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A member of **UEM Group**

UEM SUNRISE BERHAD

(Company No. 830144-W)
(Incorporated in Malaysia under the Companies Act 2016)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:-

THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR UEM SUNRISE BERHAD (“UEMS” OR “COMPANY”) GROUP OF COMPANIES (“UEMS GROUP”)

(To be read together with the Ordinary Resolution 10 in the Notice of the Annual General Meeting of UEMS as set out in the Company’s Annual Report 2018)

The Notice of the Annual General Meeting (“AGM”) and the Proxy Form are set out in the Annual Report 2018 of the Company thereof. The details of the AGM are as follows:

Date and time of the AGM	:	30 May 2019, Thursday at 10.00 a.m. or at any adjournment thereof
Venue of the AGM	:	Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan
Last date and time for lodging the Proxy Form	:	29 May 2019, Wednesday at 10.00 a.m.

If you are unable to attend and vote at the AGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, the Proxy Form must be completed and lodged with UEMS’ share registrar, Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than 24 hours before the time of holding the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting if you subsequently wish to do so.

This Circular is dated 30 April 2019

DEFINITIONS

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

Act	:	Companies Act 2016
AGM	:	Annual General Meeting
Audit Committee	:	Audit Committee
Axiata	:	Axiata Group Berhad, a 37.16% associate company of Khazanah
Board	:	Board of Directors
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular dated 30 April 2019
CMSA	:	Capital Markets and Services Act 2007
Director	:	(a) A director of our Company or our subsidiary and shall have the same meaning as given in Section 2(1) of the CMSA; and (b) For the purposes of the Proposed Renewal of Shareholders' Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, our director as referred to in paragraph (a) above or chief executive officer of our Company or our subsidiary or holding company
edotco	:	edotco Malaysia Sdn Bhd, a wholly-owned subsidiary of edotco Group Sdn Bhd, which in turn is a 63.00% subsidiary of Axiata. Khazanah through its wholly-owned subsidiary, Mount Bintang Ventures Sdn Bhd also directly holds a minority equity stake in edotco Group Sdn Bhd
ETC	:	Edmund Tie & Company Sdn Bhd
Khazanah	:	Khazanah Nasional Berhad, our ultimate holding company
Khazanah Group	:	Khazanah and/or its subsidiaries
Khazanah Group Joint Venture Companies	:	The entities over which Khazanah Group have joint control of the arrangement and rights to the net assets of such arrangement. The entities include Nusajaya Premier Sdn Bhd, Nusajaya Lifestyle Sdn Bhd, Desaru South Course Residences Sdn Bhd, Desaru North Course Residences Sdn Bhd, Desaru South Course Land Sdn Bhd and M+S Pte Ltd. Save and except for M+S Pte Ltd, all the other abovementioned entities are also joint venture companies of the UEMS Group
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	2 April 2019, being the latest practicable date prior to the printing of this Circular
Major Shareholder	:	(a) A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares, is:- (i) 10% or more of the total number of voting shares in our Company; or (ii) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of

DEFINITIONS (CONT'D)

our Company.

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act; and

- (b) For the purposes of the Proposed Renewal of Shareholders’ Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of our Company or any other corporation which is our subsidiary or our holding company

- NTL Group : Nawawi Tie Leung Group comprising:-
- (a) ETC;
 - (b) NTLP; and
 - (c) NTLR
- NTLP : Nawawi Tie Leung Property Consultants Sdn Bhd
- NTLR : Nawawi Tie Leung Real Estate Consultants Sdn Bhd
- Partner : In relation to a Director or Major Shareholder, means a person who falls under any one of the following categories:
- (a) a person with whom the Director or Major Shareholder, is in or proposes to enter into partnership with. “Partnership” for this purpose refers to a “partnership” as defined in section 3 of the Partnership Act 1961 or “limited liability partnership” as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
 - (b) a person with whom the Director or Major Shareholder has entered or proposes to enter into a joint venture, whether incorporated or not
- Person(s) Connected : In relation to a Director or Major Shareholder, means a person who falls under any one of the following categories:-
- (a) A family member of the Director or Major Shareholder;
 - (b) A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director or Major Shareholder, or a family member of the Director or Major Shareholder is the sole beneficiary;
 - (c) A Partner of the Director or Major Shareholder;
 - (d) A person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (e) A person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) A body corporate in which the director, shareholder or a family member of the Director or Major Shareholder is entitled to exercise, or control the exercise of, not less than 20% of the votes attached to

