



UEM GROUP BERHAD **SUSTAINABILITY** **SUKUK ANNUAL** **REPORT 2024**

31 December 2024

1.BACKGROUND

UEM Group Berhad had on 27 October 2023 established its Sustainability Sukuk Framework (“**UEM SSF**”) for its Sukuk Wakalah Programme of up to RM7.0 billion in nominal value (“**Sukuk Wakalah Programme**”). Under the UEM SSF, UEM will publish an annual Sustainability Sukuk Report which will be made available to the public on UEM’s website.

ISSUE DATE	NAME OF THE ASEAN SUSTAINABILITY SRI SUKUK WAKALAH	AMOUNT RM 'MIL	PROFILE RATE
6 December 2023	ASEAN Green Sukuk Wakalah	100	4.3%

2. SUMMARY OF THE **SUKUK WAKALAH PROGRAMME**

Issuer

UEM Olive Capital Berhad ("**UEM OLIVE**")

Obligor

UEM Group Berhad ("**UEM**")

Facility Description

An Islamic medium term notes ("**Sukuk Wakalah**") programme of up to RM7,000,000,000 in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("**Sukuk Wakalah Programme**").

ASEAN Sustainability SRI Sukuk Wakalah and ASEAN Sustainability SRI-linked Sukuk Wakalah

The Sukuk Wakalah Programme shall also allow for issuances of Sukuk Wakalah which will be in compliance with:

I

The Sustainability Guidelines shall be referred to as "ASEAN Sustainability SRI Sukuk Wakalah" (as applicable)

II

The Sustainability-Linked Guidelines shall be referred to as "ASEAN Sustainability SRI-linked Sukuk Wakalah" (as applicable)

2. SUMMARY OF THE SUKUK WAKALAH PROGRAMME

Facility Description

“Sustainability Guidelines” means the following guidelines, standards or principles, as amended from time to time:

The Sustainable and Responsible Investment (“**SRI**”) Sukuk provisions under the Securities Commission Malaysia (“**SC**”)’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 (effective on 15 June 2015 (as amended from time to time)) (“**LOLA Guidelines**”);

The ASEAN Green Bond Standards, the ASEAN Social Bond Standards, and/or the ASEAN Sustainability Bond Standards issued by ASEAN Capital Markets Forum (as the case may be);



The Green Bond Principles, the Social Bond Principles, and/or the Sustainability Bonds Guidelines issued by International Capital Market Association (as the case may be); and

Such other related guidelines or principles or frameworks or standards, whether or not having the force of law, in relation to sustainability/social/green bonds or sukuk issued from time to time.

“Sustainability-Linked Guidelines” means the following guidelines, standards or principles, as amended from time to time:

The SRI-linked Sukuk provisions under the LOLA Guidelines (“**SRI-linked Provisions**”)

The ASEAN Sustainability-Linked Bond Standards issued by ASEAN Capital Markets Forum (“**ASEAN Sustainability-Linked Guidelines**”);

The Sustainability-Linked Bond Principles issued by International Capital Market Association (“**Sustainability-Linked Principles**”); and

Such other related guidelines or principles or frameworks or standards, whether or not having the force of law, in relation to sustainability-linked bonds or sukuk issued from time to time.

2. SUMMARY OF THE **SUKUK WAKALAH PROGRAMME**

Facility Description






Each issuance of ASEAN Sustainability SRI-linked Sukuk Wakalah will be linked to predefined key performance indicators (“**KPIs**”) and/or sustainability performance targets (“**SPTs**”) as set out in UEM SSF and/or the ASEAN Sustainability SRI-linked Sukuk Wakalah Issuance Documents. Subject to the stipulated KPIs and/or SPTs being met, the periodic distribution rate and/or the nominal value of the ASEAN Sustainability SRI-linked Sukuk Wakalah will be adjusted based on the terms specified in the ASEAN Sustainability SRI-linked Sukuk Wakalah Issuance Documents.

2. SUMMARY OF THE SUKUK WAKALAH PROGRAMME

Credit Rating of the Sukuk Wakalah Programme

AA1(s) / Stable by RAM

Environmental Benefit Ratings by RAM Sustainability Sdn Bhd on 16 November 2023.

Eligible Project Category under the Standards	UEM's Eligible Project	RAM Sustainability EB Rating
Renewable Energy	Renewable Energy and Storage - Solar Farms, Mini Hydro, Biogas	 Environmental Benefit Tier - 1
	Renewable Energy and Storage - Batteries	 Environmental Benefit Tier - 2
Energy Efficiency	Integrated Energy Solutions	 Environmental Benefit Tier - 3
Clean Transportation	Green or Electric Mobility	 Environmental Benefit Tier - 2
Pollution Prevention and Control	Waste Management and Recycling	 Environmental Benefit Tier - 3

3. SUSTAINABILITY SUKUK FRAMEWORK (“SSF”)

3.1 Allocation

The proceeds raised from the ASEAN Green Sukuk Wakalah issuance by UEM via UEM Olive (“**Sustainability Sukuk Proceeds**”) is allocated as below:

UTILISATION OF PROCEEDS AS OF 31 DECEMBER 2024

Sustainability Sukuk Proceeds	RM100.0 million
Amount Utilised as investment in UEM Lestra Berhad (“ UEM Lestra ”)	RM94.4 million
Working Capital of UEM Group Berhad for or in connection with Eligible Assets	RM4.3 million
Utilised for fees and expenses	RM0.9 million
Amount Unutilised	RM0.4 million

The balance of unallocated Green Sukuk proceeds amounting to RM0.4 million is being held in temporary investment in money market and other liquid marketable instruments, all of which is Shariah-compliant.



