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.

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A member of **UEM Group**

UEM LAND HOLDINGS BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

(I) CONDITIONAL TAKE-OVER OFFER BY UEM LAND HOLDINGS BERHAD ("ULHB") TO ACQUIRE ALL THE ORDINARY SHARES OF RM1.00 EACH IN SUNRISE BERHAD (EXCLUDING TREASURY SHARES) NOT ALREADY OWNED BY ULHB ("OFFER SHARES") AT AN OFFER PRICE OF RM2.80 PER OFFER SHARE; AND

(II) PROPOSED INCREASE IN ULHB'S AUTHORISED SHARE CAPITAL TO RM3,517,000,000 COMPRISING 7,000,000,000 ORDINARY SHARES OF RM0.50 EACH IN ULHB, 200,000,000 MANDATORY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF RM0.01 EACH IN ULHB AND 1,500,000,000 REDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM0.01 EACH IN ULHB AND NECESSARY AMENDMENTS TO ULHB'S MEMORANDUM AND ARTICLES OF ASSOCIATION ("PROPOSED IASC")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") and the Proxy Form are set out in this Circular. Our EGM will be held as follows:

Date and time of EGM	:	Wednesday, 22 December 2010 at 10.00 a.m., or at any adjournment
Venue of EGM	:	Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan
Last date and time for lodging the Proxy Form	:	Monday, 20 December 2010 at 10.00 a.m.

This Circular is dated 30 November 2010

DEFINITIONS

The following definitions shall apply throughout this Circular unless the context requires otherwise:

Act	:	Companies Act, 1965 and any amendments made thereto from time to time
BND	:	Bandar Nusajaya Development Sdn Bhd, our indirect wholly-owned subsidiary
Board	:	Board of Directors
Bursa Securities	:	Bursa Malaysia Securities Berhad
Cash Conversion Method	:	One of the two modes of conversion of the RCPS, whereby the RCPS can be converted into new Conversion Shares by tendering 1 RCPS with cash subscription of RM1.30 per RCPS for 1 new Conversion Share
CIMB	:	CIMB Investment Bank Berhad
CMSA	:	Capital Markets and Services Act, 2007 and any amendments made thereto from time to time
Code	:	Malaysian Code on Take-Overs and Mergers, 1998 and any amendments made thereto from time to time
Consideration RCPS	:	New RCPS to be issued at an issue price of RM1.00 each pursuant to the Offer
Consideration Shares	:	New ULHB Shares to be issued at an issue price of RM2.10 each pursuant to the Offer
Conversion Shares	:	New ULHB Shares to be issued upon conversion of the Consideration RCPS
EGM	:	Extraordinary General Meeting
EPS	:	Earnings per share
FYE	:	Financial year ended/ending
Holders	:	Holders of the Offer Shares
Khazanah	:	Khazanah Nasional Berhad, our ultimate holding company
LPD	:	19 November 2010, being the latest practicable date before the printing of this Circular
MCRPS	:	Mandatory convertible redeemable preference shares of RM0.01 each in our Company
NA	:	Net assets
Non-Cash Conversion Method	:	One of the two modes of conversion of the RCPS, whereby the RCPS can be converted into new Conversion Shares by tendering such amount of RCPS that are equal to the conversion price for 1 new Conversion Share computed as follows: $$\text{No. of new Conversion Shares} = \frac{\text{issue price of RM1.00} \times \text{no. of RCPS}}{\text{conversion price of RM2.30}}$$
Notice	:	Notice of the Offer dated 4 November 2010
Offer	:	Conditional take-over offer by our Company to acquire the Offer Shares from the Holders in accordance with the terms and conditions set out in the Offer Document
Offer Document	:	The offer document dated 25 November 2010 which sets out the details of the Offer together with the form of acceptance and transfer for the Offer

Offer Price	:	Offer price of RM2.80 for each Offer Share
Offer Shares	:	Sunrise Shares (excluding treasury shares) not already owned by our Company
PACs	:	Persons acting in concert with our Company (in accordance with Section 216(2) and (3) of the CMSA) with respect to the Offer, namely UEMG and Khazanah
PATAMI	:	Profit after tax and minority interests
PBR	:	Price to book ratio
PBT	:	Profit before tax
PER	:	Price to earnings ratio
Proposals	:	The Offer and the Proposed IASC, collectively
Proposed IASC	:	Proposed increase in our authorised share capital to RM3,517,000,000 comprising 7,000,000,000 ULHB Shares, 200,000,000 MCRPS and 1,500,000,000 RCPS and necessary amendments to our Company's Memorandum and Articles of Association
RCPS	:	Redeemable convertible preference shares of RM0.01 each in our Company
RCPS Alternative	:	One of the two alternatives offered to the Holders to satisfy the Offer Price. Under this alternative, a Holder will receive 2.80 Consideration RCPS (based on an issue price of RM1.00 each) for every 1 Offer Share surrendered
Rights Issue	:	Renounceable rights issue by our Company of 1,214,088,456 new ULHB Shares ("**Rights Shares**") on the basis of 1 Rights Share for every 2 then existing ULHB Shares at an issue price of RM0.80 each, which was completed on 29 April 2010
Share Alternative	:	One of the two alternatives offered to the Holders to satisfy the Offer Price. Under this alternative, a Holder will receive approximately 1.33 Consideration Shares (based on an issue price of RM2.10 each) for every 1 Offer Share surrendered
Sunrise	:	Sunrise Berhad
Sunrise Group	:	Collectively, Sunrise and its subsidiaries
Sunrise Interim Dividend	:	20 sen net interim dividend declared by Sunrise on 3 November 2010, whereby the entitlement date thereof was on 22 November 2010
Sunrise Shares	:	Ordinary shares of RM1.00 each in Sunrise
UEM Land	:	UEM Land Berhad, our wholly-owned subsidiary
UEMG	:	UEM Group Berhad, our immediate holding company
ULHB Shares	:	Ordinary shares of RM0.50 each in our Company
VWAMP	:	Volume-weighted average market price
50% Acceptance Condition	:	One of the conditions of the Offer, where we would have to receive, before the close of the Offer, valid acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn) in respect of the Offer Shares, which would result in our Company holding, in aggregate with such Sunrise Shares that are already acquired, held or entitled to be acquired or held by our Company and the PACs, if any, more than 50% of the voting shares of Sunrise

CURRENCIES

AUD	:	Australian Dollar
CAD	:	Canadian Dollar
EUR	:	Euro
RM and sen	:	Ringgit Malaysia and sen, respectively
USD	:	United States of America Dollar

All references to "**our Company**" or "**ULHB**" in this Circular are to UEM Land Holdings Berhad and references to "**our Group**" are to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company and, where the context otherwise requires, our subsidiaries. References to "**our enlarged Group**" are to our Group and the Sunrise Group assuming completion of the Offer.

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. References to persons shall include corporations.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day and date in this Circular is a reference to Malaysian time and date, respectively.

CONTENTS

LETTER TO OUR SHAREHOLDERS

A member of **UEM Group**

UEM LAND HOLDINGS 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

30 November 2010

Oirectors:

Tan Sri Dr Ahmad Tajuddin Ali *(Chairman/Non-Independent Non-Executive Director)*
Dato' Wan Abdullah Wan Ibrahim *(Managing Director/Chief Executive Officer)*
Dato' Mohd Izzaddin Idris *(Non-Independent Non-Executive Director)*
Abdul Kadir Md Kassim *(Non-Independent Non-Executive Director)*
Sheranjiv M. Sammanthan *(Non-Independent Non-Executive Director)*
Md Ali Md Dewal *(Senior Independent Non-Executive Director)*
Oh Kim Sun *(Independent Non-Executive Director)*
Dato' Ikmal Hijaz Hashim *(Independent Non-Executive Director)*

To: Our shareholders

Dear Sir/Madam

PROPOSALS

1. INTRODUCTION

On 4 November 2010, on behalf of our Company, CIMB served the Notice on Sunrise's Board informing Sunrise of our intention to undertake a conditional take-over offer to acquire the Offer Shares at the Offer Price. The serving of the Notice was announced to Bursa Securities on 4 November 2010.

On 25 November 2010, the Offer Document was despatched to the shareholders of Sunrise.

To facilitate the Offer, we intend to increase our authorised share capital to RM3,517,000,000 comprising 7,000,000,000 ULHB Shares, 200,000,000 MCRPS and 1,500,000,000 RCPS and to make the necessary amendments to our Company's Memorandum and Articles of Association.

The purpose of this Circular is to provide you with the details of the Proposals and to seek your approval for the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM. The Notice of EGM and the Proxy Form are enclosed with this Circular.

WE ADVISE YOU TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 We intend to acquire the Offer Shares at the Offer Price to be satisfied in either of the following manner, at the election of the Holders:

(i) through the issuance of Consideration Shares at an issue price of RM2.10 each, where the Holders will receive approximately 1.33 Consideration Shares for every 1 Offer Share surrendered; or

(ii) through the issuance of Consideration RCPS at an issue price of RM1.00 each, where the Holders will receive 2.80 Consideration RCPS for every 1 Offer Share surrendered. The Consideration RCPS can be converted into new Conversion Shares at a conversion price of RM2.30 via the Non-Cash Conversion Method or the Cash Conversion Method or redeemed at RM1.00 each.

2.2 Save and except for the Sunrise Interim Dividend, if Sunrise declares any dividend and/or other distributions ("**Distributions**") on or after 4 November 2010, being the date of the Notice and our Company is not entitled to retain such Distributions, we may reduce the Offer Price by the quantum of net Distributions per Sunrise Share that the Holders are entitled to retain, hence reducing the number of Consideration Shares and/or Consideration RCPS to be issued.

Similarly, if our Company declares any Distributions before the Consideration Shares are issued and the Holders are not entitled to retain such Distributions, we will increase the number of Consideration Shares to be issued as consideration for the Offer Shares by reducing the issue price of the Consideration Share by the quantum of net Distributions per ULHB Share that the Holders are not entitled to.

As at the LPD, there are no changes to the terms of the Offer pursuant to this Section 2.2 (i.e. no reduction of Offer Price or increase in number of Consideration Shares to be issued).

2.3 The Offer is conditional upon the 50% Acceptance Condition and is subject to approvals being obtained from the following:

(i) the Securities Commission Malaysia under the Equity Requirements of a public company;

(ii) Bank Negara Malaysia for the issuance of the Consideration RCPS to accepting non-resident Holders;

(iii) Bursa Securities for the listing of and quotation for the Consideration Shares and Conversion Shares on the Main Market of Bursa Securities which was obtained on 29 November 2010;

(iv) our shareholders at our forthcoming EGM to be convened for the Proposals (including for the issuance of the new Consideration Shares, Consideration RCPS and Conversion Shares); and

(v) consent or approval of any other relevant authorities or parties, if required.

2.4 As at the LPD, our Company and the PACs do not hold, directly and/or indirectly, any Sunrise Shares or have any option to acquire Sunrise Shares.

2.5 As at the LPD, our Company has obtained irrevocable undertakings from the following Holders to accept the Offer in respect of all their direct shareholdings in Sunrise as follows:

	No. of Sunrise Shares held	%[a]
Casa Unggul Sdn Bhd	120,908,144	24.41
Phoenixflex Sdn Bhd	41,913,873	8.46
Dato' Lim Kim Huat	35,852,299	7.24
Datuk Tong Kooi Ong	1,084,928	0.22
Tan Sri Dato' Tan Chee Sing	52,000	0.01
Total	**199,811,244**	**40.34**

Note:

[a] *Based on Sunrise's issued and paid-up share capital (excluding treasury shares) of 495,371,440 Sunrise Shares as at the LPD.*

2.6 Our Company will acquire the Offer Shares based on the acceptance by a Holder in accordance with the Offer Document. Such acceptance will be deemed to constituta a warranty by the Holder that the Offer Shares, to which the acceptance relates, are sold:

(i) free from all moratorium, claims, charges, liens, encumbrances, options, rights of pre-emption, third party rights and equities from the date of valid acceptancas; and

(ii) with all rights and entitlements attached including the right to all dividends and/or distributions declared, paid or made on or after the date of the Notice.

2.7 Holders may accept the Offer in respect of all or part of their Offer Shares. Our Company will not issue fractions of a Consideration Share or Consideration RCPS to the accepting Holders. The entitlement of the accepting Holders to the Consideration Shares or Consideration RCPS will be rounded down to the nearest whole Consideration Share or Consideration RCPS.

2.8 An application has been made to Bursa Sacurities for its approval for the listing of and quotation for tha Consideration Shares and Conversion Shares on the Main Market of Bursa Securities, which Bursa Securities had approved on 29 November 2010.

The RCPS will not be listed on any stock exchange.

2.9 The Consideration Shares and Conversion Shares shall, upon issue and allotment, rank *pari passu* in all respects with the then existing ULHB Shares, save and except that the holders of such Consideration Shares and/or Conversion Shares shall not be entitled to any dividend, right, allotment and/or distribution, the entitlement date of which is prior to the date of allotment of such Consideration Shares and/or Conversion Shares, as the case may be.

The RCPS shall, upon issue and allotment, rank *pari passu* amongst themselves.

2.10 Please refer to Appendix I for the terms of the Consideration RCPS.

2.11 The actual number of securities to be issued by our Company pursuant to tha Offer cannot be determined at this juncture as it would depend on the level of acceptance under the Offer, manner of settlement (i.e. Share Alternative or RCPS Alternativa) and where applicable, manner of conversion of Consideration RCPS (i.e. Cash Conversion Method or Non-Cash Conversion Method), all at the discretion/election of the Holders or RCPS holders, as the case may be.

For illustration purposes, based on Sunrise's issued and paid-up ordinary share capital as at the LPD comprising 495,390,467 Sunrise Shares (including treasury shares), the maximum number of securities to be issued by our Company under the Offer is as follows:

(i) up to 660,520,622 Consideration Shares, representing approximately 15.4% of our enlarged issued and paid-up ordinary share capital (after the Offer), under the Share Alternative; or

(ii) up to 1,387,093,307 Consideration RCPS under the RCPS Alternative. In turn, such number of Consideration RCPS may be converted into up to 1,387,093,307 Conversion Shares, representing approximately 27.6% of our enlarged issued and paid-up ordinary share capital (after the Offer and such conversion).

2.12 The authorised share capital of our Company as at the LPD is RM2,502,000,000 comprising the following:

(i) 5,000,000,000 ULHB Shares of which 3,642,265,367 ULHB Shares are issued and fully paid-up; and

(ii) 200,000,000 MCRPS of which 154,914,002 MCRPS are issued and fully paid-up.

To facilitate the issuance of the Consideration Shares, Consideration RCPS and Conversion Shares pursuant to the Offer, we propose to undertake the Proposed IASC to increase our authorised share capital to RM3,517,000,000 comprising 7,000,000,000 ULHB Shares (par value of RM0.50 each), 200,000,000 MCRPS (par value of RM0.01 each) and 1,500,000,000 RCPS (par value of RM0.01 each), and to make the necessary amendments to our Company's Memorandum and Articles of Association. Please refer to Appendix II for details of the proposed amendments to our Company's Memorandum and Articles of Association.

3. BASIS AND JUSTIFICATION FOR ARRIVING AT THE TRANSACTION CONSIDERATIONS AND ISSUANCE OF SECURITIES

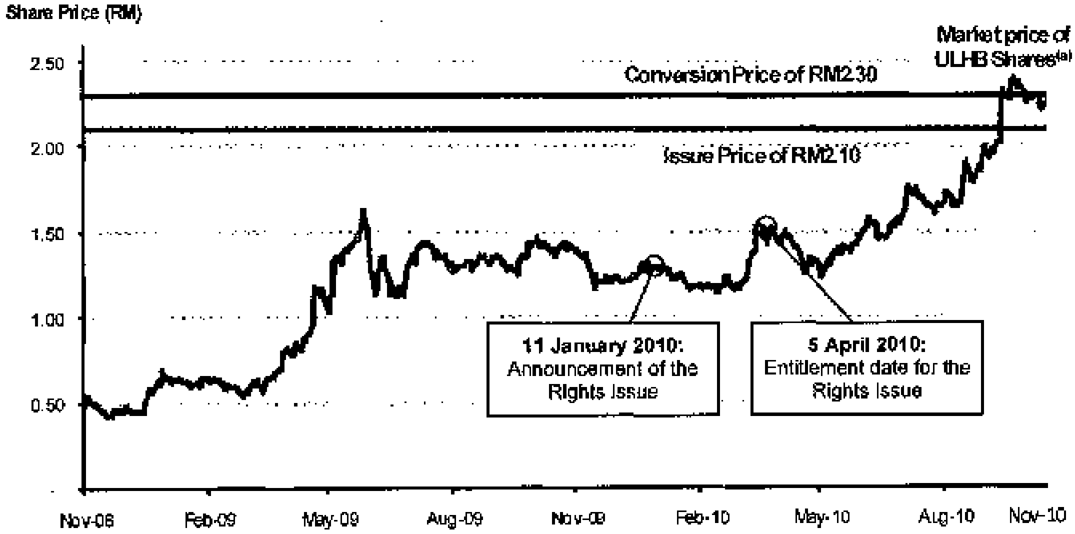
As the Offer entails an equity swap of Sunrise Shares for Consideration Shares or Consideration RCPS, the evaluation of the Offer should not be based solely on the Offer Price or the issue price of our Company's securities, but rather in relative terms to one another.

The basis and justification for arriving at the transaction considerations for the Offer (including the issue prices and/or conversion price of our Company's securities and Offer Price of the Offer Shares) are set out in Sections 3.1 to 3.4 below:

3.1 Historical share price performance

ULHB Share price performance

The graph below illustrates the share price performance of our Company since our listing on 18 November 2008 up to 2 November 2010 (being the last full trading day prior to the date of the Notice) compared against the entry cost of the Holders into our Company should the Holders choose to accept the Offer (i.e. with reference to the issue price of Consideration Shares or conversion price of Consideration RCPS):



(Source: Bloomberg (Malaysia) Sdn Bhd)

Note:

(a) *The historical market price of ULHB Shares has been retrospectively adjusted for the Rights Issue which was completed on 29 April 2010.*

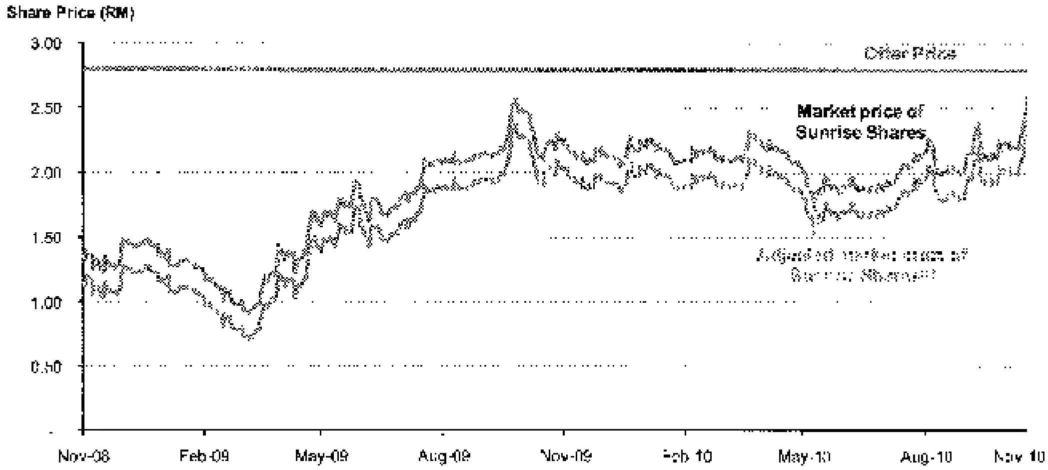
The issue price of RM2.10 per Consideration Share represents a premium/(discount) to the following reference VWAMP up to 2 November 2010 (being the last full trading day prior to the date of the Notice):

Issue price premium/ (discount) over reference market price of ULHB Shares	5-day VWAMP of RM2.25	1-month VWAMP of RM2.33	3-month VWAMP of RM2.06
RM	(0.15)	(0.23)	0.04
%	(6.7%)	(9.9%)	1.9%

The conversion price of RM2.30 per Consideration RCPS represents a premium/ (discount) to the following reference VWAMP up to 2 November 2010:

Conversion price premium/ (discount) over reference market price of ULHB Shares	5-day VWAMP of RM2.25	1-month VWAMP of RM2.33	3-month VWAMP of RM2.06
RM	0.05	(0.03)	0.24
%	2.2%	(1.3%)	11.7%

Sunrise Share price performance



(Source: Bloomberg (Malaysia) Sdn Bhd)

Note:

[a] *Adjusted for the net quantum of the Sunrise Interim Dividend.*

The Offer Price of RM2.80 per Sunrise Share is higher than the historical traded market price of Sunrise Shares over the same period from our Company's listing on 18 November 2008 up to 2 November 2010. In addition, the Offer Price of RM2.80 per Sunrise Share represents a premium to the following reference VWAMP up to 2 November 2010:

Offer Price premium over		5-day VWAMP of RM2.40	1-month VWAMP of RM2.30	3-month VWAMP of RM2.20
Market price of Sunrise Shares	**RM**	0.40	0.50	0.60
	%	16.7%	21.7%	27.3%
Adjusted market price of Sunrise Shares[a]	**RM**	0.60	0.70	0.80
	%	27.3%	33.3%	40.0%

Note:

[a] *The adjusted market price was computed by reducing Sunrise's reference VWAMP by the net quantum of the Sunrise Interim Dividend.*

Effective premium over Sunrise Shares

Taking into consideration the share exchange ratio under the Share Alternative and RCPS Alternative, the implied offer prices for the Offer Shares based on different reference VWAMP are illustrated as follows:

	Share exchange ratio denoted as approximate no. of ULHB Shares received for every Offer Share		Implied offer prices for Sunrise Shares	
Reference VWAMP of ULHB Shares up to 2 Nov 2010	**Share Alternative[a]**	**RCPS Alternative[b]**	**Share Alternative[c]**	**RCPS Alternative[d]**
	times	**times**	**RM**	**RM**
5-day VWAMP of RM2.25	1.33	1.22	2.99	2.75
1-month VWAMP of RM2.33	1.33	1.22	3.10	2.84
3-month VWAMP of RM2.06	1.33	1.22	2.74	2.51

Notes:

(a) *Computed by dividing the Offer Price of Offer Shares of RM2.80 each by the issue price of Consideration Shares of RM2.10 each under the Share Alternative.*

(b) *Computed by dividing the Offer Price of Offer Shares of RM2.80 each by the conversion price of Conversion Shares of RM2.30 each under the RCPS Alternative via the Non-Cash Conversion Method. An illustration using the Cash Conversion Method would not be comparable in view that additional cash outlay is required.*

(c) *Computed by multiplying the ULHB Share reference VWAMP with the share exchange ratio under the Share Alternative.*

(d) *Computed by multiplying the ULHB Share reference VWAMP with the share exchange ratio under the RCPS Alternative via the Non-Cash Conversion Method.*

Based on the range of implied offer prices for Sunrise Shares set out above, the effective premium paid based on the corresponding reference VWAMP for Sunrise Shares are as follows:

	Effective premium over market price of Sunrise Shares		Effective premium over adjusted market price of Sunrise Shares[a]	
Reference VWAMP of Sunrise Shares up to 2 Nov 2010	**Share Alternative**	**RCPS Alternative**	**Share Alternative**	**RCPS Alternative**
	%	%	%	%
5-day VWAMP of RM2.40	24.6	14.6	35.9	25.0
1-month VWAMP of RM2.30	34.8	23.5	47.6	35.2
3-month VWAMP of RM2.20	24.5	14.1	37.0	25.5

Note:

(a) *The adjusted market price was computed by reducing Sunrise's reference VWAMP by the net quantum of the Sunrise Interim Dividend.*

3.2 Share exchange ratio

The share exchange ratio of ULHB Shares for each Offer Share based on different reference VWAMP against the share exchange ratio under the Share Alternative and RCPS Alternative is set out as follows:

Approximate no. of ULHB Shares received for every Sunrise Share surrendered under the Offer via the Share Alternative	**1.33**
Approximate no. of ULHB Shares received for every Sunrise Share surrendered under the Offer via the RCPS Alternative[a]	**1.22**

				Illustrative no. of ULHB Shares received for every Sunrise Share disposed[b]	
Reference VWAMP up to 2 Nov 2010	**Market price of ULHB Shares**	**Market price of Sunrise Shares**	**Adjusted market price of Sunrise Shares[c]**	**Based on market price of Sunrise Shares**	**Based on adjusted market price of Sunrise Shares**
5-day VWAMP	RM2.25	RM2.40	RM2.20	1.07	0.98
1-month VWAMP	RM2.33	RM2.30	RM2.10	0.99	0.90
3-month VWAMP	RM2.06	RM2.20	RM2.00	1.07	0.97

Notes:

(a) *Assuming that the RCPS are converted using the Non-Cash Conversion Method. An illustration using the Cash Conversion Method would not be comparable in view that additional cash outlay is required.*

(b) Computed by dividing Sunrise's reference VWAMP (with or without adjustment for the Sunrise Interim Dividend) by our Company's corresponding reference VWAMP.

(c) The adjusted market price was computed by reducing Sunrise's reference VWAMP by the net quantum of the Sunrise Interim Dividend.

3.3 PER and PBR

Under the Offer, the implied PER and PBR of our Company (with reference to Consideration Shares and Consideration RCPS) and Sunrise (with reference to Offer Shares) are as follows:

				Offer Shares	
		Consideration Shares	Consideration RCPS	Before adjustment for Sunrise Interim Dividend	After adjustment for Sunrise Interim Dividend
Reference price[a]	**RM**	2.10	2.30	2.80	2.80
EPS	sen	3.15[b]	3.15[b]	27.04[d]	26.17[f]
PER	**times**	**66.67**	**73.02**	**10.36**	**10.70**
NA per share	RM	0.82[c]	0.82[c]	2.21[e]	2.01[g]
PBR	**times**	**2.56**	**2.80**	**1.27**	**1.39**

Notes:

(a) *Reference to the issue price of the Consideration Shares, conversion price of the Consideration RCPS and Offer Price of the Offer Shares, respectively.*

(b) *Based on our audited consolidated PATAMI for the FYE 31 December 2009 of RM114.6 million.*

(c) *Based on our unaudited consolidated NA as at 30 June 2010 of RM2,990.0 million (which incorporates the effects of the Rights Issue which was completed on 29 April 2010).*

(d) *Based on Sunrise's audited consolidated PATAMI for the FYE 30 June 2010 of RM134.0 million.*

(e) *Based on Sunrise's audited consolidated NA as at 30 June 2010 of RM1,094.3 million.*

(f) *Based on Sunrise's audited consolidated PATAMI for the FYE 30 June 2010, adjusted by the expected gross finance cost to be incurred assuming Sunrise funds the Sunrise Interim Dividend entirely through borrowings. The finance cost has been estimated based on the weighted average cost of borrowings of Sunrise for the FYE 30 June 2010 of 4.36%.*

(g) *Based on Sunrise's audited consolidated NA as at 30 June 2010 which is reduced by the net quantum of the Sunrise Interim Dividend.*

3.4 RCPS consideration

In addition to the analysis set out in Sections 3.1 to 3.3 above, the issue price for the Consideration RCPS was fixed after taking into consideration the following features of the RCPS:

(i) the option to convert the entire holdings of RCPS or part thereof into Conversion Shares at a conversion price of RM2.30 each at any point in time during the tenure of the RCPS, with or without additional cash outlay (resulting in different number of Conversion Shares to be subscribed);

(ii) the option to redeem the entire holdings of RCPS or part thereof at a redemption value of RM1.00 each upon maturity; and

(iii) the non-listed status of the RCPS. However, the entire holdings of RCPS or part thereof can be transferred/sold in accordance with our Company's Articles of Association and the Act. Alternatively, the holders of the RCPS may convert the RCPS into Conversion Shares, whereby such Conversion Shares will be listed and can be traded on Bursa Securities.

Please refer to Appendix I for further details on the terms of the Consideration RCPS.

The conversion price of Consideration RCPS has been fixed at RM2.30 (being RM0.20 higher than the issue price of the Conversion Shares of RM2.10 each) to take into consideration that the Consideration RCPS includes the added flexibility as set out in items (i) and (ii) above, which is absent in respect of the Share Alternative. Such pricing differential also takes into consideration that the intrinsic value of such added flexibility cannot be easily realised/monetised in view that the RCPS are not listed on any stock exchange as set out in item (iii) above.

In addition to the considerations set out above, our Board has also considered the complementary strengths and synergistic fit of both our Group and the Sunrise Group, which are expected to contribute positively to and assist with our strategic objectives and growth plans. Further details on the rationale and benefits of the Offer are set out in Section 5 below.

After evaluating various alternatives/instruments in respect of the consideration for the Offer, the option of either Share Alternative or RCPS Alternative were chosen to encourage acceptance under the Offer whereby the Holders would be able to elect their preferred means of equity participation in our enlarged Group as well as having a redemption feature (via the RCPS Alternative). Further, given our current phase of business expansion, the use of ULHB Shares and RCPS was chosen to mitigate the need for our Company to raise any cash proceeds upfront to satisfy the consideration under the Offer.

Under the RCPS Alternative, our Company may also be able to raise additional funds upon conversion of the Consideration RCPS under the Cash Conversion Method (if any), whereby our Company intends to use such proceeds raised (as and when the Consideration RCPS are converted) for working capital, capital expenditure, investments and/or acquisitions (including the repayment of borrowings taken in relation thereto, if any) in areas related to our enlarged Group's principal business as and when the opportunity and/or need arises.

The breakdown on the utilisation of such proceeds and the timeframe thereof cannot be determined at this juncture as the quantum of the actual proceeds to be raised would depend on the level of acceptance under the Offer, manner of settlement (i.e. Share Alternative or RCPS Alternative) and where applicable, manner of conversion of Consideration RCPS (i.e. Cash Conversion Method or Non-Cash Conversion Method), all at the discretion/election of the Holders or RCPS holders, as the case may be. Purely for illustration, assuming all the Holders elect for the RCPS Alternative, our Company would raise up to RM1.8 billion upon full conversion of the Consideration RCPS under the Cash Conversion Method.

As a whole, the relative pricing and terms of the relevant securities have been determined by our Board such that the Offer would present a palatable proposition to the Holders to encourage acceptances under the Offer, whilst ensuring that our Company would be able to enjoy the benefits contemplated under the Offer at a fair and reasonable cost, which is in the best interest of our shareholders.

4. INFORMATION ON SUNRISE

Sunrise was incorporated in Malaysia under the Act as Sunrise Sdn Bhd on 5 March 1968 and was converted to a public company on 31 December 1993 and assumed its current name. Sunrise was listed on the Main Board of Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 6 February 1996.

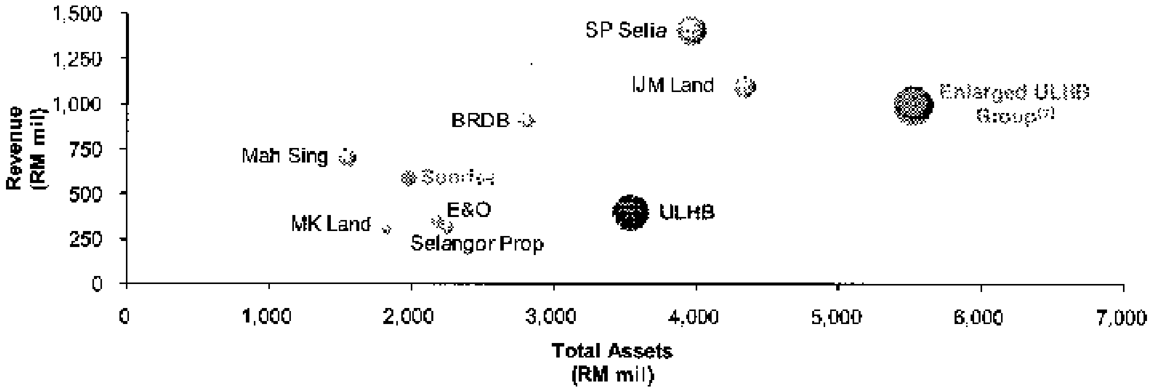
The principal activities of Sunrise are property development and investment holding while the principal activities of its subsidiaries are property investment, development and construction, investment holding, property management as well as provision of property related and ancillary services.

