



A member of **UEM Group**

PROVIDING A STRONG  
**VISION**  
BUILDING FOR THE  
**FUTURE**



Sustainability Report **2011**

A child signifies the continuation of our humanity and is a symbol of our legacy for the future. On the report cover, a child is embracing our vision for the future illustrated by a well-designed family home developed by UEM Land.

At UEM Land, we are laying the foundation for the future, by providing harmonised living and working environments in line with our corporate responsibilities and dynamic business plans.

The infinite field of grass depicts our never ending commitment and continuous endeavours towards sustainability. With this report, we invite you to join us in our journey in crafting beautiful and habitable spaces as we enter a new chapter in our evolution to build for the future.



Sustainability Report 2011

## OUR VISION

TO BE A GLOBAL COMMUNITY BUILDER

## OUR MISSION

- A LEADING PROPERTY COMPANY WITH HIGH GROWTH POTENTIAL
- THE PREFERRED BUSINESS PARTNER
- VENTURING INTO REGIONAL MARKETS

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Arcoris Mont'Kiara



Dato' Jaafar Muhammad Building of Kota Iskandar

## OUR REPORTING APPROACH

This is the third of UEM Land Holdings Berhad ("UEM Land" or "the Group") Sustainability Report. An annual publication, this Report complements our Annual Report by covering ecological aspects of our operations and social considerations in line with our commitment towards Corporate Responsibility ("CR").

The contents of this Report is intended to provide a comprehensive overview of the relevant challenges of sustainable development which we address in our business activities and includes performance reviews reflecting various selected themes affecting our circle of stakeholders.

UEM Land has adopted the Global Reporting Initiative ("GRI") G3.1 as the framework on which this Sustainability Report is compiled (including the Sector Supplement for the Construction and Real Estate industry) so that it provides an accurate and holistic reflection of the Company's environmental, social and corporate governance performance throughout FY 2011.

The data and findings obtained will be channelled towards the formation of sustainability strategies and regular review of policies that the management will practice as we set our objectives to create and add value to our various stakeholders – the shareholders, investors, business partners, employees, customers and the local communities within which we operate in.

### REPORTING SCOPE

This Report covers the business operations and activities of UEM Land and its subsidiaries, unless otherwise noted. It encompasses all company activities carried out in 2011 at various locations in Malaysia. In some instances, historical data has been included to lend clarity and perspective to support statements on trends and patterns prevalent in the execution of development operations.

Of particular note in the production of this Report is the inclusion of Sunrise Berhad's ("Sunrise") performance as a wholly-owned subsidiary of UEM Land.

This Report is also intended to provide an insight into the company's plans for the future.

### FEEDBACK

All feedback or questions regarding the Sustainability Report can be addressed to:

Head  
Corporate Communication Department  
UEM Land Holdings Berhad  
16-1, Mercu UEM, Jalan Stesen Sentral 5  
Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.  
Tel : +603 2727 6000  
Fax : +603 2727 2011  
Email : corpcomm@uemland.uemnet.com



## ABOUT US

The Jauhar Atrium of Kota Iskandar

UEM Land Holdings Berhad (“UEM Land” or “the Group”) is a public listed company on the Main Board of Bursa Malaysia. It is the flagship company for real estate investment and property development under the parent company of UEM Group Berhad, which in turn is a wholly owned subsidiary of Khazanah Nasional Berhad (“Khazanah”), an investment holding company of the Government of Malaysia.

UEM Land is presently undertaking the development of Nusajaya, an integrated mixed-development flagship zone within the Iskandar Malaysia region in south-west Johor, covering a total land area of 23,875 acres. As the master developer and main

landowner of Nusajaya, UEM Land plays a significant role in helping to transform Nusajaya into an emerging economic hub.

The acquisition of Sunrise Berhad (“Sunrise”) in early 2011 saw the expansion of the Group’s market share, landbank and product portfolios. Sunrise is a well-known award-winning property developer of exclusive highrise residential and commercial developments. UEM Land is exploring new frontiers in luxury high-rise property development through Sunrise, whose collection of prestigious real estate developments are primarily located in the exclusive enclave of Mont’Kiara and in Kuala Lumpur’s city centre.

### OUR PROJECTS

#### DEVELOPMENTS IN NUSAJAYA

##### *Puteri Harbour*

An integrated waterfront and marina development spanning 688 acres with a panoramic view of the Straits of Johor, Puteri Harbour is the ‘Jewel of Nusajaya’. It has three public and private marinas and besides offering exceptional waterfront living, is clustered with an indoor theme park, a hotel and an eclectic array of fine dining, fashion, arts and culture experiences.

Future developments in the pipeline for Puteri Harbour includes residential and commercial mixed developments with condominiums, offices and a retail mall components as well as a Customs, Immigration and Quarantine (“CIQ”) complex with a ferry terminal at the entrance of the Mega Yacht Marina.

##### *Kota Iskandar*

Johor State new administrative centre, Kota Iskandar is being developed by UEM Land’s subsidiary, Cahaya Jauhar Sdn Bhd (“CJSB”). Phase 1 of this development comprising of the State Legislative Assembly Building, Chief Minister and State Secretariat office complexes as well as three staff government office buildings were all completed in April 2009. Development of Phase 2, including a mosque and government staff housing has yet to commence. Upon completion, Kota Iskandar will house 76 State and Federal Government departments to be populated by about 6,000 government personnel.

##### *Southern Industrial and Logistics Clusters (SiLC)*

Designed as Nusajaya’s flagship industrial development project, SiLC spans approximately 1,300 acres with primary focus on advanced technology, health and nutrition, logistics and biotechnology businesses. SiLC is home to Bio-XCell, Malaysia’s first Biotechnology park which has been planned to include shell factories, central utilities and shared R&D facilities, with

To date SiLC saw cumulative sales value of over RM642.2 million across 550 acres of development in Phase 1, Phase 2A and Phase 2B. Development of Phase 3 with a net area of 200 acres, is targeted to be launched in 2013.

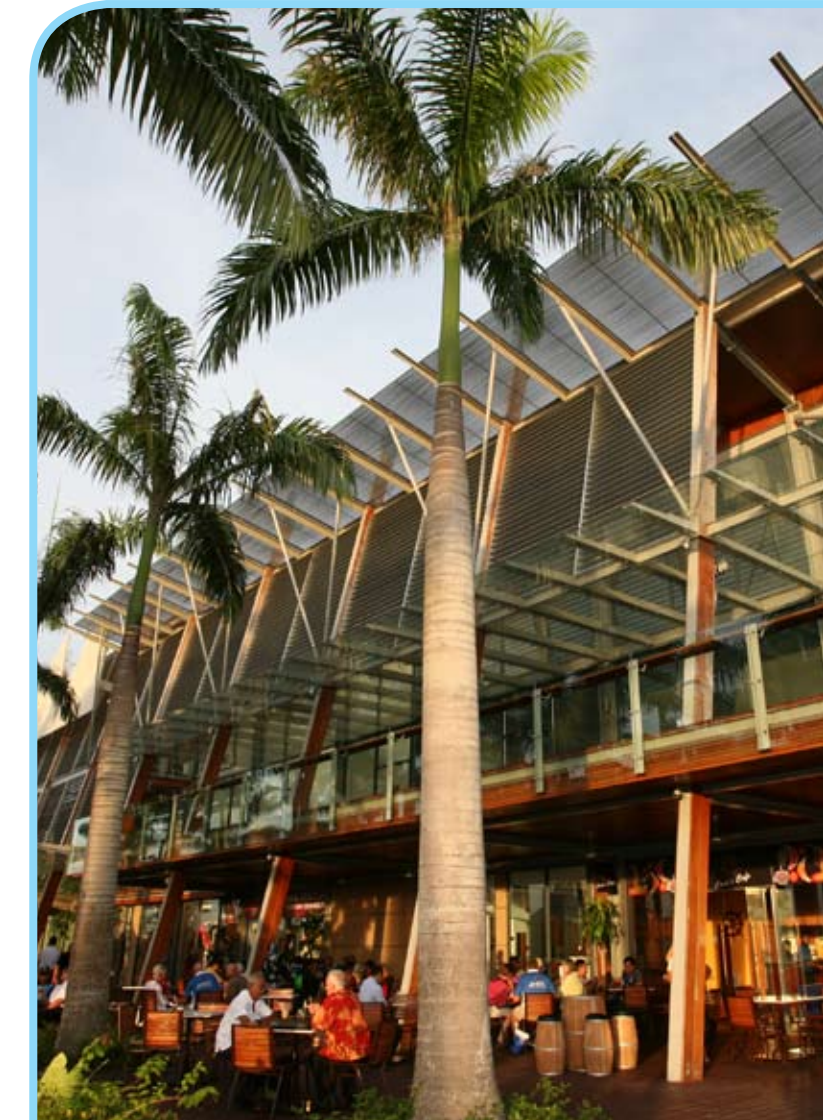
##### *Afiat Healthpark*

This 68-acre development currently centres around the 82-bedded Columbia Asia Hospital to cater the medical and health needs of residents of Nusajaya. It is intended to offer three spectrums of health treatments – modern medicine, traditional and complementary medicine as well as wellness – marking opportunities for the Group to foray into health tourism potential.

##### *Nusajaya Residences*

Nusajaya Residences is a composite of mixed residential developments ranging from the luxurious enclave of East Ledang to the golfing and residential sanctuary of Horizon Hills (with an 18-hole championship course designed by Ross Watson), the hillside mixed suburb of Nusa Idaman and other residential projects such as Ledang Heights and Imperia in Puteri Harbour. There is also Nusa Bayu, tailor-made for first time home buyers with affordable home ownership plan. Supported by The Ledang Urban Retreat centre equipped with a 50-metre lapped, fitness and centres, seminar room and F&B outlets, as well as the Anjung Neighbour Centre, a stripmall completed with 41 retail shoplots; the Nusajaya Residences is growingly popular among Singaporean investors.

Puteri Harbour



## DEVELOPMENTS OUTSIDE NUSAJAYA

### *Symphony Hills*

A 98 acre premier gated and guarded address nestled within a lush natural setting in Cyberjaya, the Symphony Hills' mixed strata project is supported by excellent recreational and urban amenities, as well as Crime Prevention Through Environmental Design ("CPTED") principles where state-of-the-art security are infused into building designs, landscaping and traffic control. With added smart home features and community connectivity through high-speed broadband, Symphony Hills is dubbed as the country's first Connected Intelligent Community ("CIC") in Malaysia.

### *11 Mont'Kiara*

Magnificent in its scale, the 43-storey 11 Mont'Kiara condominium offers 339 residential units complete with luxurious amenities in a tropical resort landscaped setting. Equipped with hi-tech security features, it is the first residential development in Malaysia to receive the Green Mark Certification from Singapore's Building and Construction Authority (BCA) for achievements in energy and water efficiency, indoor environment quality, innovation and site/project management.

### *28 Mont'Kiara*

This 460-unit 40-storey twin-block condominium was the winner of the Best High-Rise Development at the International Property Awards (in association with Bloomberg Television) in 2010 after emerging tops in Malaysia and the Asia Pacific Region in the same category.

28 Mont'Kiara is a distinctive real estate as each tower consists of two units each, making a total of 6 units per floor, and each unit comes with its own private lift lobby. The condo towers sit on 4.87 acres of freehold land of which 70% will be landscaped. Construction work is targeted to be completed by June 2013.

### *Arcoris Mont' Kiara*

Arcoris is positioned as Mont'Kiara's new urban centre offering sophisticated lifestyle experiences for the community. Conceptualised and designed by world renowned architectural Foster+Partners and located on an ample six-acre footprint, the 1.5 million square foot freehold development integrates five main communities – business suites, SoHo, luxury residences, retail and a boutique hotel.

### *Summer Suites*

With its close proximity to the Petronas Twin Towers, Kuala Lumpur City Centre ("KLCC") (1km) and the KL Tower, Summer Suites is strategically located at the intersection of Jalan Sultan Ismail and Jalan Ampang in the heart of Kuala Lumpur. It is serviced by good transportation connectivity provided by monorail and light rail transit (LRT) as well as a network of taxis and buses.

Summer Suites is built with full amenities and facilities, comprising two levels of retail shops, a swimming pool, gymnasium, function room, landscaped deck, F&B outlets, and ample parking space.

### *Publika Shopping Gallery*

Publika, a unique retail destination is the centre of Solaris Dutamas, a 17-acre integrated development comprising a 21-storey office tower, 1,030 office suites, shop-office lots, 780 residential designer suites and more than 200 retail lots. Easily accessed from the NKVE, Sprint and DUKE expressways, it is also strategically situated near prime residential suburbs such as Mont'Kiara,

Hartamas, Bukit Damansara and Bangsar.

Publika is also home to MAP, the arts and cultural platform that serves as a meeting point between artists, curators, critics and the public that includes an open exhibition gallery for art and fashion showcases housed under White Box, as well as a 200-seat experimental theatre for the staging of plays and recitals in Black Box.

### *Angkasa Raya*

The new 65 storey Angkasa Raya development, which occupies the space of the former Bangunan Angkasa Raya located in KLCC, is an integrated mixed-use project designed by renowned architect Ole Scheeren. It is due for completion in 2016, and will be one of Kuala Lumpur's most sought-after addresses as it will feature premium office spaces, over 280 service residences, a luxury hotel with more than 200 five-star suites, three sky-levels with F&B, business/private convention and gym/spa facilities, as well as 4-storey signature retail spaces.

Evening view of Mont'Kiara, Kuala Lumpur



## AWARDS & RECOGNITIONS

UEM Land was collectively bestowed thirteen awards in 2011. The awards were in recognition for the Group's achievements as a high-achieving property developer.

### **FIABCI Prix d'Excellence Awards (Runner Up)**

Public Infrastructure/Amenities Category - Kota Iskandar Phase 1, *Cahaya Jauhar Sdn Bhd*

### **FIABCI Malaysia Property Award**

Master Plan Category - Nusajaya  
Residential (High-Rise) Category - 10 Mont'Kiara

### **International Residential Property Awards**

Best International Commercial High-Rise Development - Arcoris Mont'Kiara

### **Asia Pacific Residential Property Awards**

Best Commercial High Rise Development Asia Pacific and Malaysia – Arcoris Mont'Kiara  
Highly Commended Mixed-use Architecture Malaysia - Arcoris Mont'Kiara

### **The Edge Malaysia's Top Property Developers Awards**

Top Ten (2003-2011) Property Developer - *Sunrise Berhad*

### **The Edge Malaysia's Top Property Developers Awards**

Top Fifteen Property Developer – *UEM Land Holdings Berhad*

### **BCI Asia Awards**

Malaysia's Top Ten Property Developer – *Sunrise Berhad*

### **Editors' Choice Awards**

Best Property Management Company – *Sunrise Berhad*

### **Ethical Business Excellence Awards**

Big Companies Category - *UEM Land Holdings Berhad*

### **23rd International Construction Awards**

New Millennium Award – *Cahaya Jauhar Sdn Bhd*

### **National Annual Corporate Report Awards (NACRA)**

Certificate of Merit - *UEM Land Holdings Berhad*



Summer Suites

## CORPORATE STRUCTURE



UEM Land and its subsidiaries continue to maintain its memberships at the organisational level that are considered strategic for business purposes.

- International Real Estate Federation (“FIABCI”), Malaysia Chapter
- Real Estate and Housing Developer’s Association Malaysia (“REHDA”)
- The Yacht Harbour Association, based in UK
- The Johor Yacht Association, based in Tanjung Langsat, Pasir Gudang
- Federation of Public Listed Companies Berhad

Scenic View in Nusajaya

## CORPORATE MEMBERSHIPS





## MD/CEO's MESSAGE

UEM Land's acquisition of Sunrise in 2011 resulted in vast opportunities for the enlarged entity to move forward. Our main objective of the acquisition exercise was to enhance the future prospects and potential of UEM Land. We anticipate that by combining the skills, capabilities, track record and resources of both organisations, we will be able to position UEM Land as an enlarged entity that is equipped with the scale and expertise to become a true regional and global property player.

One of the major challenges faced during the acquisition was to ensure a smooth and comprehensive integration of the two distinct, but complementary organisations. UEM Land and Sunrise have individual core competencies – where UEM Land specialises in township developments while Sunrise has a successful track record in high-rise residential, as well as commercial and retail developments.

To this end, we have embarked on a comprehensive integration exercise, including job mapping and maximising employee benefits. UEM Land capitalised on the available levels of diversity and skill sets by revising the organisational structure, reporting lines and manpower requirements for the enlarged group. All these exercises were complemented by the realignment of our business and operational processes as well as financial reporting.

Guided by a Five Year Strategic Plan, the acquisition of Sunrise has ensured that UEM Land achieved its objectives which include addressing the imbalance between market valuation and financial performance, improved productivity and earnings visibility, product diversity and geographical portfolios and create a stronger and more recognisable brand name.

The integration of UEM Land and Sunrise will also involve Sunrise's adoption of the Global Reporting Initiative ("GRI") G3.1 reporting framework. In 2010, UEM Land produced its first Sustainability Report and since this framework is already familiar to the Company, the adoption by Sunrise has been a straightforward effort. Even prior to the acquisition, Sunrise has already been consistently carrying out its own corporate responsibility and sustainability initiatives at Mont'Kiara, where its developments are primarily located, through several ongoing community projects and activities.



