
Total equity and liabilities	14,123,968		14,104,330

48a. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONT'D.)

(ii) Reconciliation of the consolidated statement of financial position as at 31 December 2019:

	As previously stated RM'000	Adoption of AD4 RM'000	As Restated RM'000
Assets			
Land held for property development	5,618,794	(7,162)	5,611,632
Interests in associates	498,572	(3,318)	495,254
Interests in joint ventures	1,030,838	(4,343)	1,026,495
Deferred tax assets	282,926	3,873	286,799
Other non-current assets	2,278,873	-	2,278,873
Total non-current assets	9,710,003		9,699,053
Property development costs	877,385	(5,008)	872,377
Inventories held for sale	546,527	(5,884)	540,643
Other current assets	2,337,011	-	2,337,011
Current assets	3,760,923		3,750,031
Total assets	13,470,926		13,449,084
Equity			
Retained profits	2,127,889	(21,842)	2,106,047
Other equity	5,626,609	-	5,626,609
Total equity	7,754,498		7,732,656
Total liabilities	5,716,428	-	5,716,428
Total equity and liabilities	13,470,926		13,449,084

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

48a. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONT'D.)

(iii) Reconciliation of the extract consolidated statement of profit or loss for the year ended 31 December 2019:

	As previously stated RM'000	Adoption of AD4 RM'000	As Restated RM'000
Revenue	2,909,461	-	2,909,461
Cost of sales	(2,112,024)	8,388	(2,103,636)
Gross profit	797,437	8,388	805,825
Other income	75,598	-	75,598
Selling and distribution expenses	(37,977)	-	(37,977)
Other expenses	(364,053)	-	(364,053)
Operating profit	471,005	8,388	479,393
Finance costs	(106,801)	(10,708)	(117,509)
Share of results of associates	(2,432)	-	(2,432)
Share of results of joint ventures	22,756	(441)	22,315
Profit before zakat and income tax	384,528	(2,761)	381,767
Zakat	(2,006)	-	(2,006)
Income tax expense	(159,852)	557	(159,295)
Profit for the year	222,670	(2,204)	220,466
Attributable to:			
Profit attributable to owners of the parent	223,801	(2,204)	221,597

(iv) Reconciliation of the extract consolidated statement of comprehensive income for the year ended 31 December 2019:

	As previously stated RM'000	Adoption of AD4 RM'000	As Restated RM'000
Profit for the year	222,670	(2,204)	220,466
Total other comprehensive expense	(14,546)	-	(14,546)
Total comprehensive income for the year	208,124	(2,204)	205,920
Total comprehensive income attributable to owners of the parent	209,277	(2,204)	207,073

The above changes did not have any impact on the earnings per share, other comprehensive income and cash flows of the Group and of the Company for the year ended 31 December 2019.

48b. BUSINESS COMBINATION

On 15 April 2019, Sunrise Berhad, a wholly-owned subsidiary of the Company, completed the subscription of 500,001 new ordinary shares representing 50% + 1 share of the equity interest in Mega Legacy (M) Sdn. Bhd. ("MLM") for a cash consideration of RM256,060,000. Consequently, MLM has become an indirect subsidiary of the Company. The Group accounted the acquisition of MLM as an acquisition of assets.

The assets and liabilities recognised in previous financial year as a result of the acquisition are as follows:

	Carrying value RM'000
Assets	
Land held for property development	657,205
Receivables	1,175
Cash and bank balances	106
	658,486
Liability	
Payables	(446,960)
Net identifiable assets acquired	211,526
Add: Land cost adjustment	150,297
Less: Non-controlling interests	(105,763)
Purchase consideration	256,060

Details of the cash outflow during the previous financial year are as follows:

	RM'000
Purchase consideration	256,060
Less: Deposit paid in 2018	(41,880)
Less: Cash and bank balances acquired	(106)
Paid in the previous financial year	214,074

ANALYSIS OF SHAREHOLDINGS

As at 12 April 2021

SHARE CAPITAL

Total number of Issued and Paid-up Shares : 5,058,476,221 ordinary shares
Voting Rights : One vote per ordinary share held

DISTRIBUTION SCHEDULE FOR ORDINARY SHARES

(As at 12 April 2021)