DEFINITIONS (CONT'D)

	voting shares in the body corporate; or
	(g) A body corporate which is a Related Corporation of the Director or Major Shareholder
Proposed Renewal of Shareholders' Mandate	: Proposed renewal of shareholders' mandate for RRPT as set out in Section 2.2 of this Circular
Related Corporation	: A corporation which is:- (a) The holding company of another corporation; (b) A subsidiary of another corporation; or (c) A subsidiary of the holding company of another corporation
Related Party	: A Director or Major Shareholder of our Company and Persons Connected with such Director or Major Shareholder as defined under the Listing Requirements, and "Related Parties" shall be construed accordingly
RM and sen	: Ringgit Malaysia and sen respectively
RPT	: Related party transaction entered into by our Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party
RRPT	: RPT which is recurrent, of a revenue or trading nature
Southern Marina	: Southern Marina Development Sdn Bhd, a 30.00% associate company of Tanjung Bidara Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah
TM	: Telekom Malaysia Berhad, a 26.21% associate company of Khazanah
TM Group	: TM and/or its subsidiaries
UEMG	: UEM Group Berhad, our immediate holding company
UEMG Group	: UEMG and/or its subsidiaries
UEM Edgenta	: UEM Edgenta Berhad, a 69.14% subsidiary company of UEMG
UEM Edgenta Group	: UEM Edgenta and/or its subsidiaries
UEM Land	: UEM Land Berhad, a wholly-owned subsidiary of our Company
UEMS or Company	: UEM Sunrise Berhad
Validity Period	: The date from the forthcoming AGM until the next AGM which will be held by 30 June 2020

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PRESENTATION OF INFORMATION

All references to “**our Company**” or “**UEMS**” in this Circular are to UEM Sunrise Berhad, and references to “**our Group**” or “**UEMS Group**” are to our Company, our consolidated subsidiaries and associated companies. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and, where the context otherwise requires, our consolidated subsidiaries and associated companies. All references to “**you**” in this Circular are the shareholders of our Company.

Unless specifically referred to, words denoting the singular shall, if applicable, include the plural and vice versa and words denoting the masculine gender shall, if applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any enactment, statute, rules, regulation, rules of stock exchange or guideline shall (when the context admits) be construed as a reference to the provisions of such enactment, statute, rules, regulation, rules of stock exchange or guideline (as the case may be) as modified by any written law or (if applicable) amendments to the enactment, statute, rules, regulation, rules of stock exchange or guideline for the time being in force.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof, are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known or unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from anticipated results, performance or achievements expressed or implied in such forward-looking statements. Hence, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company’s plans and objectives will be achieved.

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A member of **UEM Group**

UEM SUNRISE BERHAD

(Company No. 830144-W)

(Incorporated in Malaysia under the Companies Act 2016)

Registered Office:

Level 3
UEM Sunrise Showcase
No. 21, Jalan Kiara, Mont'Kiara
50480 Kuala Lumpur

30 April 2019

Directors:-

Tan Sri Dato' Sri Zamzamzairani Mohd Isa (*Independent Non-Executive Chairman*)
Anwar Syahrin Abdul Ajib (*Managing Director / Chief Executive Officer*)
Subimal Sen Gupta (*Senior Independent Non-Executive Director*)
Dato' Noorazman Abd Aziz (*Non-Independent Non-Executive Director*)
Zaida Khalida Shaari (*Non-Independent Non-Executive Director*)
Lim Tian Huat (*Independent Non-Executive Director*)
Ungku Suseelawati Ungku Omar (*Independent Non-Executive Director*)
Tan Sri Dr Azmil Khalili Dato' Khalid (*Independent Non-Executive Director*)
Datin Teh Ija Mohd Jalil (*Independent Non-Executive Director*)
Christina Foo (*Independent Non-Executive Director*)

To: The Shareholders of UEMS

Dear Sir/Madam,

I. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

1. INTRODUCTION

At our Company's 10th AGM held on 31 May 2018, the Company had obtained a shareholders' mandate for our Group to enter into RRPT which are necessary for our Group's day-to-day operations and which are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public ("**2018 Shareholders' Mandate**").