Symphony Hills

The acquisition of Sunrise has increased the portfolio of our company into becoming one of the largest property developers in Malaysia. Primed with this status, we recognise that sustainable development is even more pertinent in our marketplace. We have personally witnessed that sustainability issues can considerably affect a company's performance, due to demands from stakeholder groups for increased levels of engagement and transparency. Thus, it is imperative for companies to respond appropriately in such instances.

I personally believe that the best approach to spread awareness on sustainable development is through focused initiatives that address stakeholders' needs and add value in a socially and environmentally accountable manner. When we are able to address their needs responsibly, the power of testimony kicks in. This will subsequently result in a positive rippling effect that will carry along through the various stakeholder groups. Over the years, UEM Land has initiated several development programmes with firm emphasis on education, environment and community building, of which progress has been included in this Report.

In a developing economy like Malaysia, an area of increasing concern is to address the current demand for affordable housing. Property developers should be looking into building more affordable housing, not only to meet market demand but as responsible corporate citizens. With rising costs of living, especially in urban areas, property developers should not disregard this segment of the market and take the initiative to support and complement government-driven programmes such as the Housing Loan Scheme by the Ministry of Housing and Local Government.

UEM Land is already providing solutions through the construction of an affordable housing development in Nusajaya, known as Nusa Bayu, which is specifically designed for first-time homeowners. Upon completion, Nusa Bayu will boast about 3,400 residential

and commercial units spread across 260 acres on the northwest side of Nusajaya.

Moving forward, our plans for the near future will be to focus on developing our existing land banks in Nusajaya, Mont'Kiara, Kuala Lumpur, Cyberjaya and Bangi. The Group is also working on several proposals for land parcels in the Klang Valley as well as in Penang, in addition to the current locations we have available for development in Seremban, Bukit Jelutong, Tapah and Mersing. Our business development division has also been working on opportunities to expand into other geographic locations, including East Malaysia.

We also have plans to venture into other regional markets and exploring opportunities available there, but for the immediate term, our focus remains in Malaysia. We are always mindful of the risks involved in such overseas ventures and will ensure that the appropriate due diligence is carried out before making any firm commitments in these markets.

With our enlarged all-encompassing group workforce together with the successful implementation of our strategic plans, UEM Land is now the largest Malaysian property developer in terms of market capitalisation. The Group's outlook on the future is bright and we are confident that our plans will bear fruit to ensure business sustainability. With our capabilities and dedicated human capital, we aim to achieve, if not exceed the Group's set targets for this all important 'Tipping Point' year in 2012 as we continue our expansion trail to nurture and build strong, sustainable communities.

Thank you.

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



# OUR STAKEHOLDERS

UEM Land and its operating subsidiaries engage with various stakeholder groups who contribute to the success of the Group or are affected by the Group's operations. The stakeholder groups that the Group engaged with in 2011 did not differ from those in 2010 but included also, similar stakeholders from Sunrise's operations. Stakeholder groups include but are not limited to, our customers, our employees, local communities, media organisations, governments, shareholders and service providers.

Our approaches to stakeholder engagement have remained the same.

## STAKEHOLDERS

## CONCERNS

### Media

In UEM Land, we have always maintained a good and transparent relationship with the media.

Our engagements with the media include business and community events and activities as well as social occasions such as business luncheons and media get together. Their continuous support have indirectly contributed to the Group's positive branding, which in turn, enhanced the growth of the Group.

### Government

Governmental agencies and bodies are an integral part of UEM Land's business dealings. The government at the Federal, state and municipal levels play different roles in the various developments of the entities within the Group. From the legislative and regulatory perspective, these governmental agencies and bodies operate to enforce the necessary compliances and adherence imposed on our business activities. Nonetheless, they are also our clients and partners and depending on the situation befitting their roles, intensive discussions are necessary in the course of the licensing process (legislative role), construction team meetings (client role) or with joint development companies (partner role).

### Contractors and suppliers

This comprises contractors, suppliers and the people in their employment. Purchasing is an important source of value within UEM Land affecting the chain of design/development and realisation of construction projects. We take into cognisance the fact that benefits can be derived through improvements in our supply chain, while achieving cost reduction and improving delivery reliability form the thrust of the supply chain management process.

### Local Communities

In UEM Land, we place considerable attention in dealing with and managing the expectations of the communities where our businesses are based. We endeavour to engage with them through various activities and programmes as these accord us the opportunity to build mutual understanding even as we try to address their needs and minimise any inconveniences affecting their surroundings.

## STAKEHOLDERS

## CONCERNS

### Our Customers

Our customers are one of our most valuable assets. We value our customers highly for it is through them that we are able to exist as a sustainable business.

The aim is to satisfactorily complete and deliver all of our products to the highest standards, while cultivating a long-term relationship with our customers.

### Our Employees

We believe that all of our employees need to be provided avenues to grow professionally and personally; and that active communication is an integral manner to keep them informed and updated on the various initiatives that are important to the Group.

### Our Shareholders

As a listed company, it is important that we maintain and enhance relationships with our shareholders. Information is regularly disseminated through press releases, press conferences, website updates as well as annual and extraordinary general meetings.

# PERFORMANCE REVIEW

The following Table details the Group's Key Performance Indicators ("KPI") and achievements for 2011:

KEY PERFORMANCE INDICATOR	WEIGHT (%)	ACTUAL SCORE (%)
Revenue	15	8
Profit After Tax and Minority Interests (PATAMI)	15	13
Sales	15	15
Customer Satisfaction Survey	10	5
The Edge Top Property Award Ranking	5	2
Timely Project Delivery	20	11
Value of New Projects	10	7
Increased Staff Competency	10	10
<b>Total</b>	<b>100</b>	<b>71</b>

For the financial reporting period of 2011, UEM Land realised a revenue amounting to RM1.7 billion which more than tripled from RM471.1 million in 2010. Profits after Tax and Minority Interests amounted to RM301.7 million.

Total sales increased to RM2.2 billion in 2011. With the prospect of a buoyant property market in the country together with the acquisition of Sunrise.

There were some shortfalls in certain areas of our Group's operations which affected our business performance. Issues such as timely project delivery and aspects of customer expectations will be reviewed so that remedial measures can be implemented to address the problems encountered.

The total KPI score for the Group's performance was pegged at 71%, within the 65-79% scoring bracket of the Gold category.

## UEM LAND'S KEY COMMITMENTS

With the addition of Sunrise to the Group, UEM Land is better poised to forge ahead towards carving out an increased share of the property development and real estate market. The Group notes that commitments presented in the previous Report will have to be adjusted to take into account the integration of the two companies' business plans.

Thus, a fresh impetus in the management approach, complemented by a heightened level of commitment towards achieving revenue

objectives, will be necessary to help the Group to stamp its reputation as the leading property company with high growth potential and as the preferred business partner in real property development.

The Group looks forward to maximise business opportunities in key priority areas via a re-focused approach to ensure efficient utilisation of all resources available. This strategy will be in sync with UEM Land's mission to operate sustainably.

KEY FOCUS AREAS	MANAGEMENT STATEMENT	TARGETS	ACTIONS REQUIRED	TIME LINE
Our People	1. We aim to develop and retain our talents.	1. Development plans for all employees to ensure their competency and growth.	1. Roll-out programmes to be developed. 2. Conduct competency assessment for all staff. 3. Conduct gap analysis and chart development and career path.	2013 On-going On-going
	2. We will enhance our engagement with our employees.	2. To become the "Employer of Choice".	1. Conduct employee engagement initiatives (i.e. festival celebrations, Regional Annual Dinner, Town Hall Sessions, Employees' Lounge). 2. Execute communication and "Reach Out" programmes for employees' buy-in.	On-going On-going

KEY FOCUS AREAS	MANAGEMENT STATEMENT	TARGETS	ACTIONS REQUIRED	TIME LINE
Communities	1. We will engage the local communities within the areas we operate and contribute to the betterment of community development and well-being.	1. We will measure the results of the community programmes carried out and report progress on an annual basis.	1. Monitoring of PINTAR programme: Keep track of the academic results and conduct root cause analysis to ascertain factors affecting academic progress.	On-going
			2. Work with relevant schools to improve programmes in order to achieve better academic results.	On-going
			3. Develop community engagement programmes to ensure nearby communities are informed and engaged.	On-going
			4. Identify and evaluate specific community groups outside Nusajaya i.e. Tapah/Central region.	2012
			5. Develop Standard Operating Procedures ("SOP") as reference points with a view to further develop effective community programmes at the identified geographies.	2013

Value and Risk	1. Drive sustainability and value creation by maximising the efficiency of the risk management process.	1. Adequate and efficient monitoring of risks especially those due to potential climate change that impact our projects and businesses. 2. Value creation via geographical and product diversification.	1. Intensify deliberations on climate change risks (e.g. flood and other environmental risks such as landslides, etc.) while undertaking due diligence studies for new projects and land acquisitions.	On-going
			2. Continue to explore and seek potential opportunities and new projects and increase land bank beyond Nusajaya (regional and global).	On-going
			3. Timely development of new land bank and projects.	On-going
			4. Business expansion into other property-related businesses (facilities management, property investment, development management and hospitality).	On-going

KEY FOCUS AREAS	MANAGEMENT STATEMENT	TARGETS	ACTIONS REQUIRED	TIME LINE
Customer Engagement	1. Ensure that our customers are able to enjoy the best levels of service from all contact-point personnel within our organisation.	1. Improve customer service and customer experience at all contact-points, which will be measured via the annual customer service satisfaction index, conducted by TNS (Taylor Nelson Sofres) Malaysia Sdn. Bhd 2. Ensure designs and products meet customers' requirements.	1. Conduct a roll-out of programmes (three phases) on customer service improvements for UEM Land personnel.	On-going
			2. Implement in-house surveys (e.g. handover surveys for new home-owners during handover/inspection) in 2012.	On-going
			3. Introduce a mobile 'handyman's service' for developments in Nusajaya.	On-going
			4. Introduce UEM Land's 'Six Senses' experience.	On-going

Green Environment	1. We aim to improve our environmental performance and management of resources used.	1. To ascertain our environmental impacts and resources used so that we can ably determine our baseline levels. 2. We will set improvement targets and monitor our performance on a quarterly basis. 3. We will establish a programme to ensure purchase of "green" materials for office use.	1. Develop internal monitoring programmes for energy, water and paper usage at our non-project locations.	On-going
			2. Develop energy management programme for our non-project locations.	On-going
	2. We aim to create awareness among the communities on their roles and responsibilities in environmental conservation.	1. We will establish programmes to create environmental awareness among the various communities.	3. Develop a reduction and conservation programme for water and paper usage at our non-project locations.	On-going
			4. Expand our monitoring programme to include purchase of "green" materials.	On-going
			1. Develop and execute programmes for the various community stakeholders – school children and residents of our developments.	On-going
			2. Segregate construction debris (wood) and convert them as planting mediums under the 3R programme.	On-going
			3. Promote usage of energy-efficient materials.	On-going
			4. Carry out tree-planting programmes.	On-going

KEY FOCUS AREAS	MANAGEMENT STATEMENT	TARGETS	ACTIONS REQUIRED	TIME LINE
Our Projects	1. Ensure adequate management of the waste generated so that we can reduce our environmental footprint.	1. Identify and develop appropriate procedures to minimise, reuse, recycle, and dispose of waste properly. Mandate our contractors to comply with good waste management and include such requirements into procurement contracts.	1. Develop procedures to manage waste generated by our activities.	2012
			2. To include a clause in new contracts requiring contractors to report/monitor their waste generation and recycling efforts for construction waste materials.	2011
Our Projects	2. We will need to ensure that the products we develop are in keeping with the current market developments and requirements. This would ensure the long-term sustainability of our business.	1. Ensure that our supply chain is able to meet sustainability best practices in order to improve the performance of our deliverables. 2. Explore the use of technologies that reduce carbon emissions and energy; and increase water usage efficiency. 3. Determine baseline on types of materials and volumes used at our project sites to enable the formulation of better strategies and to opt for environ-friendly materials. 4. Explore the use of renewable energy technologies and procure energy-efficient products i.e. energy-star rated for the future development of our products.	1. Determine baseline on materials used, carbon emissions, fuel, energy and water usage at our development sites.	2015
			2. Develop a strategy for reduction of item (3).	2015
			3. Formulate action plans to develop "green" buildings.	2015
			4. Identify key "green" technologies used in the construction industry for potential application in future developments.	2015
			5. Identify key suppliers of environmental friendly materials which meet international standards.	2015



## ACCOUNTABILITY IN THE MARKET PLACE

Angkasa Raya

### ACQUISITION OF SUNRISE BERHAD

In the 2010 edition of our UEM Land's Corporate Responsibility Report, it was disclosed that the Group had initiated acquisition rights over Sunrise, an award-winning local property developer renowned for its collection of upmarket high-rise residential and commercial developments.

The merger exercise was accomplished on 16 February 2011. A three-member integration committee was immediately formed – comprising Dato' Izzaddin Idris, Group Managing Director/Chief Executive Officer of UEM Group Berhad, Dato' Wan Abdullah Wan Ibrahim, Managing Director/Chief Executive

Officer of UEM Land and Datuk Tong Kooi Ong, Director of Sunrise – to organise and streamline integration issues and synergise on the collective master-builder strengths of both companies to compete in Malaysia's thriving real estate and property sector.

As soon as all administrative and management issues were addressed and resolved, the next was to tap into the intrinsic capabilities and expertise that both UEM Land and Sunrise possess. This is to ensure that the Group will be able to collectively pursue expanding horizons locally and abroad.

Hence, in 2011, much of our immediate priorities were focused on restructuring the organisational structure, identifying equitable reporting lines, streamlining job-maps, manpower requirement and reviewing employment terms and benefits. This integration exercise was carried out across every employee level in both companies, through rank-and-file.

The road to full integration between the two organisations was fully streamlined only in November 2011 and a revamped management structure is now in place to manage company-wide resources and combined business strategies.

To ensure that we are also able to integrate our sustainability measures with Sunrise, we spent much of 2011 reviewing and re-strategising our Sustainability roadmap. This measure was necessary so that all operating companies within the Group could successfully implement and cascade all planned short and long term activities in its daily business operations as efficiently as possible.

### BUSINESS DEVELOPMENT

Although UEM Land is a renowned property developer, necessary measures are still required to promote its real estate products. From 5 - 6 March 2011, UEM Land participated in the iProperty.com Expo held at Marina Bay Sands in Singapore to reach out and connect with customers from in and around the region. This two-day exhibition, one of the largest in South East Asia, saw participation from property developers based in Singapore, Malaysia, Australia, Britain, Thailand and India.

UEM Land has already been venturing into the international arena since the past few years. From 1 - 4 April 2011, it participated in the 2011 Hainan Rendez-Vous Expo in Sanya, China, an innovative lifestyle showcase featuring some of Asia's most lavish developments, luxury lifestyle products, along with a business jet and yacht show. The exclusive event attracted about 8,000 guests from every continent, where exclusive previews and one-of-a-kind displays awaited them.

The annual LIMA exhibition held in Langkawi saw the participation of UEM Land as part of the UEM Group Berhad's pavilion. From 6 - 10 December 2011, over 160,000 trade and public visitors thronged the event during which UEM Land took the opportunity to showcase its Puteri Harbour and Imperia developments as preferred destinations for exceptional waterfront living experiences.

### SHAREHOLDER ENGAGEMENT

As a public listed company, it is necessary for UEM Land to continue to keep its shareholders abreast of new developments within the Group. Information was disseminated through press releases and press conferences, financial updates, as well as annual and extraordinary general meetings to ensure shareholder concerns were adequately addressed and improvements could be identified.

On 26 January 2011, UEM Land organised a trip for 48 selected shareholders to visit several of Nusajaya's signature developments in Johor. The one-day tour was to provide these shareholders

with in-depth knowledge that will strengthen their confidence and continual support for the company.

UEM Land also held its third Annual General Meeting ("AGM") on 16 June 2011, primarily to provide shareholders with an overview of the Group's performance, list of current projects and an opportunity to discourse with members of the Board and top management.

### CUSTOMER SATISFACTION

The synergy following the acquisition of Sunrise has strengthened the position of UEM Land and propelled the Group as one of Malaysia's leading conglomerate of property developers. With the enviable reputation of owning large parcels of development projects in its portfolio, UEM Land is thoroughly committed to continue building properties that are highly desired, with the potential of increasingly appreciative value, as well as landmarks and townships of significance within the Iskandar Malaysia Region and beyond.