Size of Holdings	No. of shareholders	%	Total shareholdings	%
Less than 100	3,010	9.21	100,996	0.00
100 to 1,000	9,204	28.16	4,851,581	0.10
1,001 to 10,000	13,980	42.77	62,957,463	1.24
10,001 to 100,000	5,571	17.05	180,017,541	3.56
100,001 to 252,923,810 (less than 5% of issued shares)	915	2.80	975,516,677	19.29
252,923,811 (5% of issued shares) and above	2	0.01	3,835,031,963	75.81
Total	**32,682**	**100.00**	**5,058,476,221**	**100.00**

30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

(As at 12 April 2021)

No.	Name of Shareholder	No. of Shares held	% of Issued shares
1.	UEM GROUP BERHAD	3,518,531,963	69.56
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (1)	316,500,000	6.26
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	168,985,637	3.34
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	53,985,500	1.07
5.	CITIGROUP NOMINEES (ASING) SDN BHD CBLDN FOR POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC	36,533,934	0.72
6.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR THE NATIONAL FARMERS UNION MUTUAL INSURANCE SOCIETY LTD	24,959,357	0.49
7.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	24,725,500	0.49
8.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	24,329,200	0.48
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (GROWTH)	23,931,800	0.47
10.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	22,236,000	0.44

30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D)

(As at 12 April 2021)

No.	Name of Shareholder	No. of Shares held	% of Issued shares
11.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	21,214,300	0.42
12.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG KIM JHEW (E-TMI)	18,541,300	0.37
13.	LIEW SWEE MIO @ LIEW HOI FOO	17,300,000	0.34
14.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR DELAWARE GROUP GLOBAL & INTERNATIONAL FUNDS DELAWARE EMERGING MARKETS FUND	17,000,000	0.34
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (DANA EKT PRIMA)	14,018,200	0.28
16.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	13,083,755	0.26
17.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	11,374,883	0.22
18.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	9,291,045	0.18
19.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (BALANCE)	8,510,800	0.17
20.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	8,361,365	0.16
21.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	7,487,700	0.15
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (PREM EQUITY)	7,419,100	0.15
23.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	7,107,352	0.14
24.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	7,009,200	0.14
25.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)	6,925,700	0.14
26.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	6,462,600	0.13
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA GENERAL INSURANCE BERHAD (GENERAL)	6,340,900	0.12
28.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	6,157,100	0.12
29.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND ZYEF FOR VANGUARD GLOBAL EX-U.S. REAL ESTATE INDEX FUND	6,102,965	0.12
30.	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND J724 FOR SPDR S&P EMERGING MARKETS ETF	6,070,988	0.12
	TOTAL	**4,420,498,144**	**87.39**

ANALYSIS OF SHAREHOLDINGS

As at 12 April 2021

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders

As at 12 April 2021

		No.of shares			
No.	**Name**	**Direct**	**%**	**Indirect**	**%**
1.	UEM Group Berhad	3,518,531,963	69.56	-	-
2.	Khazanah Nasional Berhad*	-	-	3,518,531,963	69.56
3.	Urusharta Jamaah Sdn Bhd	316,500,000	6.26	-	-

Note:
* Deemed interested by virtue of being the holding company of UEM Group Berhad

STATEMENT OF DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 12 April 2021

DIRECTORS' INTERESTS IN THE SECURITIES OF UEM SUNRISE BERHAD

		No. of ordinary shares			
No.	**Name**	**Direct**	**%**	**Indirect**	**%**
1.	Dato' Noorazman Abd Aziz	-	-	-	-
2.	Tan Sri Dr Azmil Khalili Dato' Khalid	-	-	-	-
3.	Dato' Mohd Izani Ghani	-	-	-	-
4.	Zaida Khalida Shaari	-	-	-	-
5.	Effizal Faiz Zulkifly	-	-	-	-
6.	Ungku Suseelawati Ungku Omar	-	-	-	-
7.	Datin Teh Ija Mohd Jalil	-	-	-	-
8.	Christina Foo	-	-	-	-
9.	Chari T.V. Thirumala	-	-	-	-
10.	Poh Ying Loo	-	-	-	-

