

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Notice of the Annual General Meeting (“AGM”) and the Proxy Form are set out in the Annual Report 2014 of the Company thereof. The AGM will be held at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 21 May 2015 at 10.00 a.m. or at any adjournment thereof.

The Proxy Form must be completed and lodged with UEM Sunrise Berhad’s share registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time of holding the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting if you are able to do so.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



A member of **UEM Group**
UEM SUNRISE BERHAD

(Company No. 830144-W)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:-

- I) THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR UEM SUNRISE BERHAD (“UEMS” OR “COMPANY”) GROUP OF COMPANIES (“UEMS GROUP”); AND**
- II) PROPOSED NEW SHAREHOLDERS’ MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR UEMS GROUP**

(To be read together with the Ordinary Resolutions 9 and 10 in the Notice of the AGM of UEMS as set out in the Company’s Annual Report 2014)

Last date and time for lodging the Proxy Form	:	19 May 2015, 10.00 a.m.
Date and time of the AGM	:	21 May 2015, 10.00 a.m.

This Circular is dated 29 April 2015

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting of UEMS
Audit Committee	:	Audit Committee of UEMS
Board	:	Board of Directors of UEMS
Bursa Securities	:	Bursa Malaysia Securities Berhad
CMSA	:	Capital Markets and Services Act 2007
COX	:	Cox Architecture Pty Ltd, a consultant firm
Director	:	(a) A director of our Company or our subsidiary and shall have the same meaning as given in Section 2(1) of the CMSA; and (b) For the purposes of the Proposed Mandates, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, our director as referred to in paragraph (a) above or chief executive officer of our Company or our subsidiary
Khazanah	:	Khazanah Nasional Berhad, our ultimate holding company
Khazanah Group	:	Khazanah and/or its subsidiaries
KPK	:	KPK Quantity Surveyors (Semenanjung) Sdn Bhd
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 March 2015, being the latest practicable date prior to the printing of this Circular
Major Shareholder	:	(a) A person who has an interest or interests in one or more of the voting shares in our Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:- (i) 10% or more of the aggregate of the nominal amounts of all the voting shares in our Company; or (ii) 5% or more of the aggregate of the nominal amounts of all the voting shares in that company where such person is the largest shareholder of our Company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act; and (b) For the purposes of the Proposed Mandates, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of our Company or our subsidiary as referred to in paragraph (a) above
Proposed Mandates	:	Proposed Renewal of Shareholders’ Mandate and Proposed New Shareholders’ Mandate

DEFINITIONS

Proposed New Shareholders' Mandate	: Proposed new shareholders' mandate for additional RRPT as set out in Section 2.3 of this Circular
Proposed Renewal of Shareholders' Mandate	: Proposed renewal of shareholders' mandate for RRPT as set out in Section 2.2 of this Circular
Related Party	: A Director or Major Shareholder of our Company and persons connected with such Director or Major Shareholder as defined under the Listing Requirements, and "Related Parties" shall be construed accordingly
RM and sen	: Ringgit Malaysia and sen respectively
RPT	: Related party transaction entered into by our Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party
RRPT	: Recurrent related party transactions of a revenue or trading nature
Southern Marina	: Southern Marina Development Sdn Bhd, a 30% associate company of Tanjung Bidara Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah
TM	: Telekom Malaysia Berhad, a 28.95% associate company of Khazanah
TM Group	: TM and/or its subsidiaries
UEMG	: UEM Group Berhad, our immediate holding company
UEMG Group	: UEMG and/or its subsidiaries
UEM Edgenta	: UEM Edgenta Berhad (formerly known as Faber Group Berhad), a 70.68% subsidiary company of UEMG
UEM Edgenta Group	: UEM Edgenta and/or its subsidiaries
UEM Land	: UEM Land Berhad, a wholly-owned subsidiary of our Company
UEMS or Company	: UEM Sunrise Berhad
Validity Period	: The date from the forthcoming AGM until the next AGM which will be held by 30 June 2016

All references to "**our Company**" or "**UEMS**" in this Circular are to UEM Sunrise Berhad, and references to "**our Group**" or "**UEMS Group**" are to our Company and our consolidated subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company and, where the context otherwise requires, our consolidated subsidiaries.

All references to "**you**" in this Circular are to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations.

Any reference to a time of day or date in this Circular shall be a reference to Malaysian time or date respectively.