The 2018 Shareholders' Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, unless the authority for its renewal is obtained from our shareholders at the forthcoming AGM.

On 25 March 2019, our Company announced that we propose to seek our shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

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

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

- 1.2 the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- 1.3 revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is the earlier.

The purpose of this Circular is to provide you with details on the Proposed Renewal of Shareholders' Mandate, together with the Board's recommendation thereon and also to seek your approval for the resolution in respect of the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM, as set out in the Notice of 11th AGM in the Company's Annual Report 2018.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Details of the RRPT

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

The principal activity of our Company is investment holding and provision of shared services for its subsidiaries whilst our subsidiaries are involved in property development, land trading, property investment, project management and investment holding.

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

2.2 Proposed Renewal of Shareholders' Mandate

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

2.3 Amount Due and Owing to UEMS Group by the Related Parties

As at the financial year ended 31 December 2018, UEMS Group has no outstanding amount due and owing by the Related Parties arising from RRPT which exceeded the credit term.

3. REVIEW PROCEDURES FOR THE RRPT

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

3.1.1 All companies within our Group shall only enter into the RRPT after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards against at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities as comparison, wherever possible, to determine whether the price and terms offered to/by related third parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where quotations or comparative pricing from unrelated parties cannot be obtained, the pricing of any RRPT entered into will be

determined based on prevailing market rates under usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/consideration and are not to the detriment of minority shareholders;

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

4. STATEMENT BY THE AUDIT COMMITTEE

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

5. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

- 5.1 The RRPT to be entered into by our Group are intended to meet business needs at the best possible terms. Our Group should be able to have access to all available markets and products and services provided by all vendors including the Related Parties. This will enhance our Group's ability to explore beneficial business opportunities as well as promote cross-selling within the UEMG Group.
- 5.2 The Proposed Renewal of Shareholders' Mandate will enable our Group to carry out recurrent routine transactions necessary for day-to-day operations, which are time-sensitive in nature, and will eliminate the need to announce and to convene separate general meetings on each occasion to seek prior approval of our shareholders for the RRPT.

- 5.3 The Proposed Renewal of Shareholders' Mandate will substantially reduce expenses associated with the convening of general meetings on ad hoc basis, improve administrative efficiency and allow human resources and time to be channelled towards attaining other corporate objective.

6. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any effect on our issued and paid-up share capital and is not expected to have any material effect on the net assets and gearing of our Group for the financial year ending 31 December 2019 as the transactions it enters into are in the normal ordinary course of business.

7. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to your approval at our forthcoming AGM.

8. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

8.1 Major Shareholders' Interests

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

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

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

Note:-

(a) Deemed interested by virtue of its interest in UEMG pursuant to Section 8 of the Act.

8.2 Directors' Interests

Dato' Noorazman Abd Aziz is a Director of UEMG, UEM Edgenta and UEMS. He is a nominee of Khazanah on the Board of UEMG and a nominee of UEMG on the Board of UEMS. Ungku Suseelawati Ungku Omar is a substantial shareholder and director of ETC, a substantial shareholder of NTLR, has other interest in NTLP and a Director of UEMS. Zaida Khalida Shaari is a nominee of Khazanah on the Board of UEMS.

All Directors are deemed interested in the RRPT listed under Item 1B(4) of **Appendix I** of this Circular as the transacting Related Parties cannot be ascertained as at the date of this Circular and they have abstained and will continue to abstain from deliberating and voting in respect of their interests, direct or indirect, at all respective Board and Audit Committee meetings of UEMS in respect of the RRPT listed under Item 1B(4) of **Appendix I** of this Circular.

Dato' Noorazman Abd Aziz, Zaida Khalida Shaari and Ungku Suseelawati Ungku Omar are deemed interested in the RRPT between our Group and the transacting parties in which they hold directorships and/or interest and they have abstained and will continue to abstain from deliberation and voting in respect of their interests, direct or indirect, at all respective Board and Audit Committee meetings of our Company in respect of the Proposed Renewal of Shareholders' Mandate.