Panoramic view of Puteri Harbour



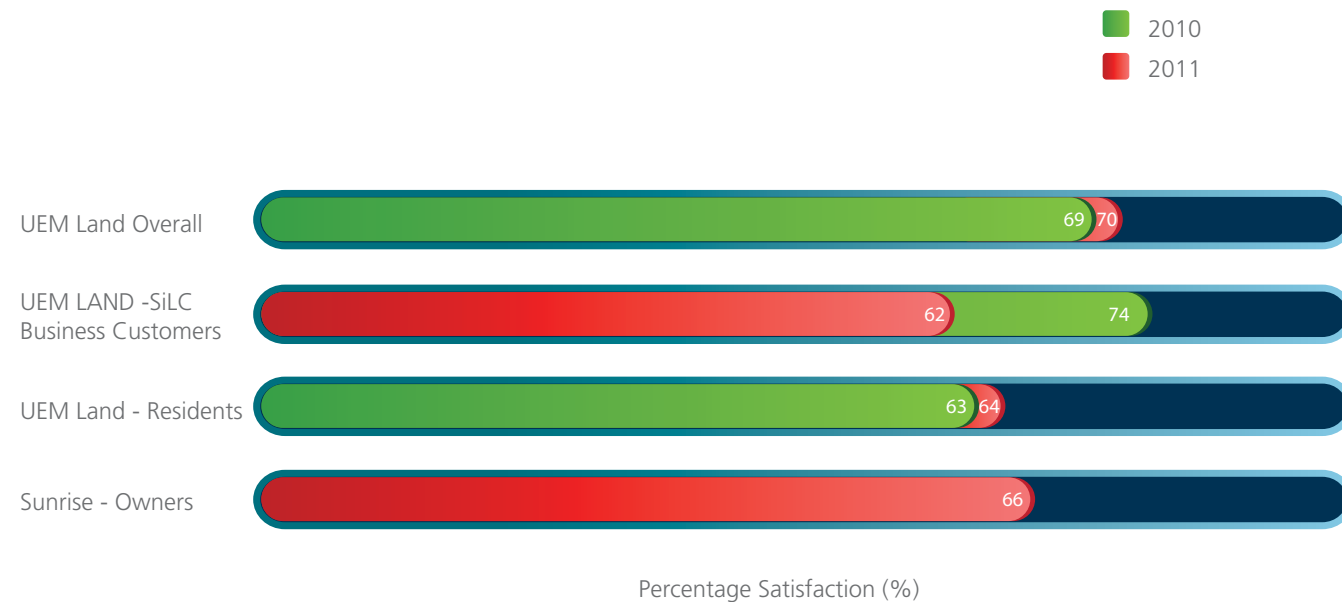
Ensuring that our customers will remain satisfied and to maintain strong relationships with them, our Company strongly believes in listening and being receptive to the demands and needs of our customers while staying attuned to developments in the real estate realm. Through our Customer Relationship Management (CRM) system, first established in 2008, we continued to engage in our annual Customer Satisfaction Survey programme to gauge the performance of the Company in its service delivery.

Once again, TNS (Taylor Nelson Sofres) Research International was commissioned to conduct the 2011 Survey of Property Buyers and Business Customers in Nusajaya, and properties in the Mont'Kiara area. The survey assessed the level and quality of customer service extended by our sales teams while also measuring parameters and elements that add weight to the KPI (Key Performance Indicators) system. These are intended to further fine-tune the Group's performance for better customer engagement.

The developments in Nusajaya surveyed were Nusa Idaman, East Ledang, Ujana Apartments, Ledang Heights, Nusa Bayu and SiLC. Meanwhile, Nusa Bayu was a new addition to the survey in 2011. A total of 168 residents and owners participated in the survey.

In comparison against the findings of the previous year, the Group overall customer satisfaction index rose by one percent, from 69% to 70%. However, customer satisfaction among business owners at SiLC registered a 12% decline. Negative feedback received particularly highlighted dissatisfaction over the quality of comprehensive advice provided relating to Malaysian land or property ownership prerequisites, the bureaucracy involved to resolve fault rectification complaints and the general perception of the property's marketing and pricing philosophy.

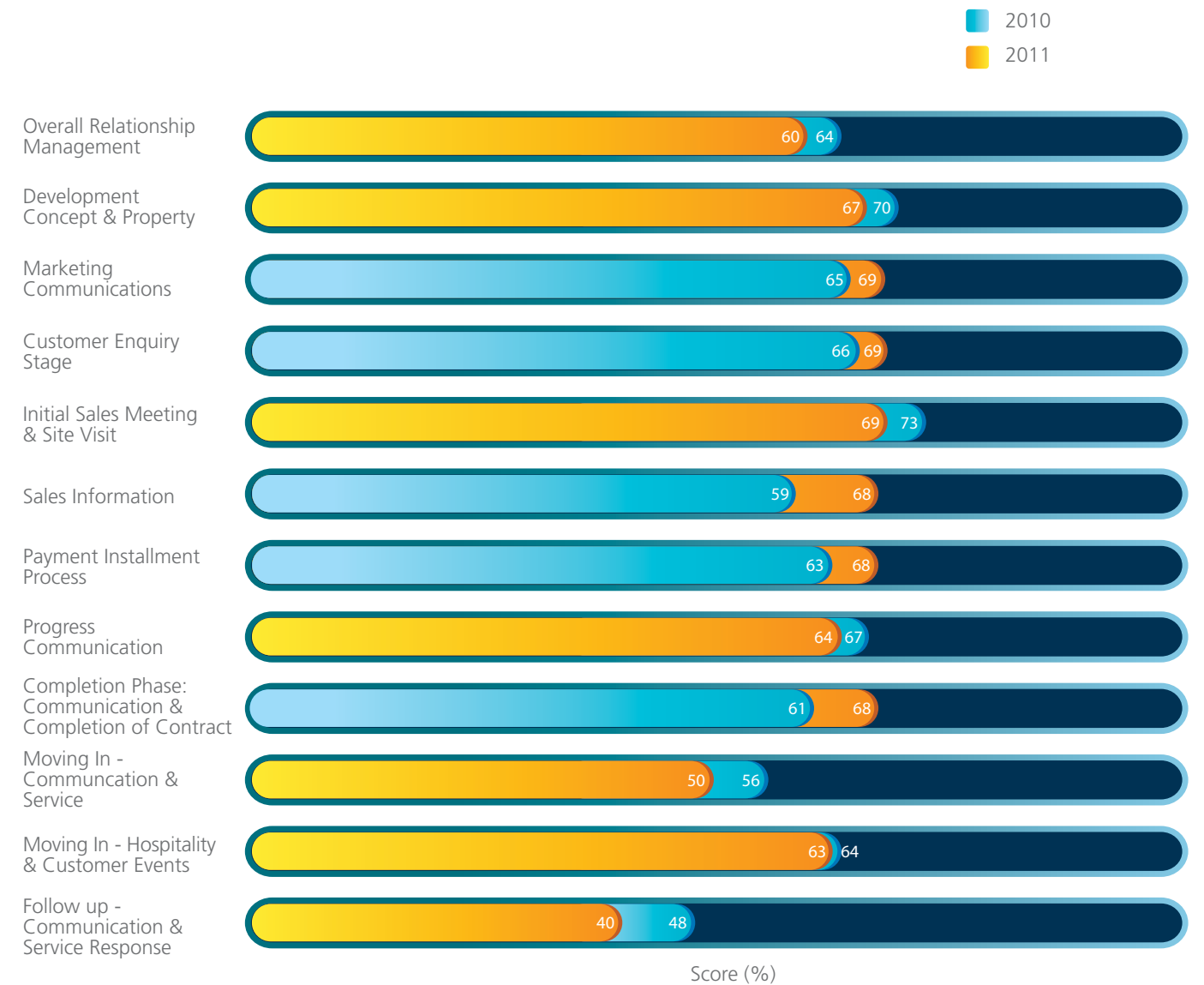
## CUSTOMER SATISFACTION SURVEY RESULTS



Source: TNS Research International 2011

The following bar graph provides further details on the various survey components including property concept, sales, progress communications, property hand-over and after-sales service.

## UEM LAND HOLDINGS BERHAD - CUSTOMER SERVICE EXPERIENCE NUSAJAYA / SOUTHERN REGION



Source: TNS Research International 2011



Publika Shopping Gallery

The overall score for relationship management was pegged at 60%, compared to the higher score of 64% achieved in 2010.

Evaluations on marketing communications, customer enquiry follow-up, sales information, payment processes and completion phases continued to show improvement in 2011, surpassing similar comparisons as tabulated in the 2010 survey. Nevertheless, the positive rankings for these survey components were outweighed by under-performance in other survey sectors.

Survey inferences also identified aspects for renewed emphasis and further improvement such as property development concept, initial sales meeting experiences and site visits, frequency of progress updates, communication and services rendered during the moving-in period, post-occupation hospitality and after-sales service.

We were pleased to note that the survey had indicated a general endorsement for the helpfulness of our customer service team. A fair number of respondents, however, expressed some dissatisfaction over their experiences encountered during the handover process and after-sales service attention – their contentions were mainly pertaining to the moving-in process, workmanship quality and faults as well as sluggish service responses.

The overall survey also concluded that aspects of quality control and after-sales customer service require attention to address negative perceptions and to nurture more satisfied and loyal customers.

For the Sunrise properties, the customer survey covered residents across all locations, including those residing in its earlier completed development phases. A total of 125 respondents provided their feedback via online/postal questionnaires, telephone surveys and even on-site at various property launches.

The Sunrise survey covered a broad spectrum of its developments so that the customer feedback obtained represented an encompassing reflection of views and sentiments from across property categories by market value. The survey covered the following collection of developments: 10 Mont’Kiara, 11 Mont’Kiara, 28 Mont’Kiara, Solaris Mont’Kiara, Solaris Dutamas, Mont’Kiara Aman, Mont’Kiara Astana, Mont’Kiara Banyan, Mont’Kiara Bayu, Mont’Kiara Damai, Mont’Kiara Palma, Mont’Kiara Pines, Mont’Kiara Sophia, Kiara Designer Suites and Laman Suria.

Sunrise sustained an overall score of 67% in the 2011 survey that benchmarked its corporate reputation and customer satisfaction components. The Group garnered satisfactory responses generally although its overall score for relationship management was pegged at 53%. This was due to the quality of follow-up communication services and responses. Similar to complaints received by our Nusajaya properties, respondents were dissatisfied over qualitative issues – property hand-over, defect rectification, staff knowledge competency and level of understanding customers’ needs.

The survey has also highlighted that the Group can further upgrade its efforts to boost the level of customer service provided by our personnel to our clients. We will continue to introduce programme for customer service improvement, evaluate via annual surveys and benchmark the results so that we can identify trends and flaws. We will also formulate remedial action plans to address those service deficiencies so that our clients can enjoy improved customer experiences. In keeping up with consumer demands on “green buildings”, we will also incorporate a section into our surveys to gauge their viewpoints and suggestions.

## SUNRISE BERHAD - CUSTOMER SERVICE EXPERIENCE CENTRAL REGION

2011



Source: TNS Research International 2011

### CUSTOMER COMPLAINTS

As a Group, we aim to provide the best service to all our clients and are committed to take reasonable measures to address concerns affecting owners, tenants and residents.

There were 355 cases lodged by occupants and owners from Phase 1 of East Ledang, the bulk of which concentrated on building defects. All complaints were duly rectified by our building contractors and/or resolved by UEM Land.

At Nusa Idaman, 397 complaints on building defects were received and duly rectified. Our customer service assistance also encompasses our developments through our subsidiary, Sunrise.

On a different note, Solaris Dutamas, Sunrise’s development in the Klang Valley, was in the media spotlight as complainants took their issues to the Press (The Star – Metro section on 25 and 31 October 2011). The occupants highlighted their dissatisfaction over construction debris and dust from ongoing building works, the lack of parking spaces for their customers and parking fees,

poor directional signages, traffic congestion and road conditions in the vicinity.

Issues raised were immediately resolved while other aspects of negative claims were duly clarified to set the right perspective for media reporting. The following clarifications were expressed for public information:

- It was clarified that there had been no further construction works ongoing at Solaris Dutamas as the development had already been completed.
- Sunrise had engaged a consultant to work on further improving directional signages in and around Solaris Dutamas with a commitment to review on a need-basis for progressive enhancement.
- It was clarified that Solaris Dutamas schedule of parking fees was comparable with that of other shopping malls in the vicinity. The fixed per-entry rate imposed on weekends was an evident measure by the building’s management to attract traffic to Solaris Dutamas.



Wholesome living spaces for the entire family

As part of its process to determine customers' satisfaction, annual internal surveys were similarly conducted on all Sunrise managed properties. Key highlights of the 2011 survey included issues such as the provision of security services, traffic congestion and indiscriminate vehicle parking, road-worthy conditions and road-digging works as well as the lack of sidewalks and pedestrian crossings.

Suggestions by survey respondents were taken into account and evaluated for implementation. Remedial actions that have been taken include:

- Sunrise has stationed personnel to assist with traffic management, especially during peak hours, to ease traffic congestion; alternative traffic dispersal routes were introduced while longer-term measures will include road-widening and the installation of traffic lights.
- Sunrise intensified its project supervision of road-digging works in the vicinity through closer coordination on infrastructure works carried out by the various service providers and post-installation remedial restoration.
- There will be more timely remedial works on the condition of roadside sidewalks and Sunrise will initiate with Dewan Bandaraya Kuala Lumpur (DBKL) for the implementation of zebra crossings to cater for the safety of pedestrian traffic.
- To address security issues and concerns, Sunrise set up its own team of professionally-trained auxiliary police to enable greater patrolling frequency while also enhancing its existing crime preventive measures.



## ENRICHING LOCAL COMMUNITIES

Majlis bubur lambuk and duit raya distribution with local community



As a property developer, UEM Land's mission is to create and maximise value for our shareholders, employees, suppliers, customers, business partners and the communities within which we operate in.

We recognise that our business remains viable only when we can effect and contribute tangible and enduring benefits for our diverse stakeholders, which ultimately brings social progress and leads to an improved quality of life for future generations. Thus, our business plans and developments consistently take into consideration the social, environmental, ethical and economic impact of all that we do.

In 2011, UEM Land's charitable investments to develop progressive local communities totalled RM1.17 million – the bulk of which was spent on a diverse range of community involvement projects, with a particular focus on educational activities.

#### EDUCATION: THE WAY FORWARD

Adding continuity to our efforts in engaging with our local communities, UEM Land remained focused on education as our Corporate Social Responsibility ("CSR") endeavours. We believe that we can play a meaningful part in helping to develop strong and sustainable societies through education. It is an unwavering view

that education is a great enabler towards building, shaping and defining a more forward-advancing society and in meeting aspirations to be a developed nation.

The PINTAR (Promoting, Intelligence, Nurturing, Talent and Advocating Responsibility) programme has been spearheaded by our parent company Khazanah since December 2006. The ultimate goal of PINTAR is to bridge the socio-economic gap between rural and urban areas by providing the target communities with enhanced access to educational resources in the long run.

Under the PINTAR umbrella, UEM Land continued to build its momentum with key activities such as the Academic Excellence Programme, ICT Knowledge and Appreciation Programmes, Microchip Controller workshops, English Language Programmes and Green School projects. These activities were organised for all 13 primary and four secondary schools in Johor which are among the 17 adopted schools within Nusajaya throughout the year.

A total of RM1.04 million was expended in 2011 to organise the various programmes, including donations to schools under the Academic Excellence Programme.

Seminar SPM with PINTAR Schools' students



Below are the list of activities carried out in 2011:

DATE	EVENT
29 January	Pintar Al-Quran Training with Jabatan Agama Johor ("JAJ")
23 February	STAR NiE Sponsorship Programme Cheque Presentation
5- 6 March	UPSR Seminar
12 - 14 March	Motivational Camp for Primary Schools
15 - 17 March	Motivational Camp for Secondary Schools
18 - 19 March	Microchip Controller Workshop
2 - 3 April	PMR Seminar
9 April	Awards Ceremony for Excellent Students
16 - 17 April	SPM Seminar
23 April	Road Safety Programme
9 May	NiE Workshop for English Teachers
11 May	Education Festival & ICT Carnival
21 May	Volunteer Training Session for Green Schools Programme
28 - 30 May	English Programme for Primary School Teachers
31 May - 2 June	English Programme for Secondary School Teachers (phase 1)
17 - 18 June	English Programme for Secondary School Teachers (phase 2)
1 - 2 July	English Programme for Secondary School Teachers
9 - 10 July	UPSR Clinic
16 - 17 July	PMR Clinic
13 September	Launch of Green School Programme
15 - 16 October	SPM Clinic
19 November	Majlis Khatam Al-Quran for Pintar Pre Schoolers

## PINTAR PROGRAMME

As part of the PINTAR programme, UEM Land organised two motivational camps for its PINTAR schools' students at Tg. Piai, Johor. The camps, which separately catered for primary and secondary school level students, were held on 12-14 March 2011 and 15-17 March 2011 respectively. A total of 120 students from Year Six, Form Two and Four students from UEM Land's 17 PINTAR schools in Gelang Patah district, participated in the motivational camps.

Targeted to particularly help those students identified with low to medium academic capabilities as well as high-risk students, camp facilitators were engaged to help the students to identify and unleash their own potentials. Fun-filled activities incorporating mental and physical challenges and activity-based tasks were included into the camp programme to inculcate the students with values on discipline, concentration, and positive-thinking as well as expose them to aspects of time management and teamwork.

PINTAR's training programmes also included focus activities tailored specially for its community of school teachers. For the second consecutive year, English language training programmes were held for English-option teachers from our 17 adopted PINTAR schools. The educators learnt useful approaches to help them in the teaching of English as a second language and techniques that boosted their confidence in teaching the language to their students.

During the three-day training camp, a subject expert from the British Council exposed the teachers to complementary techniques that could enable effective engagement with their students, successful methods for the teaching of complex language rules such as grammar as well as highlighted measures to spot and correct common mistakes made by students.

On 9 November 2011, UEM Land organised a Spelling Bee competition exclusively for PINTAR primary school pupils at the Theatre Hall, Bangunan Sultan Ismail in Kota Iskandar. It was intended to help students improve their spelling skills, enhance their vocabularies, and encourage the students to proficiently master the language. The "Spell-it-Right" contest, a collaboration with the Johor Bahru District Education Department ("PPDJB"), attracted 100 participants from 10 of UEM Land's PINTAR primary schools around Gelang Patah. Cash prizes were offered to the contest winners.

