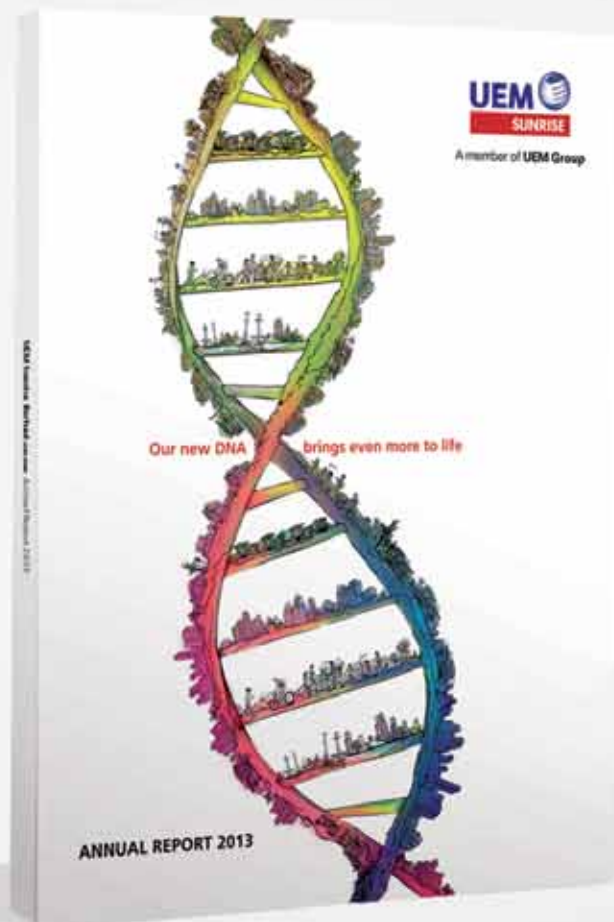


Our new DNA brings even more to life



**“OUR NEW DNA BRINGS
EVEN MORE TO LIFE”**

How better to symbolise the coming together of two reputable companies than by making their bond permanent through the fusion of their DNA. Carrying the genetic instructions used in the development and functioning of all known living organisms, DNA is essential for all known forms of life. In this instance, the joining of the DNA of UEM Land Holdings Berhad and Sunrise Berhad signals the culmination of our respective assets, success, expertise, resources, knowledge and culture to create something even better - UEM Sunrise. Our 2013 Annual Report cover, which portrays how thriving communities are residing within the helix of our DNA, seeks to convey the idea that the inherent ability to build communities is imprinted within the DNA of UEM Sunrise. As we leverage on the synergistic strengths of our respective DNA, now made one, we are truly bringing even more to life.



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Form of Proxy
Corporate Directory



East Ledang, Nusajaya

VISION

Building communities of the future with you and for you.

MISSION

UEM Sunrise brings together the talented and skilled, the imaginative and the courageous. We create sustainable environments loved by home owners, acclaimed by investors and recognised by industry. We believe in thinking big and acting quickly to unlock potential; to thrive in a changing world.

LIVING OUR VALUES

Our core values have stood the test of time. Acronymed as TIPS, these values play a vital part in defining who we are as a diverse group of people with skills, expertise and knowledge that allow us to deliver innovative products and service excellence to our customers.

Teamwork

Cooperative effort by the members of a group or team to achieve a common goal.

Integrity

The state of having steadfast adherence to a strict moral or ethical code.

Passion for Success

A relentless drive to achieve excellence; commitment to meet and exceed targets.

Sincerity of Intent

Something that is intended to be taken into action with consideration of the quality or condition of being sincere.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of the Company 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, 24 April 2014 at 10.00 a.m. for the purpose of transacting the following businesses:-

Agenda

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon.

As Ordinary Business

2. To approve the payment of a first and final single tier dividend of 4.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2013. **Ordinary Resolution 1**
3. To re-elect the following Directors, who retire in accordance with Article 85 of the Company's Articles of Association and, being eligible, have offered themselves for re-election:-
 - i) Dato' Mohd Izzaddin Idris **Ordinary Resolution 2**
 - ii) Sheranjiv Sammanthan **Ordinary Resolution 3**
4. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

"THAT Professor Philip Sutton Cox, who retires in accordance with Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company in accordance with Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of next Annual General Meeting."**Ordinary Resolution 4**

Md Ali Md Dewal who retires in accordance with Section 129(2) of the Companies Act, 1965 has expressed his intention not to seek re-appointment. Hence, he will retain office until the conclusion of the Sixth Annual General Meeting.
5. To approve the payment of Directors' fees for the financial year ending 31 December 2014 on a quarterly basis as follows:
 - i) Directors' fees amounting to RM210,000 per annum for the Non-Executive Chairman and RM108,000 per annum for each Non-Executive Director;
 - ii) Directors' fees amounting to RM50,000 per annum for the Non-Executive Audit Committee Chairman and RM30,000 per annum for each Non-Executive Audit Committee member; and
 - iii) Directors' fees amounting to RM25,000 per annum for the Non-Executive Committee Chairman and RM15,000 per annum for each Non-Executive Committee member of other Committees. **Ordinary Resolution 5**
6. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

As Special Business

To consider and, if thought fit, to pass the following resolutions, with or without modifications:

7. PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company as at the date of this Annual General Meeting (“AGM”) and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

Ordinary
Resolution 7

8. PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the shareholders’ mandate for the Company and/or its subsidiaries (“UEM Sunrise Group”) to enter into recurrent related party transactions of a revenue or trading nature (“Proposed Renewal of Shareholders’ Mandate”), which are necessary for the day-to-day operations of UEM Sunrise Group to be entered into by UEM Sunrise Group provided such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Item 1A and 1B of Appendix I of the Circular to Shareholders of the Company dated 2 April 2014 **AND THAT** such approval conferred by the shareholders’ mandate shall continue to be in force until:

- a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;
- b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/ is (as the case may be) hereby authorised to complete and do all such acts and things (including executing such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders’ Mandate.”

Ordinary
Resolution 8

NOTICE OF ANNUAL GENERAL MEETING

9. PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT** pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the shareholders' mandate for the Company and/or its subsidiaries ("UEM Sunrise Group") to enter into additional recurrent related party transactions of a revenue or trading nature ("Proposed New Shareholders' Mandate"), which are necessary for the day-to-day operations of UEM Sunrise Group to be entered into by UEM Sunrise Group provided such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Item 2A of Appendix I of the Circular to Shareholders of the Company dated 2 April 2014 **AND THAT** such approval conferred by the mandate shall continue to be in force until:

- a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;
- b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/ is (as the case may be) hereby authorised to complete and do all such acts and things (including executing such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) as they may consider expedient or necessary to give effect to the Proposed New Shareholders' Mandate."

**Ordinary
Resolution 9**

10. To transact any other business for which due notice shall have been given.

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Sixth Annual General Meeting, the proposed payment of a first and final single tier dividend of 4.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2013 will be paid to shareholders on 20 June 2014. The entitlement date for the proposed dividend shall be on 30 May 2014.

A depositor shall qualify for the entitlement to the dividend only in respect of:

- a) Shares transferred to the depositors' securities account before 4.00 p.m. on 30 May 2014 in respect of transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Sixth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 58 and 59 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 17 April 2014. Only a depositor whose name appears on the ROD as at 17 April 2014 shall be entitled to attend this Sixth Annual General Meeting or appoint a proxy(ies) to attend, speak and vote on his/her behalf.

By Order of the Board

SHARIFAH SHAFIQA SALIM (LS No. 0008928)
LIEW IRENE (MAICSA 7022609)
Company Secretaries

Kuala Lumpur
2 April 2014

NOTICE OF ANNUAL GENERAL MEETING

A. NOTES:

1. Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.
2. To be valid, the **original** form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time of holding the Meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.
7. A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend, speak and vote at a general meeting who shall represent all the shares held by such member. A member holding more than one thousand (1,000) ordinary shares may appoint up to ten (10) proxies to attend, speak and vote at the same meeting and each proxy appointed, shall represent a minimum of one thousand (1,000) ordinary shares. Where a member appoints one (1) or more proxies to attend, speak and vote at the same meeting, such appointments shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

B. RE-APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

In line with Recommendation 3.1 of the Malaysian Code On Corporate Governance 2012, the Board had conducted an assessment of independence of the Independent Non-Executive Director due for re-appointment, based on the criteria for an independent director as prescribed in Bursa Malaysia Securities Berhad Main Market Listing Requirements and its Practice Note 13, prior to seeking the shareholders' approval at the Sixth Annual General Meeting on the re-appointment.

C. EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 7 on the Proposed Authority To Allot Shares Pursuant To Section 132D of the Companies Act, 1965

1. The proposed resolution is a renewal mandate and if passed, will enable the Directors of the Company to issue up to a maximum of 10% of the issued and paid-up share capital of the Company.
2. As at the date of this Notice, no new shares were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 12 June 2013 and that mandate will lapse at the conclusion of the Sixth Annual General Meeting to be held on 24 April 2014.
3. The renewal of the mandate is for such purposes as the Directors consider would be in the best interest of the Company, such as issuance of new shares as consideration for investments and/or acquisitions or issuance of new shares to raise fund for investment and/or working capital, and to avoid delay and cost in convening a general meeting to seek approval for such issuance of shares.
4. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting.

Ordinary Resolutions 8 and 9 on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

1. For Ordinary Resolutions 8 and 9, further information on the Recurrent Related Party Transactions are set out in the Circular to Shareholders of the Company dated 2 April 2014 which is dispatched together with the Company's Annual Report 2013.
2. The proposed Ordinary Resolutions 8 and 9, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the UEM Sunrise Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

FINANCIAL CALENDAR 2013

8

January

Announcement on the disposal of approximately 43.6 acres in Puteri Harbour, Nusajaya for a cash consideration of RM400.8 million to Liberty Bridge Sdn Bhd.

21

February

Announcement on the :

- Q4 consolidated results for the financial period ended 31 December 2012.
- Headline Key Performance Indicator targets for the financial year end 2013.

16

April

Announcement on the :

- Shareholders' agreement with Iskandar Coast Sdn Bhd ("ICSB"), an 80% subsidiary of Iskandar Investment Berhad in connection with the proposed development of a residential development in Puteri Harbour, Nusajaya.
- Acquisition of two land parcels in Puteri Harbour, Nusajaya by Nusajaya Premier Sdn Bhd measuring approximately 63.0 acres for a cash consideration of RM48.1 million and 22.4 acres for RM17.1 million from ICSB and Bandar Nusajaya Development Sdn Bhd respectively.

22

April

Announcement on the disposal of approximately 12.5 acres in Puteri Harbour, Nusajaya for a cash consideration of RM182.0 million to Southern Marina Development Sdn Bhd.

8

May

Announcement on the :

- Notice of 5th Annual General Meeting ("AGM"); and
- Entitlement (Notice of Book Closure) of First and Final Single Tier Dividend of 3 sen per ordinary share for the financial year ended 31 December 2012.

28

May

Announcement on the Q1 consolidated results for the financial period ended 31 March 2013.

12

June

UEM Land Holdings Berhad held its 5th AGM.

13

June

Announcement on the change of name from UEM Land Holdings Berhad to UEM Sunrise Berhad.

29

August

Announcement on the Q2 consolidated results for the financial period ended 30 June 2013.

25

November

Announcement on the Q3 consolidated results for the financial period ended 30 September 2013.



BRINGING MORE TO LIFE

Our diverse developments are reflections of our inner desire to constantly innovate and change the way we do things. As we work hard to create something different and spectacular all the time, and every time for our many stakeholders, we are bringing more to life.

Puteri Harbour, Nusajaya



CHAIRMAN'S STATEMENT

Dear Shareholders,

It is my privilege and pleasure to present your Company's Annual Report and Financial Statements for the financial year ended 31 December 2013.

UEM SUNRISE IS OUR NEW NAME

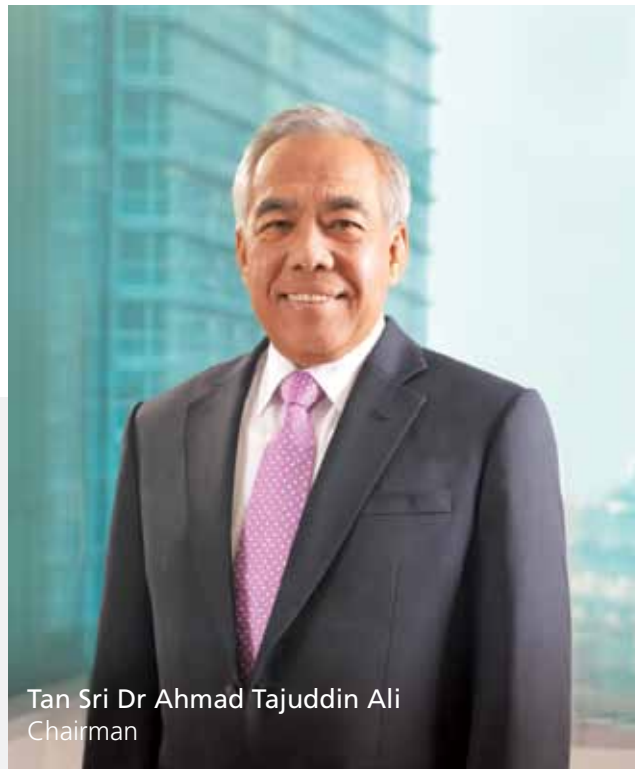
As you are all aware, on 13 June 2013, we have changed our Company name from UEM Land Holdings Berhad ("UEM Land") to UEM Sunrise Berhad ("UEM Sunrise"). The amalgamation of Sunrise Berhad ("Sunrise") into UEM Land continues to pay off as we reap the benefits derived from having a stronger portfolio, enlarged revenue streams, a larger pool of expertise and enhanced economies of scale.

The new name conveys that the respective strengths, resources and expertise of both UEM Land and Sunrise were integrated and assimilated. We stand tall as a premier property developer with a unified vision, mission and corporate culture and we created ourselves a new DNA which make us even better than before. Our unified behaviour reflects our new identity and is instrumental in earning the stakeholders' trust. With this spirit, we will continue to grow and evolve as we progress.

GOOD PROGRESS MADE

2013 was a fruitful year for UEM Sunrise. Despite an unpredictable operating environment and an increasingly competitive playing field, we delivered a robust performance, both financially and operationally. The year saw us making good progress in both Southern and Central Regions as well as for our project called Quintet in Vancouver, Canada as we handed over more than 1,600 completed property units.

We also introduced seven new phases of existing projects in the Southern Region and launched a new residential project in the Central Region called Residensi 22 in Mont'Kiara. Altogether, these new phases and the new project had a total Gross Development Value ("GDV") of RM1.6 billion.



Tan Sri Dr Ahmad Tajuddin Ali
Chairman

I am pleased to report that the next growth phase of Nusajaya, Gerbang Nusajaya, is firming up nicely as our strategic collaborations begin to bear fruit. Primed to introduce the next wave of catalyst developments to Nusajaya, our projects in Gerbang Nusajaya are set to create a population base and employment opportunities, supported by sustainable regional connectivity.

In further extending our regional footprint, we acquired two freehold land parcels in the Central Business District ("CBD") of Melbourne, Australia and your Company aspires to develop projects that are of valuable addition to the Melbourne skyline that will also showcase our ability to deliver quality and unique offerings.

ROBUST PERFORMANCE DELIVERED

For the financial year ended 31 December 2013, UEM Sunrise delivered a robust performance, with sales, revenue and profit after tax and minority interests ("PATAMI") all showing improvements over the preceding year's numbers.



Almas @Puteri Harbour, Nusajaya



Beethoven, Symphony Hills, Cyberjaya

The year saw total property development sales increasing by 47% to RM3.0 billion as compared to the RM2.0 billion recorded in 2012, while revenue increased by 26% to RM2.4 billion.

Our PATAMI too advanced significantly, increasing by 29% to RM579.1 million in 2013. PATAMI growth came primarily on the back of higher land sales in the Southern Region while we also saw a significant increase in profit contributions from the operations of our joint ventures and associates.

In terms of headline Key Performance Indicators ("KPI"), although we fell slightly short of our 2013 revenue growth target, registering a revenue growth of 26% against the target of 30%, we were successful for the remaining two headline KPIs. Our PATAMI growth of 29% exceeded the year's target of 20% whilst our return on equity ("ROE") of 10% was in line with the year's targets.

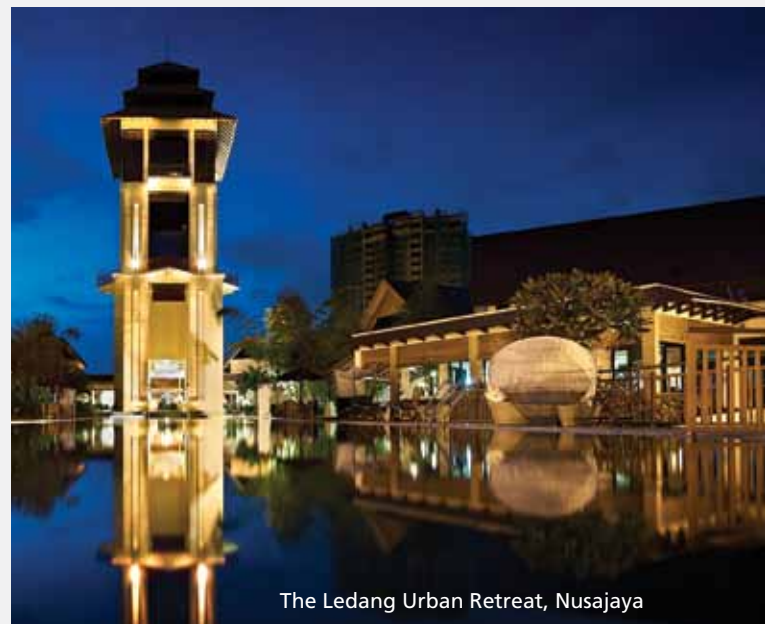
In line with the Group's dividend policy, the Board is pleased to propose a first and final single tier dividend of 4.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2013, translating to a total pay-out of RM181.5 million, or approximately 31% of our 2013 PATAMI.

STRATEGIC DEVELOPMENTS IN 2013

In 2013, we continued to make solid strides forward in the Southern and Central Regions as well as the international front. By the year's end, we had handed over more than 1,600 completed property units in East Ledang, Nusa Idaman, Nusa Bayu, 28 Mont'Kiara, Symphony Hills and Quintet Phase 1 in Vancouver, Canada.

While we did not launch any new projects overseas, we have extended our regional footprint to Australia following the completion of the acquisitions of two prime parcels of freehold land in the Melbourne CBD. The design work is already underway to redevelop these parcels into high-rise premium residential developments with retail components.

With the initial catalyst developments for Nusajaya all in place and Nusajaya having reached its Tipping Point in 2012, we have been focusing our efforts on stepping up the pace of development on the next wave of catalysts, which are centred in Gerbang Nusajaya.



The Ledang Urban Retreat, Nusajaya

CHAIRMAN'S STATEMENT



Port of Puteri Harbour Ferry Terminal, Nusajaya

To date our strategic collaborations are proceeding smoothly and works have now started on the first phase of the Nusajaya Tech Park, the 519-acre eco-friendly integrated technology park being developed in partnership with the Ascendas Group. Earth works on Phase 1, measuring approximately 120 acres, kicked off in late 2013 and is expected to be completed by Q3 2014.

The Motorsports City joint venture between UEM Land Berhad, a wholly owned subsidiary of UEM Sunrise and FASTrack Autosports Pte. Ltd. is also beginning to take shape with the appointment of internationally-renowned Hermann Tilke as the designer for the track.

UPHOLDING RESPONSIBLE CORPORATE PRACTICES

As one of Malaysia's leading property developers and a responsible corporate citizen, UEM Sunrise is ever mindful of implementing responsible corporate practices that impact positively upon all our stakeholders – be they our customers, shareholders, business associates, employees or the communities that we operate in. As such, we continue to implement various corporate responsibility initiatives, the details of which are spelt out in the Corporate Responsibility section of this Annual Report.

Your Board remains committed to upholding and implementing the highest standards of corporate governance and risk management practices.

The smooth and effectual rollout of these practices will help ensure the sustainable growth of our businesses, safeguard our reputation and bolster shareholders' value. The finer details of our measures and practices are spelt out in the relevant sections of this Annual Report.

MOVING FORWARD

As we embrace 2014, we anticipate a challenging year for the Malaysian property sector. On a macro level, global events such as the on-going tapering of the quantitative easing measures by the US Federal Reserve are expected to reduce global liquidity as foreign investors exited, putting pressure on the emerging markets, Malaysia included. The dwindling interest by foreign investors is likely to continue for quite a while and may even extend beyond 2014.

While we achieved robust sales in Nusajaya in H1 2013, the introduction of property cooling measures by the Federal and Johor State Government in H2 2013 has led to the market adopting a wait-and-see attitude. The market demands for properties are expected to only pick up towards H2 2014 and so we will have to be innovative to weather these challenges. The Company will continue to focus on enhancing our project delivery and the quality of our products and services which are the key differentiating factors during these challenging times.

We have put in place the plans for several new project launches to be rolled out throughout 2014 including a mid-market mixed residential development called Serene Heights in Bangi, the eco-living-styled D'Estuari in Nusajaya with its variety of commercial and residential units and the high-rise mixed commercial, residential and retail Almās @Puteri Harbour.

We will also continue to launch new phases of our existing projects such as East Ledang, Nusa Idaman and Nusa Bayu in Nusajaya, whilst in Mont'Kiara, we plan to open Block B of Residensi 22 for sale towards the end of Q1 2014. In Nusajaya, work on the Afiat Healthpark is ongoing while planning is underway for the Nusajaya Natural Heritage Park. The Company will also look at securing more land bank for future development and explore other strategic collaboration opportunities such as the recently announced transaction with Kuala Lumpur Kepong Berhad for the development of 500 acres in Gerbang Nusajaya and 2,500 acres in Kulai. We acknowledge the rising costs of materials and labour as well as the issue of sustaining development profits over the development period and will undertake the necessary measures to address these challenges.



Going forward, UEM Sunrise remains committed to exploring new strategic areas of opportunity that will grow our business and enable us to continue delivering a robust financial performance while creating value for our shareholders.

IN APPRECIATION

On behalf of the Board of Directors of UEM Sunrise, I wish to extend my sincere thanks to our customers, business associates and partners for their steadfast support and belief in the Company and the new UEM Sunrise brand. Our deep appreciation also goes to the Federal Government, the Johor State Government as well as the Iskandar Regional Development Authority for their vision and resolve to create in Johor, especially in Nusajaya, a world-class destination where living, education, entertainment, environment and business seamlessly converge. To the relevant authorities in all the other markets that we operate in – thank you for your cooperation and staunch support.



Ophiria Townhouse at East Ledang, Nusajaya



Emerald Bay at Puteri Harbour, Nusajaya

It is with great sadness that I speak for the Board of Directors on the passing of our former colleague Dato' Wan Abdullah Wan Ibrahim on 26 February 2014 following a short battle with an illness. The Board of Directors acknowledge the steadfast and invaluable contributions from Dato' Wan Abdullah who spent more than five years on the Board of the Company. Dato' Wan Abdullah was also the Managing Director/Chief Executive Officer of the then UEM Land Group of Companies since 1 January 2006 before our listing on Bursa Malaysia in November 2008. He was highly regarded by his staff as a visionary leader and he placed great importance on empowerment to bring out the best in each and every employee. May Allah S.W.T. shower Dato' Wan Abdullah's soul with His blessings and give his loved ones the strength to face this profound loss.

I also wish to convey my utmost gratitude to the entire management team and all employees of UEM Sunrise. While we mourn the loss of a great leader, we must continue to steer the Company forward as that is what Dato' Wan Abdullah would want from all of you. Your sacrifices, dedication, professionalism and commitment to excellence will continue

to take us from strength to strength and to greater heights, to reinforce our position as a premier property developer in the country and beyond.

To my fellow Directors, my heartfelt thanks for your guidance, wise counsel and unwavering support in helping the Company stay on course.

We would not have come this far without the assiduous support from you, our esteemed Shareholders. On behalf of the Board, please accept my deepest gratitude for your trust and confidence in our Company. I ask that you continue to lend us your support as we work to create an even more dynamic UEM Sunrise.

Thank you.

Tan Sri Dr Ahmad Tajuddin Ali
Chairman

Al-Fatihah



ALLAHYARHAM

DATO' WAN ABDULLAH WAN IBRAHIM

It is with deep sorrow that we announce a Board Member as well as Managing Director/Chief Executive Officer of UEM Sunrise, Dato' Wan Abdullah Wan Ibrahim passed away peacefully on 26 February 2014 with his family by his side, following a short battle with an illness. He was 56 years old.

Dato' Wan Abdullah joined UEM Land Group in January 2006 and was part of the team who oversaw the successful listing of the Company (known then as UEM Land Holdings Berhad) on Bursa Malaysia Securities Berhad in 2008. His contributions towards the Company and industry over the years were recognised by the International Real Estate Federation ("FIABCI") Malaysia when he was named the Property CEO 2011. Subsequently, he led the rebranding of UEM Sunrise which became official in June 2013. He received his education from Bolton University, United Kingdom in Business Administration (majoring in Accounting).

While we mourn the loss of a great man, we also reflect on his achievements. Dato' Wan Abdullah was a faithful muslim, a loving husband, a doting father and an inspirational leader. He steered the transformation of the Company into a leading Malaysian and international property player. He left an indelible mark on the development of Nusajaya, Iskandar Malaysia progressing into the largest urban integrated development in Southeast Asia. He was a man of vision, a go-getter and known for his determination. He was a leader who placed great importance on empowerment to bring out the best of his employees. He was a man with many facets, from being tough and assertive to sensitive and emotional yet he always touched the lives of the people who came in contact with him with his positive energy, enthusiasm and zest for life.

The Board of Directors, Management and Employees of UEM Sunrise convey our deepest respects and condolences to Dato' Wan Abdullah's family. May Allah S.W.T. shower Dato' Wan Abdullah's soul with His blessings and give his loved ones the strength to face this profound loss.

EXECUTIVE DIRECTOR'S OPERATIONS REVIEW



Dato' Mohd Izzaddin Idris
Executive Director

Dear Shareholders,

The year under review was another busy and eventful year for your Company. Following your approval at the last Annual General Meeting, we completed our corporate rebranding exercise and are now UEM Sunrise.

While the name change was the culmination of the integration process of the "old" UEM Land and Sunrise, it also marked a new beginning for us as an organisation - with an enhanced brand, vision, mission and values that have been shared and embraced at all levels of the organisation to act as guideposts for us in our journey to continue "Building Communities of the Future With You and for You".

Nusajaya remains the anchor for our future growth after our much anticipated Tipping Point in 2012 which sparked unprecedented levels of investor interest. Our sizable land

bank and relatively low carrying cost puts us in a commanding position to capture a greater share of the market moving forward while our projects in the Central Region, especially those in Mont'Kiara, continue to be well received and provide a good diversity and balance to our income stream.

The year also saw us starting to make further inroads overseas to complement our existing project in Canada and it gives me great pleasure to share with you some key financial and operational highlights for the year in review.

FINANCIAL HIGHLIGHTS

Our financial results for the financial year ended 31 December 2013 was commendable with property development sales hitting a record RM3.0 billion for the year, an increase of 47% over 2012. Projects in Nusajaya made up 62% of total sales, with Teega and East Ledang leading the charge with total combined sales of RM1.4 billion. The remaining 38% came from projects in the Central Region where Arcoris Mont'Kiara and Residensi 22 were especially well received. The strong sales performance boosted our unrecognised revenue to RM3.4 billion as at 31 December 2013 and this will underpin our revenue for the next few years as these projects are completed.

Revenue grew by 26% to RM2.4 billion with property development remaining as our core revenue driver making up 62% of total revenue. Land sales contributed 33% of total revenue, increasing significantly from 14% in 2012 as we locked in two strategic developers for Puteri Harbour. The first, Liberty Bridge Sdn Bhd is the investment vehicle for a consortium of four high profile businessmen who have agreed to jointly develop the entire 43.6-acre Commercial North precinct while the second party, Southern Marina Development Sdn Bhd is a joint venture between the Kuok Brothers Group and Khazanah Nasional Berhad, to develop Parcels TM2 and TM3, with a total land area of 12.5 acres.

This strategy of roping in strategic development partners has been successfully employed since we started developing Puteri Harbour in 2007 as it helped accelerate the overall pace of progress thereby enabling us to focus on our own development.

In addition to development and land sales, revenue from our property investment, project management, assets and facilities management and other activities also showed a marked improvement, growing by 49% to RM111.1 million.



Arcoris Mont'Kiara, Kuala Lumpur

In terms of profitability, our profit after tax and minority interests ("PATAMI") increased by 29% to RM579.1 million primarily on the back of higher land sale revenue and a significant improvement in profit contribution from the operations of our joint venture and associate companies, most notably Horizon Hills, a joint venture development with Gamuda Berhad.

Our balance sheet continues to be healthy with our gearing standing at 0.32 times as at 31 December 2013, a comfortable position for us to continue to expand our development activities as well as explore opportunities to secure new land bank.

In terms of share price performance, 2013 was a volatile year where it rose from RM2.10 at the start of the year to a high of RM3.65 in May. The second half of the year saw a sharp reversal of this trend which is possibly attributable to several key external factors. First was the concerns that surfaced in June on the potential scaling back of stimulus by the US Federal Reserve which led to an exodus of capital from Asian and Emerging Markets. The downgrading of Malaysia's credit rating by Fitch on 30 July took a further toll on equity prices while the Malaysian government's announcement of various property cooling measures under Budget 2014 created yet another dampener for property stocks. By year end, our share price closed at RM2.36. Notwithstanding this, the fundamentals of the Company remain strong and we remain steadfast in our ambition to continue to grow the Company and enhance shareholder value.

OPERATIONAL HIGHLIGHTS

NUSAJAYA'S INITIAL CATALYSTS

The development momentum that was created by Nusajaya achieving the targeted Tipping Point in 2012 continued to grow during the year.

In Puteri Harbour, the Traders Hotel and the Port of Puteri Harbour Ferry Terminal commenced operations to complement the Puteri Harbour Family Theme Park which opened its doors in 2012.

The "Garden Mosque" at Kota Iskandar, which will be able to accommodate 5,970 "jemaah" is at an advanced stage of construction and targeted for completion in Q1 2014.

The Southern Industrial and Logistics Clusters ("SiLC") now houses 42 factories with a further 217 units currently under construction. Upon completion, it is estimated that the entire SiLC will provide employment opportunities for 48,000 people.

Bio-XCell is Malaysia's first biotechnology park and ecosystem developed under our joint venture with Malaysian Biotechnology Corporation Sdn Bhd. It achieved its milestone in December 2013 with the completion of the RM16.7 million Ready Built Manufacturing Units or "Standard Shells" that signed up three tenants before its completion.

EXECUTIVE DIRECTOR'S OPERATIONS REVIEW



Kota Iskandar "Garden Mosque", Nusajaya

These units are part of the larger RM51 million Bio-XCell Sentral where other offerings are available such as a science building comprising lab facilities and a business building that offers business facilities which includes office space, virtual office, meeting rooms, board room, auditorium, F&B and retail outlets. The Park which is expected to be launched in mid 2014 has products and services specially tailored for tenants and clients as well as the wider community in the Iskandar Malaysia Region.

In Afiat Healthpark, works have commenced on the DB Wellness Centre, a mixed development that will offer space for clinics, a day care centre, commercial units and a 170-room hotel to complement the existing Columbia Asia hospital which has been in operation since July 2010.

In addition, catalytic developments spearheaded by our development partners in Nusajaya also recorded significant progress in 2013 - the highlights being the opening of the LEGOLAND® Water Park and LEGOLAND® Hotel as well as the University of Southampton Malaysia campus at EduCity.

GERBANG NUSAJAYA

The 4,551-acre Gerbang Nusajaya is set to spearhead the second wave of development and works are progressing well for the two strategic collaborations which we signed and announced in late 2012.

The Nusajaya Tech Park, a 519-acre integrated eco-friendly tech park developed under our joint venture with the Ascendas Group is rapidly taking shape. Earthworks for Phase 1, which covers 120 acres, have commenced in late 2013 and is expected to be completed by Q2 2014.

Planning works have also commenced on the Motorsports City, our joint venture project with FASTrack Autosports Pte Ltd, following the appointment of world renowned racing circuit designer, Hermann Tilke to conceive the "FASTrack Iskandar" circuit whilst leading architect firm, RSP Architects has been appointed as the architect and town planner for the project.



Noble Park at East Ledang, Nusajaya



SOUTHERN REGION

East Ledang is a 365-acre, garden themed luxury residential development with a total GDV of RM3.3 billion. Equipped with the state-of-the-art East Ledang Security Intelligence System, the project continues to capture the interest of local and foreign homebuyers. For 2013, East Ledang recorded sales of RM446.6 million.

Nusa Idaman is a mid-market residential development spanning 251 acres with a total GDV of RM1.3 billion. In 2013, a total of 379 homes within Nusa Idaman were handed over while total sales recorded for the year was RM230.3 million.

Nusa Bayu is a mixed development offering housing and commercial properties for young families and first time home buyers. Located on a 258-acre foot print, the project has a total GDV of RM963.7 million. In 2013, Nusa Bayu achieved total sales of RM230.0 million.

In line with our commitment towards providing home ownership opportunities for all Malaysians, we have also pledged to build 10,000 units of quality affordable housing in Gerbang Nusajaya. The development will also include amenities and communal facilities for the residents such as a mosque, integrated primary and secondary schools, multi-purpose hall, religious school and a neighbourhood community centre. As agreed by the State Government, the project will be executed in phases subject to demand.

This demand-led and flexible supply approach will ensure that the affordable housing units will be built and thus costs committed only when there is a market-generated demand for the units. Phase 1A of this initiative which will cover 1,380 affordable housing units is targeted to be launched sometime in mid 2014.

PROPERTY DEVELOPMENT

On the property development front, the year saw us handing over 1,600 completed property units to our buyers, not only in the Central and Southern Regions of Malaysia but also for buyers in the first phase of Quintet, our project in Canada. We also launched a new residential project, Residensi 22 in Mont'Kiara and introduced seven new phases in our existing landed residential projects such as East Ledang, Nusa Idaman and Nusa Bayu. Altogether, we launched RM1.6 billion worth of properties in 2013.

Teega @Puteri Harbour is situated on a 10.08 acre freehold land with views to Puteri Harbour's Public and Private Marinas. The project has three 35-storey towers and a total GDV of RM1.1 billion comprising four components - Teega Residences (condominiums), Teega Suites (service apartments), Teega Cabana office units and Teega retail outlets. In 2013, Teega was the most successful project in our portfolio with total sales of RM921.9 million.



EXECUTIVE DIRECTOR'S OPERATIONS REVIEW



Imperia @Puteri Harbour is our first waterfront high-rise development in Puteri Harbour. Located on a 3.3-acre site, this mixed development with a total GDV of RM448.6 million comprises a 35-storey residential tower and a 16-storey office tower with retail lots. All the units under this project have been sold.

CENTRAL REGION

Symphony Hills in Cyberjaya is a high-end neighbourhood located on a 98-acre footprint with a total GDV of RM1.6 billion. Symphony Hills comprises a total of 2,253 units of landed and high-rise strata residential and several commercial components. For 2013, total sales recorded for Symphony Hills was RM215.8 million.

28 Mont'Kiara consists of 460 opulent units with sizes ranging from 2,535 sq ft to 3,000 sq ft, while penthouses range up to 6,465 sq ft, standing tall in 40-storey twin towers. With a GDV of RM1 billion, the project offers a wide expanse of recreational space the size of two football fields covering 70% of the development's 4.87 acres footprint. The project has been completed and in 2013, 453 units of 28 Mont'Kiara were handed over to our purchasers.

Arcoris Mont'Kiara is a mixed-use development designed by the internationally renowned architectural practice of Foster+Partners. Located on a 6-acre footprint, the development integrates five components - luxury service residences; business suites; SoHo; hotel & boutique and retail units. The overall development has a GDV of RM942 million and total sales for Arcoris was RM469.6 million in 2013.

Residensi 22 is our latest high rise project in Mont'Kiara. Located on 5.43 acres, it comprises two towers with a total estimated GDV of RM941.2 million. In late 2013, we launched Block A consisting of 264 units of condominiums and achieved sales of RM355.4 million representing 69% sold.

Summer Suites & Summer VOS is strategically located on a parcel of land measuring 1.65 acres at Jalan Sultan Ismail, Kuala Lumpur. This development comprises two towers with a total of over 800 office suites plus retail units with a total GDV of RM431.4 million. For 2013, total sales recorded for the project was RM58.0 million, bringing the cumulative take up rate to 88%.

INTERNATIONAL

Quintet, our development in Vancouver, Canada is a mixed residential and commercial development situated on a 4.8-acre footprint. It consists of five tower blocks and townhouses ranging from 500 sq ft in size for one-bedroom units to 1,500 sq ft penthouses and townhouses with a total GDV of almost RM1 billion. In 2013, some 271 units in Phase 1 of Quintet were handed over to our purchasers.





Schubert at Symphony Hills, Cyberjaya

EXPANDING OUR PRESENCE

While our land bank in Nusajaya remains sizable and will continue to act as the cornerstone for our earnings for the foreseeable future, the Company would not be able to grow at the pace that we desire if we simply rely on Nusajaya alone. We are also mindful of the need to diversify away from Nusajaya and wary of the potential oversupply situation in the area.

In light of this, we have been actively exploring opportunities to expand our geographical footprint and to build a presence in new markets, be it domestically or internationally.

On the local front, we have had some success as evidenced by our collaboration with subsidiaries of Desaru Development Corporation Sdn Bhd to develop a high-end resort residential development measuring approximately 678 acres surrounding two golf courses in Desaru announced in June 2012 as well as the re-acquisition of land parcels adjacent to Puteri Harbour from Tanjung Bidara Ventures Sdn Bhd and Iskandar Coast Sdn Bhd. These were announced in April 2012 and April 2013 respectively.

I am pleased to report that, in 2013, we have also started taking some “baby steps” towards expanding our footprint internationally. Last October, we completed the acquisition of two land parcels in the Melbourne CBD with a total land size of 1.3 acres. Our intention is to redevelop these two sites into premium residential developments with retail components. To

this end, we have appointed prominent architectural firms COX Architecture and Elenberg Fraser to design the developments on Mackenzie Street and LaTrobe Street respectively. Both are Australian based award-winning master-class firms with international presence and track record of achievements providing us the foundation to create new landmarks in the Melbourne skyline at both locations.

While we continue to look out for more expansion opportunities, rest assured that we will not be rushing headlong into such new acquisitions, particularly where international markets are concerned. Your Board is ever mindful of the inherent risks in expanding and will carefully scrutinise the merits and investment case for each potential investment before any decision.



Serene Heights, Bangi

EXECUTIVE DIRECTOR'S OPERATIONS REVIEW



Power of One Conference

It is also worth highlighting that on 7 February 2014, we entered into several agreements with the Kuala Lumpur Kepong Berhad group of companies to jointly develop each other's land parcels - 500 acres in Gerbang Nusajaya and 2,500 acres in Kulai, Johor. This is certainly an exciting development, not least because it provides us with a new template of pursuing our expansion plans where we leverage on the value of our existing lands in Nusajaya to open up new opportunities elsewhere.

THE POWER OF ONE

While the Company received numerous accolades and recognition in 2013, one award stood out in my mind. Our rebranding initiative have won our Company, The Holmes Report's 2013 Asia Pacific Gold SABRE Award for Employee Communications, which was awarded in Shanghai on 18 September 2013. The Company's "Unleashing the Power of One" programme was developed to prepare all employees for the brand transition from UEM Land to UEM Sunrise. It was carried out via a series of activities with the primary purpose of communicating throughout all levels of employees and to create awareness and understanding of the need to work as a single entity, with a culture built upon our shared values of Teamwork, Integrity, Passion for Success and Sincerity of Intent ("TIPS"). This accolade would not have been possible without the active participation and support from all employees for the rebranding programme and activities and reflects the commitment of the team that we have here towards the continued growth of our Company.

That said, our journey is far from over and we have embarked on a new challenge to embrace our own "Service DNA" to establish and evolve the Company into a Customer Centric Organisation with the purpose of developing loyal followers, repeat buyers and advocates of our products. Our Strategic Service Intent – "PRInSip" – an acronym for Personalised, Reliable, Innovative and Simple was introduced and trainings were conducted for 83% of the employees in 2013 while the remaining will be trained by Q2 2014. We now need to internalise this better, create a more effective customer focused culture within the organisation to improve our customer service and customer experience at all contact points.



Power of One, Team Meeting

MOVING FORWARD

Industry experts foresee that 2014 will be a challenging year for the domestic property market in view of the cooling measures announced in Budget 2014 and the Johor State Government's policy vis-à-vis property sales to foreign buyers. In addition, we have and will continue to face fierce competition in all the markets as there could be an oversupply of properties.

However, I believe that the market's negative sentiments will only be temporary and demand will soon recover, especially from home upgraders and local property buyers for our mid-market products and affordable homes.

The upcoming launches of our new projects such as the affordable homes in Gerbang Nusajaya and mid-market residential development of Serene Heights in Bangi are expected to ignite buyers' interest. We will also continue to launch upmarket homes starting with Phase 1 of D'Estuari, an eco-living styled development which would focus on creating community clusters, distinctive landscaping features with plenty of open spaces and linear parks.

In order to deliver the above and fend off competition, we need to ensure that we are quick at executing our projects. In Nusajaya, our sizable land bank and presence gives us the upper hand when embarking on new projects but we have to constantly be on our toes and innovate in order to maintain our lead. The challenge for the Company is not just to sustain the success that UEM Sunrise has achieved to date, but rather to ensure that the Company continues to grow from strength to strength in 2014 and beyond.

ACKNOWLEDGEMENTS

On behalf of the Management and staff of UEM Sunrise, I would like to extend our thanks to all our stakeholders – shareholders, customers, investors, government agencies, local authorities, business partners and friends for your unwavering support and confidence in us throughout 2013.

My sincere thanks goes to our esteemed Board Members for their guidance and insights which have helped us stay the course and given us the impetus to capitalise on the many opportunities before us. To all UEM Sunrise employees, I would like to convey my heartfelt gratitude for your loyalty, sacrifices and commitment to excellence which have helped us become the organisation that we are today. We could not have done this without the contribution from each and every one of you.