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A member of **UEM Group**
UEM SUNRISE BERHAD
(Company No. 830144-W)
(Incorporated in Malaysia under the Act)

Registered Office:

19-2, Mercu UEM
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

29 April 2015

Directors:-

Tan Sri Dr Ahmad Tajuddin Ali (*Non-Independent Non-Executive Chairman*)
Anwar Syahrin bin Abdul Ajib (*Managing Director / Chief Executive Officer*)
Dato' Mohd Izzaddin Idris (*Non-Independent Non-Executive Director*)
Sheranjiv M. Sammanthan (*Non-Independent Non-Executive Director*)
Oh Kim Sun (*Senior Independent Non-Executive Director*)
Lim Tian Huat (*Independent Non-Executive Director*)
Professor Philip Sutton Cox (*Independent Non-Executive Director*)
Dato' Srikandan Kanagaintiram (*Independent Non-Executive Director*)
YM Ungku Suseelawati Ungku Omar (*Independent Non-Executive Director*)

To: The Shareholders of UEMS

Dear Sir/Madam

- I. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE; AND**
II. PROPOSED NEW SHAREHOLDERS' MANDATE;
(COLLECTIVELY REFERRED TO AS THE "PROPOSED MANDATES")
-

1. INTRODUCTION

At our Company's 6th AGM held on 24 April 2014, the Company had obtained a shareholders' mandate for our Group to enter into RRPT which are necessary for our Group's day-to-day operations and which are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public ("**2014 Shareholders' Mandate**").

The 2014 Shareholders' Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, unless the authority for its renewal is obtained from our shareholders at the forthcoming AGM.

In addition to the renewal of the 2014 Shareholders' Mandate, our Company will also be seeking a shareholders' mandate for our Group to enter into new RRPT with Related Parties.

On 26 February 2015, our Company announced that we propose to seek our shareholders' approval for the Proposed Mandates at the forthcoming AGM.

The Proposed Mandates if approved by our shareholders will be subject to annual renewal. In this respect, any authority conferred by the Proposed Mandates shall only continue to be in force until:-

- 1.1 the conclusion of our Company's next AGM at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;

- 1.2 the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- 1.3 revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is the earlier.

The purpose of this Circular is to provide you with details on the Proposed Mandates, together with the Board's recommendation thereon and also to seek your approval for the resolutions in respect of the Proposed Mandates to be tabled at the forthcoming AGM, the notices of which have been set out in the Notice of 7th AGM in the Company's Annual Report 2014.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED MANDATES.

2. DETAILS OF THE PROPOSED MANDATES

2.1 Details of the RRPT

Our Company is the flagship company for the property development and real estate investment businesses of UEMG. UEMG is wholly-owned by Khazanah which in turn is the investment holding arm of the Government.

The principal activity of our Company is investment holding whilst our subsidiaries are involved in property development, land trading, property investment, project procurement and management and investment holding.

Our Group, in the ordinary course of business, enter into RRPT which are necessary for the day-to-day operations with certain Related Parties of our Company. Such RRPT will be carried out on an arm's length basis and on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which will not be detrimental to the minority shareholders of our Company.

2.2 Proposed Renewal of Shareholders' Mandates

The details of the RRPT under the Proposed Renewal of Shareholders' Mandates are set out in Items 1A and 1B of **Appendix I** of this Circular.

2.3 Proposed New Shareholders' Mandates

The details of the RRPT under the Proposed New Shareholders' Mandates are set out in Items 2A and 2B of **Appendix I** of this Circular.

2.4 Amount Due and Owing to UEMS Group by Related Parties

As at the financial year ended 31 December 2014, our Company has no outstanding amount due and owing arising from RRPT.

3. REVIEW PROCEDURES FOR THE RRPT

3.1 Our Company has established the following procedures and guidelines to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms that are not more favourable to the Related Parties than those normally available to the public and are not to the detriment of the minority shareholders:-

3.1.1 All companies within our Group shall only enter into the RRPT after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards against at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities as comparison, wherever possible, to determine

whether the price and terms offered to/by related third parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where quotations or comparative pricing from unrelated parties cannot be obtained, the pricing of any RRPT entered into will be determined based on prevailing market rates under usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/consideration and are not to the detriment of minority shareholders;