These language-centric programmes are part of UEM Land's ongoing quest to develop an English-proficient community in all UEM Land's PINTAR schools.

Through its PINTAR Al-Quran Programme, UEM Land held a "Majlis Khatam" on 19 November 2011 for 83 pre-schoolers from the Kemas-UEM Land kindergartens. The aim of the programme was to promote greater understanding and higher literacy of the Al-Quran among young Muslim children residing in Nusajaya. The "Majlis Khatam" was a celebration ceremony held for these pre-schoolers upon their completion in reading the Quran.

## PINTAR SCHOOLS PERFORMANCE

As part of the PINTAR programme, UEM Land continued to monitor the progress of the students at its 17 adopted schools. Monitoring was necessary to ensure that the improvement programmes scheduled were effective in helping these students to achieve better academic results in addition to assisting UEM Land to identify schools that had weaker students on whom we could expend more focused assistance and attention.

### Spell-it-right contest



The following Table shows how the various schools, adopted by UEM Land, fared in the UPSR examination.

NAME OF SCHOOL	YEAR	TOTAL NO. OF CANDIDATES	OVERALL PASSING RATE	% CHANGE
SJK (T) Gelang Patah	2010 <b>2011</b>	20 <b>32</b>	60.00 <b>65.00</b>	5.00
SK Kg Pulai	2010 <b>2011</b>	41 <b>41</b>	92.00 <b>80.50</b>	-11.50
SK Ladang Pendas	2010 <b>2011</b>	11 <b>6</b>	0.00 <b>0.00</b>	0.00
SK Morni Pok	2010 <b>2011</b>	43 <b>29</b>	83.00 <b>72.40</b>	-10.60
SK Nusantara	2010 <b>2011</b>	99 <b>124</b>	87.00 <b>68.50</b>	-18.50
SK Pendas Laut	2010 <b>2011</b>	5 <b>5</b>	100.00 <b>100.00</b>	0.00
SK Sg Melayu	2010 <b>2011</b>	20 <b>15</b>	65.00 <b>53.30</b>	-11.70
SK Sikijang	2010 <b>2011</b>	1 <b>2</b>	100.00 <b>100.00</b>	0.00
SK Tmn Nusa Perintis 1	2010 <b>2011</b>	97 <b>85</b>	88.00 <b>65.20</b>	-3.00
SK Tg Adang	2010 <b>2011</b>	30 <b>23</b>	88.00 <b>65.20</b>	-22.80
SK Tg Kupang	2010 <b>2011</b>	25 <b>24</b>	89.00 <b>54.70</b>	-34.30
SK Tiram Duku	2010 <b>2011</b>	20 <b>34</b>	90.00 <b>97.00</b>	7.00
SK Kompleks Sultan Abu Bakar	2010 <b>2011</b>	45 <b>47</b>	100.00 <b>100.00</b>	0.00



High achievers award ceremony

Six of the schools achieved an improved or status-quo passing rate while seven other schools unfortunately recorded a decline in academic performance, with passing rate percentages ranging between 10.5% to 34.3%. Of serious concern, it was noted that none of the students at SK Ladang Pendas passed the UPSR examination.

Overall, the statistics also indicated a general decline in academic performance across all schools in the latest edition of the UPSR examination.

The national UPSR examination statistics showed an overall improvement with the quantum of students receiving a minimum score of D in any singular examination subject, decreasing from 35.61% in 2010 to 35.07% in 2011. However, in a comparison of UPSR students living in urban centres (towns and cities) with those from rural areas, it was observed that rural students did not perform as well as their urban counterparts. In 2011, the percentage of students with a minimum score of D in any particular examination subject was 33.28% in urban areas and 37.30% in rural areas.

In comparison, students at the PMR level from the four adopted secondary schools achieved a lower pass-rate, with the exception of SMK Tanjung Adang which attained 7.29% improvement in academic excellence.

In spite of national PMR results showing overall improvement, there remained a stark difference between the PMR results achieved at urban schools compared to rural schools. The number of students who scored below D in at least one subject in urban schools stood at 27.67% whereas in rural schools, this figure was higher by almost 10 percentage points at 35.57%.

It remains a general observation that as many of our adopted schools are located in rural areas, there has been a trend whereby high-achieving students – whether at UPSR or PMR levels – tended to leave their home districts to seek enhanced educational opportunities at MARA colleges or other premier residential schools. As more students are transferred out in pursuit of better educational pursuits, the talent pool in the rural schools tended to naturally and progressively decrease on a year-by-year basis.

Nevertheless, we recognise that much can be done to improve their academic capacities and will be concentrating more efforts at the UPSR level so that the students have a better primary schooling foundation. We are also looking into ways to drive better results from the PINTAR programme and help these rural schools narrow down the current performance disparity between urban-rural students.

NAME OF SCHOOL	YEAR	TOTAL NO. OF CANDIDATES	OVERALL PASSING RATE	% CHANGE
SMK Gelang Patah	2010 <b>2011</b>	247 <b>258</b>	60.64 <b>60.24</b>	- 0.40
SMK Kompleks Sultan Abu Bakar	2010 <b>2011</b>	70 <b>78</b>	90.00 <b>75.64</b>	- 14.36
SMK Taman Nusa Jaya	2010 <b>2011</b>	115 <b>174</b>	79.13 <b>71.84</b>	- 7.29
SMK Tanjung Adang	2010 <b>2011</b>	67 <b>71</b>	65.57 <b>72.86</b>	7.29

At SPM level, the students generally performed considerably well academically. The students of SMK Gelang Patah attained an improved passing rate at 5.26% higher than the results achieved in the 2010 SPM examination. The academic performance at SMK Kompleks Sultan Abu Bakar and SMK Tanjung Adang remained relatively stable and consistent. Only SMK Taman Nusa Jaya's results showed a slight decline of 2.84%.

NAME OF SCHOOL	YEAR	TOTAL NO. OF CANDIDATES	OVERALL PASSING RATE	% CHANGE
SMK Gelang Patah	2010 <b>2011</b>	212 <b>229</b>	80.77 <b>86.03</b>	5.26
SMK Kompleks Sultan Abu Bakar	2010 <b>2011</b>	50 <b>46</b>	96.09 <b>96.41</b>	0.32
SMK Taman Nusa Jaya	2010 <b>2011</b>	76 <b>117</b>	94.74 <b>91.90</b>	- 2.84
SMK Tanjung Adang	2010 <b>2011</b>	68 <b>51</b>	90.63 <b>90.20</b>	- 0.43

We recognise that in 2011, the overall academic results of the adopted schools declined. Thus, we will be conducting root cause analyses to determine reasons for the decline before an action plan can be drawn up for us to work with the relevant schools to further improve the programme.

### GREEN SCHOOL PROJECTS

UEM Land collaborated with Universiti Kebangsaan Malaysia (“UKM”) to organise a Green Workshop for teachers of its PINTAR schools. Held at SK Taman Nusa Perintis 1 on 21 May 2011, the programme was conducted to equip the teachers with the necessary knowledge and skills for them to further educate their students and the surrounding communities on environmental conservation and protection towards building an eco-friendly society.

In 2010, the Green School Project introduced the Climate Change module to three of UEM Land’s PINTAR schools as a pilot programme. This endeavour has since been extended to include the other 10 PINTAR member schools.

Additionally, a new initiative – the Composting Programme – was also introduced to educate the young school children on the importance of responsible solid waste disposal and the ecological advantages of composting. For this programme, five compost bins were placed at three selected schools at SK Taman Nusa Perintis 1, SK Nusantara and SK Tiram Duku.

More than 40 teachers and volunteers attended this one-day training workshop on composting. They were coached and

guided by UKM’s climate change team through briefings and hands-on activities such as ROSE (Reduce, Offset, Substitute and Enhance), Green Log Book, a climate change video presentation as well as eco-craft and composting demonstrations.

The underlying objective of the Green School Project is to champion the concept of ‘smart and caring living’, which is in line with the key tenets of the Nusajaya Green Plan and adopted as part of UEM Land’s Corporate Responsibility principles and strategic effort to ensure the sustainable development of Nusajaya through the right balance of economic, social and environmental considerations.

### OTHER EDUCATIONAL ENDEAVOURS

UEM Land organised a Health and Hygiene Talk at the Columbia Asia Hospital on 20 October 2011 for its PINTAR students. This programme was attended by 180 Year Three and Year Four students from 13 PINTAR primary schools around Gelang Patah. Basic personal hygiene practices including proper hand-washing techniques and oral hygiene were highlighted to the students through fun-filled educational activities and health quizzes. The event ended with a short hospital tour during which the students visited the main wards such as paediatrics, the pharmacy as well as the Accidents & Emergency Department.

The composting bin, part of Green School Projects



Road Safety Programme with MUFORS

Our inaugural road and safety awareness programme was held on 23 April 2011 at SK Kompleks Sultan Abu Bakar, Gelang Patah for all students from UEM Land’s PINTAR schools. Organised with the cooperation of PLUS Expressways Bhd (“PEB”), Johor Bahru Road Safety Department (“JKJR”) and the Johor Bahru Traffic Police Department, the campaign was aimed at promoting good road safety habits and practices among students – the generation of future motorists. Students were taught how to identify potential dangers and traffic hazards, law enforcement and also provided with tips on practical road safety measures to be adopted for safe travelling. This programme was also to complement the Government’s efforts to reduce the road accident rate in the country. Other activities included traffic games, a road safety colouring contest and quizzes where winners were rewarded with attractive prizes.

PLUS also took the opportunity to introduce the newly-launched Malaysians Unite for Road Safety (“MUFORS”) campaign to the participants. MUFORS is a PLUS-initiated community project set up as a channel for the community to voice their concerns and feedback on road safety in Malaysia.

UEM Land also introduced its National Day Campaign to all its 17 PINTAR schools in 2011, in support of the Government’s efforts at instilling patriotism, integration and unity among school-going children. Drawing and essay writing competitions, with cash prizes for winners, were among campaign activities. There was overwhelming response to the campaign and UEM Land has assured that it will include this as part of its PINTAR programme activities for the future.

Additionally, as part of our Microchip Controller initiative, five separate workshops were held in 2011 at Zaa’ba College,

Universiti Kebangsaan Malaysia (“UKM”). Prior to the workshops, participating students were given an induction course on 15 - 16 March 2011. Programme participants were given an overview briefing on the Microchip Controller project before they progressed to practical sessions and advanced training modules. This project provided participants with hands-on learning sessions on the Traffic Light Control System, Water Level Control System and Termistor Line Tracking Robot.

### SUNRISE EDUCATION FOUNDATION

The Sunrise Education Foundation (“SEF”) is a private, non-profit organisation founded with the objective to provide tertiary educational scholarships to deserving individuals with outstanding academic performance. In addition, the SEF also granted financial assistance to deserving and needy students studying at primary and secondary levels. Activities under the ambit of the SEF have been included as part of our overall Corporate Responsibility Programme.

The Foundation held its first-ever SEF Fundraising Dinner at the Sime Darby Convention Centre on 16 July 2011 to generate more funds in support of its educational endeavours. More than 600 guests turned up for the dinner event, raising RM486,529.88 to add to the coffers. Part of the fund-raising efforts during the dinner included an art auction featuring contemporary art works by talented local artists.

However, from 2012 onwards, SEF will cease to be part of UEM Land and will instead, come under the purview of The Edge Communications Sdn Bhd. SEF will also be renamed as “The Edge Education Foundation”.



## BUILDING COMMUNITIES, IMPROVING LIVELIHOODS

Panoramic view of Nusa Idaman

### KOPERASI NUSAJAYA

Motivated by the principle that a sustainable society is one which is socially progressive and independent, UEM Land deduced that looking after the welfare and basic needs of its people will further improve the quality of life for future generations of the community-at-large.

Reaching out towards boosting social equity and eradicating poverty, UEM Land's venture with Koperasi Nusajaya Johor Berhad (KNJB) – a cooperative society formed by UMNO Gelang Patah – has since evolved into a success story of its own and is bearing tangible rewards for the people in the development location.

KNJB, which had – since 2008 – been holding a tenancy for the maintenance of 411 acres of an oil palm estate in Nusajaya (under the community building prong of UEM Land's CSR) with harvesting privileges, is finally enjoying promising returns from the toils of the land. Under the terms of the joint cooperation, which is effective under a limited timeline (when the land will be eventually progressed for actual real estate development by UEM Land), KNJB was granted a favourable token monthly rental pegged at RM 1,000 for the estate during the first three years of the tenancy period. Following the conclusion of the tenancy period on 31 August 2011, the agreement was revised by mutual consent and is now being extended on a month-to-month basis at an appreciated rental rate of RM8,220 per month.

This increased rental was necessitated by UEM Land to cover the Group's holding costs such as Assessment and Quit Rents as part of the oil palm estate is actually zoned as industrial land (UEM Land had previously underwritten all costs of the Assessment and Quit Rent. The token rental rate initially offered to KNJB was also taken into consideration at the time as the oil palm estate had been neglected and was unable to produce many fresh fruit bunches (FFB) for harvesting).

It is noteworthy to report that KNJB has since derived revenue gain from selling the FFB with proceeds being distributed to its 217 members as dividends. Additionally, revenue from the estate was invested into 48 stalls nearby which are being owned by members of the local community.

### Engaging the community in Nusajaya



## FOSTERING COMMUNITY RELATIONSHIPS

In addition to the Community Fun Ride free bus shuttle and the Fun Zone Community Centre, Sunrise further immersed itself into creating vibrant community lifestyle activities for its Mont'Kiara residents in 2011.

In a move to promote healthy lifestyle living and community emergency preparedness, Sunrise launched its Heart Smart Week campaign on 13 January 2011. In a special collaboration with the Global Doctors Specialist Centre, health talks on cardiac health and fitness were scheduled while other activities included a blood donation drive and organ donation campaign. Three mass cardio-pulmonary resuscitation ("CPR") sessions, complete with hands-on practical training were conducted for over 200 Mont'Kiara residents and their friends.

Shortly after the conclusion of Heart Smart Week, 500 Mont'Kiara residents congregated at the Sunrise Fun Zone Community Centre to usher in the Lunar New Year on 22 January 2011. The aim of the event was to foster unity between local residents and their expatriate neighbours – the international community here is made up of more than 50 nationalities. Themed 'Auspicious 2011', the festivities kicked off with a lion dance performance by the Chung Hwa Shaolin Lion Dance Troupe. The crowd was further entertained with a display of spectacular Chinese acrobatics as agile artisans performed dynamic balancing feats and body contortions while the children were treated to fun handicraft activities.

Publika, one of the nation's most innovative retail destinations, hosted the first in its series of retail and business-focussed seminars on 9 March 2011. Organised exclusively for its retailer-occupants, the seminar entitled "Keys to High Performance Retailing" featured American professor Dale Achabal, who shared his insights into business, retailing trends and successful marketing ideas. The seminar was attended by Solaris Dutamas tenants comprising home furnishing and food and beverage operators, salon and boutique owners, as well as potential retailers. The Publika Lecture Series is part of Sunrise's efforts to create value for its retailer-occupants and is intended to promote the quest for knowledge enhancement.

To boost neighbourly spirit, a road-trip to Malacca was organised on 14 May 2011 for residents of Sunrise-managed properties. Thirty-five residents, including some members of the expatriate community, particularly enjoyed a fun-filled day sampling local cuisine, sightseeing and forging new friendships.

On 6 April 2011, more than 100 residents of Mont'Kiara attended a crime prevention workshop conducted by Captain K. Balasupramaniam, a prominent safety activist with more than 15 years of on-field experience in dealing with disaster responses and emergencies. The two-hour workshop highlighted simple safety tips which residents could deploy to mitigate crime situations in the event of an emergency. Some of the topics covered during the workshop included house break-ins, robberies, road emergencies, muggings and snatch theft situations. The positive response to this workshop prompted Sunrise to organise a repeat programme, this time as an exclusive safety workshop solely for female residents. Dubbed the "City Survival Programme", and held on 13 August 2011, Captain K. Balasupramaniam taught the women participants useful techniques to avoid being victims of crime and preventive safety measures. Sunrise intends to carry out more safety awareness programmes in response to the feedback it received in its Annual Resident Survey.

Reflecting the multi-culturalism of residents in Mont'Kiara, the Cherry Blossom (sakura) festival, a much anticipated event especially in Japan and Korea, was celebrated at the Sunrise Fun Zone Community Centre on 21 April 2011. Over 250 residents turned up to experience the tradition of 'hanami' (flower viewing, in Japanese) with family members and friends. Held to enhance the cultural experience for its international community of residents, guests were served authentic Japanese and Korean culinary delights alongside the evening's programme of traditional performances and musical presentations. Residents took advantage of the occasion to get better acquainted with each other as they "ushered" in spring-time in a tropical setting.

Sunrise set up the Auxiliary Police Unit ("APU") in July 2011. With 60 personnel deployed in the Mont'Kiara /Dutamas area, our residents and the community are comforted by their presence and can carry on their daily activities with peace of mind.

## OTHER COMMUNITY EVENTS

Beyond the thrust of involvement in Education and Community Development, UEM Land and its operating subsidiaries also engaged with other stakeholder groups through programmes that enhanced the social dimension of the community and generally enriched their quality of life, adding value to society. Our employees were encouraged to engage with the community through active participation in wide-ranging events that included the following:

### Media Appreciation

As an appreciation to the media fraternity for their support of the various activities organised through 2011, several media appreciation events were held. More than 150 journalists and other media personnel were treated to a night of food, fun games and entertainment held at Sunrise's property showcase in Mont'Kiara on 28 March 2011. Media guests present that night were given the chance to win RM12,000 worth of lucky draw prizes, including the latest IT gadgets.