Townhall Meeting, Kuala Lumpur

As we venture forth, UEM Sunrise pledges to continue bringing together the talented, skilled, imaginative and courageous, to create sustainable environments that are loved by homeowners, acclaimed by investors and recognised by the industry. Guided by our shared values of TIPS and astute business acumen, we have every confidence of adapting and succeeding in our fast changing industry landscape.

We trust all the stakeholders will continue to lend us their firm support as we move forward to fulfil our ambition of becoming a truly regional property developer.

Thank you.

Dato' Mohd Izzaddin Idris
Executive Director

2014 OUTLOOK

The global economy today is expected to recover on account of the recovery in the advanced economies such as the United States ("US"), Euro Area, Japan, United Kingdom and Canada as indicated by the International Monetary Fund ("IMF") in its updated world economic outlook dated 21 January 2014. IMF forecasted a global growth of 3.7% this year compared to 3.0% estimated in 2013. While the US is expected to register growth due to improved domestic demand, tighter projected fiscal stance in 2015 is likely to impact growth. The Euro Area is also on the road to recovery with IMF's projection of 1% in 2014 but recovery is expected to be uneven. High debt will hold back domestic demand but exports will contribute to growth.

Growth in the emerging economies and developing economies is expected to increase to 5.1% in 2014 with many starting to benefit from stronger external demand from advanced economies and China. But there are risks of potential capital outflow reversals especially since the US announced its quantitative easing program in May 2013 followed by more tapering in January 2014. This is most likely to affect economies with domestic weaknesses especially those with high current account deficits. IMF believes however that growth in the ASEAN region will be supported by strong domestic demand whilst forecasting an overall Gross Domestic Product ("GDP") growth of 5.1% for 2014.

Moving into 2014, the Malaysian economy is expected to expand albeit at a slow and steady pace. Bank Negara reported that the Malaysian economy grew by 4.7% in 2013 which was mainly supported by private sector demand and exports. With the commencement of the fiscal consolidation exercise as well as the support from the Economic Transformation Program to boost the Malaysian economy, a GDP growth of 5.0% - 5.5% is expected to be achieved in 2014. This growth is expected to be driven mainly by private consumption and improved exports market.

The year 2014 is also expected to see a rise in inflation rate as consumer prices and the cost of living in Malaysia starts to increase subsequent to the fiscal consolidation exercise through subsidy rationalization for petrol and diesel, full removal of sugar subsidy, increase in electricity tariff starting January 2014, implementation of minimum wage and the impending introduction of the goods and services tax in April 2015. The headline inflation rate, as measured by the annual change in the Consumer Price Index increased to 3.0% in Q4 2013 from 2.2% recorded in Q3 2013. The inflation rate for 2014 is expected to trend upwards but will be averaging



at 3.2%. Bank Negara's overnight policy rate is expected to remain accommodative to growth with a possible rate hike to 3.25% expected in the second half of the year to balance the inflationary pressures.

Following the Budget 2014 announcements in October 2013 and further announcements by the Johor State Government in Q4 2013 on property cooling measures, the general consensus is that the property market for 2014 is likely to be challenging and subdued. The upward trend of the property prices has prompted the Government to take charge as locals, in particular the middle income and low income earners are finding it more difficult to own a home especially in major towns and cities.

The rise in construction and labour cost is also seen as a challenge further impacting the property market. However, despite the negative impact of these measures and rising cost, which may inadvertently slow down the supply growth in the short term, pent up demand could strengthen appreciation of property prices and slowly correct the property market in the long run.

In conclusion, the property market is expected to remain soft and will only gain momentum towards the end of H1 2014 where property prices are expected to moderate creating demand from property buyers who have been adopting a 'wait and see' attitude post Budget 2014 announcement. At the same time, many developers are also focusing on developing mid-market residential and affordable homes due to strong interest from such relevant groups.

Source:

1. National House Buyers Associations
2. Bank Negara Malaysia
3. RHB research – 2014 Global Market Outlook
4. CIMB research – Policy overhang out of the way
5. www.imf.org

CORPORATE PROFILE

UEM Sunrise Berhad (“UEM Sunrise” or “the Company”), formerly known as UEM Land Holdings Berhad, is a public company listed on the Main Market of Bursa Malaysia Securities Berhad. UEM Sunrise is the flagship company for real estate investment and property development businesses of UEM Group Berhad (“UEM Group”) and Khazanah Nasional Berhad (“Khazanah”), an investment holding company of the Malaysian Government. UEM Group is a wholly-owned subsidiary of Khazanah.

UEM Sunrise has core competencies in macro township development, high-rise residential, commercial, retail and integrated developments, as well as property management and project & construction services.

The Company, the master developer of Nusajaya is currently undertaking the development of Nusajaya, one of the five flagship zones of Iskandar Malaysia, Johor into Southeast Asia’s newest regional city. Upon completion, it will be the largest fully integrated urban development in Southeast Asia that will provide significant investment, financial and business opportunities to economic growth and development in the Johor region.

Embracing innovation and technology, Nusajaya will be a role model of an economically, socially and environmentally sustainable city for South East Asia. With its modern infrastructure and cutting edge architectural masterplan, the expected local and foreign investment inflows into Nusajaya will propel economic growth and transform south Johor into an exciting centre of economic development.

Nusajaya spans a total of 23,875 acres, with approximately 7,600 acres currently owned by UEM Sunrise and at various stages of development. Nusajaya comprises a range of catalytic developments including Kota Iskandar, the Johor State new administrative centre which houses State and Federal Government offices; the luxurious award winning Puteri Harbour integrated waterfront development; the ‘green’ and ‘clean’ fully managed Southern Industrial and Logistics Clusters (“SiLC”); Afiat Healthpark, a comprehensive medical park offering modern, traditional, complementary medicine and wellness; and Gerbang Nusajaya, a 4,551-acre development comprising mixed, commercial projects with activity malls, campus offices, trade centres and residential developments.

Together with a mix of residential and commercial properties, hotels, resorts and many other amenities, Nusajaya will emerge as a vibrant and dynamic destination offering holistic and integrated lifestyle, with immense potential growth for investors.



Clubhouse of Symphony Hills, Cyberjaya

In the Central Region, UEM Sunrise is renowned for its award-winning, up-market high rise residential projects as well as commercial developments largely in the Mont’Kiara enclave, including 11 Mont’Kiara, 28 Mont’Kiara, Arcoris Mont’Kiara and Residensi 22. It is also responsible for introducing the concept of creative retail in Solaris Dutamas known as Publika.

UEM Sunrise is also the owner of 98 acres of freehold site adjacent to the Central Business District of Cyberjaya where Symphony Hills, an exclusive residential development and the Country’s first Connected Intelligent Community (“CIC”) resides, offering smart-home features and community connectivity through high-speed broadband.

UEM Sunrise’s presence extends internationally into Singapore via Marina One and DUO mixed-use developments as well as Melbourne, Australia. Outside of Asia Pacific, it has expanded into Vancouver, Canada through Quintet mixed-use development, and retains a land bank in Durban, South Africa.

The Company has ready access to a large pool of talents, considerable depth and breadth of skills, knowledge and expertise across the property chain. As a Group, the Company has the advantages of economies of scale, operational efficiencies and extensive resources, enabling UEM Sunrise to deliver better value for all its developments. The Company is thus well positioned to seek and secure new development opportunities and accelerate its business expansion to enhance its overall performance.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dr Ahmad Tajuddin Ali
Chairman/Non-Independent
Non-Executive Director

Dato' Mohd Izzaddin Idris
Executive Director

Md Ali Md Dewal
Senior Independent
Non-Executive Director

Oh Kim Sun
Independent
Non-Executive Director

Sheranjiv Sammanthan
Non-Independent
Non-Executive Director

Professor Philip Sutton Cox
Independent
Non-Executive Director

Lim Tian Huat
Independent
Non-Executive Director

Dato' Srikandan Kanagainthiram
Independent
Non-Executive Director

YM Ungku Suseelawati Ungku Omar
Independent
Non-Executive Director

AUDIT COMMITTEE

Lim Tian Huat
Chairman

Oh Kim Sun
Member

Md Ali Md Dewal
Member

Dato' Srikandan Kanagainthiram
Member

NOMINATIONS & REMUNERATION COMMITTEE

Md Ali Md Dewal
Chairman

Oh Kim Sun
Member

Sheranjiv Sammanthan
Member

YM Ungku Suseelawati Ungku Omar
Member

BOARD TENDER COMMITTEE

Dato' Srikandan Kanagainthiram
Chairman

Dato' Mohd Izzaddin Idris
Member

Lim Tian Huat
Member

ESOS COMMITTEE

Tan Sri Dr Ahmad Tajuddin Ali
Chairman

Dato' Mohd Izzaddin Idris
Member

Professor Philip Sutton Cox
Member

YM Ungku Suseelawati Ungku Omar
Member

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Fax: 03-2727 2211

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad

STOCK EXCHANGE

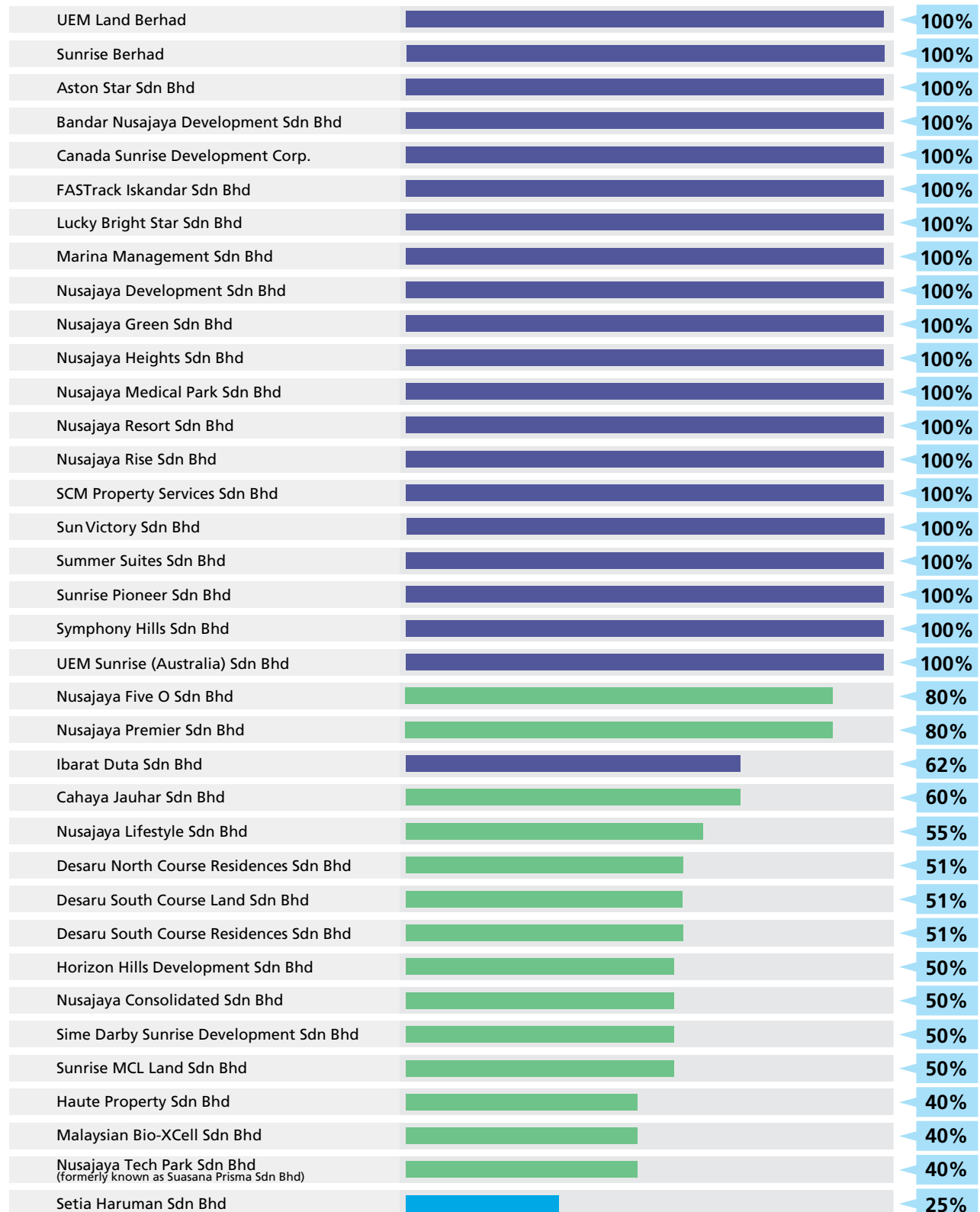
Main Market of Bursa Malaysia
Securities Berhad
Stock Name : UEMS
Stock Code : 5148

GROUP CORPORATE STRUCTURE

AS AT 28 FEBRUARY 2014

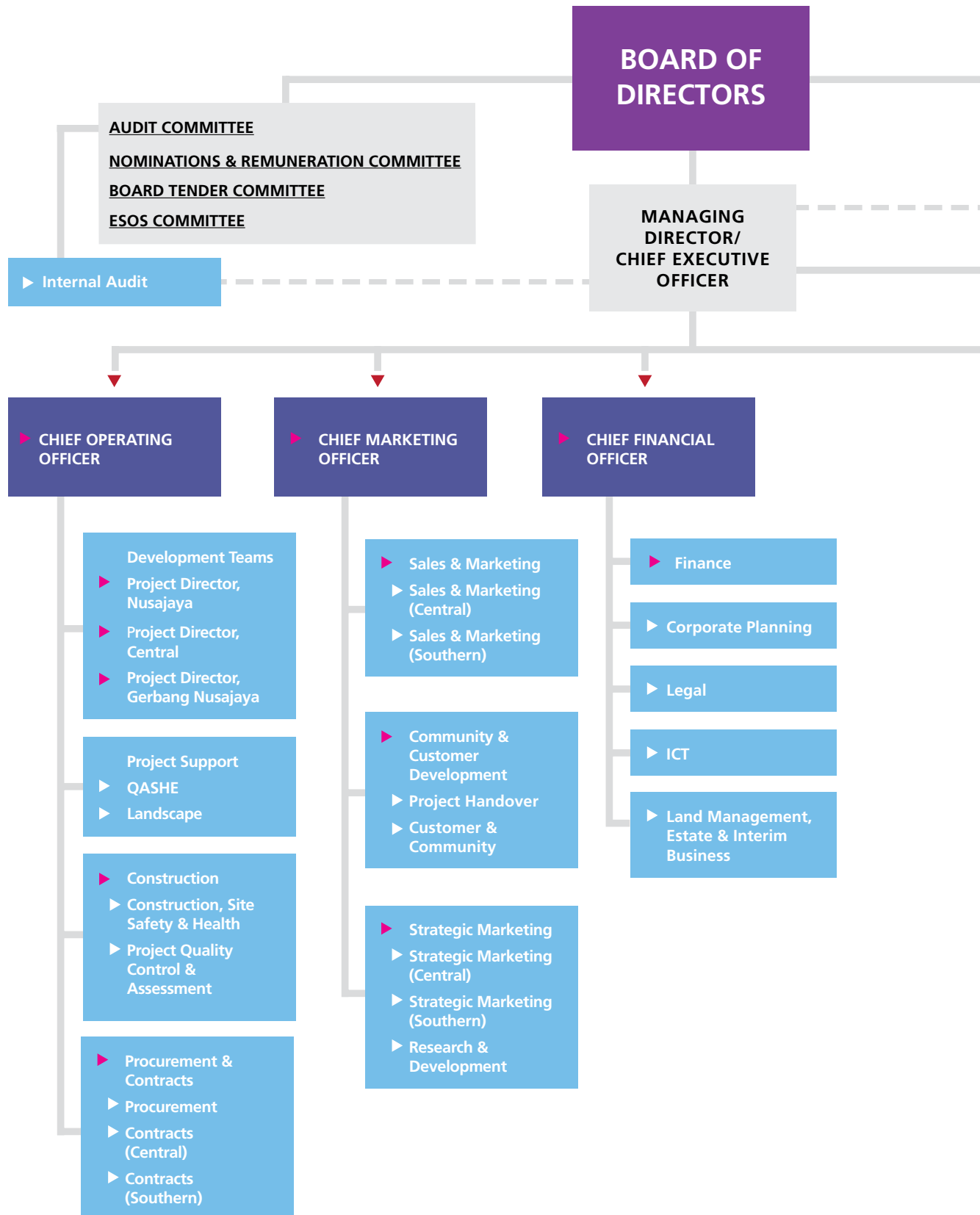


A member of UEM Group



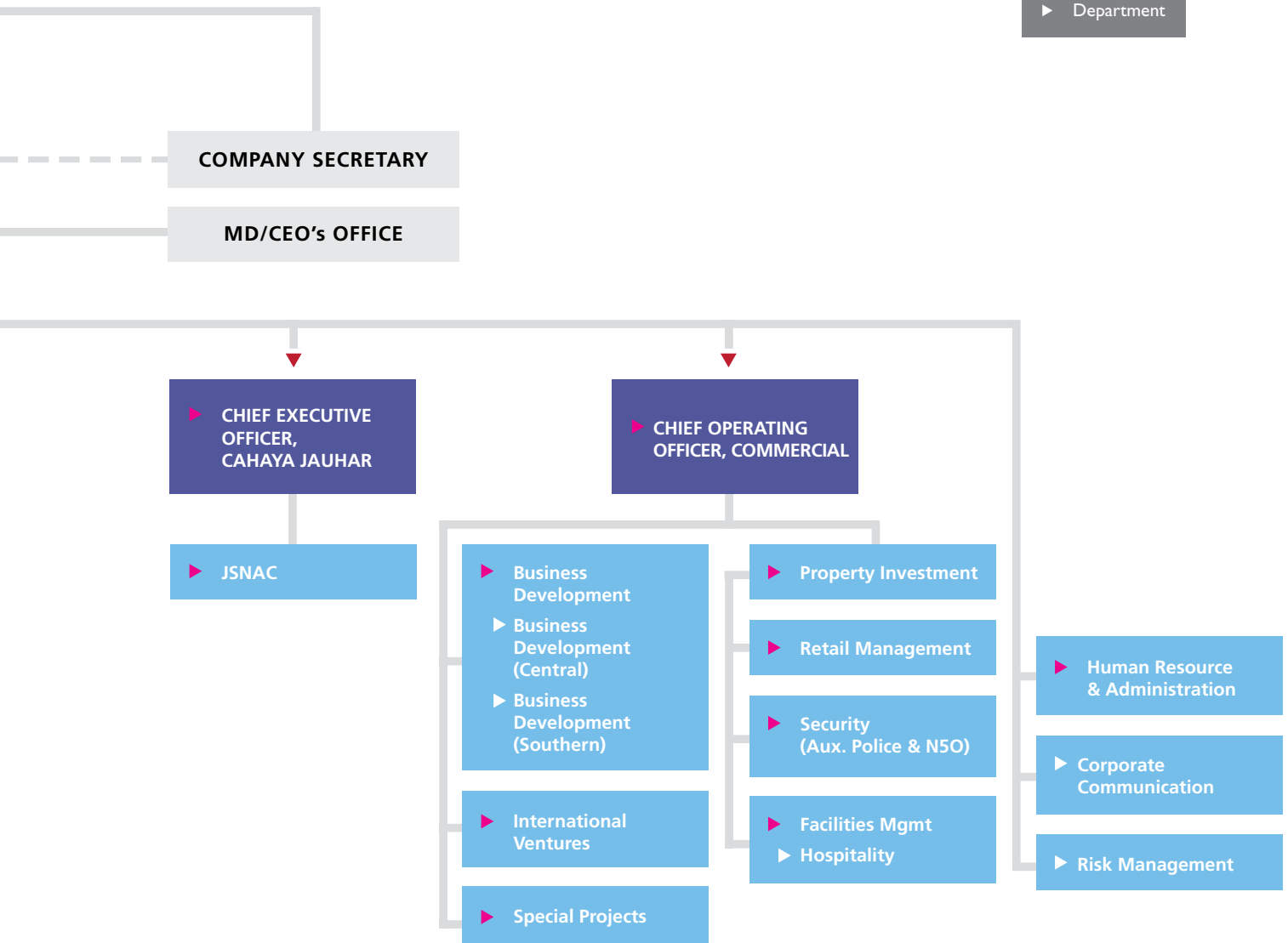
Legend: ■ Subsidiaries ■ Joint Ventures ■ Associate company

ORGANISATION STRUCTURE



LEGEND:

- ▶ Division
- ▶ Department



EVENT HIGHLIGHTS 2013

CORPORATE EVENTS



5 January

Johor Malay Cultural Village Groundbreaking Ceremony

Johor Malay Cultural Village Groundbreaking Ceremony was successfully held at Danga Bay, Johor Bahru. The Johor Malay Cultural Village will be another new development project by Cahaya Jauhar Sdn Bhd (“CJSB”), a subsidiary of the Johor State Government together with UEM Land Holdings Berhad (“UEM Land”). Besides being a new tourist attraction for Johor Bahru, the development will serve as a reference centre for Johor Malay culture and heritage for the locals and outsiders.

22 January

UEM Land Previews Verdi Eco-dominiums to Members of the Media

UEM Land previewed the newest phase of its high-rise condominium to members of the media in Cyberjaya. The development, known as Verdi Eco-dominiums is an eco-friendly high-rise component of the overall 98-acre Symphony Hills development. Six acres of the development footprint will be reserved for landscaping for the enjoyment of its residents.



6 February

UEM Land Garner Three Awards at the Malaysia Landscape Architecture Awards & ILAM Gala Night 2013

UEM Land and its subsidiary CJSB were awarded the Malaysia Landscape Architecture Awards (“MLAA”) by the Institute of Landscape Architects Malaysia (“ILAM”) during the MLAA-ILAM Gala Night 2013 held at Royale Chulan Kuala Lumpur. MLAA is a special event organised to recognise developer and landscape consulting firms for projects which have been completed in Malaysia and abroad. These awards honour the best landscape architectures from various industries.

26 April

UEM Land Partners with TM to Provide Internet Connected Homes in Nusajaya

UEM Land partnered with Telekom Malaysia Berhad (“TM”) to provide TM’s high speed broadband (“HSBB”) service – UniFi – to more than 4,000 residences it developed in Nusajaya. The signing of the agreement paved the way towards realising the aspiration of a Nusajaya Smart City. TM will play an integral role in establishing the eco-system to elevate Nusajaya into becoming Malaysia’s model of a modern digital city.





8 May

Port of Puteri Harbour Ferry Terminal Commenced Operations

UEM Land commenced the operations of its Port of Puteri Harbour Ferry Terminal ("PPHFT") and received its first batch of arrivals from Indonesia's Harbour Bay Batam and Tanjung Balai, Karimun. Standing two storeys high, the PPHFT features a T-shaped jetty, able to accommodate four ferries to berth at one time. Facilities available include arrival hall, office spaces, shop lots and ticketing counters. It also houses the Custom, Immigration, Quarantine and Port Clearance point for incoming tourists.

10 May

UEM Land's Latest Developments Recognised at Asia Pacific Property Awards 2013-2014

Several new developments of UEM Land won National and Asia Pacific Award categories of the Asia Pacific Property Awards 2013-2014. The awards presentation ceremony, headed by the judging panel, Lord Michael Bates was held at the Shangri-La Hotel, Kuala Lumpur. Among the developments were Verdi Eco-dominiums, Mall of Medini and a JV development, Radia in Bukit Jelutong.



12 June

Fifth Annual General Meeting of UEM Land Holdings Berhad

UEM Land held its Fifth Annual General Meeting at Persada PLUS, Petaling Jaya. It was attended by close to 1,500 registered shareholders and proxy members. The meeting was chaired by UEM Land's Chairman, Tan Sri Dr. Ahmad Tajuddin Ali and concluded with all the 12 resolutions unanimously passed by the shareholders.

14 June

UEM Land is now UEM Sunrise

UEM Land held a media briefing where Managing Director/Chief Executive Officer, Dato' Wan Abdullah Wan Ibrahim unveiled its new brand identity. The Company is now known as UEM Sunrise Berhad ("UEM Sunrise"). The new name reflects a united entity driven by the singular vision – Building Communities of The Future With You and for You.



CORPORATE EVENTS

15 June

Staff Embrace UEM Sunrise as New Company Identity

UEM Sunrise, organised a get-together with its approximately 1,300 staff in conjunction with the official launch of its new brand identity at The Zon, Johor Bahru. The evening marked another significant milestone in the history of the Company.



19 July

UEM Sunrise Shares Progress of Multi Award-Winning Arcoris Mont'Kiara Development

UEM Sunrise organised a session with members of the media to share the progress of its multi award-winning luxury development, Arcoris Mont'Kiara at the UEM Sunrise Showcase. The company was represented by Chief Marketing Officer, Siti Mariam Mohd Desa and Chief Operating Officer, Commercial, Raymond Cheah. Both representatives also unveiled the interior of the two-bedroom unit service residences, one of the five components of the overall development designed by the award winning London-based architectural practice, Foster+Partners.

19, 24 & 27 August

UEM Sunrise Fetes its Stakeholders at Hari Raya Aidilfitri Open Houses

UEM Sunrise held an Open House on 19 August at Mercu UEM in Kuala Lumpur to celebrate Hari Raya with its corporate stakeholders in Central Region whilst on 27 August, another session was held at The Ledang Urban Retreat in Nusajaya specially for the southern stakeholders. Meanwhile on 24 August, a session was organised in celebrating the festivity with its loyal customers in Sime Darby Convention Centre in Kuala Lumpur. All the three events were attended by more than 1,000 guests.



2 September

UEM Sunrise Remains The Edge Billion Ringgit Club Member for the Fourth Consecutive Year

UEM Sunrise remains The Edge Billion Ringgit Club Members ("The Edge BRC") for the fourth consecutive year since the programme was first installed in 2010. The Edge BRC has firmly established itself as Corporate Malaysia's most prestigious grouping where a select group of companies distinguished for their continuous pursuit of growth opportunities while ensuring a right balance between profits and best business practices. To qualify for the BRC, a minimum market capitalisation of RM1 billion was required.

10 September

Sime Darby Sunrise Development Unveils RM1.6 Billion Integrated Development in Bukit Jelutong

UEM Sunrise in a 50:50 partnership with Sime Darby Property Berhad ("Sime Darby Property") unveiled Radia, an integrated development, with a GDV of RM1.6 billion located at the heart of Bukit Jelutong in Shah Alam. Dato' Wan Abdullah Wan Ibrahim, Managing Director/Chief Executive Officer of UEM Sunrise and Dato' Abd Wahab Maskan, Group Chief Operating Officer of Sime Darby Berhad and Managing Director of Sime Darby Property were present at the unveiling ceremony.



19 September

UEM Sunrise Engages with Singapore Media

UEM Sunrise conducted a briefing for members of Singapore media at the UEM Sunrise Property Gallery in Singapore. It was organised for the Company to share the progress of UEM Sunrise's current and future developments in Nusajaya, particularly those popular amongst Singaporeans. The attendees were representatives from Straits Times, The Edge, Channel News Asia, Lianhe Zao Bao, Business Times and Bloomberg. The media briefing ended with a media luncheon between UEM Sunrise's senior leadership team and Singapore media editors at the Royal Plaza on Scotts Singapore Hotel.



SABRE
AWARDS

18 September

UEM Sunrise Bags The Holmes Report's 2013 Asia Pacific Gold SABRE Award for 'Employee Communications – Unleashing the Power of One' Programme in Shanghai, China

UEM Sunrise won the prestigious The Holmes Report's 2013 Asia Pacific Gold SABRE Award for Employee Communications, which was awarded in Shanghai. UEM Sunrise's "Unleashing the Power of One" programme was developed in partnership with Ogilvy Public Relations Singapore, with the purpose of communicating through all employee levels, the company's enhanced brand, vision, mission, values and the journey to be taken to achieve the business ambitions.



26 September

UEM Sunrise Updates Progress of its Property Portfolios in the Central Region to Members of the Media

UEM Sunrise conducted a familiarisation tour of its property portfolios in the Central Region for members of the media. The tour was organised as part of the Company's efforts to share first-hand information and progress of UEM Sunrise's current and future developments in the Central Region. Amongst the attendees were representatives from New Straits Times, The Star, The Sun, Utusan Malaysia, The Edge, China Press, Sin Chew Daily, Kosmo!, Focus Malaysia, TV3, Astro Awani and BERNAMA.

CORPORATE EVENTS

8 October

UEM Sunrise Acquires Two Prime CBD Land Parcels in Melbourne

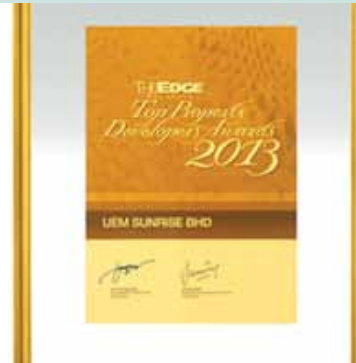
UEM Sunrise completed the acquisition of two prime freehold land parcels in the Central Business District (“CBD”) of Melbourne in Victoria, Australia for future development. The properties, located on LaTrobe Street and Mackenzie Street, occupy the city’s hotspots which have been known to be the World’s Most Livable City for the past three consecutive years.



10 October

UEM Sunrise Ranked Fourth Top Property Developer

UEM Sunrise has been ranked the country’s fourth Top Property Developer at “The Edge Property Excellence Awards 2013” presentation ceremony graced by the Minister of Urban Wellbeing, Housing and Local Government, Datuk Abdul Rahman Dahlan in Kuala Lumpur. The Company was among the top 10 developers that made it to the Top Property Developers Award category, which is the anchor award of The Edge Malaysia Property Excellence Awards. The award was presented to Managing Director/Chief Executive Officer Dato’ Wan Abdullah Wan Ibrahim during the gala dinner held at Hilton Kuala Lumpur.



17 November

UEM Sunrise Hosts Mini Olympics of The Titans

UEM Sunrise, in partnership with the Ministry of Youth and Sports hosted a company wide sports extravaganza named Mini Olympics of The Titans 2013. The full day event was held at the Sports Centre of University Malaya and was officially opened by YB Datuk M.Saravanan, Deputy Minister of Youth and Sports. The opening ceremony also witnessed the employees’ declaration headed by Aminah Abdullah, UEM Sunrise’s Head of Human Resource Division, as well as the march past, aerobics performances and the Titans Cheer Competition.

8 November

UEM Sunrise’s Verdi Eco-dominiums & Almās @Puteri Harbour Projects Awarded at the Malaysian Reserve Property Press Awards

UEM Sunrise was hailed at The Malaysian Reserve Property Press Awards during the award presentation dinner held at The Ritz Carlton, Kuala Lumpur when it was presented with two prestigious awards. The awards presented for UEM Sunrise’s projects, namely Verdi Eco-dominiums for Best Green & Smart High-Rise Residential Development and the Company’s latest development known as Almās @Puteri Harbour for Best Integrated High-Rise Development.





18 November

UEM Sunrise Received Certificate of Merit at National Annual Corporate Report ("NACRA")

UEM Sunrise received a recognition at the National Annual Corporate Report ("NACRA") 2013. The Company is one of eight winning companies including Axiata Group Berhad, CIMB Group Holdings Berhad and Malaysian Resources Corporation Berhad that received the Certificate of Merit at the NACRA 2013 jointly organised by Bursa Malaysia Berhad, Malaysia Institute of Accountants ("MIA") and The Malaysia Institute of Certified Public Accountants ("MICPA"). The objectives of NACRA are to promote excellence in corporate reporting, greater transparency and accountability by companies in their financial reporting, and also to promote higher standards of corporate governance.



12 December

UEM Sunrise Organised Friendly Bowling Match for Johor Media

UEM Sunrise organised a Friendly Bowling Match exclusively for Johor media at Daiman Bowling, Johor Bahru which saw 42 media representatives competing in a fun ambience. The event was part of the effort to further enhance the relationship with the media fraternity.

22 November

UEM Sunrise Recognised at ACCA Malaysia Sustainability Awards ("MaSRA")

UEM Sunrise's Sustainability report was shortlisted for the ACCA Malaysia Sustainability Awards ("MaSRA") 2013. The Company was amongst 48 entrants shortlisted for the ACCA MaSRA recognised for leading the way in implementing corporate social responsibility programmes as well as communicating its environmental and social performance in a full report as a disclosure to stakeholders.



16 December

UEM Sunrise Wins Corporate Governance Industry Excellence (Property) Award

UEM Sunrise received a Corporate Governance Industry Excellence (Property) Award in an event which was held by the Minority Shareholder Watchdog Group ("MSWG") at Sime Darby Convention Centre, Kuala Lumpur.

The Company was awarded and recognised for taking the effort to raise their Corporate Governance ("CG") levels using the ASEAN CG which is a standardised methodology across the region to showcase well-governed companies within the ASEAN region; improving their visibility and investibility.



EVENT HIGHLIGHTS 2013

MARKETING INITIATIVES



18 & 19 May

UEM Land Property Showcase in Surabaya, Indonesia

The property roadshow held in Jakarta received good response and we further expanded our roadshow to Surabaya, Indonesia. UEM Land organised the property showcase at JW Marriot Hotel, Surabaya with the special appearance of property expert; Mr. Ho Chin Soon. At the showcase, Arcoris Mont'Kiara in Central Region and Teega @Puteri Harbour, Ophiria Residences and Noble Park in Southern Region were highlighted.

23 & 24 March

UEM Land Property Showcase in Kuching, Sarawak

UEM Land organised a property showcase at Pullman Hotel, Kuching in Sarawak, in collaboration with Kozin Real Estate to promote our developments namely Teega @Puteri Harbour, Idaman Residences, Ophiria Residences, Arcoris Mont'Kiara and Summer VOS Kuala Lumpur.



13 & 14 April

UEM Land Property Showcase in Jakarta Sparked Interest of the Locals

A property showcase was held at The Ritz Carlton Pacific Place in Jakarta, Indonesia as part of UEM Land's marketing and sales efforts to spark interest amongst Indonesian prospects. The projects featured from the Central Region included Verdi Eco-dominiums, Arcoris Mont'Kiara and Summer VOS. From the Southern Region, Teega @Puteri Harbour, Idaman Residence, East Ledang's townhouses and bungalow units known as Ophiria Residences and Noble Park respectively were showcased.

29 July – 28 August

Forest Heights in Seremban, Negeri Sembilan

UEM Sunrise offered for sale various sizes and layout options at its 50:50 JV development with MCL Land Limited called Forest Heights. Situated on a 488-acre footprint, Forest Heights is a mixed-use residential estate just a short hop away from the Seremban town centre. It comprises six precincts set in a special tropical rain forest with lush and wonderfully crafted greenery.



24 August

Special Preview of Twin Villas II at Nusa Idaman

UEM Sunrise held special previews of Nusa Idaman's Phase 7D2 known as Twin Villas II. The Company also offered a limited 'indulgence package' to its loyal customers at the Traders Hotels in Puteri Harbour. Nusa Idaman offers an eco-friendly lifestyle and the convenience of being situated amidst Nusajaya's catalytic developments and ready infrastructure for easy accessibility and high-quality living where public amenities, facilities and shopping outlets are conveniently located just a drive away.



14 & 15 September

Special Preview of Residensi 22 Mont'Kiara

UEM Sunrise held special previews of its latest development, Residensi 22 Mont'Kiara at GSC Signatures at The Gardens, Mid Valley, Kuala Lumpur. Located at a prime address in Mont'Kiara, Residensi 22 Mont'Kiara is a majestic twin condominium which accommodates 534 units ranging from 1,878 sq ft to 3,163 sq ft.

29 September

Single Storey Shop Offices Launched in Nusa Bayu

Phases 4A, 4B and 4C of its Nusa Bayu development comprising 71 units of single storey shop offices were launched at the Nusa Bayu Sales Gallery in Nusajaya. Nusa Bayu is a mixed-use development situated on a 260-acre freehold footprint. It was conceptualised to cater to young families and first time homebuyers, and planned with essential amenities such as primary and secondary schools, a mosque, a community centre, shopping and recreational facilities that include a 3.7-acre football field, a 550-metre jogging path and a 7.5-acre lake.



2 - 10 November

UEM Sunrise Promotes Properties in Japan

UEM Sunrise properties received an encouraging response from prospective Japanese buyers over the Long Stay Fair. A total of 557 prospects registered at Tokyo Big Sight, Bellsalle Yaesu, Fukuacia Shinagawa, Nikko Kumamoto Hotel and Tower Osaka, as they clamoured for details of our properties including Residensi 22 Mont'Kiara, Verdi Eco-dominiums and Symphony Hills, Almās @Puteri Harbour and Ophiria @East Ledang.



7 & 8 December

ISKARNIVAL 2013

In a continued effort to promote the inclusion of the rakyat, Johoreans in particular of the rapid development of Iskandar Malaysia, Khazanah Nasional Berhad ("Khazanah"), UEM Sunrise and Iskandar Investment Berhad ("IIB") joined hands in organising ISKARNIVAL 2013. A free-entry carnival for the public, it was held at the iconic venue of Dataran Mahkota. The carnival themed "1 Impian, Raikan Bersama" was organised following the success of Karnival Nusajaya in 2012.



30 Nov - 1 Dec

Special Preview of Almās @Puteri Harbour

UEM Sunrise previewed Almās Suites – part of the Phase 1 and residential component of the overall Almās @Puteri Harbour, a mixed-use development located in Nusajaya, Johor. The preview was held concurrently at two locations where the Company predominantly operates – namely in Nusajaya and Kuala Lumpur.

EVENT HIGHLIGHTS 2013

STAKEHOLDER INITIATIVES



18 – 20 January

Supercars @Publika Weekend Road Show

Publika Shopping Gallery ("Publika"), a retail development of UEM Land organised the CARs International's Supercars @Publika road show. CARs International is a regional powerhouse in the car beauty care industry. The event marked the launch of the Exclusive Membership Card at Publika. Staff of UEM Group of Companies visited the Supercars @Publika road show and enjoyed exclusive membership promotions for car beauty care and Cool Amor car solar & security tint which was fully imported from USA.



22 & 23 February

UEM Land hosts Chinese New Year Dinner for Customers in Central & Southern Regions

UEM Land hosted two separate Chinese New Year Dinner celebrations for its customers in the Southern and Central Regions at The Ledang Urban Retreat Clubhouse, Nusajaya and at The Square in Publika, Solaris Dutamas respectively. The dinner events were held in appreciation of customers/purchasers for their loyal and continuous support over the years. This is the first social gathering for customers in the Southern Region, particularly residents in Nusajaya.

21 February

Chinese New Year Annual Appreciation Dinner for UEM Land's Consultants, Contractors and Suppliers

UEM Land hosted the annual Consultants, Contractors & Suppliers Appreciation Dinner 2013 to mark the Lunar New Year, at the Spring Garden Chinese Restaurant, Tropicana Golf & Country Resort, Petaling Jaya. The annual dinner was UEM Land's way of showing its appreciation to the Consultants, Contractors and Suppliers for their support, commitment and dedication throughout the year 2013.



23 & 24 February

UEM Land Features Developments during Chap Goh Mei Open House Weekend

To mark the 15th and final day of the Chinese New Year festival, UEM Land held Chinese New Year Open Houses in the Central and Southern Regions during the Chap Goh Mei weekend. Amongst the developments showcased were Arcoris Mont' Kiara, Verdi Eco-dominiums, Nusa Bayu and Nusa Idaman.





23 March

Smash Hits

UEM Land organised a badminton tournament at Sunsuria Pioneer Badminton Centre, Kota Damansara. The tournament saw residents and purchasers competing to stand a chance to win exciting prizes which came in the forms of cash and trophies.

20 April

UEM Land Celebrates Cherry Blossom Festival

As part of its ongoing community engagement efforts, UEM Land organised a Cherry Blossom Festival celebration with residents of properties it manages within the Dutamas and Mont'Kiara vicinity. The celebration was held at the Sunrise Fun Zone community centre and was attended by approximately 400 guests. The Cherry Blossom Festival, also called Sakura Matsuri, is an annual spring festival which celebrates the natural beauty of cherry trees, along with Japanese food, culture, and history. It is organised all over the world annually as gestures of goodwill and friendship.



20 April

Appreciation Dinner to Engage Singaporean Customers

UEM Land hosted an appreciation dinner exclusively for its loyal Singaporean customers at the Traders Hotel, Singapore. The dinner was held for the Management and key personnel of the Company to engage with its Singaporean customers and provide them with up-to-date information on UEM Land's latest offerings. Most importantly, the dinner was held as a gesture of appreciation for their continuous support in the Company's products.

11 May

Stylista Mama Mia at Sunrise Showcase

It was a fabulous experience for UEM Land's loyal customers during the Stylista Mother's Day celebration. Guests were pampered with Moroccan-inspired hand and shoulder massage, groomed by a professional make-up artist, picked their favourite flowers, and took home a framed-up best shot of their gorgeous selves.



STAKEHOLDER INITIATIVES



15 May – 17 May

UEM Land Showcases Nusajaya to Members of Jakarta Media

In its efforts to offer an unrivalled opportunity for Indonesians looking to invest in the region, UEM Land hosted a group of Jakarta journalists for a 3D/2N tour to Nusajaya. The tour provided the Jakarta journalists firsthand knowledge and experience of UEM Land's catalytic developments as well as key residential projects in Nusajaya.



19 May

Annual Golf Challenge

UEM Land organised an Annual Golf Challenge at Kelab Golf Perkhidmatan Awam Bukit Kiara, Kuala Lumpur. Golfers were entertained by a live band during the prize giving ceremony and every one happily took home a lucky draw gift. The tournament, held exclusively for owners and residents of Sunrise-managed properties, was to encourage sport activities as part of the residents' lifestyle towards healthier living.

18 May

Mom & Dad Fun Time

Nusajaya residents had an enjoyable evening with their loved ones to celebrate the double occasion of Mom's and Dad's Day. The children dressed either their Mom or Dad in a Makeover Contest to create the best fashionable clothes using newspapers. The "models" catwalked on stage to wild cheers as they entertained the guests with spontaneous acts and poses. Other highlights were cupcakes deco, D-I-Y cards for Mom and Dad and family stage games. The event was part of UEM Land's initiative to enhance community bonding and quality lifestyle.



6 July

Bon Odori Fun for Residents of UEM Sunrise-Managed Properties & Publika Shoppers

It was an enjoyable evening for the residents of UEM Sunrise-managed properties in Mont'Kiara at the Bon Odori Festival. Approximately 100 people boarded three buses provided by the Company to experience Malaysia's largest Japanese cultural event highlighting the folk dances and music of Japan performed on the 'yagura' or large stage.