- 3.1.2 All RRPT, which are not within the shareholders' mandate and have the values of more than RM1,000,000 or 1% of the percentage ratio (as defined under Paragraph 10.02(g) of the Listing Requirements), whichever is lower, shall be reviewed by the Audit Committee before the transactions are entered into;
- 3.1.3 If a member of the Audit Committee has an interest in any particular transaction, he or she will have to abstain from any deliberation (but may be requested by the other members of the Audit Committee to explain or furnish such information as considered necessary) and also voting on the matter at the Audit Committee meeting in respect of that transaction;
- 3.1.4 Proper records shall be maintained to capture all the RRPT entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure shall be made in the Annual Report of the Company of the aggregate value of transactions conducted in accordance with the given mandate;
- 3.1.5 The Audit Committee shall review relevant audit reports to ascertain that the guidelines and the procedures established to monitor the RRPT are complied with;
- 3.1.6 The Audit Committee shall have overall responsibility for the determination of the review procedures;
- 3.1.7 The Audit Committee may periodically review the relevant RRPT and the existing procedures to ascertain that they have been complied with; and
- 3.1.8 If during the periodic review, the Audit Committee is of the view that the abovementioned procedures are no longer sufficient to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms that are not more favourable to the Related Party than those normally available to the public, the Audit Committee shall have the discretion to request for additional procedures to be imposed on all the RRPT. In that event, such procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing procedures.

4. STATEMENT BY THE AUDIT COMMITTEE

- 4.1 The Audit Committee has the overall responsibility of determining whether the procedures for reviewing the transactions that involve the Related Parties are appropriate to ensure compliance with the relevant statutory requirements. The Audit Committee has reviewed the procedures on the RRPT mentioned in paragraph 3 above and is of the view that the stipulated procedures are sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.
- 4.2 The Audit Committee is of the view that our Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner and may periodically review the existing procedures to ascertain that they have been complied with.

5. RATIONALE FOR THE PROPOSED MANDATES

- 5.1 The RRPT to be entered into by our Group are intended to meet business needs at the best possible terms. Our Group should be able to have access to all available markets and products and services provided by all vendors including the Related Parties. This will enhance our Group's ability to explore beneficial business opportunities as well as to promote cross-selling within the UEMG Group.

- 5.2 The Proposed Mandates will enable our Group to carry out recurrent routine transactions necessary for day-to-day operations, which are time-sensitive in nature, and will eliminate the need to announce and to convene separate general meetings on each occasion to seek prior approval of our shareholders for the RRPT.
- 5.3 The Proposed Mandates will substantially reduce expenses associated with the convening of general meetings on ad hoc basis, improve administrative efficiency and allow human resources and time to be channelled towards attaining other corporate objectives.

6. EFFECTS OF THE PROPOSED MANDATES

The Proposed Mandates will not have any effect on our issued and paid-up share capital and is not expected to have any material effect on the net assets and gearing of our Group for the financial year ending 31 December 2015.

7. APPROVAL REQUIRED

The Proposed Mandates are subject to your approval at our forthcoming AGM.

8. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

8.1 Major Shareholders' Interests

Khazanah and its wholly-owned subsidiary, UEMG, are major shareholders of our Company and are deemed interested in the RRPT (collectively the "**Interested Major Shareholders**"). Accordingly, the Interested Major Shareholders will abstain from voting on the resolution pertaining to the Proposed Mandates in respect of their interests, direct or indirect, at our forthcoming AGM. The Interested Major Shareholders have also undertaken to ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholding on the resolution pertaining to the Proposed Mandates at the forthcoming AGM.

According to the Register of Substantial Shareholders as at the LPD, the Interested Major Shareholders' shareholdings in UEMS are as follows:-

	----- Direct -----		----- Indirect -----	
	No. of ordinary shares	%	No. of ordinary shares	%
UEMG	2,997,491,779	66.06	-	-
Khazanah	-	-	2,997,491,779 ^(a)	66.06

Note:-

(a) Deemed interested by virtue of its interest in UEMG pursuant to Section 6A of the Act.

8.2 Directors' Interests

YBhg Tan Sri Dr Ahmad Tajuddin Ali and YBhg Dato' Mohd Izzaddin Idris are Directors of both UEMG and our Company. YBhg Dato' Mohd Izzaddin Idris is also a Director of UEM Edgenta. Mr Sheranjiv M. Sammanthan is a nominee of Khazanah on our Board. Professor Philip Sutton Cox is the Founding Partner of COX. Dato' Srikandan Kanagaintiram is the Managing Director and a substantial shareholder of KPK.

By virtue of their common directorships, YBhg Tan Sri Dr Ahmad Tajuddin Ali, YBhg Dato' Mohd Izzaddin Idris, Mr Sheranjiv M. Sammanthan, Professor Philip Sutton Cox and Dato' Srikandan Kanagaintiram are deemed interested in the RRPT between our Group and the companies in which they hold directorships and/or interest and they have abstained and will continue to abstain from deliberation and voting in respect of their interests, direct or indirect, at all Board meetings of our Company in respect of the Proposed Renewal of Shareholders' Mandates.