Our Directors who are deemed interested in the RRPT will abstain from voting in respect of their interests direct or indirect and have also undertaken to ensure that the Persons Connected with them will abstain from voting in respect of their interests, direct or indirect on the resolution approving the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

According to the Register of Directors' Shareholdings as at the LPD, the shareholdings of the Directors who are deemed interested in the RRPT in UEMS are as follows:-

	----- Direct -----		----- Indirect -----	
	No. of ordinary shares	%	No. of ordinary shares	%
Anwar Syahrin Abdul Ajib	100,000	@	-	-

Note:-

@ Less than 0.01%.

Save as disclosed above, none of the other Directors who are deemed interested in the RRPT have any shareholding, direct and indirect, in UEMS.

Save as disclosed above, no other Directors, Major Shareholders and/or Persons Connected to them (as defined in the Listing Requirements) have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

9. DIRECTORS' RECOMMENDATION

Our Board has abstained from making an opinion and any recommendation on the entry into the RRPT as disclosed under Item 1B(4) of **Appendix I** of this Circular to be tabled at the forthcoming AGM.

Our Board (other than the Directors who are deemed interested), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of our Company. Accordingly, our Board (save for the Directors who are deemed interested), recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at our forthcoming AGM.

10. AGM

10.1 Our 11th AGM, the Notice and Proxy Form of which are set out in the Company's Annual Report 2018, will be held at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 30 May 2019 at 10.00 a.m. and at any adjournment thereof, for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

10.2 If you are unable to attend and to vote at the AGM, you are requested to complete, sign and return the enclosed Proxy Form in the Annual Report 2018 of the Company and in accordance with the instructions printed on it, so as to arrive at our Share Registrar's office, Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 24 hours before the time set for convening of the 11th AGM. The lodgement of the Proxy Form will not preclude you from attending and voting in person should you subsequently wish to do so.

11. ADDITIONAL INFORMATION

Please refer to the attached **Appendix II** for additional information.

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

ANWAR SYAHRIN ABDUL AJIB
Managing Director / Chief Executive Officer

APPENDIX I

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

Item	Transacting Related Party	Interested Major Shareholders/ Directors and Persons Connected with them	Nature of relationship as at the LPD	Nature of RRPT	2018 Shareholders' Mandate		Estimated value during the Validity Period ² (RM)
					Estimated Value as disclosed in the circular dated 30 April 2018 (RM)	Actual Value ¹ (RM)	
1.	UEMG Group	Khazanah, UEMG, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Receipt of group wide ICT shared services Receipt of training and corporate advisory services Renting of office space ³ , meeting rooms and other facilities Renting of parking space ³ Receipt of electricity and air-conditioning facilities	9,500,000 3,752,200 7,400,000 24,500 36,000	4,900,478 2,990,025 5,625,911 10,968 13,841	6,280,000 1,083,000 6,505,000 1,000 0
				Total	20,712,700	13,541,223	13,869,000
2.	UEM Edgenta Group	Khazanah, UEMG, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	UEM Edgenta is a 69.14% subsidiary company of UEMG. UEMS is a 66.06% subsidiary of UEMG	Receipt of consultation, facilities management and maintenance services Receipt of office cleaning, pest control services and rental of potted plants	17,570,300 18,100	16,328,888 8,134	3,116,000 0
				Total	17,588,400	16,337,022	3,116,000

Item	Transacting Related Party	Interested Major Shareholders/ Directors and Persons Connected with them	Nature of relationship as at the LPD	Nature of RRPT	2018 Shareholders' Mandate		Estimated value during the Validity Period ²
					Estimated Value as disclosed in the circular dated 30 April 2018 (RM)	Actual Value ¹ (RM)	
3.	Khazanah Group	UEMG Group, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Acquisition of land or land based properties in the ordinary course of business	- ⁴	- ⁴	- ⁴
4.	TM Group	Khazanah, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	TM is a 26.21% associate company of Khazanah which in turn is our ultimate holding company	Receipt of UniFi bundling services Receipt of smart building services Receipt of ICT support services	3,180,000 4,280,800 636,000	1,244,790 4,020,761 0	2,084,000 4,324,000 200,000
				Total	8,096,800	5,265,551	6,608,000
5.	Khazanah Group Joint Venture Companies	Khazanah, UEMG Group, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Renting of space for flagships property galleries ³ Renting of space for events	532,500 68,000	363,141 0	1,183,000 68,000
				Total	600,500	363,141	1,251,000