20 – 22 August

Taxi Ambassador Programme

UEM Sunrise worked together with Senai International Airport Taxi Drivers Association to provide the Company's in-car advertisement kits to 150 taxi drivers. The campaign aims to keep stakeholders abreast of catalytic developments such as Puteri Harbour, Port of Puteri Harbour Ferry Terminal, LEGOLAND® Malaysia and Mall of Medini.



13 September

Shine Bright Like a Lantern

In a class of its own, UEM Sunrise Fun Zone brought residents, especially children, back to days of yore again. It was a night when ancient folklore came to life with the classic Chang-Er fairy and Wu Gang walking amidst the crowd; with Dragon Dance and Wu-shu performances lending a spectacular touch to the whole ambience. Lanterns exuded a Mid-Autumn festive mood, while Riddle games and a Pomelo contest kept the excitement going. There was a birthday bash too, and the kids were delighted with tasty moon cakes and sticky coconut rice for them to savour through the evening.

7 September

Taste of Tradition for Residents

The residents of UEM Sunrise-managed properties were treated to traditional dishes and had the chance to learn the history and culture behind every bite. Live performances, intertwined with culinary delights, evoked a mood of cultural appreciation in all. Approximately 300 residents enjoyed a fun-filled Riang Raya Mooncake. The event also featured Balle-Balle Live Band, Zapin Yayasan Warisan, a dragon dance and drum performances.



28 September

Inaugural "Harley & Ducati Expedition" Creates Awareness on UEM Sunrise's Property Projects in the Central Region

UEM Sunrise organised an inaugural Harley & Ducati Expedition. The one day outing, which was jointly organised with the Harley Owners Group ("HOG") Malaysia and Ducati Club Malaysia witnessed the participation of approximately 150 bikers from Malaysia and also neighbouring Thai nationals. The expedition was organised to create awareness on UEM Sunrise's developments in Mont'Kiara, Kuala Lumpur and Symphony Hills, Cyberjaya; including the newly completed clubhouse in Symphony Hills named the Opera House.



STAKEHOLDER INITIATIVES



18 & 19 October

Second Jazz Festival at Publika

Publika hosted a Jazz Festival in conjunction with its second anniversary. Jazz aficionados swarmed the Publika Square to be part of the fantastic weekend of amazing rhythm and jazzy hits by the Havana Social Club from Cuba, Denise Mininfield from USA, Heidi Vogel from the UK, Mokhtar Samba from France and Matthew Sayersz from Indonesia together with local performers Melissa Indot, Rozz, Ray Cheong and Dasha Logan.



10 November

Wanko Soba Eating Challenge at Publika

Publika in collaboration with Ichiban Boshi held the first ever Wanko Soba Eating Challenge event. The competition witnessed eager participants gobbling down bowls and bowls of noodles in just three minutes. The eating challenge was organised as part of its efforts to position Publika as a hub for F&B and art activities that appeal to the communities.

26 October

Monster Halloween at UEM Sunrise Fun Zone

UEM Sunrise Fun Zone was transformed into another world during the October's Halloween Party and Birthday Bash. Youngsters looked their spookiest best as they made scary and sudden appearances. Adding excitement to the freaky atmosphere were the Monster High Mob dance performance and a host of inflatable fun activities, Scary Face Painting, Monster Sticker Tattoo, Monster Craft of the Apple Bites and Halloween Treats.



13 November

UEM Sunrise Promotes Sustainability through its Sustainability Campaign 2013

UEM Sunrise held its sixth Annual Quality, Safety, Health and Environmental Campaign. The two-day programme took place at Puteri Harbour, Nusajaya. It was attended by approximately 300 invitees in collaboration with 53 contractors and consultants which focused on exploring innovative solutions for greater sustainability and to foster closer collaboration among participants.





16 November

Diwali Dazzle at UEM Sunrise Fun Zone

As part of its ongoing efforts to enhance the residents' lifestyle, UEM Sunrise Fun Zone organised a Deepavali celebration – a grand indulgence with colourful entertainment which gave much joy to the children, especially when it coincided with the November birthday bash.

7 December

Rainbow Christmas

With imitation snowflakes drifting down to the ground, it was a cozy cool Christmas party at UEM Sunrise Fun Zone. Emcee, Mike Cha Cha led colourfully clad children, who were accompanied by their parents, in a day of joy. Little Fairies distributed sweets to all under the spell of 'Jingle bells' that aired throughout the day. Children had fun guessing the quantity of marshmallows in a jar, changed their appearance with Face Painting and Nail Art and had special moments sitting on Santa's lap. The self-decorated cupcakes and magic ice-cream provided delightful experiences besides the craft and giant bubble activities.



21 December

UEM Sunrise Hosts 'Year-End Escapades' for its Loyal Customers

UEM Sunrise hosted an exclusive 'Year-End Escapades Dinner' on a cruise ship at Danga Bay, Johor Bahru. The inaugural event was organised exclusively for UEM Sunrise's loyal customers with participation from more than 250 guests. Themed 'Flash Back to the Grand Oldies', guests struck some funky retro poses at the vintage photo booth before boarding the cruise ship in various colourful outfits and exciting eye-catching apparel.

EVENT HIGHLIGHTS 2013

CSR INITIATIVES



30 January

UEM Land Contributes *Van Jenazah* to Gelang Patah Community

UEM Land kick started its 2013 Corporate Social Responsibility ("CSR") initiatives by contributing a Van Jenazah to the Kampung Pok community of Gelang Patah, Johor. The official handover of the Van Jenazah was held in a ceremony at Kampung Pok's An-Nur Mosque which was well attended by 120 residents.



16 April

UEM English Literacy Programme (UELP)

Sponsored by UEM Group Berhad in collaboration with PINTAR Foundation and British Council, UEM English Literacy Programme ("UEL P") is a community engagement initiative intended to encourage parental involvement in early reading by bringing parents into schools to attend workshops designed to enhance the skills of story-telling. UEM Land volunteers' were trained by British Council to work as tutors to run the English Literacy activities with the parents in schools. The Company adopted 10 schools under UELP.

3 March

SMK Gelang Patah's Library Refurbished

As part of the Company's Resource Centre Enhancement Project to fulfill its CSR obligation, UEM Land revamped and refurbished the library of Sekolah Menengah Kebangsaan Gelang Patah ("SMK Gelang Patah"). SMK Gelang Patah is one of UEM Land's 17 PINTAR adopted schools since 2007 under its PINTAR school programme, which focuses on academic development through positive intervention approaches as a means of influencing better educational outcomes.



8 June

UEM Land Rewards its PINTAR Schools High Achievers

UEM Land celebrated the success of its 85 PINTAR schools' students who achieved excellent results in the 2012 UPSR, PMR and SPM examinations. The celebration was held at the Theatre Hall, Kota Iskandar, Nusajaya. For the fifth consecutive year since 2009, UEM Land's Academic Excellence Programme aims at acknowledging the effort, determination and perseverance of students in delivering their personal best during UPSR, PMR and SPM examinations.





9 June

UEM Land Promotes Road Safety Awareness amongst its PINTAR Schools Children at LEGOLAND® Malaysia

For third consecutive year, UEM Land successfully organised a road safety programme for 120 students from its 13 PINTAR primary schools. Held at LEGOLAND® Malaysia and in collaboration with Nissan (“Edaran Tan Chong Motor”), the half day programme was conducted in a fun and enjoyable outdoor ambience. Students enjoyed a unique opportunity driving in true-to-life traffic by steering their LEGO cars past several road signages, traffic lights and other drivers, which qualified them for their very own Driving School license, with students’ personal details and photograph.



23 July

UEM Sunrise Brings Ramadan Cheer to Community in Gelang Patah

UEM Sunrise organised its 2013 Ramadan event by presenting ‘duit raya’ and Raya goodies to the less fortunate communities in Gelang Patah at The Ledang Urban Retreat Club House. This programme was aimed to ease the burden of single mothers, the disabled as well as senior citizens from several villages around Gelang Patah. A total of 180 less fortunate children were invited to the ‘Majlis Penyampaian Sumbangan Aidilfitri’ where they received ‘Duit Raya’ and Raya goodies amounting to RM300 per person.

29 June

English Boot Camp for UEM Sunrise’s PINTAR Students

UEM Sunrise organised an inaugural English Boot Camp for approximately 130 of its Year Five PINTAR schools’ students at Savanah Hills Bukit Tiram, Johor Bahru. The 2D/1N camp was aimed at promoting greater usage of English as well as to assist participating students unleash their potential and to create awareness on the importance of English as a second language.



30 July

“Majlis Berbuka Puasa” with Media (Putrajaya Bureau Offices) and Orphans of Rumah Kebajikan Al-Kausar

As part of UEM Sunrise media relations effort, the Company organised a “Majlis Berbuka Puasa” with Media (Putrajaya Bureau Offices) and orphans of Rumah Bakti Al-Kausar as part of the corporate social responsibility programme in conjunction with the month of Ramadan. The event held at Cyberview Lodge, Cyberjaya aimed to foster a closer working relationship with the media members in Putrajaya and at the same time celebrate the joy of Ramadan with the orphans and less fortunate children.



CSR INITIATIVES



24 September

UEM Sunrise Rewards Winners of PINTAR School's National Day Campaign and Green Programme

UEM Sunrise successfully organised the prize giving ceremony for its PINTAR School students who participated in the "National Day Campaign" and "Green Programme" competitions held at Kota Iskandar in Nusajaya. The National Day Campaign saw the participation of nine PINTAR schools, both primary and secondary categories in a Choral Speaking competition themed "Unity". The schools that emerged as winners for both categories were SK Kompleks Sultan Abu Bakar and SMK Gelang Patah respectively.

At the same event, a prize giving ceremony for the Green Programme – a design competition using recycled materials was also held for both the primary and secondary levels. Both SK Tiram Duku and SMK Kompleks Sultan Abu Bakar won the competition. The Green Programme was aimed to imbue the students with innovative and creative thinking and foster a socially responsible green generation.



7 November

UEM Sunrise Promotes Healthy Hygiene Habits amongst its PINTAR Students

UEM Sunrise organised a Health & Hygiene Programme for 150 of its PINTAR primary schools' pupils at the Theatre Hall, Bangunan Dato' Jaafar Muhammad, Kota Iskandar in Nusajaya. The programme, which is currently in its third year, witnessed the inaugural collaboration with the Johor Bahru District Health Department. In three 30-minute sessions, speakers from the Johor Bahru District Health Department provided healthy diet tips as well as explained proper hygiene skills and practices, which included hand washing techniques, self-care hygiene and grooming.

31 October

UEM Sunrise's Third Spelling Competition sees 50% increase in Participation

UEM Sunrise organised a Spelling Competition for 90 pupils of 13 PINTAR primary schools at the Theatre Hall, Bangunan Dato' Jaafar Muhammad, Kota Iskandar, Nusajaya. The Spelling Competition consisted three rounds of challenges – written test for all 90 contestants, a verbal spelling test for the top 20 contestants and a final round of Spelling Bee, a new challenge introduced this year. The Spelling Bee is known as a traditional competition in which contestants spell a given English word aloud, alphabet by alphabet and contestants who misspell the word are eliminated. In the final challenge, only 10 finalists were crowned as the Spelling Bee Champions.



16 November

134 Pre-Schoolers Completed UEM Sunrise's Pintar Al-Quran Programme

UEM Sunrise organised its fifth Khatam Al-Quran ceremony to mark the achievement of 134 pre-schoolers who 'khatam' the Al-Quran. The ceremony was held at the Theatre Hall of Bangunan Dato' Jaafar Muhammad, in Kota Iskandar, Nusajaya. The programme is part of UEM Sunrise's commitment in building communities of the future with high moral and spiritual values .





21 November

UEM Sunrise Brought “Back to School” Cheer to the Orphans of Darul Aitah in Tapah

UEM Sunrise brought cheer to the orphans of Pertubuhan Kebajikan Anak-Anak Yatim Darul Aitah (“Darul Aitah”) in Tapah by handing over a cheque of RM18,400 for the purchase of uniforms and monetary contributions under its “Back To School” programme. 40 school going children between the ages of 7 and 17 received new school uniforms from the monetary contribution.

28 November

UEM Sunrise Extends a Helping Hand to Orang Asli Community of Kampung Simpang Arang, Gelang Patah

UEM Sunrise brought some cheer to the Orang Asli students of Kampung Simpang Arang in Gelang Patah by handing over assistance for the new school session. A total of 145 school going children between the ages of 7 and 17 received two sets of school uniforms, shoes and socks.



13 December

UEM Sunrise Brought Cheer to Anak-Anak Orang Asli in Tapah Through its “Back to School” Programme

UEM Sunrise Berhad brought cheer to the Orang Asli Children in Tapah by handing over school uniforms and supplies under its “Back to School” programme. A total of over 53 school going children between the ages of 7 and 17 from Kampung Sungai Geroyang and Kampung Sungai Merbau received school uniforms and a variety of school supplies. The main objective of the programme was to ease the burden of families involved as they prepared their children for the 2014 school session.

MEDIA HIGHLIGHTS

RM4b launches by UEM Land

Group to unveil more residential and commercial projects

UEM Land has unveiled a portfolio of RM4 billion worth of residential and commercial projects. The group's CEO, Wan Mohd Haniffa, said the projects are a testament to the company's commitment to providing high-quality living and working environments. The projects include several residential developments and commercial hubs, all designed to meet the needs of the modern urban dweller.

UEM 置地获亚太产业奖

Verdi eco-dominants 提倡环保概念

UEM Land has been awarded the Verdigrade award for its commitment to environmental sustainability. The award recognizes the company's leadership in promoting eco-friendly building practices and green living concepts. UEM Land's Verdigrade projects are designed to be energy-efficient, water-saving, and environmentally friendly, setting a benchmark for sustainable development in the region.

UEM Land pacu akademik murid sekolah PINTAR

Kebah UEM SDI D&H bantu murid belajar bahasa Inggeris

UEM Land has initiated a program to support the academic performance of students at the PINTAR (Pencapaian Istimewa) school. The company's staff and resources are being used to provide additional learning materials and support for students, particularly in the English language. This initiative is part of UEM Land's broader commitment to social responsibility and community development.

UEM Land exceeds growth target for FY12

KUALA LUMPUR: UEM Land Holdings Bhd's net profit rose 43.3% from a year ago to RM201.3 million in the fourth quarter ended Dec 31, 2012, driven mainly by higher margins achieved from property projects and higher contribution from the group's Horizon Hills joint venture project with Gamuda Bhd.

Revenue for the fourth quarter also increased 15.7% to RM601.7 million.

For FY12, the group's revenue advanced 13.8% to RM1.94 billion while net profit grew 48.6% to RM348.4 million, surpassing its full year growth target of 40%.

During the year under review, it registered a 9% increase in total property sales to RM2.4 billion, with 73% of sales contributed by its projects in Negeri Sembilan, Iskandar Malaysia.

CEO and managing director of UEM Land Haniffa Wan Abdullah Wan Ibrahim said the increase in net profit reflected improvements in the group's operational efficiencies.

UEM Land fetes loyal customers

Group to reward its loyal customers with a number of its discounts and privileges

UEM Land has organized a special event to honor its loyal customers. The group is offering a range of discounts and privileges to its long-standing clients as a token of appreciation. The event highlights the company's commitment to customer satisfaction and loyalty.

UEM Land terus kukuh

Analisis belian dihalu onah RM7.55b

UEM Land continues to maintain its strong financial position. The company's revenue for the first quarter of 2013 reached RM7.55 billion, demonstrating its resilience and growth. The company's focus on high-quality projects and operational efficiency has contributed to its sustained success.

High price land deal UEM 置地产业价值看涨

UEM 置地产业价值看涨

UEM Land's recent high-price land deal has led to an upward trend in the value of its real estate assets. The company's strategic investments in prime locations are expected to drive future growth and increase the value of its portfolio.

UEM Land Q1 profit quadruples on land sale

PERAK: UEM Land Holdings Bhd's first quarter net profit soared quadruple due to the completion of sale of its land in Commercial North, Putrajaya, Johor, for RM200 million.

The large land parcel in the Iskandar Malaysia region registered a net profit of RM100 million for the three months ended March 31, up from RM25 million a year ago. Revenue for Q1 rose 10% to RM272 million from RM247 million.

"The board is optimistic of the group's prospects to complete the program of the ongoing projects and launch launches for the year," UEM Land said in a filing with Bursa Malaysia Securities.

"The on-going projects such as Teaga, Ansonia, Yehli, Summer Breeze, Opus and Grand development in Singapore, Heli, Sun Lading, Muzi Shonan and West Shers have not only added value of RM222 million as at March 31, but also...

High price land deal - Profit RM290M UEM 置地首季赚2.1亿

UEM Land's first quarter profit reached RM210 million, driven by a high-price land deal. The company's revenue for the quarter was RM2.1 billion, reflecting its strong performance in the real estate market.

UEM 置地 不排除设REIT 扩大海外 拟进军印澳

UEM Land is exploring the possibility of setting up a Real Estate Investment Trust (REIT) to expand its operations overseas. The company is currently in discussions with potential investors and regulators to launch a REIT that would allow it to raise capital and diversify its asset base.

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Real estate 1 year to complete UEM 控股进账 8099 万

UEM Land's real estate projects are expected to be completed within a year, contributing to a significant increase in the company's revenue. The group's revenue for the quarter reached RM809.9 million, reflecting its strong performance in the real estate market.

UEM 置地 不排除设REIT 扩大海外 拟进军印澳

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High price land deal UEM 置地产业价值看涨

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UEM Land Q1 profit quadruples on land sale

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Projek Radia RM1.6b dilancarkan

Perancangan projek perumahan River Dunes, UEM Sunrise di Bukit Mertajam

UEM Sunrise has launched the Radia project, a RM1.6 billion residential development in Bukit Mertajam. The project features modern amenities and a prime location, making it an attractive option for homebuyers. The launch event was attended by several dignitaries and industry experts.

UEM Sunrise teroka hartanah Australia

UEM Sunrise is exploring investment opportunities in the Australian real estate market. The company is currently conducting research and due diligence on potential projects in Australia, with a focus on high-quality residential and commercial developments.

UEM Sunrise pilih arkitek

UEM Sunrise has selected a team of architects to design and build its new residential development. The chosen architects are renowned for their expertise in creating modern, sustainable living environments. The project is expected to be completed within the next few years.

UEM Sunrise targets launches with RM4b GDV

UEM Sunrise is targeting the launch of a RM4 billion worth of new residential and commercial projects. The company is confident in its ability to deliver high-quality developments that meet the needs of the market. The launch of these projects is expected to drive significant growth for the company.

Projek RM10.2b

Due to be launched soonest at Malaysia, Singapore and Indonesia

UEM Land is planning to launch a major RM10.2 billion project across Malaysia, Singapore, and Indonesia. The project is a large-scale residential and commercial development, designed to provide a high-quality living and working environment. The launch is expected to be a significant milestone for the company.

Property developer pays tribute to loyal Singaporean buyers

UEM Land has organized a special event to thank its loyal Singaporean buyers. The company is offering a range of discounts and privileges to its long-standing clients as a token of appreciation. The event highlights the company's commitment to customer satisfaction and loyalty.

UEM Sunrise targets launches with RM4b GDV

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UEM Sunrise targets launches with RM4b GDV

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Pintar's English Boot Camp

UEM Land has organized an English Boot Camp for its employees. The program is designed to improve the English language skills of the company's staff, enabling them to communicate more effectively in a global business environment. The boot camp includes various activities and exercises to enhance language proficiency.

UEM to sell properties worth RM4bil

UEM Land is planning to sell a portfolio of properties worth RM4 billion. The properties are located in prime locations and are expected to attract significant interest from potential buyers. The sale is expected to provide a significant source of funds for the company's future projects.

发展16亿综合产业

UEM Land is developing a RM1.6 billion integrated project. The project includes residential, commercial, and recreational facilities, designed to provide a comprehensive living and working environment. The development is expected to be a landmark project for the company.

Now UEM Sunrise Bhd

UEM Sunrise Bhd is now a public company listed on the Bursa Malaysia Securities Exchange. The company is committed to providing high-quality real estate services and driving growth in the market. The listing is a significant milestone for the company and its stakeholders.

UEM Sunrise yakin raih projek di Lembah Klang

...berharap raih projek besar di Lembah Klang



UEM Sunrise yakin akan raih projek besar di Lembah Klang. CEO UEM Sunrise, Datuk Seri Mohd Haniffa Yusoff, berkata syarikat itu sedang menjangkakan projek besar di Lembah Klang dalam masa terdekat ini.

UEM Sunrise telah berjaya meraih projek RM1.0 bilion di Lembah Klang. Projek ini adalah projek perumahan yang akan dibina di kawasan Lembah Klang. Projek ini akan membina 1,000 unit perumahan yang akan siap dalam masa terdekat ini.

UEM 阳光 8 年发展 40 亿产业

...8 年发展 40 亿产业



UEM 阳光在 8 年来的发展中，已经发展了 40 亿产业。UEM 阳光在 8 年来的发展中，已经发展了 40 亿产业。UEM 阳光在 8 年来的发展中，已经发展了 40 亿产业。

UEM Land bantu merindukan legi-kinan pelajar

...UEM Land bantu merindukan legi-kinan pelajar



UEM Land membantu merindukan legi-kinan pelajar. UEM Land membantu merindukan legi-kinan pelajar. UEM Land membantu merindukan legi-kinan pelajar.

Killing two birds with one stone

...Killing two birds with one stone



UEM Sunrise berjaya meraih projek besar di Lembah Klang. UEM Sunrise berjaya meraih projek besar di Lembah Klang. UEM Sunrise berjaya meraih projek besar di Lembah Klang.

UEM Sunrise ke Australia

...UEM Sunrise ke Australia



UEM Sunrise telah ke Australia untuk mencari projek baru. UEM Sunrise telah ke Australia untuk mencari projek baru. UEM Sunrise telah ke Australia untuk mencari projek baru.

Radia on the horizon

...Radia on the horizon



Radia project akan diwujudkan di Lembah Klang. Radia project akan diwujudkan di Lembah Klang. Radia project akan diwujudkan di Lembah Klang.

yes4G

...yes4G



yes4G project akan diwujudkan di Lembah Klang. yes4G project akan diwujudkan di Lembah Klang. yes4G project akan diwujudkan di Lembah Klang.

Beli tanah RM182 juta

...Beli tanah RM182 juta



UEM Sunrise telah membeli tanah RM182 juta di Lembah Klang. UEM Sunrise telah membeli tanah RM182 juta di Lembah Klang. UEM Sunrise telah membeli tanah RM182 juta di Lembah Klang.

Membudayakan kesedaran keselamatan jalan raya

...Membudayakan kesedaran keselamatan jalan raya



UEM Sunrise telah membudayakan kesedaran keselamatan jalan raya. UEM Sunrise telah membudayakan kesedaran keselamatan jalan raya. UEM Sunrise telah membudayakan kesedaran keselamatan jalan raya.

UEM 阳光看好销售增长

...UEM 阳光看好销售增长



UEM 阳光看好销售增长. UEM 阳光看好销售增长. UEM 阳光看好销售增长.

新元升值吸引新加坡人置产

...新元升值吸引新加坡人置产



UEM Sunrise telah meraih projek besar di Lembah Klang. UEM Sunrise telah meraih projek besar di Lembah Klang. UEM Sunrise telah meraih projek besar di Lembah Klang.

高质快智慧建造

...高质快智慧建造



UEM Sunrise telah meraih projek besar di Lembah Klang. UEM Sunrise telah meraih projek besar di Lembah Klang. UEM Sunrise telah meraih projek besar di Lembah Klang.

UEM Land is now UEM Sunrise

...UEM Land is now UEM Sunrise



UEM Land telah bertukar menjadi UEM Sunrise. UEM Land telah bertukar menjadi UEM Sunrise. UEM Land telah bertukar menjadi UEM Sunrise.

Bekalan 36 hektar

...Bekalan 36 hektar



UEM Sunrise telah meraih projek besar di Lembah Klang. UEM Sunrise telah meraih projek besar di Lembah Klang. UEM Sunrise telah meraih projek besar di Lembah Klang.

M+S yakin Duo laris

...M+S yakin Duo laris



M+S yakin Duo laris. M+S yakin Duo laris. M+S yakin Duo laris.

Sustainable living the goal

...Sustainable living the goal



UEM Sunrise telah meraih projek besar di Lembah Klang. UEM Sunrise telah meraih projek besar di Lembah Klang. UEM Sunrise telah meraih projek besar di Lembah Klang.

5 projek RM3.5b

...5 projek RM3.5b



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Pengamal media berentap

...Pengamal media berentap



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AWARDS & RECOGNITIONS 2013

Asia Pacific Property Awards 2013-2014



Verdi Eco-dominiums

- 5-Star Best Apartment, Verdi Eco-dominiums (Malaysia category)
- Highly Commended Landscape Architecture, Verdi Eco-dominiums (Malaysia category)



Mall of Medini

- Highly Commended Retail Development, Mall of Medini (Malaysia category)



Radia Bukit Jelutong

- Best Commercial High Rise Development, Radia Bukit Jelutong (Asia Pacific category)
- 5-Star Best Commercial High Rise Development, Radia Bukit Jelutong (Malaysia category)

The BrandLaureate Awards 2012 - 2013



Best Brands in Real Estate Lifestyle Mall, Publika

National Annual Corporate Report (NACRA) 2013



Certificate of Merit

The Holmes Report Asia Pacific Gold SABRE Award



Employee Communications for 'Unleashing the Power of One Programme'

The Edge Malaysia Top Property Developers Awards 2013



The Edge Malaysia Fourth Top Property Developer

The Edge Billion Ringgit Club



The Edge Billion Ringgit Club member for Fourth Consecutive Year

BCA Green Mark



Gold Certification for 28 Mont'Kiara

ACCA Malaysia Sustainability Awards ("MaSRA") 2013



Shortlisted

Corporate Governance Industry Excellence Award



Property Category

Malaysian Reserve Property Press Awards 2013

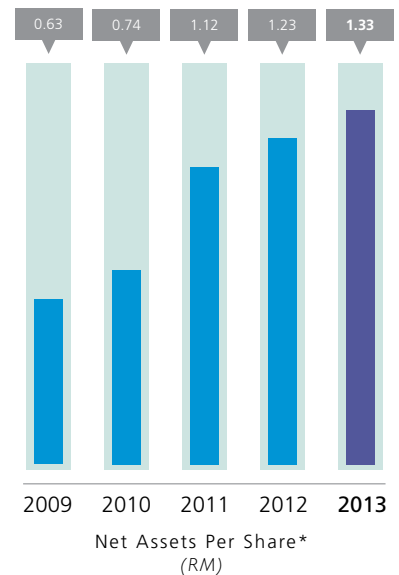
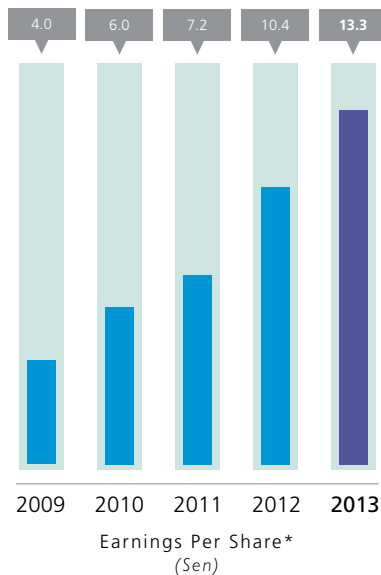
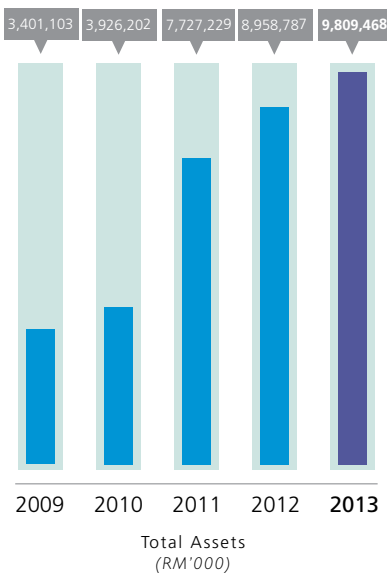
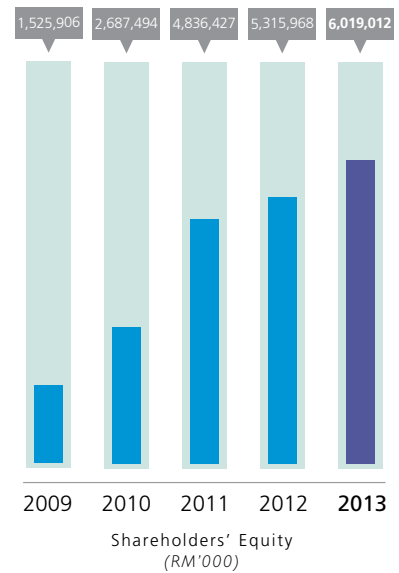
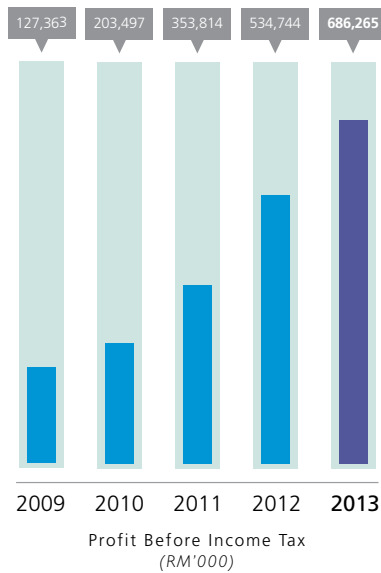
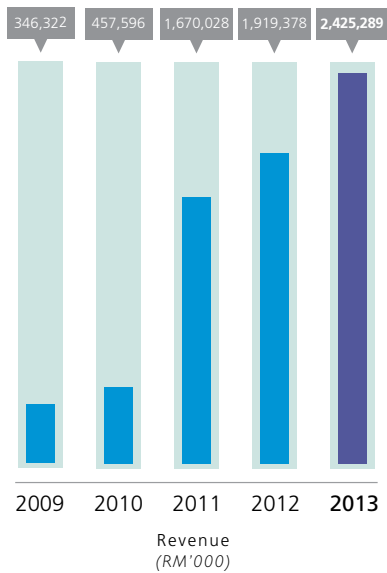


Almās @Puteri Harbour Verdi Eco-dominiums

- Best Green & Smart High-Rise Residential Development, Verdi Eco-dominiums
- Best Integrated High-Rise Development, Almās @Puteri Harbour

FIVE-YEAR FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER



* Attribute to owners of the parent

FIVE-YEAR GROUP PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM'000	2013	2012 (restated)	2011 (restated)	2010 (restated)	2009 (restated)
Revenue	2,425,289	1,919,378	1,670,028	457,596	346,322
Cost of sales	(1,497,165)	(1,217,927)	(1,157,245)	(250,582)	(200,476)
Operating expenses	(388,812)	(267,781)	(221,648)	(88,105)	(59,451)
Operating profit	539,312	433,670	291,135	118,909	86,395
Other income	48,775	53,342	69,699	55,058	17,583
Finance costs	(29,386)	(41,372)	(51,401)	(6,520)	(6,664)
Share of net results of associates & joint ventures	127,564	89,104	44,381	36,050	30,049
Profit before zakat & income tax	686,265	534,744	353,814	203,497	127,363
Profit attributable to owners of the parent	579,141	448,358	301,712	194,537	114,622
Shareholders' equity	6,019,012	5,315,968	4,836,427	2,687,494	1,525,906
Earnings per share (sen)	13.3	10.4	7.2	6.0	4.0
Return on equity	10.2%	8.8%	8.0%	9.2%	8.3%

2013 GROUP QUARTERLY PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

In RM'000	First Quarter (restated)	Second Quarter (restated)	Third Quarter (restated)	Fourth Quarter	Year Ended 31/12/2013
Revenue	697,736	475,930	678,510	573,113	2,425,289
Cost of sales	(351,065)	(292,730)	(418,809)	(434,561)	(1,497,165)
Operating expenses	(70,657)	(76,302)	(75,970)	(165,883)	(388,812)
Operating profit	276,014	106,898	183,731	(27,331)	539,312
Other income	8,812	10,456	11,777	17,730	48,775
Finance costs	(9,549)	(6,010)	(5,818)	(8,009)	(29,386)
Share of net results of associates & joint ventures	8,397	25,498	37,765	55,904	127,564
Profit before zakat & income tax	283,674	136,842	227,455	38,294	686,265
Profit attributable to owners of the parent	211,084	107,334	182,767	77,956	579,141
Shareholders' equity	5,525,484	5,548,049	5,741,046	6,019,012	6,019,012
Earnings per share (sen)	4.9	2.4	4.2	1.8	13.3
Return on equity*	15.6%	7.9%	13.2%	5.5%	10.2%

* annualised

FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

AS AT 31 DECEMBER

In RM'000	2013	2012 (restated)	2011 (restated)	2010 (restated)	2009 (restated)
TOTAL ASSETS					
Property, plant & equipment and land used rights	745,570	702,122	672,744	92,142	85,741
Land held for property development, development properties & property development cost	3,918,776	3,847,397	3,816,888	2,566,841	2,435,123
Interests in associates, joint ventures & others	846,090	657,493	655,142	194,070	103,233
Inventories	105,856	122,622	124,494	42,252	53,205
Receivables	2,073,780	1,930,386	1,202,646	596,290	527,373
Goodwill	621,409	621,409	621,409	39,223	39,223
Deferred tax asset	134,461	31,541	26,705	-	-
Deposits and cash & bank balances	1,363,526	1,045,817	607,201	395,384	121,227
Others	-	-	-	-	35,978
Total assets	9,809,468	8,958,787	7,727,229	3,926,202	3,401,103
TOTAL EQUITY & LIABILITIES					
Share capital	2,268,718	2,165,558	2,163,358	1,822,681	1,215,637
Share premium	2,044,953	1,907,488	1,898,306	513,124	153,365
Merger relief reserves	34,330	34,330	34,330	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	-	119,068	120,521	-	-
Other reserves	72,742	51,370	30,116	29,275	30,662
Retained profits	1,598,269	1,038,154	589,796	288,084	91,912
Non-controlling interests	450,604	450,636	450,712	450,712	450,712
Total equity	6,469,616	5,766,604	5,287,139	3,138,206	1,976,618
Borrowings	1,940,049	1,714,957	1,174,962	408,185	642,120
Liability component of RCPS	-	409,424	388,414	-	-
Income tax liabilities	324,632	288,216	280,886	148,612	151,046
Payables	624,353	648,560	458,788	208,296	607,004
Provisions & others	450,818	131,026	137,040	22,903	24,315
Total equity & liabilities	9,809,468	8,958,787	7,727,229	3,926,202	3,401,103
Net asset per share attributable to owners of the parent (RM)	1.33	1.23	1.12	0.74	0.63

STATEMENT OF VALUE ADDED & DISTRIBUTION

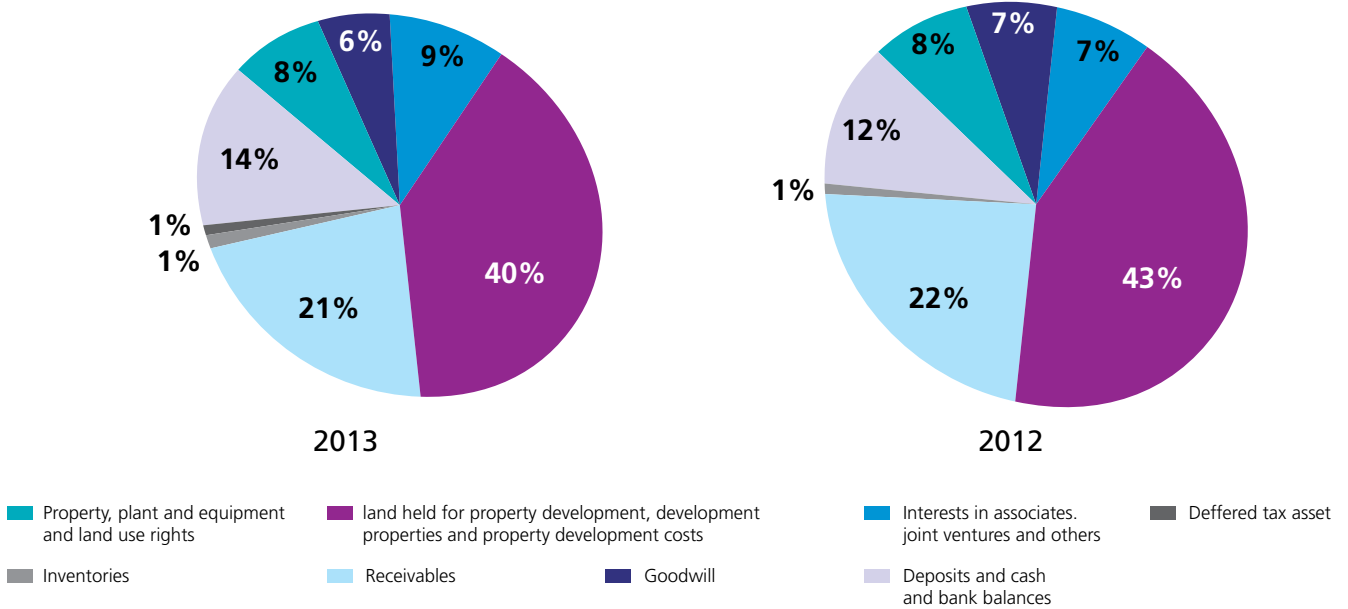
FOR THE FINANCIAL YEAR ENDED

In RM'000	2013	2012	2011	2010	2009
		(restated)	(restated)	(restated)	(restated)
VALUE ADDED:					
Revenue	2,425,289	1,919,378	1,670,028	457,596	346,322
Purchase of goods and services	(1,731,124)	(1,348,925)	(1,281,630)	(310,785)	(241,937)
Value added by the Group	694,165	570,453	388,398	146,811	104,385
Other income	48,775	53,342	69,699	55,058	17,583
Share of results of associates and joint ventures	127,564	89,104	44,381	36,050	30,049
Total value added available for distribution	870,504	712,899	502,478	237,919	152,017
DISTRIBUTION:					
To employees					
-salaries and other staff costs	134,653	119,163	83,863	23,168	15,098
To government & pusat zakat					
-income tax & zakat	107,156	86,462	52,102	8,960	12,809
To provider of capital					
-dividend	132,952	-	-	-	-
-finance cost	29,386	41,372	51,401	6,520	6,664
Retained for future reinvestment & growth					
-depreciation & amortisation	20,200	17,620	13,400	4,734	2,892
-retained profits	446,189	448,358	301,712	194,537	114,622
-minority interest	(32)	(76)	-	-	(68)
Total distributed	870,504	712,899	502,478	237,919	152,017
RECONCILIATION					
Profit for the year	579,109	448,282	301,712	194,537	114,554
Add: Depreciation & amortisation	20,200	17,620	13,400	4,734	2,892
Finance costs	29,386	41,372	51,401	6,520	6,664
Staff cost	134,653	119,163	83,863	23,168	15,098
Income tax & zakat	107,156	86,462	52,102	8,960	12,809
Total value added	870,504	712,899	502,478	237,919	152,017

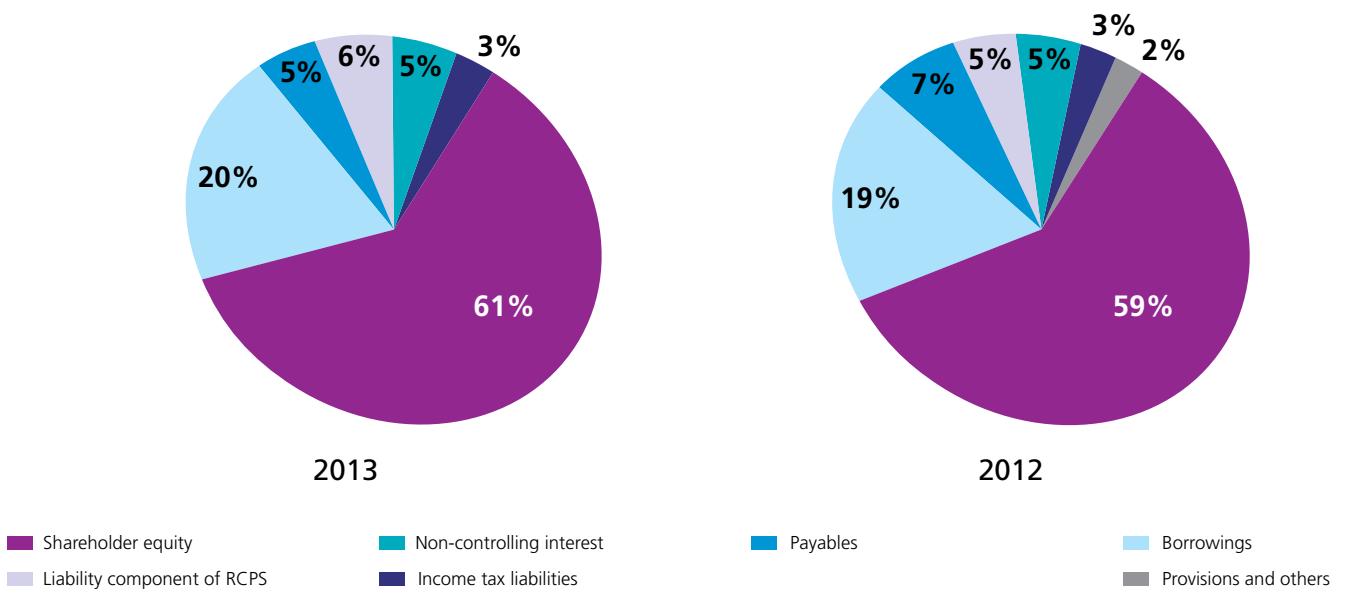
SUMMARISED GROUP BALANCE SHEET

AS AT 31 DECEMBER

Total Assets



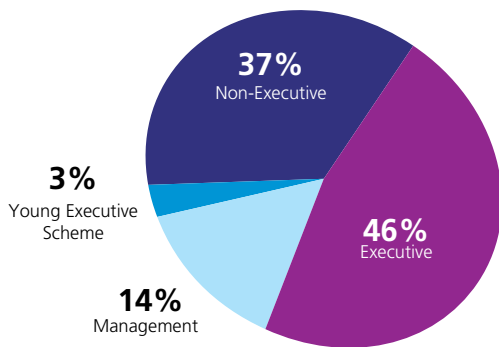
Total Equity and Liabilities



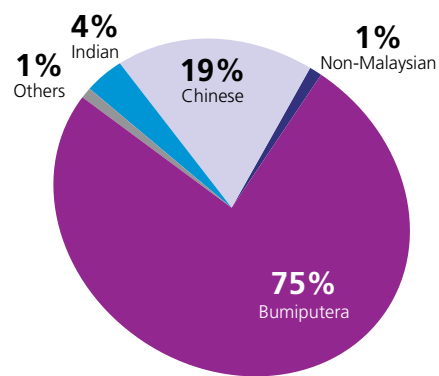
EMPLOYEES & PRODUCTIVITY

(A) Employees by Classification in 2013

Management	198
Executive	622
Non-Executive	509
Young Executive Scheme	32
TOTAL	1,352