Two other media engagement events were also held in Johor. A futsal match on 13 July 2011 was held for members of the Johor Media & Photographers Sports Club team at Pasir Gudang, Johor. A second futsal friendly held saw the Johor media members against UEM Land team members, with both teams demonstrating

excellent sportsmanship. UEM Land also organised a bowling tournament on 12 October 2011. Fifty-five members of the Johor media participated in this inaugural event.

### Customer Appreciation

Sunrise is a renowned, award-winning property developer with an excellent reputation and solid customer support. To express gratitude to its loyal clientele for their continuous support to the Company over the years, two appreciation dinners were held in 2011. The first was held on 26 March 2011 in Singapore at the Fullerton Bay Hotel. The affair was attended by more than 100 guests who were entertained with live music and delicious food. The second event was held for over 70 guests at the Island Shangri-La Hotel in Hong Kong on 17 September 2011.

Futsal match with Johor Media





Part of impressive traditional designs of Kota Iskandar

#### Ramadhan Celebrations

There were several events organised by UEM Land to celebrate the month of Ramadhan. On 17 August 2011, 80 employee volunteers from the Group got together to cook "bubur lambuk" – a traditional Malay delicacy particularly favoured during the fasting month – and distributed 1,000 packets to members of the local community, including passing motorists, in Nusajaya.

On the same evening, 180 less fortunate residents from several villages around Gelang Patah were feted to a "Majlis Penyampaian Sumbangan Aidilfitri". Guests at the dinner event were presented with "duit raya" and provisions, adding to their festive cheer.

UEM Land also hosted 600 guests to a Majlis Berbuka Puasa at the Horizon Hills Golf & Country Club in Nusajaya on 22 September 2011. A traditional Ghazal band was engaged to entertain the guests who were treated to a delectable feast of traditional Malay breaking-of-fast delicacies.

#### Collision Arts Festival

We organised the Collision Arts Festival at the Publika shopping gallery which was aimed at promoting visual arts to the surrounding community with a three-day presentation of dance, music and comedy performances, circus acts, film screenings and demonstrations on martial arts and sports. Held from 21-23 October, the arts festival was supported by the Canadian High Commission, Aerial Arts Association Asia, the Actors Studio and other local arts organisations.

#### Affordable Home Ownership

With a prevalent buoyant property market, it has become increasingly unaffordable for personal home ownership. This dilemma is especially apparent among entry-level and young working adults due to the steep price of housing properties in the country.

Responding to the Government's call to help increase personal home ownership, especially for first-time home owners, UEM Land launched a mixed development known as Nusa Bayu across 260 acres on the northern tip of Nusajaya, tailor-made for first time home buyers with an affordable home ownership plan.

#### Enhanced Community and Public Facilities

In line with the concept of Regional Open Space ("ROS") to create livable and free-access public amenities, UEM Land also invested in building community educational facilities at East Ledang and a health centre at the Afiat Healthpark.

Nusajaya's Afiat Healthpark will be modelled as a state-of-the-art healthcare hub catering to meet the increasing local and regional demand for premier and holistic healthcare services. The Afiat Healthpark will be staffed by trusted professionals within a fully integrated development.

Spanning 68 acres, this premier healthpark will offer three distinctive spectrums of health and medical services – modern medicine, traditional and complementary medicine ("TCM") and wellness. Its multi-range facilities will comprise a fusion of hospitals, polyclinics, private specialists' suites and centres of excellence, centres for health screening and rehabilitation centre, research and development facilities, a dialysis centre and traditional and complementary medicine treatment clinics. A nursing college will also add to making the Healthpark a comprehensive development.

#### Sports Tournaments

UEM Land was a Platinum Sponsor for the third consecutive year for the 5th Iskandar Johor Open that was held from 17-20 November 2011. Organised to promote golfing facilities in the Iskandar region, the star-studded event at the Horizon Hills Golf & Country Club drew several renowned golfing champions in the likes of Pdraig Harrington, Colin Montgomerie, Henrik Stenson and Thongchai Jaidee.

Shortly after the Iskandar Johor Open, the 2<sup>nd</sup> UEM Land Golf Friendly was held at the same venue on 26 November 2011. A total of 120 members from various stakeholder groups including state authorities, media, contractors and service providers, business associates and senior management of UEM Land participated in the event which served to foster ties and networking among UEM Land's external stakeholders.

#### Deck The Trees

Underprivileged children from various local communities were feted to an evening of festive cheer at The Square @ Publika on 10 December 2011. The Sunrise's annual charity event, "Deck The Trees", brought together 400 children from welfare homes all over the Klang Valley and included Myanmar refugees from the HELP Community Learning Centre in Kepong.

The Group's employees, assisted by members of the 1st Puchong Boys' Brigade Company, volunteered their time to entertain the special guests with carol-singing, party games, dance performances, dressing-up contest together with sumptuous food and goody-bag gifts. Prizes were awarded to the five homes who won the dressing-up competition with their best creative efforts.

#### Deck The Trees Programme





## A GREAT PLACE TO WORK

Teamwork, Integrity, Passion for Success and Sincerity of Intent are our corporate values

Our employees are our most precious asset and deserve an environment which empowers and challenges them to succeed professionally and derive personal fulfilment.

The Group believes in operating with a good culture of employee engagement; and Management is committed to create a work environment where our people feel valued and are given the right conditions to perform at their best.

Our strategy in human resource management is to be a “first-choice employer” through the implementation of first-class human resource practices. Our reputation as a reputable employer will be key to attracting competent Malaysians to our corporate family as their professionalism and enthusiasm will aid the Company to tackle the challenging roles in today’s competitive industry of real estate and property development. Hence, our emphasis to recruit, develop and retain skilled and motivated employees.

We believe that continuous development of local expertise, combined with extensive complementary learning programmes as well as leveraging on best practices from around the world,

will motivate our employees to deploy their professional expertise and skills in line with our business needs and their own aspirations and competencies.

Building on this synergy in our relationship with our people will, in turn, mould our workforce towards achieving our Corporate Core Values and Mission.

### OUR ASSET: OUR EMPLOYEES

In 2011, with the acquisition of Sunrise, UEM Land more than doubled its employee strength, with 1081 staff as of 31 December 2011 on its payroll – an increase from our headcount of 435 staff in the previous year.

The majority of these were employed at the Executive level (43.1%). Employee numbers at non-executive levels also registered an increase at 40.9% in 2011 over that at 31.5% in 2010. There was, however, a slight decrease in the quantum of employees at managerial levels – 14.5% in 2011 (19.8% in 2010).

## EMPLOYEE PROFILE AS OF 31 DECEMBER 2011

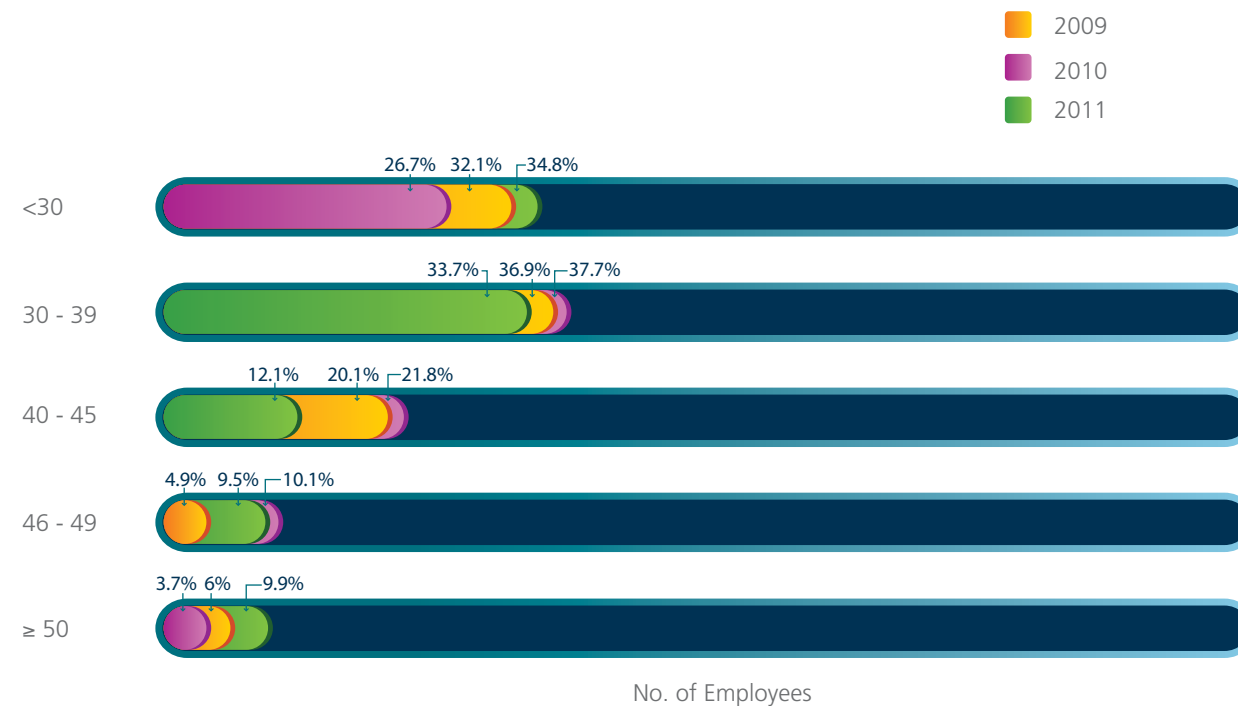
- Managerial
- Executive
- Non-Executive
- YES / AP Trainees





Reflective of a vibrant workforce in a moderately-developed country, 68.5% of UEM Land's overall workforce comprised employees below 40 years of age, compared to 64.4% in 2010. A further breakdown of this category shows a marginally higher employability of staff under the age of 30 years, representing 34.8% of total workforce. This surpasses those in the 30 – 39 age-group by 1.1%. This age-demography differs from year 2010 which saw more employees in the 30 – 39 age-group. By contrast, the payroll has more employees above 50 years of age in 2011 – at 9.9% (versus 3.7% in the previous year).

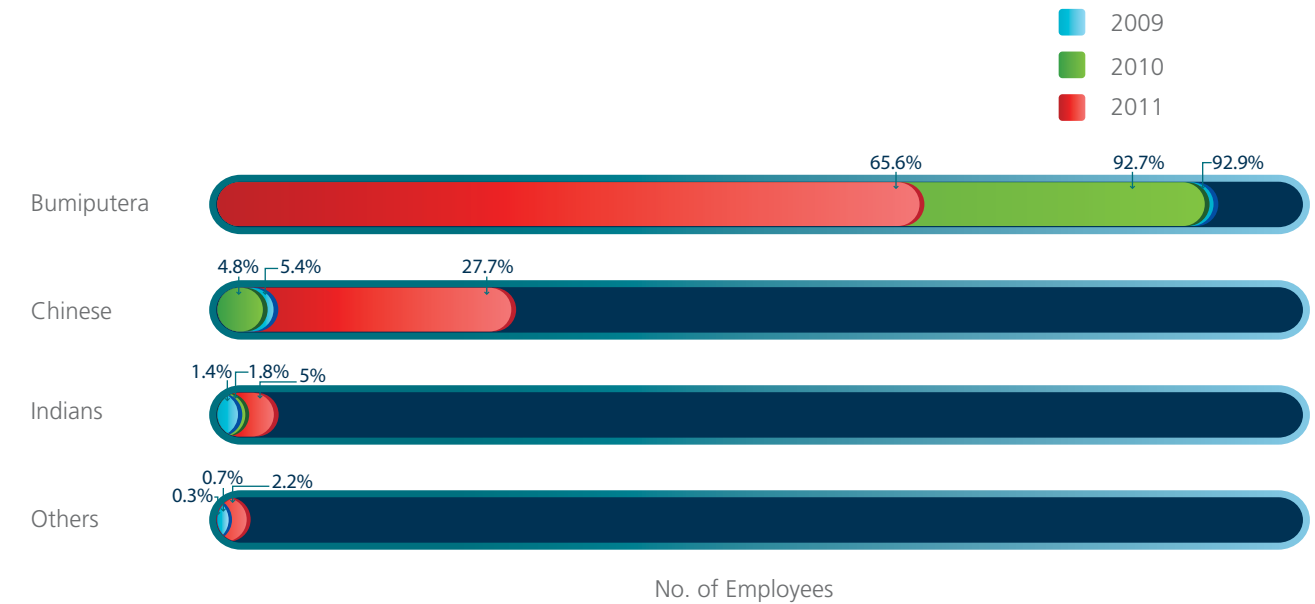
### BREAKDOWN OF EMPLOYEES BY AGE GROUP AS OF 31 DECEMBER 2011



While UEM Land practises a non-discriminatory hiring policy in keeping with its prerogative as an equal opportunities employer, there is a preference to develop local talents wherever possible in keeping with national aspirations.

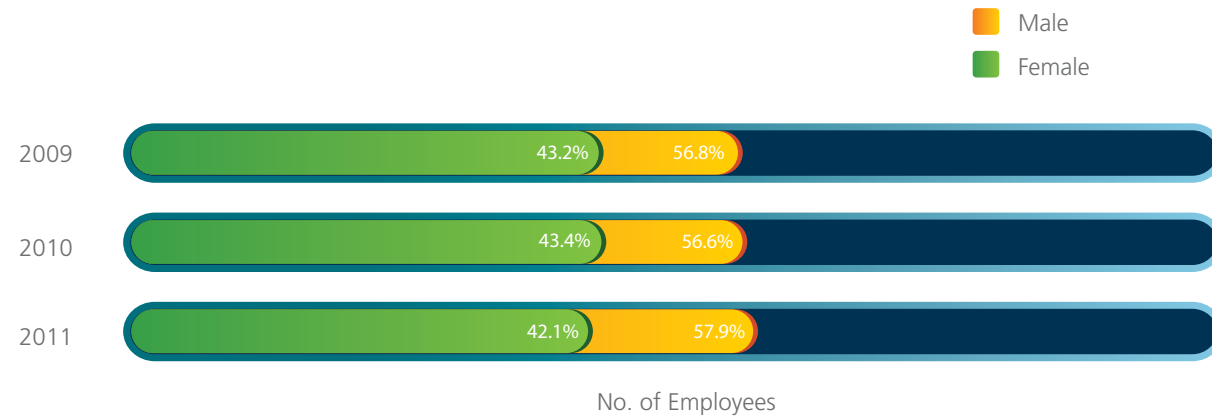
In 2011, the ethnicity of our local staff comprised 65.6% Bumiputera, 27.2% Chinese, 5.0% Indian with 2.2% from the other minority groups.

### BREAKDOWN OF EMPLOYEES BY ETHNICITY AS OF 31 DECEMBER 2011



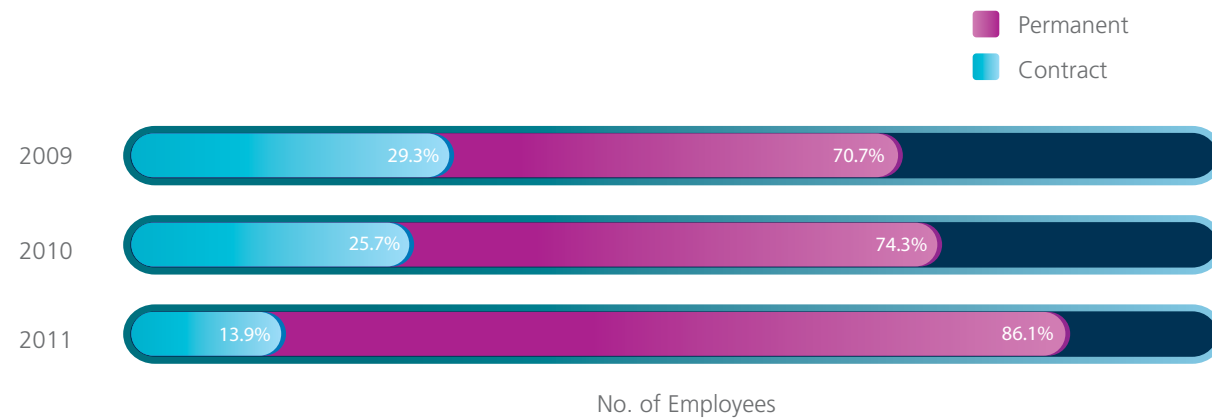
The ratio of male to female employees was notched at 57.9% to 42.1% respectively in 2011. Statistically, this is almost within the similar bracket of 56.6% male to 43.4% female counterparts employed in 2010.

### BREAKDOWN OF EMPLOYEES BY GENDER AS OF 31 DECEMBER 2011



Permanent staff in 2011 has increased to 86.1% from 74.3% in year 2010.