MATERIAL PROPERTIES OF UEM SUNRISE BERHAD GROUP

Location and address of property	Brief description and existing use	Area (sq meters)	Tenure and year of expiry	Age of building (years)	Net book value as at 31/12/2020 RM'000	Date of revaluation/ acquisition
Iskandar Puteri (fka Bandar Nusajaya) Iskandar Development Region Johor Darul Takzim	Land held for property development and development in progress	20,299,599	Freehold	-	2,473,476	1995
HSD 64677 PTD 108319 & HSD 64682 PTD 108325 GM 1408, Lot 1033 GM 1410, Lot 1080 Mukim Senai District of Kulai Johor Darul Takzim	Land held for property development	10,116,200	Freehold	-	901,373	6-Oct-15
PTD 26684-26689, 26691-22693 Mukim Batu, Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land held for property development	269,237	Leasehold expiring on 29-Dec-2112	-	784,599	02-Apr-19
Solaris Dutamas 1 Jalan Dutamas 1 50480 Kuala Lumpur	Building - Retail and Carpark	150,187	Freehold	10	387,539	25-Jul-11*
PTD 43305-43350, 43361-43437 44290-44505, 44520, 44533 Mukim Semenyih Daerah Ulu Langat Selangor Darul Ehsan	Land held for property development	1,218,965	Freehold	-	376,992	29-Sep-11
GM 4733 Lot 149 Seksyen 58 Bandar of Kuala Lumpur Daerah Kuala Lumpur	Land held for property development	6,434	Freehold	-	320,474	4-Jun-11*
Arcoris GM 9305 Lot 80199 Mukim Batu Daerah Kuala Lumpur	Hotel, Retail and Carpark	66,397	Freehold	3 (Hotel), 4 (Retail and Carpark)	306,299	20-Mar-12
PT 6584 - 6585 Mukim Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land held for property development	46,130	99 years lease expiring on 01-Jul-2102	-	160,569	28-Aug-20
PN 102216 Lot 93720 Mukim Petaling Daerah Petaling Selangor Darul Ehsan	Land held for property development	77,864	Leasehold expiring on 18-Sep-2093	-	134,167	03-Feb-18
Aurora Retail 224-252 La Trobe Street Melbourne, Australia	Building - Retail	2,123	Freehold	3	93,591	24-Aug-18
PN 9988 Lot 1108 Pekan Kajang Daerah Ulu Langat Selangor Darul Ehsan	Land held for property development	136,205	99 years lease expiring on 22-Dec-2090	–	90,160	14-Jun-11*
PN 9989 Lot 1109 Pekan Kajang Daerah Ulu Langat Selangor Darul Ehsan	Land held for property development	98,329	99 years lease expiring on 22-Oct-2090	-	58,800	14-Jun-11*
PTD 4936-4955 and 7905 Mukim of Batang Padang Daerah Batang Padang Perak Darul Ridzuan	Agriculture land	9,710,241	Leasehold expiring on 18-Aug-2109	-	56,411	19-Aug-10

* Revaluation date

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting (13th AGM) of UEM Sunrise Berhad (the Company) will be conducted virtually for the purpose of considering and, if thought fit, passing with or without modifications the resolutions as set out in this notice.

Meeting day and date	:	Monday, 21 June 2021
Time	:	10.00 a.m.
Broadcast venue	:	Black Box MAP, Level G2-01, Block A5, Publika, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur
Meeting platform	:	https://web.lumiagm.com/
Mode of communication	:	i. Shareholders may submit questions to the Board of Directors in advance prior to the 13th AGM by email to the Company's Investor Relations at ir@uemsunrise.com in relation to the agenda items for the 13th AGM no later than 10.00 a.m. on Wednesday, 16 June 2021 ii. Pose questions via real time submission of typed texts at https://web.lumiagm.com/ during live streaming of the 13th AGM

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon.

2. To re-elect the following Directors, who retire in accordance with Article 100 of the Company's Constitution and, being eligible, have offered themselves for re-election:

   (i) Mr Chari T.V. Thirumala **Ordinary Resolution 1**

   (ii) Mr Poh Ying Loo **Ordinary Resolution 2**

   YBhg Tan Sri Dr Azmil Khalili Dato' Khalid, YM Ungku Suseelawati Ungku Omar and YBhg Datin Teh Ija Mohd Jalil retire by rotation as Directors in accordance with Article 93 of the Company's Constitution at the conclusion of this 13th AGM.