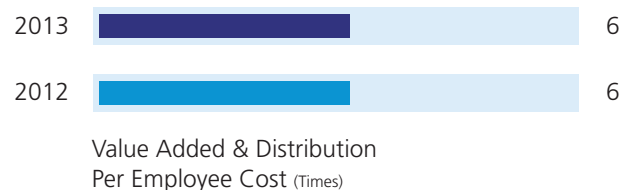
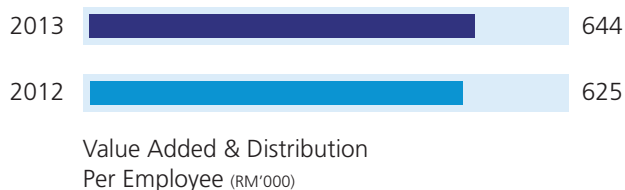
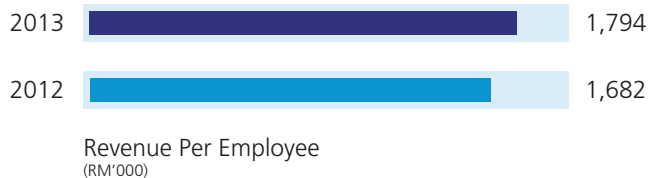
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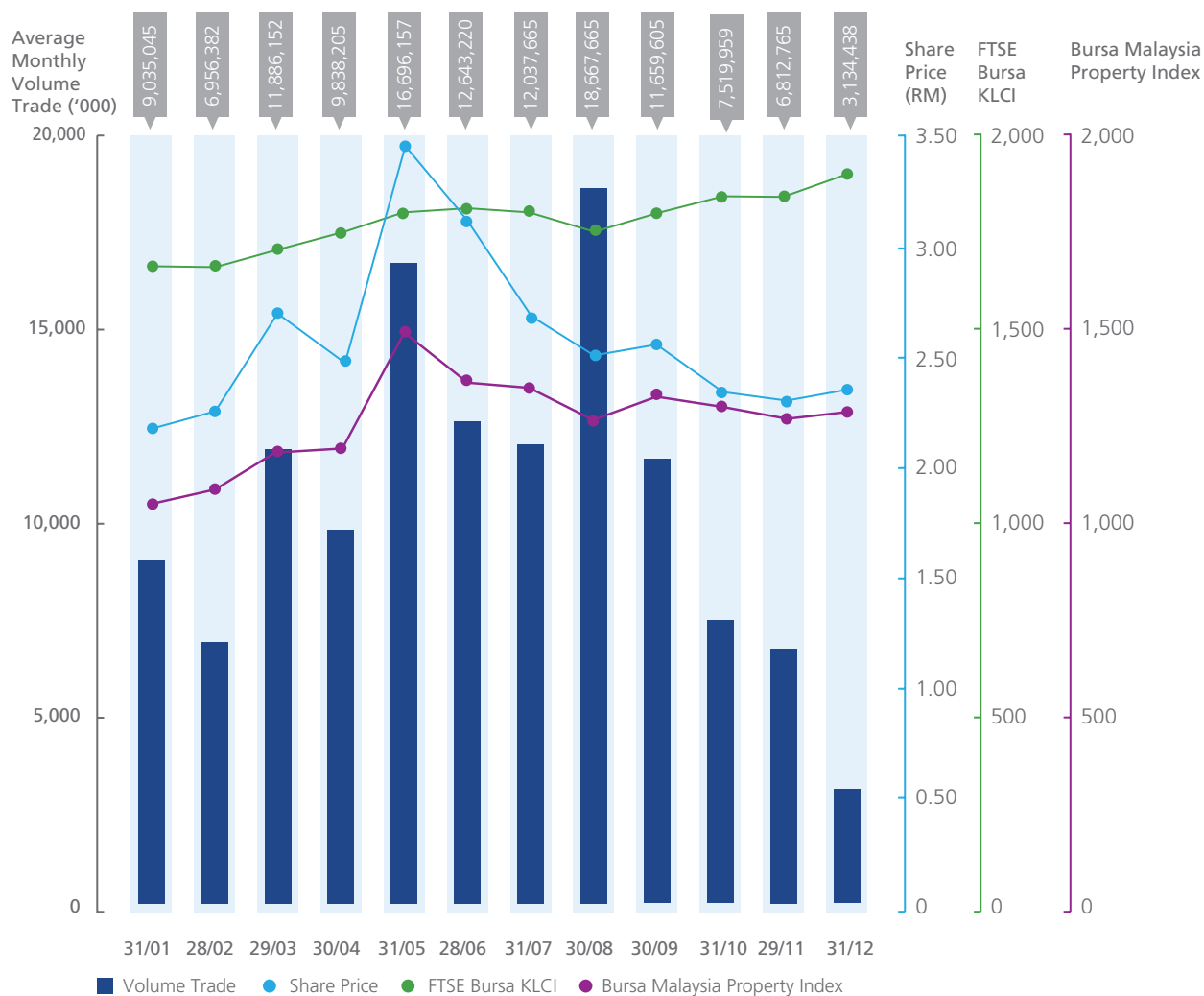
(B)

(B) Employees's Ethic Composition

GRADE	Bumiputera	Chinese	Indian	Others	Non-Malaysian	Total
Management	110	67	7	1	4	189
Executive	436	148	23	11	4	622
Non-Executive	432	38	28	9	2	509
Young Executive Scheme	30	1	1	-	-	32
TOTAL	1,008	254	59	21	10	1,352



SHARE PRICE & VOLUME TRADED



UEM Sunrise Shares Movement

Month	High (RM)	Low (RM)	Closing price on the last day of the month (RM)	Closing Date	Average Monthly volume traded
Jan-13	2.27	2.08	2.18	31/01/13	9,035,045
Feb-13	2.27	1.99	2.27	28/02/13	6,956,382
Mar-13	2.71	2.38	2.70	29/03/13	11,886,152
Apr-13	2.87	2.49	2.49	30/04/13	9,838,205
May-13	3.61	2.54	3.47	31/05/13	16,696,157
Jun-13	3.41	2.88	3.12	28/06/13	12,643,220
Jul-13	3.10	2.68	2.68	31/07/13	12,037,665
Aug-13	2.81	2.33	2.52	30/08/13	18,677,665
Sep-13	2.72	2.33	2.55	30/09/13	11,659,605
Oct-13	2.63	2.34	2.34	31/10/13	7,519,959
Nov-13	2.40	2.23	2.30	29/11/13	6,812,765
Dec-13	2.36	2.26	2.36	31/12/13	3,134,438



STANDING OUT IN A CHANGING LANDSCAPE

In our ever evolving industry where change is imminent, the one thing that remains constant is the calibre of our people. Through them we inspire others, raise the standards of excellence within our industry, and gain the respect and confidence of our stakeholders.

Mercu UEM, KL Sentral



DIRECTORS' PROFILE

TAN SRI DR AHMAD TAJUDDIN ALI

As expressed in page 12 of the Chairman's Statement

Aged 65, Malaysian, Non-Independent Non-Executive Chairman, Chairman of ESOS Committee

Tan Sri Dr Ahmad Tajuddin Ali was appointed as Chairman of the Board of UEM Sunrise Berhad on 15 September 2008.

Currently, he is also the Chairman of UEM Group Berhad, PLUS Expressways International Berhad and Linde Malaysia Holdings Berhad. He also sits on the Boards of Bangi Golf Berhad, UPM Holdings Sdn Bhd and a few other private limited companies.

Tan Sri Dr Tajuddin was previously the Director-General of Standards and Industrial Research Institute of Malaysia (SIRIM), the Chairman and Chief Executive of Tenaga Nasional Berhad, Chairman of UEM World Berhad, Zelan Berhad, Tricubes Berhad, Opus Group Berhad, Opus International Limited and Sime Engineering Services Berhad and a director of Sime Darby Berhad.

An engineer by training, Tan Sri Dr Tajuddin graduated with First Class Honours in Mechanical Engineering from King's College, University of London in 1973 and obtained his doctorate in Nuclear Engineering from Queen Mary College, University of London in 1977. He is a Registered Professional Engineer with the Board of Engineers Malaysia, a Fellow of the Institution of Engineers Malaysia and a Fellow of the Asean Federation of Engineering Organisations (AFEO) and he received the Prominent Player Award from the Construction Industry Development Board Malaysia ("CIDB").

Tan Sri Dr Tajuddin is currently the Joint-Chairman (Industry) of the Malaysian Industry-Government Group for High Technology (MIGHT), Chairman of the Energy Commission Malaysia, CIDB, UPM Innovations Sdn Bhd, the President of the Academy of Sciences, Malaysia, a member of the Governing Council of the International Institute of Applied Systems Analysis (IIASA) in Laxenburg, Austria and a member of APEC Business Advisory Council (ABAC).

Tan Sri Dr Tajuddin is currently the Chairman of the Board of Trustees of Yayasan UEM and a member of the Board of Trustees of Yayasan Khazanah and Mahathir Science Award Foundation. He is also a member of the Board of Governors of the Malay College Kuala Kangsar (MCKK), his alma mater.

DATO' MOHD IZZADDIN IDRIS

As expressed in page 18 of the Executive Director Operation's Review

Aged 51, Malaysian, Executive Director, Member of Board Tender Committee and ESOS Committee

Dato' Mohd Izzaddin Idris was appointed to the Board of UEM Sunrise Berhad ("UEMS") on 7 July 2009 as Non-Independent Non-Executive Director. On 3 December 2013, he was re-designated by the Board as Executive Director to perform the duties and functions of the Managing Director/Chief Executive Officer of UEMS upon Dato' Wan Abdullah Wan Ibrahim's medical leave of absence. He continues to hold this position upon the resignation of Dato' Wan Abdullah from the Board of the Company on 25 February 2014.

He is currently the Group Managing Director/Chief Executive Officer of UEM Group Berhad, the holding company of UEMS. He is also the Non-Executive Deputy Chairman of PLUS Expressways International Berhad. Dato' Izzaddin holds a Bachelor of Commerce Degree (First Class Honours in Finance) from University of New South Wales, Australia and is a Fellow of CPA Australia and a member of Malaysian Institute of Accountants (MIA). He has over 20 years of experience in the fields of investment banking, financial and general management and was previously the Chief Financial Officer/Senior Vice President (Group Finance) of Tenaga Nasional Berhad, a position he held from September 2004 to June 2009.

He was formerly a Senior Vice President (Corporate Finance) of Southern Bank Berhad and the Chief Financial Officer of Ranhill Berhad. He also held the position of Chief Operating Officer of Malaysian Resources Corporation Berhad in the late 1990s. After graduating in June 1985, Dato' Izzaddin served Malaysian International Merchant Bankers Berhad for almost 11 years which included a three-year secondment in the late 1980s to Barclays de Zoete Wedd Limited, a London-based investment bank and a subsidiary of Barclays Bank PLC then.

Dato' Izzaddin currently sits on the Boards of Projek Lebuhraya Usahasama Berhad, Projek Lebuhraya Utara-Selatan Berhad, PLUS Malaysia Berhad, Cement Industries of Malaysia Berhad, Faber Group Berhad, Opus Group Berhad, UEM Builders Berhad, Horizon Hills Resort Berhad, Yayasan UEM, Yayasan Putra Business School and ACWA Power International, an independent water and power producer based in the Kingdom of Saudi Arabia.

MD ALI MD DEWAL

Aged 73, Malaysian, Senior Independent Non-Executive Director,
Chairman of Nominations & Remuneration Committee,
Member of Audit Committee

Md Ali Md Dewal was appointed to the Board of UEM Sunrise Berhad on 15 September 2008. In addition, he sits on the boards of Valuecap Sdn Bhd and several other private limited companies. He holds a Master of Business Administration Degree from Tulane University, New Orleans, USA.





OH KIM SUN

**Aged 65, Malaysian, Independent Non-Executive Director,
Member of Audit Committee and Nominations & Remuneration Committee**

Oh Kim Sun was appointed to the Board of UEM Sunrise Berhad on 15 September 2008. He is a member of the Malaysian Institute of Certified Public Accountants. An accountant by training, he began his career in 1972 with Coopers & Lybrand in London. He has over 35 years of experience in finance and has held positions as Finance Director of Taiko Plantations Sdn Bhd, Financial Controller of ICI Malaysia and Finance Manager (Secondment) of ICI Headquarters in London responsible for Northern Europe.

Oh led a successful management buyout of ICI's Malaysian operations in 1994 and was appointed Group Executive Director of Chemical Company of Malaysia Berhad until 2003.

His directorships in other public companies include Golden Land Bhd, Opus Group Berhad and Nikko Electronics Berhad (in liquidation).



SHERANJIV SAMMANTHAN

**Aged 46, Malaysian, Non-Independent Non-Executive Director,
Member of Nominations & Remuneration Committee**

Sheranjiv Sammanthan was appointed to the Board of UEM Sunrise Berhad on 27 October 2010. He holds a Bachelor of Commerce Degree from the University of Birmingham, England and is an Associate of the Institute of Chartered Accountants in England and Wales (ICAEW).

He is presently an Executive Director in Khazanah Nasional Berhad, the strategic investment fund of the Government of Malaysia.

Sheranjiv joined PricewaterhouseCoopers ("PwC") Birmingham, England and qualified as a Chartered Accountant in 1996. He was made a Partner of PwC Malaysia in July 2006. During his 18 years in PwC, he led a wide variety of audit, financial advisory and management consulting assignments across various industries and geographies.



PROFESSOR PHILIP SUTTON COX

**Aged 74, Australian, Independent Non-Executive Director,
Member of ESOS Committee**

Professor Philip Sutton Cox was appointed to the Board of UEM Sunrise Berhad on 14 June 2012. He is the founding partner of Cox Architecture Pty Ltd. He commenced practice with Ian McKay in 1963 and formed his own firm, Philip Cox and Associates in 1964. The firm has grown to become Cox Architecture with 400 personnel.

Professor Cox graduated from Sydney University with honours in architecture in 1962. He was a Royal Australian Institute of Architects (RAIA) silver medallist and was awarded the NSW Board of Architects Travelling Scholarship. He graduated from Sydney University with a diploma in Town & Country Planning in 1972. He is a Professor of Architecture at the University of New South Wales and in 2000 received an Honorary Doctorate of Science.

He has received numerous awards in recognition of his contribution to architecture, including the RAIA Gold Medal in 1984, Life Fellowship to the RAIA in 1987 and Honorary Fellowship of the American Institute of Architects in the same year. In 1988 he was awarded the Order of Australia for services to architecture. In 1993 he received the inaugural award for Sport and Architecture from the International Olympic Committee, and was elected a Fellow of the Royal College of Humanities. Professor Cox has published nine books on the history of Australia's towns and buildings. He is a fellow of The Australian Academy of the Humanities.

Professor Cox is responsible for the concept design of most of the firm's projects and reviews all the designs produced by the practice. He visits all branches on a regular basis and is responsible for the design management of the firm. He is presently active in major overseas projects in the Middle East, Singapore, China, Malaysia and India.

Professor Cox's professional experiences in Malaysia include, among others, Kuala Lumpur Convention Centre Project and Traders Hotel. He has worked with the UEM Group previously on the Master Planning of the Second Crossing and the earlier proposals for Iskandar.

Professor Cox's firm has business relationship with other local companies, namely, Sime Darby Berhad, Malaysian Resources Corporation Berhad, PETRONAS, Suria KLCC Sdn Bhd, etc.



LIM TIAN HUAT

**Aged 59, Malaysian, Independent Non-Executive Director,
Chairman of Audit Committee, Member of Board Tender Committee**

Lim Tian Huat was appointed to the Board of UEM Sunrise Berhad on 28 November 2012. He is the Founding President of Insolvency Practitioners Association of Malaysia (IPAM), a member of the Malaysian Institute of Accountants (MIA), Malaysia Institute of Certified Public Accountants (MICPA) and a Fellow of the Association of Chartered Certified Accountants (ACCA). He holds a degree in BA Economics (Honours).

Lim is a practising Chartered Accountant with his own firm, Rodgers Reidy & Co. He is also the Managing Director of Rodgers Reidy (M) Sdn Bhd.

Lim co-authored the book entitled "The Law and Practice of Corporate Receivership in Malaysia and Singapore". He was appointed as Commissioner to the United Nations Compensation Commission. Lim was also appointed by the Domestic Trade Minister to be a member of the Corporate Law Reform Committee (CLRC) under the purview of the Companies Commission of Malaysia.

Lim sits on the Boards of Malaysia Building Society Berhad, PLUS Malaysia Berhad, Opus Group Berhad and Perbadanan Insurans Deposit Malaysia.



DATO' SRIKANDAN KANAGAINTHIRAM

**Aged 63, Malaysian, Independent Non-Executive Director,
Chairman of Board Tender Committee, Member of Audit Committee**

Dato' Sri Kandan Kanagaintiram was appointed to the Board of UEM Sunrise Berhad on 19 March 2013. He is a Fellow of The Royal Institution of Surveyors Malaysia (RISM), a Fellow of The Australian Institute of Quantity Surveyors (AIQS), a Fellow of The Royal Institution of Chartered Surveyors (RICS), United Kingdom and a Registered Member of The Board of Quantity Surveyors Malaysia (BQSM).

Dato' Sri Kandan is a well recognised consultant in construction cost and contract management in the Construction Industry in Malaysia and the region. He has over 35 years' experience in construction cost and contract management of many large and prestigious projects. His vast

experience includes various commercial and residential projects, universities, hospitals, convention and civic centers, airports and sports facilities.

The most recent projects of which he undertook as Director-in-Charge include The KVMRT project, The Pinewood Studios Iskandar, Menara Petronas 3, 'The Intermark' Mixed Commercial Development, Prince Court Medical Centre, The KLCC Exhibition and Convention Centre and Traders Hotel, Universiti Teknologi Petronas at Tronoh, Perak, Palace of Justice at Putrajaya and AIMST University, Kedah.

He is presently the Chairman of AECOM Malaysia Sdn Bhd and Managing Director of KPK Quantity Surveyors (Semenanjung) Sdn Bhd. His professional contributions include representation in various committees of RISM, Construction Industry Development Board Malaysia (CIDB), AIQS and SIRIM Berhad. He serves on the Board of BQSM and is Chairman of its Ethics Committee. He serves as Council Member of the Malaysia Singapore Business Council (MSBC). He is also an accredited mediator with CIDB.



YM UNGKU SUSEELAWATI UNGKU OMAR

**Aged 56, Malaysian, Independent Non-Executive Director,
Member of Nominations & Remuneration Committee and ESOS Committee**

YM Ungku Suseelawati Ungku Omar was appointed to the Board of UEM Sunrise Berhad on 19 March 2013. She graduated with a B.Sc Honours in Marketing from the University of Lancaster, United Kingdom.

YM Ungku Suseelawati is the Executive Director & Regional Head, Retail, South East Asia of DTZ Debenham Tie Leung (Malaysia) Sdn Bhd (DTZ). She was one of the three Malaysian founding shareholders of DTZ in partnership with an international property advisory group. She was the Country Head of DTZ from inception of the company until September 2012 where her key role

was to grow and develop the Malaysian business by building on the strengths and resources of both the local and the international group and to provide seamless cross border services to its global clients. She is now responsible for the retail business both locally and regionally and her role is to provide strategic advice to developers and retailers on positioning, retail concept, planning and operations of shopping centres.

YM Ungku Suseelawati is a member of the Asia Pacific Research Council, International Council of Shopping Centers (ICSC) and previously was a Director of Suria KLCC Sdn Bhd and a Retail Council member of PROSPER Perbadanan Usahawan Nasional Berhad (PUNB).

Notes:

1. Family Relationship with Director and/or Major Shareholder

None of the Directors have any family relationship with any Director and/or major shareholder of UEM Sunrise Berhad.

2. Conflict of Interest

None of the Directors have any conflict of interest with UEM Sunrise Berhad and its Group.

3. Conviction for Offences

None of the Directors have been convicted for offences within the past 10 years other than traffic offences, if any.

4. Attendance at Board Meeting

The details of attendance of each Director at Board meetings are set out on page 93 of the Annual Report 2013.

JOINT COMPANY SECRETARIES



SHARIFAH SHAFIQA SALIM
JOINT COMPANY SECRETARY

Sharifah Shafiqah Salim is Head, UEM Group Secretarial and the Joint Company Secretary of UEM Sunrise Berhad. She is also the Joint Company Secretary of UEM Group Berhad, UEM Builders Berhad, PLUS Malaysia Berhad and PLUS Expressways International Berhad.

Shafiqah has a broad span of experience covering various aspects of legal and secretarial requirements. She started her career at the Securities Commission after obtaining her law degree and was admitted as an Advocate and Solicitor of the High Court of Malaya. She also holds a Company Secretary License from the Companies Commission Malaysia and is an Affiliate of Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

Shafiqah headed the Legal and Secretarial Department at Metacorp Berhad before joining UEM Builders Berhad in 1997. Subsequently, she was transferred to UEM Group Management Sdn Bhd where she continued to serve as Joint Company Secretary for UEM Builders Berhad as well as Opus Group Berhad, both of which were then listed on Bursa Malaysia. She was a General Manager at UEM Group's Legal Department before being appointed to the current position in June 2013.



LIEW IRENE
JOINT COMPANY SECRETARY

Liew Irene is the Joint Company Secretary of UEM Sunrise Berhad and a number of its subsidiaries. She is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She started her secretarial career with a local secretarial firm in 1996. Prior to joining UEM Group Management Sdn Bhd in December 2013, she was attached with a reputable secretarial firm providing a wide array of corporate secretarial services to private companies, multi-national companies and public listed groups involved in banking, telecommunications, property development, manufacturing, shipping, healthcare equipment and information technology.

SENIOR LEADERSHIP TEAM



AZHAR OTHMAN
CHIEF FINANCIAL OFFICER

Azhar Othman joined UEM Sunrise on 10 July 2012. Prior to joining the organisation, he was with Proton Holdings Berhad from June 2009 to July 2012 as Group Chief Financial Officer where apart from finance leadership roles, he was also responsible for the information technology, supply chain and group asset management divisions of the company. He championed the enterprise resource planning end to end system project implementation and served as a board member on key subsidiaries of the Company.

Prior to that, he had spent 19 years in the semiconductor industry with companies like Spansion, On Semiconductors and Motorola in various senior positions in finance, eight of which was in a corporate office in Phoenix, Arizona, USA. He has extensive and diversified experience in statutory financial requirements, financial strategy, planning and analysis, cost reduction strategy, performance and profit improvement in various industries ranging from manufacturing, information technology, supply chain and business operations.

Azhar graduated with a Bachelor of Business Administration (Finance and Corporate Investment) from University of North Texas, Denton, United States of America ("USA") in May 1990 and obtained a Master in Business Administration from Arizona State University in Chandler, Arizona, USA in December 2007.



LUM TUCK MING
CHIEF OPERATING OFFICER

Lum Tuck Ming is the Chief Operating Officer of UEM Sunrise effective 1 September 2011. He holds a Bachelor of Science (Honours) Degree in Civil Engineering from Leeds University, United Kingdom ("UK").

He has been a Corporate Member of the Institute of Engineers, Malaysia since 1984 and is also a Professional Engineer registered with the Board of Engineers, Malaysia. He first joined Sunrise Berhad ("Sunrise"), a subsidiary of UEM Sunrise in 1991 as a Project Manager.

In Sunrise, he was promoted to General Manager, Project & Technical Services in 2000. Subsequent to that, in 2003, he became the Chief Operating Officer and in 2005, the Executive Director & Chief Operating Officer of Sunrise. Prior to joining the Sunrise Group, he worked with several leading engineering consultant companies for 12 years.



SITI MARIAM MOHD DESA
CHIEF MARKETING OFFICER

Siti Mariam Mohd Desa holds a Bachelor of Architecture (Honours) Degree from University of New South Wales in Sydney, Australia and is a registered architect with Lembaga Arkitek Malaysia (L.A.M) a corporate member of Pertubuhan Arkitek Malaysia (P.A.M). Prior to joining UEM Sunrise, she was the Group Director, Property, Asset & Construction of DRB-HICOM Berhad.

Siti had also previously held the position of Director, Real Estate Advisory in Kuwait Finance House (M) Berhad where she was an advisor for the bank's real estate investment in Malaysia and the Asia Pacific Zone. Prior to that, she had spent 14 years in Island & Peninsular Berhad where she held several key positions, her last post was Chief Operating Officer for I&P Properties and was tasked with managing development in Kuala Lumpur, Negeri Sembilan and Penang.

She served as member of the National Committee of FIABCI in 2005 – 2006 and was a member of the Board of Malaysia Property Inc., a public-private initiative under the Ministry of Finance for the promotion of Malaysia as an International Property Destination.

Siti carries with her more than 24 years of experience in property development, real estate investment and professional architecture practice.



RAYMOND CHEAH HO CHEE
CHIEF OPERATING OFFICER, COMMERCIAL

Raymond Cheah Ho Chee is the Chief Operating Officer, Commercial of UEM Sunrise. He is responsible for the local, regional and international business development and expansion efforts of UEM Sunrise, as well as the strategic investment and joint venture with industry partners both locally and abroad.

He oversees the overall development and strategic joint ventures in Gerbang Nusajaya which spans over 4,500 acres as well as the 2,500 acres Fraser Metropolis, both in Iskandar, Malaysia, Johor. He is also responsible for UEM Sunrise's property investments consisting of commercial, retail, hospitality, facilities management and security management.

On the international front, he spearheaded the company's maiden venture into Melbourne, Australia via the acquisition of the prime land parcels in the CBD in 2013, as well as the beach front joint-venture development in Durban Point, South Africa. He leads the UEM Sunrise Team in the mixed developments of Marina One and Duo in Singapore, which are being developed by M+S Pte Ltd. He is also an alternate member of the Development and Marketing Coordinating Group for Afiniti, a mixed development by PIV Sdn Bhd. Both of these projects are joint ventures between Khazanah Nasional Berhad and Temasek Investment of Singapore.

He holds a Master of Business Administration (Distinction) from University of Sunderland, United Kingdom and also a Bachelor of Science (Honours) Degree in Civil Engineering from University of Iowa, USA.

SENIOR LEADERSHIP TEAM



MOHD AUZIR MOHD TAHIR
CHIEF EXECUTIVE OFFICER, CAHAYA
JAUHAR SDN BHD

Mohd Auzir Mohd Tahir joined the UEM Group in August 1988 as a Civil Engineer, rising to his current position in Cahaya Jauhar Sdn Bhd ("CJSB") in January 2005. CJSB is a joint venture company between UEM Land Berhad, the State Government of Johor Darul Ta'zim and the State Secretary Johore (Incorporation) for the development and facilities management of Kota Iskandar, the new state administrative centre in Nusajaya which won the FIABCI Malaysia Property Award 2010 and the FIABCI Prix d'Excellence 2011 runner-up.

He has previously worked in different capacities for various companies within the UEM Group, including Pengurusan Lebuhraya Berhad, Renong Overseas Corporation Sdn Bhd, Rocpoint (Pty) Limited, Bandar Nusajaya Development Sdn Bhd and UEM Land Holdings Berhad. He has been involved in the implementation of a number of major projects within the UEM Group among which includes the North-South Expressway, KL International Airport in Sepang, PUTRA Light Rail Transit, Bukit Jalil National Sports Complex, Malaysia - Singapore Second Crossing Bridge and Expressway, Tanjong Tokong Land Reclamation, Noi Bai Industrial Zone Development in Hanoi, Vietnam and Point Waterfront Development in Durban, South Africa to name a few. Whilst at Bandar Nusajaya Development Sdn Bhd, he was responsible for revisiting the Development Masterplan for Nusajaya resulting in the identification of the various catalyst developments.

He holds a Second Class Upper (Honours) Degree in Civil Engineering from the University of Wales, Cardiff, United Kingdom where he graduated in 1982.



ANG KEE PING
PROJECT DIRECTOR,
CENTRAL REGION

Ang Kee Ping is the Project Director, Development Division of UEM Sunrise after having joined its subsidiary, Sunrise Berhad ("Sunrise") in May 2004.

Ang holds a Bachelor of Science Degree in Housing, Building & Planning from University of Science Malaysia. He has vast experience in property development and project management from the RM1.0 billion Gurney Park Mixed Development at Persiaran Gurney, Penang which comprised a two-block 40-storey high-end condominium, a 38-storey super condominium, an eight-storey shopping complex (Gurney Plaza) and a 352-room business hotel.

Under his supervision, he has completed multiple projects which include 28 Mont'Kiara and the fully integrated RM1.4 billion self-sustainable Solaris Dutamas Mixed Development comprising a retail mall, corporate office, office suites, shop office and designer suites and the state-of-the-art environmental friendly thermal storage district cooling system.



MOHD NADZARI HJ. BACHEK
SENIOR GENERAL MANAGER,
NUSAJAYA

Mohd Nadzari Hj. Bachek joined UEM Sunrise on 15 March 2010 as General Manager of Operations for Malaysian Bio-XCell Sdn Bhd, a joint venture company between UEM Land Berhad and Malaysian Biotechnology Corporation Sdn Bhd.

He is in charge of the development within Nusajaya which includes various projects of different scales such as Puteri Harbour Urban Waterfront Development, Master Infrastructure Planning and many more.

Mohd Nadzari graduated in 1988 from University of Tennessee at Knoxville, USA with a 5-year Professional Degree of Bachelor Architecture. After graduation, he worked at Danco Inc., which is an established construction company in East Tennessee. He then joined Design Innovation Architects, Inc., Knoxville in 1994.

He joined Mekar Idaman Sdn Bhd in August 1996 as Senior Project Manager upon returning to Malaysia. He subsequently joined Metacorp Berhad in July 1997 as Head of Business Development. He was appointed as General Manager of Pendinginan Megajana Sdn Bhd, a subsidiary company that develops and operates a district cooling system for Cyberjaya's flagship zone, and served as General Manager of several subsidiaries within MTD group of companies.



KASSIM ALI MYDIN

SENIOR GENERAL MANAGER HUMAN RESOURCE AND ADMINISTRATION

Kassim Ali Mydin joined UEM Sunrise on 6 January 2014. He has a portfolio charting over 24 years of experience in the entire spectrum of Human Resources Management.

Kassim was part of the opening team responsible for the successful start-up of the first 5-star international resort in Malacca as well as the expansion of Venture Corporation in Johor Bahru to seven manufacturing plants, making the organisation the largest employer in the Southern Region.

Prior to joining UEM Sunrise, he was the Director, Human Resources for ICI Paints (M) Sdn Bhd since 2007. He was the HR Project Champion for Malaysia who led the total transformation and integration for Imperial Chemical Industries ("ICI"). In June 2011, Kassim joined Chemical Companies of Malaysia Berhad as the Group Director, Group Human Resources Centre of Excellence.

He holds a Master Degree in Business Administration (Majoring in Human Resource Management) from Asia Pacific International University, New Zealand and is a member of the Malaysian Institute of Human Resource Management ("MIHRM").



SIEW CHEE SENG

SENIOR GENERAL MANAGER, FINANCE DIVISION

Siew Chee Seng is the Senior General Manager, Finance Division of UEM Sunrise after having joined its subsidiary, Sunrise Berhad ("Sunrise") in October 1995.

He is a Certified Public Accountant with the Malaysian Association of Certified Public Accountants and CPA Australia. He is also a Chartered Accountant with the Malaysian Institute of Accountants and holds a Master of Business Administration (MBA) Degree from the Heriot-Watt University, Edinburgh in UK.

In Sunrise, he was responsible for its finance, credit control, purchasing and IT functions as well as the operations of its property investment arm, Sun Victory Sdn Bhd. He was also involved in various corporate exercises for fund raising, restructuring, land acquisitions and joint development ventures.

Prior to joining Sunrise, he was with the Assurance & Business Advisory Services division of PricewaterhouseCoopers, Kuala Lumpur where he was involved in auditing, business process reviews, investigations, public listings and rights issue exercises of various industries.



BUILDING WITH THE ENVIRONMENT IN MIND

The power to create comes with great responsibility, and we endeavour to ensure that our developments employ responsible practices and take great care not to impact adversely on the environment. As we expand our footprint in a responsible manner, we are safeguarding the wellbeing of our many communities while ensuring the sustainable growth of the Company.

Symphony Hills, Cyberjaya



CORPORATE RESPONSIBILITY

OUR COMMITMENT TO RESPONSIBLE CORPORATE PRACTICES

As one of the leading property developers in Malaysia, UEM Sunrise is deeply committed to growing in a profitable and responsible manner and to embedding sustainable practices within our operations. As a leader in responsible practices, we hold ourselves accountable to our stakeholders and are dedicated to delivering value to them while conducting our operations in as conscientious a manner as possible. In 2013, we continued to implement effective corporate responsibility (“CR”) initiatives in the areas of the **Workplace, Marketplace, Community** and the **Environment**, all of which underscored our commitment to balancing out our economic ambitions with responsible corporate practices.

OUR COMMITMENT TO GOOD WORKPLACE PRACTICES

We believe that the success of our company is driven by our employees and are constantly looking for new ways in which we can better develop our workforce. At UEM Sunrise, we employ first-rate human capital practices to enhance the strengths and talents of our employees on both individual and corporate scale. As an “employer of choice”, we also engage in various initiatives to ensure that we attract and retain the best talent in the industry.

HR ROADMAP

In line with our goal of fostering excellence among our employees and of becoming a High Performance Organisation by 2015, we have established a HR Roadmap which outlines initiatives to help us achieve our goals. The roadmap is enabling us to assess the progress of our employees as individuals and as a workforce.

Founded on the three key strategies of Leadership, Learning and Development, as well as People Management, the roadmap consists of 12 strategic initiatives such as Employer Branding, Rewards and Recognition, Succession Planning, My Culture of Excellence (“COE”), Individual Development Plan (“IDP”), Career Pathing, Consequence Management, Mentoring, Coaching and Counselling, Employee Engagement, Quality of Work, Life Knowledge Management, HR Quality Awards as well as Sports & Recreation. Since its launch, the roadmap has now been implanted throughout the entire organisation.

In 2013, the focus shifted from our general employees to our heads of departments and leaders. We organised series of programmes to ensure that our leaders were equipped with the right skills and knowledge. These initiatives included:

- Linking the HR Road Map 2012-2015 initiatives to our branding exercise;
- Engaging senior managers in various planning activities and providing them with the right tools, equipment and support.
- Undertaking HR capability and competency assessments of our HR professionals in order to enhance their competencies;
- Embarking on succession planning for “MD/CEO Minus One” nominees using the same framework launched in 2012. For Succession Planning “MD/CEO Minus Two”, an intervention plan will be utilised for all qualifying nominees.

TRAINING AND DEVELOPMENT

In order to keep our employees ahead of the game, we regularly provide them with training and development opportunities on a professional level. Under the umbrella of our HR Road Map 2012-2015 (Initiative 5: IDP/Career Pathing), 2013 saw us identifying and completing the IDP for each employee. We also focused our training sessions on the three following areas in 2013 – functional skills, leadership development and soft skills.



Training Session



Power of One Workshop

In line with the Company's customer-centric organisation initiatives, several training sessions under the umbrella of the "Delivering UEM Sunrise's PRInSip Service Experience Programme" were conducted from July to October 2013.

The PRInSip Programme has these aims in mind:

- It serves as a platform to introduce all staff to UEM Sunrise's Strategic Service Intent PRInSIP so that they can internalise the values in their work and meet the Group's customer-centric organisation goals;
- It aims to establish "buy in" from all staff and to reinforce the customer-orientation culture within the organisation;
- It aims to ensure that all team member recognise the importance of their roles and how their contributions are inter-related for UEM Sunrise to be transformed into a customer-driven enterprise; and
- It aims to ensure staff develop a service commitment in making personal changes at work.

Around 83% of employees were trained over 44 PRInSip training sessions. All in all, the PRInSip programme delivered a total of 491 training hours with each employee receiving an average of 50.35 hours of training. The remaining employees will be trained by Q2 2014.

Apart from training activities, we also introduced an IDP Booklet for our management executives which comprised a personal development directory, personal training plan and training record. The booklet serves to develop knowledge workers who will take ownership of their own self-development with the capacity and ability to adapt accordingly to the changing needs of their respective areas. A total of 174 IDP Booklets were distributed in 2013 to the managers and above.

EMPLOYEE COMMUNICATIONS

June 2013 saw us officially launching the UEM Sunrise brand and our corporate rebranding exercise. Prior to this, we had embarked on an integration exercise which involved the alignment of human capital, infrastructure, systems and processes of UEM Land and Sunrise. Among the many initiatives introduced was the "Unleashing the Power of One" Programme which sought to communicate to all employees, the company's enhanced brand, vision, mission, values and the journey to take, to achieve our business ambitions.

This programme involved the Power of One Leadership Conference and Workshops, 28 roadshows and monthly team meetings within departments. All these activities certainly helped create an awareness and understanding among our employees about the need to work as one entity, with a culture built on the shared values of Teamwork, Integrity, Passion for Success and Sincerity of Intent ("TIPS"). For our efforts, UEM Sunrise won the prestigious The Holmes Report's 2013 Asia Pacific Gold SABRE Award for Employee Communications.

EMPLOYEE ENGAGEMENT

In 2013, employer-employee relationships continued to be a focal point within the Group as numerous teambuilding and performance boosting activities were rolled out in order to strengthen employer-employee solidarity. We once again organised the Pertemuan Kita series, one of the most important employee engagement initiatives on the Group's calendar. The event saw all staff attending talks on numerous workplace policies and topics of interest.

CORPORATE RESPONSIBILITY

In celebrating the uniqueness of the different cultures and heritage of our employees, we celebrated selected religious festivals such as the Moon Cake Festival, Ramadhan and Deepavali by treating staff to festive goodies. We also organised many activities for our staff to foster employee interaction. These activities included the staff Raya event, sports extravaganza, the HR Quality Award, UEM Group Family Day, an excursion day at Kidzania for employees' children and a staff potluck event, to name a few.

The year saw the UEM Sunrise Sports and Recreation Club organising a mini Olympics of the Titans at the Arena, University of Malaya. This served as the finale to a six-month long sports mania programme. Known collectively as the Titans, our employees were divided into five teams who competed against each another in bowling, futsal, netball, volleyball and other traditional games.

EMPLOYEE BENEFITS

To strengthen employee satisfaction, we offer competitive employee benefits to our staff. Our benefits system not only ensures our employees are fairly rewarded for their performance, but it also helps us to remain a first-choice employer.

WORKPLACE SAFETY AND HEALTH

Worker safety and health continues to be prioritised throughout the Company and all our operations. In 2013, we recorded 4,068,096 man-hours of zero loss time injury in comparison to the 3,366,800 man-hours recorded in 2012. With safety being one of the highest priorities here at UEM Sunrise, frequent site assessments such as safety, health and environmental ("SHE") monitoring and assessments are continuously being undertaken.



Sustainability Campaign



Mini Olympics of the Titans

As a mark of our commitment to upholding safety and health excellence in our projects, we engaged the Construction Industry Development Board ("CIDB") as a third party assessor to evaluate our safety and health practices under the Safety and Health Assessment System in Construction or SHASSIC assessment. SHASSIC assessments were conducted on three of our high-rise developments namely Imperia, Impiana and Nusa Idaman Phase 8C as well as three landed developments namely Nusabayu Phase 2A & 2D and East Ledang Phase 6A.

The year saw 35 delegates from Laos, Myanmar and Vietnam paying a site visit to the Imperia @Puteri Harbour project in conjunction with international level training jointly organised by the Department of Occupational Safety and Health Malaysia, the Japan International Cooperation Agency and the Ministry of Foreign Affairs.

We conducted a total of 167 induction training sessions for 11,720 construction personnel under our Quality, Safety & Health and Environment ("QSHE") system in 2013. In addition, 605 UEM Sunrise staff received a total of 19 internal training sessions on Management Systems, Competency, Quality, Safety and Health, Environment and Quality Environment (5S). In November, UEM Sunrise in collaboration with the CIDB successfully organised the UEM Sunrise Sustainability Campaign at Puteri Harbour, Nusajaya. With the theme, "Embracing Sustainable Living" the campaign served as a platform for the sharing of QSHE best practices.

In line with our Continuous Improvement ("CI") initiative, UEM Sunrise became the first developer in Malaysia to obtain Quality Environment Management System ("QEMS/5S") certification from the Malaysian Productivity Corporation ("MPC") for the Southern and Central Regions in December 2013. A total of 11 departments in our Southern Region operations participated in the evaluation and achieved an average score of 87.5%, while two departments from Central participated and achieved an average score of 80%. Twenty of our personnel were also involved in QEMS/5S best practice visits to benchmark ourselves against other organisations.

OUR COMMITMENT TO EFFECTIVE MARKETPLACE PRACTICES

Our success as a key property developer is owing to sheer hard work, innovative marketing, commitment to excellence and the delivery of long-term customer satisfaction. In order to strengthen and expand our customer base, we are constantly exploring new ways to elevate customer satisfaction levels and enhance our appeal. In doing so, not only are we reaching out to a broader spectrum of customers, we are also ensuring our long-term growth.

OUR DEDICATION TO EXCELLENCE

At UEM Sunrise, we make it our goal to deliver quality properties that exceed market standards and which are environmentally friendly. Among our projects, the Imperia condominium in Puteri Harbour, 28 Mont'Kiara and the Verdi Eco-dominiums at Symphony Hills stand out as innovative examples of our commitment to delivering quality. These green developments all boast energy saving, state-of-the-art features and furnishings that are made of at least 30% recycled components. Verdi Eco-dominiums has the added attribute of being part of the country's first Connected Intelligent Community ("CIC"). In 2013, Verdi Eco-dominiums was awarded the title "Five Star Apartment & Highly Commended Landscape Architecture" from Asia Pacific Property Awards.