By virtue of their common directorship, YBhg Tan Sri Dr Ahmad Tajuddin Ali, YBhg Dato' Mohd Izzaddin Idris and Mr Sheranjiv M. Sammanthan are deemed interested in the RRPT between our Group and the companies in which they hold directorships and/or interest and they have abstained and will continue to abstain from deliberation and voting in respect of their interest, direct or indirect, at all Board meetings of our Company in respect of the Proposed New Shareholders' Mandates.

YBhg Tan Sri Dr Ahmad Tajuddin Ali, YBhg Dato' Mohd Izzaddin Idris, Mr Sheranjiv M. Sammanthan, Professor Philip Sutton Cox and Dato' Srikandan Kanagainthiram (collectively referred to as the "**Interested Directors**") will abstain from voting in respect of their interests direct or indirect and have also undertaken to ensure that the persons connected with them will abstain from voting in respect of their interests direct or indirect on the resolutions approving the Proposed Renewal of Shareholders' Mandates and/or Proposed New Shareholders' Mandates to be tabled at the forthcoming AGM.

Based on the Register of Directors' Shareholdings as at the LPD, none of the Interested Directors have any shareholding, direct and indirect, in our Company.

Save as disclosed above, no other Directors, Major Shareholders and/or persons connected to them (as defined in the Listing Requirements) have any interest, direct or indirect, in the Proposed Mandates.

9. DIRECTORS' RECOMMENDATION

Our Board (other than the Interested Directors), having considered all aspects of the Proposed Mandates, is of the opinion that the Proposed Mandates are in the best interest of our Company. Accordingly, our Board, save for the Interested Directors, recommends that you vote in favour of the ordinary resolutions pertaining to the Proposed Mandates to be tabled at our forthcoming AGM.

10. AGM

10.1 Our 7th AGM, the Notice and Proxy Form of which are set out in the Company's Annual Report 2014, will be held at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 21 May 2015 at 10.00 a.m. and at any adjournment thereof, for the purpose of considering and if thought fit, passing the ordinary resolutions to give effect to the Proposed Mandates.

10.2 If you are unable to attend and to vote at the AGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions printed on it, so as to arrive at our Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for convening of the 7th AGM. You may attend and vote in person at the AGM, if you wish to do so. In the event that you have nominated a proxy to attend and vote on your behalf, please revoke the appointment of your proxy prior to the AGM.

11. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
UEM SUNRISE BERHAD

ANWAR SYAHRIN BIN ABDUL AJIB
Managing Director / Chief Executive Officer

APPENDIX I

1A. Details of the RRPT to be entered into by our Group whereby we receive services and/or rent and/or acquire land and/or land-based property from Related Parties under the Proposed Renewal of Shareholders' Mandates.

Item	Transacting Related Party	Interested Major Shareholders/ Directors and persons connected with them	Nature of relationship as at the LPD	Nature of RRPT	2014 Shareholders' Mandate		Estimated value during the Validity Period ² (RM)
					Estimated Value as disclosed in the Circular dated 2 April 2014 (RM)	Actual Value ¹ (RM)	
1.	UEMG Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris and Sheranjiv M. Sammanthan	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	<p>Receipt of group wide ICT shared services</p> <p>Receipt of internal audit, training and administrative support services</p> <p>Renting of office space³, meeting rooms and other facilities</p> <p>Renting of parking space³</p> <p>Receipt of electricity and air-conditioning facilities</p> <p>Receipt of construction and engineering services for Kota Iskandar and related projects</p> <p>Rental of facilities and other services</p>	500,000	238,580	500,000
					4,080,000	1,195,589	4,080,000
					2,850,000	2,812,617	7,200,000 ⁴
					65,000	57,670	45,000 ⁴
					360,000	233,480	210,000
					24,000,000	-	-
					100,000	15,270	50,000
				Total	31,955,000	4,553,206	12,085,000

Item	Transacting Related Party	Interested Major Shareholders/ Directors and persons connected with them	Nature of relationship as at the LPD	Nature of RRPPT	2014 Shareholders' Mandate		Estimated value during the Validity Period ²
					Estimated Value as disclosed in the Circular dated 2 April 2014 (RM)	Actual Value ¹ (RM)	
2.	UEM Edgenta Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris and Sheranjiv M. Sammanthan	UEM Edgenta Group is a 70.68% subsidiary company of UEMG. UEMS is a 66.06% subsidiary of UEMG	Receipt of consultation, facilities management and maintenance services Receipt of office cleaning, pest control services and rental of potted plants	7,800,000	6,089,141	7,600,000
				Total	7,885,000	6,163,906	7,646,000
3.	Khazanah Group	UEMG Group, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris and Sheranjiv M. Sammanthan	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Acquisition of land or land based properties in the ordinary course of business	- ⁵	-	- ⁵
				Total	-	-	-
4.	COX	Professor Philip Sutton Cox	Professor Philip Sutton Cox is the founding partner of COX and also a Director of UEMS	Receipt of consulting services	21,200,000	4,939,441	7,500,000
				Total	21,200,000	4,939,441	7,500,000