The authorised share capital of Sunrise as at the LPD is RM1,000.0 million comprising 1,000.0 million Sunrise Shares of which 495.4 million Sunrise Shares are issued and fully paid-up. As at the LPD, Sunrise holds 19,027 treasury shares.

Please refer to Appendix III for further information on the Sunrise Group.

5. RATIONALE FOR AND BENEFITS OF THE PROPOSALS

Given the complementary and synergistic fit ot both our Group and the Sunrise Group, our Board is ot the view that the prospects and potential of our enlarged Group would be enhanced. As shown in the diagram below, our enlarged Group would emerge as one ot the dominant market players in terms of revenue and asset base in the Malaysian property development sector with a combined revenue and total assets of RM993.8 million and RM5,507.6 million, respectively[a]. By achieving such scale, our enlarged Group is well-positioned to accelerate our growth strategy and to achieve our aspiration ot regional expansion. In addition, via the Offer, we will further reintorce our position as the largest listed property development company on Bursa Securities in terms of market capitalisation.



Bubble size indicates relative market capitaliaation as at 2 November 2010 (being the last full trading day prior to the date of the Notice)

(Source: Bloomberg (Malaysia) Sdn Bhd and the latest audited consolidated financial statements of the respective companies)

Notes:

* *Illustrated based on the latest audited consolidated financial statements of the property development companies listed on the Main Market of Bursa Securities which fulfil the following criteria:*

(i) total assets of RM1.5 billion and above; and

(ii) at least 50% of the company's total revenue is derived from property development activities.

^ *Abbreviations:*

BRDB	:	*Bandar Raya Developments Berhad*
E&O	:	*Eastern & Oriental Berhad*
IJM Land	:	*IJM Land Berhad*
Mah Sing	:	*Mah Sing Group Berhad*
MK Land	:	*MK Land Holdings Berhad*
Selangor Prop	:	*Selangor Properties Berhad*
SP Setia	:	*SP Safia Berhad*

(a) *Our Group's and the Sunrise Group's aggregate revenue and total assets of RM993.8 million and RM5,507.6 million, respectively, are computed based on our Company's and Sunrise's audited consolidated financial statements for the FYE 31 December 2009 and FYE 30 June 2010, respectively.*

The bubble size indicates the market capitalisation of our enlarged Group upon completion of the Offer and assuming our Company receives full acceptance under the Share Alternative based on the closing price of ULHB Shares as at 2 November 2010 (being the last full trading day prior to the date of the Notice). Assuming that our Company receives full acceptance under the RCPS Alternative, theoretically there will not be any immediate impact to the market capitalisation of our Group in view that no ULHB Shares are issued.

Our enlarged Group is expected to benefit through, amongst others, access to a larger pool of talent and expertise, development of human resources, identification and adoption of best practices currently used by each group. Aside from the anticipated economies of scale and operational efficiencies arising from the business combination, the Sunrise Group is expected to add the following key attributes to our Group:

(i) **Land bank and product diversification:** With prime land bank in the Klang Valley and the Kuala Lumpur city centre as well as land parcels in, amongst others, Vancouver (Canada) and Kajang, the addition of the Sunrise Group immediately diversifies our Group's existing land bank portfolio, which is concentrated in Nusajaya, Johor Darul Takzim. Please refer to Section 7.3 below for further details on the existing land bank/property portfolio of the Sunrise Group.

Further, given the respective core competencies whereby our Group's focus is in macro township development whilst Sunrise has a successful track record in high-rise residential as well as commercial and retail developments, our enlarged Group is expected to benefit from a broader range of products which we can offer to a wider customer base. Notable examples of completed developments by the Sunrise Group include 10 Mont'Kiara, The Residence and Solaris Mont'Kiara.

(ii) **Improved financial performance:** Subject to prevailing market conditions and based on public disclosures by Sunrise, the near term financial performance of Sunrise is expected to remain robust with projects having an estimated gross development value of approximately RM3.2 billion planned for launch in the FYE 30 June 2011, supported by unbilled sales of approximately RM861 million as at 30 June 2010.

Based on the foregoing, the inclusion of the Sunrise Group is expected to enhance our Group's financial performance, whereby our enlarged Group would be better-positioned to seek new development opportunities and accelerate business expansion.

(iii) **Expertise, track record and brand equity:** The Offer is expected to bring together two highly experienced management teams from our Group and the Sunrise Group, both having considerable depth and breadth of skills, expertise and knowledge of the property market.

Our enlarged Group would also be able to reap benefits by leveraging on the "Sunrise" brand as a reputable and established player in the property sector, particularly in the high-rise residential as well as the commercial and retail segments.

As a whole, the combination of our Group and the Sunrise Group would create one of the leading Malaysian property companies with the scale, complementary expertise, capabilities and necessary resources to spearhead the industry locally and to expand regionally.

The Proposed IASC is proposed to facilitate the issuance of Consideration Shares under the Share Alternative and the issuance of Consideration RCPS and Conversion Shares under the RCPS Alternative pursuant to the Offer. Please refer to Section 3 above for the benefits of the Share Alternative and RCPS Alternative.

6. RISK FACTORS

The businesses of the Sunrise Group and our Group are similar given that both are involved in the property development industry. In this respect, the Offer would not materially expose our Group to significant general and operational business risks which are not already faced by our Group. However, the Offer may expose our Group to the following key risk factors (which may not be exhaustive) relating to the Sunrise Group and the Offer:

(i) **Acquisition risk**

Given the nature of the Offer, our Company has only conducted a limited due diligence review of the assets and liabilities of the Sunrise Group based on publicly available information. Accordingly, the Sunrise Group may incur certain liabilities which may be unknown to our Company (and even Sunrise), which may have a material adverse effect on the financial and operating conditions of the Sunrise Group.

Whilst our Company would not be directly liable for any such liabilities, there is no assurance that our Company would be able to realise our expected investment returns in Sunrise. This in turn may have a material adverse effect on the financial position, operating conditions and prospects of our enlarged Group.

(ii) **Execution risks and retention of key management staff**

As mentioned in Section 5 above, one of the key objectives of the Offer is to ensure that our enlarged Group would be able to enjoy the synergistic benefits that are expected to be derived from the combination of both groups' businesses in various areas, including enhancement in the respective core competencies.

One of the critical factors is to ensure the retention of Sunrise's key management staff and the integration of human capital resources within our enlarged Group. Our Company intends to take active measures and one of the immediate actions planned for the initial period post completion of the Offer is the establishment of an integration committee comprising of senior management from both our Group and the Sunrise Group. The integration committee will be tasked to address, amongst others, employees related issues and to undertake a comprehensive review of the existing human resource policies which may include streamlining compensation scheme, talent pool management, succession planning and recruitment for our enlarged Group.

Notwithstanding the foregoing, there can be no assurance that our enlarged Group would be successful in implementing our plans to realise the anticipated benefits or synergies under the Offer.

(iii) **Impairment of assets and goodwill/intangibles**

Our Group is expected to recognise additional goodwill arising from the Offer. The additional goodwill, if any, may be subject to impairment in the future which will be charged to the consolidated earnings of our Company.

There is no assurance that our Group's financial position will not be affected by any write-down of goodwill for impairment should it be considered necessary in the future.

(iv) **Risk in relation to indebtedness**

Under the RCPS Alternative, our Company will be issuing Consideration RCPS to the Holders, whereby such RCPS holders would have the option to redeem the RCPS upon maturity thereof. As illustrated in Section 8.3 below, assuming all the Holders accept the Offer and opt for RCPS Alternative, our Group's gearing level would increase from 0.15 times (proforma after adjustment for the Rights Issue) to 0.78 times (including the effects from consolidation of Sunrise's debts/borrowings as well as recognition of the net present value of the liability component of the Consideration RCPS).

Whilst we are of the view that such gearing levels are still manageable, our enlarged Group's indebtedness may limit our ability to obtain additional financing for our business activities and/or on terms which are commercially acceptable to us, which may have a material adverse effect on the financial position, operating conditions and prospects of our enlarged Group.

(v) Risk in relation to the Sunrise Group's business

The Sunrise Group's property development business is highly competitive, particularly in Mont'Kiara where a substantial portion of its projects are located, with an increasing number of developers having established their presence in that area. Some of the property developers in Mont'Kiara and their recently launched or completed property development projects include:

Property Developer	Development project	Description
Aseana Properties Limited	SENI Mont'Kiara	A 605-unit luxury condominium project located in a prime residential and commercial area of Mont'Kiara
	One Mont'Kiara	A mixed commercial development project in the Mont'Kiara area adjacent to i-ZEN@Kiara I comprising a 33-storey office suite block, 20-storey office tower and a 5-storey retail complex
Mah Sing Group Berhad	Icon Residence, Mont'Kiara	260 units of luxury residential serviced suites
Bukit Kiara Properties Sdn Bhd	Vox Tower, Verve Suites, Mont'Kiara	One of four towers which make up Verve Suites comprising fully-furnished designer suites
YNH Property Bhd	Kiara 163	Commercial development comprising service apartments, office block and a podium comprising a retail centre and auditorium

Given the large number of ongoing developments in Mont'Kiara coupled with the existing completed developments, there may be a risk of over-supply resulting in lower demand for the Sunrise Group's property developments in Mont'Kiara. Based on the foregoing, there is no assurance that the Sunrise Group may be able to sustain its financial performance which in turn may result in our Group not being able to realise the expected returns in Sunrise.

However, we believe that this risk may be mitigated as the Sunrise Group has plans to launch new projects in new localities such as Kuala Lumpur city centre and Kajang. Further, Sunrise had in January 2010, entered into a joint-venture with Sime Darby Property Berhad for the development of a new mixed development in Bukit Jelutong and had in October 2010, launched a new mixed residential development in Vancouver (Canada).

7. FUTURE OUTLOOK AND PROSPECTS

7.1 Overview of the Malaysian economy

The Malaysian economy registered a growth of 5.3% in the third quarter of 2010, driven by domestic demand amid slowing external demand. The expansion in domestic demand was supported by private sector spending. The slowdown in the global economy has led to the moderation in external demand. On the supply side, all major economic sectors, except mining, continued to expand during the quarter, but at a more moderate pace.

Domestic demand expanded by 5% in the third quarter (2Q 10: 9%) led by a sustained expansion in both private consumption and capital spending. Private consumption recorded a growth of 7.1% (2Q 10: 7.9%) supported by favourable labour market conditions and positive consumer confidence. Public consumption declined by 10.2% (2Q 10: 6.9%) as a result of lower government spending on supplies and services. Gross fixed capital formation expanded by 9.8% (2Q 10: 12.9%) driven by capital expenditure from the private sector. Private sector capital spending was supported by the expansion in domestic production amidst high levels of capacity utilisation and positive business sentiments.

On the supply side, major economic sectors, except mining, expanded further but at a more moderate pace. Growth in the manufacturing sector moderated to 7.5% (2Q 10: 16.0%), reflecting mainly the slower growth in external demand. The services sector remained resilient, growing at 5.4% (2Q 10: 7.3%), benefiting from favourable domestic demand conditions. The construction sector expanded by 2.8% (2Q 10: 4.1%), supported by growth in the non-residential and civil engineering sub-sectors. Growth in the agriculture sector increased to 2.7% (2Q 10: 2.4%), following higher production of crude palm oil and rubber. However, the mining sector recorded a contraction of 1.0% (2Q 10: 1.1%), as the lower production of crude oil offset the higher production of natural gas.

Amid the moderation in global recovery, the pace of growth of the Malaysian economy will be influenced by the expected continued slowdown in external demand. Overall growth will continue to be supported by robust domestic economic activity. Private consumption will benefit from the favourable employment situation, firm commodity prices and the accommodative financing environment. Capital spending in domestic-oriented sectors and the economic transformation programmes by the Government will underpin the continued growth of private investment.

(Source: Bank Negara Malaysia, Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2010)

7.2 Overview of the Malaysian property sector

In tandem with the promising 9.5% growth of the Malaysian economy, the property market recorded an improved performance in the first half of 2010. A total of 184,666 transactions worth RM50.56 billion were registered. The volume and value of transactions recorded double-digit growths of 19.0% and 48.0% respectively from first half of 2009. Likewise, the volume and value of transactions increased from second half of 2009 but at a moderate rate of 1.1% and 7.9% respectively.

The performance across the country remained promising with few exceptions. Most states saw higher volume of transactions with 10 recorded double-digit growth when compared to the corresponding half-year. Notwithstanding W.P. Putrajaya, where the volume of transactions grew by more than double, Johor witnessed the highest increase at 49.0%. W.P. Kuala Lumpur, Perak and Negeri Sembilan followed suit with commendable increases of 35.5%, 28.9% and 26.4% respectively.

(Source: Press release for Malaysian property market first half 2010, Valuation & Property Services Department, Ministry of Finance)

The business environment for the property industry appears to be strengthening with gradual improvement of our economy and the various incentives provided by the Malaysian government. With the size and scale achieved via the synergistic combination of the property businesses of our Group and the Sunrise Group, our enlarged Group is anticipated to command a broader range of development projects to capitalise on the upward trend of the property industry.

Our enlarged Group, with the combined industry experience, is expected to benefit from a wider location coverage, a more diversified and/or competitive range of properties as well as complementary strengths in property development and provision of property-related services.

7.3 Future prospects of and plans for the Sunrise Group

Subject lo prevailing market conditions and based on public disclosures by Sunrise, the near term financial pertormance of Sunrise is expected to remain robust with projects having an estimated gross development value ot approximately RM3.2 billion planned for launch in the FYE 30 June 2011, supported by unbilled sales of approximalely RM861 million as at 30 June 2010.

Based on Sunrise's Annual Report for the FYE 30 June 2010, the existing land bank/property portfolio of the Sunrise Group, which may be available for development/sale and/or retained as investment property, is set oul as follows:

(i) Undeveloped land bank

Location	Approximate land area
	Acre
Mukim Batu[(a)], Kuala Lumpur	72.3
Bandar of Kuala Lumpur[(b)]	3.3
Cheras, Selangor	2.4
Kajang, Selangor	65.0
Mersing, Johor	431.1
Vancouver, Canada	4.8
Total	**578.9**

Notes:

(a) *Including land bank near and in Mont'Kiara and Solaris Dutamas areas.*

(b) *Comprising the proposed office development also known as Menara Solaris, and redevelopment of Wisma Angkasa Raya, both located in the Kuala Lumpur city centre area.*

(ii) Investment properties

Name	Location	Existing use	Built-up/net lettable area
			Sq Ft
Plaza Mont'Kiara	Mukim Batu, Kuala Lumpur	Office	31,980
Solaris Mont'Kiara	Mukim Batu, Kuala Lumpur	Retail	18,146
Solaris Mont'Kiara	Mukim Batu, Kuala Lumpur	Carpark	681,375
Show gallery	Mukim Batu, Kuala Lumpur	Show gallery	36,877
Clubhouse	Cheras, Selangor	Clubhouse	28,358

Apart trom the prospects ot the Sunrise Group, our Board is of the view thal lhe prospects and potential of our enlarged Group for the next 12 months would also be enhanced given the complementary and synergistic fit of both our Group and lhe Sunrise Group. Please refer to Section 5 above for further details on expected benetits arising from the addition ot the Sunrise Group to our Group.

To realise such benefits, we currently intend to undertake, amongst others, the following for the next 12 months:

(i) to identify key personnel ot the Sunrise Group to till any gap in the skills, expertise and capabilities within our Group and also vice versa (if so required) such lhat our enlarged Group would be able to benetit and leverage on the unique skills, expertise and capabilities ot the existing management and staff ot both groups; and

(ii) to implement, in the near to medium term, other forms of operational integration which include, amongst others, the cross-sharing of best practices, policies and procedures, realisation of cost savings from increased size and purchasing power as well as leveraging on the respective customer bases of our Group and the Sunrise Group. Subject to further review of the operations of the Sunrise Group, we may undertake to streamline specific functions within our enlarged Group to optimise resource utilisation and realise benefits from the integration of operations between both groups.

It is our intention to leverage on the complementary strengths of our Group and the Sunrise Group to capture synergistic benefits arising from the business integration, which may be derived without significant execution risks. As an example, it is envisaged that the skills, expertise and capabilities of the Sunrise Group in project management and development of high-rise residential and commercial buildings can be effectively utilised to add value to our Group's similar ongoing projects in Nusajaya such as Puteri Harbour.

In relation to the above, we would seek to formalise an integration committee, comprising members of management of both our Group and the Sunrise Group which would be tasked to realise the potential synergies arising from the integration of operations of both groups.

The costs relating to our plans above cannot be determined at this juncture. In any event, such costs are not expected to be material compared to the earnings of our enlarged Group.

8. EFFECTS OF THE PROPOSALS

The Proposed IASC will not have any effects on our issued and paid-up share capital, earnings, net assets, gearing and/or our substantial shareholders' shareholding in our Company.

Where applicable, the proforma effects of the Offer on our Group in this Section 8 are being illustrated based on Sunrise's entire ordinary share capital (including treasury shares) and the following scenarios and assumptions ("**Assumptions**"):

Scenario 1	*Scenario 2*	
	(a)	*(b)*
All Holders accept the Offer and opt for Share Alternative	*All Holders accept the Offer and opt for RCPS Alternative*	*All the Consideration RCPS are subsequently converted into Conversion Shares via the Cash Conversion Method*

8.1 Issued and paid-up share capital

The Offer will not involve any issuance of MCRPS and will not result in the revision of/have any effect on any of the terms of the MCRPS and MCRPS holders' holdings thereof.

Based on the Assumptions, the proforma effects of the Offer on the issued and paid-up share capital of our Company as at the LPD, are as follows:

Scenario 1

	No. of ULHB Shares	RM
	million	million
Existing issued and paid-up share capital as at the LPD (excluding MCRPS)	3,642.3	1,821.1
To be issued pursuant to the Offer	660.5	330.3
Enlarged issued and paid-up share capital (excluding MCRPS)	**4,302.8**	**2,151.4**

Scenario 2

	ULHB Shares		RCPS	
	No. of ULHB Shares	RM	No. of RCPS	RM
	million	million	million	million
Existing issued and paid-up share capital as at the LPD (excluding MCRPS)	3,642.3	1,821.1	-	-
To be issued pursuant to the Offer	-	-	1,387.1	13.9
Upon completion of the Offer	3,642.3	1,821.1	1,387.1	13.9
Upon conversion of the RCPS	1,387.1	693.5	(1,387.1)	(13.9)
Enlarged issued and paid-up share capital (excluding MCRPS)	**5,029.4**	**2,514.7**	-	-

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8.2 Substantial shareholders' shareholdings

Based on the Assumptions, the proforma effects of the Offer on our substantial shareholders' shareholdings in our Company as at the LPD are as follows:

					After the Offer							
	As at the LPD				Scenario 1				Scenario 2(b)[a]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of ULHB Shares held		No. of ULHB Shares held		No. of ULHB Shares held		No. of ULHB Shares held		No. of ULHB Shares held		No. of ULHB Shares held	
Name	million	%	million	%	million	%	million	%	million	%	million	%
UEMG	2,809.6	77.1	-	-	2,809.6	65.3	-	-	2,809.6	55.9	-	-
Khazanah	-	-	2,809.6[b]	77.1	-	-	2,809.6[b]	65.3	-	-	2,809.6[b]	55.9

Notes:

[a] *Scenario 2(a) would not have any effect on our substantial shareholders' shareholding in our Company as there are no issuance of ULHB Shares.*

[b] *Deemed interested by virtue of being the holding company of UEMG.*

8.3 NA per share and Gearing

Based on the Assumptions and our Company's latest audited consolidated balance sheet as at 31 December 2009 (after adjustment for the Rights Issue), the proforma effects of the Offer on our consolidated NA per share and gearing are set out below:

	Audited as at 31 December 2009	Adjusted for the Rights Issue[a]	After the Offer[b],[c]		
			Scenario 1	Scenario 2(a)	Scenario 2(b)
	RM mil	RM mil	RM mil	RM mil	RM mil
Share capital					
- ULHB Shares	1,214.1	1,821.1	2,151.4	1,821.1	2,514.7
- MCRPS	1.5	1.5	1.5	1.5	1.5
	1,215.6	1,822.7	2,152.9	1,822.7	2,516.2
Share premium	153.4	517.6	1,574.4[c]	517.6	3,014.4
Equity component of RCPS	-	-	-	156.6	-
Reserves	87.6	87.6	87.6	87.6	87.6
Retained earnings	69.3	69.3	69.3	69.3	69.3
Shareholders' funds/NA	1,525.9	2,497.2	3,884.3	2,653.8	5,687.5
Number of ULHB Shares in issue (million)	2,428.2	3,642.3	4,302.8	3,642.3	5,029.4
Consolidated NA per ULHB Share (RM)	0.63	0.69	0.90	0.73	1.13
Total borrowings[d]	1,013.6	380.6[e]	901.3[f]	2,079.5[f]	901.3[f]
Gearing[g] (times)	0.66	0.15	0.23	0.78	0.16

Notes:

[a] *After adjusting for the issuance of 1,214,088,456 ULHB Shares at an issue price of RM0.80 each under the Rights Issue.*

[b] *Upon completion of the Offer, we will undertake an exercise to allocate the acquisition consideration under the Offer to the assets and liabilities of the Sunrise Group in accordance with their fair values. The proforma effects illustrated above have not taken into consideration any fair value adjustments in respect of the assets and liabilities of the Sunrise Group to be acquired.*

[c] *The proforma effects illustrated above have not taken into consideration any expenses in relation to the Offer, which may be fully or partially deducted against the share premium account arising from the issuance of the Consideration Shares, if any. The estimated expenses in relation to the Offer is approximately RM20.0 million.*

[d] *Including all interest-bearing shareholder's advances.*

[e] *After adjusting for repayment of borrowings as part of the Rights Issue of RM633.0 million.*

[f] *Inclusive of the Sunrise Group's debt amounting to RM520.6 million as at 30 June 2010 and in the case of Scenario 2(a), including the net present value of the liability component of the entire Consideration RCPS of RM1,178.2 million.*

[g] *Computed based on total borrowings divided by the shareholders' funds.*

8.4 Earnings and EPS

The Offer is not expected to have any material effect on the consolidated earnings and EPS of our Company for the FYE 31 December 2010 as it is only expected to be completed within the first quarter of the FYE 31 December 2011.

Going forward, the Offer is expected to contribute positively to the future earnings of our Group, as we would be able to consolidate the financial results of the Sunrise Group (in view of the 50% Acceptance Condition). The effects of the Offer on our Company's consolidated earnings and EPS would also depend on the actual level of acceptance under the Offer, manner of settlement (i.e. Share Alternative or RCPS Alternative) and where applicable, manner of conversion of Consideration RCPS (i.e. Cash Conversion Method or Non-Cash Conversion Method) to be elected by the Holders or RCPS holders (as the case may be), all of which would have an impact on the enlarged number of ULHB Shares in issue.

Purely for illustration purposes, based on the Assumptions and Sunrise's audited consolidated PATAMI for the FYE 30 June 2010 of RM134.0 million, the proforma effects of the Offer on our Group's earnings and EPS are as follows:

		After the Offer		
	Before the Offer	Scenario 1	Scenario 2(a)	Scenario 2(b)
Increase in PATAMI[a] (RM million)	n/a	134.0	33.8[b]	134.0[c]
Actual/proforma PATAMI (RM million)	114.6[d]	248.6	148.4	248.6
Actual/proforma number of ULHB Shares in issue (million)	3,642.3[e]	4,302.8	3,642.3	5,029.4
Computed EPS[f] (sen)	3.15	5.78	4.07	4.94
Effective increase in computed EPS (sen)	n/a	2.63	0.92	1.79

Notes:

(a) *The proforma effects illustrated above are based on our audited consolidated PATAMI for the FYE 31 December 2009 and Sunrise's audited consolidated PATAMI for the FYE 30 June 2010, without any adjustments made with respect to the differing financial periods.*

Upon completion of the Offer, we will undertake an exercise to allocate the acquisition consideration under the Offer to the assets and liabilities of the Sunrise Group in accordance with their fair values. The proforma effects illustrated above have not taken into consideration any fair value adjustments in respect of the assets and liabilities of the Sunrise Group to be acquired and any depreciation/impairment charges that may arise thereof.

Further, the proforma effects illustrated above have not taken into consideration any expenses in relation to the Offer, which may be fully or partially deducted against the share premium account arising from the issuance of the Consideration Shares, if any. The estimated expenses in relation to the Offer is approximately RM20.0 million.

(b) *In line with prevailing accounting standards, the increase in PATAMI for Scenario 2(a) takes into consideration a notional finance cost to be incurred on the Consideration RCPS for a full financial year (although no dividends will be paid thereon) based on an illustrative borrowing cost of 8.5% per annum.*

(c) *Conservatively, the increase in PATAMI for Scenario 2(b) has not taken into consideration of any incremental earnings that may be derived from the utilisation of proceeds raised from the conversion of the Consideration RCPS via the Cash Conversion Method of approximately RM1.8 billion.*

(d) *Based on our audited consolidated PATAMI for the FYE 31 December 2009.*

(e) *Based on the existing number of ULHB Shares in issue.*

(f) *Computed by dividing our actual/proforma PATAMI by the actual/proforma number of ULHB Shares in issue.*

In addition to the above, the effects of the Offer on our Company's consolidated earnings and EPS will depend on, amongst others, the successful integration of the operations of the Sunrise Group into our Group, future performance of our enlarged Group as well as the realisation of any synergies arising from the Offer.

9. APPROVALS REQUIRED

The Offer is subject to approvals being obtained from the following:

(i) the Securities Commission Malaysia under the Equity Requirements of a public company;

(ii) Bank Negara Malaysia for the issuance of the Consideration RCPS to accepting non-resident Holders;

(iii) Bursa Securities for the listing of and quotation for the Consideration Shares and Conversion Shares on the Main Market of Bursa Securities which was obtained on 29 November 2010;

(iv) our shareholders at our forthcoming EGM to be convened for the Proposals (including for the issuance of the new Consideration Shares, Consideration RCPS and Conversion Shares); and

(v) consent or approval of any other relevant authorities or parties, if required.

The Offer is conditional upon the Proposed IASC, while the Proposed IASC is conditional upon our shareholders' approval for the Offer. The Proposals are not conditional upon any of our other corporate exercises.

In relation to item (iv) above, UEMG, which holds 77.14% equity interest in our Company, had via its letter dated 3 November 2010, provided an irrevocable undertaking to vote in favour of the Proposals (including for the issuance of the new Consideration Shares, Consideration RCPS and Conversion Shares) at our forthcoming EGM.

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10. HISTORICAL SHARE PRICE

The monthly high and low prices of ULHB Shares traded on the Main Market of Bursa Securities from November 2009 up to October 2010 are as follows:

	High[a]	Low[a]
	RM	RM
2009		
November	1.46	1.21
December	1.28	1.15
2010		
January	1.34	1.20
February	1.27	1.15
March	1.43	1.14
April	1.57	1.39
May	1.41	1.21
June	1.60	1.35
July	1.82	1.44
August	1.74	1.57
September	2.37	1.67
October	2.47	2.18

Last traded market price on Bursa Securities on 2 November 2010, being the last full trading day of ULHB Shares before the date of the Notice	RM2.26
Last traded market price on Bursa Securities on the LPD	RM2.30

(Source: Bloomberg (Malaysia) Sdn Bhd)

Note:

[a] *The historical market price of ULHB Shares has been retrospectively adjusted for the Rights Issue which was completed on 29 April 2010.*

11. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of the Directors and major shareholders of our Company and/or persons connected to them have any interest, direct and/or indirect, in the Proposals.

12. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the Offer is expected to be completed within the first quarter of 2011.

The Proposed IASC will be effective upon receipt of our shareholders' approval for the Proposed IASC.

13. DIRECTORS' RECOMMENDATION

Our Directors, after having considered all aspects of the Proposals, are of the opinion that the Proposals are in the best interest of our Company and recommend that you vote in favour of the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

14. EGM

Our EGM will be held on Wednesday, 22 December 2010 at 10.00 a.m., or at any adjournment thereof, at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan for the purpose of considering and if thought fit, passing with or without modifications, the resolutions on the Proposals. The Notice of EGM and Proxy Form are enclosed in this Circular.

If you are unable to attend and vote in person at our EGM, you are requested to complete 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 PJU1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for convening the EGM. You may attend and vote in person at the EGM, if you wish to do so, even if you have completed and returned the Proxy Form so long as you have revoked the appointment of your proxy prior to the EGM.

15. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board of Directors of
UEM LAND HOLDINGS BERHAD

Dato' Wan Abdullah Wan Ibrahim
Managing Director/Chief Executive Officer

TERMS OF THE RCPS

Form and Denomination	:	The RCPS shall be issued in registered form and constituted by the Memorandum and Articles of Association of ULHB.
Issue Price	:	RM1.00 per RCPS.
Nominal Value	:	RM0.01 per RCPS.
Tenure	:	24 months from and including the issue date of the first tranche of Consideration RCPS under the Offer ("**Issue Date**").
Maturity Date	:	The RCPS shall mature on the market day immediately before the 2nd anniversary of the Issue Date.
Dividend	:	Nil.
Redemption Price and Redemption Period	:	The RCPS can be redeemed at the option of the RCPS holders at RM1.00 each on the Maturity Date, by serving at least 1 month notice to ULHB prior to the Maturity Date. Any outstanding RCPS which are not redeemed shall be mandatorily converted into new Conversion Shares on the Maturity Date based on the Non-Cash Conversion Method (as defined below).
Conversion Rights	:	The RCPS can be converted, at the option of the RCPS holders, into new Conversion Shares at any point in time after the Issue Date but before the Maturity Date with the following modes of conversion: (i) by tendering 1 RCPS with cash subscription of RM1.30 per RCPS for 1 new Conversion Share ("**Cash Conversion Method**"); or (ii) by tendering such amount of RCPS that are equal to the Conversion Price for 1 new Conversion Share ("**Non-Cash Conversion Method**") computed as follows: $\text{No. of new Conversion Shares} = \dfrac{\text{Issue Price x no. of RCPS}}{\text{Conversion Price}}$
Conversion Price	:	The conversion price of the RCPS is RM2.30 each.
Fractional Entitlements to Conversion Shares	:	Fractional entitlements to the Conversion Shares pursuant to the conversion of RCPS under the Non-Cash Conversion Method will be dealt with in such manner as ULHB's Board shall in their absolute discretion deem expedient and/or to be in the best interests of ULHB.

Adjustment to Conversion Price and Right of Conversion	:	In accordance with the provisions of the Memorandum and Articles of Association of ULHB, the Conversion Price and/or number of Conversion Shares will be adjusted, at the determination of ULHB, in all or any of the following cases: (i) an alteration of the par value of ordinary shares in ULHB by reason of consolidation or subdivision; (ii) a bonus issue of fully or partly paid-up ordinary shares by ULHB; (iii) a capital distribution or repayment to ordinary shareholders made by ULHB whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is lost or unrepresented by assets; (iv) a rights issue of ordinary shares or warrants by ULHB; (v) capitalisation of the reserves of ULHB; or (vi) any other circumstances that are deemed necessary, including any payment of special dividends by ULHB. Under no circumstances will any adjustment result in the Conversion Price falling below the par value of ordinary shares in ULHB for the time being. No adjustment to the Conversion Price and/or number of Conversion Shares shall be made unless it has been certified by a merchant bank, universal broker or an auditor.
Listing	:	The RCPS will not be listed on any stock exchange.
Ranking of the RCPS	:	The RCPS shall rank *pari passu* amongst themselves. Other than pursuant to redemption of the RCPS in accordance with these terms, on a winding-up or upon a reduction of capital or other return of capital: (i) the RCPS shall confer on the holders thereof the right to receive, in priority to the holders of any other class of shares (except for the MCRPS) in ULHB, cash repayment at the Issue Price of that RCPS; and (ii) the RCPS shall not confer on the holders thereof the right to participate in any surplus capital or surplus profits.
Voting Rights of the RCPS	:	The RCPS shall carry no right to vote at any general meeting of ULHB except with regard to: (i) any proposal to wind-up ULHB; (ii) during the winding-up of ULHB; (iii) any proposal that affects the rights of the RCPS holders; (iv) any proposal to reduce ULHB's ordinary share capital; or (v) any proposal for the disposal of the whole of ULHB's property, business and undertaking.