In 2013, UEM Sunrise's TNS customer satisfaction survey recorded a slight increase in the customer satisfaction index, i.e. 0.5 point rise from the previous year to 74 points. The increase is evident in the Southern Region as a result of improved customer experience and the implementation of TNS action plans. The action plans are remedial and proactive measures which were developed to address the issues highlighted by our customers. The Central region maintained performance while SiLC, though enjoying good performance, the result indicated some slips from last year's results. Moving forward, a full concerted customer service improvement initiative, i.e. the Customer Centric Organisation ("CCO") programme will be progressively implemented to address the full spectrum of our customer experience.

STAKEHOLDER APPRECIATION

Throughout 2013, we organised numerous events in line with our goal of strengthening ties with the stakeholders and of having stronger rapport with our growing customer base. In tandem with the Chinese New Year and Hari Raya Aidilfitri celebrations, we held appreciation dinners and open houses for customers, consultants, contractors and suppliers at our Southern and Central Regions.

We also organised an appreciation dinner exclusively for our loyal customers in Singapore which also served as a platform for Management and key personnel to provide updates on our offerings. We ended the year by hosting an exclusive year-end Escapades Dinner on a cruise ship at Danga Bay, Johor Bahru with more than 250 loyal customers on board.

CUSTOMER AND COMMUNITY ENGAGEMENT

To engage with our customers and the general public, we organised various activities throughout the year with the participation of the various UEM Sunrise-managed properties. 2013's many platforms included the Cherry Blossom Festival, Riang Raya Mooncake Festival, Monster Halloween and Diwali Dazzle which were all held at UEM Sunrise Fun Zone. Other activities held at Publika included Supercars Weekend Road Show, the Wanko Soba Eating Challenge, Bon Odori Festival as well as the Publika Anniversary Jazz Fest, all of which served to strengthen our customer relations and publicise the various locations.



CORPORATE RESPONSIBILITY



ISKANDAR MALAYSIA KARNIVAL 2013 ("ISKARNIVAL")

In a continued effort to include the citizens of Johor in the rapid development of Iskandar Malaysia, we joined hands with Khazanah Nasional Berhad ("Khazanah") and Iskandar Investment Berhad ("IIB") to organise Iskandar Malaysia Karnival 2013 ("ISKARNIVAL"). A free-entry carnival for the public was held at the iconic Dataran Mahkota in Kota Iskandar, Nusajaya from 7 to 8 December 2013. The carnival themed "1 Impian, Raikan Bersama" drew an even bigger crowd than the Karnival Nusajaya event in 2012.

INTERNATIONAL SHOWCASES

The year's marketing activities also extended to three international property showcases as part of our efforts to attract more overseas investors. Partnering with renowned real estate agent, Ray White, we hosted a property showcase in April at the Ritz Carlton Pacific Place in Jakarta, Indonesia. In August we conducted private sales events with Regis Home in Shenzhen, China whilst in November we participated in Long Stay Fair in Japan. We featured products from both Central and Southern Region at the events.

QUALITY INITIATIVES

We continue to lay down various check and balances throughout our operations by way of effective quality control measures. Our Quality Environment Management System which helps to increase productivity and quality within our organisation (5S), as well as Six Sigma Implementation Activities and Circles (ICC/QCC), serve as our progress markers. Furthermore, periodic quality assessments such as the Quality Assessment Systems in Construction ("QLASSIC") and the Construction Quality Assessment System ("CONQUAS"), push us to set international-grade quality and workmanship standards throughout our projects and products.

OUR COMMITMENT TO ENRICHING COMMUNITIES

A large part of our CR undertakings encompass community activities and we continue to elevate the many communities that we serve, especially in rural and semi-urban areas, through impactful education-related activities. We also focus on lending a helping hand and reaching out to others through various forms of social aid.

EDUCATION: ENSURING EQUALITY FOR ALL

We believe that education should be a commodity made available for everyone, thus we have set out to provide the assistance in transforming the education related activities into a level playing field for all. Through programmes such as the Exam Clinic and Seminar, Academic Excellence Programme, Green School Campaign, Motivational Camp, English Programme, Road Safety and Health Talks that we implement in our PINTAR schools, we are steadily making good progress in this area.

PINTAR RELATED ACTIVITIES

Our educational initiatives revolve around the PINTAR Foundation's ("PINTAR") four core modules namely Motivational and Team Building; Educational Support; Capability and Capacity Building; and Reducing Vulnerabilities and Social Issues.

PINTAR was established by Khazanah in 2006 which stands for Promoting Intelligence, Nurturing Talents and Advocating Responsibility. In line with the programme's theme, we are constantly improving and sourcing new ways in which we can raise the educational achievements of the students in the 17 schools which we have adopted under the PINTAR programme. Our specially designed educational programmes cater to the needs of the students by nurturing them in areas that can be further improved. 2013 saw us leveraging on the good momentum gained to repeat proven programmes and undertook new ones.

RECOGNISING PINTAR ACHIEVERS

We honoured 85 students from PINTAR schools who had achieved excellent results in the 2012 UPSR, PMR and SPM examinations at an awards presentation ceremony. Held at the Theatre Hall in Kota Iskandar, the ceremony was organised for the fifth consecutive year with the purpose of acknowledging the efforts, determination and perseverance of the students in delivering their personal best during their exams.

We also held a prize-giving ceremony for PINTAR primary and secondary school students who had participated in the

National Day Campaign and Green Programme competitions held at Kota Iskandar. The former campaign entailed a choral speaking competition themed "Unity", while the latter programme was a design competition that required participants to incorporate recycled materials into their creations. The events were organised with the aim of inspiring students to be innovative and creative while being socially and environmentally responsible at the same time.

ROAD SAFETY AWARENESS CAMPAIGN

For the third year running, we organised our road safety programme for 150 students from our 13 PINTAR primary schools, this time in collaboration with Edaran Tan Chong Motor, the distributor for Nissan vehicles. Held at LEGOLAND® Malaysia's driving school, the half-day programme was conducted in a fun and enjoyable outdoor ambience.

INAUGURAL ENGLISH BOOT CAMP

In June, we launched our first ever English Boot Camp at Savanah Hills in Ulu Tiram, Johor Bahru to create awareness about the importance of English as a second language. The 2D/1N camp involving 130 students of Year Five PINTAR schools, aimed to promote greater usage of English among students and help them to unleash their potential.

UEM SUNRISE'S THIRD SPELLING COMPETITION

UEM Sunrise held its third annual Spelling Competition for 90 pupils from 13 PINTAR primary schools at the Theatre Hall, Bangunan Dato' Jaafar Muhammad in Kota Iskandar in October 2013. The competition saw the number of participants increasing by 50% while a new challenge in the form of a spelling bee was introduced to participants as the final round of the competition. In that round, 10 finalists attempted to out-spell one another in a bid to be crowned the Spelling Bee Champion.

HEALTH & HYGIENE PROGRAMME

In a bid to promote healthy habits among school children, we organised a Health & Hygiene Programme in Kota Iskandar for some 150 of our PINTAR primary schools. Running for its third consecutive year, the programme saw us collaborating with the Johor Bahru District Health Department. Through talks given by speakers from the Health Department, students received healthy diet tips and learned about proper hygiene skills, dengue threats and bad smoking habits.

Pintar AL-QURAN PROGRAMME

To commemorate the achievement of 134 pre-schoolers who completed the Pintar Al-Quran Programme, we organised the fifth Khatam Al-Quran ceremony at the Theatre Hall in Kota Iskandar. The programme is part of the Company's bid to establish model communities which are founded on moral and spiritual values.

DONATION OF COMMUNITY VAN

Apart from our PINTAR based initiatives we are also committed to build up the community in the areas where we operate, through various endeavours. In 2013 we commenced our CR activities for the year with the contribution of a converted 14-seater van jenazah or hearse valued at RM90,000 to the community of Kampung Pok in Gelang Patah, Johor. 120 residents attended the official hand-over ceremony which was held at the Kampung Pok's An-Nur Mosque.

LIBRARY ENHANCEMENT PROJECT

Each year, the Company focuses on restoring at least one library as part of its Resource Centre Enhancement Project. In 2013, the library of SMK Gelang Patah, one of our 17 PINTAR schools, was fully revamped and refurbished. Through this initiative we aim to encourage reading culture among our students.



Spelling Competition

CORPORATE RESPONSIBILITY

BACK TO SCHOOL PROGRAMME

Our Back to School Programme aims to ease the burden of underprivileged children and families in their preparation for the upcoming 2014 school year. November 2013 saw the Company handing over a cheque amounting to RM18,400 to Pertubuhan Kebajikan Anak-Anak Yatim Darul Aitam in Tapah for the purchase of uniforms and the running of the home. A total of 40 orphans from the home benefited from this.

Our efforts also extended to the Orang Asli students of Gelang Patah. In November, a total of 145 school going children from Kampung Simpang Arang received two full sets of school uniforms under our Back to School Programme. In December, we handed over school uniforms and school supplies to 53 Orang Asli children from Kampung Sungai Geroyang and Kampung Sungai Merbau in Tapah, Perak.

OUR COMMITMENT TO SAFEGUARD THE ENVIRONMENT

UEM Sunrise is dedicated to caring and protecting the environment and we remain committed to our goal of creating sustainable and eco-friendly communities. In line with this, we continue to implement environmentally friendly best practices in every possible aspect of our operations in order to reduce our carbon footprint. From our designs to proper waste management measures, the preservation of the environment is a top priority. To ensure that all aspects of operations are in line with regulatory requisites and environmental criteria, we regularly carry out performance assessments and our own Environmental Management Plans ("EMPs").

GREEN INITIATIVES

We continued many of our green initiatives from the previous year as well as introduced new projects as part of our environment-based CR efforts. We participated in the Earth Hour 2013 programme and we continued to promote eco-friendly practices in our offices. We also widely promoted sustainable living under our Annual QASHE Campaign 2013.

GREEN DEVELOPMENTS

UEM Sunrise is committed to incorporate green elements in many of the properties that we develop. Energy saving practices such as water harvesting, cooling systems and smart technology are some of the few areas we made good progress in creating sustainable communities. Our commitment to develop eco-styled communities is reflected in the Kota Iskandar and Symphony Hills projects.

KOTA ISKANDAR

Developed with themes of heritage, sustainability, security and the environment in mind, Kota Iskandar thrives on thoughtful and innovative designs that are friendly to the environment and operationally sustainable. As part of the goal of turning Kota Iskandar into a model administrative capital, several pioneering technologies, and several firsts for Malaysia, were adapted for the development to address the challenges of today and tomorrow.

The pioneering features include the first integrated non-intrusive security plan with a direct link to the police, a non-intrusive automatic waste collection and disposal system that is environmentally-friendly and cost efficient, as well as the first district cooling system outside of Kuala Lumpur. These features as well as innovative designs and smart technology that encourages natural ventilation and less energy usage, ensure the administrative capital incorporates a healthy and comfortable environment whilst staying green.

Kota Iskandar's facilities maintenance regime incorporates the nation's first building life cycle costing programme to ensure sustainability and a longer effective building life. Effective Microbes ("EM") technology and organic landscape maintenance have also been introduced to reduce the dependence on chemicals.

Best practices such as these are shared under the Malaysian Technical Cooperation Programme organised by the Ministry of Foreign Affairs and International Institute of Public Policy and Management, University of Malaya. This is in line with the spirit of South-South Cooperation where Malaysia shares its development experience with other Islamic and developing countries.





SYMPHONY HILLS

Symphony Hills development is a prime example of our efforts to create harmony between urban living and eco-friendly sustainability. Properties within the development feature state-of-the-art fibre optic infrastructure with smart home conveniences, as well as energy saving, rain water harvesting and solar harnessing abilities. Situated within lush green environments with excellent urban amenities close at hand, this township serves us an excellent base for those who wish to lead a healthy and holistic lifestyle.

REGIONAL OPEN SPACE

Our Regional Open Space (“ROS”) Ecological Restoration and Rehabilitation Programme is another environmental-friendly initiative under the Nusajaya Green Plan. This major environmental improvement initiative involves open spaces being turned into well-planned, aesthetic park of extraordinary colours. In August 2013, a proposal was put forth, and approved by the Board of Directors of UEM Sunrise, to develop a Natural Heritage Park on land designated as Regional Open Space at Bandar Nusajaya, Mukim Pulau, Johor Darul Takzim. This proposal was later endorsed by the State Government of Johor in January 2014.

The proposed ROS development aims to transform the open space at Bandar Nusajaya into a sustainable, world-class heritage park that will provide fun and enjoyment for people of all ages and abilities, while promoting a greater understanding and appreciation of the natural environment. The development concept centres on three major development thrusts, namely recreational, educational (learning experience outside classroom), and scientific and conservation. It will showcase and document plant collections, to reflect past and present uses and their importance from the perspective of history, culture, science and landscape.

It will also cater for urban population’s needs for recreational space and provide educational programmes. Underlying these programmes, is an aspiration to deliver high standards of safety, comfort as well as products and services for visitor’s enjoyment with minimal social and environmental impact. The first phase of the park is expected to be completed and opened to the public by Q3 2015.

Given its size and the different terrain and soil conditions, it is proposed that the entire park be divided into five different zones, each with a different theme or focus, that will incorporate five key elements, namely tropical flora garden, plant collections garden, special built features, reforestation, roads and other infrastructure works. To date, work on the project is progressing smoothly following meetings with stakeholders and the appointment of consultants. Site works such as the initial exploratory and inventory works which include site preparation and clearing works too have begun. The preparatory works include benchmarking visits to several parks and agricultural grounds in Singapore, Peninsular Malaysia and East Malaysia as well as the fifth Global Botanical Gardens Congress in New Zealand.

MOVING FORWARD

As we venture forth guided by our vision - “Building communities of the future, with you and for you”, UEM Sunrise will continue to uphold our commitment to growing a profitable business in a responsible manner and to implant sustainable practices within our operations. To this end, we will ensure that we undertake effective CR initiatives in the areas of the Workplace, Marketplace, Community and the Environment in all the markets that we serve so that as many stakeholders as possible benefit from them. Only then can we say that we have truly played a part in building the communities around us.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (“Board”) of UEM Sunrise Berhad (formerly known as UEM Land Holdings Berhad) (the “Company”) remains committed to a strong and effective corporate governance culture with the ultimate objective of protecting and enhancing shareholders’ value and the financial performance of the Company and of its subsidiaries (the “Group”).

The Board recognises that maintaining good corporate governance practices is key to business integrity and delivering long term sustainable shareholders’ value. The Board evaluates and continues to enhance the existing corporate governance practices in order to remain relevant with developments in market practice and regulations.

As required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”), this Corporate Governance Statement reports on how the Company has applied the principles and recommendations of good corporate governance during the financial year under review as set out in the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) issued by the Securities Commission.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

1.1 CLEAR FUNCTIONS OF THE BOARD AND MANAGEMENT

The Board leads and provides stewardship to the Group’s strategic direction and operations to maximise shareholders’ value. In discharging its functions and responsibilities, the Board is guided by its Charter and the Discretionary Authority Limits (“DAL”) which outlines high level duties and responsibilities of the Board, matters that are specifically reserved for the Board, as well as those which the Board may delegate to the Board Committees, the Managing Director/Chief Executive Officer (“MD/CEO”) and Management. The DAL will be reviewed from time to time to ensure that it remains relevant to the Company’s objectives and was recently reviewed on 29 August 2013 to improve the structure for efficient and effective decision making within the Group.

The Board meets regularly to perform its principal responsibilities, amongst others, as follows:-

- Reviewing and adopting strategic plans for the Group.
- Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed.
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
- Succession planning, including appointing, training, reviewing the compensation and retention or replacement of senior management.
- Developing and implementing an investor relations programme or shareholder communication policy for the Group.
- Reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The MD/CEO is responsible for implementing the policies and decisions of the Board, overseeing the operations and managing the development and implementation of the Company’s business and corporate strategies. Upon the medical leave of absence of Dato’ Wan Abdullah Wan Ibrahim on 3 December 2013, the Board immediately re-designated Dato’ Mohd Izzaddin Idris as Executive Director to perform the duties and functions of the MD/CEO. On 25 February 2014, with the transfer of his employment contract to UEM Group Berhad, Dato’ Wan Abdullah Wan Ibrahim resigned from the Board of the Company and all its subsidiaries and associate companies. As the MD/CEO position was vacated, the Board has initiated the process to recruit a successor and in the interim the Executive Director will continue to perform the duties and functions of the MD/CEO.

1.2 CLEAR ROLES AND RESPONSIBILITIES

In discharging its fiduciary duties, the Board has delegated specific tasks to Board and Management Committees, all of which operate within defined terms of reference. These Committees have the authority to examine particular issues and report to the Board on their proceedings and deliberations together with its recommendations. However, the ultimate responsibility for the final decision on all matters lies with the entire Board.

The Board and Management Committees are:-

BOARD COMMITTEES	MANAGEMENT COMMITTEES
a) Audit Committee	a) Development Committee
b) Nominations & Remuneration Committee	b) Management Committee
c) Board Tender Committee	c) Management Tender Committee
d) ESOS Committee	d) Risk Management Committee

STRATEGIC PLAN

The Board participates actively in the development of the Company's strategy which encompasses the formulation and implementation of a five-year strategic plan. In addition to the strategic plan, the Board reviews and approves the annual operating plan for the ensuing year and sets the key performance indicators and targets for the Company, reflective of competitive industry trends and internal capabilities. A periodic monitoring and reporting system is in place which highlights significant variances of key performance indicators against plans and budget to monitor performance.

CONDUCT OF COMPANY'S BUSINESS

The roles of the MD/CEO and Non-Executive Directors are clearly delineated, both having fiduciary duties towards shareholders. Non-Executive Directors have the necessary skill, financial and business experience to bring effective judgement to bear on the issues of strategy, performance and resources.

The Board Committees carry out their tasks based on their roles and responsibilities as outlined below:-

- Audit Committee

The Audit Committee assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group. It also reviews any related party transactions and conflict of interest situations that may arise within the Group.

The members of the Audit Committee consist of all Independent Non-Executive Directors as follows:-

1. Lim Tian Huat (Chairman/Independent Non-Executive Director) [Appointed as Chairman with effect from 18 June 2013]
2. Oh Kim Sun (Member/Independent Non-Executive Director) [Redesignated from Chairman to Member with effect from 18 June 2013]
3. Md Ali Md Dewal (Member/Senior Independent Non-Executive Director)
4. Dato' Srikandan Kanagaintiram (Member/Independent Non-Executive Director) [Appointed as Member with effect from 18 June 2013]

The Audit Committee Report is presented on pages 103 to 109 of this Annual Report.

- Nominations & Remuneration Committee

The Nominations & Remuneration Committee assists the Board in the nomination of new Directors and remuneration package of Executive Directors and senior management. The members of the committee and roles and responsibilities are set out in section 2.1 below.

CORPORATE GOVERNANCE STATEMENT

- Board Tender Committee

The Board Tender Committee was established on 1 March 2009. The members are as follows:-

1. Dato' Srikandan Kanagathiraman (Chairman/Independent Non-Executive Director)
[Appointed as Chairman with effect from 18 June 2013]
2. Dato' Mohd Izzaddin Idris (Member/Executive Director)
[Redesignated from Chairman to Member with effect from 18 June 2013]
3. Lim Tian Huat (Member/Independent Non-Executive Director)

Sheranjiv Sammanthan resigned as a Committee member on 18 June 2013.

The functions and responsibilities of the Board Tender Committee in line with the Group's DAL requirements include, among others, the following:-

- > Approves the List of Tenderers (Project/Non-Projects) exceeding RM200 million in value;
- > Approves the award of all budgeted Contracts/Sub-Contracts (projects) of up to RM100 million per transaction and all unbudgeted Contracts/Sub-Contracts (projects) of up to RM20 million per transaction;
- > Approves the finalisation of project accounts (per contract) within the approved contract terms and approved variation orders of up to RM100 million;
- > Approves the award of variation order/claims to contractors/sub-contractors (cumulative amount per contract) of up to RM20 million or not more than 10% of contract sum, whichever is the lower; and
- > Approves the termination of contracts with contractors/sub-contractors of up to RM50 million.

- ESOS Committee

The ESOS Committee was established on 28 February 2012 comprising the following members:-

1. Tan Sri Dr Ahmad Tajuddin Ali (Chairman/Non-Independent Non-Executive Chairman)
2. Dato' Mohd Izzaddin Idris (Member/Executive Director)
3. Professor Philip Sutton Cox (Member/Independent Non-Executive Director)
[Appointed as Member with effect from 18 June 2013]
4. YM Ungku Suseelawati Ungku Omar (Member/Independent Non-Executive Director)
[Appointed as Member with effect from 18 June 2013]

Md Ali Md Dewal, Oh Kim Sun and Sheranjiv Sammanthan resigned as Committee members on 18 June 2013. Dato' Wan Abdullah Wan Ibrahim ceased as a Committee member on 25 February 2014 following his resignation from the Board of the Company.

The functions of the ESOS Committee is to administer the implementation of the Employee Share Option Scheme ("ESOS") in accordance with the objectives and regulations set out in the By-Laws, make rules and regulations or impose such terms and conditions in such manner as it deems fit and with such powers and duties as are conferred upon it by the Board.

The Company has one ESOS in existence during the financial year. The ESOS was approved by the shareholders of the Company at the Company's Extraordinary General Meeting held on 7 March 2012. The shareholders also approved a maximum grant of ESOS options over 10,000,000 new ordinary shares of RM0.50 each in the Company to the former MD/CEO, Dato' Wan Abdullah Wan Ibrahim. As at 31 December 2013, ESOS options over 213,739,600 new ordinary shares of RM0.50 each in the Company were granted to the employees of the Group (including the MD/CEO) as follows:-

Number of ordinary shares of RM0.50 each
of the Company under the
option pursuant to the ESOS

Category of employees	Granted as at 31 Dec 2013	Percentage granted as at 31 Dec 2013 of total available*	Exercised	Lapsed	Outstanding
MD/CEO	10,000,000	2.94	2,180,000	210,000	7,610,000
Senior Management	44,625,000	13.11	3,800,000	12,706,500	28,118,500
Other employees	159,114,600	46.76	13,935,100	42,355,050	102,824,450
TOTAL	213,739,600	62.81	19,915,100	55,271,550	138,552,950

* As at 31 December 2013, the issued and paid-up ordinary share capital of the Company comprised 4,537,435,037 ordinary shares of RM0.50 each. In accordance with the ESOS, the maximum number of shares to be offered for subscription and allotment upon the exercise of the ESOS options shall not be more than 7.5% of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS scheme.

The aggregate maximum allocation of the ESOS options applicable to the Directors and senior management is 30% and the actual granted to the Directors and senior management since the commencement of the ESOS is 25.56%.

IDENTIFYING PRINCIPAL RISKS AND ENSURING THE IMPLEMENTATION OF APPROPRIATE INTERNAL CONTROLS AND MITIGATION MEASURES

The Risk Management Committee, comprising the senior management from various functional responsibilities and chaired by the MD/CEO, was set up to assist the Board in carrying out its responsibility to oversee the enterprise risk management framework of the Group. The Audit Committee assists the Board in providing oversight over the Group's management of risk and reviews the adequacy of compliance and control throughout the Group. The Audit Committee deliberates on the Risk Management Committee's periodic reports and risk profile and reports to the Board. Details on the Company's risk framework are set out in the Statement on Risk Management and Internal Control as well as the Risk Management Report of this Annual Report.

SUCCESSION PLANNING

The Nominations & Remuneration Committee is entrusted by the Board with the responsibility to review candidates for Executive Directors and key management positions and recommend their compensation packages. It also reviews the compensation framework for Executive Directors and senior management staff, human resources roadmap and receives reports on manpower analysis and staffing requirements.

The Board is satisfied that the Nominations & Remuneration Committee discharges its functions in accordance with its terms of reference in respect of nomination and remuneration matters, and as such there is no necessity to segregate the functions into two separate committees.

In addition, to ensure that the Group has a robust leadership pool to meet future challenges and for succession planning, Leadership Management Programmes are in place to identify and nurture emerging leaders and employees with high potential, as well to enhance the leadership skills of existing leaders. These initiatives are facilitated by UEM Group Berhad's training centre called UEM Learning Centre.

CORPORATE GOVERNANCE STATEMENT

SHAREHOLDER COMMUNICATION POLICY

The Board on 20 February 2013 established a Shareholder Communication Policy to keep the market informed of all information which may or could have a material effect on the value of its securities. A copy of this policy is available for reference on the Company's website www.uemsunrise.com.

INTEGRITY OF MANAGEMENT INFORMATION AND INTERNAL CONTROL SYSTEM

The Board is ultimately responsible for the adequacy and integrity of the Company's internal control system. Details of the Company's internal control system and the review of its effectiveness are respectively set out in the Statement on Risk Management and Internal Control and Risk Management Report of this Annual Report.

1.3 FORMALISE ETHICAL STANDARDS THROUGH CODE OF ETHICS

CODE OF ETHICS

The Board on 27 March 2013 adopted and implemented a Code of Ethics which sets out appropriate code of conduct to enhance the standards of corporate governance to achieve a standard of ethical behaviour for Directors based on trustworthiness and values of social responsibility and accountability. The Code is published on the Company's website at www.uemsunrise.com.

The conduct of employees are governed by Code of Ethics for employees which provides clear direction on conduct of business, general workplace behaviour and dealing with stakeholders. It includes guidance on disclosure of conflict of interests, maintaining confidentiality, no gifts policy, practices regarding entertainment, personal solicitation and graft, amongst others.

The Directors and employees are expected to behave ethically and professionally at all times and protect and promote the reputation and performance of the Company. The Group communicates its Code of Conduct to all Directors and employees upon their appointment or employment.

WHISTLE BLOWER POLICY

The Company has in place a whistle blower policy which provides a mechanism for officers and employees of the Company to report instances of unethical behaviour, actual or suspected fraud or dishonesty or violation of the Company's code of conduct or ethics policy.

TRADING ON INSIDER INFORMATION

Directors and employees of the Group who have access to price-sensitive information relating to the Company's listed securities or of other listed issuers which are not available to the public must not deal in such listed securities in line with the Capital Markets and Services Act 2007 which prohibits insider trading.

Directors and employees of the Group who do not have access to price-sensitive information mentioned above can deal in the securities of the Company provided that the procedures set out in the Listing Requirements are strictly adhered to. Notices on the closed period for trading in the Company's listed securities are sent to Directors, principal officers and relevant employees on a quarterly basis.

CONFLICT OF INTEREST

Directors and principal officers are required to declare their respective shareholdings in the Company and related companies and their interests in contracts or proposed contracts with the Company or any of its related companies. The Directors concerned shall abstain from deliberating and voting in relation to these transactions.

RELATED PARTY TRANSACTIONS

An internal compliance framework exists to ensure that the Group meets its obligations under the Listing Requirements including obligations relating to related party transactions. The Board, through the Audit Committee, reviews all related party transactions involved. A Director who has an interest in a transaction must abstain from deliberating and voting on the relevant resolution in respect of such transaction at the Board and at any general meeting convened to consider the matter.

The Recurrent Related Party Transactions entered into by the Group with its related parties in 2013 are set out on pages 246 to 248 of this Annual Report.

1.4 STRATEGIES PROMOTING SUSTAINABILITY

The Board recognises the importance of building a sustainable business and has established a Sustainability Policy which outlines key focus areas based on environmental, social and governance attributes. The Sustainability Policy is published on the Company's website at www.uemsunrise.com and the Group's Corporate Responsibility activities for the year under review are disclosed on pages 74 to 81 of this Annual Report.

1.5 ACCESS TO INFORMATION AND ADVICE

The Directors have full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. There are matters specifically reserved for the Board's decision to ensure that the direction and control of the Group is firmly in its hands.

The Board is furnished with an agenda and a set of Board papers in advance of each Board meeting for the Directors to study and evaluate the matters to be discussed. The Board papers contain both quantitative and qualitative information and are presented in a manner which is concise and include comprehensive management reports, minutes of meetings, proposal papers and supporting documents. This will enable Directors to review, consider, and if necessary, obtain further information or research on the matters to be deliberated in order to be properly prepared at the meetings, thereby enabling informed decisions to be made.

In discharging their duties, the Directors are assured of full and timely access to all relevant information. The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company's expense with consent from the Chairman or Committee Chairman, as the case may be.

CORPORATE GOVERNANCE STATEMENT

1.6 COMPANY SECRETARIES

The Board is supported by suitably qualified and competent Company Secretaries who are accountable to the Board and are responsible for:

- a) Organising Board and Board Committee meetings and preparing the minutes thereof;
- b) Preparing meeting agenda in consultation with the Chairman and the MD/CEO, or in his absence, the Executive Director;
- c) Compiling and circulating Board and Board Committee meeting folders;
- d) Advising the Board on procedural and regulatory requirements;
- e) Supporting the Board on adherence to Board policies and procedures;
- f) Providing a point of reference for dealings between the Board and the Management;
- g) Communicating with regulatory bodies and Bursa Securities;
- h) Attending to all statutory and other filings,

as well as ensuring compliance with the statutory requirements of the Companies Act, 1965, the Listing Requirements and other regulatory bodies.

All Directors have full access to the advice and services of the Company Secretaries who ensure that Board procedures are adhered to at all times during meetings and advised the Board on matters including corporate governance issues, and Directors' responsibilities in complying with relevant legislation and regulations.

1.7 BOARD CHARTER

The Board on 20 February 2013 adopted a Board Charter, which sets out the role, composition and responsibilities of the Board embodying the Principles of MCCG 2012 and serves as a source of reference for new Board members.

The Board Charter is reviewed from time to time and updated in accordance with the requirements of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is available for reference at the Company's website at www.uemsunrise.com.

2. STRENGTHEN COMPOSITION OF THE BOARD

2.1 NOMINATION COMMITTEE

The Nominations & Remuneration Committee is made up exclusively of Non-Executive Directors with a majority of them being Independent Directors. In observance with MCCG 2012, the Nominations & Remuneration Committee is chaired by the Senior Independent Non-Executive Director.

The Nominations & Remuneration Committee meets as and when required, and at least once a year. During the year under review, the Nominations & Remuneration Committee met six times and the meeting attendance is as follows:-

No.	Name	Number of Meetings Attended	Percentage of Attendance (%)
1.	Md Ali Md Dewal (Chairman/Senior Independent Non-Executive Director)	6/6	100
2.	Oh Kim Sun (Member/Independent Non-Executive Director)	6/6	100
3.	Sheranjiv Sammanthan (Member/Non-Independent Non-Executive Director) - Appointed on 18 June 2013	3/3*	100
4.	YM Ungku Suseelawati Ungku Omar (Member/Independent Non-Executive Director) - Appointed on 18 June 2013	2/3*	67
5.	Dato' Mohd Izzaddin Idris (Member/Executive Director) - Relinquished membership on 3 December 2013 immediately upon redesignation from Non-Independent Non-Executive Director to Executive Director	5/5**	100

* Reflects the number of Meetings attended during the financial year after the Director was appointed.

** Reflects the number of Meetings attended during the financial year up to 3 December 2013.

The duties and responsibilities of the Nominations & Remuneration Committee include, among others, the following:-

- Assists the Board in reviewing the performance of the Senior Management and the other Directors annually;
- Recommends individuals for appointment on the Board;
- With respect to the nomination of new candidates for Board membership, recommending to the Board the criteria, qualifications and experience deemed appropriate for the particular vacancy to be filled, with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- Reviews and recommends to the Board annual increments and ex-gratia payments for Executive Directors and senior management;
- Designs and implements an evaluation procedure for Executive Directors; and
- If instructed by the Board, reviews the proposals for the remuneration package of each member of the Company's committees.

2.2 DEVELOP, MAINTAIN AND REVIEW THE CRITERIA FOR RECRUITMENT PROCESS AND ANNUAL ASSESSMENT OF DIRECTORS

The Nominations & Remuneration Committee is responsible for making recommendations to the Board on the appropriate size composition. In discharging its responsibilities, the Nominations & Remuneration Committee has developed certain criteria used in the recruitment process and annual assessment of Directors, including Independent Directors. In evaluating the suitability of the candidates, the following factors are considered:-

- Skills, knowledge, expertise and experience;
- Professionalism;
- Boardroom diversity;
- Background, character, competence, time commitment and integrity; and
- In the case of candidates for the position of Independent Non-Executive Directors, the candidates' ability to discharge such responsibilities is also evaluated.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to provide fair and equal opportunities and nurturing diversity within the Group. The Nominations & Remunerations Committee will take steps to ensure women candidates are considered as part of the recruitment exercise. Currently, the Board has one female Independent Non-Executive Director.

In accordance with the Company's Articles of Association and unless determined by the Company in a general meeting, the number of Directors shall not be less than two or more than fifteen.

As at 31 December 2013, the Board consists of ten members comprising the Non-Independent Non-Executive Chairman, MD/CEO, one Executive Director, one Non-Independent Non-Executive Director and six Independent Non-Executive Directors. The composition of the Board was well balanced, representing both the majority and minority shareholders' interest and complied with the Listing Requirements where at least two Directors or one-third of the Board, whichever is the higher, must comprise Independent Directors. The six Independent Non-Executive Directors met the criteria of independence as prescribed in the Listing Requirements and the Board confirmed that there had been no transactions, relationship or arrangements that would have impaired the independence or any judgement made by the Board.

The Board composition reflects a balance of Executive and Non-Executive Directors with a mix of suitably qualified and experienced professionals in the fields of accounting, architecture, quantity surveying, property development specialising in retail, banking, corporate finance, engineering and general experience in management. This combination of different professions and skills working together enables the Board to effectively lead and successfully supervise the Company's business activities, which are vital to the success of the Group.

The Board conducts an annual evaluation of its activities and performance as prescribed in MCCG 2012, the Green Book on Enhancing Board Effectiveness and Listing Requirements. Through its Board Effectiveness Assessment, the Board via the Nominations & Remuneration Committee evaluates the overall Board's performance against criteria that the Board determines are important to its success. These include the Board's composition, communication, effectiveness and responsibilities. Questionnaires are sent to Directors to obtain their feedback, views and suggestions to improve the performance of the Board and its Board Committees.

The Nominations & Remuneration Committee assessed the overall effectiveness of the Board, its Committees and the contribution and performance of each Director in respect of the financial year 2013. Various factors were considered including its size, structure, composition, mix of skill and experience, time commitment of the Directors, integrity and other qualities including core competencies which Directors should bring to the Board to discharge their roles and responsibilities. All assessments and evaluations carried out by the Nominations & Remuneration Committee are documented.

2.3 REMUNERATION POLICIES AND PROCEDURES

The Company's policy on Directors' remuneration is to attract and retain Directors of high calibre needed to lead the Group successfully. The MD/CEO was paid by a subsidiary and in line with the Company's general remuneration policy for its senior management. His remuneration was structured so as to link rewards to corporate and individual performance. He was not paid any Directors' fees and meeting allowances for the Board and Board Committee meetings that he attends.

In evaluating the MD/CEO's remuneration, the Nominations & Remuneration Committee takes into account corporate financial performance, as well as performance on a range of non-financial factors including accomplishment of strategic goals. The Nominations & Remuneration Committee recommends to the Board the remuneration package of an Executive

Director and it is the responsibility of the Board to approve the remuneration package of an Executive Director, with the Executive Director concerned abstaining from deliberation and voting on the same.

The Company pays its Non-Executive Directors a fixed base fee, not by a commission or on percentage of profits or turnover as consideration for their Board duties. Non-Executive Directors remuneration is a matter to be decided by the Board collectively with the Directors concerned abstaining from deliberations or voting on decision in respect of their individual remuneration. The aggregate amount of directors' fees to be paid to Non-Executive Directors is subject to the approval of the shareholders at a general meeting.

The details of the Directors' remuneration for the financial year ended 31 December 2013 are as below:

Name of Director	Salary	Fees	Allowance, other benefits & emoluments	Benefit in kind	Total
	RM'000				
Tan Sri Dr Ahmad Tajuddin Ali	-	235	-	-	235
Dato' Wan Abdullah Wan Ibrahim	1,815	-	-	120	1,935*
Dato' Mohd Izzaddin Idris	-	144+	65++	-	209
Md Ali Md Dewal	-	170	-	-	170
Oh Kim Sun	-	169	-	-	169
Sheranjiv Sammanthan	-	130+	-	-	130
Professor Philip Sutton Cox	-	116	-	-	116
Lim Tian Huat	-	161	-	-	161
Dato' Srikandan Kanagainthiram^	-	114	-	-	114
YM Ungku Suseelawati Ungku Omar^	-	101	-	-	101
TOTAL	1,815	1,340	65	120	3,340

- * This amount is inclusive of salary, bonus and EPF (employer's contribution) paid by a subsidiary.
- + Fees for nominees of UEM Group Berhad and Khazanah Nasional Berhad on the Board of the Company are paid directly to the respective companies.
- ++ This amount is inclusive of EPF (employer's contribution).
- ^ Appointed with effect from 19 March 2013.

The number of Directors of the Company whose total remuneration during the financial year falls within the following band, is as follows:-

	Number of Directors	
	Executive RM'000	Non-Executive RM'000
RM100,001 – RM150,000	-	4
RM150,001 – RM200,000	-	3
RM200,001 – RM250,000	1	1
RM1,900,001 – RM1,950,000	1	-

CORPORATE GOVERNANCE STATEMENT

3. REINFORCE INDEPENDENCE

3.1 ANNUAL ASSESSMENT OF INDEPENDENCE

The Board acknowledges the importance of Independent Directors who are tasked with ensuring that there is a proper check and balance on the Board as they are able to provide unbiased and independent views in Board deliberations and decision-making of the Board taking into account the interests of the Group and the minority shareholders. The Independent Directors are also proactively engaged with both the internal and external auditors and especially the Chairman of the Audit Committee.

Taking into cognisance of the importance of the interests of shareholders and stakeholders, the Board has identified an Independent Non-Executive Director, Md Ali Md Dewal, as the designated Senior Independent Director to whom concerns relating to the Company may be conveyed by shareholders and stakeholders.

In its annual assessment, the Nominations & Remuneration Committee reviewed the independence of Independent Directors as per the criteria defined under the Listing Requirements. The assessment also took into account that the individual Director is independent of management and free from any business or other relationship which could interfere with the exercise of independent and objective judgement, and his or her ability to advise the Board on matters relating to existing transactions where conflict of interest may exist. Based on the assessment in respect of the financial year 2013, the Board is satisfied with the level of independence demonstrated by the Independent Directors.

3.2 TENURE OF INDEPENDENT DIRECTORS

The Board has a policy of not allowing Independent Non-Executive Directors to serve a cumulative term of exceeding nine years. However, subject to the Board's consent, such Director may continue to serve on the Board provided he is re-designated as a Non-Independent Director.

The Board may nevertheless seek the shareholders' approval in the event it retains a person as an Independent Director who has served in that capacity for more than nine years and provide strong justification to the shareholders at a general meeting.

3.3 SHAREHOLDERS' APPROVAL FOR THE RETENTION OF INDEPENDENT DIRECTORS

None of the Independent Directors of the Company has served for a cumulative period of more than nine years during the year under review.

3.4 SEPARATION OF POSITIONS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the MD/CEO are distinct and separate to ensure that there is a balance of power and authority.

The Board is chaired by the Non-Executive Chairman, whose role is clearly separated from the role of the MD/CEO. The Non-Executive Chairman leads the Board effectively and encourages contribution from all members. The MD/CEO is responsible for the day-to-day management of the business with power, discretions and delegations authorised in the DAL. During the leave of absence of the MD/CEO, an Executive Director was appointed by the Board on 3 December 2013 to perform the duties and functions of the MD/CEO.

3.5 COMPOSITION OF BOARD

The Board is chaired by a Non-Independent Non-Executive Chairman. Its composition comprises majority Independent Non-Executive Directors, who account for 60% of the members to ensure balance of power and authority on the Board.

4. FOSTER COMMITMENT

4.1 TIME COMMITMENT

The Board is expected to meet at least six times annually, with additional meetings to be convened when necessary to review financial, operational and business performances. Board meetings for each financial year are scheduled before the end of the preceding financial year.

During the financial year ended 31 December 2013, the Board met seven times and the details of the attendance are as follows:-

Directors	Number of Board Meetings Attended	Percentage of Attendance (%)
Tan Sri Dr Ahmad Tajuddin Ali (Non-Independent Non-Executive Chairman)	7/7	100
Dato' Wan Abdullah Wan Ibrahim (MD/CEO) - Resigned from the Board on 25 February 2014	6/7	86
Dato' Mohd Izzaddin Idris (Executive Director) - Redesignated from Non-Independent Non-Executive Director on 3 December 2013	6/7	86
Md Ali Md Dewal (Senior Independent Non-Executive Director)	7/7	100
Oh Kim Sun (Independent Non-Executive Director)	6/7	86
Sheranjiv Sammanthan (Non-Independent Non-Executive Director)	6/7	86
Professor Philip Sutton Cox (Independent Non-Executive Director)	6/7	86
Lim Tian Huat (Independent Non-Executive Director)	5/7	71
Dato' Srikanthan Kanagaintiram (Independent Non-Executive Director) - Appointed with effect from 19 March 2013	6/6*	100
YM Ungku Suseelawati Ungku Omar (Independent Non-Executive Director) - Appointed with effect from 19 March 2013	6/6*	100

*Reflects the number of Board Meetings attended during the financial year after the Director was appointed.

CORPORATE GOVERNANCE STATEMENT

The Board through the Nominations & Remuneration Committee reviewed annually the time commitment of the Directors and ensures that they are able to carry out their responsibilities and contributions to the Board. It is the Board's policy for Directors to notify the Chairman before accepting any new directorship. Such notification is expected to include an indication of time that will be spent on the new appointment.

Under the provisions of the Company's Articles of Association, all Directors, including the MD/CEO, shall retire from office at least once every three years but shall be eligible for re-election. At the first annual general meeting and in every year thereafter one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third, shall retire from office at each Annual General Meeting ("AGM"). All retiring Directors can offer themselves for re-election.