Item	Transacting Related Party	Interested Major Shareholders/ Directors and Persons Connected with them	Nature of relationship as at the LPD	Nature of RRPT	2018 Shareholders' Mandate		Estimated value during the Validity Period ²
					Estimated Value as disclosed in the circular dated 30 April 2018 (RM)	Actual Value ¹ (RM)	
6.	NTL Group	Ungku Suseelawati Ungku Omar	Ungku Suseelawati Ungku Omar is a substantial shareholder and director of ETC, a substantial shareholder of NTLR, has other interest in NTLP and a Director of UEMS	Receipt of consulting services	500,000	190,246	852,000
Total					500,000	190,246	852,000

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

Item	Transacting Related Party	Interested Major Shareholders/ Directors and Persons Connected with them	Nature of relationship as at the LPD	Nature of RRPT	2018 Shareholders' Mandate		Estimated value during the Validity Period ²
					Estimated Value as disclosed in the circular dated 30 April 2018 (RM)	Actual Value ¹ (RM)	
1.	UEMG Group	Khazanah, UEMG, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Provision for tenancy of land for batching plant, casing yard and worker's quarters ³	279,900	243,320	0
				Total	279,900	243,320	0
2.	Khazanah Group	UEMG Group, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Disposal of land or land-based properties in the ordinary course of business	– ⁴	– ⁴	– ⁴
				Total	–	–	–
3.	Khazanah Group Joint Venture Companies	UEMG Group, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Provision of development and management services	5,687,500	7,108,169 ⁵	3,699,000
				Total	5,687,500	7,108,169⁵	3,699,000

Item	Transacting Related Party	Interested Major Shareholders/ Directors and Persons Connected with them	Nature of relationship as at the LPD	Nature of RRPT	2018 Shareholders' Mandate		Estimated value during the Validity Period ² (RM)
					Estimated Value as disclosed in the circular dated 30 April 2018 (RM)	Actual Value ¹ (RM)	
4.	Directors and/or Major Shareholders of UEMS Group and Persons Connected with them	Directors and/or Major Shareholders of UEMS Group and Persons Connected with them	n/a	Sale of land and/or land-based properties by UEMS Group	- ⁶	4,554,200	- ⁶
				Total	-	4,554,200	-
5.	edotco	Khazanah, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	edotco is a wholly-owned subsidiary of edotco Group Sdn Bhd, which in turn is a 63.00% subsidiary of Axiata. Khazanah through its wholly-owned subsidiary, Mount Bintang Ventures Sdn Bhd also directly holds a minority equity stake in edotco Group Sdn Bhd	Provision of land tenancy for mobile network infrastructure	70,000	40,330	0
				Total	70,000	40,330	0

Item	Transacting Related Party	Interested Major Shareholders/ Directors and Persons Connected with them	Nature of relationship as at the LPD	Nature of RRPT	2018 Shareholders' Mandate		Estimated value during the Validity Period ²
					Estimated Value as disclosed in the circular dated 30 April 2018 (RM)	Actual Value ¹ (RM)	
6.	Southern Marina	Khazanah, Dato' Noorazman Abd Aziz and Zaida Khalida Shaari	Southern Marina is a 30.00% associate company of Tanjung Bidara Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah	Provision of land tenancy for show gallery / site-office	121,800	158,735 ⁵	173,000
Total					121,800	158,735⁵	173,000

Notes:-

¹The actual value represented RRPT transacted from the date on which the 2018 Shareholders' Mandate was obtained or granted up to LPD.

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

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

⁴Estimated values of the transaction relating to the acquisition/disposal (as the case may be) of land and/or land-based property ("Assets") cannot be ascertained given the various types of Assets that we may acquire / dispose (as the case may be) in the ordinary course of business of the UEMS Group, as we may deem appropriate for immediate / future development. However, in accordance with Section 3.3 of Practice Note 12 of the Listing Requirements, any one of the percentage ratios of each of the transaction is not more than 10%.