Ranking of the Conversion Shares	:	The Conversion Shares shall, upon issue and allotment, rank *pari passu* in all respects with the then existing ULHB Shares, save and except that the holders of such Conversion Shares shall not be entitled to any dividend, right, allotment and/or distribution, the entitlement date of which is prior to the date of allotment of such Conversion Shares.
Listing Status of the Conversion Shares	:	The Conversion Shares will be listed on the Main Market of Bursa Securities.
Governing Law	:	Laws of Malaysia.

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PROPOSED AMENDMENTS TO OUR COMPANY'S MEMORANDUM AND ARTICLES OF ASSOCIATION

Memorandum of Association

Original clause of our Memorandum of Association	Proposed clause of our Memorandum of Association
Clause 6 The authorised capital of the Company is RM2,502,000,000/-(Ringgit Malaysia: Two Billion Five Hundred and Two Million Only) divided into 5,000,000,000 ordinary shares of RM0.50 each and 200,000,000 mandatory redeemable convertible preference shares of RM0.01 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting rights or otherwise.	**Clause 6** The authorised capital of the Company is ~~RM2,502,000,000/-(Ringgit Malaysia: Two Billion Five Hundred and Two Million Only)~~ **RM3,517,000,000 (Ringgit Malaysia: Three Billion Five Hundred and Seventeen Million only)** divided into ~~5,000,000,000~~ **7,000,000,000** ordinary shares of RM0.50 each, ~~and~~ 200,000,000 mandatory redeemable convertible preference shares of RM0.01 each **and 1,500,000,000 redeemable convertible preference shares of RM0.01 each**. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting rights or otherwise.

Articles of Association

The following new definitions are to be inserted alphabetically into Article 2 of our Articles of Association

"RCPS"	Redeemable convertible preference shares of RM0.01 each in the Company.
"Offer"	Conditional take-over offer by the Company to acquire the ordinary shares of RM1.00 each in Sunrise Berhad (excluding treasury shares) not already owned by the Company ("Offer Shares") from the holders of the Offer Shares in accordance with the terms and conditions of the offer document dated 25 November 2010.
"Consideration RCPS"	New RCPS to be issued at an issue price of RM1.00 each pursuant to the Offer.
"Conversion Shares"	New ordinary shares of RM0.50 each in the Company to be issued upon conversion of the Consideration RCPS.

Original article of our Articles of Association	Proposed article of our Articles of Association
Clause 3 The authorised capital of the Company is RM2,502,000,000/-(Ringgit Malaysia: Two Billion Five Hundred and Two Million Only) divided into 5,000,000,000 ordinary shares of RM0.50 each and 200,000,000 mandatory redeemable convertible preference shares of RM0.01 each. The Company shall have power to issue shares with special rights.	**Clause 3** The authorised capital of the Company is ~~RM2,502,000,000/-(Ringgit Malaysia: Two Billion Five Hundred and Two Million Only)~~ **RM3,517,000,000 (Ringgit Malaysia: Three Billion Five Hundred and Seventeen Million only)** divided into ~~5,000,000,000~~ **7,000,000,000** ordinary shares of RM0.50 each, ~~and~~ 200,000,000 mandatory redeemable convertible preference shares of RM0.01 each **and 1,500,000,000 RCPS**. The Company shall have power to issue shares with special rights.
N/A	**Proposed new Clause 16B** To include the terms of the RCPS as set out in Appendix I of this Circular with the exception to replace the word "ULHB" with "the Company" whenever it appears.
Clause 17 17. Subject to the provisions of the Act, the Central Depositories Act, the Rules of the Depository and the Listing Requirements: - (a) Where any new shares are issued by the Company (whether by way of bonus issue, rights issue, conversion of debt securities, exercise of any rights or options or otherwise), the Company shall notify the Depository of the name of the allottees or entitled persons and all such other information as may be required by the Depository (whether under the Rules of the Depository, by virtue of the Central Depositories Act or otherwise) to enable the Depository to make the appropriate entries in the securities accounts of the relevant allottees or entitled persons and the Company shall deliver the appropriate share certificates or jumbo certificates registered in the name of the Depository or its nominee company in respect of such shares, to the Depository;	**Clause 17** 17. **(1)** Subject to the provisions of the Act, the Central Depositories Act, the Rules of the Depository and the Listing Requirements: - (a) Where any new shares **(except for the shares which will not be listed in the Exchange)** are issued by the Company (whether by way of bonus issue, rights issue, conversion of debt securities, exercise of any rights or options or otherwise), the Company shall notify the Depository of the name of the allottees or entitled persons and all such other information as may be required by the Depository (whether under the Rules of the Depository, by virtue of the Central Depositories Act or otherwise) to enable the Depository to make the appropriate entries in the securities accounts of the relevant allottees or entitled persons and the Company shall deliver the appropriate share certificates or jumbo certificates registered in the name of the Depository or its nominee company in respect of such shares, to the Depository;

Original article of our Articles of Association	Proposed article of our Articles of Association
(b) The Company shall make application for quotation of such shares and allot all such shares and despatch notices of allotment to the allottees or entitled person in the manner, within the time period prescribed and in accordance with the provisions of the Rules of the Depository, the Central Depositories Act, and the Listing Requirements; and (c) No share certificates will be issued to all such allottees or entitled persons. PROVIDED ALWAYS that every such certificate to be issued in the name of the Depository or its nominee company shall be issued under the Seal in such form as the Directors shall from time to time prescribe and shall bear signatures or facsimile signatures of a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors, and shall specify the number and class of shares or securities to which it relates and the amounts paid thereon.	(b) The Company shall make application for quotation of such shares and allot all such shares and despatch notices of allotment to the allottees or entitled person in the manner, within the time period prescribed and in accordance with the provisions of the Rules of the Depository, the Central Depositories Act, and the Listing Requirements; and (c) No share certificates will be issued to all such allottees or entitled persons **save and except for the shares other than the Deposited Security**. PROVIDED ALWAYS that every such certificate to be issued in the name of the Depository or its nominee company **in respect of the Deposited Security** shall be issued under the Seal in such form as the Directors shall from time to time prescribe and shall bear signatures or facsimile signatures of a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors, and shall specify the number and class of shares or securities to which it relates and the amounts paid thereon. **(2) (a) The certificates for any shares other than the Deposited Security shall be Issued under the Seal with such signatures affixed by means of some method or system of mechanical signature.**

Original article of our Articles of Association	Proposed article of our Articles of Association
	(b) Subject to the provisions of the Act, any member shall be entitled to receive a share certificate for the shares other than the Deposited Security for his holding, and that share certificates shall be despatched within ten (10) market days after allotment or fifteen (15) market days after lodgement of transfer, specifying such shares, allotted or transferred to a person and the amount paid up thereon, provided that (in respect of securities that are not prescribed securities) the Company shall not be bound to issue more than one (1) such certificate. If such member shall require more than one (1) such certificate, he shall pay such fee as the Directors may from time to time determine and which the Company may be permitted to charge by law plus any stamp duty levied by the Government of Malaysia from time to time.
Clause 18 18. If any share certificate or jumbo certificate issued pursuant to these Articles shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the Depository or its nominee company.	**Clause 18** 18. **(1)** If any share certificate or jumbo certificate issued pursuant to these Articles **in respect of the Deposited Security** shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the Depository or its nominee company.

Original article of our Articles of Association	Proposed article of our Articles of Association
	(2) Subject to the provisions of the Act, if any share certificate for the shares other than the Deposited Security shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser or on behalf of its/their client(s) as the Directors of the Company shall require and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding Ringgit Malaysia ten (RM10.00) or such sum as the Directors may from time to time require. In the case of destruction, loss or theft a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction, loss or theft. **(3) Share certificates in respect of any preference share which have been converted into ordinary share of the Company shall be deemed to have been cancelled upon conversion of such preference share into ordinary share.**
Clause 30 30. The transfer of shares of the Company being Deposited Security shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Security.	**Clause 30** 30. **(1)** The transfer of shares of the Company being Deposited Security shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Security.

Original article of our Articles of Association	Proposed article of our Articles of Association
	(2) (a) Subject to the restrictions of these Articles, all shares other than Deposited Security shall be transferable but every transfer shall be in writing in the usual common form pursuant to the Act or in such other forms as the Directors shall from time to time approve, and shall be submitted to the registered office of the Company or its agent accompanied by the certificate of the unlisted shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer. (b) The instrument of transfer of any such shares shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members in respect thereof. (c) The Directors may, in their discretion, and without assigning any reason thereof, refuse to register a transfer of such share in the Company to any person of whom they do not approve, and they may also refuse to register a transfer of any unlisted share in the Company on which the Company has lien. If the Directors refuse to register a transfer, they shall within one month after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal in accordance with Section 105 of the Act. (d) The Company or its agent shall be entitled to charge a fee not exceeding Ringgit Malaysia ten (RM10.00) on the registration of every transfer in respect of the shares other than the Deposited Securities. (e) The transfer books and register of the shares other than the Deposited Securities may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.

INFORMATION ON SUNRISE

The information in this Appendix III has been obtained from publicly available sources and/or the management of Sunrise. The responsibility of our Company and our Board is limited to ensuring that such information has been accurately reproduced in this Circular.

1. HISTORY AND BUSINESS

Sunrise was incorporated in Malaysia under the Act as Sunrise Sdn Bhd on 5 March 1968 and was converted to a public company on 31 December 1993 and assumed its current name. Sunrise was listed on the Main Board of Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 6 February 1996.

The principal activities of Sunrise are property development and investment holding while the principal activities of its subsidiaries are property investment, development and construction, investment holding, property management as well as provision of property related and ancillary services.

The Sunrise Group operates through three main business lines - property development, property investment and property management.

The Sunrise Group first started its operations as a property development company focusing on modest scale of development of terrace houses, shop houses and small factory units in North Klang and Jalan Batu Tiga Lama North Klang. Over the years, the Sunrise Group has successfully expanded its geographical presence and products to include various high-rise residential and commercial developments as well as property investment and maintenance activities in areas such as Mont'Kiara, Kuala Lumpur.

Amongst some of the notable high-rise residential and commercial developments that the Sunrise Group had successfully launched and completed are 10 Mont'Kiara, The Residence and Solaris Mont'Kiara.

The focus of the Sunrise Group's developments had been in the Mont'Kiara vicinity historically. Moving forward, the Sunrise Group had expressed its intentions to extend its geographical presence and developments to other products and areas. To this end, Sunrise had successfully launched its maiden project in Richmond, Vancouver, Canada, namely Quintet Phase 1, in October 2010. Further, Sunrise had in January 2010, entered into a joint-venture with Sime Darby Property Berhad to undertake a new mixed development in Bukit Jelutong, Shah Alam.

In addition to the above, other ongoing developments of the Sunrise Group comprise of 28 Mont'Kiara, 11 Mont'Kiara and Solaris Dutamas, whilst notable examples of future planned developments include MK 20 (mixed development in Mukim Batu consisting of mostly condominiums, serviced apartments and some retail units), MK 22 (residential development in Mukim Batu) and the redevelopment of Wisma Angkasa Raya (in the Kuala Lumpur city centre area). Please note that the names and descriptions of the future developments may still be subject to changes.

2. SHARE CAPITAL

The authorised and issued and paid-up share capital of Sunrise as at the LPD are as follows:

	No. of securities	Par value	Total
		RM	RM
Authorised			
Sunrise Shares	1,000,000,000	1.00	1,000,000,000
Issued and fully paid-up			
Sunrise Shares	495,390,467	1.00	495,390,467

As at the LPD, Sunrise holds 19,027 treasury shares.

3. DIRECTORS AND THEIR SHAREHOLDINGS

As at the LPD, the Directors of Sunrise and their respective shareholdings in Sunrise are as follows:

		Direct		Indirect	
Name/(Designation)	Nationality	No. of Sunrise Shares	%[a]	No. of Sunrise Shares	%[a]
Datuk Tong Kooi Ong/ *(Executive Chairman)*	Malaysian	1,084,928	0.22	120,908,144[b]	24.41
Dato' Lim Kim Huat/ *(Executive Deputy Chairman)*	Malaysian	35,852,299	7.24	-	-
Lum Tuck Ming/ *(Executive Director and Chief Operating Officer)*	Malaysian	-	-	994,448[c]	0.20
Ong Kuee Hwa/ *(Independent Non-Executive Director)*	Malaysian	20,000	[d]	-	-
Tee Keng Hoon/ *(Independent Non-Executive Director)*	Malaysian	52,000	0.01	-	-
Michael Ting Sii Ching/ *(Independent Non-Executive Director)*	Malaysian	-	-	-	-

Notes:

[a] *Based on issued and paid-up share capital (excluding treasury shares) of Sunrise of 495,371,440 Sunrise Shares as at the LPD.*

[b] *Deemed to have an interest in all of the Sunrise Shares held by Casa Unggul Sdn Bhd, by virtue of Section 6A of the Act.*

[c] *Deemed interest pursuant to Section 134(12)(c) of the Act.*

[d] *Negligible.*

4. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of Sunrise and their respective shareholdings in Sunrise as at the LPD are as follows:

Substantial Shareholders	Place of incorporation/ nationality	Direct No. of Sunrise Shares	Direct %[a]	Indirect No. of Sunrise Shares	Indirect %[a]
Casa Unggul Sdn Bhd	Malaysia	120,908,144	24.41	-	-
Datuk Tong Kooi Ong	Malaysian	1,084,928	0.22	120,908,144[b]	24.41
Phoenixflex Sdn Bhd	Malaysia	41,913,873	8.46	-	-
Tan Sri Dato' Tan Chee Sing	Malaysian	52,000	0.01	41,913,873[c]	8.46
Dato' Lim Kim Huat	Malaysian	35,852,299	7.24	-	-

Notes:

[a] *Based on issued and paid-up share capital (excluding treasury shares) of Sunrise of 495,371,440 Sunrise Shares as at the LPD.*

[b] *Deemed to have an interest in all of the Sunrise Shares held by Casa Unggul Sdn Bhd, by virtue of Section 6A of the Act.*

[c] *Deemed to have an interest in all of the Sunrise Shares held by Phoenixflex Sdn Bhd, by virtue of Section 6A of the Act.*

5. SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

The details of the subsidiaries, associates and jointly controlled entities of Sunrise as at 30 June 2010 are as follows:

Company	Date/place of incorporation	Issued and paid-up capital	Effective equity interest	Principal activities
		RM *(unless otherwise stated)*	%	
Subsidiaries held by Sunrise				
Ascol Assets Sdn Bhd	01.04.2004/ Malaysia	250,000	100	Property development
Aston Star Sdn Bhd	19.07.1993/ Malaysia	1,000,000	100	Property investment, development and construction
Aurora Tower at KLCC Sdn Bhd	29.03.2006/ Malaysia	1,000,000	100	Property development
Cekap Kawal Sdn Bhd	27.10.1982/ Malaysia	2	100	Provision of security services
Crescent Phase I Ltd	13.04.1999/ British Virgin Islands	USD1,000	100	Investment holding
Crescent Phase II Ltd	14.09.1999/ British Virgin Islands	USD1	100	Investment holding
Global Associates International Ltd ("**GAIL**")	12.09.2000/ British Virgin Islands	USD1	100	Investment holding
Interior Design One Sdn Bhd	20.04.1982/ Malaysia	100,000	100	General contracting, interior designing and consultancy

Company	Date/place of incorporation	Issued and paid-up capital	Effective equity interest	Principal activities
		RM *(unless otherwise stated)*	%	
Laser Tower Sdn Bhd	01.04.2004/ Malaysia	2	100	Property development
Lembah Suria Sdn Bhd	20.07.1991/ Malaysia	2	100	Property development
Lucky Bright Star Sdn Bhd	21.03.1994/ Malaysia	1,000,000	100	Property investment and development
Milik Harta Sdn Bhd	28.11.1997/ Malaysia	250,000	100	Property development
New Planet Trading Sdn Bhd	21.3.1994/ Malaysia	1,000,000	100	Property investment and development
Prinsip Eramaju Sdn Bhd	06.03.2007/ Malaysia	2	100	Property development
Saga Centennial Sdn Bhd	21.09.2006/ Malaysia	2	100	Trading of steel
SCM Property Services Sdn Bhd	20.04.1982/ Malaysia	250,000	100	Property management
Solid Performance Sdn Bhd	19.11.1998/ Malaysia	2	100	Property development
Summer Lodge Sdn Bhd	10.04.2006/ Malaysia	250,000	100	Property development
Sunrise Alliance Sdn Bhd	21.06.1999/ Malaysia	1,000,000	100	Property development
Sunrise Benchmark Sdn Bhd	19.06.1999/ Malaysia	250,000	100	Property development
Sunrise Century Sdn Bhd	20.03.1999/ Malaysia	500,000	100	Property development
Sunrise dotCom Sdn Bhd	20.03.2000/ Malaysia	2	100	Dormant
Sunrise Hospitality and Leisure Sdn Bhd	12.06.1997/ Malaysia	2	100	Provision of property related and ancillary services
Sunrise Incubation Sdn Bhd	03.03.2000/ Malaysia	2	100	Dormant
Sunrise Innovations Sdn Bhd	17.12.1998/ Malaysia	250,000	100	Property development
Sunrise International Development Ltd ("SIDL")	03.08.2007/ Cayman Islands	USD1,103	100	Investment holding
Sunrise KHP Sdn Bhd	20.07.1991/ Malaysia	2,000,000	100	Property investment and development
Sunrise Landmark Sdn Bhd	19.03.1999/ Malaysia	2	100	Property development
Sunrise Mersing Sdn Bhd	13.02.1999/ Malaysia	2	100	Property development
Sunrise Millennium Sdn Bhd	11.01.1997/ Malaysia	200,000	100	Dormant
Sunrise Oscar Sdn Bhd ("SOSB")	05.11.1998/ Malaysia	50,000	100	Investment holding

Company	Date/place of incorporation	Issued and paid-up capital	Effective equity interest	Principal activities
		RM *(unless otherwise stated)*	%	
Sunrise Overseas Corporation Sdn Bhd	22.10.1996/ Malaysia	1,000,000	100	Investment holding and provision of management services
Sunrise Paradigm Sdn Bhd	28.06.1999/ Malaysia	250,000	100	Property development
Sunrise Pioneer Sdn Bhd	19.11.1998/ Malaysia	50,000	100	Property investment
Sunrise Project Services Sdn Bhd	04.08.2000/ Malaysia	1,000	100	Dormant
Sunrise Quality Sdn Bhd	17.12.1998/ Malaysia	250,000	100	Property development
Sunrise Region Sdn Bhd	05.11.1998/ Malaysia	250,000	100	Property development
Sunrise REIT Management Sdn Bhd	17.12.1998/ Malaysia	2	100	Dormant
Sunrise Sovereign Sdn Bhd	23.09.1996/ Malaysia	100,000	100	Investment holding
Sun Victory Sdn Bhd ("SVSB")	16.02.1990/ Malaysia	2,000,000	100	Property investment and development
Ibarat Duta Sdn Bhd	16.06.2005/ Malaysia	200,000	62	Property development
Subsidiary held by GAIL				
East Urban Properties Pty Ltd	01.10.2002/ Australia	AUD8,000,000	80	Under members' voluntary liquidation (solvent)
Subsidiary held by SVSB				
Sunrise Assets Sdn Bhd	18.12.1998/ Malaysia	2	100	Property investment
Subsidiary held by SOSB				
Sunrise DCS Sdn Bhd	19.03.1999/ Malaysia	500,000	100	Provision of cooling plant facility services
Subsidiary held by SIDL				
Sunrise Holdings S.àr.l. ("SHS")	28.08.2007/ Grand Duchy of Luxembourg	EUR12,500	100	Investment holding
Subsidiary held by SHS				
Phileo Development Corp ("PDC")	07.08.2007/ Canada	CAD101	100	Property investment and development
Subsidiary held by PDC				
Phileo Developments (Richmond) Ltd	27.07.2004/ Canada	CAD1	100	Property investment and development
Associate of Sunrise				
Perfect Portfolio Sdn Bhd	24.02.1997/ Malaysia	200,000	50	Investment holding

Company	Date/place of incorporation	Issued and paid-up capital	Effective equity interest	Principal activities
		RM *(unless otherwise stated)*	%	
Jointly controlled entities held by Sunrise				
Sunrise MCL Land Sdn Bhd	24.10.1996/ Malaysia	2,000,000	50	Property development
Sime Darby Sunrise Development Sdn Bhd *(formerly known as Baywood Avenue Sdn Bhd)*	10.12.2009/ Malaysia	100,000	50	Property development

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of Sunrise based on its audited consolidated financial statements for the past 3 financial years from FYE 30 June 2008 to FYE 30 June 2010 and its latest unaudited consolidated financial results for the 3-month financial period ended 30 September 2010 are as follows:

	FYE 30 June (Audited)			3-month period ended 30 Sep 2010 (Unaudited)
	2008	2009	2010	
	RM mil	RM mil	RM mil	RM mil
Revenue	685.8	803.9	590.7	171.3
Cost of sales	(464.7)	(552.2)	(341.3)	(102.3)
Gross profit	221.1	251.7	249.4	69.0
Other net operating expenses and share of associated companies and jointly controlled entities' result	(20.0)	(45.9)	(68.5)	(16.8)
PBT	201.1	205.8	180.9	52.2
Income tax expense	(41.2)	(49.4)	(47.9)	(15.5)
Net profit	159.9	156.4	133.0	36.7
PATAMI	160.0	156.2	134.0	36.7
Issued and paid up capital	450.2	495.4	495.4	495.4
NA/shareholders' funds	758.6	974.5	1,094.3	1,127.6
Basic EPS (sen)	35.70	31.90	27.04	7.41
Diluted EPS (sen)	35.57	31.90	27.04	7.41
NA per share (RM)	1.69	1.97	2.21	2.28
Total borrowings	462.1	493.5	520.6	554.0
Current ratio (times)	1.19	0.80	1.57	1.92
Gearing ratio (times)	0.61	0.51	0.48	0.49

(i) FYE 30 June 2010 ("**FYE 2010**")

For the FYE 2010, the Sunrise Group recorded revenue of RM590.7 million, a decrease of approximately 27% compared to RM803.9 million recorded in the FYE 2009. In the FYE 2009, Mont'Kiara Meridin was completed together with substantial revenue recognition for 10 Mont'Kiara and Solaris Dutamas. This has contributed to a lower revenue for the FYE 2010.

PBT decreased by RM24.9 million from RM205.8 million recorded in the FYE 2009 to RM180.9 million in the FYE 2010. The decrease in PBT was mainly attributable to the one-off gain of RM19.4 million recorded in the FYE 2009 (as detailed below). Excluding the said one-off gain, the decrease in PBT is only RM5.5 million.

(ii) FYE 30 June 2009 ("**FYE 2009**")

For the FYE 2009, the Sunrise Group recorded revenue of RM803.9 million, an approximately 17% increase compared to RM685.8 million recorded in the FYE 2008. Main contributors to the Sunrise Group's financial performance for the FYE 2009 were its ongoing commercial and residential developments, namely Solaris Dutamas, Mont'Kiara Meridin, 10 Mont'Kiara, 11 Mont'Kiara and The Residence.

The PBT increased by 2% from RM201.1 million to RM205.8 million. The lower increment (relative to the increase in revenue) was partly due to decrease in other income. In the previous financial year, the Sunrise Group made a gain ot RM46.6 million from the sale of properties at Plaza Mont'Kiara, compared with RM19.4 million tor the FYE 2009.

(iii) FYE 30 June 2008 ("**FYE 2008**")

The Sunrise Group recorded revenue of RM685.8 million and PBT of RM201.1 million for the FYE 2008. This represents a 23% increase in revenue and 28% increase in PBT as compared to the previous financial year. The Sunrise Group's commercial development such as Solaris Dutamas, residential developments such as Mont'Kiara Banyan, Mont'Kiara Meridin, 10 Mont'Kiara and 11 Mont'Kiara and the sale of commercial units and car park lots in Plaza Mont'Kiara to Quill Capita Trust have contributed favourably to the Sunrise Group's financial performance in the FYE 2008.

There is no audit qualification for the financial statements in any of the financial years under review.

7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

7.1 Material commitments

As at 30 September 2010, the commitments of the Sunrise Group are as follows:

(i) Capital commitments

	RM million
Authorised and contracted for in respect of:	
Commitment towards a joint venture for a development project[(a)]	1.0
Commitment towards balance payment for acquisition of land[(b)]	69.3
Total	**70.3**

Notes:

(a) *In relation to a joint venture entered between Prinsip Eramaju Sdn Bhd, a wholly-owned subsidiary of Sunrise and Joy Jewel Sdn Bhd, to develop a parcel of land held under GM 1498, Lot No. 2581, in the Mukim of Batu, Daerah Kuala Lumpur into a residential development or other developments to be determined.*

(b) In relation to the following:

(i) the funding commitment by Sunrise for the acquisition of lands held under GRN 74690 for Lot No. 78374, GRN 74697 for Lot No. 78377 and H.S.(D) 246714 for PT 34943, all in Mukim of Damansara, District of Petaling in relation to a joint venture entered into between Sunrise and Sime Darby Property Berhad to undertake a new mixed development in Bukit Jelutong, Shah Alam which amounts to RM51.3 million; and

*(ii) the balance payment to Puncak Metati Sdn Bhd ("**PMSB**") in respect of the sale and purchase agreement entered between Milik Harta Sdn Bhd, a wholly-owned subsidiary of Sunrise and PMSB for the proposed acquisition of the freehold land held under Lot 2356, Mukim Batu from PMSB which amounts to RM18.0 million.*

(ii) Lease commitments in respect of rental of premises

	Future minimum lease payment
	RM million
Within 1 year	7.0
Within 2-5 years	22.1
Total	**29.1**

7.2 Contingent liabilities

Save for guarantees given to government bodies and service providers amounting to RM5,538,000, the Sunrise Group does not have any contingent liability as at 30 September 2010. The Sunrise Group is required to make the full payment should the said guarantees becomes enforceable.

8. MATERIAL CONTRACTS

Save as disclosed below, the Sunrise Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

(i) Subscription and shareholders' agreement dated 26 January 2010 entered into by Sunrise, Sime Darby Property Berhad ("**Sime Darby Property**"), Baywood Avenue Sdn Bhd ("**Baywood**") for the creation of a joint-venture vehicle via Baywood (now known as Sime Darby Sunrise Development Sdn. Bhd.) ("**Joint Venture**") to undertake the acquisition and development of lands held under GRN 74690 for Lot No. 78374, GRN 74697 for Lot No. 78377 and H.S.(D) 246714 for PT 34943, all in Mukim of Damansara, District of Petaling measuring in area approximately 84,785 square metres. Under the Joint Venture, Sunrise and Sime Darby Property will each have a 50% equity interest in Baywood; and

(ii) Agreement dated 19 December 2008 entered into between Sunrise KHP Sdn Bhd ("**Sunrise KHP**"), a wholly-owned subsidiary of Sunrise and Malaysia Commercial Development Fund Pte. Ltd. ("**MCDF**") to mutually terminate the put and call option agreement dated 5 May 2008 made between them. Pursuant to the termination agreement, Sunrise KHP has on 19 December 2008 refunded to MCDF the option deposit together with interest.

9. MATERIAL LITIGATION

There is no material litigation and claim against the Sunrise Group as at 30 September 2010.

OUR PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER

ERNST & YOUNG

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Reporting Accountants' Report on
Unaudited Pro forma Consolidated Balance Sheet
(Prepared for inclusion in Circular to Shareholders to be dated 30 November 2010 ("Circular"))

25 November 2010

The Board of Directors
UEM Land Holdings Berhad
Level 16-2, Mercu UEM
Jalan Stesen Sental 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

Dear Sirs

UEM LAND HOLDINGS BERHAD ("ULHB")
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009
CONDITIONAL TAKE-OVER OFFER BY ULHB TO ACQUIRE ALL THE ORDINARY SHARES OF RM1.00 EACH IN SUNRISE BERHAD ("SUNRISE") (EXCLUDING TREASURY SHARES) NOT ALREADY OWNED BY ULHB ("OFFER SHARES") AT AN OFFER PRICE OF RM2.80 PER OFFER SHARE ("PROPOSED ACQUISITION")

We report on the unaudited pro forma consolidated balance sheets as at 31 December 2009 of ULHB and its subsidiaries ("ULHB Group") as set out in Appendix IV of the Circular dated 30 November 2010 which have been prepared on the basis described in Notes to the Unaudited Pro Forma Consolidated Balance Sheets (which we have stamped for the purpose of identification). The unaudited pro forma consolidated balance sheets have been prepared for illustrative purposes to provide information on how the consolidated balance sheets of ULHB Group as at 31 December 2009 might have been affected by the Proposed Acquisition had the proposal been completed on that date.

The report is required by and is given for the purpose of inclusion in the Circular in compliance with the Main Market Listing Requirements issued by the Bursa Malaysia Securities Berhad ("Listing Requirements") and for no other purpose.

Responsibilities

It is the responsibility of the directors of ULHB to prepare the unaudited pro forma consolidated balance sheets as at 31 December 2009 in accordance with the Listing Requirements.

Our responsibility is to form an opinion on the unaudited pro forma consolidated balance sheets and to report that opinion to you.

In providing this opinion, we are not responsible for updating or refreshing any reports or opinions previously issued by us on any financial information used in the preparation of the unaudited pro forma consolidated balance sheets, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The work that we performed for the purpose of this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information to the source documents, considering the evidence supporting the adjustments, checking of arithmetical accuracy and discussing the unaudited pro forma consolidated balance sheets as at 31 December 2009 with the directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited pro forma consolidated balance sheets as at 31 December 2009 have been properly prepared on the basis stated using financial statements prepared in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of ULHB. Our work also involves assessing whether the adjustments made to the information used in the preparation of the unaudited pro forma consolidated balance sheets are appropriate for the purposes of preparing the unaudited pro forma consolidated balance sheets.

The unaudited pro forma consolidated balance sheets is prepared for illustrative purposes only, based on the judgements and assumptions of the directors of the UHLB, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the UHLB Group as at 31 December 2009 had the transactions or events occurred on that date or any future date.

Ernst & Young

Opinion

As described in Notc 1 lo fhc unaudited pro forma consolidaled balance sheets,

(a) fhe carrying values of lhe assefs and liabilities of Sunrise as at 30 June 2010 have been used in the preparation of the unaudited pro forma consolidated balance sheets of ULHB Group as at 31 December 2009. This is not consistent with the basis used in the preparation of the unaudiled pro forma consolidafed balance sheets where it is presumed that the acquisition of Sunrise was completed on 31 December 2009;

(b) the assets and liabilities of Sunrise that have been used in the preparation of the unaudited pro forma consolidated balance sheets of ULHB Group have not been measured at their fair values as at fhe dafe of acquisition. This is not in compliance with the accounting policies adopted by ULHB and the requirement of FRS3: Business Combinations; and

(c) all the assets, liabilities and contingent liabilities of Sunrise may not have been identified and reflected in the unaudifed pro forma consolidated balance sheets of ULHB Group. This is not in compliance with the accounling policies adopted by ULHB and the requirement ot FRS 3: Business Combinations.

Any adjustments which may be required fo the above described recognition and measuremenl of identifiable net assets acquired will have a corresponding effect on the goodwill on consolidation and the net assets of the unaudited pro forma consolidated balance sheets ot ULHB Group.