The Company's Articles of Association also provides for Directors who are appointed by the Board during the period before an AGM to retire and to offer themselves for re-election at the next AGM to be held following their appointments.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are of or over the age of 70 years shall retire at every AGM of the Company and subject to approval being obtained from the shareholders, may be re-appointed to hold office until the next AGM in accordance with Section 129(6) of the Companies Act, 1965.

To assist the shareholders in their decision, sufficient information such as personal profile and attendance of meetings for the Directors standing for re-election are disclosed in the Directors' Profile on pages 64 and 66 of this Annual Report. The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings which appear on page 240 of this Annual Report.

4.2 TRAINING AND DEVELOPMENT OF DIRECTORS

The Group acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skills and knowledge in discharging its responsibilities.

All Directors appointed to the Board, apart from attending the Mandatory Accreditation Programme accredited by Bursa Securities, have also attended other relevant training programmes and seminars organised by the relevant regulatory authorities and professional bodies to further enhance their business acumen and professionalism in discharging their duties to the Group.

All new Directors appointed to the Board receive a formal induction programme to be provided by the MD/CEO and senior management. The two new Directors appointed during the financial year were provided with an induction of the Group's operations and business overview, including a site tour of on-going projects.

Members of the Board had also been invited to participate in forums and/or seminars in the capacity as a speaker, moderator or panelists in areas of their expertise. Some of the trainings/conferences/seminars and/or workshop in which members of the Board had participated during the financial year ended 31 December 2013, are as follows:-

No.	Directors	List of Training/Conference/Seminar/Workshop Attended
1.	Tan Sri Dr Ahmad Tajuddin Ali	<p>Joint Seminar on Science Education and Seminar on Renewable Energy Initiative. Welcoming Remarks by Tan Sri Dr Ahmad Tajuddin Ali – President of the Academy of Sciences Malaysia.</p> <p>Lecture by Dr Zamir Iqbal – “Promise of Islamic Finance: What needs to be done to make it reality” – Academy of Sciences Malaysia and Yayasan Tun Ismail Mohamed Ali.</p> <p>InterAcademy Panel [IAP] Conference on Grand Challenges and Integrated Innovations: Science for Poverty Eradication and Sustainable Development – Academy of Sciences Malaysia and Brazilian Academy of Sciences.</p> <p>IAP Conference: “Towards A Sustainable Energy Future”. Moderator - Tan Sri Dr Ahmad Tajuddin Ali, President of the Academy of Sciences Malaysia – Academy of Sciences Malaysia and Brazilian Academy of Sciences.</p> <p>Workshop on Scoping for Mega Science Framework Study for Sustained National Development (2010-2050) – Academy of Sciences Malaysia.</p> <p>“Science for Peace” discourse series between Malaysian Scientist and Dr Rita Colwell, US Presidential Science Envoy – Academy of Sciences Malaysia.</p> <p>Asia Business Council (ABC) 2013 Spring Forum.</p> <p>MINDA Director’s Forum.</p> <p>Workshop on Project Collaboration with the Royal Institute of Technology, Sweden. Welcoming Remarks by Tan Sri Dr Ahmad Tajuddin Ali - President of the Academy of Sciences Malaysia.</p> <p>Strategic Issues Forum & Corporate Malaysia Roundtable on the Outcome & Implications on the 13th General Elections – Asian Strategy & Leadership Institute.</p> <p>Dialogue on Millennium Development Goals (MDG) to Sustainable Development Goals (SDG): “Is there a role for Science, Technology and Innovation?” Welcoming Remarks by Tan Sri Dr Ahmad Tajuddin Ali - President of the Academy of Sciences Malaysia.</p> <p>Public Lecture Series by Lord Martin Rees of Austrian Academy of Sciences, Vienna – Academy of Sciences Malaysia.</p> <p>National Symposium on Experimental Research with Compact Muon Solenoid (CMS), Collaboration at the European Organisation for Nuclear Research (CERN). The CMS detector & experimental Particle Physics Research by Professor Joseph Incandela, Spokesperson, CMS Collaboration. Speech by Tan Sri Dr Ahmad Tajuddin Ali - President of the Academy of Sciences Malaysia.</p> <p>Public Lecture Discovery of the Higgs Boson at the Large Hadron Collider by Professor Dr Greg Landsberg. Opening Remarks by Tan Sri Dr Ahmad Tajuddin Ali – President of the Academy of Sciences Malaysia.</p> <p>PSKLM International Expressway Conference & Exhibition 2013 [PIECE 2013].</p>

CORPORATE GOVERNANCE STATEMENT

No.	Directors	List of Training/Conference/Seminar/Workshop Attended
1.	Tan Sri Dr Ahmad Tajuddin Ali (Cont'd)	<p>High Level Forum on Green Future: Building Sustainable Green Growth & Green Future by YB Minister of Energy, Green Technology and Water. Welcoming Remarks by Tan Sri Dr Ahmad Tajuddin Ali - Joint Chairman, MIGHT.</p> <p>Public Lecture by YAB Prime Minister.</p> <p>Asia Pacific Economic Council (APEC) CEO Summit Conference: Invest Indonesia.</p> <p>Lecture by Professor Dato' Dr Kamaruzzaman Sopian on Renewable Energy Technology: Sustainable Path for a Carbon Free Future – Academy of Sciences Malaysia.</p> <p>Lecture by Professor Dr Hamdani Saidi on Looking for Green Solutions to our Energy Need – Academy of Sciences Malaysia.</p> <p>High Level Forum on Biodiversity and Development Post - 2015. Keynote Address by YAB Prime Minister of Malaysia.</p> <p>Asia Pacific Infrastructure Partnership (APIP) Dialogue with the Government of Indonesia.</p> <p>APIP Dialogue with the Government of Malaysia.</p> <p>Mahathir Science Award Laureate Lecture by Professor James M.Kelly: "Malaysian Natural Rubber In Earthquake Resistant Structures".</p>
2.	Dato' Wan Abdullah Wan Ibrahim	<p>The Power of One Leadership Conference – Ogilvy.</p> <p>The Business of Innovation – The London Speaker Bureau.</p> <p>9th World Islamic Economic Forum, London, United Kingdom.</p> <p>4th Iskandar Malaysia CEO Forum – Khazanah Nasional Berhad.</p> <p>DBS Vickers' Pulse of Asia Conference Singapore – Hwang DBS.</p> <p>4th ASEAN Conference 2013 Singapore – Credit Suisse.</p> <p>Asia Pacific Leaders Conference New York – CIMB.</p> <p>16th Asian Investment Conference 2013 – Credit Suisse.</p> <p>Invest Malaysia 2013, Kuala Lumpur – Bursa Malaysia and Maybank Investment Bank.</p> <p>Asia Pacific Conference 2013, Kuala Lumpur – CIMB.</p>
3.	Dato' Mohd Izzaddin Idris	<p>Panelist at UKEC-GRADUAN Career Fair in London – TalentCorp.</p> <p>UEM Builders Directors and Management Retreat 2013.</p> <p>7th Leadership Development Circle – Khazanah Nasional Berhad.</p> <p>CIMA Group of Companies – Board of Directors and Management Retreat.</p> <p>5th Iskandar Malaysia CEO Forum – Khazanah Nasional Berhad.</p>
4.	Md Ali Md Dewal	<p>Directors Consortium held by Graduate School of Business, Schools of Tuck, Chicago Booth and Stanford University USA held in Boston.</p>

No.	Directors	List of Training/Conference/Seminar/Workshop Attended
5.	Oh Kim Sun	<p>Advocacy Sessions on Corporate Disclosure for Directors – Bursa Malaysia Berhad.</p> <p>Nominating Committee Programme – Joint Programme between the ICLIF Leadership & Governance Centre and Bursa Malaysia Berhad.</p>
6.	Sheranjiv Sammanthan	<p>16th Asian Investment Conference 2013 – Credit Suisse.</p> <p>OECD Asian Roundtable on Corporate Governance & The International Corporate Governance Seminar 2013 – Securities Commission.</p> <p>Khazanah Mid Year Retreat 2013: “Leadership & Culture” by Kate Sweetman (ICLIF) & “Impact Investing in a Low Growth Environment” by Nabil El-Hage (Academy of Executive Education).</p> <p>Tea Talk on “Current Macroeconomic Environment” by Byron Wien (Vice Chairman, Blackstone Advisory Partners LP) – Khazanah Nasional Berhad.</p> <p>Healthcare - “The Conception, Gestation and Birth of IHH” – Khazanah Nasional Berhad.</p> <p>PricewaterhouseCoopers Breakfast Event: The Board Agenda Series - “Boards & Strategy - Where Are We?”.</p> <p>Khazanah Megatrends Forum 2013 - “Growth with Inclusion in an Age of Paradox”.</p> <p>BCG Leadership Forum 2013 - TED@BCG The Shape of Change – The Boston Consulting Group.</p> <p>Securities Commission World Capital Markets Symposium.</p> <p>Khazanah Year End Retreat 2013.</p> <p>4th Singapore Corporate Governance Week - Global Corporate Governance Conference “Today’s Issues, Tomorrow’s Challenges” (Panel Member).</p>
7.	Professor Philip Sutton Cox	<p>Australian Institute of Architects Presidents Lunch, Canberra (Speaker).</p> <p>Australian Institute of Building Address – Melbourne (Speaker).</p>
8.	Lim Tian Huat	<p>Anti-Money Laundering & Counter Financing of Terrorism (AML & CFT) Awareness Training – Bank Negara Malaysia.</p> <p>Risk Management Committee – Banking - ICLIF Leadership & Governance Centre.</p> <p>Malaysian Institute of Accountants Conference.</p>
9.	Dato’ Srikandan Kanagainthiram	<p>Mandatory Accreditation Programme for Directors of Public Listed Companies – Bursatra Sdn Bhd.</p> <p>Speaker for EEA Forum 2013 on “Value Creation for Construction Projects – A Procurement System Encourages Co-operative Relationship”.</p> <p>QS International Convention (QSIC) 2013 – “Surfing The Wave of Change” – Board of Quantity Surveyors Malaysia (Session Chairman).</p>
10.	YM Ungku Suseelawati Ungku Omar	<p>Mandatory Accreditation Programme for Directors of Public Listed Companies – Bursatra Sdn Bhd.</p>

CORPORATE GOVERNANCE STATEMENT

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders as well as the Chairman's statement and review of operations in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

The quarterly financial results and audited financial statements are reviewed by the Audit Committee and the external auditors and approved by the Board before being released to Bursa Securities.

5.2 ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Company maintains a transparent relationship with its auditors and seeks their professional advice to ensure that accounting standards are complied with. The Audit Committee discusses with the external auditors the nature and scope of the audit and reporting obligations before the audit commences. The Audit Committee ensures that the management provides timely responses on all material queries raised by the external auditors.

The Audit Committee meets up with the external auditors at least twice a year in the absence of the MD/CEO and Management.

The Company has established policies governing the provision of non-audit services that can be provided by the external auditors. The external auditors have confirmed to the Board their independence in providing both audit and non-audit services for the year under review.

6. RECOGNISE AND MANAGE RISKS

6.1 SOUND FRAMEWORK TO MANAGE RISKS

The ultimate responsibility for ensuring a sound and effective internal control system lies with the Board. The Board sets policies and procedures for internal control and oversees that the implementation of the internal control system is properly carried out by the executive management.

The Board acknowledges that while the internal control system is devised to cater for particular needs of the Group as well as risk management, such controls by their nature can only provide reasonable assurance against material misstatements or loss. A statement on the state of risk management and internal control in the Group is set out on pages 110 to 113 of this Annual Report and the Risk Management Report is set out on pages 114 to 116 of the Annual Report.

6.2 INTERNAL AUDIT FUNCTION

Since its listing in 2008, the Company has been outsourcing the internal audit function to UEM Group Management Sdn Bhd ("UEMGM") which has adequate resources and appropriate standing to undertake its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of risk management, internal control and governance systems.

During the financial year, the Audit Committee approved the setting up of an internal audit function for the Group. The Group is in the midst of recruiting a suitable head for the internal audit function. In the interim, UEMGM continues to provide support to the Group's internal audit function and the head of the internal audit division in UEMGM continues to oversee the internal audit activities and reports directly to the Audit Committee.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 CORPORATE DISCLOSURE POLICY

The Group has been transparent and accountable to its shareholders and investors and recognises the importance of timely dissemination of information to shareholders and other stakeholders. The Board is also committed to ensure that the shareholders and other stakeholders are well informed of major developments of the Company and the information is communicated to them through the following channels:-

- Annual Report;
- Various disclosures and announcements to Bursa Securities including quarterly results;
- Press releases and announcements to the media;
- Dialogues and presentations at general meetings to provide overview and clear rationale with regard to the proposals tabled for approval by shareholders; and
- Online investor relations on the Company's website at www.uemsunrise.com.

Through its Shareholder Communication Policy, the Company aims to nurture the loyalty and confidence of its shareholders through frequent, full and forthright communication, both directly to shareholders and indirectly through analysts and the media. All announcements made by the Company to Bursa Securities will be posted on the Company's website at www.uemsunrise.com.

7.2 LEVERAGE ON INFORMATION TECHNOLOGY FOR EFFECTIVE DISSEMINATION OF INFORMATION

The Company's website has a dedicated section that provides investors with detailed information on the Group's business, commitments and latest developments.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

The Annual Report as well as those for past years are available through the Company's website and in CD-ROM format.

8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS

8.1 ENCOURAGE SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS

The AGM of the Company serves as the principal forum that provides the opportunity for shareholders to raise questions pertaining to issues in the Annual Report, audited financial statements and corporate developments in the Group, the resolutions being proposed and on the businesses of the Group. The Chairman as well as the MD/CEO and the external auditors, if so required, will respond to shareholders' questions during the meeting. Each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution to facilitate better understanding and evaluation of issues involved.

The notice of AGM in 2013 was despatched well in advance of the mandatory 21 days' notice to enable shareholders sufficient time to peruse the Annual Report and its supporting documents to the resolutions proposed.

CORPORATE GOVERNANCE STATEMENT

8.2 POLL VOTING

The Board encourages participation at general meetings and will endeavour to put substantive resolutions and such resolutions as mandated by Bursa Securities to vote by poll. Generally resolutions will be carried out by show of hands, except for related party transaction wherein poll will be conducted as required by the Listing Requirements and if demanded by the shareholders in accordance with the Articles of Association of the Company.

All resolutions put forth for shareholders' approval at the Fifth AGM held on 12 June 2013 were voted by a show of hands.

8.3 EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENTS WITH SHAREHOLDERS

At the Fifth AGM, all the Directors were present in person to engage directly with the shareholders. The external auditors were in attendance to respond to any shareholders' queries. The MD/CEO also shared with the shareholders the Company's responses to questions submitted in advance of the AGM by the Minority Shareholder Watchdog Group.

DIVIDEND POLICY

The Board has since 12 June 2012 adopted a dividend policy of paying out between 20% to 40% of the Group's consolidated profit after tax and minority interests subject to among others, availability of distributable reserves and adequate free cash flow from operations, to allow shareholders to participate in the Company's profits, at the same time retaining adequate reserves for future growth. Whilst the dividend policy reflects the Board's current views of the Group's financial and cash flow position, the dividend policy will be reviewed from time to time. A copy of the dividend policy can be obtained from the Company's website at www.uemsunrise.com.

Total dividends paid for the financial year ended 31 December 2012 ("FY2012") is RM129.8 million representing 29% of the Company's FY2012 profit after tax and minority interests or 3 sen per share.

For the financial year ended 31 December 2013 ("FY2013"), the Directors have on 25 February 2014 proposed a first and final single tier dividend of 4 sen per ordinary share of RM0.50 each for the shareholders' approval at the forthcoming Annual General Meeting. This translates into approximately 31% of the Company's FY2013 profit after tax and minority interests.

9. DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2013, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable Financial Reporting Standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia.

The Board is satisfied that it has met its obligation to present a balance and fair assessment of the Company's position and prospects in the Directors' Report on pages 122 to 129 and the Financial Statements from pages 134 to 237 of this Annual Report.

10. COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Corporate Governance Statement. The Board considers that the Corporate Governance Statement provides the information necessary to enable shareholders to evaluate how the MCCG 2012 has been applied. The Board considers and is satisfied that the Company has fulfilled its obligations under the MCCG 2012, the Listing Requirements and all applicable laws and regulations throughout the financial year ended 31 December 2013.

This Statement is made in accordance with the resolution of the Board dated 25 February 2014.

ADDITIONAL COMPLIANCE INFORMATION

IN ACCORDANCE WITH APPENDIX 9C OF THE LISTING REQUIREMENTS

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

1. The Company had on 18 December 2013 received RM187.4 million from the conversion of 154,914,002 Mandatory Convertible Redeemable Preference Shares ("MCRPS"). The proceeds raised from the conversion of the MCRPS will be utilised to finance the Group's capital expenditure/investments, working capital requirements and general corporate purposes.
2. Pursuant to its Islamic Commercial Paper Programme ("ICP Programme") and Islamic Medium Term Notes Programme ("IMTN Programme") which have a combined aggregate limit of RM2.0 billion in nominal value and a sub-limit on the ICP Programme of RM500.0 million in nominal value established in 2012, the Company had on 13 December 2013 completed its second issuance of RM700.0 million of IMTNs from its IMTN Programme with a tenure of five (5) years and a profit rate of 4.60% per annum. The proceeds from the IMTNs will be utilised for the Group's Shariah-compliant general corporate purposes.

SHARE BUY-BACKS

There were no share buy-backs during the financial year ended 31 December 2013.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

The Employee Share Option Scheme ("ESOS") implemented on 7 March 2012 is the only employee share option scheme in existence during the final year ended 31 December 2013.

During the financial year ended 31 December 2013, the Company has not issued convertible securities, other than the granting of option under the ESOS as disclosed in the Directors' Report. The amount of ESOS options and convertible securities which are exercised during the financial year is as follows:-

- (a) A total of 1,960,000 Redeemable Convertible Preference Shares of RM0.01 each ("RCPS") were converted into 852,173 Ordinary Shares of RM0.50 each ("Ordinary Shares"). On the maturity date of the RCPS on 7 January 2013, the Company has redeemed 408,689,383 RCPS at RM1.00 each in cash and the balance outstanding of 1,694,179 RCPS which were not redeemed were mandatorily converted into 736,580 Ordinary Shares.
- (b) All the 154,914,002 Mandatory Convertible Redeemable Preference Shares of RM0.01 each were converted into 187,911,211 Ordinary Shares.
- (c) A total of 19,915,100 ESOS options were exercised.

DEPOSITORY RECEIPT PROGRAMME

The Company has not sponsored any depository receipt programme during the financial year ended 31 December 2013.

SANCTIONS AND/OR PENALTIES

The Company and its subsidiaries, Directors and management have not been imposed with any sanctions and/or penalties by any regulatory bodies.

NON-AUDIT FEES

During the financial year under review, there were no non-audit fees paid to Ernst & Young, the external auditors of the Company.

VARIATION IN RESULTS

There was no deviation of 10% or more between the results of the financial year ended 31 December 2013 as per the audited financial statements and the unaudited results previously announced.

PROFIT GUARANTEE

The Company did not issue any profit guarantee for the financial year ended 31 December 2013.

MATERIAL CONTRACTS

Other than those disclosed in the financial statements and the recurrent related party transactions section on pages 246 to 248 of the Annual Report, there were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries involving Directors and major shareholders' interests.

REVALUATION POLICY

The Company has not adopted a regular revaluation policy on landed properties.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

The Company proposes to seek the approval of its shareholders for the renewal of shareholders' mandate for recurrent related party transactions and the proposed new shareholders' mandate for additional recurrent related party transactions of a revenue and trading nature which is in the ordinary course of business at the Annual General Meeting of the Company to be held on 24 April 2014. Please refer to pages 246 to 248 of this Annual Report on the disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2013 pursuant to the shareholders' mandates approved at the previous Annual General Meeting.

AUDIT COMMITTEE REPORT

1. FORMATION

The Audit Committee was established by the Board of Directors (“the Board”) on 15 September 2008.

The Audit Committee assists the Board in fulfilling its duty to ensure the integrity of financial information by overseeing the financial reporting controls, policies and practices of UEM Sunrise Berhad (“the Company”) and its subsidiaries (“the Group”).

2. COMPOSITION

The Audit Committee consists of four members of the Board, all of whom are Independent Non-Executive Directors. The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”), which requires all members of the Audit Committee to be Non-Executive Directors with a majority of them being Independent Directors.

The members of the Audit Committee and their details are as follows:-

Name	Designation	Directorship/Qualification	
Lim Tian Huat	Chairman	Independent Non-Executive Director	Member of Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA); Fellow of the Association of Chartered Certified Accountants (ACCA)
Md Ali Md Dewal	Member	Senior Independent Non-Executive Director	Master of Business Administration Degree
Oh Kim Sun	Member	Independent Non-Executive Director	Member of MICPA
Dato’ Srikandan Kanagainthiram	Member	Independent Non-Executive Director	Fellow of the Royal Institution of Surveyors Malaysia (RISM), the Australian Institute of Quantity Surveyors (AIQS) and Royal Institution of Chartered Surveyors (RICS), United Kingdom; Registered Member of the Board of Quantity Surveyors Malaysia (BQSM)

AUDIT COMMITTEE REPORT

The trainings attended by the Audit Committee members during the year under review are set out in the Corporate Governance Statement.

3. MEETINGS

Seven meetings were held during the financial year ended 31 December 2013 and details of the attendance of the members at the Audit Committee meetings are as follows:-

Name of Audit Committee member	No. of meetings attended
1. Lim Tian Huat ⁽¹⁾	7/7
2. Md Ali Md Dewal	6/7
3. Oh Kim Sun ⁽²⁾	6/7
4. Dato' Srikandan Kanagathiraman ⁽³⁾	3/4 ⁽⁴⁾

(1) Redesignated from Member to Chairman with effect from 18 June 2013

(2) Redesignated from Chairman to Member with effect from 18 June 2013

(3) Appointed with effect from 18 June 2013

(4) Reflects the number of meetings held after his appointment on 18 June 2013

The Managing Director/Chief Executive Officer ("MD/CEO"), and in his absence, the Executive Director, certain senior management and representatives of the internal and external auditors attended the meetings upon invitation.

Detailed internal audit reports, together with Management's responses were circulated to the Audit Committee members, MD/CEO and in his absence, the Executive Director, and significant issues were discussed at the Audit Committee meetings.

Upon conclusion of each meeting, the Audit Committee Chairman reported to the Board the activities that it had undertaken and the key recommendations for the Board's consideration and decision.

The Audit Committee met up with the external auditors during the financial year without the presence of Executive Directors and management.

4. TERMS OF REFERENCE

The Audit Committee is governed by the terms of reference approved by the Board. The Board assesses the performance of the Audit Committee and its members through an annual Board Committee effectiveness evaluation and is satisfied that they are able to discharge their functions, duties and responsibilities in accordance with the terms of reference. The full terms of reference are available on the Company's website at www.uemsunrise.com. The salient terms are as follows:-

4.1 OBJECTIVE

The objective of the Audit Committee is to assist the Board to review the integrity and adequacy of the Company's and Group's internal controls and management information systems, including compliance with relevant laws, regulations, rules, directives and guidelines.

4.2 COMPOSITION OF THE AUDIT COMMITTEE

4.2.1 MEMBERS

The Audit Committee shall be appointed by the Board from amongst their numbers, which fulfills the following requirements:-

- i. The Audit Committee must comprise at least three directors.
- ii. All members of the Audit Committee must be Non-Executive Directors, a majority of whom must be Independent Directors.
- iii. All members of the Audit Committee must be financially literate and at least one member of the Audit Committee must be a member of an accounting association or body.
- iv. No alternate director shall be appointed as a member of the Audit Committee.
- v. In the event of any vacancy in the Audit Committee, the Board must fill the vacancy within three months.

The members of the Audit Committee shall elect a Chairman from among themselves who shall be an Independent Director. All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company.

4.2.2 SECRETARY

The Company Secretaries of the Company and/or their representative shall be the Secretaries to the Audit Committee.

4.3 DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The following are the main duties and responsibilities of the Audit Committee collectively:-

- i. Oversees the Company's internal control structure to assure operational effectiveness and efficiency, reduces the risk of unreliable financial reporting, protects the Company's assets from misappropriation and encourages legal and regulatory compliance.
- ii. Assists the Board in identifying the principal risks in the achievement of the Company's objectives and ensures the implementation of appropriate systems to manage these risks.
- iii. Recommends to the Board the appointment and annual reappointment of the external auditors and their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of the audit.

In addition to the above, the Audit Committee approves and monitors the extent of non-audit services to be provided by the external auditors to ensure that the provisions of non-audit services do not impair their independence or objectivity. For avoidance of doubt, non-audit services include, among other services, services pertaining to:

AUDIT COMMITTEE REPORT

1. Accounting consultations related to accounting, financial reporting or disclosure matters not otherwise classified as "audit services";
2. Assisting with understanding and implementing new accounting and reporting guidance from rulemaking authorities;
3. Financial audits of employee benefit plans;
4. Agreeing upon expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters;
5. Reviewing profit forecast transaction, proforma balance sheet and Accountant's Report in relation to capital market transactions; and
6. Reviewing interim audit.

All proposals to engage the external auditors to provide the audit, audit-related and non-audit services are to be submitted by the Chief Financial Officer [in consultation with the MD/CEO and in his absence, the Executive Director] to the Audit Committee and the external auditors will submit a statement indicating that the performance of such services is consistent with prevailing rules and regulations on auditor independence.

- iv. Reviews with the external auditors, before the audit commences, the nature and scope of the audit and ensures coordination where more than one audit firm is involved.
- v. Reviews with external auditors, their audit report.
- vi. Reviews the quarterly interim results and annual financial statements of the Company and the Group prior to approval by the Board, focusing particularly on:
 - a. Any changes in accounting policies and practices.
 - b. Significant adjustments arising from the audit.
 - c. The going concern assumption.
 - d. Compliance with accounting standards and other legal requirements.
- vii. Discusses problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss in the absence of the management where necessary.
- viii. Reviews the external auditors' management letter and management's responses.
- ix. Reviews with the external auditors the draft statement to be made by the Board with regard to the state of internal control of the Company and its Group, and reports the results thereof to the Board.
- x. Reviews the assistance and co-operation given by the Company and its Group's officers to the external and internal auditors.
- xi. Reviews any resignation or dismissal of the external auditors.
- xii. Reviews the adequacy of the scope, functions, competency and resources of the Internal Audit function and ensures that it has appropriate standing within the Company and its subsidiary companies to undertake its activities independently and objectively, including but not limited to the following:

- Reviewing and approving the Annual Internal Audit Plan and ensuring adequate risk and governance coverage;
- Reviewing the results of the internal audit process and where necessary ensuring that appropriate actions are taken on the recommendations of the internal auditors;
- Reviewing the overall performance of the internal audit function;
- Approving any appointment or termination of the party that provides the internal audit function; and
- Taking cognisance of resignations of senior internal audit staff members and providing the resigning staff member an opportunity to submit his/her reasons for resigning.

xiii. Considers the major findings of internal investigations and management's responses.

xiv. Reviews any related party transactions and conflict of interest situations that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.

xv. Considers other matters as defined by the Board.

4.4 POWERS OF THE AUDIT COMMITTEE

In carrying out its duties and responsibilities, the Audit Committee will:

- i. have explicit authority to investigate any matter within its terms of reference;
- ii. have the resources that are required to perform its duties;
- iii. have full, free and unrestricted access to any information, records, properties and personnel of the Company and of any other company within its Group;
- iv. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- v. obtain independent professional or other advice and to invite outsiders with relevant experience to attend the Audit Committee's meetings (if required) and to brief the Audit Committee; and
- vi. convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

The attendance of any particular Audit Committee meeting by other Directors and employees of the Company shall be at the Audit Committee's invitation and discretion, and must be specific to the relevant meeting.

Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Bursa Securities Listing Requirements, the Audit Committee must promptly report such matter to Bursa Securities.

4.5 AUDIT COMMITTEE MEETINGS

- i. The Audit Committee will meet at least four times in each financial year although additional meetings may be called at any time, at the discretion of the Audit Committee Chairman.
- ii. The quorum for each meeting shall consist of at least two members, both of whom shall be Independent Directors.
- iii. Recommendations of the Audit Committee are submitted to the Board for approval.
- iv. The Secretaries of the Audit Committee and/or their representatives shall be in attendance at all Audit Committee meetings and record the proceedings of the meeting thereat.

AUDIT COMMITTEE REPORT

- v. Minutes of each meeting shall be kept as part of the statutory record of the Company upon adoption by the Audit Committee.
- vi. A resolution in writing signed and approved by all the Audit Committee members who may at the time be present in Malaysia and who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. All such resolutions shall be forwarded or otherwise delivered to the Secretaries of the Audit Committee without delay and shall be recorded by them in the Company's Minute Book. Any such resolution may consist of several documents in like form each signed by one or more Audit Committee members.
- vii. A meeting of the Audit Committee may be held by means of telephone, video conference or telephone conference or other telecommunication facilities, which permits all persons participating in the meeting to communicate with each other. A person so participating shall be deemed to be present in person at such meeting and shall be counted in a quorum and be entitled to vote.
- viii. The MD/CEO, Executive Director and/or other appropriate officer may be invited to attend meetings where their presence is considered appropriate as determined by the Audit Committee Chairman.
- ix. The internal and/or external auditors have the right to appear and be heard at any meeting of the Audit Committee and are recommended to attend each Audit Committee meeting.
- x. Upon the request of the internal and/or external auditors, the Audit Committee Chairman shall also convene a meeting of the Audit Committee to consider any matter the auditors believe should be brought to the attention of the Board or the shareholders.
- xi. The Audit Committee shall meet with external auditors without the presence of the executive board members and management at least twice a year, and whenever deemed necessary.

5. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Audit Committee held seven meetings during the financial year ended 31 December 2013. The internal and external auditors, the MD/CEO, and in his absence, the Executive Director and members of the senior management attended most of the meetings and the following matters, inter-alia, were covered during the Audit Committee meetings:-

- i. Reviewed the adequacy and relevance of the scope, functions, resources, risk based internal audit plan and results of the internal audits and ensured corrective actions were taken in addressing the risk issues reported by the Internal Auditors.
- ii. Reviewed with the External Auditors, the audit plan of the Company and of the Group for the year (inclusive of risk and audit approach, system evaluation, audit fees, issues raised and management responses) prior to the commencement of the annual audit.
- iii. Reviewed with the External Auditors without the presence of management staff and the executive board member, the extent of assistance rendered by management and issues and reservations arising from audits.
- iv. Reviewed the quarterly results and financial statements for the financial year ended 31 December 2013 with management and the External Auditors for recommendation to the Board of Directors for approval and release to Bursa Securities.
- v. Reviewed all recurrent related party transactions entered into by the Company and the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- vi. Reviewed and recommended to the Board the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.

- vii. Reviewed the Discretionary Authority Limits revisions to improve the structure for efficient and effective decision making within the Group.
- viii. Reviewed the Risk Management Committee's periodic reports as well as highlighted changes to the Group's risk profile to the Board.
- ix. Verified the allocations of the ESOS options and confirmed the allocations are made in compliance with the criteria set by the ESOS Committee.
- x. In addition, the Chairman of the Audit Committee had, from time to time, met with the External Auditors without the presence of other Audit Committee members or management.

6. INTERNAL AUDIT FUNCTION

- i. Since its listing in 2008, the Company has been outsourcing the internal audit function to UEM Group Management Sdn Bhd ("UEMGM") which has adequate resources and appropriate standing to undertake its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of risk management, internal control and governance systems.

During the financial year, the Audit Committee approved the setting up of an internal audit function for the Group. The Group is in the midst of recruiting a suitable head for the internal audit function. In the interim, UEMGM continues to provide support to the Group's internal audit function and the head of the internal audit division in UEMGM continues to oversee the internal audit activities and reports directly to the Audit Committee.

As at 31 December 2013, the costs incurred for the audit function (including reimbursable expenses) was RM85,127.15.

- ii. It is the responsibility of internal audit team to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating divisions within the Company and its Group, and the extent of compliance with established policies and procedures as well as relevant statutory requirements.
- iii. The Audit Committee reviews on an annual basis the adequacy of the scope, functions, competency, proficiency and resources of the internal auditors as well as the quality of the audit reports and their monitoring progress.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Below is the Board of Directors' ("the Board") Statement on Risk Management and Internal Control for UEM Sunrise Berhad and its group of companies ("the Group"), made in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by The Institute of Internal Auditors Malaysia.

BOARD'S RESPONSIBILITIES

The Board must ensure that the Group's corporate objectives are supported by a sound risk strategy and an effective risk management framework that is appropriate to the nature, scale and complexity of its activities. The Board's overall responsibility for governing the Group's and ensuring its long-term financial soundness includes determining its business and risk strategies. The Board also approves the overall risk strategy, including the risk appetite and oversees its implementation.

The Board also acknowledges that it is responsible to review the adequacy, integrity and effectiveness of the risk management and internal control system relating to financial, operational, management information systems and compliance with applicable laws, regulations, rules, directives and guidelines. The Group's system of risk management and internal control is designed to mitigate rather than eliminate the risks. Therefore, the system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT

Having regard to the fact that managing risk is an inherent part of the Group's activities, risk management is firmly embedded in the Group's system of internal control as it is regarded by the Board as a vital and integral part of the Group's strategic planning and business operations. This includes a corporate risk management system to identify, analyse, appraise and monitor the ever changing risks facing the Group and to take specific measures to mitigate these risks.

The processes which have been instituted throughout the Group are updated and reviewed from time to time to respond to the changes in the business environment throughout the financial year under review. Appropriate mitigation plans are taken to mitigate the key risk areas by the risk owners and implemented to safeguard shareholders' investment and the Group's assets.

The Risk Management Committee ("RMC") which is a Management Committee comprising senior management from various functional responsibilities, was set up to assist the Board in carrying out its responsibilities. The RMC defines, develops and recommends risk management strategies and policies for the Group. It also deliberates the Group's principal risks; to be escalated for the attention of the Audit Committee and the Board. The RMC is chaired by the Managing Director/Chief Executive Officer ("MD/CEO").

The Risk Management Department is entrusted with the responsibility of ensuring that an appropriate risk management framework exists within the Group and is effectively implemented to manage the key risks of the Group. As the Secretariat to the RMC, the Risk Management Department is also responsible for providing reasonable assurance to the RMC that the risks faced by the Group are being effectively managed.

CONTROL STRUCTURE & MONITORING ACTIVITIES

Apart from risk management activities, other key elements of the internal control system of the Group are:-

BOARD COMMITTEES

In performing its oversight function, the Board is supported by four Board Committees. Specific terms of reference and authority are assigned to the Board Committees for areas within their scope. The Board Committees formed are:-

- Audit Committee
- Nominations & Remuneration Committee
- Board Tender Committee
- ESOS Committee

The Board Committees report to the Board and in line with their respective terms of reference and the authorisation limits granted by the Board, the Board Committees either approves or make recommendations for the Board's decisions.

BOARD MEETINGS

Regular Board meetings are scheduled accordingly and the Chairman in consultation with the MD/CEO decides the agenda for the meetings. Board papers are distributed to the members ahead of the meetings and Board members have access to all relevant information. Any urgent business is dealt with and decided only after all the required information is presented and deliberated. This ensures that the Board maintains full and effective supervision over key issues.

GROUP AND ORGANISATIONAL STRUCTURE

The Group has a well-defined structure that is aligned to its business and operational requirements. Additionally, clear lines of accountability and responsibility have been set and communicated via Organisation Charts, Strategic Plans, Budgets and Authority Limits.

STRATEGIC PLANS & BUDGETS

The Group undertakes a comprehensive strategy review and budgeting process to establish goals and targets whereby performance is monitored on an ongoing basis. The Board participates in the review and approval of the Strategic Plans and Budget.

A periodic monitoring and reporting system is in place which highlights significant variances of key performance indicators against plans and budget to monitor performance, with key variances highlighted and followed up by the management. The quarterly financial results published to shareholders are prepared by the management and reviewed by the Audit Committee prior to recommendation to the Board for approval. This allows Independent and Non-Executive Directors of the Board to give their input and guidance on areas requiring attention.

AUTHORITY LIMITS AND APPROVED POLICIES

One of the critical elements of corporate governance is setting and enforcing clear lines of responsibility and accountability throughout the organisation in a transparent manner. Hence, the Group has instituted and implemented Discretionary Authority Limits ("DAL") that refers to authority limits for financial and non-financial transactions which have been assigned to certain individuals or a set of personnel by the Board to approve or carry out transactions in order to enable timely decisions to be taken and at the same time provide a check and balance on the commitments that the management undertakes on behalf of the Group.

The Board has also approved significant financial and operating policies, which are drawn up to comply with laws and regulations where applicable, to guide the behaviour of the management in performing their day-to-day operations.

INTEGRATED MANAGEMENT SYSTEM

The Group has a dedicated team for quality assurance, project monitoring and occupational safety, health and environment (QASHE). Due to its critical impact to the Group and its environment, QASHE has been one of the prerequisites to formulating the plans, organising the structure and managing the total risk of the business. The QASHE team monitors the projects in terms of technical findings and defects inspection to ensure that the products constructed and delivered are in accordance with contract specifications and internal guidelines and that the project sites comply with legal and other requirements in terms of occupational safety, health and environment.

The Group's Quality Management Systems was awarded the MS ISO 9001:2000 in November 2000 and this was further upgraded to ISO 9001:2008 certification in March 2010. These certifications promote the adoption of a systematic approach to the development, implementation and improvement of the Group's Quality Management System. This approach emphasises the importance of understanding customers and meeting their various stringent requirements. The Group was also certified as OHSAS 18001:1999 compliant in November 2007 and this was upgraded to OHSAS 18001:2007 certification in November 2008. This reflected the Group's commitment to safeguard the health and safety of its employees, customers and suppliers. Additionally, the Group had also implemented a comprehensive Environment Management System in January 2009 and has successfully obtained the SIRIM certification for MS ISO 14001:2004 in November 2009.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INSURANCE ON KEY ASSETS

Adequate insurances for major assets and resources of the Group are in place to cover against any mishap that may result in material losses to the Group.

MANAGEMENT INFORMATION SYSTEM

Comprehensive Management Information Systems exist throughout the Group. Relevant data is captured, compiled, analysed and reported. These systems enable the management to make decisions in an accurate and timely manner towards meeting the targeted business objectives.

INFORMATION AND COMMUNICATION TECHNOLOGY (“ICT”)

The Group ICT Security Policies prescribes the requirements to maintain an adequate level of security for IT systems and information used to support the Group’s activities.

HUMAN RESOURCE (“HR”) SYSTEM

The management of human resources for the Group is governed by the Performance Management System (PMS) and various HR policies and procedures; the most notable being HR Codes of Conduct. At the senior management level, a strategic performance management approach via key performance indicators (“KPIs”) has been adopted using the “Balanced Scorecard” concept, in line with the Government’s guidelines for all Government Linked Companies. With this approach, the Corporate KPIs can be cascaded to the Heads of Division, Heads of Department and their respective staff to create greater visibility and transparency over their respective performance matrix.

Training needs analysis in the Group is facilitated through UEM’s training centre called UEM Learning Centre. Courses and training requirements are prioritised according to the results of the analysis where employees are sent to the relevant courses to enhance their knowledge, skills and abilities.

Leadership Management Programmes are in place to identify and nurture emerging leaders and employees with high potential, as well as to enhance the leadership skills of existing leaders. This will ensure that the Group has a robust leadership pool to meet future challenges and for succession planning. These initiatives are facilitated by UEM Learning Centre.

CODE OF CONDUCT

All employees are required to sign and adhere to the Group’s Code of Conduct, which emphasises corporate values. The Code of Conduct represents the undertakings by the employees to the minimum standard of behaviour and ethical conduct of the Group.

INTERNAL AUDIT

The Group has established its own internal audit department and is also supported by UEM Group Management Sdn Bhd, which is sufficiently resourced and has adequate standing within the Group to carry out its duties. Empowered by its audit charter, internal audit provides independent and objective assurance and consulting activity to add value and improve operations. Nonetheless, internal audit encourages a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

The main role of internal audit is to undertake regular and systematic reviews so as to provide reasonable assurance to the Audit Committee and Board regarding the adequacy and effectiveness of risk management, internal control and governance systems. This is done through ongoing reviews of risks and internal controls relating to operational, financial and management information systems, as well as reviews of the Group’s compliance with the principles and best practices of the Malaysian Code on Corporate Governance. The Audit Committee holds regular meetings to deliberate on internal audit findings and recommendations, and report them back to the Board.

To ensure the adequacy of coverage, internal audit assignments are prioritised based on the results of the risk management exercise, audit cycle and discussions with senior management. The Annual Internal Audit Plan is presented to the Audit Committee for approval.

GOVERNMENT-LINKED COMPANIES TRANSFORMATION PROGRAM

The Government-Linked Companies (GLC) Transformation Program initiated by the Putrajaya Committee on Government Linked Companies High Performance (PCG) aims to transform GLCs into high performing entities. In line with this objective, the Group has implemented/implementing the following initiatives:-

1. Enhance Board effectiveness;
2. Strengthen Director capabilities;
3. Enhance GLIC Monitoring and Management functions;
4. Improve regulatory environment;
5. Clarify social obligations;
6. Review and revamp procurement;
7. Optimise capital management practices;
8. Manage and develop leaders & other human capital;
9. Intensify performance management practices; and
10. Enhance operational improvement.

BUSINESS CONTINUITY MANAGEMENT

The Group has instituted and implemented Business Continuity Management to ensure that business operations are resilient and the effects of disruptions to business operations are minimised. The foundation of the business continuity management are the standards, program development, and supporting policies, manuals, procedures and guidelines needed to ensure the Group is able to continue without stoppage, irrespective of the adverse circumstances or events such as natural disasters, technological failures or human error.

JOINT VENTURES AND ASSOCIATES

In the case of material joint ventures and/or associates, the Group ensures that its interests and investments are protected by having Board representation at the respective joint ventures and/or associates. Notwithstanding this, the management of the joint ventures/associates is responsible to oversee the administration, operation and performance of the joint venture and/or associates. Financial and operational information of these joint ventures/associates are provided regularly to the management of the Group.

BOARD'S COMMITMENT

The Board recognises that the Group operates in a dynamic business environment in which the risk management and internal control system must be responsive in order to be able to support its business objectives. Hence, the Board remains committed towards operating a sound system of risk management and internal control and therefore recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board is striving for continuous improvement and to put in place appropriate action plans wherever necessary, to further enhance the Group's system of risk management and internal control.