Item	Transacting Related Party	Interested Major Shareholders/ Directors and persons connected with them	Nature of relationship as at the LPD	Nature of RRPPT	2014 Shareholders' Mandate		Estimated value during the Validity Period ²
					Estimated Value as disclosed in the Circular dated 2 April 2014 (RM)	Actual Value ¹ (RM)	
5.	TM Group	Khazanah and Sheranjiv M. Sammanthan	TM is a 28.95% associate company of Khazanah which in turn is our ultimate holding company	Receipt of UniFi bundling services	3,100,000	2,473,690	8,900,000
				Total	3,100,000	2,473,690	8,900,000
6.	KPK	Dato' Srikandan Kanagainthiram	Dato' Srikandan Kanagainthiram is the Managing Director and a substantial shareholder of KPK and also a Director of UEMS	Receipt of consulting services	2,700,000	21,426	3,000,000
				Total	2,700,000	21,426	3,000,000

1B. Details of the RRPT to be entered into by our Group whereby we provide services and/or rent and/or dispose land and/or land-based property to Related Parties under the Proposed Renewal of Shareholders' Mandates.

Item	Transacting Related Party	Interested Major Shareholders/ Directors and persons connected with them	Nature of relationship as at the LPD	Nature of RRPT	2014 Shareholders' Mandate		Estimated value during the Validity Period ²
					Estimated Value as disclosed in the Circular dated 2 April 2014 (RM)	Actual Value ¹ (RM)	
1.	UEMG Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris and Sheranjiv M. Sammanthan	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah.	Provision for tenancy of land for batching plant/casting yard ³	590,000	209,088	600,000
				Total	590,000	209,088	600,000
2.	Khazanah Group	UEMG Group, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris and Sheranjiv M. Sammanthan	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Provision for lease/rental of office space ³ Provision of development and management services Disposal of land or land based properties in the ordinary course of business Provision of security services	450,000 25,200,000 - ⁵ 150,000	318,156 12,405,505 - -	- 35,500,000 - ⁵ 0 ⁶
				Total	25,800,000	12,723,661	35,500,000
3.	Directors and/or Major Shareholders of UEMG and Persons Connected with them	Directors and/or Major Shareholders of UEMG and Persons Connected with them	n/a	Sale of land and/or land based properties by UEMS Group	- ⁷	44,783,976	- ⁷
				Total	-	44,783,976	-

2A. Details of the additional RRPT to be entered into by our Group whereby we receive services and/or rent and/or acquire land and/or land-based property from Related Parties under the Proposed New Shareholders' Mandates.

Item	Transacting Related Party	Interested Major Shareholders/ Directors and persons connected with them	Nature of relationship as at the LPD	Nature of RRPT	Estimated value during the Validity Period ² (RM)
1.	UEM Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris and Sheranjiv M. Sammanthan	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah.	Receipt of ready-mix (cement) supply for projects in Nusajaya	7,200,000
2.	TM Group	Khazanah and Sheranjiv M. Sammanthan	TM is a 28.95% associate company of Khazanah which in turn is our ultimate holding company	Receipt of smart building services	9,000,000
Total					16,200,000

2B. Details of the additional RRPT to be entered into by our Group whereby we provide services and/or rent and/or dispose land and/or land-based property to Related Parties under the Proposed Renewal of Shareholders' Mandates.

Item	Transacting Related Party	Interested Major Shareholders/ Directors and persons connected with them	Nature of relationship as at the LPD	Nature of RRPT	Estimated value during the Validity Period ² (RM)
1.	TM Group	Khazanah Sheranjiv Sammanthan and M.	TM is a 28.95% associate company of Khazanah which in turn is our ultimate holding company	Provision of land tenancy for mobile network infrastructure	850,000
2.	Southern Marina	Khazanah Sheranjiv Sammanthan and M.	Southern Marina is a 30% associate company of Tanjung Bidara Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah	Provision of land tenancy for show gallery/site office	166,000
				Total	1,016,000

Notes:-

¹ The actual value represented RRPT transacted from the date on which the 2014 Shareholders' Mandate was obtained or granted up to LPD.