### BREAKDOWN OF EMPLOYEES BY EMPLOYMENT CONTRACT AS OF 31 DECEMBER 2011

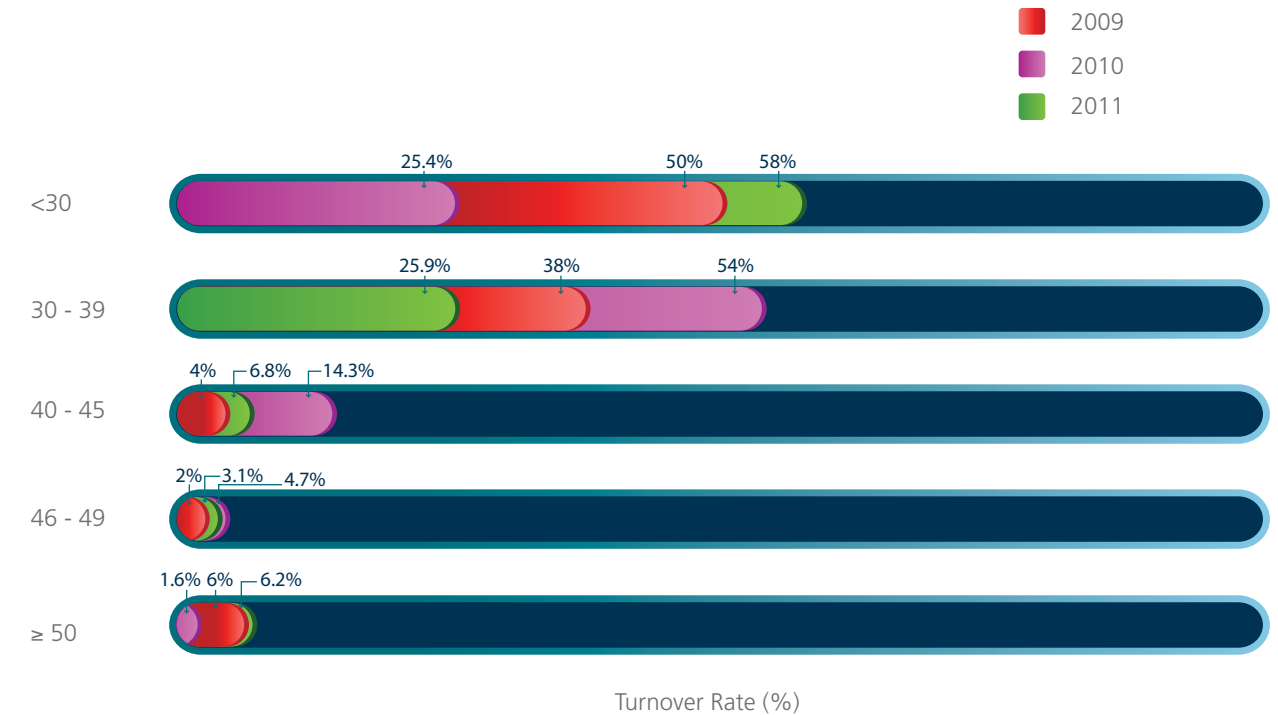


Our employee turnover statistics are closely monitored by our respective business management. The rate of turnover is attuned with our line of industry besides also taking into account demographic locations and prevailing economic conditions.

There was a marginal 0.5% increase in total employee turnover last year, rising to 15.0% from 14.5% in 2010. The highest turnover was registered among employees in the under-30 years age group (at 58.0% out of total turnover), followed by those between the ages of 30 – 39 years (25.9%) and the remaining at 16.1% from among those aged 40 years and above.

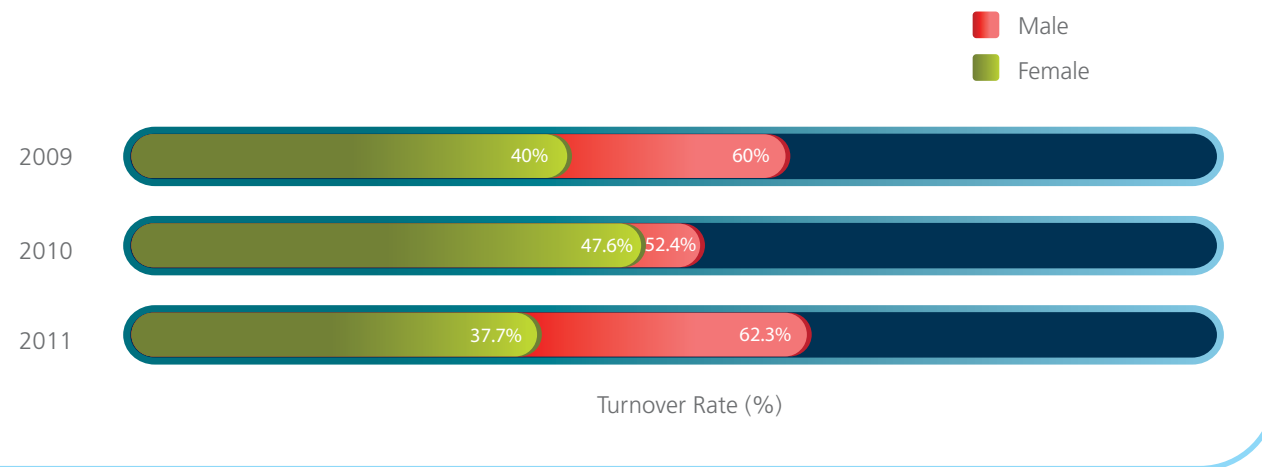
Employee turnover in the under-30 age-group increased from 25.4% to 58.0% in 2011 as they consist mainly of the Generation Y (Gen Y) population. Employees from the Gen Y age-groups are still continuously on the look-out for upward options in their career path compared to older co-workers who tend to be more settled in their work-life. Thus, the turnover rate is high for the under-30 age-group as they explore career opportunities and remunerative benefits. It is generally acknowledged that the mobility of employees in this age-group is fluid.

### EMPLOYEE TURNOVER BY AGE GROUP AS OF 31 DECEMBER 2011



Consequently, there was a higher turnover rate among male employees in 2011 over the preceding year while the rate of female employees who resigned was inversely lower. A total of 62.3% male employees resigned in 2011 compared to 52.4% in 2010, whereas only 37.7% female employees left UEM Land compared to 47.6% who resigned in 2010.

## EMPLOYEE TURNOVER BY GENDER AS OF 31 DECEMBER 2011



To encourage employee ownership within the company, UEM Land will be offering a 7-year Employee Shares Option Scheme (“ESOS”) for its employees at an option price of RM2.23 per share for the first tranche with an annual escalation rate of 8% for each subsequent tranche up till the 5th tranche as at total to reward eligible employees. Further details of this programme will be published in the Sustainability Report 2012.

### EMPLOYEE BENEFITS

Although UEM Land’s biennial Employee Engagement Survey (“EES”) is only due to be conducted again in 2012, the Group continued to actively engage with her employees to gauge their perceptions and expectations on staff satisfaction and working conditions. In keeping with its aim to maintain its reputation as a “first-choice employer”, UEM Land continued to offer employment benefits that were above and beyond local mandatory requirements, including prerequisites such as inclusive expense-paid healthcare for employees’ dependents, dental treatment, and club memberships.

Moving in tandem with the national cost of remuneration, there was a 31.4% increase in average payroll in 2011 – due, in part, to the incorporation of payroll data following the acquisition of Sunrise.

The average payroll per employee amounted to RM 87,879.80 in 2011 as opposed to RM 66,867.53 in the year before. Significantly, there was a marked decrease in the gap difference in gender-remuneration with non-executive male employees earning only 7.2% more than their female co-workers. This percentage difference is also attributed to differing job functions and responsibilities. On the other hand, the varying job scopes between female and male managers remains vast with female managers being paid averagely 27.6% less than their counterparts.

UEM Land nevertheless strives for an optimal balance of male and female managers and is on the lookout for the best candidate when an opportunity for a position comes around.

At UEM Land, employees are given regular performance reviews to further develop their capabilities and to improve job function. Also, employees are informed at least 2 weeks in advance in the event of operational changes.

#### PERCENTAGE (%) DIFFERENCE OF SALARY FOR MALES VS. FEMALES

YEAR	NON-EXECUTIVE	EXECUTIVE	MANAGERIAL
2011	7.2%	10.8%	27.6%
2010	37.2%	22.8%	36.7%

### KNOWLEDGE AND SKILLS

Providing our people with training is an integral element of corporate management in UEM Land and our human resource management continued to input efforts in this direction. The dedication, professionalism and commitment of our employees are important derivative assets for the Group and the management has maintained high priority in developing employee capabilities and skills by conducting ongoing learning and knowledge

enhancement training programmes. This was done to ensure their employability while also supporting our staff in managing their respective career goals.

UEM Land employees received an average of 37.65 hours of training each, at an average value of RM 1,895.72 per individual. In all, a total of RM 1.98 million was expended on company-wide training across all portfolios.

YEAR	NO. OF EMPLOYEES TRAINED	COST OF TRAINING (RM)	AVERAGE COST OF TRAINING PER EMPLOYEE (RM)	TRAINING DAYS (8 HOURS/DAY)	AVERAGE HOURS TRAINED PER EMPLOYEE
2009	368	661,860	1,798.53	1,365	29.67
2010	435	899,724	2,068.35	1,016	18.69
2011	1044	1,979,129	1,895.72	4,913	37.65

Precise training needs analysis for all employees were pre-determined by the UEM Learning Centre (ULC) and prioritised according to job relevancy with a two-prong view towards building a pool of emerging leaders among high potentials as well as general upgrading of skills and knowledge. Training modules were categorised under four main aspects: enhancement of job functions (70%), managerial development (17.6%), technical knowledge/occupational health and safety (9.9%) and, with the balance 2.5% reserved for leadership training.

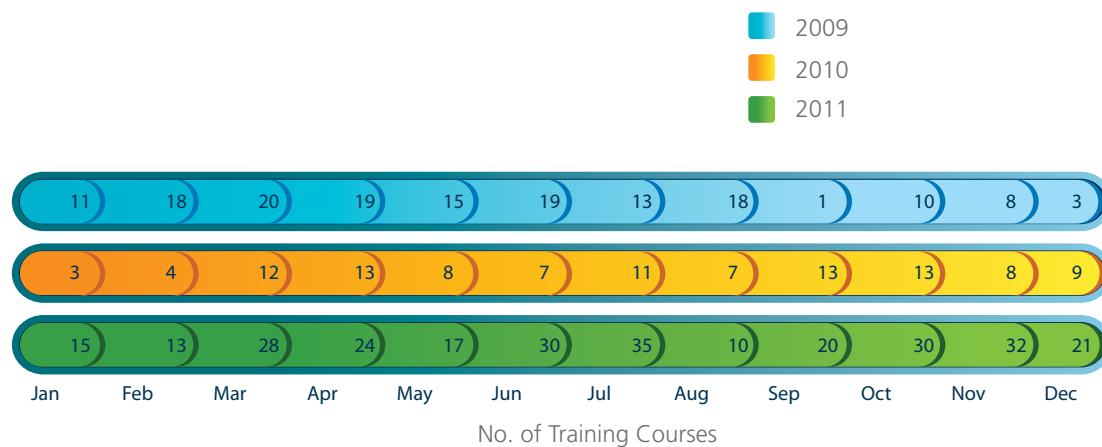
The year's training focus also concentrated on work culture orientation for new joiners from Sunrise integrating with UEM Land employees while technical themes on Green Building technology, Low Carbon initiatives and enterprises as well as evolving developments in the building and construction industry formed the mainstay of our training agenda.

## TYPE OF CAPACITY BUILDING COURSES HELD



Unlike previous years, the concentration of training programmes and courses in 2011 were consistently scheduled and implemented throughout the entire span of the 12 calendar months, rather than the prior tendency to pool the majority of training sessions during the concluding months of the year. Training modules and hours were closely monitored to optimise efficiency of purpose and objectives.

## COMPARISON OF TRAINING COURSES HELD (2009 - 2011)



## SAFETY IS GOOD BUSINESS

Guided by the consensus that "Safety is Good Business", we are aware of our overall accountability for the health and safety performance for all individuals – including our contractors and consultants – present on all our development sites.

Our Health, Safety and Environmental ("HSE") Policy Manual is compliant with the international and national standards on health, safety and environmental practices – this forms the backbone of our management model on health and safety practices both within our offices and at various development projects.

Sunrise currently runs its Health & Safety system separately from UEM Land, however we aim to integrate and streamline the systems by year 2012.

UEM Land has maintained certification for OSHAS 18001 and MS 1722; and all its operations subscribe to these exacting standards. Additionally, 80% of all our contractors have obtained their health and safety management systems.

As part of Capacity Building, it is mandatory for all employees under the Quality Assurance, Safety, Health and Environment ("QASHE") Department to attend training and workplace refresher drills on high-rise work safety, waste management, environmental laws and management systems and fire-safety. A total of 95 induction courses were held at various developments, the bulk of which were held in Johor for 2,520 workers.

UEM Land further strengthened the knowledge of its Quality, Safety, Health and Environmental ("QSHE") personnel by holding targeted training sessions in collaboration with the Human Resources ("HR") Department and various occupational safety and health authorities. There were a total of 23 such courses held that included in-house training on UEM Land's Management Systems ("MS") for Quality, Occupational Safety and Health and Environment that was attended by 150 employees.

The highlight for 2011 was the yearly QSHE Campaign which was first launched in 2007 with the aim of boosting awareness on good HSE practices at the workplace. The campaign in 2011 was held in collaboration with the HR Department and, received support and participation from the Department of Occupational Safety and Health ("DOSH"), Department of Environment ("DOE"), National Institute of Occupational Safety and Health (NIOSH), Construction Industry Development Board ("CIDB"), SIRIM, Fire Department (BOMBA), Malaysian Red Crescent Society and other secondary parties from the private sectors.

The 2011 QSHE Campaign, launched by the Chairman of CIDB, was a success as this initiative received formal recognition from five professional industry bodies and governing authorities; DOSH, the Board of Engineers, the Board of Architects, the Board of Quantity Surveyors and CIDB. A total of 200 participants attended the event including UEM Land employees, third-party contractors and consultants and members of the public.

Another major HSE activity in the 2011 calendar included a simulated fire-drill held at Anjung in Nusajaya on 21 July 2011 to test the Emergency Response Plan ("ERP") procedures and gauge staff capabilities in a crisis situation.

Safety at work is a priority at UEM Land



UEM Land achieved 2,724,680 Loss-Time Injury (“LTI”) man-hours in 2011. This is, however, a lessened accomplishment than that reported in 2010 due to an accident that occurred at the Ujana Apartment worksite on 29 October 2011. The mishap involved a contract worker who was injured by a falling concrete slab and required medical treatment in the hospital. It was later established that the operational safety lapse was due to inadequate adherence to specific work requirements. The incident was duly reported to the Police and the Department of Occupational Safety and Health (“DOSH”). Concurrently, all site workers were re-briefed on work requirements and procedures as a preventive measure.

At Sunrise Berhad, a total of 33 sessions of in-house induction courses was held at various project sites in 2011 involving 1,042 participants.

Two incidents were reported at the 28 Mont’Kiara project site. The first incident – on 19 February 2011 – involved one of our sub-contractors when a gas cylinder caught fire in the midst of copper piping welding works. The cause of the fire was attributed to a lapse in the inspection of the gas cylinder before it was utilised. To ensure that the incident does not recur, workers involved in welding jobs were once again briefed on the proper standard operating procedures (“SOP”) for welding jobs. A supervisor was also stationed at the site to monitor procedures when welding works were in-progress while

only experienced welders were to be tasked to operate the gas cylinders.

The other incident occurred on 6 July 2011 during which metal support rods fell from level 24 to the ground floor. The site investigation revealed that the workers involved were not adhering to SOP requirements. Immediate remedial measures were implemented including the directive to ensure the metal support rods were secured with wiring to prevent the rods from falling in the event of accidental push-over. Site workers were also briefed again on the SOPs and it was mandatory for future installations of such metal support rods to be managed by a supervisor stationed on-site. The supervisor would be authorised to issue a stop-work order if it is determined that the metal support rods are not adequately secured together with wires.

Performance on occupational safety will continue to be closely measured and we will continue to focus on ensuring our work practices are safety-compliant with continuous site assessments, improvements to preventive actions and supplemented with guidance notes/best practices in the industry.

The welfare, especially the safety of our workers, remains among our top priorities aside from protecting our assets, the environment, our business and society at large.

#### Continuous trainings provided for the employees



## MANAGING OUR ENVIRONMENTAL IMPACT

### Sungai Pulai in RAMSAR site

As a reputable and responsible property developer, UEM Land seeks to address and manage environmental issues – at every stage from design and construction, to renovation and deconstruction. Throughout the lifecycle of our developments and project operations, we recognise that every detailed aspect of environmental preservation and conservation will leave an immeasurable and lasting impact on our local communities and the townships’ lifespan.

Our Company-wide management across all operating systems has defined criterions to identify and assess risks and issues and, in turn, manage potential environmental consideration and social impacts. We do not take the endowment of our surroundings lightly and where possible, will work to naturally integrate it into the overall project design and add value to our properties. This is evident vide the integrated management system standards at our various Johor developments and CONQUAS standards for selected projects in the southern state.

Stringent performance monitoring practices continue to be carried out to ensure parameters for air, noise and water pollution are within regulatory requirements and fully compliant with the various environmental standards as well as meeting our own

corporate Environmental Management Plans (EMPs) for each project site. However, environmental monitoring was not conducted at Sunrise’s construction sites due to differing regulatory requirements as Sunrise’s projects were located in urban areas.

Notwithstanding, and in spite of numerous audits and monitoring programmes, there were still occasional incidences when certain parameters still exceeded permissible limits. However, we are constantly pro-active to counter these with necessary and prompt corrective measures to prevent recurrences as well as minimise adverse impacts.