CONCLUSION

The Board has received assurance from the MD/CEO and the Chief Financial Officer that UEMS' risk management and internal control system is operating adequately and effectively in all material aspects, based on the existing risk management and internal control system. The Board is pleased to report that the state of the Group's risk management and internal control system are generally adequate and effective for good corporate governance.

RISK MANAGEMENT REPORT

UEM Sunrise Berhad (“UEMS”) and its group of companies (“the Group”) is not only involved in regional property developments but also at the global level. In line with the progress, the risk management culture and practices at the Group also continue to evolve in response to current and emerging risks in the environment. The Board of Directors (“Board”), in ensuring that the Group corporate objectives are met, supported a sound risk strategy and an effective risk management framework that is appropriate to the nature, scale and complexity of its activities.

UEMS’ Risk Management Framework outlines the risk policy, lines of responsibility and accountability, and also a structured risk management process which enables the identification, measurement and continuous monitoring of all relevant and material risks on a group-wide basis. The risk management framework is also kept in-pace with any changes in the risk profile (including its business growth and complexity) and the external risk environment.

In ensuring that the day-to-day management of the Group’s activities are consistent with the risk framework approved by the Board, a Risk Management Committee (“RMC”), comprising the senior management from various functional responsibilities was set up to assist the Board in carrying out its responsibilities. The Managing Director/Chief Executive Officer (“MD/CEO”) is the Chairman of the RMC. The RMC meets on a quarterly basis to discuss and deliberate on the significant risks identified by the respective departments, projects and subsidiaries, mitigation plans and subsequently provides an update to the Board.

RISK MANAGEMENT FRAMEWORK

The Risk Management framework outlines policy and practices for effective management and supervision of risks. Overall, it provides clear guidelines on the following:

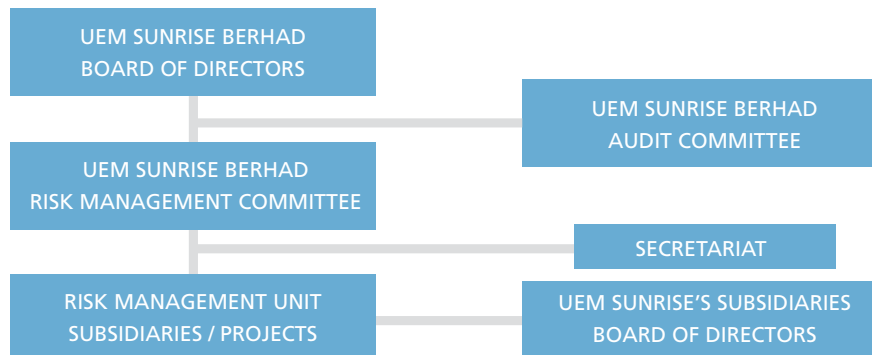
- The overall risk management policy of the UEMS Group of companies;
- The key objectives of risk management;
- The risk management guiding principles;
- The risk appetite and how different magnitudes of risk exposures are to be managed and monitored;
- The risks which are unacceptable to the Group and should be avoided; and
- The roles of the Board, the Management, the RMC, the Risk Owners and the Risk Management Secretariat.

RISK MANAGEMENT POLICY

The objective of the risk management policy is to put in place an adequate and effective process of managing risks that will enable the Group to achieve its business objectives and provide reasonable assurance to the Board and other stakeholders on the adequacy of risk management as part of the system of internal controls whilst increase shareholders’ value and confidence. The policy also helps create a risk-attuned environment to safeguard the Group’s businesses and help maintain its reputation and facilitate continuous compliance with corporate governance best practices and the relevant laws including Bursa Malaysia Securities Berhad’s Main Market Listing Requirements.

RISK GOVERNANCE STRUCTURE

The following diagram outlines the risk governance structure of the Group:



1. ROLE OF THE BOARD OF DIRECTORS

The Board approves risk policies, acceptable risk appetite and provides stewardship by reviewing and acknowledging the principal risks identified by the RMC and ensuring the implementation of an appropriate system to manage these risks. The Board also reviews the Group's risk management framework, processes and responsibilities and determine whether they provide reasonable assurance that the risks are being managed within tolerable limits. Additionally, it also reviews the adequacy and integrity of the internal controls and management information systems to ensure compliance with the applicable laws, rules, directives and guidelines. The Board also considers the nature and extent to which risks are acceptable as well as evaluates its implications to the Group.

2. ROLE OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in providing oversight over the Group's management of risks that could lead to financial loss, disruption to operations, failure to meet its mandates or damage to its reputation. Specifically it deliberated on RMC's periodic report and risk profile to the Board.

3. ROLE OF THE RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC), chaired by the MD/CEO, deliberates on organisational risks related to the achievement of the Group's mandates and strategic objectives and decides on appropriate policies to mitigate and manage such risks. Its members are appointed from the senior management team and representatives from subsidiaries.

The RMC's key role is to review the validity of the identified risks and ensure that actions to mitigate the risks are being implemented. The principal risks deliberated at RMC were on the management of organisational risks which included transversal risks (specifically, people, legal and IT risks) and other emerging operational risks facing the Company.

The RMC is also responsible for the following activities:

- Agreeing on the procedures and reporting formats of the risk management processes;
- Reviewing the adequacy and effectiveness of the Risk Management Framework;
- Ensuring that the Board and Management receive adequate and appropriate information for decision making and review purposes;
- Communicating and providing a reference point for dissemination and feedback on the Group's risk management policies and procedures;
- Commissioning, where required, special task force to investigate, develop or report on special aspects of the risk management processes of the Group; and
- Presenting periodic reports on risk management, i.e. any business risks that have impacted or is likely to impact the Group and its achievement of its objectives and strategies to the Audit Committee and the Board.

RISK MANAGEMENT REPORT

4. ROLE OF THE RISK MANAGEMENT UNIT

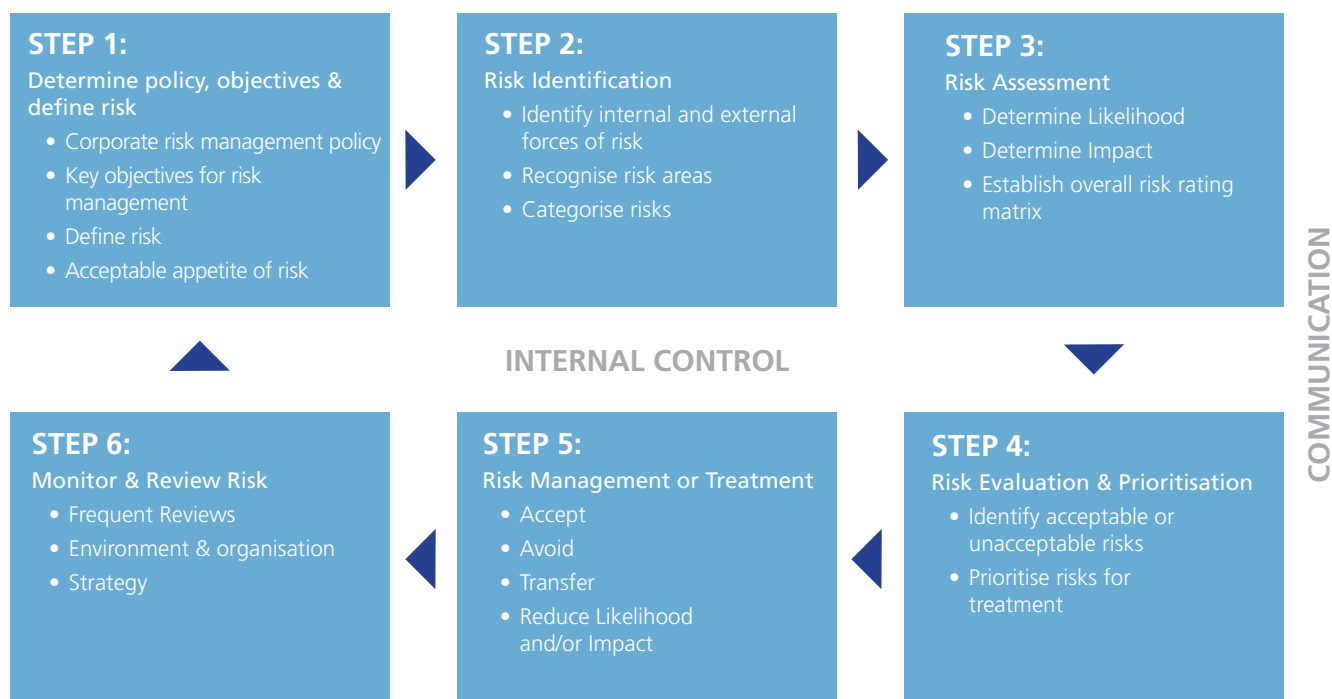
The Risk Management Unit (“RMU”) is chaired by the Head of Subsidiaries/Project Director of the respective operating units or projects. Its members include all the Heads of Division and Heads of Department. The RMU’s key role is to review the validity of the identified risks and to ensure that action plans to mitigate such risks are being implemented.

The RMU is also responsible for the following activities:

- Agreeing on the procedures and reporting formats of the risk management processes;
- Ensuring the Board/Management receive adequate and appropriate information for decision making and review purposes;
- Communicating and providing a reference point for dissemination and feedback on the Group’s risk management policies and procedures; and
- Presenting progress reports on risk management to the RMC.

RISK MANAGEMENT PROCESS

The risk management process involves establishing the risk environment and thereon risk identification, assessment, evaluation and treatment. Throughout this process, there is continuous monitoring, review, communication and consultation. The process is illustrated as follows:



CONCLUSION

The Board confirms that the Group has in place a risk management framework for the on-going process of identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group’s business objectives. The Board, working together with the management, continuously strives for improvement and to put in place appropriate mitigation plans wherever necessary, to further enhance the Group’s risk management system.

The Board is of the opinion that all identified risks are being managed to an acceptable level, and the risk management process is proficient in helping to meet its long term goals and objectives.

CODE OF ETHICS

A COMMITMENT

- (i) All employees shall, in the course of their employment with the Company and in carrying out their duties and responsibilities in respect thereof, diligently and to the best of their ability perform such responsibilities and responsibilities as may from time to time be assigned or designated to them.
- (ii) All employees are expected at all times to promote and advance the interests of the Company and shall not do anything to bring disrepute to the Company.
- (iii) All employees shall obey, comply with and observe rules, regulations, procedures, practices, orders, directives and policies of the Company, whether expressed or implied in law or by custom and practice.

B CONFIDENTIALITY

- (i) No employee is permitted whether during or after termination of their employment with the Company, to discuss or divulge confidential information relating or pertaining to the Company directly or indirectly to any person or Company unless:
 - (a) such information has previously been made public knowledge; or
 - (b) upon express direction or with express approval of the Company; or
 - (c) required, compelled or obliged to do so by law.
- (ii) Employees should not discuss whether among themselves or with others, within the workplace or outside the Company's premises, confidential information regarding the Company, its business partners, its customers or clients, its employees or any other confidential information except in the course of carrying out the Company's business.
- (iii) It is the Company's policy that any information pertaining to the Company in any way whatsoever and which is not generally available to the public shall be treated with the utmost confidence. Such information must not be shared or used by any employee whether directly or indirectly to influence an investment decision in connection with the purchase or sale of securities.
- (iv) The first obligation of any employee who receives a subpoena or other request seeking the disclosure of confidential information pertaining to the Company is to contact his immediate supervisor or HR Manager for guidance.

C INSUBORDINATION AND INEFFICIENCY

An employee shall not commit any act of wilful refusal, insubordination or disobedience of any lawful and reasonable instruction of his supervisor/manager including refusal to perform work assigned, being inefficient and deliberately slowing down of work causing the quality and/or the quantity of work to be adversely affected.

D PRESS RELEASES AND PUBLIC STATEMENTS

An employee should inform his immediate supervisor if a member of the media approaches him for any information, statement or opinion concerning the Company. The immediate supervisor shall provide guidance to the employee on the appropriate response to the media's request.

An employee shall not make any public statement on the policies or decisions of the Company whether orally or in writing or in any form whatsoever nor shall he circulate or cause to be circulated any such statement.

E PUBLIC APPEARANCE AS A GUEST SPEAKER OR PANEL MEMBER

Any employee who has been invited to appear as a guest speaker in a public forum must, if he intends to make such appearance, submit the details and/or the topic(s) of his proposed speech to his immediate supervisor. The immediate supervisor shall in turn submit the same to the management for their consideration. An employee may only make such appearance if prior approval has been obtained.

F Publications

Employees are not permitted to publish or distribute in any written or printed form, articles, books, periodicals, leaflets, brochures etc containing information relating to the Company without prior written approval of the Company.

CODE OF ETHICS

G Conflict Of Interest

An employee cannot during his employment with the Company, engage directly or indirectly in any other business or occupation whether as principal, agent, servant or broker while still in the employ of the Company. He is also not permitted to engage in any activity, which can be detrimental, directly or indirectly, to the interest of the Company.

An employee may acquire or hold shares in any quoted public Company. However, he must seek prior approval from the Company if he intends to acquire substantial shareholding(s) in any such company (as defined in the Companies Act, 1965) or hold directorship(s) in the same Company.

An employee is not allowed to participate in or influence the purchase of goods and services from any company or person in which or through which that employee has or will obtain a direct or indirect interest or benefit.

Upon receipt of the Code, all employees must declare all such interests as described in the Declaration Form for Conflict of Interests and particular attention must be paid to the notes thereto, which explain the types of interests that must be declared.

Any proposal made by any employee for an unsolicited offer to purchase any or all of the equity interests of any of the Companies in the Group will be viewed as an event which may give rise to a conflict of interest if such employee continues employment with the Group. Accordingly, such employee shall tender his resignation immediately.

H Gifts or Favours

It is the policy of the Company that no employee or any member of his immediate family will accept any form of gifts or favours from contractors, suppliers, clients/customers, or any other party having business dealings with the Company.

Employees shall report all gifts received to their respective Head of Department or immediate superior and handover such gifts to the HR Manager or appointed Manager.

All employees shall, if in doubt as to the nature or purpose of the gift or favour consult the Head of HR who shall decide, either in consultation with or through his own accord, the course of action in respect of such gift or favour. Gifts which cannot be accepted by the employee as stipulated above shall be:

- (i) returned to the donor; or
- (ii) if such return is not possible or impracticable (including food items and perishable goods) such gifts shall be retained by the appointed Manager of the Company for distribution to recognized charitable organizations, or to other organizations / persons as the Company may deem fit.

Any employee found to have received gifts or favours in contravention to the above provisions shall be subject to disciplinary action.

I Entertainment

Employees shall not accept any gratuitous entertainment from any of the Company's clients, customers, suppliers, contractors or any party with whom the Company has business dealings with unless such entertainment is or is able to be reciprocated by the employee:

- (i) in his personal capacity; or
- (ii) by obtaining reimbursement from the Company as part of the Company's business entertainment expense.

In accepting all such entertainment, the guidelines set out in paragraph (H) in respect of acceptance of gifts or favours shall apply.

J Personal Solicitation

The Company discourages any solicitation by staff members during working hours as such solicitations normally disrupt business activity and work routines.

Employees are not permitted to sell, distribute or act as agent for the sale or distribution of any type of food or merchandise in the office premises whether during or outside office hours.

K Graft and Invitation to Graft

An employee shall not in any manner or form offer on behalf of the Company or receive an offer of graft or a bribe for his own benefit, or the benefit of his relatives or spouse.

L Marriage and Transfer

In the event of a marriage between employees of the Company within the same department, one partner to the marriage may be relocated to another department.

M Relatives

The Company discourages the hiring of the family members of an existing employee. The onus is on such employee to declare whether he has any relatives or spouse working in the Company or any Company within the Group.



FOCUSING ON VALUE CREATION

In all that we undertake, our aim is to constantly create value for our shareholders, customers, employees and business partners. Only by ensuring high standards of excellence in our deliveries, can we delight our stakeholders, preserve our reputation and grow from strength to strength.

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DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are property development, land trading, property investment, project procurement and management and investment holding.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	579,109	125,893
Attributable to:		
- Owners of the parent	579,141	125,893
- Non-controlling interests	(32)	-
	579,109	125,893

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

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

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2012 were as follows:

RM'000

In respect of the financial year ended 31 December 2012:

First and final single tier dividend of 3.0 sen per share on 4,346,541,226 ordinary shares of RM0.50 each, paid on 31 July 2013	130,396
First and final single tier dividend of 1.65 sen per share on 154,914,002 Mandatory Convertible Redeemable Preference Shares ("MCRPS") of RM0.01 each, paid on 31 July 2013	2,556

At the forthcoming Annual General Meeting, a first and final single tier dividend of 4.0 sen, in respect of the financial year ended 31 December 2013 on 4,537,435,037 ordinary shares amounting to a dividend payable of RM181,497,401 will be proposed for shareholders' approval. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

DIRECTORS

The directors of the Company in office since the last report and at the date of this report are:

Tan Sri Dr Ahmad Tajuddin Ali

Dato' Mohd Izzaddin Idris

Md. Ali Md. Dewal

Oh Kim Sun

Sheranjiv Sammanthan

Professor Philip Sutton Cox

Lim Tian Huat

Dato' Srikandan Kanagainthiram *(appointed on 19 March 2013)*

YM Ungku Suseelawati Ungku Omar *(appointed on 19 March 2013)*

Dato' Wan Abdullah Wan Ibrahim *(resigned on 25 February 2014)*

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares and debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 36 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			At 31.12.2013
	At 1.1.2013	During the year Acquired	Sold	
The Company				
Direct interest				
Dato' Wan Abdullah Wan Ibrahim	-	2,180,000	(1,300,000)	880,000

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

	Number of ordinary shares of RM0.50 each of the Company under the option pursuant to the ESOS			As at 31.12.2013
	As at 1.1.2013	During the year Granted	Exercised/ Lapsed	
The Company				
Direct interest				
Dato' Wan Abdullah Bin Ibrahim	10,000,000	-	(2,390,000)	7,610,000

ISSUE OF SHARES

During the financial year, the issued and paid-up share capital of the Company was increased in the following manner:

- (a) 187,911,211 new ordinary shares of RM0.50 each issued pursuant to MCRPS conversion;
- (b) 19,915,100 new ordinary shares of RM0.50 each issued pursuant to the Employee Share Option Scheme; and
- (c) 1,588,753 new ordinary shares of RM0.50 each issued arising from the conversion of RCPS

All new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEE SHARE OPTION SCHEME

UEM Sunrise Berhad's (formerly known as UEM Land Holdings Berhad) ESOS is governed by the by-laws which were approved by the shareholders at the Extraordinary General Meeting held on 7 March 2012. The scheme shall be in force for a period of 7 years from 9 April 2012 being the date of implementation.

As at end of the financial year, the Company has an outstanding 138,552,950 options over ordinary shares of RM0.50 each of the Company under the ESOS.

The salient features and other terms of the ESOS are disclosed in Note 30 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME (CONT'D.)

Details of the share options granted as at 31 December 2013 are as follows:

Date of offer	Option price RM	Vesting Date	As at 1.1.2013	Granted RM	Exercised RM	Lapsed RM	As at 31.12.2013
9 Apr 2012	2.23	23 Apr 2012	27,327,000	-	(13,868,600)	(6,248,900)	7,209,500
9 Apr 2012	2.41	9 Apr 2013	27,327,000	-	(4,357,200)	(5,121,000)	17,848,800
9 Apr 2012	2.60	9 Apr 2014	27,327,000	-	-	(5,920,000)	21,407,000
9 Apr 2012	2.81	9 Apr 2015	27,327,000	-	-	(5,920,000)	21,407,000
9 Apr 2012	3.03	9 Apr 2016	27,327,000	-	-	(5,920,000)	21,407,000
9 Oct 2012	2.23	23 Oct 2012	1,595,200	-	(807,100)	(399,750)	388,350
9 Oct 2012	2.41	9 Apr 2013	2,268,000	-	(527,700)	(330,000)	1,410,300
9 Oct 2012	2.60	9 Apr 2014	2,268,000	-	-	(373,000)	1,895,000
9 Oct 2012	2.81	9 Apr 2015	2,268,000	-	-	(373,000)	1,895,000
9 Oct 2012	3.03	9 Apr 2016	2,268,000	-	-	(373,000)	1,895,000
9 Apr 2013	2.79	23 Apr 2013	-	5,882,000	(354,500)	(407,500)	5,120,000
9 Apr 2013	2.79	9 Apr 2014	-	5,882,000	-	(460,000)	5,422,000
9 Apr 2013	2.81	9 Apr 2015	-	5,882,000	-	(460,000)	5,422,000
9 Apr 2013	3.03	9 Apr 2016	-	5,882,000	-	(460,000)	5,422,000
9 Oct 2013	2.79	23 Oct 2013	-	4,345,800	-	(36,800)	4,309,000
9 Oct 2013	2.79	9 Apr 2014	-	5,422,000	-	(57,000)	5,365,000
9 Oct 2013	2.81	9 Apr 2015	-	5,422,000	-	(57,000)	5,365,000
9 Oct 2013	3.03	9 Apr 2016	-	5,422,000	-	(57,000)	5,365,000
			147,302,200	44,139,800	(19,915,100)	(32,973,950)	138,552,950

The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 480,000 ordinary shares of RM0.50 each. The names of the holders granted share options to subscribe for 480,000 or more ordinary shares of RM0.50 each during the financial year are as follows:

Number of ordinary shares of RM0.50 each of the Company under the option pursuant to the ESOS

Name	As at	During the year			As at
	1.1.2013	Granted	Exercised	Lapsed	31.12.2013
Cheah Ho Chee	3,000,000	1,125,000	(654,000)	(63,000)	3,408,000
Mohd. Nadzari Bin Bachek	1,500,000	1,200,000	(327,000)	(31,500)	2,341,500
Yuhaimi Bin Yahaya	900,000	480,000	(219,600)	(16,200)	1,144,200
Sohailah Binti Yahya	900,000	480,000	-	(16,200)	1,363,800
Lau Shan Hwu	900,000	480,000	(112,000)	(16,200)	1,251,800
Azhar Bin Othman	-	5,200,000	-	-	5,200,000
Siti Meriam @ Mariam Binti Mohd Desa	-	3,600,000	(15,000)	-	3,585,000

EMPLOYEE SHARE OPTION SCHEME (CONT'D.)

Name	Number of ordinary shares of RM0.50 each of the Company under the option pursuant to the ESOS				As at 31.12.2013
	As at 1.1.2013	Granted	During the year Exercised	Lapsed	
Sazali Bin Salleh	-	1,200,000	(90,000)	-	1,110,000
Teo Ling Ling, Sharon	-	1,175,000	-	-	1,175,000
Lim Bee Ngor	-	1,175,000	-	-	1,175,000
Mohd Zafri Bin Mohd Shariff	-	1,175,000	-	-	1,175,000
Shahrul Bariah Binti Mohd Rejab	-	1,100,000	-	-	1,100,000
Mohamad Faizal Bin Mohamad	-	720,000	-	-	720,000
Eyerlyn Khaw Mei Ling	-	645,000	-	-	645,000
Shamsul Bahari Bin Aini Zaini	-	480,000	-	-	480,000
Lye Chien Yung	-	480,000	-	-	480,000

Details of share options granted to directors are disclosed in the section on Directors' Interests in this report.

OTHER STATUTORY INFORMATION

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D.)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statement of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

Significant and subsequent events are disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 February 2014.

Tan Sri Dr Ahmad Tajuddin Ali

Dato' Mohd Izzaddin Idris

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Dr Ahmad Tajuddin Ali and Dato' Mohd Izzaddin Idris, being two of the directors of UEM Sunrise Berhad (formerly known as UEM Land Holdings Berhad), do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 134 to 236 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of the results and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 47 on page 237 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 February 2014.

Tan Sri Dr Ahmad Tajuddin Ali

Dato' Mohd Izzaddin Idris

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Azhar Othman, being the officer primarily responsible for the financial management of UEM Sunrise Berhad (formerly known as UEM Land Holdings Berhad), do solemnly and sincerely declare that the accompanying financial statements set out on pages 134 to 237 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Azhar Othman
at Kuala Lumpur in the Federal Territory
on 28 February 2014.

Azhar Othman

Before me,

Tengku Fariddudin bin Tengku Sulaiman (No:W533)
Commissioner of Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UEM SUNRISE BERHAD

(FORMERLY KNOWN AS UEM LAND HOLDINGS BERHAD)

(INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of UEM Sunrise Berhad (formerly known as UEM Land Holdings Berhad), which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the income statements and statements of comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 134 to 236.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UEM SUNRISE BERHAD

(FORMERLY KNOWN AS UEM LAND HOLDINGS BERHAD) (CONT'D.)

(INCORPORATED IN MALAYSIA)

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 43 to the financial statements being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF UEM SUNRISE BERHAD
(FORMERLY KNOWN AS UEM LAND HOLDINGS BERHAD) (CONT'D.)
(INCORPORATED IN MALAYSIA)

OTHER MATTERS

The supplementary information set out in Note 47 on page 237 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants
Kuala Lumpur, Malaysia
28 February 2014

Abdul Rauf Rashid
No. 2305/05/14(J)
Chartered Accountant

INCOME STATEMENTS

For the financial year ended 31 December 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Revenue	3	2,425,289	1,919,378	134,696	145,146
Cost of sales	4	(1,497,165)	(1,217,927)	-	-
Gross profit		928,124	701,451	134,696	145,146
Gain on disposal of an associate		-	11,222	-	-
Other income		48,775	42,120	26,496	22,322
Selling and distribution expenses		(143,485)	(41,918)	-	-
Other expenses		(245,327)	(225,863)	(5,670)	(4,548)
Operating profit	5	588,087	487,012	155,522	162,920
Finance costs	6	(29,386)	(41,372)	(30,183)	(40,473)
Share of results of associates		20,447	25,848	-	-
Share of results of joint ventures		107,117	63,256	-	-
Profit before zakat and income tax		686,265	534,744	125,339	122,447
Zakat	7	(7,334)	-	-	-
Income tax (expense)/credit	8	(99,822)	(86,462)	554	6,448
Profit for the year		579,109	448,282	125,893	128,895
Attributable to:					
Owners of the parent		579,141	448,358	125,893	128,895
Non-controlling interests		(32)	(76)	-	-
		579,109	448,282	125,893	128,895
Earnings per share attributable to owners of the parent (sen):					
Basic, for profit for the year	10	13.3	10.4		
Diluted, for profit for the year	10	12.2	8.5		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2013

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Profit for the year	579,109	448,282	125,893	128,895
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent period:				
- Foreign currency translation differences of foreign operations	(7,244)	(1,495)	-	-
- Gain/(loss) on fair value changes	4	(3)	-	-
- Share of other comprehensive income of associates	(7)	(47)	-	-
Total comprehensive income for the year	571,862	446,737	125,893	128,895
Total comprehensive income attributable to:				
Owners of the parent	571,894	446,813	125,893	128,895
Non-controlling interests	(32)	(76)	-	-
	571,862	446,737	125,893	128,895

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2013

	Note	Group			Company		
		2013 RM'000	2012 RM'000 (restated)	1.1.2012 RM'000 (restated)	2013 RM'000	2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
Assets							
Non-current assets							
Property, plant and equipment	11	189,947	182,876	161,667	-	-	-
Investment properties	12	555,623	519,246	511,077	-	-	-
Land held for property development	13	2,809,339	2,893,551	2,751,590	-	-	-
Investment in subsidiaries	14	-	-	-	3,176,297	2,965,204	2,964,954
Interests in associates	15	126,190	117,294	104,746	-	-	-
Interests in joint ventures	16	691,409	395,294	278,206	308,916	107,976	48,554
Amount due from a joint venture	16	57,402	33,901	29,696	-	-	-
Other investments	17	-	-	-	-	-	-
Long term receivables	23	-	64,375	204,380	-	-	-
Goodwill	18	621,409	621,409	621,409	-	-	-
Non-current deposits	19	1,418	1,418	1,418	-	-	-
Deferred tax asset	20	134,461	31,541	26,705	-	-	-
		5,187,198	4,860,905	4,690,894	3,485,213	3,073,180	3,013,508
Current assets							
Property development costs	21	1,109,437	953,846	1,065,298	-	-	-
Inventories	22	105,856	122,622	124,494	-	-	-
Receivables	23	1,806,441	1,735,412	945,211	280,777	138,585	48,363
Amount due from subsidiaries	24	-	-	-	2,035,567	1,958,207	1,447,990
Amount due from joint ventures	16	209,937	95,800	22,461	147,536	66,817	10
Amount due from associates	15	-	898	898	-	-	-
Short term investments	25	28,491	144,905	272,190	28,483	144,900	272,176
Short term deposits	19	776,112	538,714	416,457	-	-	-
Cash and bank balances	19	585,996	505,685	189,326	470	412	111
		4,622,270	4,097,882	3,036,335	2,492,833	2,308,921	1,768,650
Total assets		9,809,468	8,958,787	7,727,229	5,978,046	5,382,101	4,782,158

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2013 (cont'd.)

	Note	Group			Company		
		2013 RM'000	2012 RM'000 (restated)	1.1.2012 RM'000 (restated)	2013 RM'000	2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
Equity and liabilities							
Equity attributable to owners							
of the parent							
Share capital	26	2,268,718	2,165,558	2,163,358	2,268,718	2,165,558	2,163,358
Share premium	26	2,044,953	1,907,488	1,898,306	2,044,953	1,907,488	1,898,306
Merger relief reserves	26	34,330	34,330	34,330	34,330	34,330	34,330
Equity component of							
- redeemable convertible							
preference shares ("RCPS")	28	-	119,068	120,521	-	119,068	120,521
Other reserves	27	72,742	51,370	30,116	51,418	-	-
Retained profits	27	1,598,269	1,038,154	589,796	251,967	145,100	16,205
		6,019,012	5,315,968	4,836,427	4,651,386	4,371,544	4,232,720
Non-controlling interests	31	450,604	450,636	450,712	-	-	-
Total equity		6,469,616	5,766,604	5,287,139	4,651,386	4,371,544	4,232,720
Non-current liabilities							
Borrowings	32	1,722,066	1,489,985	1,123,278	1,300,629	600,000	152,928
Liability component of RCPS	28	-	-	388,414	-	-	388,414
Deferred tax liabilities	20	262,242	249,895	260,612	-	729	7,242
		1,984,308	1,739,880	1,772,304	1,300,629	600,729	548,584
Current liabilities							
Provisions	33	450,818	131,026	137,040	-	-	-
Payables	34	622,892	648,560	458,788	1,031	404	854
Amount due to joint ventures	16	1,461	-	-	-	-	-
Borrowings	32	217,983	224,972	51,684	25,000	-	-
Liability component of RCPS	28	-	409,424	-	-	409,424	-
Tax payable		62,390	38,321	20,274	-	-	-
		1,355,544	1,452,303	667,786	26,031	409,828	854
Total liabilities		3,339,852	3,192,183	2,440,090	1,326,660	1,010,557	549,438
Total equity and liabilities		9,809,468	8,958,787	7,727,229	5,978,046	5,382,101	4,782,158

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2013

Group	Attributable to owners of the parent								Non-controlling interest (Note 31) RM'000	Total equity RM'000
	Non-distributable				Distributable					
	Share capital (Note 26) RM'000	Share premium (Note 26) RM'000	Merger relief reserves (Note 26) RM'000	Equity component of RCPS (Note 28) RM'000	Other reserves (Note 27) RM'000	Retained profits (Note 27) RM'000	Total RM'000			
At 1 January 2013, as previously stated	2,165,558	1,907,488	34,330	119,068	51,370	1,038,154	5,315,968	501,067	5,817,035	
Effect of reclassification to jointly controlled entities	-	-	-	-	-	-	-	(50,431)	(50,431)	
As restated	2,165,558	1,907,488	34,330	119,068	51,370	1,038,154	5,315,968	450,636	5,766,604	
Total comprehensive income for the year	-	-	-	-	(7,247)	579,141	571,894	(32)	571,862	
ESOS										
- issuance of new shares	9,958	35,529	-	-	-	-	45,487	-	45,487	
- share option granted	-	-	-	-	27,519	-	27,519	-	27,519	
- transferred from share based payment reserve upon exercise	-	2,987	-	-	(2,987)	-	-	-	-	
Conversion of MCRPS	92,407	95,039	-	-	-	-	187,446	-	187,446	
Conversion of RCPS to ordinary shares, net of tax (Note 26)	795	3,910	-	(1,055)	-	-	3,650	-	3,650	
Redemption of RCPS	-	-	-	(118,013)	4,087	113,926	-	-	-	
Dividend paid (Note 9)	-	-	-	-	-	(132,952)	(132,952)	-	(132,952)	
At 31 December 2013	2,268,718	2,044,953	34,330	-	72,742	1,598,269	6,019,012	450,604	6,469,616	
At 1 January 2012, as previously stated	2,163,358	1,898,306	34,330	120,521	30,116	589,796	4,836,427	460,186	5,296,613	
Effect of reclassification to jointly controlled entities	-	-	-	-	-	-	-	(9,474)	(9,474)	
As restated	2,163,358	1,898,306	34,330	120,521	30,116	589,796	4,836,427	450,712	5,287,139	
Total comprehensive income for the year	-	-	-	-	(1,545)	448,358	446,813	(76)	446,737	
Share options granted under Employee Share Option Scheme (Note 27)	-	-	-	-	22,799	-	22,799	-	22,799	
Conversion of RCPS to ordinary shares, net of tax (Note 26)	2,200	9,182	-	(1,453)	-	-	9,929	-	9,929	
At 31 December 2012	2,165,558	1,907,488	34,330	119,068	51,370	1,038,154	5,315,968	450,636	5,766,604	

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2013 (cont'd.)

Company	← Non-distributable			→ Distributable			Total equity RM'000
	Share capital (Note 26) RM'000	Share premium (Note 26) RM'000	Merger relief reserves (Note 26) RM'000	Equity component of RCPS (Note 28) RM'000	Other reserves RM'000	Retained profits (Note 27) RM'000	
At 1 January 2013	2,165,558	1,907,488	34,330	119,068	-	145,100	4,371,544
Total comprehensive income for the year	-	-	-	-	-	125,893	125,893
ESOS							
- issuance of new shares	9,958	35,529	-	-	-	-	45,487
- share option granted	-	-	-	-	50,318	-	50,318
- transferred from share based payment reserve upon exercise	-	2,987	-	-	(2,987)	-	-
Conversion of MCRPS	92,407	95,039	-	-	-	-	187,446
Conversion of RCPS to ordinary shares, net of tax (Note 26)	795	3,910	-	(1,055)	-	-	3,650
Redemption of RCPS	-	-	-	(118,013)	4,087	113,926	-
Dividend paid (Note 9)	-	-	-	-	-	(132,952)	(132,952)
At 31 December 2013	2,268,718	2,044,953	34,330	-	51,418	251,967	4,651,386
At 1 January 2012	2,163,358	1,898,306	34,330	120,521	-	16,205	4,232,720
Total comprehensive income for the year	-	-	-	-	-	128,895	128,895
Conversion of RCPS to ordinary shares, net of tax (Note 26)	2,200	9,182	-	(1,453)	-	-	9,929
At 31 December 2012	2,165,558	1,907,488	34,330	119,068	-	145,100	4,371,544

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2013

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000 (restated)
Cash flows from operating activities				
Cash receipts from customers	2,437,719	1,438,967	-	-
Cash receipts from immediate holding company	-	100	-	-
Receipts from other related parties	-	443	-	-
Receipts from joint ventures	877	1,756	-	-
Receipts from associate	-	3,750	-	-
Cash payments to suppliers	(418,486)	(300,845)	-	-
Cash payments to contractors	(821,864)	(706,721)	-	-
Cash payments for land and development related costs	(54,032)	(37,938)	-	-
Cash payments to other related parties	(14,774)	-	-	-
Cash payment to joint venture	(99,739)	(5,335)	-	-
Cash payment to immediate holding company	(1,215)	(699)	-	-
Cash payments to employees and for expenses	(270,194)	(248,717)	(871)	(27)
Cash generated from/(used in) operations	758,292	144,761	(871)	(27)
Zakat paid	(7,334)	-	-	-
Net income tax (paid)/refund	(168,933)	(82,372)	51	-
Interest received	18,617	11,012	482	239
Net cash generated from/(used in) operating activities	600,642	73,401	(338)	212
Cash flows from investing activities				
Dividend received from associates	9,100	6,601	-	-
Proceeds from disposals of:				
- property, plant and equipment	6	93	-	-
- investment property	12,418	10,500	-	-
- short term investments	290,547	134,586	290,547	134,586
- associate	-	10,678	-	-
Subscription of shares in subsidiaries	-	-	(211,343)	-
Net cash effect from deemed disposal of a subsidiary	(201)	-	50	-

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2013 (cont'd.)

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000 (restated)
Cash flows from investing activities (cont'd.)				
Cash receipts from liquidator for liquidation of an associate	-	39	-	-
Refund of deposits arising from cancellation of sales for property, plant and equipment	-	(327)	-	-
Purchase of property, plant and equipment	(21,789)	(18,202)	-	-
Advances to joint venture	-	(8,869)	-	(8,869)
Investment in land held for property development	(212,166)	(125,207)	-	-
Investment in short term investments	(172,600)	-	(172,600)	-
Investment in a joint venture	(16,125)	(54,553)	(15,950)	(1,323)
Net cash (used in)/generated from investing activities	(110,810)	(44,661)	(109,296)	124,394
Cash flows from financing activities				
Drawdown of term and bridging loans	183,786	211,341	-	-
Drawdown of Islamic Medium Term Notes	700,000	600,000	700,000	600,000
Drawdown of revolving credit	63,450	30,500	-	-
Drawdown of structured commodity	25,000	-	25,000	-
Proceeds from conversion of RCPS	-	5,120	-	5,120
Proceeds from ESOS	45,487	-	45,487	-
Receipt of a grant	25,000	-	-	-
Advances to subsidiaries	-	-	(93,514)	(507,683)
Repayment from a joint venture	6,687	3,664	-	-
Advances to a joint venture	(48,752)	(70,817)	-	(65,792)
Repayment of term and bridging loan	(489,521)	(57,598)	-	-
Repayment of revolving credit	(67,450)	(93,000)	-	-
Repayment of Islamic Term Financing	-	(150,000)	-	(150,000)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2013 (cont'd.)

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000 (restated)
Cash flows from financing activities (cont'd.)				
Repayment to immediate holding company	(12,755)	(15,838)	-	-
Repayment of hire purchase	-	(42)	-	-
Redemption of RCPS	(408,689)	-	(408,689)	-
Interest paid	(58,170)	(51,005)	(25,640)	(5,950)
Dividend paid	(132,952)	-	(132,952)	-
Cash payment of credit facility commitment fees	-	(2,924)	-	-
Net cash (used in)/generated from financing activities	(168,879)	409,401	109,692	(124,305)
Net increase in cash and cash equivalents	320,953	438,141	58	301
Effects of foreign exchange rate changes	(272)	(355)	-	-
Cash and cash equivalents at beginning of year	1,041,427	603,641	412	111
Cash and cash equivalents at end of year (Note 19)	1,362,108	1,041,427	470	412

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Bursa Malaysia Securities Berhad. The registered office of the Company is located at 19-2 Mercur UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur and the principal place of business is at 16-1 Mercur UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are property development, land trading, property investment, project procurement and management and investment holding. There have been no significant changes in the nature of the principal activities during the financial year.

The immediate and ultimate holding companies are UEM Group Berhad ("UEM") and Khazanah Nasional Berhad ("Khazanah") respectively, both of which are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 February 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise disclosed in the summary of significant accounting policies below, and comply with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

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

2.2 Summary of significant accounting policies

(a) Basis of consolidation

(i) Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

(ii) Basis of consolidation

Pursuant to the restructuring in 2008, the Company was introduced as a new parent company. The introduction of the Company constitutes a Group reconstruction and has been accounted for using merger accounting principles as the combination of the companies meet the relevant criteria for merger, thus depicting the combination of those entities as if they have been in the combination for the current and previous financial years.

Business combinations involving entities under common control are accounted for by applying the merger accounting method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The income statement reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

For other subsidiaries, they are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

(iii) Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

(iii) Investments in associates and joint ventures (cont'd.)

After application of the equity method, the Group applies FRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Goodwill

Goodwill acquired in a business combination is capitalised as an asset and is initially measured at cost. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(m). Any impairment losses recognised for goodwill shall not be reversed in a subsequent year.

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and building under construction are not depreciated. Depreciation of other property, plant and equipment is provided on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Freehold building	1.3% - 2%
Plant and machinery	20%
Floating pontoons	10%
Motor vehicles	20% - 25%
Others	5% - 50%

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(c) Property, plant and equipment and depreciation (cont'd.)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

(d) Investment properties

Investment properties comprise completed properties and properties under construction which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, completed investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses while investment properties under construction are stated at cost less any accumulated impairment losses.

Depreciation of the completed investment properties is provided for at 1.25% to 10% per annum on a straight line basis to write off the building cost of each asset to its residual value over the estimated useful life. Investment properties under construction are not depreciated.

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected. Any gains or losses on the retirement or disposal of investment properties are recognised in the income statement in the year in which they arise.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, demand and short-term deposits, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, reduced by bank overdrafts that form an integral part of the Group's cash management.

(f) Land held for property development and property development costs

Land held for property development consists of land where no development activity has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified within non-current assets and is stated at cost less impairment losses. Cost consists of land and development expenditure which include borrowing costs relating to the financing of the development. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(m).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(f) Land held for property development and property development costs (cont'd.)

Profit on sale of land held for property development is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group.

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs are stated at cost. Cost consists of land and development expenditure. Development expenditure includes borrowing costs relating to the financing of the development.

Profit on sale of property development costs is recognised when the outcome of the contract can be reasonably estimated using the percentage of completion method to the extent of total sales value of units sold. The percentage of completion is based on total cost incurred to date over total estimated cost of the project. Provision is made for all foreseeable losses on property development costs.

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

(g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(h) Inventories

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(i) Income taxes (cont'd.)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(i) Income taxes (cont'd.)

(ii) Deferred tax

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(k) Foreign currencies

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

(i) Property development

(a) Sale of developed land

Sale of developed land is recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group.

