

We should be very clear about something. We are, still, ultimately a large company, with approximately RM12.8 billion in assets, supported by RM6.9 billion in shareholders' equity.

Datuk Hisham Hamdan
Chairman

Revenue
RM1.3
billion

Net Profit
RM104.3
million

Total Assets
RM12.8
billion

UEM Sunrise is on course to sustain its growth in order to contribute to the realisation of a stronger economic environment in Malaysia.

Message from our Chairman

Dear stakeholders,

A Moment of Reflection, A Call to Action

As we close out another year in our journey, I wish to begin by expressing my sincere gratitude to our former CEO, Encik Sufian Abdullah and former Board members Mr. Poh Ying Loo and Mr. Alex Yeow Wai Siaw, who have played an instrumental role in steering UEM Sunrise through the uncertainties of the post-pandemic era and back to profitability.

This marks my second message to you as Chairman. In last year's statement, I outlined a three-year plan aimed at strengthening the fundamentals of our organisation. With the global landscape evolving at breakneck speed, the urgency to accelerate our transformation has never been more critical. What we do next and how quickly we do it will determine whether we capture the opportunities before us or fall short of our potential.

A Year of Progress: Better, but Not There Yet

The year 2024 saw encouraging improvements in our financial performance. Profit After Tax and Non-Controlling Interests (PATANCI) rose 38%, while unbilled sales grew 15% year-on-year to RM3.0 billion, providing a healthy earnings base for the next two to three years. These results were supported by successful land monetisation activities, especially in Johor and by improving sentiment in the domestic market.

However, we must confront the fact that approximately 24% of this year's results was driven by non-operating activities such as land monetisation rather than by our core operations. While these transactions are part of the playbook of any property company, they do not provide the sustainable base required in an increasingly competitive and volatile world. At the same time, our FY2024 Return on Equity (ROE) of 1.5% remains below our peer average of between 5% and 6%.

Our strategically located landbanks, combined with the current momentum in policy and market sentiment, particularly in Johor, provide a significant advantage. However, these

advantages are not infinite. If not activated decisively and backed by strong operational performance, they could be depleted without delivering lasting value. We must ask ourselves: Are we moving fast enough? Are we fully capitalising on the structural tailwinds to propel us forward? While progress has been made, the time to accelerate is now.

Disorder as the New Normal: A Shifting Global Landscape

There has been a significant compression of market cycles in the past five years, as we live through a level of disruption that previously might have played out over decades. We experienced the collapse of global demand during the COVID-19 pandemic in 2020, followed by a historic wave of inflation and monetary tightening in 2022. Just as economies began to stabilise, the world was thrust into another realignment, with artificial intelligence (AI) driving exponential demand for compute infrastructure. Now, with the return of Trump-era protectionism and rising geopolitical tensions, the global economic order is once again fragmenting.

The rapid adoption of AI, in particular, has ushered in what some are calling a modern-day infrastructure gold rush. Investment into digital infrastructure, especially data centres, has soared and Johor has emerged as a regional hub for these developments. UEM Sunrise is already participating in this space, hosting several data centre campuses across our landbank, with further construction ongoing and MoUs signed for future works. While this positions us well in the short to medium term, we must also be cautious. Technological leaps often come with unpredictability. As AI models such as DeepSeek become more energy- and compute-efficient, long-term demand projections for physical infrastructure may moderate. We cannot afford to assume that today's demand will automatically sustain tomorrow.

This is no longer a world of orderly, predictable market cycles. It is a world defined by velocity, volatility and the need for constant recalibration. Our strategy and culture must evolve to reflect this. There is no point trying to predict the unpredictable.

Message from our Chairman

Connector Beyond Economic Size

Malaysia’s economic scale in global terms remains modest. With a GDP of approximately USD422 billion as of 2024, we account for less than 1% of the combined economic power of the United States (USD29.2 trillion) and China (USD18.7 trillion). Even ASEAN as a collective bloc contributes to approximately USD4 trillion, slightly less than 10% of that total. By the numbers, we are small. But history shows that strategic positioning can outweigh size if we act with foresight and speed.

Just as Melaka once served as a neutral hub for global trade, Malaysia is uniquely positioned to act as a bridge and intermediary to global trade today. Over 600 years ago, during the Ming Dynasty, Admiral Zheng’s expeditions helped establish Melaka as a gateway between East and West, connecting Chinese goods to Western and Indian traders and fostering safe, neutral exchange. This strategic role not only safeguarded trade, but elevated Melaka’s position on the global stage despite its small economic size.

The Plaza Accord, which revalued the Japanese yen sharply upward, offers a powerful historical lesson. That realignment drove a wave of Japanese manufacturers to relocate overseas in search of lower costs. Malaysia seized that opportunity then, positioning itself as a cost-efficient, business-friendly destination for Japanese FDI. The resulting industrial boom propelled the country into nearly a decade of above 9% GDP growth in the early 1990s.

History has shown that a crisis often unlocks transformation. UEM Sunrise itself was born in the aftermath of the 1998 Asian Financial Crisis. When the Renong Group was restructured, UEM Land was formed and inherited a substantial landbank, assets that today anchor our development pipeline.

The key is not merely to survive disruption, but to seize it as an opportunity to emerge stronger. This is especially important now, just as we are beginning to enjoy the positive momentum, including the AI infrastructure boom. As history shows, periods of “good beta” can quickly give way to volatility. Trade wars can be reignited, markets can shift and assumptions can be upended. But we must not view disorder as a threat. Disorder is the new normal. For UEM Sunrise, that is not a bleak outlook. We were born out of adversity. Our greatest assets, including our landbank, came from moments of national crisis.