3. SUSTAINABILITY

SUKUK FRAMEWORK (“SSF”)

3.1 Allocation

A total of RM94.4 million out of the Sustainability Sukuk Proceeds has been invested into **UEM Lestra** and has been utilised as follows:



**LESTRA HEXA
JV SDN BHD**



UEM LESTRA'S UTILISATION AS OF 31 DECEMBER 2024

Working Capital	RM4.3 million
Investment into Cenergi SEA Berhad (“ Cenergi SEA ”), which is specializing in reducing carbon emissions through renewable energy and energy efficiency projects.	RM76.4 million
Deposit for acquisition of equity interest of a Solar PV Plant	RM5.5 million
Acquisition of equity interest in Roda Emas Industries Sdn Bhd which specializes in Electromobility (e-Mobility) solutions and EV Supply Equipment (EVSE) services.	RM7.0 million
Subscription of shares in Lestra HEXA JV Sdn Bhd (“ Lestra Hexa JV ”) a joint venture entity for the development of 500 MW solar plant.	RM1.2 million
TOTAL	RM94.4 million

The utilisation of the ASEAN Green Sukuk Wakalah complies with UEM SSF.

3. SUSTAINABILITY

SUKUK FRAMEWORK (“SSF”)

3.2 Impact of the Eligible Assets

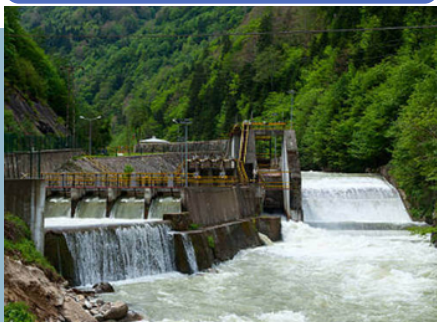
List of Eligible Projects undertaken by UEM Lestra and its operating companies in 3.1 above :

Renewable Energy: Biogas



PROJECT NAME	INSTALLED CAPACITY	NET EXPORT CAPACITY	PROJECT COST (RM'MIL)
Lawiang*	1.2 MW	1.0 MW	11.2
Seberang Perak & Nasaruddin*	3.5 MW	3.0 MW	24.34
Malpom*	2.4 MW	2.0 MW	16.9

Renewable Energy: Hydro



PROJECT NAME	INSTALLED CAPACITY	NET EXPORT CAPACITY	PROJECT COST (RM'MIL)
Sungai Suih*	3.5 MW	3.0 MW	34.1
Kinta Hydro*	2.6 MW	2.6 MW	26.5

* under development
 ** tph : tonne per hour

3. SUSTAINABILITY

SUKUK FRAMEWORK ("SSF")

3.2 Impact of the Eligible Assets

List of Eligible Projects undertaken by UEM Lestra and its operating companies in 3.1 above :

Renewable Energy: Solar



PROJECT NAME	INSTALLED CAPACITY	NET EXPORT CAPACITY	PROJECT COST (RM'MIL)
UPC Chemicals (Malaysia) Sdn Bhd*	0.8 MW	0.6 MW	2.62
Guppy Plastic Industries Sdn Bhd	1.2 MW	0.9 MW	2.8
Kuala Ketil*	45 MW	30 MW	116
Solar PV Plant*	75 MW	50 MW	198.5
Lestra Hexa JV*	750 MW	500 MW	2,2700

* under development
** tph : tonne per hour

3. SUSTAINABILITY

SUKUK FRAMEWORK ("SSF")

3.2 Impact of the Eligible Assets

List of Eligible Projects undertaken by UEM Lestra and its operating companies in 3.1 above :

Waste Management and Recycling



PROJECT NAME	INSTALLED CAPACITY	PROJECT COST (RM'MIL)
Seberang Perak	3 tph**	13
Maran	3 tph**	15.6
Jerantut	2 tph**	4.5
Teluk Intan	2 tph**	7.2

Green and Electric Mobility



PROJECT NAME	PROJECT COST (RM'MIL)
Roda Emas Industries Sdn Bhd	1.0

* under development
** tph : tonne per hour

3. SUSTAINABILITY

SUKUK FRAMEWORK (“SSF”)

3.2 Impact of the Eligible Assets

CATEGORY	RENEWABLE ENERGY (“RE”) INSTALLED CAPACITY	RE PRODUCTION /ENERGY SAVING (MWh)	GREENHOUSE GAS EMISSION AVOIDANCE (tCO ₂ e)	NO OF CHARGING POINT	NO OF JOB CREATION
Biogas	2.3 MW	623.9	2.62		11
Solar	1.2 MW	873.4	2.8		
Pellet	10 tph	3,839.5	116		46
Electric Mobility				336	
TOTAL		5,326.8	2,2700	336	57

Assumptions:

1. Biogas, Solar and Energy Efficiency Emission Factor applied by Cenergi SEA: 0.758 tCO₂e per MWh based on 2021 Combined Margin Emissions Factor in given Grid Emission Factor for Malaysia by Suruhanjaya Tenaga.

2. GHG emissions avoidance from biogas is calculated based on: (a) Project Emissions [from biogas methane capture and biogas-to-electricity generator] MINUS (b) Baseline Emissions [without methane capture or grid displacement].

3. Biomass Pellet Emission Factor: 1 tonne of co-fired Empty Fruit Bunch Fibre (“EFBF”) Pellet reduces CO₂ emissions by 1.61 tonnes.

Based on conversion ratio of 0.628 [Net Calorific Value (as received basis) for EFBF Pellet of 4,000 kcal/kg; Average Net Calorific Value (as received basis) for South Korean coal of 6,363 kcal/kg] and Emission Factor of 2.56 tonnes CO₂/tonne bituminous coal.

As provided by UEM Lestra Berhad and its operating companies