#### WATER QUALITY MONITORING

At all UEM Land development sites, water quality is monitored and conducted under two categories of assessment. The quality of the water bodies in the immediate surrounding vicinities is as diligently assessed as with the water quality within the construction sites (particularly, the outflow from the silt traps) to ensure every environmental compliance, taking into consideration also other variable factors that may be prevalent at respective sites.

The following Table shows the compliance requirements for water quality at the East Ledang, SiLC, Nusa Idaman and Pontian Link Expressway.

NO.	SITE	COMPLIANCE REQUIREMENTS
1	East Ledang	INWQ S Class III
2	Nusa Idaman	INWQ S Class III
3	SiLC	INWQ S Class IIA
4	Puteri Harbour	INWQ S Class IIB
5	Pontian Link Expressway	INWQ S Class III
6	Nusa Bayu	INWQ S Class IIA
7	Symphony Hills, Cyberjaya	INWQ S Class IIB

The monitoring at these sites is in accordance with the set requirements under the Interim National Water Quality Standards ("INWQS") of Class III. The monitoring procedures were also in correlation to external topographical considerations such as whether the performance monitoring were being carried out at upstream or downstream sites versus fixed-point sites – hence, accounting for varying parameters at several sites deemed to be in breach of permissible levels.

The less than satisfactory parameters that were determined were that of Chemical Oxygen Demand ("COD"), Biological Oxygen Demand ("BOD"), Total Suspended Solids ("TSS") and Cadmium. The BOD levels for all four sites exceeded permissible limits in 2011.

**East Ledang**

Water quality sampling was done at Sungai Melayu – the same site as in previous years. The BOD levels exceeded the permissible limits, similar to data captured in 2009 and 2010.

From the site observations, the high levels of BOD recorded downstream could have been contributed by sillage discharged from nearby settlements and worker quarters close to the sampling point. The high level of BOD also could also be due to organic waste which exist in natural water systems or caused by other development.

To ensure minimal impact on the environment, UEM Land will be attempting to improve water quality by conducting maintenance works for the detention pond. Additionally, permanent drainage will be constructed at the site to ensure all surface runoff and organic waste is channelled straight into the detention pond.

**SiLC**

The BOD level at the SiLC water quality monitoring site also exceeded permissible limits. This situation is similar to this site's historical data for the past two years which also indicated that the BOD level exceeds permissible limits.

It has been determined that the high level of BOD was due to earthworks and other construction activities at SiLC. Currently, construction works for a permanent detention pond is still underway and UEM Land is planning to complete the structure as soon as possible. We hope this permanent detention pond placed on site will help improve water quality. In the meantime, a temporary detention pond and rock gabion has been placed on site.

**Nusa Idaman**

The COD level downstream was recorded at 137.08mg/L, far exceeding the permissible limit of 50mg/L. The BOD levels monitored from both the upstream and downstream locations also exceeded the permissible limits with the downstream values registering a higher reading than its opposite upstream site.

The high levels of COD and BOD were determined to have been caused by organic waste from the settlement area and commercial

premises situated downstream from the project site. During periods of heavy rainfall, surface runoff from construction and residential areas is washed into nearby streams and rivers which will decrease water quality. It could be concluded that the high level of BOD and COD was not due to construction activities at Nusa Idaman but from other development near the area as there were no discharges from the construction site.

**Pontian Link Expressway**

According to site monitoring statistics, the COD level at its downstream point also exceeded the permissible limit of 50.00mg/L at 60.00mg/L. Findings also noted that the BOD levels at both upstream and downstream points both exceeded the permissible limits. The downstream values recorded were higher than those at the upstream points.

The high levels of COD and BOD recorded by our monitoring team was most likely due to organic waste such as food waste from the settlement and commercial premises situated downstream of the project site. The project site only covers a small area and is also surrounded by other development which possibly impacted the levels of COD and BOD. However, there was no further works conducted by UEM Land in the second half of the year as the project was completed at the end of May 2011.

**Homes in East Ledang**



WATER QUALITY		CLASS III INWQS	EAST LEDANG			SiLC			NUSA IDAMAN					PONTIAN LINK EXPRESSWAY			
PARAMETER	UNIT		2009	2010	2011	2009	2010	2011	UPSTREAM			DOWNSTREAM		UPSTREAM		DOWNSTREAM	
Temperature	Deg C	-	28.73	28.48	28.51	28.42	24.50	28.12	28.72	28.28	28.31	28.44	27.96	28.68	28.84	28.93	28.60
pH	-	5.00 - 9.00	5.98	6.32	6.55	6.15	6.09	6.24	6.40	6.04	6.38	6.13	6.97	6.26	6.34	6.29	6.30
COD	mg/L	50	35.60	43.58	28.00	31.87	25.75	30.46	52.00	98.33	21.75	112.58	137.08	40.00	31.60	7.50	60.00
BOD	mg/L	6	9.50	14.18	9.67	7.99	11.50	9.15	17.82	28.42	7.40	33.83	39.64	11.00	19.50	3.00	25.67
Total Suspended Solids (TSS)	mg/L	150	38.25	480.33	22.83	49.81	670.00	66.58	39.82	28.42	157.17	54.42	73.67	143.00	369.60	196.00	84.00
Ammoniacal Nitrogen	mg/L	0.9	ND	ND	ND	14.00	-	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Oil and Grease	mg/L	-	ND	ND	ND	ND	-	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Dissolved Oxygen (DO)	mg/L	3.00 - 5.00	4.28	3.77	4.02	4.14	4.24	5.44	4.63	3.86	4.02	3.66	3.79	5.03	4.89	5.49	4.93
Conductivity	µmghos/cm	-	235.50	510.50	-	-	-	-	261.05	252.74	-	1017.67	-	-	-	-	-
Salinity	µmghos/cm	-	0.13	0.07	-	-	-	-	2.64	1.55	-	6.88	-	-	-	-	-
Copper (Cu)	mg/L	-	0.03	0.04	0.02	0.05	0.03	-	0.04	0.05	0.02	0.04	0.03	-	-	-	-
Cadmium (Cd)	mg/L	0.001	ND	ND	ND	ND	-	-	ND	ND	ND	ND	ND	-	-	-	-
Chromium (Cr)	mg/L	0.05	0.06	ND	ND	-	-	-	0.07	ND	ND	ND	ND	-	-	-	-
Nickel (Ni)	mg/L	0.9	0.07	ND	ND	0.04	0.01	-	ND	0.03	ND	0.05	ND	-	-	-	-
Lead (Pb)	mg/L	0.01	0.04	ND	ND	ND	-	ND	ND	ND	ND	ND	ND	-	-	-	-
Zinc (Zn)	mg/L	0.4	0.10	0.04	0.02	0.10	0.10	0.03	0.07	0.06	0.02	0.04	0.02	-	-	-	-
Iron (Fe)	mg/L	1	-	-	-	-	2.08	0.50	-	-	-	-	-	-	-	-	-
Phosphate (P)	mg/L	0.1	-	-	-	-	0.29	-	-	-	-	-	-	-	-	-	-
Total E.Coli Count	MPN/100ml	500.00 counts /100ml	13.75	19.50	17.43	6.62	3.33	14.80	16.46	43.17	7.43	25.33	31.91	ND	35.67	ND	35.67

The highlighted cells indicate the values that exceeded required standard in 2011.

The highlighted cells indicate the values that exceeded required standard in 2011.

### Nusa Bayu

The following Table details water quality monitoring results for Nusa Bayu. The analysis, which sampled monitoring at both upstream and downstream points, showed that the levels for COD, BOD and Copper all exceeded permissible limits. However, only the downstream sampling point had an exceeding level of TSS.

PARAMETER	UNIT	INWQS CLASS IIA	NUSA BAYU			
			UPSTREAM		DOWNSTREAM	
			2010	2011	2010	2011
Temperature	Deg C	-	25.69	28.08	25.50	28.88
pH	-	6.00 - 9.00	6.06	6.43	5.80	6.19
COD	mg/L	25	27.75	32.08	24.25	44.82
BOD	mg/L	3	10.53	10.57	6.50	13.50
TSS	mg/L	50	39.12	38.66	84.50	62.91
Copper (Cu)	mg/L	0.02	0.02	0.03	0.02	0.03
Ferum (Fe)	mg/L	1	0.46	0.36	0.60	0.81
Nickel (Ni)	mg/L	0.05	0.02	ND	0.01	ND
Zinc (Zn)	mg/L	5	0.03	0.02	0.02	0.03
Dissolved Oxygen (DO)	mg/L	5.00 - 7.00	4.95	5.24	4.90	5.33
Ammoniacal Nitrogen	mg/L	-	-	ND	-	ND
Oil and Grease	mg/L	-	-	ND	-	ND
Total E.Coli Count	MPN/100ml	100	2.00	14.12	1.00	17.89

The highlighted cells indicate the values that exceeded required standard in 2011.

We believe the high level of COD detected was due to excessive surface runoff, industrial waste, urbanisation and agricultural activities in the area. Additionally, the levels of BOD and Copper that exceeded recommended limits were attributed to aquatic organic waste and effluent from industry and households. Since the area has been somewhat developed, the high levels of COD and BOD could also be due to food waste from settlements and commercial premises within the area.

UEM Land have completed the construction of five additional detention ponds at the Nusa Bayu site to cater for all surface runoff, aquatic organic waste, and industrial, domestic and agricultural effluent. We hope this initiative will further improve water quality.

### Symphony Hills, Cyberjaya

Water monitoring data for Symphony Hills is as follows:

PARAMETER	UNIT	INWQS CLASS IIB	SYMPHONY HILLS, CYBERJAYA			
			UPSTREAM		DOWNSTREAM	
			2010	2011	2010	2011
Temperature	Deg C	-	29.80	28.55	30.60	30.77
pH	-	6.00 - 9.00	4.62	8.88	6.33	6.63
COD	mg/L	25	9.50	19.00	12.50	28.00
BOD	mg/L	3	2.25	4.00	3.25	4.33
TSS	mg/L	50	10.00	69.50	41.75	9.67
Copper (Cu)	mg/L	0.02	-	-	-	-
Ferum (Fe)	mg/L	1	-	-	-	-
Nickel (Ni)	mg/L	0.05	-	-	-	-
Zinc (Zn)	mg/L	5	-	-	-	-
Dissolved Oxygen (DO)	mg/L	5.00 - 7.00	3.97	6.63	6.49	6.20
Ammoniacal Nitrogen	mg/L	-	ND	ND	ND	0.30
Oil and Grease	mg/L	-	ND	ND	ND	ND
Total E.Coli Count	MPN/100ml	400	2.00	105.00	2,400.00	30.00

The highlighted cells indicate the values that exceeded required standard in 2011.

Monitoring for COD, BOD and TSS all showed that their levels breached permissible limits.

During sampling, it was observed that one of the sampling points had turbid, slow flowing water, partly due to discharge from the surrounding area into a nearby drain. Apart from that, the project site is located at peat swamp area where the soil in this area has high levels of organic matter which can contribute to high BOD and COD levels in the water.

To ensure that our activities do not adversely affect water quality in this area, we will regularly clean and maintain the permanent drainage system within the project site. This will help to reduce accumulation of silt and thus, maintain acceptable levels of TSS in our discharges downstream.





## NOISE MONITORING

Similarly, UEM Land also closely monitored the noise level of construction works at all its six sites. These were carried out at intervals during both day and night-time hours in accordance with mandatory requirements at respective areas.

The limits for the sites at East Ledang, Nusa Idaman, Nusa Bayu and Pontian Link Expressway were achieved at acceptable levels, averaging in the range of 50 - 55 db(A). These were lower than the limits recorded for SiLC and Symphony Hills.

SITE	DAY TIME [db (A)]				NIGHT TIME [db (A)]			
	LIMIT	2009	2010	2011	LIMIT	2009	2010	2011
East Ledang	60.00	56.99	53.62	51.83	50.00	50.95	44.65	45.85
Nusa Idaman	60.00	58.95	54.33	53.93	50.00	50.77	44.35	45.33
Nusa Bayu	60.00	-	49.60	55.49	50.00	-	46.50	44.46
Pontian Link Expressway	60.00	-	53.60	54.01	50.00	-	-	-

There was no incidence of non-compliance with regards to noise monitoring for all sites.

SITE	DAY TIME [db (A)]				NIGHT TIME [db (A)]			
	LIMIT	2009	2010	2011	LIMIT	2009	2010	2011
SiLC	65.00	59.14	58.39	60.49	55.00	-	48.60	52.54
Symphony Hills	65.00	-	54.10	56.67	55.00	-	-	47.67

## CARBON EMISSIONS

For the audited period of year 2011, all data on emissions included also those monitored at locations under the purview of Sunrise's operations. Data from electricity bills, fuel usage by company-owned vehicles, air travel, mileage claims and contractor fuel usage formed the bulk of evaluations to gauge the Group's extent of overall carbon emissions.

However, the carbon footprint evaluated did not include:

- Emissions from suppliers and vendors
- Impact from leased assets and outsourcing activities
- Emissions generated from waste disposal and disposal method
- Emissions generated from employees' daily commute to work

In determining the carbon footprint, UEM Land's calculation was conducted in accordance with the standard Greenhouse Gas (GHG) Protocol methodology and the apportioning of emissions was based on the three scopes of direct and indirect emissions.

For 2011, the data included in this study was based on:

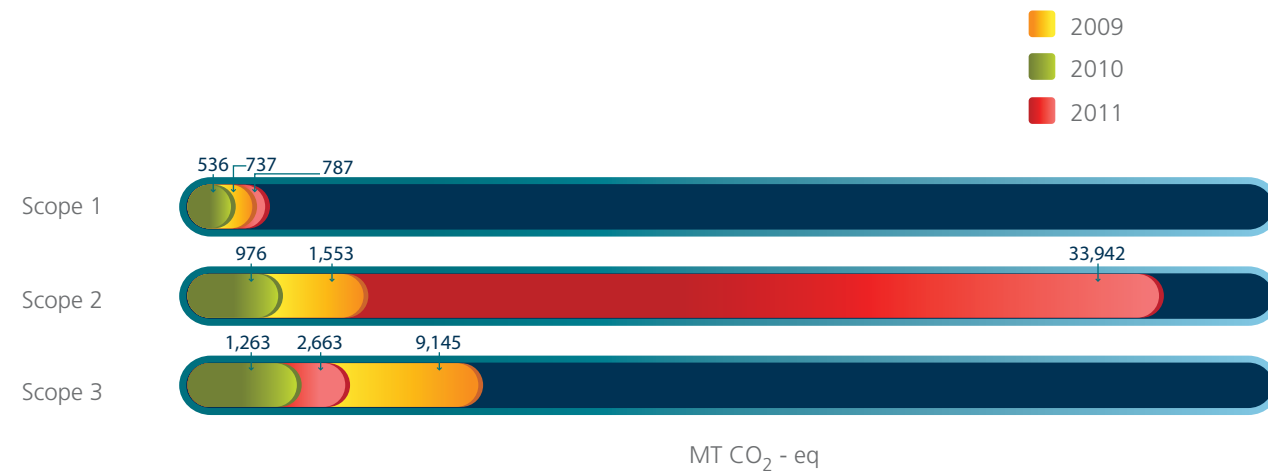
- Scope 1: Direct GHG emissions which included emissions from the combustion of fuel directly purchased and controlled by the Company to generate energy. Data included in the calculation was derived from fuel usage by company-owned vehicles.
- Scope 2: Indirect GHG emissions from the use of purchased electricity, heat or steam. Data for Scope 2 was derived from electricity use only.
- Scope 3: Other indirect GHG emissions with data for this scope obtained from carbon producing activities that are not owned and/or controlled by the Company. This included data such as air travel, mileage claims from employees and fuel use by contractor-owned vehicles.

The total carbon emissions produced by the UEM Land stood at 37,392 MT CO<sub>2</sub>-eq for the year 2011.

SCOPE	MT CO <sub>2</sub> -eq		
	2009	2010	2011
Scope 1	737	536	787
Scope 2	1,553	976	33,942
Scope 3	9,145	1,263	2,663
• Business Air Travel	178	64	55
• Business Travel via Employee Vehicles	506	469	965
• Contractor Owned Vehicles	8,461	730	1,643
<b>Total</b>	<b>11,435</b>	<b>2,775</b>	<b>37,392</b>

By contrast to historical data of years 2009 and 2010, it is noted that Scope 2 emissions (arising from the use of electricity) recorded a 33-fold increase. The data for Scope 1 and Scope 3, however, remain consistent despite the inclusion of Sunrise in this carbon footprint evaluation exercise.

## BREAKDOWN OF CARBON EMISSIONS



Emissions generated from the use of electricity were tabulated at 33,942 MT CO<sub>2</sub>-eq in 2011 – and is attributed to the inclusion of electricity consumption at Solaris Dutamas and the District Cooling Plant located in the same area. Both premises are controlled by Sunrise, which also fully owns the District Cooling Plant.

Hence, it is to be noted that Scope 2 emissions are primarily evaluated as contributed by the UEM Land Group of Companies for the year 2011.

## TOTAL CARBON EMISSIONS 2011



## WATER CONSUMPTION

UEM Land is pleased to present the results of its water monitoring programme for 2011.

In evaluating this sector of study, the trend of water consumption was monitored at all the same sites as those monitored in 2010. While the study also included several other locations under the operational purview of Sunrise, water usage at selected Mont’Kiara condominiums (managed by Sunrise) was excluded from assessment.