We are now standing at the edge of a similar realignment. The long-standing “Chimerica” dynamic, where the US and China’s economic interdependence fueled global growth, is under stress. For over two decades, this relationship saw the US running a trade deficit by importing low-cost goods from China, while China accumulated large trade surpluses

and recycled them into US Treasuries. This arrangement kept interest rates in the US low, helped finance American consumption and contributed to a period of low inflation globally, creating a powerful economic engine for both nations and the world at large.

Currently, the emergence of strategies such as China+1, Taiwan+1 and Mexico+1 have triggered a wave of supply chain diversification. Companies are reducing dependency on China and Taiwan due to geopolitical risk, while US-facing industries are reshoring closer to home. In this recalibration, Southeast Asia and Malaysia in particular, has emerged as a preferred alternative and could stand to greatly benefit.



Our location, relative political stability, multilingual workforce and infrastructure place us in an ideal position to attract global players seeking operational resilience. Johor, in particular, has seen increased momentum, not just in data infrastructure, but in manufacturing, logistics and commercial investments. With the Johor-Singapore Special Economic Zone (JS-SEZ) gaining traction, we have the opportunity to position UEM Sunrise strongly in this next phase of industrial reinvestment.

Ambidextrous Culture as a Competitive Advantage

Having a great strategy is not enough. Execution is what turns plans into results and the ability to execute at speed and scale comes down to culture and leadership.

In the book “Lead and Disrupt”, Charles O’Reilly and Michael Tushman describe the concept of organisational ambidexterity—the capacity to manage today’s business while simultaneously adapting for tomorrow. This demands a culture that encourages experimentation, embraces risk where necessary and acts decisively. Without it, even the best strategies fail.

Unfortunately, many Malaysian GLCs have struggled in this area. The reasons are familiar: rigid hierarchies, slow decision-making and an excessive focus on compliance over competitiveness. UEM Sunrise must consciously break that mould.

Our GLIC parentage can be an advantage, but it should also raise the bar in regard to capacity for value creation. We must combine institutional strength with entrepreneurial agility. That means being bolder, faster and more accountable in everything we do.

This brings us to a difficult but necessary question: Are we the right Board and Management to steward this Company into its next phase? Can we parent UEM Sunrise such that it hits its maximum potential to generate more free cash flow and higher returns on invested capital?

With RM12.8 billion in assets, a large landbank and the institutional strength of Khazanah behind us, we carry both privilege and responsibility. These endowments will not guarantee future success unless we act with urgency and discipline. It is a defining challenge for leadership across the organisation, both at the Board level and senior management level.

The path forward demands more than governance, it demands vision, bold execution and a commitment to delivering results. The market will not reward us for what we once were, it will reward us for how well we lead, how decisively we act and how effectively we create value moving forward.

Winning by Building Ecosystems and Partnerships

No property player succeeds alone anymore. The days of isolated, asset-led development are over. In this next chapter, success will come to those who build ecosystems, not just buildings.

We are seeing tailwinds forming at the national level. The emergence of the JS-SEZ reflects not only deeper economic integration between Singapore and Malaysia, but also broader shifts like the recalibration of China’s economic strategy. Singapore’s rising role as a regional command hub positions Johor as its natural partner. The JS-SEZ has the potential to become a game-changer for cross-border flows of talent, capital and innovation. UEM Sunrise is right in the middle of it.

Likewise, national initiatives like the New Industrial Master Plan (NIMP) 2030 and the National Energy Transition Roadmap (NETR) reflect Malaysia’s intent to pivot toward high-value, technology-driven and sustainable industries.

Our ability to swiftly and strategically engage with these initiatives will be decisive in shaping our competitiveness over the next decade.

For UEM Sunrise, this means engaging across the spectrum: with federal and state governments, infrastructure enablers, utility providers and commercial partners. In Johor, where we are deeply entrenched, we have a rare opportunity to lead, not merely as a landowner, but as a platform catalyst and ecosystem builder. Our role is to shape the landscape proactively, drive value and avoid becoming a passive observer.

Leveraging Operational Agility to Capitalise Emerging Trends

Thriving today necessitates embedding momentum into the organisation’s muscle memory. This translates to having shorter decision loops, more responsive teams and a renewed focus on execution. It also means institutionalising learning, ensuring that every initiative we undertake leaves us smarter, faster and more capable than before, drawing on the lessons from the past.

We must be an organisation that focuses on outcomes, not just activity, where our resources, time and talent are aligned toward tangible impact and measurable progress. It is not necessarily about doing more. It is about doing what truly moves the needle.

In Closing: Transforming Potential to Performance

With Malaysia once again at a crossroads of global realignment, our future is dependent on our speed and adaptability. Hesitation could cost us dearly. While change is inherently challenging, it also represents our greatest opportunity. We must lean into our strengths, harness our assets strategically and move forward decisively.

Today, disruption is not a future scenario. It is our current reality. Markets reward agility, not entitlement. Effective execution, not history. We have the land, the strategic position and institutional strength but their true value lies entirely in how effectively we leverage them.

The next chapter will not be about incremental improvement. It is about bold, timely actions that align with a rapidly evolving world. This is our inflection point. It is time we rise to the occasion.

The next chapter is not about more of the same. It is about doing what it takes, when it matters most.

Datuk Hisham Hamdan
Chairman