⁵Does not exceed 10% of the aggregated estimated value for the transactions entered into with the same party or with parties connected with one another.

⁶Estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the UEMS Group which varies from project to project. However, in accordance with Section 3.3 of Practice Note 12 of the Listing Requirements, any one of the percentage ratios of each of the transaction is not more than 10%.

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APPENDIX II

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL LITIGATION

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

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

(i) Decision by the Federal Court in respect of Bandar Nusajaya Development Sdn Bhd's ("BND") additional assessment raised by the Inland Revenue Board ("IRB") for additional tax and penalty

On 3 October 2011, BND, a major subsidiary of our Company which was held through its wholly-owned subsidiary, UEM Land, received a notice of additional assessment from the IRB for additional tax payable and tax penalty of RM50.9 million and RM22.9 million respectively in respect of the year of assessment 2006.

On 4 September 2012, the High Court of Kuala Lumpur ("KLHC") had granted leave to BND for its judicial review application to quash and set aside the notice of additional assessment. The KLHC ruled in favour of BND on the merit of the case and declared that the IRB had no legal basis to raise the additional tax assessment. Following the decision by the KLHC, the IRB had filed an appeal to the Court of Appeal ("CoA") against the decision made.

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

On 18 October 2016, the FC reversed the decisions of the CoA and the KLHC and ordered that BND should have appealed by way of filing a notice of appeal to the Special Commissioners of Income Tax ("SCIT"). No reasons were provided by the FC in arriving at this conclusion. Such decision by the FC has resulted in the Form JA issued by the IRB dated 22 September 2011 totalling RM73.8 million to become due and payable within 30 days of which has been paid in full.

On 25 and 26 October 2016, BND has filed a notice of appeal ("Form Q") to the IRB. The Form Q was rejected by the IRB on 25 and 26 October 2016 respectively. On 10 November 2016, BND filed a notice for extension of time to file Form Q ("Form N") to the SCIT. A judicial review application against the rejection of the Form Q was filed on 17 January 2017. The Form N was rejected by the IRB on 8 February 2017 and IRB forwarded the Form N to the SCIT. The SCIT allowed BND's Form N application. Consequent to this, BND filed Form Q dated 20 March 2017 to the IRB. Vide a letter dated 21 March 2017, the IRB has confirmed the receipt of BND's Form Q.

The judicial review application has been withdrawn on 17 May 2017 given that the IRB did not appeal against the decision of SCIT to allow BND to file the Form Q. The Form Q was filed on 20 March 2017 and accordingly the IRB has a year to review the Form Q before submitting it to the SCIT. On 26 January 2018, the solicitors of BND sent a letter to the IRB requesting them to forward the Form Q to SCIT in due course.

In March 2018, IRB informed BND’s lawyers that the Form Q was sent to the SCIT.

Case management was fixed before the SCIT on 18 May 2018. Further to the case management, the SCIT fixed this matter for hearing on 14 September 2021 and 15 September 2021.

BND issued a letter dated 17 August 2018 to Ministry of Finance (“MOF”) requested for review of the matter and appropriate refund of the additional taxes raised. MOF forwarded BND’s letter to IRB.

In reply to BND’s letter dated 17 August 2018 to MOF, IRB via a letter dated 31 October 2018 informed BND that the notice of additional assessment raised for year of assessment 2006 is correct and appropriate, consistent with Section 22(2)(a) of the Income Tax Act 1967. As such, the said notice of additional assessment will be retained. Furthermore, IRB mentioned in the said letter that the Federal Court Order dated 18 October 2016 has clearly decided that the judgment of the Court of Appeal and the High Court be set aside. This means that the judgment of the Court of Appeal and the High Court will no longer be adopted as precedent and binding for appeal by BND in SCIT court.

The solicitors of BND are of the view that BND has a strong case to argue that the IRB has no legal or factual basis to issue the notice of additional assessment nor is there legal or factual basis for the IRB to impose the penalty.