3. To approve the Directors' fees and the payment thereof to the Directors for the period from the 13th AGM until the next AGM of the Company, to be payable on a quarterly basis as follows:

	Non-Executive Chairman		Non-Executive Director/ Member	
Directors' Fees/person	**Per Quarter (RM)**	**Per Annum (RM)**	**Per Quarter (RM)**	**Per Annum (RM)**
Board	52,500	210,000	27,000	108,000
Audit Committee	12,500	50,000	7,500	30,000
Other Board Committees	6,250	25,000	3,750	15,000

Ordinary Resolution 3

4. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors based on the following table of benefits and remuneration for the period from the 13th AGM until the next AGM of the Company:

Description	Directors' remuneration/benefits
Meeting allowance for ad-hoc or temporary Board Committees established for specific purposes.	(i) Chairman of committee – RM2,000 per meeting (ii) Member of committee – RM1,000 per meeting
Discount for purchase of property by Directors, which is the same policy applied for employees.	(i) Up to 10% discount will be given once in 5 years for residential property; and (ii) For subsequent purchase of residential property within 5 years' period or any non-residential property purchase, up to 3% discount will be given.
Benefits for Chairman: • Car allowance • Car maintenance, fuel and other claimable benefits	 RM3,400 per month Up to RM32,100 per annum

Ordinary Resolution 4

5. To appoint Messrs Ernst & Young PLT as Auditors and to authorise the Directors to fix their remuneration.

Ordinary Resolution 5

6. To transact any other business for which due notice shall have been given.

NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 13th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Article 65 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors (ROD) as at 16 June 2021. Only a depositor whose name appears on the ROD as at 16 June 2021 shall be entitled to attend this 13th AGM or appoint a proxy(ies) to attend, speak and vote on his/her behalf.

By Order of the Board

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

Kuala Lumpur
21 May 2021

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. REMOTE PARTICIPATION AND ELECTRONIC VOTING, PROXY AND/OR CORPORATE REPRESENTATIVES

1.1 In view of the ongoing Movement Control Order as part of the Government's measures to curb the spread of the Coronavirus Disease (COVID-19), the Company's 13th AGM will be conducted **fully virtual** and entirely via remote participation and electronic voting facilities.

1.2 The main and only venue for the 13th AGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (the Act) and Article 70 of the Constitution of the Company that require the Chairman of the meeting to be present at the main venue of the meeting. **No shareholders/proxies/corporate representatives should be physically present** nor admitted at the broadcast venue on the day of the 13th AGM.

1.3 As the 13th AGM will be conducted as a fully virtual meeting, a member who is not able to participate in the AGM is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the instrument appointing a proxy.

1.4 Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act, 1991 (Central Depositories Act) and authorised nominees defined under the Central Depositories Act which are exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act (Exempt Authorised Nominees) which hold ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote instead of him/her at the AGM and that such proxy need not be a member.

1.5 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

1.6 The instrument appointing a proxy (Form of Proxy) shall be in writing under the hand of the member or his/her attorney duly authorised in writing or, if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.

1.7 The Form of Proxy duly completed must be deposited at the Share Registrar's office, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time of holding the AGM. Alternatively, the Form of Proxy may also be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Portal at www.boardroomlimited.my not less than forty-eight (48) hours before the time of holding the AGM.

1.8 If the Form of Proxy is submitted without any instruction as to how the proxy shall vote, the proxy will vote in his/her discretion. Any alteration to the Form of Proxy must be initialled. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.

1.9 Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice are to be voted on a poll.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda item 1 and do not require shareholders' approval. Hence, this item is not put forward for voting.

3. DIRECTORS' FEES AND BENEFITS PAYABLE TO THE NON-EXECUTIVE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

3.1 Pursuant to Section 230(1) of the Act, the shareholders' approval shall be sought for the Directors' fees and benefits in the following resolutions:
   (a) **Ordinary Resolution 3** on payment of Directors' fees to the Directors for the period from the 13th AGM until the next AGM of the Company on a quarterly basis; and
   (b) **Ordinary Resolution 4** on payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors for the period from the 13th AGM until the next AGM of the Company.

3.2 The Directors' fees remain unchanged as per the fees approved at the last AGM held on 9 July 2020 and has remained the same since the financial year 2012.