² The estimated value shown above represents the best estimates by our Management. Accordingly, the actual transacted value may vary and are subject to changes.

³ Tenure of the rental agreement is for a period not exceeding 3 years and is payable on a monthly basis.

⁴ The estimated value shown includes rent at Mercu UEM, KL Sentral and any other rent to be entered into during the Validity Period.

⁵ Estimated values of the transactions relating to the acquisition/disposal of land and/or land-based property (“Assets”) cannot be ascertained given the varying types of Assets that we may dispose/sell as well as that which we may deem appropriate to acquire for immediate/future development, both in the UEMS Group’s ordinary course of business. Nonetheless, in accordance with Section 3.3 of Practice Note 12 of the Listing Requirements, any one of the percentage ratios of the transactions must not exceed 10%.

⁶ There will be no further transactions with this related party.

⁷ Estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the UEMS Group which varies from project to project. However, in accordance with Section 3.3 of Practice Note 12 of the Listing Requirements, any one of the percentage ratios of the transactions must not exceed 10%.

APPENDIX II

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information in this Circular. They confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this Circular misleading.

2. MATERIAL LITIGATION

As at the LPD, save as disclosed below, neither we nor any of our subsidiaries are engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may affect our income from, title to, or possession of any of our assets and/or business, and we are not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may affect the income from, title to, or possession of any of the assets and/or business of our Group:-

Writ of Summons and Statement of Claim in High Court at Kuala Lumpur Suit No. 22NCVC-297-04/2013 ("Claim") filed by Rakyat Holdings Sdn Bhd ("Rakyat Holdings") against Aurora Tower @KLCC Sdn Bhd ("Aurora Tower"), a wholly-owned subsidiary of Sunrise Berhad which in turn is a wholly owned subsidiary of UEMS

On 12 April 2013 Aurora Tower was served with the Claim filed by Rakyat Holdings. The Claim alleges breach of an agreement dated 14 January 2008 between Rakyat Holdings and Aurora Tower, for the sale of land held under Geran 4733, Lot 149, Seksyen 0058, Bandar Kuala Lumpur ("**Land**"). The principal relief sought in the Claim is an order for Aurora Tower to re-deliver ownership, title and vacant possession of the Land to Rakyat Holdings and general damages.

The High Court of Kuala Lumpur had on 28 August 2014 dismissed Rakyat Holdings' Claim against Aurora Tower and awarded costs of RM75,000.00 to be paid to Aurora Tower. Rakyat Holdings had on 29 August 2014 served a Notice of Appeal on the solicitors of Aurora Tower to appeal to the Court of Appeal against the whole of the decision of the High Court dismissing its Claim against Aurora Tower. Hearing for the appeal has been fixed on 18 June 2015.

The High Court of Kuala Lumpur had on 5 November 2014 dismissed Rakyat Holdings' application for stay of execution and further directed for the private caveat entered by Rakyat Holdings to be removed and Aurora Tower shall not dispose of the Land pending disposal of Rakyat Holdings' appeal to the Court of Appeal.

3. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Capital commitments

As at the LPD, save as disclosed below, our Board is not aware of any capital commitments incurred or known to be incurred by our Group in relation to property, plant and machinery and investment property:-

	RM million
Approved and contracted for	53.8
Approved but not contracted for	359.5
Total	413.3

3.2 Contingent liabilities

As at the LPD, save as disclosed below and the material litigation set out in Section 2 of this Appendix II, our Board is not aware of any material contingent liabilities, which may, upon being enforceable, have a material adverse effect on our Group's profits or net assets:-

(i) **Potential compensation payable to Felcra Berhad (“Felcra”) settlers**

A group of 38 Felcra settlers (collectively, “**Plaintiffs**” and “**Plaintiff**” shall refer to any of them, as the context may require) has collectively served an originating summons against Felcra, the District Land Administrator (“**DLA**”) and the Johor State Government (collectively, “**Defendants**” and “**Defendant**” shall refer to any of them, as the context may require). The Summons pertain to 198 acres of land previously owned by the Johor State Government, developed by Felcra and subsequently alienated to Bandar Nusajaya Development Sdn Bhd (“**BND**”), our indirect wholly-owned subsidiary, for the development of Nusajaya, Johor Darul Takzim.

The Plaintiffs seek, *inter-alia*, an additional total sum of RM54.0 million and an acre of land to each Plaintiff from the Defendants.