Total water usage in 2011 amounted to 446,573 m<sup>3</sup>.

The incremental amount is due to water consumption by the Solaris Dutamas area and also the water supplied to the District Cooling Plant located in the same area.

The following Table details the amount of water used and the supply sources.

Approximately 4% of the total amount of water used was obtained from non-conventional sources (groundwater, lakewater and rainwater) with the bulk of the municipal infrastructures providing 96% of UEM Land’s water needs.

YEAR	WATER USE (m <sup>3</sup> )
2009	53,363
2010	51,680
2011	446,573

WATER SOURCE	AMOUNT (m <sup>3</sup> )
Groundwater	11,749
Lakewater	1,618
Rainwater	5,638
Municipal Supply	427,568
<b>Total</b>	<b>446,573</b>

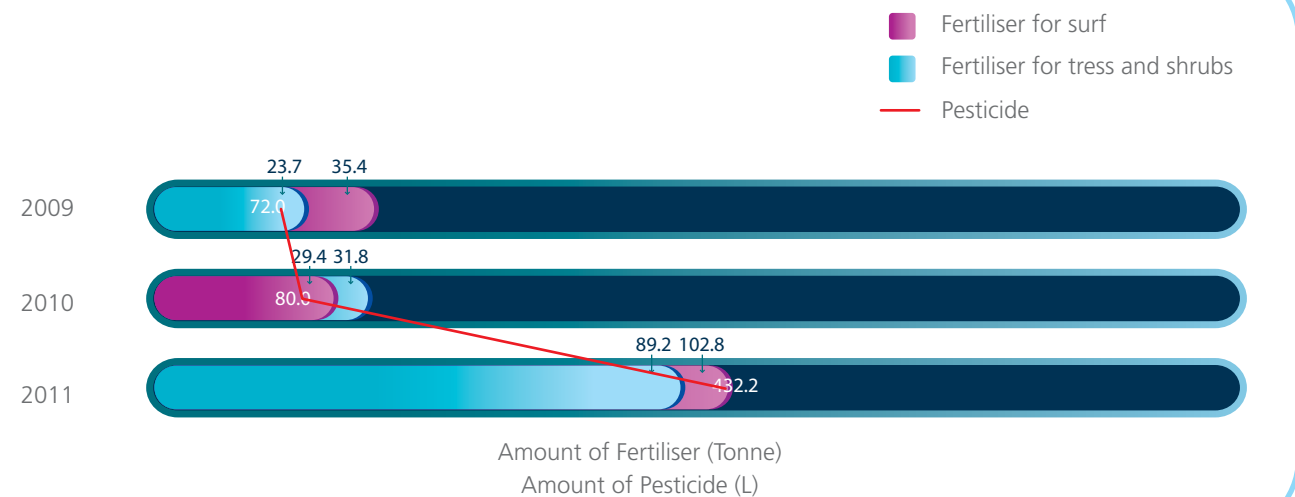
**USE OF MATERIALS**

Due to the acquisition of Sunrise, the materials monitoring programme that was scheduled for 2011 has been delayed in implementation. However, the group’s Landscaping Department – through their own initiative – has continued to monitor their materials usage especially for landscaping projects.

The data for 2011 was compiled from 14 landscaping projects, including two projects under Sunrise (10 Mont’Kiara and 28 Mont’Kiara).

MATERIALS	UNIT	2009	2010	2011
Fertiliser for turf	Tonne	35.4	29.4	102.8
Fertiliser for tress and shrubs	Tonne	23.7	31.8	89.2
Pesticide	L	72.0	80.0	432.2

**MATERIALS USE**



**WASTE MANAGEMENT**

On a Company-wide level, UEM Land is still progressing towards formalising a comprehensive policy on waste management and monitoring guidelines. The progress in this aspect was affected following the inclusion of Sunrise in the corporate family which necessitated a streamlining of processes, policies and procedures acceptable to both operating managements.

We are mindful that the nature of business of the construction and development industry is widely acknowledged as among the largest contributors of waste at landfills. Nevertheless, all our operations and activities in day-to-day waste management are carried out in accordance with the 3R (reduce, recycle, reuse) concept as much as possible.

We hope to complete drawing up the policy and roll out the detailed guidelines for waste management within our company and our businesses in the near future.

For the current year of assessment, only 28 Mont’Kiara was able to provide an estimate of their total construction waste – at approximately 6,300 MT of debris annually. Waste collection at the 28 Mont’Kiara site is carried out at an average of thrice-daily and is removed via lorries for disposal at designated waste collection sites.

**CONSERVATION & DIVERSITY**

UEM Land’s operations are currently focused in three main geographic regions – Nusajaya in Johor, Cyberjaya in Selangor and Mont’Kiara in Kuala Lumpur. All of these sites are not located in environmentally-sensitive areas, with the exception of Gerbang Nusajaya, East Ledang and Nusa Bayu which are in close proximity to mangrove vegetation. Gerbang Nusajaya is also located close to a Ramsar-designated wetland.

Thus, the Group’s risk management practices are consistently implemented and the R.O.S.E concept is closely applied in these areas (R.O.S.E. stands for Reduce, Offset, Substitute and Enhance) as the overall guideline. This is a definitive step to ensure that our business operations conform to ideals and we can adequately preserve the well-being of integrated living enclaves and conducive, vibrant townships.

Internal compliance audits continue to be carried out on a quarterly basis. These are complemented by annual external audits to ensure our business and operational impact on the environment complies with all mandatory regulations.

UEM Land will be embarking on a collaborative effort with a local university in the Johor region to conduct a species distribution and development impact study at Gerbang Nusajaya by year 2012. We hope this study will provide the processes and data to help us in our preservation efforts at high biodiversity areas that are located close to our developments and to maintain the natural habitats for flora and fauna found in the area.

Ecological balance has been defined in Nusajaya Green Plan



## BECOMING GREENER

### Promoting Eco-Consciousness

In 2011, UEM Land and its operating subsidiaries organised several events to promote eco-consciousness among its stakeholders. The first event, the “Super-Sunday” series, was launched on 27 February 2011 for the residents of Nusa Idaman, Nusajaya, with fun-filled activities held through the day. Themed “Go Green, Live Green,” the event was aimed at coaching residents on the importance of reducing waste and the importance of good housekeeping practices. More than 500 residents participated in the event, held at Nusa Idaman’s Sales Office.

This pilot project also supported the Source Separation programme initiated by the Iskandar Regional Development Authority (IRDA). The Source Separation programme is part of IRDA’s initiatives to reduce the generation of waste through 3R (reduce, reuse and recycle) activities in order to prolong the lifespan of landfills. This educational initiative is intended to help the Government achieve its goal of reducing waste generated by 30% over the next five years.

Nusajaya, UEM Land’s largest land bank and development, also hosted the 40th World Forestry Day on 21 March 2011. The event highlight involved the planting of 1,000 forest trees by 1,000 guests, symbolising Malaysia’s contribution towards protecting and preserving the environment. It was jointly organised by the Forestry Department of Peninsula Malaysia, Johor Forestry Department, Johor Landscape Department and UEM Land.

Also, on the same bandwagon to support the global Earth Hour campaign, Sunrise organised various programmes at its Sunrise Fun Zone Community Centre in the week leading up to Earth Hour. Many “green” activities were held during the event, dubbed “Earth Hour @ Sunrise” – including a tree planting session, arts and craft sessions using recyclable materials and a special course on composting and the making of enzymes from food waste. The month-long campaign culminated with an Eco-Celebration on 26 March 2011 which brought together residents from all of Sunrise’s managed-properties.

In yet another effort to drive home the sustainability message within the UEM Group of Companies, UEM Group Berhad launched its maiden project “Living Green” on 23 April 2011 at Kolej Yayasan UEM (KYUEM) in Lembah Beringin, Selangor. UEM Land along with other operating subsidiaries of UEM Group Berhad supported the event which aimed at creating awareness on the importance of environmental preservation through eco-friendly practices. UEM Land’s sponsored an outdoor gazebo for the benefit of KYUEM students who will be able to enjoy enhanced outdoor learning experiences.

During the 5th Iskandar Johor Open on 15 November 2011, UEM Land successfully enlisted professional golfers Thongchai Jaidee and Henrik Stenson to frontline the “Tree for Tee” programme. This initiative saw the planting of Pulai Trees in Taman Wilayah Nusajaya as part of promoting environmental awareness. The venue was selected as Taman Wilayah Nusajaya has been designated as a green lung in the regional city of Nusajaya with a multi-faceted nature reserve planned for the area.

Panoramic view of Horizon Hills



### Building Green

Globally, there has been a growing voice in support of increased environmental awareness, conservation and preservation across all industry sectors. The construction industry is not spared this environmental wave and is, in part, regarded as one of the more apparent contributors to adverse environmental practices. Hence the growing perception towards, and demand for “green buildings” is a buzzword that is gaining momentum.

The “green building” concept is the practice of creating structures using more resource-efficient models of construction and renovation technologies, operations and maintenance procedures through every stage of the process from siting to design and even deconstruction. This complements the classical considerations for cost and economic concerns, durability and comfort – in short, the framework for sustainable living.

At UEM Land, we recognise the significant and potential benefits that can be derived from the “green building” concept even as the Government is gradually introducing new and additional legislations on the concept to be adhered to in future development by developers. We will be tapping the “green-buildings” market through our various developments in Nusajaya, Cyberjaya and Mont’Kiara.

One of the pioneering projects in our property stable that has embraced the “green building” concept is the Imperia project in the Puteri Harbour region. It is currently contending for GBI Gold certification.

Our Symphony Hills project has adopted rainwater harvesting as one of the features for some of the packages in the area.

At Mont’Kiara, the 28 Mont’Kiara project is aiming for the Singapore Green Mark certification for Gold Rating. It currently has a provisional Gold Rating with a score of 76.55 points.

28 Mont’Kiara meanwhile, is focused on energy consumption efficiency as one of its key features, with environmental protection provisionally scored at 66.75 points. Among the energy-plus features of this building are energy-efficient electrical fittings and a design architecture that allows natural ventilation in common areas. Fittings in this building are finished using eco-labelled materials or other materials categorised with a minimum of 30% recycled content.

28 Mont’Kiara





## CORPORATE GOVERNANCE AND ECONOMIC PERFORMANCE

The State Legislative Assembly Hall of Kota Iskandar

In line with UEM Group Berhad's emphasis on Corporate and Community Development as part of its five core Sustainability focus areas, the Company is determined to implement activities and programmes that support the umbrella goals set by its holding company. An important Corporate Development criterion dictates that UEM Land must constantly operate with integrity and transparency in the marketplace. Further, as a public-listed company on Bursa Malaysia Securities Berhad (Bursa Malaysia), it is in the Group's interest to conduct its business operations in line with industry best practices as this will not only mitigate

business risks but also enhance our corporate reputation as a responsible business entity.

As such, this Sustainability Report has been developed to complement UEM Land's 2011 Annual Report. Supplementary information and in-depth details on practices related to Corporate Governance by the Group can be obtained from the same Annual Report (please refer to pages 94 to 109).

### BOARD RESPONSIBILITIES

As at 31 December 2011, we had nine members on the Board of Directors. They comprised the Managing Director/Chief Executive Officer, five Non-Independent Non-Executive Directors and three Independent Non-Executive Directors. A complete profile of each member of the Board can be found on pages 52 to 60 of the 2011 Annual Report.

The Board is responsible for leading and providing stewardship to the Group's operations through the setting of long-term strategic business directions leading to the creation of value for the Group and its shareholders. This includes constantly reviewing the adequacy and integrity of internal controls and management and compliance systems to ensure that these systems function to optimum performance and meet all legal and regulatory requirements.

As at 31 December 2011, the Board sat for nine meetings with a total average recorded attendance of 91.4%.

Board of Directors of UEM Land Holdings Berhad in 2011



**BOARD REMUNERATION**

The Nominations and Remuneration Committee, comprising exclusively of the non-executive directors and its duties include assisting the Board to make annual performance reviews of the senior management and other directors besides being empowered to make recommendations on the appointment of individual directors and new candidates for Board membership. This Committee is also tasked to formulate and implement evaluation procedures and recommend appropriate remuneration packages for Executive Directors.

The member of Directors whose total remuneration during the financial year 2011 falls within the following bands are :

AMOUNT	NUMBER OF DIRECTORS	
	EXECUTIVE	NON-EXECUTIVE
RM100,000 and below	-	6
RM100,001 - RM150,000	-	2
RM1,000,000 or more	1	-

Further details on remuneration for individual Board members can be found on page 106 of the Annual Report.

**TRAINING AND DEVELOPMENT FOR BOARD MEMBERS**

Members of the Board are constantly provided with opportunities for further education as it is imperative for all Board members to enhance their business acumen and professionalism in discharging their duties to the Group.

Apart from the Mandatory Accreditation Programme prescribed for company directors by Bursa Malaysia, our Board members attended events including workshops, conferences, forums and training sessions held both locally and abroad. Their participation in these programmes was necessary to broaden their perspectives on corporate governance as well as to ensure

that they are constantly at the forefront in keeping abreast with current and future developments of the various industries.

Apart from these publicly organised events, UEM Group Berhad also organised several in-house programmes, namely the UEM Group Directors' Gathering and UEM Group Chairmen's Forum. These were held to address and brainstorm measures to improve corporate governance, management of regional and global operations and fresh perspective to brand-building in the marketplace.

A full listing of trainings, conferences, workshops and seminars attended by each member of the Board can be found on pages 97 to 102 of the Annual Report.

**MANAGEMENT SYSTEMS**

UEM Land Holdings Berhad has been operating to the ISO 9001 Quality Management System (QMS) since 2000, OHSAS 18001 Occupational Health and Safety System since 2007 and ISO 14001 Environment Management System (EMS) since 2009. These systems are maintained and routinely updated by our dedicated QSHE department to ensure all our project sites and operations comply with all legal and regulatory requirements.

All these systems have been duly maintained in 2011. Following the acquisition of Sunrise, UEM Land's goal is to fully integrate these management systems into Sunrise's operations by 2012.

**RISK MANAGEMENT**

Risk management is an important aspect of any business, more so in the Property Development sector. Hence, Risk Management represents a strategic process and an essential element of our corporate governance in order to be sustainable entity.

We are always reminded of our business risks and employ appropriate internal controls to ensure the adequate functioning of all our operations. These conscious efforts are undertaken consistently so that our business objectives can be achieved and our obligations to our stakeholders can be adequately met with minimal adverse impact.

To further enforce the concept of sustainability in all facets of our operations, UEM Land has also included climate change as a risk factor to its risk register in 2011. The Risk Register and Risk Management Framework have since been duly updated and 30 risk factors have since been included for consideration.

Some of the effects that climate change has exacted on UEM Land's business has necessitated that we now take into consideration the ensuing degradation of structures due to flooding, customer preferences for green developments,

regulatory legislations governing climate change and the environment, and the need for increased insurance and development costs.

To tackle the effects of climate change, UEM Land will be embarking on studies to incorporate favourable elements of climate change impact in the design of plans for our future developments, developing properties and infrastructure with "green building" concepts, including contingency costs for natural disasters and enhancing the landscaping for high temperature areas besides also increasing insurance coverage.

Some of the risk factors in the risk register also draw attention to operational aspects that the Group has classified as key priorities, including revenue, compliance risks, investment risks and customer satisfaction risks.

**COMBATING CORRUPTION**

We have continued to subscribe to various anti-corruption principles as detailed in our previous Sustainability Report.

**ECONOMIC PERFORMANCE**

Following the acquisition of Sunrise, the Group's total turnover has tripled from RM471 million in 2010 to RM1.70 billion in 2011.

Pre-tax profits increased from RM205.5 million in 2010 to RM355.2 million in 2011, reflecting an improvement of approximately 73%.

Employee remuneration jumped from RM30.4 million in 2010 to RM91.1 million in 2011, registering an incremental of approximately 193%. This hike is, nevertheless, in correlation to the doubling of our staff strength with a headcount of 1081 (from 435 employees in 2010) due to the acquisition of Sunrise.

Artist Impression of Mall of Medini



## GRI INDEX

The following Table shows a three-year comparison of earnings for the Group:

ASPECTS	RM ('000)		
	2009	2010	2011
Turnover	407,913	471,136	1,703,172
Operating Costs	62,812	90,574	224,547
Pre-tax profits	129,507	205,507	355,246
Payment and benefits to employees	25,195	30,405	91,142
Staff training	2,126	1,688	1,979
Taxes paid/payable to Government	35,773	9,484	52,304
Community Care	727	1,438	676

It is worthwhile to note that the above achievements in 2011 were attained by UEM Land without receiving any form of financial assistance from the Government. The Company also did not participate in any form of public policy development, pandering or lobbying. No financial contributions were made to any political parties nor fines or penalties received with regards to anti-competitive behaviour, monopolistic practices nor safety, health and environment non-compliances.

This report is rated at Level B in accordance with the GRI G3.1 framework on Sustainability Reporting for the Construction and Real Estate sector.

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**UEM LAND HOLDINGS BERHAD** 830144-W

16-1 MERCU UEM

JALAN STESEN SENTRAL 5

KUALA LUMPUR SENTRAL

50470 KUALA LUMPUR

MALAYSIA

T +603 2727 6000

F +603 2727 2011

E corpcomm@uemland.uemnet.com

**[www.uemland.com](http://www.uemland.com)**

**NUSAJAYA**  
Malaysia



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