3.3 The Directors' benefits remained unchanged as per the benefits approved at the last AGM held on 9 July 2020, save for the removal of the allowance of RM1,000 per day as approved at the last AGM in respect of meeting attendance with Government representatives or third parties such as consultants, bankers and advisors and for visiting project and/or reference sites, as reviewed and agreed by the Nominations & Remuneration Committee and Board of the Company while being mindful of cost during the present time.

3.4 The benefits for the Non-Executive Chairman are given in recognition of the significant role in leadership and oversight including the wide-ranging scope of responsibilities expected of him. It is a unique feature of the Company aimed to attract and retain leadership for the Board.

4. PERSONAL DATA PRIVACY

By submitting a Form of Proxy or an instrument appointing a representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (AGM)

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of persons who are standing for re-election as Directors at the 13th AGM

The details of the Directors who are standing for re-election at the 13th AGM are provided in the Board of Directors' Profile from pages 72 to 81 in the Annual Report 2020.

No individual is seeking election as a Director at the 13th AGM.

FORM OF PROXY

UEM SUNRISE BERHAD
Registration no. 200801028815 (830144-W)
(Incorporated in Malaysia)

A member of **UEM Group**

I/We____NRIC/Company No.____________________

of____

being a member of UEM Sunrise Berhad (the Company) hereby appoint ___________________________

________________________________ NRIC/Passport No.___________________________

of____

and/or failing him/her, ____________________________ NRIC/Passport No.___________________

of____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirteenth Annual General Meeting (13th AGM) of the Company to be held as a fully virtual meeting at the broadcast venue at Black Box MAP, Level G2-01, Block A5, Publika, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia on Monday, 21 June 2021 at 10.00 a.m. or at any adjournment thereof.

(Please indicate with a "X" or "√" in the boxes provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

ORDINARY RESOLUTIONS	No.	For	Against
To re-elect Mr Chari T.V. Thirumala who is retiring in accordance with Article 100 of the Company's Constitution.	1		
To re-elect Mr Poh Ying Loo who is retiring in accordance with Article 100 of the Company's Constitution.	2		
To approve the payment of Directors' fees for the period from the 13th AGM until the next AGM of the Company on a quarterly basis.	3		
To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors for the period from the 13th AGM until the next AGM of the Company.	4		
To appoint Messrs Ernst & Young PLT as Auditors and to authorise Directors to fix their remuneration.	5		

____
Signature or Common Seal of Member

Signed this____________day of ____________________2021.

No. of shares		
CDS Account No.		
Telephone No.		
Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %

NOTES

1. In view of the ongoing Movement Control Order as part of the Government's measures to curb the spread of the Coronavirus Disease (COVID-19), the Company's 13th AGM will be conducted fully virtual and entirely via remote participation and electronic voting facilities.
2. The main and only venue for the 13th AGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Article 70 of the Constitution of the Company that require the Chairman of the meeting to be present at the main venue of the meeting. **No shareholders/proxies/corporate representatives should be physically present** nor admitted at the broadcast venue on the day of the 13th AGM.
3. As the 13th AGM will be conducted as a fully virtual meeting, a member who is not able to participate in the AGM is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the instrument appointing a proxy.
4. Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act, 1991 (Central Depositories Act) and authorised nominees defined under the Central Depositories Act which are exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act (Exempt Authorised Nominees) which hold ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote instead of him/her at the AGM and that such proxy need not be a member.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
6. The instrument appointing a proxy (Form of Proxy) shall be in writing under the hand of the member or his/her attorney duly authorised in writing or, if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.
7. The Form of Proxy duly completed must be deposited at the Share Registrar's office, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time of holding the AGM. Alternatively, the Form of Proxy may also be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Portal at www.boardroomlimited.my not less than forty-eight (48) hours before the time of holding the AGM.
8. If the Form of Proxy is submitted without any instruction as to how the proxy shall vote, the proxy will vote in his/her discretion. Any alteration to the Form of Proxy must be initialled. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice are to be voted on a poll.

PERSONAL DATA PRIVACY

By submitting a Form of Proxy or an instrument appointing a representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 21 May 2021.

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STAMP

The Share Registrar's Office
Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Fold Here

UEM SUNRISE BERHAD 200801028815 (830144-W)
Level U2, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1
50480 Kuala Lumpur, Malaysia

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