On 12 January 2010, the High Court of Malaya (“**High Court**”) has made a decision against Felcra for breach of contract and dismissed the Plaintiffs action against the DLA and the Johor State Government. On 8 February 2010, the Plaintiffs filed a notice of appeal to the Court of Appeal to appeal against the decision of the High Court on the quantum against Felcra and the dismissal of the action against the DLA and the Johor State Government. The Court of Appeal dismissed the appeal on 28 June 2011. The Plaintiffs’ appeal to the Federal Court against the decision of the Court of Appeal was allowed on 15 October 2012. The notice of appeal to the Federal Court was filed by the Plaintiffs on 22 October 2012. The Federal Court has fixed 14 May 2013 for hearing of the appeal.

On 14 May 2013, the Federal Court decided in favour of the Plaintiffs where it stated, among others, that the Plaintiffs are entitled to approximately RM26.9 million with payments previously received by the Plaintiffs to be taken into account and deducted from this total amount. At present, the balance amount payable is uncertain as there are certain disputes between the parties on the items to be deducted and both parties have written to the Federal Court for clarification on this matter. The Federal Court had on 15 October 2014 instructed for filing of notice of motion to seek clarification on the judgment by the solicitors for the Plaintiffs.

BND is not directly involved in this litigation, but by virtue of a novation agreement dated 2 December 1994 entered into between BND, UEMG and the Johor State Authority (“**1994 Novation Agreement**”), BND is responsible for the additional costs relating to the lands alienated to it, which include the amount awarded to the Plaintiffs.

(ii) **Tax returns**

On 3 October 2011, BND received a notice of additional assessment from Inland Revenue Board (“**IRB**”) for additional tax payable and tax penalty of RM50.9 million and RM22.9 million respectively in respect of the year of assessment 2006.

On 4 September 2012, the High Court of Kuala Lumpur had allowed BND’s judicial review application to quash and set aside the additional tax assessment. The High Court of Kuala Lumpur ruled in favour of BND and declared that IRB had no legal basis to raise the additional assessment. Following the decision by the High Court of Kuala Lumpur, IRB had filed an appeal to the Court of Appeal against the decision made.

The Court of Appeal, having heard and considered the submissions by both parties on 19 and 20 May 2014, unanimously decided that there are no merits in the appeal by IRB and affirmed the decision ruled in favour of BND by the High Court of Kuala Lumpur. IRB had on 18 June 2014 filed an application for leave to the Federal Court to appeal against the decision of the Court of Appeal.

The Federal Court having heard oral submissions by both parties on 26 January 2015, unanimously decided to allow IRB’s application for leave. A hearing date will subsequently be fixed by the Federal Court.

(iii) **Third party charge**

On 18 May 2007, Horizon Hills Development Sdn Bhd (“**HHDSB**”), a 50:50 joint venture company between UEM Land and Gamuda Berhad, entered into the following:-

- (a) the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic Securities of up to RM270 million nominal value by HHDSB, comprising:-
 - (aa) up to 12-year Islamic Bank Guarantee Medium-Term Notes Programme of up to RM200 million nominal value under the principles of Murabahah (“**IMTN Programme**”); and
 - (bb) up to 7-year Islamic Commercial Papers Programme of up to RM70 million nominal value under the principles of Murabahah; and
 - (b) a Kafalah (bank guarantee) facility of up to RM205 million to guarantee the nominal value of the IMTN Programme of up to RM200 million and one profit payment in respect of the IMTN Programme of up to RM5 million,
- (collectively referred to as the “**Facilities**”).

In this respect, Nusajaya Greens Sdn Bhd (“**NGSB**”), a wholly owned subsidiary of BND, who in turn is a wholly owned subsidiary of UEM Land, had provided a third party charge over approximately 1,227 acres of land in favour of the security trustee for the Facilities (“**Charge**”). As at the LPD, the whole development land have been purchased and paid for by HHDSB.

4. MATERIAL CONTRACTS

Save as disclosed below, neither we nor any of our subsidiaries have entered into any other material contract (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Circular:-