(ii) Claim filed by Impressive Circuit Sdn Bhd (“Impressive Circuit”) and Datuk Kasi A/L K.L. Palaniappan (collectively referred to as the “Plaintiffs”) against Setia Haruman Sdn Bhd (“Setia Haruman”), UEM Land and others (collectively referred to as the “Defendants”)

On 25 July 2017, UEM Land was served with a claim filed by the Plaintiffs in relation to alleged oppressive conducts and management of Setia Haruman by the Defendants against them. The Plaintiffs sought, amongst others, for:-

- (a) a declaration that the Defendants had managed and conducted the affairs of Setia Haruman and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfairly prejudicial to the interest of the Plaintiffs; and
- (b) an order that the Defendants do jointly and/or severally purchase the 750,000 ordinary shares of Setia Haruman owned and held by Impressive Circuit at such price and on such terms as shall be determined by the KLHC.

UEM Land denies the allegations made and will be defending the claim. The solicitors of UEM Land are of the view that UEM Land has a reasonably good chance of success in defending the case.

3. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Capital commitments

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

	RM ‘000
Approved and contracted for	25,150
Approved but not contracted for	372,008
Total	<u>397,158</u>

3.2 Contingent liabilities

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

4. MATERIAL CONTRACTS

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

- (i) an agreement between BND and Country View Resources Sdn Bhd for the disposal by BND of H.S.(D) 309469, PTD 71080, Mukim Pulau, District of Johor Bahru, State of Johor measuring approximately 163.92 acres for a total consideration of RM310.0 million. This agreement came into effect on 30 October 2017;
- (ii) an agreement between Kemaris Residence Sdn Bhd and Sunrise Alliance Sdn Bhd ("**SASB**") for the purchase by SASB of PN 102216, Lot 93720, Mukim Petaling, District of Petaling, State of Selangor measuring approximately 19.24 acres for a total consideration of RM109.5 million. This agreement came into effect on 12 December 2017;
- (iii) an agreement between Nusajaya Greens Sdn Bhd ("**NGSB**") and KII Morris Sdn Bhd for the disposal by NGSB of H.S.(D) 458296, PTD 166915, Mukim Pulau, District of Johor Bahru, State of Johor measuring approximately 29.0 acres for a total consideration of RM82.1 million. This agreement came into effect on 20 December 2017; and
- (iv) an agreement dated 13 April 2018 and a supplemental agreement dated 2 April 2019 between Mega Legacy Equity Sdn Bhd, Sunrise Berhad and Mega Legacy (M) Sdn Bhd ("**MLSB**") for the subscription of 500,001 ordinary shares in MLSB by Sunrise Berhad for a total consideration of RM256,060,275.22, consideration of which shall be part payment towards a Sale and Purchase Agreement dated 13 April 2018 between Datuk Bandar Kuala Lumpur and MLSB for the acquisition of 10 parcels of land held under the title of:-
 - (a) HS(D) 119298, PT 26684, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 5.878 acres;
 - (b) HS(D) 119299, PT 26685, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 5.78 acres;
 - (c) HS(D) 119296, PT 26691, Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 8.969 acres;
 - (d) HS(D) 119295, PT 26692, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 6.299 acres;
 - (e) HS(D) 119297, PT 26693, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 11.874 acres;
 - (f) HS(D) 119302, PT 26686, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 4.267 acres;
 - (g) HS(D) 119303, PT 26687, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 5.666 acres;
 - (h) HS(D) 119304, PT 26688, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 7.122 acres;
 - (i) HS(D) 119301, PT 26689, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 10.681 acres; and
 - (j) HS(D) 119300, PT 26690, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 6.196 acres,
(collectively, referred to as "**Lands**")

whereby, MLSB has been granted the development right to develop the Lands under a master developmental plan. Upon the allotment of MLSB's shares to Sunrise Berhad, MLSB shall become a subsidiary of Sunrise Berhad and the Parties are to jointly develop the Lands.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 3, UEM Sunrise Showcase, No. 21, Jalan Kiara, Mont'Kiara, 50480 Kuala Lumpur during normal business hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the 11th AGM:-

- (i) Our constitution;
- (ii) Our audited financial statements for the past 2 financial years ended 31 December 2017 and 2018;
- (iii) Relevant cause papers for the material litigations referred to in Section 2 and 3 above; and
- (iv) Material contracts referred to in Section 4 above.

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