Except for the effects, if any, on the unaudited pro forma consolidated balance sheets of ULHB Group described in the preceding paragraphs, in our opinion,

(a) lhe unaudiled pro torma consolidated balance sheets which have been prepared by the direcfors of ULHB have been properly prepared on the basis using the audited consolidated financial statements of ULHB Group lor the financial year ended 31 December 2009 which were prepared in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial slatements and the accounting policies ol ULHB; and

(b) the adjustments made fo fhe information used in the preparation of the unaudited pro forma consolidated balance sheets are appropriafe lor the purposes of preparing the unaudited pro forma consolidated balance sheets.

ERNST & YOUNG

Other Matters

This letter has been prepared at your request and is exclusively for your use for inclusion in the Circular to Shareholders to be dated 30 November 2010 and should not be relied on for any other purpose. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Proposed Acquisition. This letter is not to be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

Ernst & Young
AF: 0039
Chartered Accountants
Kuala Lumpur, Malaysia

Abdul Rauf Rashid
No. 2305/05/12(J)
Chartered Accountant

UEM LAND HOLDINGS BERHAD ("ULHB")
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009
SCENARIO 1 - THE ACQUISITION BY ULHB OF THE ENTIRE EQUITY INTEREST IN SUNRISE USING SHARES ALTERNATIVE

	ULHB Audited Consolidated Balance Sheet as at 31 December 2009 RM'000	Pro forma Adjustment 1 RM'000	Pro forma 1 Acquisition by ULHB of entire equity interest in Sunrise under Scenario 1 RM'000
Assets			
Non-current assets			
Property, plant and equipment	56,968	354,402	411,370
Investment properties	28,848	43,779	72,627
Prepaid land lease payments	372		372
Land held for property development	1,840,256	832,734	2,672,990
Investment in associates	43,997	3,459	47,456
Investment in joint ventures	55,339	93,094	148,433
Long term investments	33,636		33,636
Long term receivable	64,223		64,223
Goodwill	39,223	292,825	332,048
Non-current deposits	1,416		1,416
Deferred tax asset	-	16,276	16,276
	2,164,290		3,803,849
Current assets			
Property development costs	594,867	195,444	790,311
Inventories	19,569	64,952	84,521
Receivables	499,494	216,361	715,855
Amount due from joint ventures	75,292		75,292
Amount due from associates	535		535
Short term investments	7	1,427	1,434
Short term deposits	27,444	-	27,444
Cash and bank balances	115,546	152,664	268,210
	1,332,754		1,963,602
Assets of disposal group classified as held for sale	35,978		35,978
Total assets	3,533,012		5,800,429
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	1,215,637	330,260	1,545,897
Share premium	153,365	1,056,833	1,210,198
Treasury shares			-
Equity component of RCPS			-
Merger relief reserve	34,330		34,330
Other reserves	53,242		53,242
Retained profits	69,332		69,332
	1,525,909		2,912,995
Minority interests	453,306		453,306
Total equity	1,979,212		3,366,305
Non-current liabilities			
Borrowings	690,979	439,621	1,130,600
Long term payable	24,960	39,042	64,002
Deferred tax liabilities	150,312		150,312
	866,251		1,344,914
Current liabilities			
Provisions	24,315	64,065	88,380
Payables	332,620	256,051	588,971
Borrowings	9,141	81,112	90,253
Amount due to immediate holding company			
- Interest bearing	313,466		313,456
- Non-interest bearing	5,895		5,895
Tax payable	1,195	433	1,628
	686,632		1,088,293
Liabilities of disposal group classified as held for sale	917		917
Total liabilities	1,553,800		2,434,124
Total equity and liabilities	3,533,012		5,800,429

ERNST & YOUNG (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

UEM LAND HOLDINGS BERHAD ("ULHB")
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009
SCENARIO 2 - THE ACQUISITION BY ULHB OF THE ENTIRE EQUITY INTEREST IN SUNRISE USING RCPS ALTERNATIVE

	ULHB Audited Consolidated Balance Sheet as at 31 December 2009 RM'000	Pro forma Adjustments 1 RM'000	Pro forma 1 Acquisition by ULHB of entire equity interest in Sunrise under Scenario 2 RM'000	Pro forma Adjustments 2(e)(i) RM'000
Assets				
Non-current assets				
Property, plant and equipment	56,968	354,402	411,370	
Investment properties	28,848	43,779	72,627	
Prepaid lease payments	372		372	
Land held for property development	1,840,256	832,734	2,672,990	
Investment in associates	43,957	3,459	47,455	
Investment in joint ventures	55,339	93,094	148,433	
Long term investments	33,636		33,635	
Long term receivable	64,223		64,223	
Goodwill	39,223	292,825	332,048	
Non-current deposits	1,415		1,415	
Deferred tax asset	-	16,276	16,276	
	2,164,260		3,800,849	
Current assets				
Property development costs	594,867	195,444	790,311	
Inventories	19,569	64,952	64,521	
Receivables	499,494	216,361	715,855	
Amount due from joint ventures	75,292		75,292	
Amount due from associates	535		535	
Short term investments	7	1,427	1,434	
Short term deposits	27,444		27,444	
Cash and bank balances	115,546	152,664	268,210	1,803,221
	1,332,754		1,963,602	
Assets of disposal group classified as held for sale	35,978		35,978	
Total assets	3,533,012		5,800,429	
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	1,215,637		1,215,637	693,547
Share premium	153,365		153,365	2,496,767
Treasury shares			-	
Equity component of RCPS		156,615	156,615	(156,615)
Merger relief reserve	34,330		34,330	
Other reserves	53,242		53,242	
Retained profits	69,332		69,332	
	1,525,906		1,682,521	
Minority interests	453,306		453,306	
Total equity	1,979,212		2,135,827	
Non-current liabilities				
Borrowings	690,979	1,178,273 439,621	2,308,873	(1,178,273)
Long term payable	24,960	39,042	64,002	
Deferred tax liabilities	150,312	52,205	202,517	(52,205)
	866,251		2,575,392	
Current liabilities				
Provisions	24,315	64,065	88,380	
Payables	332,620	256,051	588,671	
Borrowings	9,141	81,112	90,253	
Amount due to immediate holding company				
- Interest bearing	313,466		313,466	
- Non-interest bearing	5,895		5,895	
Tax payable	1,195	433	1,628	
	686,632		1,088,293	
Liabilities of disposal group classified as held for sale	917		917	
Total liabilities	1,553,800		3,664,602	
Total equity and liabilities	3,533,012		5,800,429	

Conversion of RCPS			Redemption of RCPS	
Pro forma 2(a)(i) After Pro forma 1 and conversion of RCPS under cash conversion method RM'000	Pro forma Adjustments 2(a)(ii) RM'000	Pro forma 2(a)(ii) After Pro forma 1 and conversion of RCPS under non-cash conversion method RM'000	Pro forma Adjustments 2(b) RM'000	Pro forma 2(b) After Pro forma 1 and redemption of RCPS via proceeds from borrowings RM'000
411,370		411,370		411,370
72,627		72,627		72,627
372		372		372
2,672,990		2,672,990		2,672,990
47,456		47,456		47,456
148,433		148,433		148,433
33,636		33,636		33,636
64,223		64,223		64,223
332,048		332,048		332,048
1,418		1,418		1,418
16,276		16,276		13,276
3,800,849		3,800,849		3,800,849
790,311		790,311		790,311
84,521		84,521		84,521
715,855		715,855		715,855
75,292		75,292		75,292
535		535		535
1,434		1,434		1,434
27,444		27,444		27,444
2,071,431		268,210		268,210
3,766,823		1,963,602		1,963,602
35,978		35,378		35,978
7,603,650		5,800,429		5,800,429
1,939,184	301,542	1,517,179		1,215,637
2,650,132	1,085,551	1,238,916		153,355
-		-		-
-	(156,615)	-	(156,615)	-
34,330		34,330		34,330
53,242		53,242		53,242
89,332		89,332		89,332
4,716,220		2,912,899		1,525,908
453,302		453,306		453,308
5,169,522		3,366,305		1,979,212
1,130,600	(1,178,273)	1,130,600	208,820	2,517,693
64,302		64,002		64,002
150,312	(52,205)	150,312	(52,205)	150,312
1,344,914		1,344,914		2,732,007
88,380		88,380		88,380
588,671		588,671		588,671
90,253		90,253		90,253
313,466		313,466		313,466
5,895		5,895		5,895
1,628		1,628		1,628
1,088,293		1,088,293		1,088,293
917		917		917
2,434,124		2,434,124		3,821,217
7,603,650		5,800,429		5,800,429

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For identification purposes only

APPENDIX B

UEM LAND HOLDINGS BERHAD ("ULHB")
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS

1. Basis ot preparation

The Unaudited Pro forma Consolidated Balance Sheets have been prepared tor illustrative purposes, based on the audited consolidated balance sheets as at 31 December 2009 of ULHB and on a basis consistent with the accounting policies adopted by ULHB in the preparation of the audited consolidated financial statements of ULHB for the financial year ended 31 December 2009 to show the effects of the proposed conditional take-over otter by ULHB to acquire the entire equity interest in Sunrise Berhad ("Sunrise") had the acquisition been completed on that date.

ULHB proposes to acquire Sunrise shares at RM2.80 per share.

The conditional take-over is to be satistied in either of the following manner:

(i) through issuance of ordinary shares of RM0.50 each in ULHB ("ULHB Shares") at an issue price of RM2.10 ("Consideration shares"), where the Sunrise shareholders ("Holders") will receive approximately 1.33 Consideration shares tor every Sunrise shares surrendered ("Share Alternative/Scenario 1"); or

(ii) through issuance of redeemable convertible preference shares of RM0.01 each in ULHB ("RCPS") at an issue price of RM1.00 each ("Consideration RCPS") where Holders will receive 2.80 Consideration RCPS for every Sunrise shares surrendered ("RCPS Alternative/Scenario 2").

Also , for purposes ot illustrating the effects ot the acquisition under Scenario 1 and 2, the net assets of Sunrise based on the audited consolidated balance sheets of Sunrise as at 30 June 2010 have been used and assumed to be reflective of the financial position of Sunrise as at 31 December 2009 ("assumed net assets of Sunrise").

It is further assumed that carrying values of assets and liabilities of Sunrise as at 30 June 2010 approximate their respective fair values as at 31 December 2009 and that there are no other identifiable assets, liabilities and contingent liabilities that require to be adjusted in determining the assumed goodwill on acquisition. The assumed goodwill on acquisition is computed as follows:

	RM'000
Assumed fair value consideration	1,387,093
Assumed fair value of net assets of Sunrise	1,094,268
Assumed goodwill on acquisition	292,825

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UEM LAND HOLDINGS BERHAD ("ULHB")
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS (CONTD.)

2. Scenario 1 - The acquisition by ULHB of the entire equity interest in Sunrise using the Share Alternative

Pro forma 1

Pro forma 1 incorporates the effects of the acquisition of Sunrise on the assumption that the consideration tor the acquisition is settled through issuance of ordinary shares ot RM0.50 each in ULHB at an issue price of RM2.10, where the Sunrise shareholders will receive approximately 1.33 Consideration shares for every Sunrise shares surrendered.

FRS 3: Business Combinations requires that the fair value of shares issued to be used for the purpose of computing the tair value of disposal considerations. For the purposes of this unaudited pro forma, the fair value of ULHB shares is assumed to be at RM2.10 based on the offer price as at 4 November 2010. The actual fair value at the date of completion may differ materially from this assumed fair value.

Based on the issue price of RM2.10 per Consideration shares, the total number ot Consideration shares to be issued is as calculated below.

Total issued and paid up of Sunrise Shares ('000)	495,390
Number of Consideration shares to be issued ('000) (RM2.80/ RM2.10) x 495,390,467	660,521
	RM'000
Share capital @ RM0.50 each	330,260
Share premium @ (RM2.10 - RM0.50) each	1,056,833

The difference between issue price and the par value of ULHB shares is accounted tor as share premium.

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Chartered Accountants, Kuala Lumpur
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APPENDIX B

UEM LAND HOLDINGS BERHAD ("ULHB")
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS (CONTD.)

3. Scenario 2: The acquisition by ULHB ot the entire equity interest in Sunrise using the RCPS Alternative

Pro torma 1

Pro torma 1 incorporates the effects of the acquisition ot Sunrise on the assumpfion that the consideration tor the acquisition is settled through issuance of redeemable convertible preference shares ot RM0.01 each in ULHB ("Consideration RCPS")at an issue price of RM1.00 each where Sunrise shareholders will receive 2.80 consideration RCPS tor every Sunrise shares surrendered.

The salient terms of the Consideration RCPS are as follows:

Issue price	:	RM1.00 per RCPS
Nominal value	:	RM0.01 per RCPS
Maturity date	:	24 months from Issue Date
Conversion price	:	Conversion price of the RCPS is RM2.30 each
Redemption price	:	RCPS can be redeemed at the option of the Holder at RM1.00 Any outstanding RCPS not redeemed at Maturity Date shall be mandatorily converted into new ULHB shares based on the Non-cash Conversion Method detined below.
Conversion rights	:	The RCPS can be converted at the option of the Holder at any point between the issue date and maturity date by the following modes of conversion: (i) by tendering 1 RCPS with cash subscription of RM1.30 per RCPS for 1 ULHB Share ("Cash Conversion Method"); or (ii)by tendering such amount of RCPS that are equal to the Conversion Price tor 1 ULHB Share ("Non-Cash Conversion Method") computed as follows:

$$\text{No. of new ULHB Shares} = \frac{\text{Issue Price x no. ot RCPS}}{\text{Conversion Price}}$$

ERNST & YOUNG (AF: 0039)
Chartered Accountants, Kuala Lumpur
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APPENDIX B

UEM LAND HOLDINGS BERHAD ("ULHB")
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS (CONTD.)

3. Scenario 2: The acquisition by ULHB of the entire equify interesf in Sunrise using fhe RCPS Alfernafive (Contd.)

Pro forma 1 (contd.)

For every Sunrise shares held, 2.80 RCPS will be given to the Sunrise shareholders. As such, the total purchase consideration is calculated as below:

Tofal issued and paid up of Sunrise Shares ('000)	495,390
Number of RCPS to be issued ('000) (495,390,467 x 2.8)	1,387,093

The RCPS issued is a compound insfrument.

The liabilify component and equity component of fhe RCPS is compufed as below:

		RM'000
Tofal redempfion value	(a)	1,387,093
Nef present value of liabilify assuming a discount rate of 8.5% and redempfion af end of year 2	(b)	1,178,273
Equity componenf of RCPS (a - b)	(c)	208,820
Deferred fax liabilify arising from a compound insfrument ((c) x 25%)	(d)	52,205
Equity component net of deferred tax liabilify ((c) - (d))	(e)	156,615

Discount rate of 8.5% is assumed based on the estimated borrowing costs of ULHB for a debt with similar tenure and ranking.

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UEM LAND HOLDINGS BERHAD ("ULHB")
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS (CONTD.)

3. Scenario 2: The acquisition by ULHB ot the entire equity interest in Sunrise using the RCPS Alternative (Contd.)

Pro forma 2

Pro torma 2 incorporates Pro forma 1 and the conversion ot RCPS under the following methods:-

3.1 Pro forma 2(a)(i) Cash conversion method

Pro forma 2(a)(i) assumes that all the holders of the RCPS will opt to convert their RCPS to ULHB shares via the cash conversion method as detined in Pro forma 1.

The number ot shares to be issued is calculated as follows:

Number of RCPS issued ('000)		1,387,093
Number ot ULHB shares via the cash conversion method ('000)	(a)	1,387,093
		RM'000
Total cash proceeds tendered via the cash conversion method ((a) x RM1.30)		1,803,221
Share capital @ RM0.50 each		693,547
Share premium (RM2.30 - RM0.50)		2,496,767

The difference between conversion price and the par value of ULHB shares is accounted for as share premium.

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UEM LAND HOLDINGS BERHAD ("ULHB")
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS (CONTD.)

3. **Scenario 2: The acquisition by ULHB of the entire equity interest in Sunrise using the RCPS Alternative (Contd.)**

Pro forma 2 (contd.)

3.2 Pro forma 2(a)(ii) Non-Cash conversion method

Pro forma 2(a)(ii) assumes that all the Holders of the RCPS will opt to convert their RCPS to ULHB shares via the Non-cash conversion method as defined in Pro forma 1.

The number of shares to be issued is calculated as follows:

Number of RCPS issued ('000)	(a)	1,387,093
Number of ULHB shares via the non cash conversion method ((a)x RM1.00/RM2.30)) ('000)	(b)	603,084
		RM'000
Share capital @ RM0.50 each		301,542
Share premium (RM2.30 - RM0.50)		1,085,551

The difference between conversion price and the par value of ULHB shares is accounted for as share premium.

3.3 Pro forma 2(b) Redemption of RCPS

Pro forma 2(b) incorporates Pro forma 1 and all the RCPS Holders will opt to immediately redeem their RCPS at a total redemption value of RM1,387,093,000.

It is assumed that ULHB will borrow from banks to repay the RCPS holders upon redemption.

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UEM LAND HOLDINGS BERHAD ("ULHB")
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS (CONTD.)

4. **Non- adjusting subsequent event: Rights issue undertaken by ULHB**

Subsequent to 31 December 2009, on 29 April 2010, ULHB completed the rights issue of 1,214,456 ULHB shares at an issue price of RM0.80 each for cash, out of which RM632.98 million of the proceeds arising have been utilised for the repayment of long term borrowings. For the purpose of the preparation of the unaudited pro forma balance sheets in Appendix A and B, the unaudited pro forma balance sheets have appropriately not been adjusted for the above rights issue exercise since the above is a non-adjusting subsequent event. However, had the above rights issue been assumed to have been completed on 31 December 2009, the unaudited pro forma consolidated net assets and borrowings as at 31 December 2009 would have been as follows:

	Net assets attributable to shareholders RM'000	Total Borrowings RM'000
Unaudited pro forma consolidated balance sheet after adjusting for Rights Issues	2,497,176	380,606
Scenario 1		
(a) Pro forma 1	3,884,269	901,339
Scenario 2		
(a) Pro forma 1	2,653,791	2,079,612
(b) Pro forma 2(a)(i)	5,687,490	901,339
(c) Pro forma 2(a)(ii)	3,884,269	901,339
(d) Pro forma 2(b)	2,497,176	2,288,432

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Directors' Report

The directors of **SUNRISE BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2010.

PRINCIPAL ACTIVITIES
The principal activities of the Company are property development and investment holding. The principal activities of the subsidiary companies are disclosed in Note 16 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and of its subsidiary companies during the financial year.

RESULTS OF OPERATIONS
The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Profit before tax	180,876	316,646
Income tax expense	(47,893)	(5,782)
Profit for the financial year	132,983	310,864
Attributable to:		
Equity holders of the Company	133,951	
Minority interests	(968)	
	132,983	

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS
There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIVIDENDS
A first and final dividend of 3% (Nil in 2009), less 25% tax, amounting to approximately RM11,146,000 proposed and dealt with in the previous Report of the Directors, was paid on 10 December 2009. Net dividend per share during the financial year is 2.25 sen (Nil in 2009).

Directors' Report (Continued)

DIVIDENDS (CONTINUED)

The directors hava proposed a first and final dividend of 5%, less 25% tax, amounting to approximately RM18,577,000 in respect of the financial yaar ended 30 June 2010. The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

DIRECTORS

The following diractors served on the Board of the Company since the date of the last report:

Datuk Tong Kooi Ong
Dato' Lim Kim Huat
Lum Tuck Ming
Tee Keng Hoon
Ong Kuee Hwa
Michael Ting Sii Ching (appointad on 24 March 2010)
Laong Peng Kei (resigned on 8 October 2009)

Mr. Michael Ting Sii Ching, who was appointed to the Board since the date of the last report, will retire under Article 97 of the Company's Articles of Association at the forthcoming Annual General Meeting and being eligible, offers himsalf for re-election.

In accordance with Article 90(1) of the Company's Articles of Association, Mr. Lum Tuck Ming and Mr. Tee Keng Hoon will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for ra-alection.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments receivad or due and receivable by the directors as disclosed in the financial statements or the fixed salary of full-time employees of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the transactions as disclosed in Note 37 to the financial statements.

During and at tha end of the financial year, no arrangemant subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Report (Continued)

DIRECTORS' INTERESTS
The shareholdings in the Compeny of those who were directors et the end ot the tinancial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as tollows:

	Number of ordinary shares of RM1.00 each			
	Balance as of 1 July 2009	Bought	Sold	Balance as ot 30 June 2010
Shares In the Company				
Direct interest				
Datuk Tong Kooi Ong	1,084,928	-	-	1,084,928
Dato' Lim Kim Huat	35,852,299	-	-	35,852,299
Lum Tuck Ming	994,448	-	-	994,448
Tee Keng Hoon	52,000	-	-	52,000
Ong Kuce Hwa	15,000	15,000	(10,000)	20,000
Deemed interest				
Datuk Tong Kooi Ong	118,658,144	1,600,000	-	120,258,144

By virtue ot the above directors' interest in the shares of the Company, they are deemed to have an interest in the shares ot all the subsidiary companies to the extent the Company has an interest.

Other then as disclosed above, the directors do not have any other interest in the shares of the Company and of its related companies during and at the end of the financial year.

ISSUE OF SHARES AND DEBENTURES
The Compeny has not issued any new shares or debentures during the financial year.

SHARE OPTIONS
No options have been granted by the Compeny to any parties during the financial year to teke up unissued sheres of the Company.

No shares have been issued during the tinancial year by virtue of the exercise ot eny option to take up unissued shares of the Compeny. As et the end of the linancial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the income statements and the balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, 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 operations of the Group and of the Company for the succeeding financial year.

Directors' Report (Continued)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 15 July 2009, the Company announced the dissolution of its wholly owned foreign subsidiary, Sunrise Sovereign Ltd., pursuant to section 197 of the British Virgin Islands Business Companies Act, 2004. The dissolution was completed on 24 August 2009.

(ii) On 22 January 2010, the Company announced that the members' voluntary winding up of its associated company, CEO Network Sdn. Bhd., was completed on 22 January 2010.

(iii) On 26 January 2010, the Company announced that it had entered into a joint venture with Sime Darby Property Berhad ("SDPB") to undertake the acquisition and development of the lands held under GRN 74690 for Lot 78374, GRN 74697 for Lot No. 78377 and H.S.(D) 246714 for PT 34943, all in Mukim of Damansara, District of Petaling measuring in area approximately 84,785 square metres or 912,617 square feet ("Lands") through a joint venture vehicle, Sime Darby Sunrise Development Sdn. Bhd. ("SDSD") (formerly known as Baywood Avenue Sdn. Bhd.) ("Joint Venture"). For the purpose of carrying out the Joint Venture, the Company had on the same date executed a subscription and shareholders' agreement ("SSA") with SDPB and SDSD. Under the Joint Venture, the Company and SDPB will each has 50% equity interest in SDSD.

Simultaneous with the execution of the SSA, SDSD had entered into a sale and purchase agreement ("SPA") with Highlands & Lowlands Berhad as the registered owner and Sime Darby Augsburg (M) Sdn. Bhd. (formerly known as Augsburg (M) Sdn. Bhd.) as the beneficial owner of the Lands, to acquire the Lands at a purchase price of RM114,077,158 or such lesser amount which shall be adjusted downward due to easement granted to Tenaga Nasional Berhad ("TNB") over a section of the Lands ("Purchase Price"). Accordingly, the Company's share of the Purchase Price amounted to RM57,038,579 or such lesser amount after adjustment for the said easement granted to TNB.

(iv) On 1 July 2010, the Company announced the proposed members' voluntary liquidation (solvent) of its foreign subsidiary, East Urban Properties Pty. Ltd. ("EUP"), effective 30 June 2010 pursuant to section 491 of the Australian Corporations Act 2001. The members' voluntary liquidation (solvent) has not been completed at the end of the financial year.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATUK TONG KOOI ONG
Director

DATO' LIM KIM HUAT
Director

Kuala Lumpur
26 August 2010

Statement
By Directors

The direcfors ol **SUNRISE BERHAD** sfate thaf, in their upinion, the accompanying balance sheets and the relafed statements ot income, cesh flows end changes in equity, ere drawn up in accordance with fhe Financial Reporfing Sfandards and provisions of fhe Companies Acf, 1965 in Malaysia so as fo give a true and fair view of the stafe of affairs of fhe Group and of fhe Company as of 30 June 2010 and of fhe resulfs of their businesses and the cash flows ot the Group and of fhe Company for the financiel year ended on that date.

Signed in accordance with a resolution ol fhe Directors,

DATUK TONG KOOI ONG
Director

DATO' LIM KIM HUAT
Director

Kuele Lumpur
26 August 2010

Statutory Declaration
pursuant to Section 169(16) of the Companies Act, 1965

I, **SIEW CHEE SENG**, the Officer primarily responsible for the financial management of **SUNRISE BERHAD**, do solemnly and sincerely declare thaf the eccompanying balance sheets and the related statements of income, cesh flows and changes in equity are, in my opinion, correct and I make this solemn declaration conscientiously believing the seme fo be true, and by virtue of fhe provisions ol the Sfafutory Declarafions Acf, 1960.

SIEW CHEE SENG

Subscribed and solemnly declared by the
abovenamed **SIEW CHEE SENG** at
KUALA LUMPUR on 26 August 2010.

Belore me,

SHAFIE B. DAUD
No. W350
Commissioner lor Oaths
Kuala Lumpur

Independent Auditors' Report

to the Members of Sunrise Berhad (Incorporated in Malaysia)

Report on the Financial Statements
We have audited the finonciol statomonts ot **SUNRISE BERHAD**, which comprise the balanco sheols as of 30 June 2010 of the Group end of lho Company, and the income stotomonts, statements of changes in equity and cosh flow stotomorts ot tho Group ond ol tho Company fcr the financiol yoor thon ondod, and o summory ot signiticont accounting policios ond othor oxptonotory notos, os sot out on pogos 96 to 169.

Directors' Responsibility for the Financial Statements
The directors ot tho Compony oro rosponsiblo for the preparation ond foir prosontation ot those tinonciol stotements in accordance with Financial Roporting Stondords ond the Componios Act, 1965 in Malaysia. This responsibility inctudos: dosigning, implomenting and maintaining internal control relovant lo the preparotion and fair prosortation ot tinonciol stotomonts thot oro tree from materiol misstatemont, whother duo lc froud or error; selocting ond opplying appropriate accounting poticios; ond making accourting ostimotos that ore reasonoblo in tho circumstonces.

Auditors' Responsibility
Our rosponsibility is to oxpress an opinion on these tinonciot stotomonts bosod on our oudit ord to roport our opinion to you, os o body, in occordonce with Soction 174 ol the Companies Act, 1965 and tor no other purpose. We do nol assume responsibility towords ony othor porson for tho contents of this report.

We conductod our oudit in occordance with approved standards on auditing in Molaysio. Those standards roquiro that we comply with othicol roquiromonts ord plon and perform the oudit to obtain reasonable assuranco whothor tho linonciol stotements are free trom motoriol misstotomont.

An audit involves portorming proceduros to obtain audit evidenco about tho amounts and disclosuros in tho finonciol stotoments. The proceduros solectod dopond on tho auditors' judgement, including lhe assessment of the risks ot motorial misstatement ol lhe financial statomonts, whothor due to troud or error. In moking those risk assessments, tho ouditors consider intornol control relevant to the ontity's proporotion ond tair prosontotion ot tho tinonciol stotamonts in order to design audit procoduras thot oro oppropriote in tho circumstancos, but not for tho purposo ot oxprossing on opinion on the effectivonoss ot tho ontity's internol control. An audit also includes evaluating tho appropriotonoss ot accounting policies used and tho roosonobtonoss ot occounting ostimatos modo by tho directors, as well as evaluoting tho ovoroll prosontation of the financial statomonts.

We believe thot tho oudit ovidence that we have obtainod is sutticiont ond oppropriote lc provido a basis for our audit opinion.

Opinion
In our opinion, tho finonciot statements havo heon proporly drown up in occordance with Financial Roporting Stondords ond the Companies Act, 1965 in Moloysio sc as to give a true and fair view of tho tinonciol position of the Group and of tho Company os ot 30 Juno 2010 ond of their linancial performonco ond cosh llows for tho linancial year then ondod.

Independent Auditors' Report
to the Members of Sunrise Berhad (Incorporated in Malaysia) (Continued)

Report on Other Legal and Regulatory Requirements
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report as follows:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and auditors' reports of subsidiary companies, of which we have not acted as auditors, as disclosed in Note 16 to the financial statements, being accounts that have been included in the financial statements of the Group.

(c) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes.

(d) The auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

TEO SWEE CHUA
Partner – 2846/01/12 (J)
Chartered Accountant

26 August 2010

Income Statements
for the Financial Year ended 30 June 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Revenue	5	**590,742**	803,922	**370,610**	61,486
Cost of sales	6	**(341,331)**	(552,224)	**(33,876)**	(22,493)
Gross profit		**249,411**	251,698	**336,734**	38,993
Other operating income		**23,873**	40,752	**8,430**	6,097
Administrative expenses		**(18,019)**	(16,235)	**(10,767)**	(9,877)
Other operating expenses		**(70,061)**	(65,304)	**(8,306)**	(9,320)
Profit from operations	7	**185,204**	210,911	**326,091**	25,893
Finance costs	9	**(5,756)**	(4,363)	**(9,445)**	(6,512)
Share of results of associated company		**(13)**	(13)	**-**	-
Share of results of jointly controlled entities		**1,441**	(775)	**-**	-
Profit before tax		**180,876**	205,760	**316,646**	19,381
Income tax (expense)/credit	10	**(47,893)**	(49,412)	**(5,782)**	705
Profit for the financial year		**132,983**	156,348	**310,864**	20,086
Attributable to:					
Equity holders of the Company		**133,951**	156,197		
Minority interests		**(968)**	151		
		132,983	156,348		
Basic earnings per share	11	**27.04 sen**	31.90 sen		

The accompanying notes form an integral part of the financial statements.