- (i) a conditional sale and purchase agreement dated 31 December 2013 between **NGSB** and Starprop Construction Sdn Bhd for the disposal of a parcel of land measuring an aggregate area of approximately 4.0 acres or approximately 174,240 square feet held in part under H.S (D) 458298, PTD 166917 in Mukim Pulai, District of Johor Bahru, Johor Darul Takzim for a total cash consideration of RM13.94 million;
- (ii) a conditional shareholders’ agreement dated 7 February 2014 between UEM Land, KLK Land Sdn Bhd (“**KLK Land**”) and Aura Muhibah Sdn Bhd (“**AMSB**”) to regulate the relationship between UEM Land and KLK Land as shareholders of AMSB to undertake their proposed collaboration to develop a residential, commercial and industrial development in Fraser, Kulai, Johor Darul Takzim (“**AMSB SHA**”). This AMSB SHA shall become unconditional upon the satisfaction of amongst others, the conditions precedents to the sale and purchase agreement dated 7 February 2014 as described in paragraph (iv);
- (iii) a conditional shareholders’ agreement dated 7 February 2014 between KLK Land, UEM Land and Scope Energy Sdn Bhd (“**SESB**”) to regulate the relationship between KLK Land and UEM Land as shareholders of SESB to undertake their proposed collaboration to develop a residential, commercial and industrial development in Gerbang Nusajaya, Johor Darul Takzim (“**SESB SHA**”). This SESB SHA became unconditional on 29 December 2014;
- (iv) a conditional sale and purchase agreement dated 7 February 2014 between Kuala Lumpur Kepong Berhad (“**KLK**”) and AMSB for the disposal by KLK to AMSB of various parcels of land measuring an aggregate area of approximately 2,500 acres of freehold land held under GRN 237459, Lot 2956; GM 1408, Lot 1033; GM 1410, Lot 1080; all situated in Mukim Senai, District of Kulai Jaya, Johor Darul Takzim for a total cash consideration of RM871.2 million;
- (v) a conditional sale and purchase agreement dated 7 February 2014 between Finwares Sdn Bhd, Nusajaya Rise Sdn Bhd (“**NRSB**”), Symphony Hills Sdn Bhd (“**SHSB**”) (collectively the “**Vendors**”) and SESB for the disposal by the Vendors to SESB of various parcels of land measuring an aggregate area of approximately 500 acres of freehold land held under HSD 268610, PTD 2379; HSD 268611, PTD 2380; HSD 309471, PTD 2387; HSD 297739, PTD 2987; all situated in Mukim Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim, for a total cash consideration of RM871.2 million;

- (vi) a conditional facilitation fund agreement dated 28 May 2014 between Government of Malaysia, Bank Pembangunan Malaysia Berhad and UEM Land, for a grant of RM46.5 million to facilitate the development of a land measuring an aggregate area of approximately 181.547 hectares of freehold land held under HSD 76469, Lot PT 21628 in Mukim Semenyih, District of Ulu Kelang, Selangor Darul Ehsan for a project known as “Serene Heights”;
- (vii) a joint venture and shareholders’ agreement dated 1 July 2014 between UEM Land, Intelsec Sdn Bhd (“**Intelsec**”) and Iskandar Innovations Sdn Bhd (“**IISB**”), for the collaboration in a joint venture company in which UEM Land, Intelsec and IISB shall participate through subscription of shares in the agreed proportion of 39:51:10 for UEM Land: Intelsec: IISB. The joint venture company shall carry on the business of a managed services operating company to provide smart building services and smart city services;
- (viii) a conditional sale and purchase agreement dated 30 September 2014 between NGSB, Nusajaya Medical Park Sdn Bhd and DB Industrial Builders Sdn Bhd, for the disposal of for a parcel of land measuring an aggregate area of approximately 5.929 acres held under H.S (D) 537696, PTD 199692 in Mukim Pulai, District of Johor Bahru, Johor Darul Takzim for a total cash consideration of RM13.1 million. This sale and purchase agreement was completed on 27 November 2014;
- (ix) a mobile network infrastructure collaboration agreement dated 24 December 2014 between EDOTCO Malaysia Sdn Bhd (“**EMSB**”) and UEM Land, for the collaboration to deliver multi-tenant infrastructure solution but not limited to communication towers and infrastructure including fibre access connectivity for mobile network operators, wireless service providers and radio and television broadcast companies for Nusajaya; and
- (x) a supplemental joint venture agreement dated 29 December 2014 between UEM Land and FAstrack Autosports Pte Ltd (“**FAPL**”) and Fastrack Iskandar Sdn Bhd (“**FISB**”), to agree that the total land area for the proposed development of a Motorsport City over approximately 270 acres of land in Gerbang Nusajaya, Nusajaya, Johor Darul Takzim to be increased to 300.022 acres.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 19-2, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur during normal business hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the 7th AGM:-

- (i) Our Memorandum and Articles of Association;
- (ii) Our audited financial statements for the financial years ended 31 December 2013 and 2014;
- (iii) Relevant cause papers for the material litigations referred to in Section 2 and 3 above; and
- (iv) Material contracts referred to in Section 4 above.