

Managing Director/ Chief Executive Officer's Statement



SHAHARUL FAREZ HASSAN

Managing Director/Chief Executive Officer

Dear Stakeholders,

I joined UEM Sunrise in November 2025, following a year of stronger operational delivery across the business. My focus since then has been on undertaking a clear and objective review of the Group's fundamentals, identifying areas for refinement and sharpening the strategic priorities required to position UEM Sunrise for its next phase of growth.

For FY2025, UEM Sunrise recorded stronger operational and financial performance, with revenue increasing to RM1.7 billion and sales reaching RM1.4 billion. Overall profitability was slightly affected by several non-operational and non-cash adjustments, arising from a more prudent review of selected assets as we refine our portfolio. Excluding these non-recurring adjustments, adjusted PATANCI stood at RM121.5 million, up 22%, demonstrating resilient underlying performance and progress across the business. These actions strengthen the balance sheet and provide a clearer baseline for future performance.

While these outcomes are encouraging, we recognise the need to further enhance our position relative to industry benchmarks. This underscores the importance of sustaining our momentum, sharpening execution and improving consistency as we move forward.

Since joining, my focus has been on securing the fundamentals of the business and embedding a more disciplined operating model. This includes tighter control over project launch timelines, improving execution velocity, bolstering financial resilience and taking a more active approach to portfolio optimisation and capital allocation across our projects and business segments. Together, these efforts position us to navigate near-term uncertainties while supporting sustained long-term growth.

Strengthening our Property Development Core

Our development strategy is anchored on improving visibility and discipline across our pipeline. Launches will be concentrated in locations with resilient demand

fundamentals, supported by more deliberate planning and sequencing. In parallel, we are focused on improving execution readiness across our developments to bring products to market more efficiently.

In the Central region, upcoming key launches are planned in both Mont'Kiara and Petaling Jaya. These locations represent established urban markets with sustained demand and strong connectivity.

In the Southern region, our focus remains on Iskandar Puteri, where we continue to build on our township developments in Gerbang Nusajaya and Puteri Harbour, supported by improving infrastructure and increasing economic activity within the Johor-Singapore Special Economic Zone ("JS-SEZ") corridor.

Internationally, our presence in Australia continues to provide portfolio diversification, supported by the recently launched One Oval in Subiaco, Perth. Meanwhile, we remain selective in pursuing opportunities in other markets that are aligned with our risk-return expectations.

Efficient Capital Allocation and Growing our Property Investment Portfolio

Strengthening financial discipline remains a key priority. This includes effective cost management, maintaining a healthy balance sheet, improving liquidity and ensuring that capital is allocated efficiently to support our future pipeline.

To this end, we are taking a more active approach in managing our asset portfolio to ensure it is aligned with our core corridors and long-term strategy. This includes a more disciplined and regular assessment of our landbank to ensure that assets are actively contributing to value creation.

Residential and commercial land values in Johor have seen notable appreciation in recent years, making it an opportune time for us to pursue selective strategic commercialisation to unlock value. This allows us to redeploy capital towards developments with stronger demand fundamentals and healthier returns.

At the same time, we are laying the groundwork to grow our property investment segment. While this will take time to materialise, it is an important step towards building a more stable and recurring income

base to complement our development activities. Our focus will be on enhancing our existing Assets Under Management to improve net yields, strengthening our asset management capabilities and pursuing growth opportunities selectively.

Advancing Industrial and Strategic Growth Nodes

A key component of our Southern strategy is the positioning of Gerbang Nusajaya as an integrated industrial and economic node. This supports the broader development of industrial and logistics ecosystems within Iskandar Puteri and bolsters demand across our townships.

Meanwhile, JS-SEZ represents a significant opportunity for the region. Greater cross-border integration, enhanced infrastructure and increased investment flows are expected to reinforce Johor's position as a key economic hub.

Given our established presence in Iskandar Puteri, we are well positioned to participate in this growth. Increased economic and investment activities, job creation and improved connectivity are expected to support long-term demand for well-planned communities, and we remain aligned with national priorities in contributing to this transformation.



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Strengthening Sustainability and Governance

Sustainability remains embedded in how we plan, develop and manage our projects. In FY2025, our FTSE4Good score moved up to 4.1, placing us within the top 8% of real estate companies globally. We also recorded improvements in our S&P Global Corporate Sustainability Assessment. In addition, UEM Sunrise was ranked 36th in the Top 50 of the National Corporate Governance and Sustainability Awards 2025 by the Minority Shareholders Watch Group.

These outcomes reflect continued progress in strengthening our governance framework and integrating sustainability considerations into our operations.

Enhancing Performance: Our Strategic Priorities

A key priority moving forward is to enhance returns and deliver greater value to shareholders. This includes driving a more consistent, industry-benchmarked return on equity while maintaining our dividend policy of 40% and above. Our strategic priorities are aligned to support this objective over the next few years.

Outlook

Moving into 2026, the operating environment is expected to be challenging. The property market is likely to moderate following a stronger 2025, amid heightened global uncertainties. Ongoing geopolitical developments, especially the US-Iran war in West Asia, have brought about inflationary pressures and shifts in fuel prices which are expected to influence construction costs and overall consumer sentiment.

Navigating the global uncertainties and cost pressures for the year ahead will require continued focus and discipline. As market conditions soften, we believe

that the right products in well-located developments, supported by strong fundamentals will continue to perform.

With clearer strategic direction and a firmer foundation across the Group, we are committed to improving execution, enhancing returns and delivering long-term value to our shareholders.

Moving forward, the progress we seek to achieve will continue to be underpinned by the collective efforts of our people and stakeholders.

Acknowledgement

I would like to take this opportunity to extend my sincere appreciation to the Board of Directors for their guidance and stewardship and to recognise the senior management team for their leadership in delivering the Group's performance in FY2025 during the transition period. I would also like to acknowledge our Chief Financial Officer, Hafizuddin Sulaiman, for stepping in as Officer-in-Charge and providing stability and continuity during this period, while playing a key role in stewarding the Group's improved performance.

I also wish to thank our business partners and stakeholders for their continued collaboration and support. To our shareholders, my appreciation for your continued trust and confidence in UEM Sunrise. Finally, to all our employees across the organisation, I appreciate your dedication, resolute determination and professionalism.

As we move into the next phase of our journey, I look forward to working closely with the leadership team and the wider organisation as we continue building tomorrow, shaping a future that is purposeful and worth building.

SHAHARUL FAREZ HASSAN

Managing Director/Chief Executive Officer