Balance Sheets
as of 30 June 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
ASSETS					
Non-current Assets					
Property, plent end equipment	13	**354,402**	281,662	**16,239**	17,567
Investment properties	14	**43,779**	44,327	**-**	-
Land held for development	15	**832,734**	921,812	**-**	-
Investment in subsidiary companies	16	**-**	-	**328,037**	174,332
Interests in essocieted compeny	17	**3,459**	3,456	**3,824**	3,808
Interests in jointly controlled entities	18	**93,094**	85,404	**96,533**	90,284
Deferred tex assets	19	**16,276**	14,598	**1,874**	3,326
Total Non-current Assets		**1,343,744**	1,351,259	**446,507**	289,317
Current Assets					
Development properties	20	**195,444**	103,148	**-**	
Inventories	21	**64,952**	83,593	**21,668**	55,119
Trede receivables	22	**166,026**	198,842	**6,701**	35,238
Other receivebles end prepeid expenses	22	**50,335**	43,050	**7,121**	9,335
Amount owing by subsidiary companies	16	**-**	-	**873,889**	720,561
Other investments	23	**1,427**	1,337	**-**	-
Cesh and bank balances	24	**152,664**	47,878	**4,926**	3,797
Totat Current Assets		**630,848**	477,848	**914,305**	824,050
TOTAL ASSETS		**1,974,592**	1,829,107	**1,360,812**	1,113,367

Balance Sheets as of 30 June 2010 (Continued)

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
EQUITY AND LIABILITIES					
Capital, Reserves and Minority Interests					
Share capital	25	**495,390**	495,390	**495,390**	495,390
Reserves	26	**598,909**	479,109	**527,553**	227,835
Equity funds		**1,094,299**	974,499	**1,022,943**	723,225
Treasury shares	27	**(31)**	(31)	**(31)**	(31)
Equity attributable to equity holders of the Company		**1,094,268**	974,468	**1,022,912**	723,194
Minority interests		**-**	968	**-**	-
Total Equity		**1,094,268**	975,436	**1,022,912**	723,194
Non-current Liabilities					
Borrowings - non-current portion	28	**439,556**	193,426	**226,000**	26,000
Long-term liabilities	29	**39,042**	65,868	**5,252**	3,527
Hire-purchase payable - non-current portion	30	**65**	-	**65**	-
Total Non-current Liabilities		**478,663**	259,294	**231,317**	29,527
Current Liabilities					
Trade payables	31	**72,845**	153,819	**1,715**	1,524
Other payables and accrued expenses	31	**183,206**	72,396	**4,708**	7,494
Amount owing to subsidiary companies	16	**-**	-	**13,467**	38,298
Hire-purchase payable - current portion	30	**53**	-	**53**	-
Borrowings - current portion	28	**81,059**	300,117	**81,059**	300,117
Provision for liabilities	32	**64,065**	65,740	**5,581**	13,213
Tax liabilities		**433**	2,305	**-**	-
Total Current Liabilities		**401,661**	594,377	**106,583**	360,646
Total Liabilities		**880,324**	853,671	**337,900**	390,173
TOTAL EQUITY AND LIABILITIES		**1,974,592**	1,829,107	**1,360,812**	1,113,367

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

for the Financial Year ended 30 June 2010

Group	Note	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Equity compensation reserve RM'000	Share premium RM'000	Exchange reserve RM'000	Retained earnings RM'000	Equity attributable to equity holders of the Company RM'000	Minority interests RM'000	Total equity RM'000
Balance as of 1 July 2008		450,215	(31)	2,664	5,855	1,119	(5,018)	303,824	758,628	817	759,445
Expenses recognised directly in equity:											
- Translation adjustment for the financial year		-	-	-	-	-	(4,897)	-	(4,897)	-	(4,897)
- Share issue expenses		-	-	-	-	(36)	-	-	(36)	-	(36)
Net profit for the financial year		-	-	-	-	-	-	156,197	156,197	151	156,348
Total recognised income and expense for the year		-	-	-		(36)	(4,897)	156,197	151,264	151	151,415
Issuance of shares pursuant to ESOS	25	350	-	-	-	92	-	-	442	-	442
Issuance of shares pursuant to private placement	25	44,825	-	-		17,930	-	-	62,755	-	62,755
Share-based payments		-		-	1,379	-			1,379	-	1,379
Expiry of ESOS		-	-	-	(7,234)	-	-	7,234	-	-	
Balance as of 30 June 2009		495,390	(31)	2,664	-	19,105	(9,915)	467,255	974,468	968	975,436

Statements of Changes in Equity
for the Financial Year ended 30 June 2010 (Continued)

Group	Note	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Equity compensation reserve RM'000	Share premium RM'000	Exchange reserve RM'000	Retained earnings RM'000	Equity attributable to equity holders of the Company RM'000	Minority interests RM'000	Total equity RM'000
Balance as of 1 July 2009		495,390	(31)	2,664	-	19,105	(9,915)	467,255	974,468	968	975,436
Expenses recognised directly in equity:											
- translation adjustment for the financial year		-	-	-	-	-	(3,005)	-	(3,005)	-	(3,005)
Net profit for the financial year		-	-	-	-	-	-	133,951	133,951	(968)	132,983
Total recognised income and expense for the year		-	-	-	-	-	(3,005)	133,951	130,946	(968)	129,978
Dividends	12	-	-	-	-	-	-	(11,146)	(11,146)	-	(11,146)
Balance as of 30 June 2010		495,390	(31)	2,664	-	19,105	(12,920)	590,060	1,094,268	-	1,094,268

Statements of Changes in Equity
for the Financial Year ended 30 June 2010 (Continued)

Company	Note	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Equity compensation reserve RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
Balance as of 1 July 2008		450,215	(31)	1,687	5,855	1,119	179,723	638,568
Expenses recognised directly in equity:								
- Share issue expenses		-	-	-	-	(36)	-	(36)
Net profit for the financial year		-	-	-	-	-	20,086	20,086
Total recognised income and expense for the year		-	-	-	-	(36)	20,086	20,050
Issuance of shares pursuant to ESOS	25	350	-	-	-	92	-	442
Issuance of shares pursuant to private placement	25	44,825	-	-	-	17,930	-	62,755
Share-based payments		-	-	-	1,379	-	-	1,379
Expiry of ESOS		-	-	-	(7,234)	-	7,234	-
Balance as of 30 June 2009/ 1 July 2009		**495,390**	**(31)**	**1,687**	-	**19,105**	**207,043**	**723,194**
Total recognised income and expense								
- Net profit for the financial year		-	-	-	-	-	**310,864**	**310,864**
Dividends	12	-	-	-	-	-	**(11,146)**	**(11,146)**
Balance as of 30 June 2010		**495,390**	**(31)**	**1,687**	-	**19,105**	**506,761**	**1,022,912**

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements

for the Financial Year ended 30 June 2010

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the financial year	**132,983**	156,348	**310,864**	20,086
Adjustments for:				
Income tax expense/(credit) recognised in income statements	**47,893**	49,412	**5,782**	(705)
Provision for liabilities	**23,675**	35,869	**-**	10,564
Finance costs	**5,756**	4,363	**9,445**	6,512
Depreciation of:				
Property, plant and equipment	**3,031**	3,194	**1,791**	1,634
Investment properties	**548**	565	**-**	-
Share-based payments	**-**	1,379	**-**	1,379
Share of results of:				
Jointly controlled entities	**(1,441)**	775	**-**	-
Associated company	**13**	13	**-**	-
Provision for staff loyalty program	**2,206**	438	**1,541**	294
Write-offs of:				
Property, plant and equipment	**243**	14	**7**	4
Other receivables	**713**	-	**-**	-
Trade receivables	**93**	-	**87**	-
Amount owing by subsidiary companies	**-**	-	**-**	19
Loss on disposal of other investments	**1**	-	**-**	-
Allowance for doubtful debts:				
Other receivables	**-**	195	**-**	37
Amount owing by subsidiary companies	**-**	-	**-**	375
Reversal of impairment loss on property, plant and equipment	**-**	(11,654)	**-**	-
Gain on disposal of:				
Property, plant and equipment	**(683)**	(10,876)	**(10)**	(19)
Investment properties	**-**	(8,558)	**-**	-
Other investments	**-**	(32)	**-**	-
Gain on deconsolidation of subsidiary companies	**(1,061)**	-	**-**	-
Interest income	**(2,648)**	(3,177)	**(6,735)**	(4,684)
Allowance for doubtful debts no longer required	**(95)**	-	**-**	-
Provision for liabilities no longer required	**(5,205)**	(1,261)	**(1,710)**	-
Dividend income from subsidiary companies	**-**	-	**(310,000)**	(23,610)
Operating Profit Before Working Capital Changes	**206,022**	217,007	**11,062**	11,886

Cash Flow Statements
for the Financial Year ended 30 June 2010 (Continued)

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES (CONTINUED)				
(Increase)/Decrease in:				
Development properties	**(36,819)**	(61,023)	**-**	(2,018)
Inventories	**42,864**	1,065	**33,451**	330
Trade receivables	**32,818**	(81,137)	**28,450**	(32,749)
Other receivables and prepaid expenses	**(3,729)**	8,619	**544**	(204)
Increase/(Decrease) in:				
Trade payables	**(80,974)**	22,833	**191**	(2,435)
Other payables and accrued expenses	**110,850**	(32,599)	**(2,786)**	(25,981)
Cash Generated From/(Used In) Operations	**271,032**	74,765	**70,912**	(51,171)
Finance costs paid	**(22,224)**	(23,701)	**(5,756)**	(6,512)
Interest income received	**2,648**	3,177	**504**	197
Income tax paid	**(61,767)**	(74,237)	**(6,084)**	(1,792)
Income tax refund	**6,050**	9,679	**3,424**	6,913
Provision for staff loyalty program utilised	**(32)**	-	**(32)**	-
Provision for liabilities utilised	**(20,145)**	(15,292)	**(5,922)**	(329)
Net Cash Generated From/(Used In) Operating Activities	**175,562**	(25,609)	**57,046**	(52,694)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Proceeds from disposal of:				
Property, plant and equipment	**738**	42,158	**11**	19
Other investments	**-**	3,975	**-**	-
Investment properties	**-**	11,551	**-**	-
(Increase)/Decrease in:				
Amount owing by jointly controlled entities	**(6,199)**	(41)	**(6,199)**	(42)
Amount owing by associated company	**(16)**	(615)	**(16)**	(18)
Amount owing by subsidiary company	**-**	-	**162,881**	(49,888)
Development expenditure incurred on land held for development	**(43,174)**	(51,926)	**-**	-
Purchase of:				
Property, plant and equipment (Note)	**(6,931)**	(24,901)	**(331)**	(1,178)
Investment properties	**-**	(53)	**-**	-
Investments in:				
Subsidiary companies	**-**	-	**(153,705)**	-
Jointly controlled entities	**(50)**	-	**(50)**	-
Net Cash Generated From/(Used In) Investing Activities	**(55,632)**	(19,852)	**2,591**	(51,107)

Cash Flow Statements
for the Financial Year ended 30 June 2010 (Continued)

	Note	Group		Company	
		2010	2009	**2010**	2009
		RM'000	RM'000	**RM'000**	RM'000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Decrease in deposits in Sinking Fund Account		**-**	4,389	**-**	4,389
Payment of long-term liabilities		**(29,000)**	(65,268)	**-**	-
Decrease in amount owing to subsidiary companies		**-**	-	**(28,304)**	(11,845)
Increase in bank overdrafts - non-current		**130**	2,515	**-**	-
Repayment of Multi-tranche Islamic Private Debt Facilities		**-**	(34,000)	**-**	(34,000)
Repayment of Islamic Medium Term Notes		**(200,000)**	-	**(200,000)**	-
Issuance of Islamic Medium Term Notes		**100,000**	-	**100,000**	-
Drawdown of term loan		**100,000**	26,000	**100,000**	26,000
Drawdown of revolving credit		**53,000**	48,000	**7,000**	48,000
Repayment of revolving credit		**(23,875)**	-	**(23,875)**	-
Repayment of commercial bill		**-**	(11,614)	**-**	-
Proceeds from issuance of shares		**-**	63,197	**-**	63,197
Dividend paid		**(11,146)**	-	**(11,146)**	-
Share issue expenses		**-**	(36)	**-**	(36)
Net Cash Generated From/(Used in) Financing Activities		**(10,891)**	33,183	**(56,325)**	95,705
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**109,039**	(12,278)	**3,312**	(8,096)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**44,761**	61,936	**680**	8,776
Effects of exchange rate differences		**(2,070)**	(4,897)	**-**	
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	24	**151,730**	44,761	**3,992**	680

Note: During the year, the Group and the Company acquired property, plant and equipment at an aggregate cost of RM7,049,778 (RM24,901,039 in 2009) and RM449,000 (RM1,178,000 in 2009) respectively of which RM118,000 (Nil in 2009) was acquired by means of hire-purchase arrangement. Cash payments by the Group and the Company for the acquisition of property, plant and equipment amounted to RM6,931,778 (RM24,901,039 in 2009) and RM331,000 (RM1,178,000 in 2009) respectively.

The accompanying notes form an integral part of the financial statements.

Notes
to the Financial Statements

1. GENERAL 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 principal activities of the Company are property development and investment holding.

The principal activities of the subsidiary companies are disclosed in Note 16.

There have been no significant changes in the nature of the activities of the Company and of its subsidiary companies during the financial year.

The registered office and principal place of business of the Company is located at Penthouse, Wisma Sunrise, Plaza Mont'Kiara, No.2, Jalan Kiara, Mont'Kiara, 50480 Kuala Lumpur, Malaysia.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 26 August 2010.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia (RM) and all values are recorded to the nearest thousand (RM'000) except when otherwise indicated.

New Accounting Standards

In the current financial year, the Group adopted FRS 8 Operating Segments for annual periods beginning on or after 1 July 2009. The adoption of FRS 8 did not result in changes to the Group's accounting policies and did not have any material financial effect on the results of the Group for the current and prior financial years.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114_{2004} Segment Reporting, requires the identification of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively.

Notes :o the Financia. Statemerts (Continued)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

Standards and Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the FRSs, Issue Committee Interpretatien ("IC Int.") end amendments te FRSs end IC Int. which were in issue but net yet effective are as listed belew.

FRS 1 First-time Adoption of Financial Reperting Standards (Amendments relating te cest of an investment in a subsidiary, jeintly centrolled entity or associate)[1]
FRS 1 First-time Adoptien et Financial Reperting Standerds (Revised in 2010)[2]
FRS 1 First-time Adeptien of Financial Reperting Standards (Revised in 2010) (Amendments relating tn limited exemptien frem Cemparative FRS Disclnsures for First-time Adopters and additional exemptinns ter first-time adepters)[2]
FRS 2 Share-based Payment (Amendments releting te vesting cenditiens and cancellatiens)[1]
FRS 2 Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)[2]
FRS 2 Share-based Peyment (Amendments relating to group cash-settled share-based payment transactions)[2]
FRS 3 Business Cembinations (Revised in 2010)[2]
FRS 4 Insurance Centracts[1]
FRS 5 Non-current Assets Held ter Sale end Discentinued Operatiens (Amendments relating tn plan to sell the centrelling interest in a subsidiary)[2]
FRS 7 Finencial Instruments: Disclosures[1]
FRS 7 Financial Instruments: Disclesures (Amendments relating to reclassificatien ef tinencial assets end reclassificatien ef financiet assets - effective date and transition)[1]
FRS 7 Financial Instruments: Disclosures (Amendments releting te impreving disclesures about financial instruments)[3]
FRS 101 Presentation of Financial Statements (Revised in 2009)[1]
FRS 123 Berrewing Costs (Revised)[1]
FRS 127 Consolidated and Seperate Financial Statements (Amendments relating te cest ef an investment in a subsidiary, jointly contrelled entity er asseciate)[1]
FRS 127 Censelidated and Separate Financial Statements (Revised in 2010)[2]
FRS 132 Financial Instruments: Presentatien (Amendments relating te puttable tinancial instruments and ebligetions arising on liquidetien and transitional provision relating to compound instruments)[1]
FRS 132 Financiel Instruments: Presentetien (Amendments relating te classification of rights issue)[4]
FRS 138 Intangible Assets (Amendments relating te additienal censequentiel amendments arising from revised FRS 3)[2]
FRS 139 Financiel Instruments: Recegnitien and Meesurement (Amendments relating te eligible hedged items, reclassificetien ef financiaf assets - ettective date end trensition, embedded derivatives and revised FRS 3 and revised FRS 127)[1]
Imprevements to FRSs (2009)[1]
IC Int. 4 Determining whether an arrangement centains a lease[3]
IC Int. 9 Reassessment et Embedded Derivatives[1]
IC Int. 9 Reessessment ef Embedded Derivatives (Amendments relating to embedded derivatives)[1]
IC Int. 9 Reassessment et Embedded Derivatives (Amendments relating te scepe of IC Interpretation 9 and revised FRS 3)[2]

Notes to the Financial Statements (Continued)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

Standards and Interpretations in issue but not yet effective (Continued)

IC Int. 10 Interim Financial Reporting and Impairment[1]
IC Int. 11 FRS 2 - Group and Treasury Share Transactions[1]
IC Int. 12 Service Concession Arrangements[2]
IC Int. 13 Customer Loyalty Programmes[1]
IC Int. 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction[1]
IC Int. 15 Agreements for the Construction of Real Estate[3]
IC Int. 16 Hedges of a Net Investment in a Foreign Operation[2]
IC Int. 17 Distributions of Non-cash Assets to Owners[2]
IC Int. 18 Transfers of Assets from Customers[5]

[1] Effective for annual periods beginning on or after 1 January 2010
[2] Effective for annual periods beginning on or after 1 July 2010
[3] Effective for annual periods beginning on or after 1 January 2011
[4] Effective for annual periods beginning on or after 1 March 2010
[5] Applies to transfers of assets from customers received on or after 1 January 2011

Consequential amendments were also made to various FRS as a result of these new/revised FRSs.

FRS 1, FRS 4, IC Int. 9, IC Int. 12, IC Int. 13, IC Int. 14, IC Int. 16, IC Int. 17 and IC Int. 18 are not expected to be relevant to the operations of the Group and the Company.

The Directors anticipate that abovementioned standards and interpretations will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these standards and interpretations will have no material impact on the financial statements of the Group and the Company in the period of initial application except for the following:

FRS 3 Business Combinations (Revised in 2010)

The revised FRS 3:

- allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority interest') either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;
- changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if the payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from new information obtained within measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in income statements;

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

FRS 3 Business Combinations (Revised in 2010) (Continued)

- requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and
- requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in income statement as incurred, whereas previously they were accounted for as part of the cost of the business combination.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 7 Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and processes for managing capital.

FRS 7 Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

FRS 101 Presentation of Financial Statements (Revised in 2009)

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's and Company's financial statements as this change in accounting policy affects only the presentation of the Group's and the Company's financial statements.

FRS 127 Consolidated and Separate Financial Statements (Revised in 2010)

The revised Standard will affect the Group's accounting policies regarding changes in ownership interests in its subsidiary company that do not result in a change in control. Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiary company were treated in the same manner as the acquisitions of subsidiary company, with goodwill or a bargain purchase gain being recognised, where appropriate; for decreases in interests in existing subsidiary company regardless of whether the disposals would result in the Group losing control over the subsidiary company, the difference between the consideration received and the carrying amount of the share of the net assets disposed of was recognised in income statements.

Notes to the Financial Statements (Continued)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

FRS 127 Consolidated and Separate Financial Statements (Revised in 2010) (Continued)

Under the FRS 127 (Revised in 2010), increases or decreases in ownership interests in subsidiary company that do not result in the Group losing control over the subsidiary company are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When a control of a subsidiary company is lost as a result of a transaction, event or other circumstance, FRS 127 (Revised in 2010) requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary company is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in income statements.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 139 Financial Instruments: Recognition and Measurement

The new standard establishes principles for recognising and measuring financial assets, financial liabilities and certain contracts to buy and sell non-financial items.

By virtue of the exemption provided in paragraph 44AB of FRS 7 and paragraph 103AB of FRS 139, the impact of applying FRS 7 and FRS 139 on the Group's and the Company's financial statements upon initial application of these standards as required by paragraph 30(b) of FRS 108 is not disclosed.

IC Int. 15 Agreements for the Construction of Real Estate

IC Int. 15 addresses how entities should determine whether an agreement for the construction of real estate is within the scope of FRS 111 *Construction Contracts* or FRS 118 *Revenue* and when revenue from the construction of real estate should be recognised. Under IC Int. 15, an agreement for the construction of real estate is a construction contract within the scope of FRS 111 only when the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress (whether it exercises that ability or not). If the buyer has that ability, FRS 111 applies. If the buyer does not have that ability, FRS 118 applies.

Presently, the agreements for the construction of real estate of the Group are accounted for in accordance with FRS 201_{2004} *Property Development Activities* whereby revenue is recognised using the percentage of completion method as construction of real estate progresses. Upon the adoption of IC Int. 15, the Group will review the nature of its agreements for the construction of real estate and will generally account for these agreements in accordance with terms of the sales and purchase agreement.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified to include the revaluation of certain freehold land included in property, plant and equipment.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group made up to the end of the financial year. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Group owns, directly or indirectly through subsidiary companies, more than half of the voting power of the entity.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of the subsidiary companies to bring accounting policies in line with those used by the Group.

All intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Minority interests in the net assets of consolidated subsidiary companies are identified separately from the Group's equity therein. Minority interest consists of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary company's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business Combinations

The acquisition of subsidiary companies is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3, Business Combinations, are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 5, Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is recognised immediately in consolidated income statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue

Revenue is measured at the fair value of consideration received and receivable in the normal course of business.

The Group recognises revenue when persuasive evidence suggests that delivery has occurred or services rendered, price is fixed or determinable and the economic benefits of the transactions will flow to the Group.

(i) Property development

Revenue from sale of properties is accounted for using the stage of completion method.

Sale of completed units is recognised when the risks and rewards associated with ownership have transferred to property purchasers.

(ii) Income from investment properties/Rental income

Rental income is recognised over the period of tenancy.

(iii) Property management

Property management income is recognised when such service is rendered.

(iv) Dividend income

Dividend is accounted for when the right to receive payment is established.

(v) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset. Interest in relation to late payments are recognised upon collection.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the income statements on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread evenly over the lease term.

Employee Benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leaves, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Employee Benefits (Continued)

(ii) Post-employment benefits

Tho Company ond certein subsidiary companies make contributions to approvod provident funds and contributions are chargod to tho incomo stotomonts. Once tho contributions havo boon poid, thoro oro no further payment obligotions. Tho opprovod providont tunds oro in occordonco with locol procticos in which tho Compony ond cortoin subsidiary companies operato ond they are defined contribution plans.

(iii) Equity compensation benefits

Tbo Group's Employee Shere Option Schome ("ESOS") ollows the employoos to ocquiro shoros in the Compony. Tho totot toir valuo ot share options granted to employces is rocognised as an employee cost in the income statomonts with o corrosponding incroose in the equity componsation roserve within equity over the vesting period and taking into account tho probobility thot tho options will vost. Upon oxpiry ot ESOS, tho oquity componsotion reserve is transferred to rotoinod oornings.

The tair voluo ot tho sharo options is meesured at grant date taking into account, it any, the market vosting conditions upon which the options woro grontod but oxcluding the impoct of any non-market vesting conditions. Non-market vesting conditions aro included in ossumptions obout tho number ot options that are expectod to bocomo oxorcisablo on vesting date.

At ooch bolonco shoot doto, the group revises its ostimotos ot tho number ot shoro options thot aro oxpoctod to become oxercisoblo on vosting dato. It recognisos the impact of the rovision of originol ostimatos, if ony, in the income stotomonts, ond o corrosponding adjustment to equity over the remaining vesting poriod.

Tho procoeds received net nt any diroctly ottributable transection costs are credited to equity when tho options oro oxorcised.

Income Tax

Incomo tox oxponse represents the sum ot tho tox currently payable and deterred tax.

The tax currently poyoblo is bosod on toxoblo profit for tho finoncial yoor, colculotod using tox rotos thot have boon onoctod or substantively enactod by tho balance sheet date. Current tax tor current ond prior poriods is rocognisod os o liobility (or asset) to the oxtont thot it is unpaid (or recoverable).

Deferrod tox is rocognised on differoncos botwoon tho carrying amount of assets and liobilitios in tho finonciol stetements and tho corrosponding tax bases usod in tho computation ol taxable profit, and is accountod tor using tho bolonce sheet "liability" mothod. Doforrod tax liabilities oro rocognisod tor all toxablo tomporary dittoroncos ond doforred tax assets oro rocognised for all deductible tomporory dittoroncos, unobsorbed tax lossos and unusod tox crodits to the extent that it is proboblo thot futuro taxablo profits will be avoiloblo ogoinst which the deductible temporory differences, unabsorbod tax lossos ond unused tax credits can be utilised. Such ossots end liabilitios aro not rocognisod if the temporary differenco arisos trom goodwilt or from the initial recognition (othor thon in a business combinotion) of othor essets and tiabilitios in o tronsaction that ottocts neither the taxabto protit nor tho accounting protit.

Notes to the Financial Statements (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax (Continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to income statements, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Foreign Currency Conversion

The individual financial statements of each entity within the Group are presented in the currency of the primary economic environment in which such entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Ringgit Malaysia using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange reserve account. Such translation differences are recognised in the income statements in the period in which the foreign operations are disposed of.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statements for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Notes to the Financial Statements (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Assets

At each balance sheet date, the Group reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses.

Certain properties of the Group are stated at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation. These properties have not been revalued since. The Group has availed itself to the transitional provision under IAS 16 (Revised): *Property, Plant and Equipment*, by virtue of which these properties continue to be stated at their valuation less accumulated depreciation and any impairment losses.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amount in revaluation reserve account relating to the assets disposed of are transferred to retained earnings.

Freehold land and assets in the course of construction are not depreciated. Depreciation of assets in the course of construction commences when the asset is ready for its intended use.

Notes to the Financial Statements [Continued]

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, Plant and Equipment (Continued)

Depreciation of other property, plant and equipment is computed on the straight-line method at the following annual rates based on the estimated useful lives of the various assets:

Commercial Complex/Building	1.3%
Site equipment	20%
Motor vehicles	20%
Office equipment, furniture, fixtures and fittings	10% - 20%

Residual value and useful lives of assets are reviewed and adjusted, if appropriate, at each balance sheet date.

Property, Plant and Equipment under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Investment Properties

Investment properties, comprising certain commercial complexes and buildings, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less accumulated depreciation and any impairment losses.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the balance sheets). The difference between the net disposal proceeds and the carrying amount is recognised in the income statements.

Depreciation of investment properties is computed on the straight-line method at 1.3% per annum.

Land Held for Development

Land held for development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Investments

Investment in unquoted shares of subsidiary companies, which is eliminated on consolidation, and investments in unquoted shares of associated companies and jointly controlled entities are stated in the Company's financial statements at cost less any impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

Other investments in marketable securities are stated at the lower of cost and market value, determined on an aggregate basis.

Associated Company

An associated company is a non-subsidiary company in which the Group holds as long-term investment not less than 20% of the equity voting rights and in which the Group is in a position to exercise significant influence in its management.

The Group's interests in associated company are accounted for by the equity method of accounting based on the management financial statements of the associated company made up to the end of the financial year. Under this method of accounting, the Group's interests in the post-acquisition profit or loss of the associated company are included in the consolidated results while dividend received is reflected as a reduction of the interests in the consolidated balance sheet, which include any unsecured receivables where settlement is neither planned nor likely to occur in the foreseeable future.

Unrealised profits and losses arising on transactions between the Group and its associated company are eliminated to the extent of the Group's interests in the relevant associated company except where unrealised losses provide evidence of an impairment of the asset transferred.

Jointly Controlled Entities

A jointly controlled entity is a non-subsidiary company in which the Group has joint control over its economic activities under a contractual arrangement.

The Group's interests in jointly controlled entities are accounted for by the equity method of accounting based on the management financial statements of the jointly controlled entity made up to the end of the financial year. Under this method of accounting, the Group's interest in the post-acquisition profit or loss of the jointly controlled entity is included in the consolidated results while dividend received is reflected as a reduction of the interests in the consolidated balance sheet, which include any unsecured receivables where settlement is neither planned nor likely to occur in the foreseeable future.

Unrealised profits and losses arising on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interests in the relevant jointly controlled entity except where unrealised losses provide evidence of an impairment of the asset transferred.

Development Properties

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statements by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Notes to the Financial Statements (Continued)

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Development Properties (Continued)

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

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 costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statements over billings to purchasers is classified as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in the income statements is classified as progress billings within payables.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the financial year, other than borrowings made specifically for the purposes of acquiring another qualifying asset. For borrowings made specifically for the purpose of acquiring a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawdown from that borrowing facility.

All other borrowing costs are recognised as an expense in the income statements in the period in which they are incurred.

Construction Contracts

When the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable of recovery. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately to the income statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventory of unsold completed property units and furnishing products are stated at the lower of cost and net realisable value. Cost of furnishing products is determined using the first-in-first-out method and includes all attributable overheads incurred in bringing the inventories to its present condition and location. The cost of completed property units, determined on the specific identification basis, comprises cost of land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to conclude the sale.

Receivables

Receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimate of possible losses which may arise from non-collection of certain receivable accounts.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the amount required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

At each balance sheet date, the provisions are reviewed by the directors and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.

Financial Assets

The Group's principal financial assets are trade and other receivables, amount owing by associated company, other investments, and cash and bank balances.

The Company's principal financial assets also include amount owing by subsidiary companies.

Financial Liabilities and Equity Instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statements on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

Notes to the Financial Statements (Continued)

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial Liabilities and Equity Instruments (Continued)

Significant financial liabilities of the Group include trade and other payables, borrowings and hire-purchase payable, which are stated at their nominal values.

Significant financial liabilities of the Company also include amount owing to subsidiary companies, which is stated at its nominal value.

Borrowings are recorded at the proceeds received net of direct issue costs. Finance charges are accounted for on accrual basis.

Equity instruments are recorded at the proceeds received net of direct issue costs.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

(i) **Critical judgements in applying the Group's accounting policies**

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amount recognised in the financial statements.

(ii) **Key sources of estimation uncertainty**

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as disclosed below:

Property development projects

The Group recognises property development revenue and costs in the income statements using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs. In addition to survey of work-completed, judgements are also required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on its past experiences and by relying on the work of specialists and external consultants.

Notes to the Financial Statements (Continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of non-current assets

The Group reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows 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.

Provision for liabilities

Provision for liabilities are made for the estimated liability on property maintenance costs incurred for the first two years after delivery of vacant possession to the property buyers. The provision is made based on past experiences and estimated trends of maintenance costs incurred by the Group in providing similar maintenance services.

5. REVENUE

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Property development	**573,786**	788,635	**55,636**	33,069
Income from investment properties	**3,866**	3,252	**-**	-
Property management	**3,885**	2,981	**-**	-
Rental income	**9,205**	9,054	**4,974**	4,807
Dividend income from subsidiary companies	**-**	-	**310,000**	23,610
	590,742	803,922	**370,610**	61,486

6. COST OF SALES

Included in cost of sales are:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Cost of property development sold	**289,530**	539,129	**-**	21,999
Cost of inventories sold	**42,497**	1,018	**33,075**	332
Cost of other services	**-**	3	**-**	-

7. PROFIT FROM OPERATIONS

Profit from operations is arrived at after crediting/(charging) the following:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Rental income from premises	**7,118**	8,708	**1,362**	1,024
Provision for liabilities no longer required (Note 32)	**5,205**	1,261	**1,710**	-
Interest income from:				
Fixed deposits	**1,807**	1,797	**405**	185
Others	**841**	1,380	**99**	12
Subsidiary companies	**-**		**6,231**	4,487
Realised gain on foreign exchange	**1,978**	-	**-**	-
Gain on deconsolidation of subsidiary companies (Note 16)	**1,061**	-	**-**	-
Gain on disposal of:				
Property, plant and equipment	**683**	10,876	**10**	19
Investment properties	**-**	8,558	**-**	-
Other investments	**-**	32	**-**	-
Bad debts recovered:				
Other receivables	**143**	-	**-**	-
Trade receivables	**19**	-	**-**	-
Allowance for doubtful debts no longer required	**95**	-	**-**	-
Staff costs	**(33,937)**	(35,467)	**(18,782)**	(18,938)
Provision for liabilities (Note 32)	**(23,675)**	(35,869)	**-**	(10,564)

Notes to the Financial Statements (Continued)

7. PROFIT FROM OPERATIONS (CONTINUED)

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Depreciation of:				
Property, plant and equipment	**(3,031)**	(3,194)	**(1,791)**	(1,634)
Investment properties	**(548)**	(565)	**-**	-
Directors' remuneration (Note 8)	**(2,374)**	(2,288)	**(2,374)**	(2,288)
Provision for staff loyalty program	**(2,206)**	(438)	**(1,541)**	(294)
Rental of premises	**(1,527)**	(1,826)	**(1,714)**	(1,628)
Write-offs of:				
Other receivables	**(713)**	-	**-**	-
Property, plant and equipment	**(243)**	(14)	**(7)**	(4)
Trade receivables	**(93)**	-	**(87)**	-
Amount owing by subsidiary companies	**-**	-	**-**	(19)
Audit fees:				
Statutory audit:				
Current year	**(238)**	(305)	**(118)**	(118)
Underprovision in prior years	**(74)**	(82)	**-**	(18)
Realised loss on foreign exchange	**(190)**	(69)	**-**	-
Loss on disposal of other investments	**(1)**	-	**-**	-
Allowance for doubtful debts:				
Other receivables	**-**	(195)	**-**	(37)
Amount owing by subsidiary companies	**-**	-	**-**	(375)
Reversal of impairment loss on property, plant and equipment	**-**	(11,654)	**-**	-

Staff costs include salaries, share-based payment transactions, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF by the Group and the Company during the financial year amounted to RM3,623,000 and RM1,952,000 (RM3,838,000 and RM2,184,000 in 2009), respectively. In 2009, the Group and the Company recognised total expenses of RM1,378,000 in relation to share-based payment transactions.

7. PROFIT FROM OPERATIONS (CONTINUED)

Compensation of key management personnel

The remunerations of key management personnel, excluding directors, during the financial year are as follows:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Salaries and cash benefits	**4,874**	5,186	**3,700**	4,046
Employees provident fund	**582**	580	**442**	442
	5,456	5,766	**4,142**	4,488

The estimated monetary value of benefits-in-kind received and receivable by the key management personnel other than in cash from the Group and the Company during the financial year amounted to RMNil and RMNil (RM11,860 and RM8,540 in 2009) respectively.

Remunerations of directors are disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group and Company	
	2010	2009
	RM'000	RM'000
Directors of the Company		
Executive:		
Salaries and other emoluments	**1,935**	1,810
Employees provident fund	**271**	253
	2,206	2,063
Non-Executive:		
Fees	**152**	199
Other emoluments	**16**	26
	168	225
	2,374	2,288

The estimated monetary value of benefits-in-kind received and receivable by the directors other than in cash from the Group and the Company amounted to RM103,449 (RM115,355 in 2009).

Notes to the Financial Statements (Continued)

8. DIRECTORS' REMUNERATION (CONTINUED)

The number of directors of the Company whose total remuneration during the financial year fall within the following bands is as follows:

	Number of Directors	
	2010	2009
Non Executive Directors:		
Below RM50,000	**2**	1
RM50,001 to RM100,000	**2**	3
Executive Directors:		
RM700,001 to RM750,000	**3**	3

9. FINANCE COSTS

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Interest expense/profit payments on:				
Commercial bills, overdrafts, revolving credit and term loans	**16,375**	11,532	**4,479**	3,631
IMTN	**5,845**	12,169	**1,274**	383
Hire-purchase payable	**4**	-	**4**	-
Amount owing to subsidiary companies	**-**	-	**3,688**	2,498
	22,224	23,701	**9,445**	6,512
Less: Interest capitalised in:				
Land held for development (Note 15)	**(8,575)**	(9,037)	**-**	-
Development properties (Note 20)	**(7,893)**	(10,301)	**-**	-
	(16,468)	(19,338)	**-**	-
	5,756	4,363	**9,445**	6,512

Notes to the Financial Statements (Continued)

10. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2010 **RM'000**	2009 RM'000	**2010** **RM'000**	2009 RM'000
Estimated tax payable:				
Current - Malaysia	**48,138**	56,922	**3,186**	2,502
Underprovision in prior years - Malaysia	**1,433**	817	**1,144**	119
	49,571	57,739	**4,330**	2,621
Deferred tax (Note 19):				
Current	**(1,678)**	(8,377)	**1,452**	(3,326)
Over provision in prior year	**-**	50	**-**	-
	(1,678)	(8,327)	**1,452**	(3,326)
	47,893	49,412	**5,782**	(705)

As of 30 June 2010, the Company has tax-exempt income account amounting to approximately RM10,594,000 (RM10,594,000 in 2009) arising from chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. Subject to the availability of distributable reserves, the tax-exempt income account will enable the Company to distribute tax-exempt dividends up to the same amount.

A reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2010 **RM'000**	2009 RM'000	**2010** **RM'000**	2009 RM'000
Profit before tax	**180,876**	205,760	**316,646**	19,381
Tax at the applicable statutory tax rate of 25% (25% in 2009)	**45,219**	51,440	**79,162**	4,845

10. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Tax effects of:				
Income not subject to tax	**(1,457)**	(4,617)	**(77,500)**	(5,903)
Expenses not deductible for tax purposes	**3,311**	4,413	**2,976**	3,040
Tax savings arising from utilisation of previously unabsorbed tax losses	**(53)**	(1,397)	**-**	(1,290)
Utilisation of deferred tax assets previously not recognised	**(1,277)**	(1,703)	**-**	(1,516)
Deferred tax assets not recognised	**717**	409	**-**	-
Underprovision of tax expense in prior years	**1,433**	817	**1,144**	119
Overprovision of deferred tax asset in prior years	**-**	50	**-**	-
	47,893	49,412	**5,782**	(705)

As mentioned in Note 3, the deductible temporary differences, unabsorbed tax losses and unabsorbed tax credits which would give rise to net deferred assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences, unabsorbed tax losses and unabsorbed tax credits can be utilised. As of 30 June 2010, the amounts of temporary differences for which deferred tax assets have not been recognised in the financial statements in view of the uncertainty of their realisation, are as follows:

	Group	
	2010 RM'000	2009 RM'000
Temporary differences arising from:		
Land held for development	**67,358**	67,358
Provision for liabilities	**2,868**	-
Property, plant and equipment	**(12)**	(8)
Others	**52**	52
Unabsorbed tax losses	**7,288**	7,500
Unabsorbed capital allowances	**16**	216
	77,570	75,118

The unabsorbed tax losses and unabsorbed capital allowances, which subject to agreement by the tax authorities, are available for offset against future taxable income.

Notes to the Financial Statements (Continued)

11. BASIC EARNINGS PER SHARE

Basic earnings per share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2010	**2009**
Profit attributable to ordinary equity holders of the Company (RM'000)	**133,951**	156,197
Weighted average number of ordinary shares of RM1.00 each in issue ('000)	**495,390**	489,627
Basic earnings per share (sen)	**27.04**	31.90

12. NET DIVIDEND PER SHARE

A first and final dividend of 3% (Nil in 2009), less 25% tax, amounting to approximately RM11,146,000 proposed and dealt with in the previous Report of the Directors, was paid on 10 December 2009. Net dividend per share during the financial year is 2.25 sen (Nil in 2009).

The directors have proposed a first and final dividend of 5%, less 25% tax, amounting to approximately RM18,577,000 in respect of the financial year ended 30 June 2010. The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

Notes to the Financial Statements (Continued)

13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Freehold land and buildings RM'000	Commercial complex/ Building RM'000	Site equipment RM'000	Motor vehicles RM'000	Office equipment, furniture, fixtures and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
Cost/Valuation								
Balance as of 1 July 2008	6,124	29,493	5,736	9,407	3,059	11,462	178,263	243,544
Additions		-	-	17	3	1,560	23,321	24,901
Transfer from development properties (Note 20)	558	-	8,327	-	-	-	94,767	103,052
Reclassification	-	-	-	-	-	63	(63)	-
Disposals	-	(29,493)	(4,918)	-	(61)		-	(34,472)
Write-offs	-	-	-	-	-	(149)	-	(149)
Transfer (to)/from investment properties (Note 14)	-	-	262	-	-	-	(39,138)	(38,876)
Balance as of 30 June 2009/1 July 2009	**6,682**	**-**	**9,407**	**9,424**	**3,001**	**12,936**	**256,550**	**298,000**
Additions	**-**	**-**	**-**	**15**	**206**	**765**	**6,063**	**7,049**
Transfer from development properties (Note 20)	**-**	**-**	**-**	**-**	**-**	**-**	**69,020**	**69,020**
Reclassification	**-**	**-**	**-**	**-**	**-**	**7**	**(6)**	**1**
Disposals	**-**	**-**	**-**	**(2,617)**	**(11)**	**(461)**	**-**	**(3,089)**
Write-offs	**-**	**-**	**-**	**(15)**	**-**	**(1,367)**	**-**	**(1,382)**
Exchange difference	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**
Balance as of 30 June 2010	**6,682**	**-**	**9,407**	**6,807**	**3,196**	**11,879**	**331,627**	**369,598**

Notes to the Financial Statements (Continued)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Freehold land and buildings RM'000	Commercial complex/ Building RM'000	Site equipment RM'000	Motor vehicles RM'000	Office equipment, furniture, fixtures and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated Depreciation								
Balance as of 1 July 2008	-	2,801	213	4,111	1,688	7,656	-	16,469
Charge for the financial year	-	138	47	1,118	499	1,392	-	3,194
Disposals	-	(2,939)	(203)	-	(59)		-	(3,201)
Write-offs	-	-	-	-	-	(135)	-	(135)
Transfer from investment properties (Note 14)	-	-	11	-		-	-	11
Balance as of 30 June 2009/1 July 2009	-	-	**68**	**5,229**	**2,128**	**8,913**	-	**16,338**
Charge for the financial year	-	-	**184**	**1,115**	**458**	**1,274**	-	**3,031**
Disposals	-	-	-	**(2,589)**	**(10)**	**(435)**	-	**(3,034)**
Write-offs	-	-	-	**(15)**	-	**(1,124)**	-	**(1,139)**
Balance as of 30 June 2010	-	-	**252**	**3,740**	**2,576**	**8,628**	-	**15,196**
Net Book Value								
Balance as of 30 June 2010	**6,682**	-	**9,155**	**3,067**	**620**	**3,251**	**331,627**	**354,402**
Balance as of 30 June 2009	6,682	-	9,339	4,195	873	4,023	256,550	281,662

Notes to the Financial Statements (Continued)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land RM'000	Commercial complex/ Building RM'000	Site equipment RM'000	Motor vehicles RM'000	Office equipment, furniture, fixtures and fittings RM'000	Total RM'000
Cost/Valuation						
Balance as of 1 July 2008	3,971	-	2,000	2,743	6,838	15,552
Additions	-	-	12	-	1,166	1,178
Transfer from development properties (Note 20)	558		-	-		558
Transfer from subsidiary companies	-	8,500	-	-	15	8,515
Transfer to subsidiary companies		-	-	-	(14)	(14)
Disposals	-	-		(43)	-	(43)
Write-offs	-	-	-	-	(20)	(20)
Balance as of 30 June 2009/1 July 2009	**4,529**	**8,500**	**2,012**	**2,700**	**7,985**	**25,726**
Additions	-	-	15	206	228	449
Transfer from subsidiary companies	-	-	-	-	22	22
Disposals	-	-	-	-	(130)	(130)
Write-offs	-	-	-	-	(116)	(116)
Balance as of 30 June 2010	**4,529**	**8,500**	**2,027**	**2,906**	**7,989**	**25,951**

Notes to the Financial Statements (Continued)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land RM'000	Commercial complex/ Building RM'000	Site equipment RM'000	Motor vehicles RM'000	Office equipment, furniture, fixtures and fittings RM'000	Total RM'000
Accumulated Depreciation						
Balance as of 1 July 2008	-	-	667	1,509	4,421	6,597
Charge for the financial year	-	14	402	456	762	1,634
Transfer to subsidiary companies	-	-	-	-	(13)	(13)
Disposals	-	-	-	(43)	-	(43)
Write-offs	-	-	-	-	(16)	(16)
Balance as of 30 June 2009/1 July 2009	-	**14**	**1,069**	**1,922**	**5,154**	**8,159**
Charge for the financial year	-	**170**	**404**	**416**	**801**	**1,791**
Disposals	-	-	-	-	**(129)**	**(129)**
Write offs	-	-	-	-	**(109)**	**(109)**
Balance as at 30 June 2010	-	**184**	**1,473**	**2,338**	**5,717**	**9,712**
Net Book Value						
Balance as of 30 June 2010	**4,529**	**8,316**	**554**	**568**	**2,272**	**16,239**
Balance as of 30 June 2009	4,529	8,486	943	778	2,831	17,567

The above freehold land of the Company was valued by the directors on an open market value for existing use based on a valuation carried out by independent professional valuers in 1996. Had the freehold land been carried at cost less accumulated depreciation, its carrying amount would have been RM1,724,000 (RM1,724,000 in 2009).

Included in cost of property, plant and equipment of the Group and the Company is an amount of approximately RM6,828,000 and RM3,217,000 (RM11,788,000 and RM3,717,000 in 2009) respectively, representing fully depreciated property, plant and equipment which are still in use by the Group and the Company.

Included in property, plant and equipment of the Group and the Company are assets acquired under hire-purchase arrangements with net book value of RM171,8[illegible]0 (Nil in 2009).

Notes to the Financial Statements (Continued)

14. INVESTMENT PROPERTIES

	Group	
	2010	2009
	RM'000	RM'000
Net Book Value		
At beginning of financial year	**44,327**	8,956
Additions	**-**	53
Transfer from property, plant and equipment (Note 13)	**-**	38,887
Disposal	**-**	(3,004)
Depreciation charge for the financial year	**(548)**	(565)
At end of financial year	**43,779**	44,327
Cost	**45,095**	45,095
Accumulated depreciation	**(1,316)**	(768)
Net book value	**43,779**	44,327
Fair value	**78,850**	78,850

The fair value of the investment properties has been arrived at based on the directors' best estimate, taking into account prevailing market conditions.

Direct operating expenses relating to the rental of investment properties during the financial year amounted to RM2,210,100 (RM2,177,200 in 2009).

Notes to the Financial Statements (Continued)

15. LAND HELD FOR DEVELOPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Cost				
Balance as of 1 July 2008	650,564	138,837	146,790	936,191
Additions	-	-	60,963	60,963
Transfer from development properties (Note 20)	-	-	448	448
Balance as of 30 June 2009/1 July 2009	**650,564**	**138,837**	**208,201**	**997,602**
Additions	**7,972**	**-**	**43,777**	**51,749**
Transfer to development properties (Note 20)	**(77,150)**	**-**	**(63,677)**	**(140,827)**
Balance as of 30 June 2010	**581,386**	**138,837**	**188,301**	**908,524**
Impairment Loss				
Balance as of 30 June 2009/30 June 2010	**-**	**7,557**	**68,233**	**75,790**
Carrying Amount				
Balance as of 30 June 2010	**581,386**	**131,280**	**120,068**	**832,734**
Balance as of 30 June 2009	650,564	131,280	139,968	921,812

In 2006, the Group made allowance for impairment loss amounting to RM75,789,883 in respect of development located at Kajang, Selangor and Mersing, Johor. Both parcels of land at Kajang and Mersing, acquired in 1996 and 1994 respectively, had incurred substantial interest costs since their acquisitions. The Group had also incurred substantial development costs in respect of the Kajang land. The capitalised costs had affected the viability of these developments. The land at Kajang were purchased on the basis of high-density developments which is not viable under present condition. Allowance for impairment losses in respect of these land held for development were based on market value provided by professional valuers in August 2006 based on existing approved plans. The directors are of the opinion that no further allowance for impairment loss is deemed necessary for the current year.

15. LAND HELD FOR DEVELOPMENT (CONTINUED)

The carrying amounts of land and development expenditure as at balance sheet date charged as securities for the credit facilities granted to the Group are as follows:

	Group	
	2010 RM'000	2009 RM'000
Freehold land and development expenditure	**495,833**	291,011
Included in development expenditure for the financial year are:		
Interest costs (Note 9)	**8,575**	9,037

On 14 January 2008, an agreement was entered between a subsidiary company and a third party for the purchase of a piece of freehold land held for development which provides for the third party to have an option to purchase an office block with a nett lettable area of not less than 200,000 square feet which is to be constructed on the said land. The option to purchase has been exercised and the parties are in the midst of negotiating the terms of the sale and purchase agreement for the office block.

16. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2010 RM'000	2009 RM'000
Unquoted shares - at cost		
Malaysia	**179,975**	49,975
Foreign	**150,866**	127,161
	330,841	177,136
Less: Cumulative impairment loss	**(2,804)**	(2,804)
	328,037	174,332

Amount owing by subsidiary companies, which arose mainly from advances, payments made on behalf and interest payable, is unsecured and has no fixed repayment terms. The amount outstanding consists of:

	Company	
	2010 RM'000	2009 RM'000
Amount owing by subsidiary companies	**990,874**	837,546
Less: Allowance for doubtful debts	**(116,985)**	(116,985)
	873,889	720,561

Notes to the Financial Statements (Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Included in amount owing by subsidiary companies is an amount of RM200 million (RM200 million in 2009) representing borrowings that are advanced to subsidiary companies and bear interest at rates ranging from 4.9% to 6.65% (5.145% to 6.65% in 2009) per annum. The interests are equivalent to the cost of financing incurred by the Company. The remaining amount owing by subsidiary companies bears interest at 4.95% (4.46% in 2009) per annum.

Amount owing to subsidiary companies, which arose mainly from trade transactions and payments on behalf, is unsecured, bears interest at 4.95% (4.46% in 2009) per annum and has no fixed repayment terms.

The details of subsidiary companies are as follows:

Name	Country of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Principal Activities
Direct Subsidiary Companies				
Ascot Assets Sdn. Bhd.	Malaysia	**100**	100	Property development
Aston Star Sdn. Bhd.	Malaysia	**100**	100	Property investment, development and construction
Aurora Tower at KLCC Sdn. Bhd.	Malaysia	**100**	100	Property development
Cakap Kawal Sdn. Bhd.	Malaysia	**100**	100	Provision of security services
Crescent Phase I Ltd.#	British Virgin Islands	**100**	100	Investment holding
Crescent Phase II Ltd.#	British Virgin Islands	**100**	100	Investment holding
Global Associates International Ltd.#	British Virgin Islands	**100**	100	Investment holding
Interior Design One Sdn. Bhd.	Malaysia	**100**	100	General contracting, interior designing and consultancy
Laser Tower Sdn. Bhd.	Malaysia	**100**	100	Property development
Limbah Suria Sdn. Bhd.	Malaysia	**100**	100	Property development
Lucky Bright Star Sdn. Bhd.	Malaysia	**100**	100	Property investment and development
Milik Harta Sdn. Bhd.	Malaysia	**100**	100	Property development
New Planet Trading Sdn. Bhd.	Malaysia	**100**	100	Property investment and development
Prinsip Eramaju Sdn. Bhd.	Malaysia	**100**	100	Property development
Saga Centennial Sdn. Bhd.	Malaysia	**100**	100	Trading of steel
SCM Property Services Sdn. Bhd.	Malaysia	**100**	100	Property management

Notes to the Financial Statements (Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Name	Country of Incorporation	Effective Equity Interest 2010 %	2009 %	Principal Activities
Direct Subsidiary Companies				
Solid Performance Sdn. Bhd.	Malaysia	**100**	100	Property development
Summer Lodge Sdn. Bhd.	Malaysia	**100**	100	Property development
Sunrise Alliance Sdn. Bhd.	Malaysia	**100**	100	Property development
Sunrise Benchmark Sdn. Bhd.	Malaysia	**100**	100	Property development
Sunrise Century Sdn. Bhd.	Malaysia	**100**	100	Property development
Sunrise dotCom Sdn. Bhd.	Malaysia	**100**	100	Dormant
Sunrise Hospitality and Leisure Sdn. Bhd.	Malaysia	**100**	100	Provision of property related and ancillary services
Sunrise Incubation Sdn. Bhd.	Malaysia	**100**	100	Dormant
Sunrise Innovations Sdn. Bhd.	Malaysia	**100**	100	Property development
Sunrise International Development Ltd.#	Cayman Islands	**100**	100	Investment holding
Sunrise KHP Sdn. Bhd.	Malaysia	**100**	100	Property investment and development
Sunrise Landmark Sdn. Bhd.	Malaysia	**100**	100	Property development
Sunrise Mersing Sdn. Bhd.	Malaysia	**100**	100	Property development
Sunrise Millennium Sdn. Bhd.	Malaysia	**100**	100	Dormant
Sunrise Oscar Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Sunrise Overseas Corporation Sdn. Bhd.	Malaysia	**100**	100	Investment holding and provision of management services
Sunrise Paradigm Sdn. Bhd	Malaysia	**100**	100	Property development
Sunrise Pioneer Sdn. Bhd.	Malaysia	**100**	100	Property investment
Sunrise Project Services Sdn. Bhd.	Malaysia	**100**	100	Dormant
Sunrise Quality Sdn. Bhd.	Malaysia	**100**	100	Property development
Sunrise Region Sdn. Bhd.	Malaysia	**100**	100	Property development
Sunrise REIT Management Sdn. Bhd.	Malaysia	**100**	100	Dormant
Sunrise Sovereign Ltd.**	British Virgin Islands	**-**	100	Investment holding
Sunrise Sovereign Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Sun Victory Sdn. Bhd.	Malaysia	**100**	100	Property investment and development
Ibarat Duta Sdn. Bhd.	Malaysia	**62**	62	Property development

Notes to the Financial Statements (Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Name	Country of Incorporation	Effective Equity Interest 2010 %	2009 %	Principal Activities
(Held through Global Associates International Ltd.)				
East Urban Properties Pty. Ltd. @	Australia	-	80	Property investment
(Held through Sun Victory Sdn. Bhd.)				
Sunrise Assets Sdn. Bhd.	Malaysia	**100**	100	Property investment
(Held through Sunrise Oscar Sdn. Bhd.)				
Sunrise DCS Sdn. Bhd.	Malaysia	**100**	100	Provision of cooling plant facility services
(Held through Sunrise International Development Ltd.)				
Sunrise Holdings S.àr.l.#	Grand Duchy of Luxembourg	**100**	100	Investment holding
(Held through Sunrise Holdings S.àr.l.)				
Phileo Development Corp.*	Canada	**100**	100	Property investment and development
(Held through Phileo Development Corp.)				
Phileo Developments (Richmond) Ltd*	Canada	**100**	100	Property investment and development

* The financial statements of these subsidiary companies are audited by auditors other than the auditors of the Company.

** Dissolved during the financial year (Note 38).

\# The financial statements of these subsidiary companies are audited for consolidation purposes.

@ Under members' voluntary liquidation (solvent) (Note 38).

Notes to the Financial Statements (Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

During the financial year, a liquidator was appointed to commence a members' voluntary liquidation (solvent) of East Urban Properties Pty. Ltd. ("EUP"), a foreign indirect subsidiary of the Company effective 30 June 2010 pursuant to section 491 of the Australian Corporations Act 2001. As a result, the financial statements of EUP have been deconsolidated.

The effects of the deconsolidation of subsidiary companies on the financial results and financial position of the Group are as follows:

	Group 2010 RM'000
Revenue	-
Loss from operations	-
Net loss for the financial year	-
Net liabilities deconsolidated:	
Other receivables and prepaid expenses	5
Cash and bank balances	214
Other payables and accrued expenses	(40)
Exchange reserve	(1,240)
Gain arising from deconsolidation of subsidiary companies	(1,061)

17. INTERESTS IN ASSOCIATED COMPANY

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Unquoted shares - at cost	**100**	100	**100**	100
Amount owing by associated company	**3,724**	3,708	**3,724**	3,708
	3,824	3,808	**3,824**	3,808
Share of post-acquisition losses	**(365)**	(352)	-	-
	3,459	3,456	**3,824**	3,808
Represented by:				
Share of net liabilities	**(265)**	(252)		
Amount owing by associated company	**3,724**	3,708		
	3,459	3,456		

Notes to the Financial Statements (Continued)

17. INTERESTS IN ASSOCIATED COMPANY (CONTINUED)

The Group's aggregate share of the income, expenses, assets and liabilities of the associated company are as follows:

	Group 2010 RM'000	Group 2009 RM'000
Revenue	-	-
Expenses	(13)	(13)
Non-current assets	3,448	3,448
Current assets	8	5
Non-current liabilities	(3,721)	(3,705)
Net liabilities	(265)	(252)

The details of associated companies are as follows:

Name	Country of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Principal Activities
Associate of the Company				
Perfect Portfolio Sdn. Bhd.*	Malaysia	50	50	Investment holding
Associate of Sunrise Hospitality and Leisure Sdn. Bhd.				
CEO Network Sdn. Bhd.#	Malaysia	-	40	Provision of fraternal networking services

* The financial statements of the associated company are audited by auditors other than the auditors of the Company.

Members voluntary winding up was completed during the financial year (Note 38).

Notes to the Financial Statements (Continued)

18. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted shares - at cost	772	722	1,050	1,000
Amount owing by jointly controlled entities	95,483	89,284	95,483	89,284
	96,255	90,006	96,533	90,284
Share of post-acquisition losses	(3,161)	(4,602)	-	-
	93,094	85,404	96,533	90,284
Represented by:				
Share of net liabilities	(2,389)	(3,880)		
Amount owing by jointly controlled entities	95,483	89,284		
	93,094	85,404		

The Group's aggregate share of the income, expenses, assets and liabilities of the jointly controlled entity is as follows:

	Group	
	2010 RM'000	2009 RM'000
Revenue	8,951	5,383
Expenses	(7,511)	(6,158)
Non-current assets	140,856	81,278
Current assets	11,542	11,980
Non-current liabilities	(146,813)	(89,282)
Current liabilities	(7,974)	(7,856)
Net liabilities	(2,389)	(3,880)

18. INTERESTS IN JOINTLY CONTROLLED ENTITIES (CONTINUED)

The details of the jointly controlled entities are as follows:

Name	Country of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Principal Activities
Held by the Company				
Sunrise MCL Land Sdn. Bhd.*	Malaysia	**50**	50	Property development
Sime Darby Sunrise Development Sdn. Bhd. (Formerly known as Baywood Avenue Sdn. Bhd.)*	Malaysia	**50**	-	Property development

* The financial statements of the above jointly controlled entities are audited by auditors other than the auditors of the Company.

19. DEFERRED TAX ASSETS

Deferred tax assets and liability are offset when there is a legally enforceable right to set off current tax assets against current tax liability and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Deferred tax assets	**17,658**	15,780	**2,673**	4,239
Deferred tax liability	**(1,382)**	(1,182)	**(799)**	(913)
Net	**16,276**	14,598	**1,874**	3,326

Notes to the Financial Statements (Continued)

19. DEFERRED TAX ASSETS (CONTINUED)

The movements during the financial year relating to deferred tax are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
At beginning of year	**14,598**	6,271	**3,326**	-
Transfer (to)/from income statements for the year (Note 10):				
Property, plant and equipment	**(200)**	(604)	**113**	(913)
Provision for liabilities	**3,106**	7,069	**(1,565)**	4,239
Unabsorbed tax losses	**(1,233)**	1,862	**-**	-
Unabsorbed capital allowances	**5**	-	**-**	-
	1,678	8,327	**(1,452)**	3,326
At end of year	**16,276**	14,598	**1,874**	3,326

The deferred tax assets and liability during the year (prior to offsetting of balances) comprise the following:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Deferred tax liabilities (before offsetting):				
Temporary differences arising from property, plant and equipment	**1,382**	1,182	**799**	913
	1,382	1,182	**799**	913
Offsetting	**(1,382)**	(1,182)	**(799)**	(913)
Deferred tax liabilities (after offsetting)	**-**	-	**-**	-

19. DEFERRED TAX ASSETS (CONTINUED)

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Deferred tax assets (before offsetting):				
Temporary differences arising from provision for liabilities	**16,704**	13,598	**2,673**	4,239
Unabsorbed tax losses	**949**	2,182	**-**	-
Unabsorbed capital allowances	**5**		**-**	-
	17,658	15,780	**2,673**	4,239
Offsetting	**(1,382)**	(1,182)	**(799)**	(913)
Deferred tax assets (after offsetting)	**16,276**	14,598	**1,874**	3,326

The unabsorbed tax losses and unabsorbed capital allowances are subject to the agreement by tax authority.

20. DEVELOPMENT PROPERTIES

Group	**Freehold land RM'000**	**Development expenditure RM'000**	**Total RM'000**
Cost			
Balance as of 1 July 2008	65,715	126,658	192,373
Additions	1,159	609,294	610,453
Cost recognised as an expense in income statements	(38,378)	(500,751)	(539,129)
Transfer to property, plant and equipment (Note 13)	-	(103,052)	(103,052)
Transfer from land held for development (Note 15)	-	(448)	(448)
Transfer to inventories	(5,659)	(51,390)	(57,049)
Balance as of 30 June 2009/1 July 2009	**22,837**	**80,311**	**103,148**
Additions	**-**	**334,242**	**334,242**
Cost recognised as an expense in income statements	**(11,880)**	**(277,650)**	**(289,530)**
Transfer to property, plant and equipment (Note 13)	**(1,186)**	**(67,834)**	**(69,020)**
Transfer from land held for development (Note 15)	**77,150**	**63,677**	**140,827**
Transfer to inventories	**(175)**	**(24,048)**	**(24,223)**
Balance as of 30 June 2010	**86,746**	**108,698**	**195,444**

Notes to the Financial Statements (Continued)

20. DEVELOPMENT PROPERTIES (CONTINUED)

Company	Freehold land RM'000	Development expenditure RM'000	Total RM'000
Cost			
Balance as of 1 July 2008	3,471	46,148	49,619
Additions	-	16,973	16,973
Cost recognised as an expense in income statements	(1,172)	(20,827)	(21,999)
Transfer to property, plant and equipment (Note 13)	-	(558)	(558)
Transfer to land held for development (Note 15)	-	(448)	(448)
Transfer to inventories	(2,299)	(41,288)	(43,587)
Balance as of 30 June 2009/30 June 2010	-	-	-

Development properties are represented by:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Cumulative costs incurred to date	**1,473,546**	1,238,535	-	27,011
Less: Cumulative costs recognised as an expense to date	**(1,278,102)**	(1,135,387)	-	(27,011)
	195,444	103,148	-	-
Included in development expenditure for the financial year are:				
Interest costs (Note 9)	**7,893**	10,301	-	-

As at the balance sheet, the carrying amounts of freehold land and related development expenditure pledged as securities for the borrowing facilities granted to the Group are as follows:

	Group	
	2010 RM'000	2009 RM'000
Freehold land and development expenditure	**129,429**	-

21. INVENTORIES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Completed property units	**64,947**	83,588	**21,668**	55,119
Electrical items	**5**	5	**-**	-
	64,952	83,593	**21,668**	55,119

22. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables	**71,983**	23,234	**6,098**	701
Less: Allowance for doubtful debts	**(107)**	(806)	**-**	-
	71,876	22,428	**6,098**	701
Accrued billings	**94,150**	176,414	**603**	34,537
	166,026	198,842	**6,701**	35,238

The average credit period granted to customers ranges from 14 to 90 days (14 to 90 days in 2009).

During the financial year, bad debts amounting to RM585,000 (Nil in 2009) were written off against the allowance for doubtful debts.

The currency profile of trade receivables is as follows:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Ringgit Malaysia	**71,983**	22,473	**6,098**	701
Australian Dollar	**-**	761	**-**	-
	71,983	23,234	**6,098**	701

Notes to the Financial Statements (Continued)

22. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (CONTINUED)

Other receivables and prepaid expenses consist of:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Other receivables	**19,295**	15,626	**698**	1,008
Less: Allowance for doubtful debts	**(106)**	(264)	**(106)**	(106)
	19,189	15,362	**592**	902
Refundable deposits	**6,739**	7,259	**2,766**	2,837
Prepaid expenses	**342**	638	**277**	440
Tax recoverable	**24,065**	19,791	**3,486**	5,156
	50,335	43,050	**7,121**	9,335

Included in other receivables of the Group is an amount of RM14,000,000 (RM12,000,000 in 2009) representing amount paid by certain subsidiary companies for the acquisition of two parcels of freehold land held under Lot 2356 and Lot 2581, at Mukim Batu, Kuala Lumpur.

During the financial year, bad debts amounting to RM15,261 (Nil in 2009) of the Group were written off against the allowance for doubtful debts.

The currency profile of other receivables is as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Ringgit Malaysia	**17,494**	14,218	**698**	1,008
Canadian Dollar	**1,373**	903	**-**	-
Pound Sterling	**265**	340	**-**	-
United States Dollar	**163**	165	**-**	-
	19,295	15,626	**698**	1,008

Notes to the Financial Statements (Continued)

23. OTHER INVESTMENTS

	Group	
	2010	2009
	RM'000	RM'000
At carrying amount:		
Quoted investments in Malaysia	**5**	6
Fund managed by a licensed foreign fund manager	**1,422**	1,331
	1,427	1,337
Market value of quoted investments	**6**	5
Market value of foreign managed fund	**1,422**	1,331
	1,428	1,336

24. CASH AND BANK BALANCES/CASH AND CASH EQUIVALENTS

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Deposits with licensed financial institutions	**5,700**	4,842	**4,000**	142
Housing Development Accounts	**104,853**	10,571	**662**	2,728
Cash at banks and in hand	**42,111**	32,465	**264**	927
Cash and bank balances	**152,664**	47,878	**4,926**	3,797
Less: Bank overdrafts (Note 28)	**(934)**	(3,117)	**(934)**	(3,117)
Cash and cash equivalents	**151,730**	44,761	**3,992**	680

The Housing Development Accounts are maintained by the Group and the Company in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from house purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the Group and the Company upon completion of the property development projects and after all property development expenditure have been fully settled.

In accordance with the terms of the Multi-tranche Islamic Private Debt Facilities ("Facilities"), certain portions of the progress billings of certain development projects are required to be deposited into a sinking fund account for the purpose of repaying outstanding obligations of the Facilities. The Facilities have been cancelled effective 18 June 2009.

Notes to the Financial Statements (Continued)

24. CASH AND BANK BALANCES/CASH AND CASH EQUIVALENTS (CONTINUED)

The currency profile of cash at banks and in hand is as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Canadian Dollar	**20,138**	4,926	**-**	-
Ringgit Malaysia	**10,409**	13,566	**264**	927
Pound Sterling	**11,564**	9,595	**-**	-
Australian Dollar	**-**	4,378	**-**	-
	42,111	32,465	**264**	927

25. SHARE CAPITAL

	Group and Company			
	Number of Shares			
	2010 '000	2009 '000	**2010 RM'000**	2009 RM'000
Authorised:				
Ordinary shares of RM1.00 each:				
At beginning and end of financial year	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Issued and fully paid:				
Ordinary shares of RM1.00 each:				
At beginning of financial year	**495,390**	450,215	**495,390**	450,215
Private placement of shares	**-**	44,825	**-**	44,825
Exercise of share options under ESOS	**-**	350	**-**	350
At end of financial year	**495,390**	495,390	**495,390**	495,390

The number of issued and paid-up share capital with voting rights as of financial year end are as follows:

	Number of Shares	
	2010 '000	2009 '000
Total number of ordinary shares	**495,390**	495,390
Less: Number of shares held as treasury shares	**(19)**	(19)
Number of ordinary shares with voting rights	**495,371**	495,371

25. SHARE CAPITAL (CONTINUED)

The Sunrise Berhad ESOS is governed by a set of By-Laws approved by the shareholders at an Extraordinary General Meeting held on 28 October 2003. The salient features of ESOS are as follows:

(a) The maximum number of new ordinary shares which may be made available under the ESOS shall not exceed, in aggregate, 10% of the total issued and paid-up capital of the Company at any one time at any point of the options in the duration of the scheme provided that:

(i) not more than 50% of the new ordinary shares available under the ESOS should be allocated, in aggregate, to directors and senior management; and
(ii) not more than 10% of the new ordinary shares available under the ESOS should be allocated to any individual director or Eligible Participant who, either individually or collectively through his/her associates, holds 20% or more in the issued and paid-up share capital of the Company.

(b) An Eligible Participant who is able to participate in the ESOS is a natural person who at the date of offer is at least 18 years of age and is:

(i) a confirmed employee on the payroll of the Group or of the Company and has served the Group or the Company for a continuous period of 1 year, where services have been confirmed in writing; or
(ii) a confirmed full-time Executive Director on the payroll of the Company employed for a continuous period of at least 1 year by the Company, must be involved in the day-to-day management and is not prohibited or disallowed by the relevant authorities from participating in the ESOS, whose specific entitlement under the ESOS is approved by the Company in a general meeting; or
(iii) a Non-Executive Director, appointed to the Board by the Company, is not prohibited or disallowed by the relevant authorities from participating in the ESOS, and whose specific entitlement under the ESOS is approved by the Company in a general meeting; or
(iv) under such categories and of such criteria which the ESOS Committee may from time to time decide.

(c) Under the By-Laws, the maximum allowable allotment and the maximum number of new ordinary shares comprised in the options to be offered to the Eligible Participants in accordance with the ESOS shall be determined at the discretion of the ESOS Committee after taking into consideration, amongst others, the length of service with the Group or with the Company and the performance of the Eligible Participants, provided that the allocation is equitable to the various grades of Eligible Participants, and is subject always to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") or other applicable regulatory requirements relating to such allocations.

(d) The option price shall be the higher of a price which reflects a discount of not more than 10% from the weighted average market price of the Company's shares as shown in the daily official list issued by Bursa Securities for the 5 market days immediately preceding the date of offer or the par value of the Company's shares.

(e) ESOS shall be in force for a period of 5 years, unless terminated earlier or extended in accordance with the terms of the By-Laws for the ESOS.

25. SHARE CAPITAL (CONTINUED)

(f) The new ordinary shares to be allotted upon any exercise of options shall, upon allotment and issue, rank pari passu in all respects with the then existing issued and paid-up ordinary shares in the Company except that they will not entitle the holders thereof to receive any dividends, rights, bonus issues and any other distributions declared in favour of the holders of such shares for which the entitlement date thereof precedes the date on which the new ordinary shares are credited into the holders' respective securities accounts.

The ESOS was expired on 5 February 2009 and any unexercised options were deemed lapsed.

The movements in number of share options granted, exercised and forfeited/lapsed pursuant to the ESOS are as follows:

Years	Exercised price RM	Balance as of 1 July '000	Granted '000	Exercised '000	Forfeited/ Lapsed '000	Balance as of 30 June '000
2004	2.39 - 2.66	-	18,900	(259)	(333)	18,308
2005	1.44 - 1.73	18,308	14,483	(1,185)	(1,619)	29,987
2006	1.15 - 1.73	29,987	2,593	(1,840)	(2,618)	28,122
2007	1.15 - 3.69	28,122	1,862	(22,463)	(747)	6,774
2008	1.19 - 2.99	6,774	4,425	(3,233)	(499)	7,467
2009	1.19 - 1.46	7,467	2,710	(350)	(9,827)	-

Details of ESOS exercised in 2009 and the fair value on exercise dates are as follows:

Financial year ended 30 June 2009

Month of exercise	Exercise price RM	Average fair value of ordinary shares RM	Number of share options exercised '000	Consideration received RM'000
July 2008	1.46	1.56	10	15
December 2008	1.19 - 1.26	1.43	20	24
January 2009	1.24 - 1.26	1.40 - 1.45	320	403
			350	442
Less: Par value of ordinary shares				(350)
Share premium				92

25. SHARE CAPITAL (CONTINUED)

The fair value of share options granted was estimated by using a Binomial Option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2010	2009
Estimated average fair value of share options (RM)	-	0.52
Weighted average share price (RM)	-	1.36
Expected volatility (%)	-	53.89
Expected life (years)	-	1
Risk-free rate (%)	-	3.71
Expected dividend yield (%)	-	1

26. RESERVES

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Non-distributable:				
Revaluation reserve	**2,664**	2,664	**1,687**	1,687
Share premium	**19,105**	19,105	**19,105**	19,105
Exchange reserve	**(12,920)**	(9,915)	**-**	
	8,849	11,854	**20,792**	20,792
Distributable:				
Retained earnings	**590,060**	467,255	**506,761**	207,043
	598,909	479,109	**527,553**	227,835

Retained earnings

In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend would no longer be able to claim any tax credit.

Companies without Section 108 tax credit balance will automatically move to the single tier tax system on 1 January 2008. However, companies with such tax credits are given an irrevocable option to elect for the single tier tax system and disregard the tax credit or to continue to use the tax credits under Section 108 account to frank the payment of cash dividends on ordinary shares for a period of 6 years ending 31 December 2013 or until the tax credits are fully utilised, whichever comes first. During the transitional period, any tax paid will not be added to the Section 108 account and any tax credits utilised will reduce the tax credit balance. All companies will be in the new system on 1 January 2014.

Notes to the Financial Statements (Continued)

26. RESERVES (CONTINUED)

As at balance sheet date, the Company has not elected for the irrevocable option to disregard the Section 108 tax credits. Accordingly, subject to the agreement of the Inland Revenue Board and based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credits and tax exempt income account to frank the payment of dividend out of its entire retained earnings as of 30 June 2010.

Revaluation reserve

The revaluation reserve is used to record increase and decrease in revaluation of non-current assets, as described in the accounting policies. The amount arose from the revaluation of certain freehold land as disclosed in Note 13.

Share premium

Share premium arose from the premium on the issuance of new ordinary shares in current and prior financial years.

Exchange reserve

Exchange differences arising on translation of foreign controlled entities are taken to the exchange reserve as described in the accounting policies.

27. TREASURY SHARES

	Group and Company			
	Number of Shares			
	2010	2009	**2010**	2009
	'000	'000	**RM'000**	RM'000
At beginning and end of financial year	**(19)**	(19)	**(31)**	(31)

The mandate for share buy-back was obtained from the shareholders of the Company on 17 June 2005 and renewed on 25 October 2007 granting the directors of the Company the authority to buy back shares in the Company up to 10% of the existing issued and paid-up share capital. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buy-back can be applied in the best interest of the Company and its shareholders.

Notes to the Financial Statements (Continued)

27. TREASURY SHARES (CONTINUED)

In 2006, the Company bought back 17,252,000 of its issued ordinary shares from the open market at price ranging from RM1.14 to RM1.79 per share for RM28,183,018, with internally generated funds. The cumulative shares bought back are held as treasury shares. Details of the shares bought back in 2006 are as follows:

Month	Share Price			Number of	Total
	Lowest RM	Highest RM	Average RM	Shares '000	Consideration RM'000
July 2005	1.48	1.48	1.48	1	1
August 2005	1.53	1.53	1.53	50	77
September 2005	1.43	1.47	1.45	729	1,059
October 2005	1.44	1.44	1.44	55	80
November 2005	1.14	1.39	1.33	1,516	2,016
December 2005	1.14	1.21	1.19	895	1,069
January 2006	1.19	1.19	1.19	90	108
February 2006	1.58	1.70	1.65	4,744	7,832
March 2006	1.69	1.78	1.73	8,185	14,170
April 2006	1.78	1.79	1.79	987	1,771
				17,252	28,183
Distribution of treasury shares in 2008				(17,233)	(28,152)
				19	31

The balance of the treasury shares as at 30 June 2010 is available for distribution as share dividends.

Notes to the Financial Statements (Continued)

28. BORROWINGS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short-term borrowings				
Secured:				
Revolving credit	7,000	-	7,000	-
Unsecured:				
Bank overdrafts (Note 24)	934	3,117	934	3,117
Revolving credit	73,125	97,000	73,125	97,000
IMTN	-	200,000	-	200,000
	81,059	300,117	81,059	300,117
Long-term borrowings				
Secured:				
Term loans	283,600	183,600	126,000	26,000
Bank overdrafts	9,956	9,826	-	-
Revolving credit	46,000	-	-	-
Unsecured:				
IMTN	100,000	-	100,000	-
	439,556	193,426	226,000	26,000
Total borrowings				
Secured:				
Revolving credit	53,000	-	7,000	-
Term loans	283,600	183,600	126,000	26,000
Bank overdrafts	9,956	9,826	-	-
	346,556	193,426	133,000	26,000
Unsecured:				
IMTN	100,000	200,000	100,000	200,000
Bank overdrafts	934	3,117	934	3,117
Revolving credit	73,125	97,000	73,125	97,000
	174,059	300,117	174,059	300,117
Total	520,615	493,543	307,059	326,117

Notes to the Financial Statements (Continued)

28. BORROWINGS (CONTINUED)

The weighted average effective interest rates/profit rates during the financial year for the borrowings are as follows:

	Group		Company	
	2010	2009	**2010**	2009
	%	%	**%**	%
Bank overdrafts	**6.8**	7.5	**6.8**	6.4
Multi-tranche Islamic Private Debt Facilities:				
MUNIF/IMTN	**-**	3.7	**-**	3.7
IMTN	**4.9**	5.9	**4.9**	5.9
Term loans	**4.1**	6.7	**4.3**	3.9
Revolving credit	**4.3**	4.3	**4.3**	4.3

(a) The unsecured IMTN are repayable as follows:

	Group and Company	
	2010	2009
	RM'000	RM'000
Financial year ending 30 June:		
2010	**-**	200,000
2011	**-**	-
2012	**-**	-
2013	**100,000**	-
	100,000	200,000

On 1 September 2005, the Company obtained approval from Securities Commission for an Islamic Medium Term Note Programme ("IMTN Programme") with the aggregate nominal value of up to RM150 million. The facility amount was subsequently upsized to RM400 million on 18 December 2007. The tenure of IMTN Programme is up to 10 years from the date of the first issue under the IMTN Programme where the first issuance was made on 25 July 2006. The IMTN has been assigned an indicative rating of A+ID by Malaysian Rating Corporation Berhad.

On 24 July 2009, the Company refinanced the first tranche of RM100 million IMTN through a term loan. The second tranche of RM100 million has been repaid on 15 April 2010.

During the financial year, the Company issued the third tranche of RM100 million IMTN to mature on 18 February 2013. The IMTN bear profit at the rate of 4.9% per annum. The proceeds arising from the issuance of the IMTN have been fully utilised for working capital purposes.

28. BORROWINGS (CONTINUED)

(b) The Group has bank overdraft amounting to RM9,956,000 (RM9,826,000 in 2009), obtained from a licensed bank. The bank overdraft is repayable in 12 consecutives quarterly repayment of RM840,000 from the date of commencement of projects from the said licensed bank.

(c) As of 30 June 2010, the Group and the Company have bank overdrafts and credit facilities other than IMTN totaling to RM575,143,000 (RM330,600,000 in 2009) obtained from various banks, of which unutilised facilities amounting to RM148,892,000 (RM23,725,000 in 2009).

(d) The term loans, bank overdrafts and revolving credits are secured by a legal charge over certain freehold, leasehold lands and development expenditures of certain subsidiary companies. The long term portion of the term loans and revolving credit are repayable as follows:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Financial year ending 30 June:				
2012	**18,000**	9,000	**-**	-
2013	**305,600**	159,600	**126,000**	26,000
2014	**6,000**	12,000	**-**	-
2015	**-**	3,000	**-**	-
	329,600	183,600	**126,000**	26,000

29. LONG-TERM LIABILITIES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Amount payable to minority shareholder	**30,952**	30,952	**-**	-
Amount payable for acquisition of land	**-**	29,000	**-**	-
Provision for staff loyalty program	**8,090**	5,916	**5,252**	3,527
	39,042	65,868	**5,252**	3,527

Amount payable to minority shareholder arose from advances given by minority shareholders of a subsidiary company for the acquisition of a piece of land. Based on a joint venture agreement, a subsidiary company of the Company and the minority shareholder will jointly develop the piece of land. The amount is unsecured, interest-free and is expected to be repaid upon the completion of the development project on the land.

29. LONG-TERM LIABILITIES (CONTINUED)

Amount payable for acquisition of land represents amount accrued for land cost contributed by joint venture partners where power of attorney has been granted to the Group. The amount is unsecured, interest-free and will be paid upon completion of the relevant development projects.

Provision for staff loyalty program reflects provision made for payments to existing employees that would become payable when staff fulfils the terms and conditions in the scheme. The provisions have been made on the assumption that all relevant staff will complete their 7 years term and achieve certain set performance target and therefore their benefits will vest entirely. No actuarial valuation has been performed as, in the opinion of the directors, it would involve expenses out of proportion to the value of the Group.

30. HIRE-PURCHASE PAYABLE

	Group and Company	
	2010	2009
	RM'000	RM'000
Total outstanding	**131**	-
Less: Interest in suspense	**(13)**	-
Principal outstanding	**118**	-
Less: Amount due within 12 months	**(53)**	-
Non-current portion	**65**	-

The non-current portion of the hire-purchases payable is as follows:

	Group and Company	
	2010	2009
	RM'000	RM'000
Financial years ending 30 June:		
2012	**52**	-
2013	**13**	-
	65	-

The interest rate implicit in these hire-purchase obligations of the Group and the Company is 3.45% per annum (Nil in 2009).

Notes to the Financial Statements (Continued)

31. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Trade payables	**7,257**	61,113	**363**	158
Retention sum payable	**65,588**	92,706	**1,352**	1,366
	72,845	153,819	**1,715**	1,524

Trade payables comprise mainly amount payable to contractors and consultants for property development projects. The credit period granted to the Group ranges from 30 to 120 days (30 to 120 days in 2009).

Other payables and accrued expenses consist of:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Progress billings	**150,375**	36,538	**-**	-
Accrued expenses	**7,086**	17,134	**2,374**	6,781
Other payables	**24,012**	10,640	**2,334**	713
Advances from customers	**1,733**	8,084	**-**	-
	183,206	72,396	**4,708**	7,494

Included in other payables of the Group in 2010 is an amount of RM17,000,000 which represents balance consideration in relation to the acquisition of land.

Included in accrued expenses of the Group is an amount of RMNil (RM1,575,000 in 2009) which represents balance consideration in relation to the acquisition of land.

The currency profile of other payables is as follows:

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Ringgit Malaysia	**24,012**	10,562	**2,334**	713
Australian Dollar	**-**	78	**-**	-
	24,012	10,640	**2,334**	713

Notes to the Financial Statements (Continued)

32. PROVISION FOR LIABILITIES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
At beginning of financial year	**65,740**	46,424	**13,213**	2,978
Additions	**23,675**	35,869	**-**	10,564
Provision no longer required	**(5,205)**	(1,261)	**(1,710)**	-
Utilised	**(20,145)**	(15,292)	**(5,922)**	(329)
At end of financial year	**64,065**	65,740	**5,581**	13,213

Provision for liabilities comprise provision for maintenance costs for the benefit of property purchasers.

33. SEGMENT INFORMATION

Business 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 segment is in the business of constructing and developing residential and commercial properties. The reportable segment has been formed by aggregating the property construction and development segments, which are regarded by management to exhibit similar economic characteristics.

II. Property investment segment is in the business of investment in land and buildings for investment potential and rental income in future.

III. Others segments is in the business of property management and interior design and consultancy.

Information on the Group's operations by geographical segments has been provided by location of assets.

The inter-segment transactions were conducted at market value. Inter-segment revenue mainly comprise construction works performed by a wholly-owned subsidiary company.

33. SEGMENT INFORMATION (CONTINUED)

Business segments (Continued)

Group 2010	Property development RM'000	Property investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	573,786	3,866	13,090	-	590,742
Inter-segment sales	267,154	324	27	(267,505)	-
Total revenue	840,940	4,190	13,117	(267,505)	590,742
Results					
Segment results	492,923	287	(10,923)	(299,731)	182,556
Interest income					2,648
Profit from operations					185,204
Finance costs					(5,756)
Share of results of associated company					(13)
Share of results of jointly controlled entities					1,441
Profit before tax					180,876
Income tax expense					(47,893)
Net profit for the financial year					132,983
Assets					
Segment assets	1,434,904	334,603	68,191	-	1,837,698
Unallocated corporate assets - current and deferred tax assets					40,341
Interests in associated company and jointly controlled entities					96,553
Consolidated total assets					1,974,592
Liabilities					
Segment liabilities	(874,653)	(1,814)	(3,424)	-	(879,891)
Unallocated liabilities - tax liabilities					(433)
Consolidated total liabilities					(880,324)
Other Information					
Capital expenditure	485	972	5,593	-	7,050
Depreciation	2,644	892	43	-	3,579
Non-cash expenses other than depreciation	25,577	965	388	-	26,930

Notes to the Financial Statements (Continued)

33. SEGMENT INFORMATION (CONTINUED)

Business segments (Continued)

Group 2009	Property development RM'000	Property investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	788,635	3,252	12,035	-	803,922
Inter-segment sales	615,024	775	34	(615,833)	-
Total revenue	1,403,659	4,027	12,069	(615,833)	803,922
Results					
Segment results	209,282	20,450	1,124	(23,122)	207,734
Interest income					3,177
Profit from operations					210,911
Finance costs					(4,363)
Share of results of associated companies					(13)
Share of results of jointly controlled entity					(775)
Profit before tax					205,760
Income tax expense					(49,412)
Net profit for the financial year					156,348
Assets					
Segment assets	1,374,969	276,144	54,745	-	1,705,858
Unallocated corporate assets - current and deferred tax assets					34,389
Interests in associated companies and jointly controlled entity					88,860
Consolidated total assets					1,829,107
Liabilities					
Segment liabilities	(846,920)	(1,496)	(2,950)	-	(851,366)
Unallocated liabilities - tax liabilities					(2,305)
Consolidated total liabilities					(853,671)
Other Information					
Capital expenditure	8,328	94,167	25,458	-	127,953
Depreciation	2,514	638	607	-	3,759
Non-cash expenses other than depreciation	40,261	-	239	-	40,500

Notes to the Financial Statements (Continued)

33. SEGMENT INFORMATION (CONTINUED)

Geographic segments

	Malaysia		Canada		Others		Eliminations		Consolidated	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000	**2010 RM'000**	2009 RM'000	**2010 RM'000**	2009 RM'000	**2010 RM'000**	2009 RM'000
Segment revenue	**858,247**	1,419,755	**-**	-	**-**	-	**(267,505)**	(615,833)	**590,742**	803,922
Segment assets	**1,678,818**	1,567,527	**145,286**	121,546	**13,594**	16,785	**-**	-	**1,837,698**	1,705,858
Segment liabilities	**(878,801)**	(849,038)	**(1,053)**	(2,193)	**(37)**	(130)	**-**	-	**(879,891)**	(851,366)

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

34. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group has taken measures to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

(i) **Foreign currency risk**

The Group operates internationally and is exposed to various currencies, mainly United States Dollar, Canadian Dollar, Sterling Pound and Australian Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from investment and property transactions give rise to foreign exchange exposures.

The Group maintains 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.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

34. FINANCIAL INSTRUMENTS (CONTINUED)

(i) **Foreign currency risk (Continued)**

The net unhedged financial assets of the Group that are not denominated in their functional currencies are as follows:

Group	Functional currency of Sterling Pound	
	2010	2009
	RM'000	RM'000
United States Dollar	**1,423**	1,331

(ii) **Interest rate risk**

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings. Interest rates of borrowings are disclosed in Note 28.

Profit rate of IMTN and interest rate of hire-purchase payable, which are fixed at the inception of respective arrangement, are disclosed in Notes 28 and 30 respectively.

(iii) **Credit risk**

The Group is exposed to credit risk mainly from trade and other receivables. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history. The Group also ensures a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

The maximum credit exposure of the Group, without taking into account the fair value of any collateral, is represented by carrying amounts of the trade and other receivables as shown on the balance sheets.

(iv) **Liquidity risk**

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

(v) **Cash flow risk**

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

34. FINANCIAL INSTRUMENTS (CONTINUED)

Fair Values of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities approximate their fair values because of the short maturity period for these instruments except for the following:

	2010		2009	
	Carrying Amount RM'000	**Fair Value RM'000**	Carrying Amount RM'000	Fair Value RM'000
Group				
Financial Liabilities				
Term loans (Note 28)	**283,600**	250,063	**183,600**	168,718
Hire-purchase payable (Note 30)	**118**	108	**-**	-
Company				
Financial Liabilities				
Term loans (Note 28)	**126,000**	114,119	**26,000**	23,200
Hire-purchase payable (Note 30)	**118**	108	**-**	-

Term loans and hire-purchase payable

The fair values of term loans and hire-purchase payable are estimated using discounted cash flow analysis based on current financing rates for similar type of financing arrangement.

35. CONTINGENT LIABILITIES - UNSECURED

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Guarantees given to service providers	**5,635**	13,332	**5,635**	13,332
Corporate guarantee given to subsidiary companies for:				
Balance payment in respect of land acquisition	**-**	-	**20,000**	20,000
Banking facilities	**-**	-	**60,000**	-

36. COMMITMENTS

As of 30 June 2010, the Group has the following:

(i) Capital commitments

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Amount authorised and contracted for in respect of:				
Commitment towards a joint venture for a development project	**1,000**	1,000	**-**	-
Commitment towards balance payment for acquisition of land	**71,335**	20,973	**51,335**	-
	72,335	21,973	**51,335**	-

(ii) Lease commitments in respect of rental of premises

	Future minimum lease payments Group	
	2010 RM'000	2009 RM'000
Within 1 year	**6,996**	6,928
Within 2 - 5 years	**23,858**	29,539
After 5 years	**-**	1,354
	30,854	37,821

Notes to the Financial Statements (Continued)

37. RELATED PARTY TRANSACTIONS

With subsidiary companies:

	Company	
	2010	2009
	RM'000	RM'000
Interest receivable		
Lucky Bright Star Sdn. Bhd.	**(1,407)**	(1,245)
Sunrise Alliance Sdn. Bhd.	**(1,044)**	(18)
New Planet Trading Sdn. Bhd.	**(518)**	(464)
Ibarat Duta Sdn. Bhd.	**(480)**	(474)
Aurora Tower at KLCC Sdn. Bhd.	**(408)**	(338)
Laser Tower Sdn. Bhd.	**(390)**	(346)
Summer Lodge Sdn. Bhd.	**(359)**	(77)
Sunrise Pioneer Sdn. Bhd.	**(324)**	(268)
Sunrise KHP Sdn. Bhd.	**(289)**	(100)
Solid Performance Sdn. Bhd.	**(287)**	(242)
Sunrise Mersing Sdn. Bhd.	**(182)**	(163)
Aston Star Sdn. Bhd.	**(136)**	(295)
Milik Harta Sdn. Bhd.	**(113)**	(92)
Lembah Suria Sdn. Bhd.	**(95)**	(85)
Prinsip Eramaju Sdn. Bhd.	**(68)**	(55)
Sunrise Oscar Sdn. Bhd.	**(46)**	(28)
Sunrise Sovereign Sdn. Bhd.	**(20)**	(18)
Sunrise Benchmark Sdn. Bhd.	**(17)**	(38)
Sun Victory Sdn. Bhd.	**(17)**	(10)
Sunrise Landmark Sdn. Bhd.	**(11)**	(10)
Sunrise Paradigm Sdn. Bhd.	**(9)**	(11)
Ascot Assets Sdn. Bhd.	**(8)**	(102)
SCM Property Services Sdn. Bhd.	**(2)**	(4)
Cekap Kawal Sdn. Bhd.	**(1)**	(4)
	(6,231)	(4,487)

Notes to the Financial Statements (Continued)

37. RELATED PARTY TRANSACTIONS (CONTINUED)

With subsidiary companies (Continued):

	Company 2010 RM'000	Company 2009 RM'000
Interest payable		
Sunrise Quality Sdn. Bhd.	**1,149**	587
Sunrise Innovations Sdn. Bhd.	**1,008**	432
Sunrise Century Sdn. Bhd.	**566**	735
Sunrise Overseas Corporation Sdn Bhd.	**483**	420
Sunrise KHP Sdn. Bhd.	**227**	179
Sunrise Region Sdn. Bhd.	**160**	111
Aston Star Sdn. Bhd.	**35**	
Interior Design One Sdn. Bhd.	**29**	25
Summer Lodge Sdn. Bhd.	**15**	-
Sunrise Millennium Sdn. Bhd.	**9**	8
Ascot Assets Sdn. Bhd.	**5**	-
Sunrise Project Services Sdn. Bhd.	**1**	1
Cekep Kewal Sdn. Bhd.	**1**	-
	3,688	2,498
Dividend receivable		
Sunrise Quality Sdn. Bhd.	**(78,000)**	(10,360)
Sunrise Alliance Sdn. Bhd.	**(70,000)**	-
Sun Victory Sdn. Bhd.	**(65,000)**	-
Sunrise Innovations Sdn. Bhd.	**(61,000)**	-
Ascot Assets Sdn. Bhd.	**(10,000)**	(4,000)
Aston Star Sdn. Bhd.	**(14,000)**	-
Sunrise Overseas Corporation Sdn Bhd.	**(8,000)**	-
Sunrise Century Sdn. Bhd.	**(2,000)**	(9,250)
Sunrise Region Sdn. Bhd.	**(2,000)**	
	(310,000)	(23,610)
Rental receivable		
Sunrise Innovations Sdn. Bhd.	**(343)**	-
Lucky Bright Star Sdn. Bhd.	**(228)**	-
Sun Victory Sdn. Bhd.	**(23)**	(194)
	(594)	(194)

Notes to the Financial Statements (Continued)

37. RELATED PARTY TRANSACTIONS (CONTINUED)

With subsidiary companies (Continued):

	Company 2010 RM'000	2009 RM'000
Rental payable		
Sun Victory Sdn. Bhd.	**266**	691
Sunrise Region Sdn. Bhd.	**113**	-
Milik Harta Sdn. Bhd.	**9**	-
	388	691
Security services payable		
Cekap Kawal Sdn. Bhd.	**-**	34
Progress billings payable		
Sunrise Innovations Sdn. Bhd.	**-**	8,500

With related parties:

Transactions	Relationship	Group 2010 RM'000	2009 RM'000
Sale of property to Titan Yield Sdn. Bhd.	A company in which Dato' Lim Kim Huat is a substantial shareholder	**-**	5,596
Sale of property to Dazzling Spirit Sdn. Bhd.	A company in which Dato' Lim Kim Huat and his family members are beneficiaries	**-**	3,742
Sale of property to Widetech (M) Bhd.	A company in which Dato' Lim Kim Huat is a substantial director	**322**	-
Sale of property to Sylvia Chong Sim Mee and Terese Chin Ngeuk Yin	Sylvia Chong Sim Mee is a director of a subsidiary	**2,048**	-
Advertising fee payable to The Edge Communication Sdn. Bhd.	A company in which Datuk Tong Kooi Ong has indirect interest	**92**	206

Notes to the Financial Statements (Continued)

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 15 July 2009, the Company announced the dissolution of its wholly owned foreign subsidiary, Sunrise Sovereign Ltd. pursuant to section 197 of the British Virgin Islands Business Companies Act, 2004. The dissolution was completed on 24 August 2009.

(ii) On 22 January 2010, the Company announced that the members' voluntary winding up of its associated company, CEO Network Sdn. Bhd. was completed on 22 January 2010.

(iii) On 26 January 2010, the Company announced that it had entered into a joint venture with Sime Derby Property Berhad ("SDPB") to undertake the acquisition and development of the lands held under GRN 74690 for Lot 78374, GRN 74697 for Lot No. 78377 and H.S.(D) 246714 for PT 34943, all in Mukim of Damansara, District of Petaling measuring in area approximately 84,785 square metres or 912,617 square feet ("Land") through a joint venture vehicle, Sime Derby Sunrise Development Sdn. Bhd. ("SDSD") (formerly known as Baywood Avenue Sdn. Bhd.) ("Joint Venture"). For the purpose of carrying out the Joint Venture, the Company had on the same date executed a subscription and shareholders' agreement ("SSA") with SDPB and SDSD. Under the Joint Venture, the Company and SDPB will each has 50% equity interest in SDSD.

Simultaneous with the execution of the SSA, SDSD had entered into a sale and purchase agreement ("SPA") with Highlands & Lowlands Berhad as the registered owner and Sime Darby Augsburg (M) Sdn. Bhd. (formerly known as Augsburg (M) Sdn. Bhd.) as the beneficial owner of the Lands, to acquire the Lands at a purchase price of RM114,077,158 or such lesser amount which shall be adjusted downward due to easement granted to Tenaga Nasional Berhad ("TNB") over a section of the Lands ("Purchase Price"). Accordingly, the Company's share of the Purchase Price amounted to RM57,038,579 or such lesser amount after adjustment for the said easement granted to TNB.

(iv) On 1 July 2010, the Company announced the proposed members' voluntary liquidation (solvent) of its foreign subsidiary, East Urban Properties Pty. Ltd. ("EUP"), effective 30 June 2010 pursuant to section 491 of the Australian Corporations Act 2001. The members' voluntary liquidation (solvent) has not been completed at the end of the financial year.

FURTHER INFORMATION

1. 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, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Circular false or misleading.

Information on the Sunrise Group in this Circular has been obtained from publicly available sources and/or the management of Sunrise. The responsibility of our Directors with respect to such information is limited to ensuring that such information has been accurately reproduced in this Circular.

2. WRITTEN CONSENT AND CONFLICTS OF INTEREST

2.1 CIMB

CIMB has given and have not subsequently withdrawn its written consent to include its name and all references thereto in this Circular in the form and context in which they appear.

CIMB has been appointed as the Adviser to our Company for the Proposals.

CIMB and its related and associated companies ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. CIMB Group engage in transactions with and perform services for our Group and/or our affiliates in the ordinary course of business and/or have engaged, and in the future may engage, in private banking, commercial banking and investment banking and other services in the ordinary course of business with our Group. CIMB is of the opinion that the aforementioned services, entered into in the ordinary course of business with our Group, are not significant to give rise to a conflict of interest situation in its capacity as the Adviser for the Proposals.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to engage in any transactions (on its own account or otherwise) with any member of our Group and/or our affiliates, hold long or short positions, and may trade or otherwise effect transactions on its own account or the account of its customers in debt or equity securities of our Group as well as the Sunrise Group. This is a result of the businesses of CIMB Group generally acting independent of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group.

Save as disclosed above, CIMB is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Adviser to our Company for the Proposals.

2.2 Ernst & Young

Ernst & Young has given and has not subsequently withdrawn its written consent to lhe tollowing:

(i) inclusion, in the torm and conlext which it appaars in this Circular, of its Reporting Accountants' Latter; and

(ii) references lo Ernst & Young included in this Circular in the form and context in which they appear.

Ernst & Young is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Reporting Accountants to our Company in relation to the Offer.

3. MATERIAL CONTRACTS

Except as disclosed below, during the 2 years preceding the LPD, neither we nor any ot our subsidiaries (except for Projak Usahasama Transit Ringan Automatik Sdn Bhd ("**PUTRA**") for which we do not have any record on the material conlracts within lhe 2 years preceding the LPD as liquidators have been appointed for PUTRA and they discharge their duties independently of our Group) has entered into any material contracts (not being contracts entered into in the ordinary course ot business):

(i) Sale and purchase agreement dated 31 December 2008 between UEM Land, Cyberview Sdn Bhd and Setia Haruman Sdn Bhd ("**Setia Haruman**") for the acquisition by UEM Land from Setia Haruman of approximately 98.037 acres of freehold land identified as P.T. Nos. 43217 to 43221 held under Title Nos. H.S.(D) 28911 to 28915 (formerly described as Blocks 20, 21, 22, 23 and 24) situated in the Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan tor a cash consideration of RM102,491,801. The agreement was completed on 30 April 2010.

(ii) Supplemental subscription and joint vanture agreement dated 13 July 2009 between UEM Land, Nusajaya Consolidated Sdn Bhd ("**Nusajaya Consolidated**") and United Malayan Land Bhd ("**UM Land**") for the variation of certain terms of the subscription and joint venture agreement dated 14 October 2008 between UEM Land, Nusajaya Consolidated and UM Land relating to the subscription by UM Land of 2 new ordinary shares of RM1.00 aach in Nusajaya Consolidated for a cash consideration of RM2.00, which upon completion, UEM Land and UM Land will hold 50:50 equity interest in Nusajaya Consolidated. The paid-up capital of Nusajaya Consolidated shall be increased upon the exercise ot option pursuant to the option to purchase agreement entared into between UEM Land, BND and Nusajaya Consolidated as referred to in item (iii) below.

(iii) Supplemental option to purchase agreemenl dated 13 July 2009 between UEM Land, BND and Nusajaya Consolidated for the variation of certain terms of the agreement dated 14 October 2008 between UEM Land, BND and Nusajaya Consolidated for the option to purchase 2 pieces of land in Puteri Harbour, Nusajaya, Johor Darul Takzim, with a total area measuring approximately 8.8 acras for cash consideration at an option price of RM67,154,274 axercisable within 6 months from the date of the agreement. This agreement provided for the exchange of 1 ot the 2 pieces of land with an adjacent piece of land resulting in the option for the 2 pieces of land measuring approximately 8.9 acras for cash consideration at an option prica of RM67,841,216.20 expiring on 31 December 2009. Nusajaya Consolidated exercised tha option to purchase 1 ot the 2 pieces of land on 10 November 2009. On 21 December 2009, UEM Land, BND and Nusajaya Consolidated have mutually agreed to extend the expiry date for the option in respect of the other piece ot land to 31 December 2010.

(iv) Joint venture and shareholders' agreement dated 17 September 2009 between our Company and Malaysian Biotechnology Corporation Sdn Bhd ("**BiotechCorp**") for the setting-up of a joint venture company ("**JV**") to participate in the development of a biotechnology park, subscribe for securities and regulate the relationship between them as shareholders of the JV. The agreement was completed on 16 November 2009.

(v) Sale and purchase agreement dated 7 November 2009 between UEM Land, BND and Themed Attractions and Resorts Sdn Bhd for the disposal of 2 parcels of land in Puteri Harbour, Nusajaya, Johor Darul Takzim with a total area measuring approximately 4.221 acres for a cash consideration of RM26,661,440.

(vi) Land purchase agreement dated 16 November 2009 ("**LPA**") between UEM Land, Nusajaya Heights Sdn Bhd and Malaysian Bio-XCell Sdn Bhd ("**Bio-XCell**"), the JV formed with BiotechCorp as set out in item (iv) above, for the disposal of a parcel of land measuring approximately 27.74 acres in Southern Industrial and Logistics Clusters, Nusajaya, Johor Darul Takzim for a consideration of RM16,160,214 together with infrastructure costs of RM15,257,000 and the grant of an option to Bio-XCell to purchase additional land measuring approximately 33.24 acres within 2 years from the date of the LPA. The option was exercised by Bio-XCell on 12 November 2010.

(vii) Sale and purchase agreement dated 19 November 2009 between UEM Land, BND and Nusajaya Consolidated for the disposal of a parcel of land measuring approximately 2.204 acres in Puteri Harbour, Nusajaya, Johor Darul Takzim for a cash consideration of RM16,318,810 pursuant to the exercise of the option to purchase by Nusajaya Consolidated. The agreement was completed on 19 February 2010.

(viii) Settlement arrangement between BND and UEMG via letter dated 31 December 2009, where BND had agreed to pay the Indebted Sum (as defined in item (ix) below) with proceeds to be raised from the Rights Issue.

(ix) Set-off arrangement between our Company and UEMG via letter dated 12 January 2010 for the amount owing by BND to UEMG of RM632,979,864 pursuant to the term loan agreement entered into between UEMG and BND dated 9 August 2005 ("**Indebted Sum**"), by way of set-off against the portion of UEMG's subscription amount under the Rights Issue.

(x) Settlement agreement between UEM Land and Perbadanan Kemajuan Negeri Perak dated 10 February 2010 for the resolution of issues arising from the development agreement dated 20 September 1997 and its supplemental dated 27 September 2000 between Renong Berhad (now known as UEM Land) and Perbadanan Kemajuan Negeri Perak, pursuant to which, approximately 2,470.24 acres of land in the Mukim of Batang Padang, Daerah Batang Padang, Perak Darul Ridzuan will be granted and registered in UEM Land's and/or its subsidiary's name.

(xi) Underwriting agreement between our Company, CIMB and Maybank Investment Bank Berhad ("**MIBB**") dated 22 March 2010 for CIMB and MIBB to subscribe for up to 277,561,600 ULHB Shares ("**Underwritten Shares**") which shall not have been validly accepted or subscribed for by the entitled shareholders and its renouncees ("**Unsubscribed Shares**") pursuant to the Rights Issue. As a consideration of CIMB and MIBB agreeing to subscribe for the Unsubscribed Shares, our Company agreed to pay to CIMB and MIBB underwriting commission of up to RM3,330,739.20 or 1.5% of the total issue price of the Underwritten Shares.

(xii) Share sale agreement dated 28 April 2010 between our Company and PLUS Expressways Berhad ("**PLUS**") for the sale by our Company of our entire stake in Touch 'N Go Sdn. Bhd. ("**TnG**") amounting to 3,334,000 ordinary shares of RM1.00 each in TnG (representing 20% equity interests) to PLUS for a cash consideration of RM33,406,680. The agreement was completed on 11 June 2010.

(xiii) Deed of novation dated 4 November 2010 between UEM Land, Limitless Holdings Pte Ltd ("**Limitless**"), Ardent Heights Sdn Bhd ("**AHSB**") (a wholly-owned subsidiary of Bandar Raya Developments Berhad) and Haute Property Sdn Bhd ("**HPSB**"), whereby, with affect from the completion date ot the share sale agreement between Limitless and AHSB, the entire rights, title, interest, benefits and liabilities of Limitless arising from the subscription and shareholders agreement dated 19 December 2007 between UEM Land, Limitless and HPSB ("**Sharaholdars Agraament**") are transferred to and vested in AHSB and AHSB will assume all the obligations of Limitless in, under and arising trom the Shareholders Agreement in consideration of UEM Land and HPSB having agreed to release and discharge Limitless from all claims, demands and liabilities whatsoever in relation to or arising from the Shareholders Agreement.

(xiv) Supplemental subscription and shareholders agreement dated 4 November 2010 between UEM Land, AHSB and HPSB to supplement the Shareholders Agreement as defined in item (xiii) above and to regulate the relationship between UEM Land and AHSB as the shareholders of HPSB, following the cessation ot Limitless as a shareholder of HPSB upon completion of the share sale agreement between Limitless and AHSB, whereby the proportionate shareholding will be based on the ratio of 60:40 to AHSB and UEM Land respectively. UEM Land and AHSB shall, on a need basis, contribute to the working capital ot HPSB in proportion to their shareholdings.

(xv) Supplemental development agreement dated 4 November 2010 between UEM Land, BND and HPSB to supplement the development agreement (High End Waterfront Residential Development) dated 19 December 2007 between UEM Land, BND and HPSB ("**Development Agreement**") tor the development of a high end residential enclave over 111 acres held under H.S.(D) 453895, PTD 154910, Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim. Pursuant to this supplemental agreement, the development period was extended to 8.5 years from the effective date (being the completion date of the share sale agreement between Limitless and AHSB), and the methods of payment ot UEM Land's entitlement under the Development Agreement were varied.

4. 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 ot their assets and/or business, and we are not aware ot any proceedings, pending or threatened, or of any tacts likely to give rise to any proceedings which may affect the income from, title to, or possession of any ot the assets and/or business of our Group:

(i) Our Company and/or our group of companies as plaintiff(s)

Appaal against tha amount of compensation awardad for the land acquired for the proposad Johor Bahru-Nuaajaya Coastal Highway

In 2008, the Johor State Authority acquired approximately 205 acres ot our Group's land on 14 plots for the purpose of the proposad Johor Bahru-Nusajaya Coastal Highway project. Up to 4 November 2008, the land administrator made an award ot compensation totalling RM56,609,191 to our Group. Our Group put forward an appeal for a higher compensation amount and the matter was referred to the High Court in Johor Bahru ("**Court**") as land reference case. On 8 October 2010, the Court has made an order in favour ot our Group for an aggregate award ot approximately RM48 million. As at the LPD, our Group is not aware if the Johor State Authority would appeal against the said award.

(ii) **Our Company and/or our group of companies as defendant(s)**

Legal action by Vulindlela Holdings (Pty) Limited and Vulindlela Investments (Pty) Limited against Renong Overseas Corporation Sdn Bhd ("ROC")

Vulindlela Holdings (Pty) Limited has jointly with Vulindlela Investments (Pty) Limited ("**Applicants**") filed interlocutory proceedings in the High Court of South Africa, Durban and Coast Local Division against ROC. The Applicants are companies incorporated in South Africa and hold direct and indirect interest in ROC-Union (Proprietary) Limited, a subsidiary of Renong Overseas Corporation S.A. (Proprietary) Limited ("**ROCSA**"), which in turn is a wholly-owned subsidiary of ROC. ROCSA and Vulindlela Investments (Pty) Limited respectively hold 80.4% and 19.6% equity interest in ROC-Union (Proprietary) Limited.

The Applicants are requesting for a relief to injunct ROC from completing its sale of shares in ROCSA to Bonatla Property Holdings Limited ("**Bonatla**") and/or its nominee, VLC Commercial & Industrial Pty Ltd ("**VLC**") pending the determination of the court case brought by the Applicants. The Applicants' main contention is that they have a tacit pre-emptive right at ROCSA level which they claimed was not granted to them. In the evant the Applicants' action is successful, the sale of shares to Bonatla which is expected to realise a gain on disposal of approximately RM35 million will have to be aborted.

At the hearing of the matter on 17 October 2008, the Court granted an order which records that the application is adjourned pending Bonatla and/or VLC furnishing the Applicants with further documents. The parties are still in negotiations to settle the mattar out-of-court.

5. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

5.1 Capital commitments

As at 30 September 2010, save as disclosed below, our Board is not aware of any capital commitmants 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	7.4
Approved but not contracted for	4.7
Total	12.1

The capital commitments abova are in relation to the davelopment costs for the construction of a club house and a neighbourhood commercial centre which will be used for business and investment purposes.

5.2 Contingent liabilities

As at the LPD, save as disclosed below and the material litigation set out in Section 4 of this Appendix VI, 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) A group of 38 Felcra settlers ("**Plaintiffs**") has collactively served an originating summons against Felcra, the District Land Administrator ("**DLA**") and the Johor State Government (collectively, "**Defendants**"). The summons pertain to 198 acres of land previously owned by the Johor State Government, developed by Felcra and subsequently alienated to BND for the development of Nusajaya, Johor Darul Takzim.

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**"), is responsible for the additional land cost of land alienated to it, which includes the amounts claimed by the Plaintiffs, in the event their claims are successful.

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. However, the Plaintiffs on 8 February 2010 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.

(ii) **Potential compensation payable to the previous landowners**

There are altogether 50 cases referred to the High Court involving claims against the Johor State Government for additional compensation amounting to RM634.8 million by the previous landowners of lands acquired for the Malaysia-Singapore Second Crossing Project.

When these 50 cases were heard at the High Court, the High Court maintained the amount of compensation awarded by the DLA in 15 cases, whilst increasing the amount of compensation in 35 others. The parties involved have made further appeals to the Court of Appeal for higher compensation. However, the Court of Appeal ordered that all land acquisition appeals to be transferred to the Federal Court.

Of these 50 cases:

(a) 1 had been heard and dismissed by the Court of Appeal;

(b) 4 had been heard and dismissed by the Federal Court;

(c) 2 had accepted an out-of-court settlement proposed by the Johor State Legal Advisor;

(d) 4 had withdrawn their cases against the DLA; and

(e) 2 had been granted additional compensation amounting to RM19.5 million by the Federal Court.

The total land appeal cases pending are 37 and the contingent liability is RM201.3 million.

BND is not directly involved in this litigation, but by virtue of the 1994 Novation Agreement, BND is responsible for the additional land cost of land alienated to it, which includes the amounts claimed by the landowners in the event their respective claims are successful.

To date, no date has been fixed for hearing.

(iii) Tax returns

On 16 January 2007, UEM Land received a notice of additional assessment from the Inland Revenue Board for additional tax payable and tax penalty in respect of years of assessment 2003 and 2004, which would have resulted in an additional expense to UEM Land of RM37,640,702.65. UEM Land has started the appeal process against the additional assessment.

On 29 May 2008, the Director of Technical Department of the Inland Revenue Board has informed UEM Land that the said appeal has been forwarded to the Special Commissioners of Income Tax. As of 31 December 2009, UEM Land has fully paid the additional tax payable and penalty of RM37,640,702.65 to the Inland Revenue Board.

Based on the tax agent's advice received, no provision for income tax expense has been made by our Group for this additional tax assessment and penalty thereon as our Directors believed that the grounds for the appeal are valid. The hearing of the case by the Special Commissioners of Income Tax is scheduled on 29 November 2010.

(iv) 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, our indirect wholly-owned subsidiary, 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, 754 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB.

In connection with the Facilities, UEM Land has also provided an undertaking to inject equity into HHDSB with an aggregate amount of RM155 million in circumstances where HHDSB is unable to meet certain financial obligations.

6. **CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals and as disclosed below, we have not announced any other corporate proposals which have yet to be completed as at the LPD:

(i) a development agreement dated 16 June 2005 ("**HHDSB Development Agreement**") between Nusajaya Greens Sdn Bhd and Horizon Hills Development Sdn Bhd ("**HHDSB**"), a 50:50 joint venture company between UEM Land and Gamuda Berhad, for the development of approximately 1,227 acres of land in Nusajaya, Johor Darul Takzim into a mixed development and 18-hole golf course, clubhouse and facilities together with the appropriate primary and secondary infrastructure, and other types of complementary development, which was announced on 16 June 2005 by UEM World Berhad (now known as Global Converge Sdn Bhd). As part of the HHDSB Development Agreement, the said land will be acquired by HHDSB for the development known as Horizon Hills, which is currently ongoing and is expected to be completed by 2018. As at the LPD, 754 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB;

(ii) option to purchase agreement dated 14 October 2008 between UEM Land, BND and Nusajaya Consolidated Sdn Bhd ("**Nusajaya Consolidated**") for Nusajaya Consolidated to purchase 2 pieces of land in Puteri Harbour, Nusajaya, Johor Darul Takzim, with a total area measuring approximately 8.8 acres for cash consideration at an option price of RM67,154,274 exercisable within 6 months from the date of the agreement. This agreement was subsequently supplemented by the supplemental option to purchase agreement dated 13 July 2009 where it provided for the exchange of 1 of the 2 pieces of land with an adjacent piece of land resulting in the option for the 2 pieces of land measuring approximately 8.9 acres for cash consideration at an option price of RM67,841,216.20 expiring on 31 December 2009. Nusajaya Consolidated exercised the option to purchase 1 of the 2 pieces of land on 10 November 2009. On 21 December 2009, UEM Land, BND and Nusajaya Consolidated have mutually agreed to extend the expiry date for the option in respect of the other piece of land to 31 December 2010;

(iii) a sale and purchase agreement dated 7 November 2009 between UEM Land, BND and Themed Attractions and Resorts Sdn Bhd ("**TAR**"), for TAR to acquire 2 parcels of land in Puteri Harbour, Nusajaya, Johor Darul Takzim with a total area measuring approximately 4.221 acres for a cash consideration of RM26,661,440, which was announced on 9 November 2009. This transaction is expected to be completed by 31 December 2010;

(iv) land purchase agreement dated 16 November 2009 ("**LPA**") between UEM Land, Nusajaya Heights Sdn Bhd and Malaysian Bio-XCell Sdn Bhd ("**Bio-XCell**"), the joint venture formed with Malaysian Biotechnology Corporation Sdn Bhd as set out in item (iv) of Section 3 of this Appendix VI, for the disposal of a parcel of land measuring approximately 27.74 acres in Southern Industrial and Logistics Clusters, Nusajaya, Johor Darul Takzim for a consideration of RM16,160,214 together with infrastructure costs of RM15,257,000 and the grant of an option to Bio-XCell to purchase additional land measuring approximately 33.24 acres within 2 years from the date of the LPA. The option for Bio-XCell to purchase the additional land from UEM Land was exercised on 12 November 2010 and transaction is expected to be completed by 30 June 2011;

(v) a sale and purchase agreement dated 22 April 2010 between UEM Land and Encorp Iskandar Development Sdn Bhd, a wholly-owned subsidiary of Encorp Berhad, for the disposal of a parcel of land in Puteri Harbour, Nusajaya, Johor Darul Takzim with a total land area of approximately 3.3 acres for a cash consideration of RM25,890,321.60. This transaction is expected to be completed by 22 April 2012; and

(vi) a development agreement and a supplemental development agreement dated 19 December 2007 and 4 November 2010, respectively, between UEM Land, BND and Haute Property Sdn Bhd for the development of a high end residential enclave over 111 acres held under H.S.(D) 453895, PTD 154910, Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim. The development is expected to be completed within the next 8.5 years.

The Proposals are not conditional upon any other corporate proposals.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our registered office at 19-2, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur during office hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our EGM:

(i) Memorandum and Articles of Association of our Company and Sunrise;

(ii) our proforma consolidated balance sheet as at 31 December 2009 together with the Reporting Accountants' Letter as set out in Appendix IV of this Circular;

(iii) Sunrise' audited consolidated financial statements for FYE 30 June 2009 and FYE 30 June 2010 as well as Sunrise's latest unaudited quarterly results for the 3-month financial period ended 30 September 2010;

(iv) our audited consolidated financial statements for FYE 31 December 2008 and FYE December 2009 as well as our latest unaudited quarterly results for the 9-month financial period ended 30 September 2010;

(v) letters of consent referred to in Section 2 of Appendix VI of this Circular;

(vi) material contracts referred to in Section 3 of Appendix VI of this Circular; and

(vii) cause papers for the material litigations referred to in Section 4 of Appendix VI of this Circular.

A member of **UEM** Group

UEM LAND HOLDINGS BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of UEM Land Holdings Berhad ("**ULHB**" or "**Company**") will be held on Wednesday, 22 December 2010 at 10.00 a.m., or at any adjournment thereof, at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

ORDINARY RESOLUTION

CONDITIONAL TAKE-OVER OFFER BY ULHB TO ACQUIRE ALL THE ORDINARY SHARES OF RM1.00 EACH IN SUNRISE BERHAD ("SUNRISE") (EXCLUDING TREASURY SHARES) NOT ALREADY OWNED BY ULHB ("OFFER SHARES") AT AN OFFER PRICE OF RM2.80 PER OFFER SHARE ("OFFER")

"**THAT** subject to the approvals of the relevant authorities and the passing of the Special Resolution, authority be and is hereby given to the Board of Directors of ULHB ("**Board**") to carry out and proceed to acquire the Offer Shares at an offer price of RM2.80 per Offer Share to be satisfied in either of the following manner, at the election of the holder of Offer Shares ("**Holder**"):

(i) through the issuance of new ordinary shares of RM0.50 each in ULHB ("**ULHB Shares**") at an issue price of RM2.10 each ("**Consideration Shares**"), where the Holders will receive approximately 1.33 Consideration Shares for every 1 Offer Share surrendered; or

(ii) through the issuance of new redeemable convertible preference shares of RM0.01 each in ULHB ("**RCPS**") at an issue price of RM1.00 each ("**Consideration RCPS**"), where the Holders will receive 2.80 Consideration RCPS for every 1 Offer Share surrendered;

THAT authority be and is hereby given to the Directors of ULHB:

(i) to issue and allot up to 660,520,622 Consideration Shares and up to 1,387,093,307 Consideration RCPS at any time to such persons pursuant to the Offer upon the terms and subject to the conditions contained in the Offer Document dated 25 November 2010 in relation to the Offer;

(ii) to issue and allot up to 1,387,093,307 new ULHB Shares pursuant to the conversion of the Consideration RCPS ("**Conversion Shares**");

THAT the Consideration Shares and Conversion Shares shall, upon issue and allotment, rank *pari passu* in all respects with the then existing ULHB Shares, save and except that the holders of such Consideration Shares and/or Conversion Shares shall not be entitled to any dividend, right, allotment and/or distribution, the entitlement date of which is prior to the date of allotment of such Consideration Shares and/or Conversion Shares, as the case may be;

THAT the Consideration RCPS shall, upon issue and allotment, rank *pari passu* amongst themselves;

AND THAT in order to implement, complete and give full effect to the Offer, approval be and is hereby given to the Board to do or to procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of ULHB, all such documents as it may deem necessary, expedient and/or appropriate to implement, complete and give full effect to the Offer, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit in connection with the Offer and in the best interest of ULHB."

SPECIAL RESOLUTION

PROPOSED INCREASE IN ULHB'S AUTHORISED SHARE CAPITAL TO RM3,517,000,000 COMPRISING 7,000,000,000 ULHB SHARES, 200,000,000 MANDATORY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF RM0.01 EACH IN ULHB ("MCRPS") AND 1,500,000,000 RCPS AND NECESSARY AMENDMENTS TO ULHB'S MEMORANDUM AND ARTICLES OF ASSOCIATION ("PROPOSED IASC")

"**THAT** subject to the passing of the Ordinary Resolution, the authorised share capital of ULHB be increased from RM2,502,000,000 divided into 5,000,000,000 ULHB Shares and 200,000,000 MCRPS to RM3,517,000,000 divided into 7,000,000,000 ULHB Shares, 200,000,000 MCRPS and 1,500,000,000 RCPS by the creation of 2,000,000,000 ULHB Shares and 1,500,000,000 RCPS;

THAT the Memorandum and Articles of Association of ULHB be altered, modified, added and deleted in the form and manner as set out in Appendix II of the Circular to ULHB's shareholders dated 30 November 2010;

AND THAT in order to implement, complete and give full effect to the Proposed IASC, approval be and is hereby given to the Board to do or to procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of ULHB, all such documents as it may deem necessary, expedient and/or appropriate to implement, complete and give full effect to the Proposed IASC, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit in connection with the Proposed IASC and in the best interest of ULHB."

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the EGM, ULHB shall request from Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 58 and 59 of ULHB's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors ("**General Meeting ROD**") as at 16 December 2010. Only a depositor whose name appears on the General Meeting ROD as at 16 December 2010 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.

BY ORDER OF THE BOARD

Tan Hwee Thian (MIA 1904)
Mohd Nor Azam Mohd Salleh (MAICSA 7028137)
Company Secretaries

Kuala Lumpur, Malaysia
30 November 2010

Notes:

1. *Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.*
2. *To be valid, the original form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time of holding the meeting.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.*
4. *If the proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.*
5. *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.*
6. *A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at the meeting who shall represent all the shares held by such member. A member holding more than one thousand (1,000) ordinary shares may appoint up to ten (10) proxies to attend and vote at the same meeting and each proxy appointed, shall represent a minimum of one thousand (1,000) ordinary shares. Where a member appoints one (1) or more proxies to attend and vote at the same meeting, such appointment(s) shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.*

A member of **UEM Group**

UEM LAND HOLDINGS BERHAD
(Company No.: 830144-W)
(Incorporated in Malaysia under the Companies Act, 1965)

Number of ordinary shares held:
CDS Account No.:

PROXY FORM

I/We, ...
(FULL NAME IN CAPITAL LETTERS)

of..
(FULL ADDRESS)

being a member/members of **UEM LAND HOLDINGS BERHAD** ("**Company**"), hereby appoint......................

....
(FULL NAME IN CAPITAL LETTERS)

of ....
(FULL ADDRESS)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 22 December 2010 at 10.00 a.m., or at any adjournment thereof.

My/Our proxy is to vote as indicated below:

		FOR	AGAINST
ORDINARY RESOLUTION	OFFER		
SPECIAL RESOLUTION	PROPOSED IASC		

(Please indicate with a "✓" or "X" in the boxes provided above how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signature
(If shareholder is a corporation, this part should be executed under seal)

Dated this .... day of 2010   Telephone no.: ....

Notes:

1. *Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.*
2. *To be valid, the original form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time of holding the meeting.*
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4. *If the proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.*
5. *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.*
6. *A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at the meeting who shall represent all the shares held by such member. A member holding more than one thousand (1,000) ordinary shares may appoint up to ten (10) proxies to attend and vote at the same meeting and each proxy appointed, shall represent a minimum of one thousand (1,000) ordinary shares. Where a member appoints one (1) or more proxies to attend and vote at the same meeting, such appointment(s) shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.*

Fold this flap for sealing

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AFFIX
STAMP

THE SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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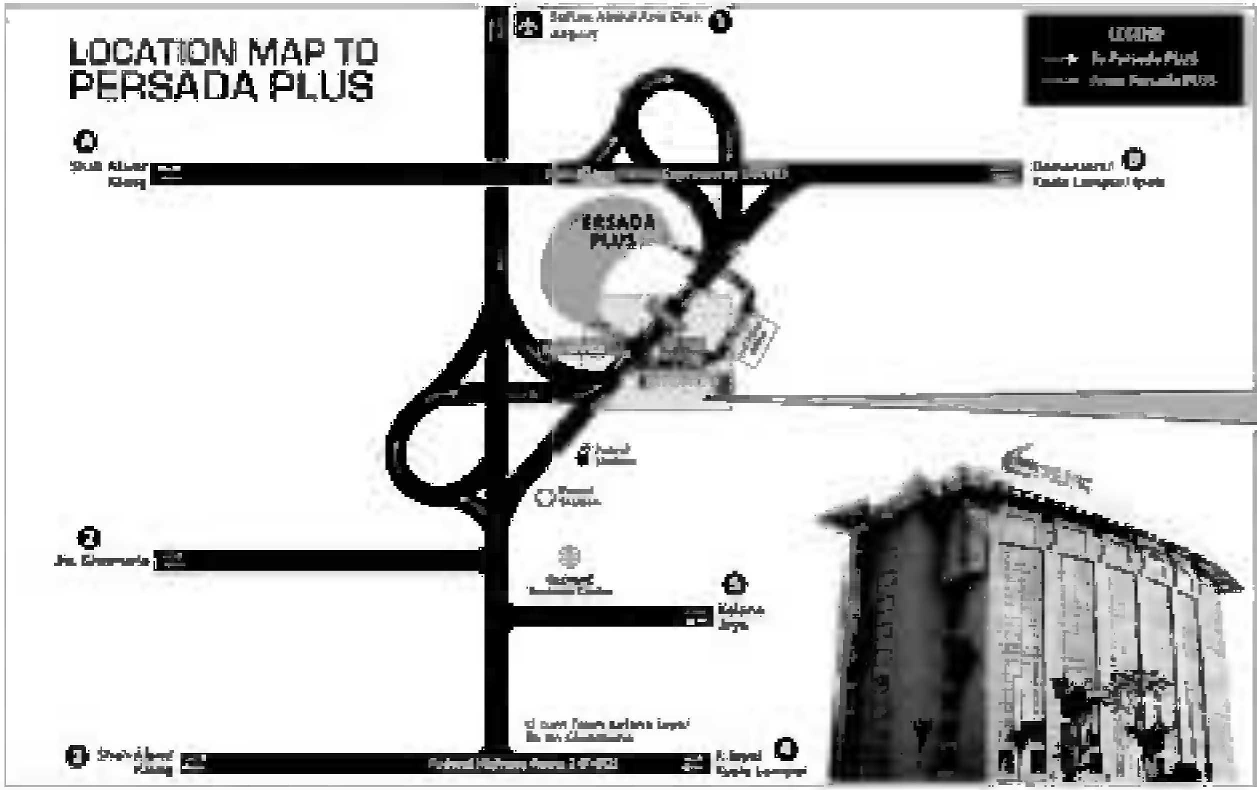

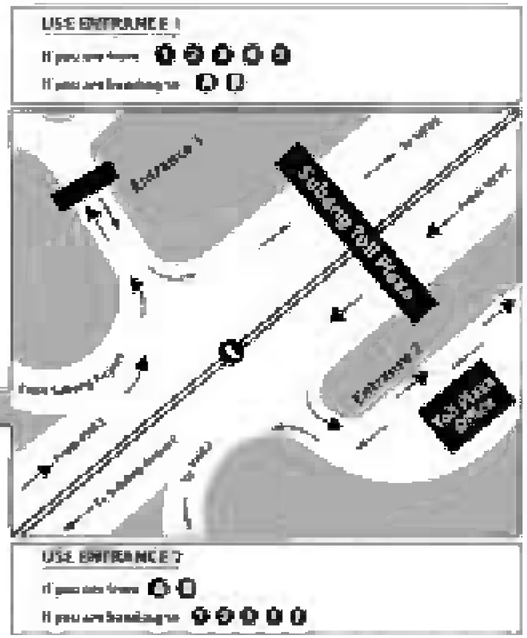

Extraordinary General Meeting

Date and Time of EGM	:	Wednesday, 22 December 2010 at 10.00 a.m., or at any adjournment
Venue of EGM	:	Banquet Hall, Menara Korporat Persada PLUS Persimpangan Bertingkat Subang KM15, Lebuhraya Baru Lembah Klang 47301 Petaling Jaya Selangor Darul Ehsan
Free Shuttle Service	:	Shuttle bus service is available from Kelana Jaya LRT Station to Persada PLUS on 22 December 2010.
Departure Time	:	8.30 am and 9.00 am

Please call the following on or before 20 December 2010, if you wish to use the shuttle service:-

Cik Darlina Ishak / Cik Jalina Joheng /
Cik Nor Soleha Shukor
Tel : 03- 27276015/6016/6014 (during office hours); or
Email : darlina@uemland.uemnet.com
jalina.joheng@uemland.uemnet.com
soleha.shukor@uemland.uemnet.com

UEM LAND

A member of UEM Group