(b) Sale of development properties

Revenue from sale of development properties classified as property development costs is accounted for by the percentage of completion method. The percentage of completion is determined by reference to the costs incurred to date bear to the total estimated costs where the outcome of the projects can be reliably estimated.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(l) Revenue recognition (cont'd.)

(i) Property development (cont'd)

(c) Sale of completed development properties

Sale of completed development properties are recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group.

(ii) Strategic land sale

Contracts for strategic land sale are recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group.

(iii) Property investment

Rental and leasing income are accounted for over the period of tenancy and lease term.

(iv) Assets and facilities management

Assets and facilities management income are derived from managing the residential, commercial and retail properties. These incomes are recognised as when such services are rendered.

(v) Project management

Provision of consultancy, advisory and technical services in relation to property development activities.

(vi) Harvesting income

Harvesting income is recognised on an accrual basis. Where recoverability is uncertain, harvesting income will be recognised on a receipt basis.

(vii) Dividends

Dividends from subsidiaries, associates and other investments are included in the income statement when the shareholders' right to receive payment has been established.

(m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(m) Impairment of non-financial assets (cont'd.)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(n) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, available-for-sale investments and loans and receivables.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are categorised as financial assets at fair value through profit or loss. Financial assets are held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(n) Financial assets (cont'd.)

(i) Financial assets at fair value through profit or loss (cont'd.)

Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to income statement for the year.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Available-for-sale investments

Available-for-sale investments are financial assets that are designated as available for sale or are not classified in any of the two preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(n) Financial assets (cont'd.)

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(o) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised costs

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(o) Impairment of financial assets (cont'd.)

(ii) Unquoted equity securities at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(p) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities. The Group and the Company classify all its financial liabilities as other financial liabilities.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(q) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares and MCRPS are equity instruments.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(q) Share capital and share issuance expenses (cont'd.)

Ordinary shares and MCRPS are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Terms of the MCRPS are as disclosed in Note 26. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(r) Redeemable convertible preference shares ("RCPS")

The redeemable convertible preference shares are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for equivalent preference shares. The difference between the proceeds of issue of the RCPS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for equivalent RCPS to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying value of the RCPS.

(s) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

(t) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred.

Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.3 Changes in accounting policies

On 1 January 2013, the Group and the Company adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2013.

	Effective for the financial period beginning on or after
<i>FRS 101: Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)</i>	1 July 2012
<i>Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))</i>	1 January 2013
<i>FRS 10: Consolidated Financial Statements</i>	1 January 2013
<i>FRS 11: Joint Arrangements</i>	1 January 2013
<i>FRS 12: Disclosures of interest in Other Entities</i>	1 January 2013
<i>FRS 13: Fair Value Measurements</i>	1 January 2013
<i>FRS 119: Employee Benefits</i>	1 January 2013
<i>FRS 127: Separate Financial Statements</i>	1 January 2013
<i>FRS 128: Investment in Associates and Joint Ventures</i>	1 January 2013
<i>Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
<i>Amendments to FRS 1: Government Loans</i>	1 January 2013
<i>Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs(2012))</i>	1 January 2013
<i>Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs(2012))</i>	1 January 2013
<i>Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs(2012))</i>	1 January 2013
<i>Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs(2012))</i>	1 January 2013
<i>Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance</i>	1 January 2013
<i>Amendments to FRS 11: Joint Arrangements: Transition Guidance</i>	1 January 2013
<i>Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance</i>	1 January 2013

The adoption of the above standards does not have any significant impact to the financial statements of the Group and of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.4 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

	Effective for the financial period beginning on or after
<i>Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
<i>Amendments to FRS 10, FRS 12, and FRS 127: Investment Entities</i>	1 January 2014
<i>FRS 9: Financial Instruments</i>	1 January 2015
<i>Amendment to FRS 2: Share-Based Payment (Annual Improvements to FRSs 2010-2012 Cycle)</i>	1 July 2014
<i>Amendment to FRS 3: Business Combinations (Annual Improvements to FRSs 2010-2012 Cycle)</i>	1 July 2014
<i>Amendment to FRS 3: Business Combinations (Annual Improvements to FRSs 2011-2013 Cycle)</i>	1 July 2014
<i>Amendment to FRS 8: Operating Segments (Annual Improvements to FRSs 2010-2012 Cycle)</i>	1 July 2014
<i>Amendment to FRS 13: Fair Value Measurements (Annual Improvements to FRSs 2011-2013 Cycle)</i>	1 July 2014
<i>Amendments to FRS 116: Property, Plant and Equipment (Annual Improvements to FRSs 2010-2012 Cycle)</i>	1 July 2014
<i>Amendments to FRS 119: Defined Benefit Plans: Employee Contributions</i>	1 July 2014
<i>Amendment to FRS 124: Related Party Disclosures (Annual Improvements to FRSs 2010-2012 Cycle)</i>	1 July 2014
<i>Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
<i>Amendment to FRS 138: Intangible Assets (Annual Improvements to FRSs 2010-2012 Cycle)</i>	1 July 2014
<i>Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
<i>Amendment to FRS 140: Investment Property (Annual Improvements to FRSs 2011-2013 Cycle)</i>	1 July 2014
<i>IC Interpretation 21 Levies</i>	1 January 2014

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.5 Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer. (Transitioning Entities)

Transitioning Entities will be allowed to defer adoption of the new MFRS until the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.5 Malaysian Financial Reporting Standards (MFRS Framework) (cont'd.)

The Group is in the process of making its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2013 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2015.

2.6 Critical judgements and accounting estimates

Judgements, estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2013 was RM621,409,000 (2012: RM621,409,000). Further details on goodwill are disclosed in Note 18.

(ii) Property development costs

The Group recognises property development revenue and expenses in the income statement using the stage of completion method. The stage of completion is determined by reference to the proportion of costs incurred for the work performed to date bear to the estimated total costs where the outcome of the projects can be reliably estimated.

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development projects. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

Details of the property development costs is disclosed in Note 21.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.6 Critical judgements and accounting estimates (cont'd.)

Key sources of estimation uncertainty (cont'd)

(iii) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

As disclosed in Note 37(c), Bandar Nusajaya Development Sdn. Bhd. ("BND") received an additional assessment from the Inland Revenue Board ("IRB") for additional tax payable and tax penalty in respect of year of assessment 2006 totalling to RM73.8 million.

(iv) Provision for free maintenance

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

The carrying amount of the Group's provision for free maintenance is RM7,939,000 (2012 : RM2,762,000).

(v) Provision for liquidated ascertained damages

Provision for liquidated ascertained damages is recognised for expected liquidated ascertained damages based on the terms of the applicable sale and purchase agreements and is provided up to the actual or estimated completion date of development projects.

3. REVENUE

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Property development:				
- Sale of development properties	1,512,218	1,576,246	-	-
- Sale of developed land	59,230	167,643	-	-
	1,571,448	1,743,889	-	-
Strategic land sale#	757,236	100,964	-	-
Property investment	63,886	47,137	-	-
Assets and facilities management	10,869	12,335	-	-
Project management	14,331	8,632	-	-
Harvesting, land leasing and other income	7,519	6,421	-	-
Dividend income				
- a subsidiary	-	-	134,696	145,146
	2,425,289	1,919,378	134,696	145,146

Included in year 2012 was an amount of RM26.0 million that was received from Tenaga Nasional Berhad as compensation for compulsory acquisition of land.

4. COST OF SALES

	Group	
	2013 RM'000	2012 RM'000 (restated)
Property development:		
- Sale of development properties	1,146,168	1,066,101
- Sale of developed land	38,860	101,686
	1,185,028	1,167,787
Strategic land sale	310,014	48,582
Harvesting, land leasing and other costs	2,123	1,558
	1,497,165	1,217,927

5. OPERATING PROFIT

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Allowance for doubtful debts				
- receivables (Note 23(vi))	1,971	-	-	-
Bad debts written off				
- trade receivable	-	21	-	-
- others	-	156	-	-
Rental expenses of				
- land and building	12,816	12,918	-	-
- equipment	656	230	-	-
Auditors' remuneration				
- statutory audit	680	651	63	60
- others	-	212	-	-
Depreciation of property, plant and equipment (Note 11)	13,659	11,284	-	-
Depreciation of investment properties (Note 12)	6,541	6,084	-	-
Property, plant and equipment written off (Note 11)	25	79	-	-
Available-for-sale investment written off	-	7	-	-
Directors' remuneration (Note (i))	3,340	3,037	3,340	2,992
Staff costs (Note (ii))	134,653	119,163	-	-
Reversal of sales:				
- property, plant and equipment	-	2,255	-	-
Provision for foreseeable losses and liquidated ascertained damages	29,292	-	-	-
Write back of allowance for impairment				
- others (Note 23(vi))	(2,778)	(3)	-	-
- inventory	(95)	(23)	-	-

5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Lease rental received from a subsidiary of Khazanah:				
- Menara Burj Sdn. Bhd.	-	(350)	-	-
Profit sharing receivable from related company				
- Faber Union Sdn. Bhd.	-	(2,928)	-	-
Net loss/(gain) on fair value changes in fair value through profit or loss investment	768	(2,291)	768	(2,291)
Dividend income from investment in unit trust	(2,348)	(5,018)	(2,348)	(5,018)
Interest income				
- deposits with licensed banks	(18,617)	(11,012)	(482)	(239)
- trade receivables	(9,319)	(8,594)	-	-
- a subsidiary	-	-	(17,249)	(14,681)
- joint ventures	(11,656)	(4,485)	(6,338)	-
Bad debts recovered	(31)	-	-	-
(Gain)/loss on disposal of:				
- property, plant and equipment	(3)	(29)	-	-
- subsidiaries	604	(24)	-	-
- associate	-	(11,222)	-	-
- investment property	-	(1,952)	-	-

5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in the staff costs in arriving at operating profit:

(i) Directors' remuneration

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive:				
Salary and other emoluments	1,880	1,702	1,880	1,702
Fees*	144	-	144	-
Benefits-in-kind	120	106	120	106
	2,144	1,808	2,144	1,808
Non-executive:				
Fees	1,196	1,229	1,196	1,184
	3,340	3,037	3,340	2,992
Analysis of total directors' remuneration excluding benefits-in-kind:				
- executive	2,024	1,702	2,024	1,702
- non-executive	1,196	1,229	1,196	1,184
Total directors' remuneration excluding benefits-in-kind	3,220	2,931	3,220	2,886

*Fees paid to a director who was re-designated from non-executive to executive

The number of directors of the Company whose total remuneration during the financial year falls within the following bands is analysed below:

	Number of directors	
	2013	2012
Executive director:		
RM200,001 - RM250,000	1	-
RM1,800,001 - RM1,850,000	-	1
RM1,900,001 - RM1,950,000	1	-
Non-executive directors:		
RM50,000 and below	-	2
RM50,001 to RM100,000	-	1

5. OPERATING PROFIT (CONT'D.)

(i) Directors' remuneration (cont'd.)

	Number of directors	
	2013	2012
Non-executive directors:		
RM100,001 to RM150,000	4	3
RM150,001 to RM200,000	3	3
RM200,001 to RM250,000	1	1

(ii) Staff costs

	Group	
	2013 RM'000	2012 RM'000 (restated)
Wages and salaries	71,378	59,005
Statutory contribution to EPF and social security costs	13,292	9,824
Staff benefits and welfare	31,432	32,671
Employee share option scheme	27,519	22,799
Training and others	2,933	2,245
	146,554	126,544
Capitalised to:		
Land held for property development (Note 13)	(7,972)	(3,087)
Property development costs (Note 21)	(3,929)	(4,294)
	134,653	119,163

6. FINANCE COSTS

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Finance costs incurred and accrued during the year on:				
- term loan	24,237	19,186	-	-
- bridging loan	360	1,347	-	-
- bank overdraft	808	651	-	-
- revolving credit	2,328	3,984	-	-
- Islamic term financing	1,176	14,682	1,176	14,682
- Islamic Medium Term Notes ("IMTN")	35,187	9,476	26,789	-
- hire purchase	-	2	-	-

6. FINANCE COSTS (CONT'D.)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000 (restated)	2012 RM'000
- loan from immediate holding company	12,310	15,642	-	-
- accretion of interest on:				
- liability component of RCPS (Note 28)	2,218	25,791	2,218	25,791
- bank charges	212	268	-	-
	78,836	91,029	30,183	40,473
Capitalised in:				
- land held for property development (Note 13)	(10,366)	(11,627)	-	-
- property development costs (Note 21)	(39,084)	(38,030)	-	-
	(49,450)	(49,657)	-	-
	29,386	41,372	30,183	40,473

7. ZAKAT

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Expensed and paid in the financial year	7,334	-	-	-

8. INCOME TAX EXPENSE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Income tax:				
Malaysian income tax	180,488	100,335	-	-
Foreign tax	1,484	2,901	-	-
Under/(over) provision in prior years	8,248	(1,286)	-	-
	190,220	101,950	-	-

8. INCOME TAX EXPENSE (CONT'D.)

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	(87,403)	(17,384)	(554)	(6,448)
(Over)/under provision of deferred tax in prior year	(2,995)	1,896	-	-
	(90,398)	(15,488)	(554)	(6,448)
Total income tax expense / (credit)	99,822	86,462	(554)	(6,448)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Profit before tax and zakat	686,265	534,744	125,339	122,447
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	171,566	133,686	31,335	30,612
Effect of different tax rates in other countries	(31)	(7,050)	-	-
Income not subject to tax	(14,896)	(14,769)	(34,261)	(38,114)
Expenses not deductible for tax purposes	16,181	8,402	791	1,054
Utilisation of previously unrecognised tax losses	(9,634)	(14,753)	-	-

8. INCOME TAX EXPENSE (CONT'D.)

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Deferred tax assets not recognised during the year	5,292	2,612	1,581	-
Deferred tax assets recognised on unabsorbed business loss previously not recognised	(42,018)	-	-	-
Tax effect on share of associates' and joint ventures' results	(31,891)	(22,276)	-	-
Under/(over) provision of income tax in prior year	8,248	(1,286)	-	-
(Over)/under provision of deferred tax in prior year	(2,995)	1,896	-	-
Tax expense/(credit) for the year	99,822	86,462	(554)	(6,448)

9. DIVIDENDS

	Company	
	2013 RM'000	2012 RM'000
In respect of financial year ended 31 December 2012:		
First and final single tier dividends of the following:		
RM0.03 per share on 4,346,541,226 ordinary shares of RM0.50 each, paid on 31 July 2013	130,396	-
RM0.0165 per share on 154,914,002 MCRPS of RM0.01 each, paid on 31 July 2013	2,556	-
	132,952	-

10. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to owners of the parent by the weighted average number of ordinary shares.

	Group	
	2013	2012
Profit for the year attributable to owners of the parent (RM'000)	576,585	448,358
Weighted average number of ordinary shares in issue ('000)	4,344,130	4,327,086
Basic earnings per share (sen)	13.3	10.4

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares.

	Note	Group	
		2013	2012
Profit for the year attributable to owners of the parent (RM'000)		576,585	448,358
Profit for the year of subsidiaries attributable to non-controlling interests arising from dilutive impact of unconverted BND RCPS (RM'000)	(i)	(46,853)	(37,058)
Profit for the year attributable to owners of the parent including assumed conversion (RM'000)		529,732	411,300
Weighted average number of ordinary shares in issue ('000)	(ii)	4,344,130	4,824,548
Diluted earnings per share (sen)		12.2	8.5

10. EARNINGS PER SHARE (CONT'D.)

(b) Diluted (cont'd.)

Note

- (i) Incorporates effects arising from full conversion of the RM450 million Redeemable Convertible Preference Shares ("BND RCPS") in Bandar Nusajaya Development Sdn. Bhd. ("BND") (as disclosed in Note 31) which are convertible into 21.76% (2012: 21.76%) of BND's enlarged share capital as at 31 December 2013.
- (ii) The computation of the weighted average number of ordinary shares in issue for the comparative year ended 31 December 2012 incorporates effects arising from the full conversion of RM154.9 million MCRPS (as disclosed in Note 26) which are convertible into 85,117,584 ordinary shares in the Company and full conversion of the balance unconverted RCPS using the non-cash conversion mode (as disclosed in Note 28). Both the MCRPS and RCPS have been fully redeemed/converted during the current financial year.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Freehold building RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Others RM'000	Total RM'000
At 31 December 2013							
Net carrying amount at							
1 January 2013	38,821	70,863	47,652	7,011	2,237	16,292	182,876
Additions	-	11,195	238	-	2,491	7,865	21,789
Disposal	-	-	-	-	-	(3)	(3)
Currency translation	(68)	-	-	-	-	15	(53)
Write-off (Note 5)	-	-	-	-	(2)	(23)	(25)
Transfer to investment properties (Note 12)	-	(978)	-	-	-	-	(978)
Depreciation charge (Note 5)	-	(1,157)	(3,136)	(1,013)	(1,364)	(6,989)	(13,659)
Net carrying amount at							
31 December 2013	38,753	79,923	44,754	5,998	3,362	17,157	189,947
Cost	38,753	84,777	57,938	10,118	9,902	50,594	252,082
Accumulated depreciation	-	(4,854)	(13,184)	(4,120)	(6,540)	(33,437)	(62,135)
Net carrying amount	38,753	79,923	44,754	5,998	3,362	17,157	189,947

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Freehold building RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Others RM'000	Total RM'000 (restated)
At 31 December 2012							
Net carrying amount at 1 January 2012 (as previously stated)	36,321	51,436	49,149	8,024	2,918	14,486	162,334
Effect of reclassification to jointly controlled entities	-	-	-	-	(126)	(541)	(667)
As restated	36,321	51,436	49,149	8,024	2,792	13,945	161,667
Reclassification	-	(114)	81	-	-	33	-
Additions	2,500	6,017	1,905	-	587	6,949	17,958
Disposal	-	-	-	-	-	(64)	(64)
Reversal of sales	-	1,019	-	-	-	-	1,019
Write-off (Note 5)	-	(1)	-	-	-	(78)	(79)
Transfer from property development cost (Note 21)	-	13,659	-	-	-	-	13,659
Depreciation charge (Note 5)	-	(1,153)	(3,483)	(1,013)	(1,142)	(4,493)	(11,284)
Net carrying amount at 31 December 2012	38,821	70,863	47,652	7,011	2,237	16,292	182,876
Cost	38,821	74,663	57,722	10,118	7,423	43,322	232,069
Accumulated depreciation	-	(3,800)	(10,070)	(3,107)	(5,186)	(27,030)	(49,193)
Net carrying amount	38,821	70,863	47,652	7,011	2,237	16,292	182,876

Included in property, plant and equipment of the Group and of the Company are assets acquired under hire-purchase arrangements with net book value of RM nil (2012: RM68,620).

12. INVESTMENT PROPERTIES

	Group	
	2013 RM'000	2012 RM'000 (restated)
Cost		
At 1 January	529,230	515,333
Addition	1,814	524
Disposal	-	(10,904)
Transfer from property, plant and equipment	1,081	-
Transfer from property development cost (Note 21)	40,126	24,277
At 31 December	572,251	529,230
Accumulated depreciation		
At 1 January	(9,984)	(4,256)
Depreciation charge (Note 5)	(6,541)	(6,084)
Disposal	-	356
Transfer from property, plant and equipment	(103)	-
At 31 December	(16,628)	(9,984)
Net carrying amount	555,623	519,246
Fair value of investment properties	605,518	533,978

During the financial year, a subsidiary of the Company had received a grant for the construction of Custom, Immigration, Quarantine and Port Clearance at Puteri Harbour.

The land and construction cost, which is net of the grant received, is capitalised as investment properties in the current financial year.

13. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2013 RM'000	2012 RM'000 (restated)
Freehold land		
Cost		
At 1 January	2,893,551	2,751,590
Addition	266,812	139,921
Disposal	(93,212)	-
Transfer (to)/from property development costs (Note 21)	(257,812)	2,040
At 31 December	2,809,339	2,893,551

The Group originally had 23,875 acres of freehold land zoned for residential, commercial and industrial development known as Nusajaya that is spearheaded by a subsidiary, UEM Land Berhad. Nusajaya is located in the southern tip of Johor adjacent to the Malaysia-Singapore Second Crossing and is accessible to major expressways, airports and ports. As a master township developer, its development activities include, inter-alia, reviewing the development master plan to maximise land usage and securing strategic development partners to develop various land parcels for specific catalyst development and residential development and provision of primary infrastructure for the township. Currently, certain subsidiaries are actively pursuing these activities to accelerate the township development.

The Group's balance of unsold land bank after reduction of public areas, electricity distribution sub-stations and others and after current year's addition is approximately 9,913 acres (2012: 10,456 acres) of which approximately 460 acres (2012: 589 acres) are classified under property development costs which comprises parcels of land where active development activities have commenced as at the end of financial year.

Land titles for the above land bank of approximately:

- (a) 178 acres (2012: 317 acres) are subject to a third party charge as security for borrowings taken by a joint venture company.
- (b) 1,584 acres (2012: 1,584 acres) have been deposited with the immediate holding company as security for a shareholder loan taken by a subsidiary, as detailed in Note 32(a).
- (c) 160 acres (2012: 272 acres) have been charged as security for the bank guarantees facilities taken by the subsidiary of the Company following the full repayment of term and bridging loans during the financial year as detailed in Note 32(b).
- (d) 102 acres (2012: 111 acres) have been charged as security for the term loans, credit agreement and revolving credit facilities taken by certain subsidiaries, as detailed in Note 32(c).

13. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)

Included in the addition to the land held for property development of the Group during the financial year are as follows:

	Group	
	2013 RM'000	2012 RM'000
Interest capitalised (Note 6)	10,366	11,627
Staff costs (Note 5 (ii))	7,972	3,087

Included in land held for property development of the Group are parcels of land committed through the agreement as follows:

(i) Development Agreement between Horizon Hills Development Sdn. Bhd. ("Horizon Hills") and Nusajaya Greens Sdn. Bhd. ("Greens")

On 16 June 2005, Greens entered into a Development Agreement with Horizon Hills, a 50:50 joint venture company between the UEMLB and Gamuda Berhad, for a proposed mixed development of 1,027 acres ("Mixed Development Land") and an integrated golf course development of 200 acres ("Golf Course Land" of land in Mukim Pulau, Daerah Johor Bahru, Negeri Johor Darul Takzim for a total purchase consideration of RM391.39 million to be completed over a period of 15 years based on an agreed series of "Put and Call Option" arrangements between both parties.

The Development Agreement became unconditional on 5 September 2005 upon completion of all conditions precedent.

As at the reporting date, Horizon Hills has exercised option to purchase the following:

Financial Year	Mixed Development Land Acres	Golf Course Land Acres	Total Acres
	2005	200.00	40.00
2006	106.00	20.00	126.00
2007	67.22	140.00	207.22
2008	64.39	-	64.39
2009	61.66	-	61.66
2010*	59.55	(5.34)	54.21
2011	63.75	-	63.75
2012	92.54	-	92.54
2013	139.85	-	139.85
	854.96	194.66	1,049.62

* The negative acreage for Golf Course Land was due to variance between a survey of actual land acreage in 2010 and the total acreage exercised.

13. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)

- (ii) Master Agreement between UEM Land Berhad (“UEML”), a wholly-owned subsidiary of the Company with Ascendas Land (Malaysia) Sdn. Bhd. (“Ascendas”).

On 23 October 2012, UEML had entered into a Master Agreement (“MA”) with Ascendas to undertake the development of an integrated tech park over approximately 519 acres of land in Gerbang Nusajaya, Nusajaya, Johor Darul Takzim.

The development is to be undertaken on the lands consisting the following:

- (i) Phase 1 lands measuring approximately 205 acres and further broken down into two plots identified as Plot A with an estimated area of 120 acres and Plot B with an estimated area of 85 acres.
- (ii) Phase 2 lands measuring approximately 166 acres.
- (iii) Phase 3 lands measuring approximately 148 acres.

As at the reporting date, 120 acres of Plot A lands were purchased by Nusajaya Tech Park Sdn. Bhd. (“NTSB”), a joint venture company which is carrying an equity ratio of 40% and 60% respectively between UEML and Ascendas.

Pursuant to the MA, UEML agrees to grant Ascendas the options to agree to NTSB completing the purchase of Plot B lands and to purchase Phase 2 lands and Phase 3 lands, all are exercisable within the period of nine (9) years commencing from the date of the MA. The options shall automatically lapse if not exercised within the Option Period.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2013 RM'000	2012 RM'000 (restated)
Unquoted shares, at cost		
At 1 January (as previously stated)	2,965,204	2,970,454
Effect of reclassification to jointly controlled entities	-	(5,500)
As restated	2,965,204	2,964,954
Acquisition of subsidiaries	211,343	-
Dilution of equity interest in subsidiaries	(250)	-
Subscription of additional capital in an existing subsidiary	-	(250)
At 31 December	3,176,297	2,965,204

Details of the subsidiaries are disclosed in Note 43.

(a) Acquisition of subsidiaries

On 23 September 2013, the Company acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of UEM Sunrise (Australia) Sdn. Bhd. ("SUNAUS"), a newly incorporated company, for a total cash consideration of RM2.00. Pursuant to the completion of the acquisition, SUNAUS became a wholly-owned subsidiary of the Company.

On 25 September 2013, the following Australian wholly-owned subsidiaries of SUNAUS with paid-up ordinary share capital of AUD2 formation were completed:

- (i) UEM Sunrise (Land) Pty Ltd
- (ii) UEM Sunrise (La Trobe Street) Pty Ltd
- (iii) UEM Sunrise (Mackenzie Street) Pty Ltd

On 3 October 2013, the following Australian wholly-owned subsidiaries of SUNAUS with paid-up ordinary share capital of AUD2 formation were completed:

- (i) UEM Sunrise (Developments) Pty Ltd
- (ii) UEM Sunrise (La Trobe Street Development) Pty Ltd
- (iii) UEM Sunrise (Mackenzie Street Development) Pty Ltd

On 23 September 2013, the following unit trust companies were established with paid-up ordinary 10 units of AUD1 each:

- (i) UEM Sunrise (La Trobe Street) Unit Trust
- (ii) UEM Sunrise (Mackenzie Street) Unit Trust

The acquisition of the above subsidiaries during the financial year does not have a material impact to the financial statements of the Group.

14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(b) Dilution of equity interest in subsidiaries resulting in a loss of control

On 1 August 2013, following the completion of the terms and conditions to the Subscription Agreement between UEMLB, Ascendas Land (Malaysia) Sdn. Bhd. ("Ascendas") and Suasana Prisma Sdn. Bhd. (now known as Nusajaya Tech Park Sdn. Bhd) ("NTPSB") and Shareholders' Agreement between UEMLB, Ascendas and NTPSB both dated 26 December 2012, NTPSB became a 40% joint venture of the Group upon the allotment of 99,998 ordinary shares to UEMLB and 150,000 ordinary shares to Ascendas.

On 12 December 2013, following the completion of the terms and conditions of the Shareholders Agreement between the Company, Iskandar Coast Sdn. Bhd. ("ICSB") and Nusajaya Premier Sdn. Bhd. ("NPSB"), and the purchase of 50,000 ordinary share capital of RM1.00 each satisfied by cash of RM50,000 in NPSB by ICSB from the Company, NPSB became a 80% joint venture of the Group as disclosed in Note 16(e).

The above does not have a material impact to the financial statements of the Group.

(c) Dissolution of subsidiaries

On 10 April 2013, the following wholly-owned subsidiaries of the Company, which were held through its wholly-owned subsidiary, Sunrise Berhad, have commenced the dissolution pursuant to Section 197 of the British Virgin Islands Business Companies Act, 2004.

- (i) Crescent Phase I Ltd.
- (ii) Crescent Phase II Ltd.
- (iii) Global Associates International Ltd.

On 22 July 2013, the dissolution of Crescent Phase II Ltd. and Global Associates International Ltd. were completed while the dissolution of Crescent Phase I Ltd. was only completed on 26 July 2013.

The above does not have a material impact to the financial statements of the Group.

14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(d) Struck-off of subsidiaries

The following inactive subsidiaries of the Company, which were held through its wholly-owned subsidiaries Sunrise Berhad and UEMLB respectively, have been struck off from the Schedule of the Registrar pursuant to Section 308(4) of the Companies Act, 1965 as follows:

- On 1 July 2013, the following subsidiaries of Sunrise Berhad:
 - (i) Cekap Kawal Sdn. Bhd.
 - (ii) Sunrise Assets Sdn. Bhd.
 - (iii) Sunrise Incubation Sdn. Bhd.
- On 9 July 2013, Sunrise REIT Management Sdn. Bhd., a subsidiary of Sunrise Berhad.
- On 22 July 2013, Sunrise Millenium Sdn. Bhd., a subsidiary of Sunrise Berhad.
- On 18 September 2013, Sunrise DotCom Sdn. Bhd., a subsidiary of Sunrise Berhad.
- On 11 September 2013, UEML-ZRE Reit Managers Sdn. Bhd., a subsidiary of UEMLB.

The above does not have a material impact to the financial statements of the Group.

15. INTERESTS IN ASSOCIATES

	2013 RM'000	Group	2012 RM'000
In Malaysia:			
Unquoted shares at cost	18,096		18,096
Outside Malaysia:			
Unquoted shares at cost	45,614		45,614
Share of post-acquisition reserves	89,159		77,819
Exchange differences	(22,772)		(20,328)
	130,097		121,201
Accumulated impairment losses	(3,907)		(3,907)
	126,190		117,294
Amount due from associate (trade) - current	-		898

15. INTERESTS IN ASSOCIATES (CONT'D.)

Amount due from associate in the previous year was unsecured, non-interest bearing and repayable on demand. The Group views the non-trade amount due from associate as part of the Group's investment in that associate.

Details of associates are disclosed in Note 44.

- (i) Summarised financial information in respect of Group's material associate is set out below. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

Summarised statement of financial position

	Setia Haruman Sdn. Bhd.	
	2013	2012
	RM'000	RM'000
Non-current assets	1,406,586	1,396,715
Current assets	1,865,676	1,870,676
Total assets	3,272,262	3,267,391
Non-current liabilities	2,637,197	2,622,601
Current liabilities	256,803	296,277
Total liabilities	2,894,000	2,918,878
Net assets	378,262	348,513

Summarised statement of comprehensive income

	Setia Haruman Sdn. Bhd.	
	2013	2012
	RM'000	RM'000
Revenue	236,109	885,709
Profit before tax	68,540	115,658
Total comprehensive income	60,749	81,606
Dividend paid during the year	(31,000)	-

15. INTERESTS IN ASSOCIATES (CONT'D.)

(i) (cont'd.)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associate

	Setia Haruman Sdn. Bhd.	
	2013 RM'000	2012 RM'000
Net assets at 1 January	348,513	266,907
Profit for the year	60,749	81,606
Dividend paid	(31,000)	-
Net assets at 31 December	378,262	348,513
Interest in associate	25%	25%
Carrying value of Group's interest	94,566	87,128

Aggregate information of associates that are not individually material

	2013 RM'000	2012 RM'000
The Group's share of profit before tax	5,775	7,028
The Group's share of profit after tax	5,260	5,447

16. INTERESTS IN JOINT VENTURES

	2013 RM'000	Group	1.1.2012
		2012 RM'000 (restated)	RM'000 (restated)
Unquoted shares, at cost	397,296	196,132	136,711
Amount due from joint ventures (Note i)	150,011	154,611	145,244
Share of post-acquisition reserves	144,102	44,551	(3,749)
	691,409	395,294	278,206

16. INTERESTS IN JOINT VENTURES (CONT'D.)

	2013 RM'000	Group 2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
Amount due from joint ventures (Note ii)			
- Non-current	57,402	33,901	29,696
- Current	209,937	95,800	22,461
	267,339	129,701	52,157
Amount due to joint ventures (Note iii)			
- Current	1,461	-	-
	2013 RM'000	Company 2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
Unquoted shares, at cost			
	308,916	107,976	48,554
Amount due from joint ventures (Note i)			
	147,536	66,817	10
	456,452	174,793	48,564
Amount due from joint ventures (Note ii)			
- Current	147,536	66,817	10

- (i) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand. The Group views the non-trade amounts due from joint ventures as part of the Group's investment in joint ventures.
- (ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand except for RM132,998,000 (2012:RM35,786,000) which bears an average interest of 7.3% (2012:7.4%) per annum.
- (iii) Amounts due to joint ventures are unsecured, non-interest bearing and repayable on demand.

16. INTERESTS IN JOINT VENTURES (CONT'D.)

- (iv) Summarised financial information of Horizon Hills Sdn. Bhd. and Nusajaya Premier Sdn. Bhd. is set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

Summarised statements of financial position

	Horizon Hills Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current assets	143,415	141,039	158,344	-	301,759	141,039
Cash and cash equivalents	143,011	119,936	46,957	-	189,968	119,936
Other current assets	551,107	460,508	19,147	-	570,254	460,508
Total current assets	694,118	580,444	66,104	-	760,222	580,444
Total assets	837,533	721,483	224,448	-	1,061,981	721,483
Current liabilities	64,735	153,767	41,955	-	106,690	153,767
Trade and other payables and provisions	85,250	75,639	110	-	85,360	75,639
Total current liabilities	149,985	229,406	42,065	-	192,050	229,406
Non-current liabilities	99,832	132,236	-	-	99,832	132,236
Trade and other payables and provision	23,108	-	-	-	23,108	-
Total non-current liabilities	122,940	132,236	-	-	122,940	132,236
Total liabilities	272,925	361,642	42,065	-	314,990	361,642
Net assets	564,608	359,841	182,383	-	746,991	359,841

Summarised statement of comprehensive income

	Horizon Hills Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	690,551	422,739	-	-	690,551	422,739
Depreciation and amortisation	(1,831)	(2,697)	-	-	(1,831)	(2,697)
Interest income	7,584	5,674	532	-	8,116	5,674
Interest expenses	(433)	(727)	-	-	(433)	(727)
Profit /(loss) before tax	271,728	157,550	(305)	-	271,423	157,550
Income tax expense	(66,961)	(37,884)	-	-	(66,961)	(37,884)
Profit/(loss) after tax	204,767	119,666	(305)	-	204,462	119,666
Total comprehensive income / (loss)	204,767	119,666	(305)	-	204,462	119,666

16. INTERESTS IN JOINT VENTURES (CONT'D.)

(iv) (cont'd.)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the joint ventures

	Horizon Hills Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Net assets at 1 January	359,841	240,175	313	-	360,154	240,175
Profit / (loss) for the year	204,767	119,666	(305)	-	204,462	119,666
Additional issuance of shares	-	-	182,375	-	182,375	-
Net assets at 31 December	564,608	359,841	182,383	-	746,991	359,841
Interest in joint ventures	50%	50%	80%	-		
	282,304	179,921	145,906	-	428,210	179,921
Unrealised profit arising from land sales	(42,173)	(36,804)	-	-	(42,173)	(36,804)
Carrying value of Group's interest	240,131	143,117	145,906	-	386,037	143,117

Aggregate information of joint ventures that are not individually material

	2013 RM'000	2012 RM'000
The Group's share of profit before tax	9,005	7,101
The Group's share of profit after tax	4,977	3,423

During the financial year, there were additional investment in joint venture entities as detailed below:

- the Company subscribed to 15,950,000 Redeemable Convertible Unsecured Loan Stock at a nominal value of RM1.00 each satisfied by cash of RM15,950,000 in Malaysian Bio-Xcell Sdn. Bhd..
- the Company subscribed to additional 38,889,901 Redeemable Convertible Non-cumulative Preference Shares of RM0.01 each at a premium of RM0.99 each through capitalisation of amount due to the Company of RM38,889,901 in Malaysian Bio-Xcell Sdn. Bhd..
- On 1 August 2013, UEMLB subscribed to 99,998 ordinary shares of RM1.00 per share satisfied by cash of RM99,998 in Nusajaya Tech Park Sdn. Bhd ("NTPSB")(formally known as Suasana Prisma Sdn. Bhd.) representing 40% of the equity in NTPSB as disclosed in Note 14(b).
- Sunrise Berhad, subscribed to additional 75,000 ordinary shares of RM1.00 per share satisfied by cash of RM75,000 in Sime Darby Sunrise Development Sdn. Bhd..

16. INTERESTS IN JOINT VENTURES (CONT'D.)

(e) Shareholders' Agreement ("SHA") dated 16 April 2013 between the Company, Iskandar Coast Sdn. Bhd. ("ICSB" and Nusajaya Premier Sdn. Bhd. ("NPSB"), a wholly owned-subsiary of the Company has been entered into to facilitate issuance of RM182,375,090 Redeemable Preference Shares ("RPS") of RM0.01 each and the sale of 50,000 ordinary shares of RM1.00 each representing 20% of the equity capital in NPSB by the Company to ICSB.

Based on the agreed shareholding proportion as set out in the SHA, the Company has subscribed 145,900,072 RPS of RM0.01 each represent 80% of the shareholding structure in NPSB satisfied by cash of RM46,174,537 and the remaining of RM99,725,535 through capitalisation of amount due to the Company in NPSB. ICSB subscribed for 50,000 ordinary share capital of RM1.00 each satisfied by cash of RM50,000 in NPSB.

On 12 December 2013, the conditions of the SHA were satisfied and NPSB became a 80% joint ventures of the Company.

There are no contingent liabilities and capital commitments in relation to the Group's interest in joint ventures, except as disclosed in Note 37(d).

Details of the joint venture entities are disclosed in Note 45.

17. OTHER INVESTMENTS

	Group	
	2013 RM'000	2012 RM'000
Available-for-sale investments		
At cost:		
Unquoted shares in Malaysia	22,525	22,525
Less: Accumulated impairment losses	(22,525)	(22,525)
	-	-

18. GOODWILL

	Group	
	2013 RM'000	2012 RM'000
At 1 January / 31 December	621,409	621,409

The recoverable amounts of the CGU have been determined based on value in use calculations using cash flow projections from financial budgets approved by the management covering a five-year period. The management has applied a pre-tax discount rate of 12.0% (2012:13.6%) and forecasted growth rate of 5% to the cash flow projections.

The calculations of value in use for the CGU are most sensitive to the following assumptions:

Budgeted gross margins - Gross margins are based on historical trend of gross margins for the CGU.

Pre-tax discount rates - Discount rates reflect the weighted average cost of capital of the Company assessed using the current borrowing costs and operating performance.

There remains a risk that, due to unforeseen changes in the economy in which the CGU operates and/or global economic conditions, the gross margins for property development may be adversely affected.

19. CASH, BANK BALANCES AND DEPOSITS

	Note	2013 RM'000 (restated)	Group 2012 RM'000 (restated)	1.1.2012 RM'000	Company 2013 RM'000	2012 RM'000
Deposits with licensed banks						
- Short term deposits		776,112	538,714	416,457	-	-
- Non-current deposits	(i)	1,418	1,418	1,418	-	-
		777,530	540,132	417,875	-	-
Cash and bank balances	(ii)	585,996	505,685	189,326	470	412
		1,363,526	1,045,817	607,201	470	412
Bank overdraft	32	-	(2,972)	(2,142)	-	-
Non-current deposits		(1,418)	(1,418)	(1,418)	-	-
Cash and cash equivalents		1,362,108	1,041,427	603,641	470	412

(i) Deposits pledged as security

The non-current deposits represent deposits pledged as security for bank guarantee facilities and bank facilities granted to subsidiaries.

(ii) Cash and bank balances

Included in cash and bank balances of the Group is an amount of RM304,533,000 (2012: RM437,722,000) held in Housing Development Accounts as required by Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

The average interest rates and maturity of deposits of the Group were 3.10% (2012: 3.14%) and 45 days (2012: 33 days) respectively.

20. DEFERRED TAXATION

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
At 1 January	218,354	233,949	729	7,242
Effect of reclassification to jointly controlled entities	-	(42)	-	-
As restated	218,354	233,907	729	7,242
Recognised in income statement (Note 8)	(90,398)	(15,488)	(554)	(6,448)
Reversal arising from conversion of RCPS recognised directly in equity	(175)	(65)	(175)	(65)
At 31 December	127,781	218,354	-	729
Presented as follows:				
Deferred tax assets	(134,461)	(31,541)	-	-
Deferred tax liabilities	262,242	249,895	-	729
	127,781	218,354	-	729

The deferred tax liability arising at the Company level is due to issuance of RCPS in prior years as disclosed in Note 28.

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Revaluation of land and building RM'000	Interest capitalised RM'000	RCPS RM'000	Others RM'000	Total RM'000
At 1 January 2013	170,873	158,390	729	4,727	334,719
Recognised in the income statement	(6,707)	(7,717)	(554)	821	(14,157)
Reversal arising from conversion of RCPS recognised through equity	-	-	(175)	-	(175)
At 31 December 2013	164,166	150,673	-	5,548	320,387

20. DEFERRED TAXATION (CONT'D.)

Deferred tax liabilities of the Group (cont'd.):

	Revaluation of land and building RM'000	Interest capitalised RM'000	RCPS RM'000	Others RM'000	Total RM'000
At 1 January 2012	176,216	169,554	7,242	3,694	356,706
Recognised in the income statement	(5,343)	(11,164)	(6,448)	1,033	(21,922)
Reversal arising from conversion of RCPS recognised through equity	-	-	(65)	-	(65)
At 31 December 2012	170,873	158,390	729	4,727	334,719

Deferred tax assets of the Group:

	Provisions RM'000	Tax losses and capital allowances RM'000	Total RM'000
At 1 January 2013	(25,411)	(90,954)	(116,365)
Recognised in the income statement	(62,642)	(13,599)	(76,241)
At 31 December 2013	(88,053)	(104,553)	(192,606)
At 1 January 2012	(21,960)	(100,839)	(122,799)
Recognised in the income statement	(3,451)	9,885	6,434
At 31 December 2012	(25,411)	(90,954)	(116,365)

20. DEFERRED TAX LIABILITIES (CONT'D.)

Deferred tax liabilities of the Company:

	RCPS	
	2013 RM'000	2012 RM'000
At 1 January	729	7,242
Reversal arising from conversion of RCPS recognised through equity	(175)	(65)
Recognised in the income statement	(554)	(6,448)
At 31 December	-	729

Deferred tax assets are not recognised in respect of the following items:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unused tax losses	47,515	231,072	6,325	-
Others	11,029	12,915	-	-
	58,544	243,987	6,325	-

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group are subject to no substantial changes in shareholdings of the respective companies under the Income Tax Act, 1967, and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available in certain subsidiaries against which the Group can utilise the benefits.

21. PROPERTY DEVELOPMENT COSTS

	Group	
	2013 RM'000	2012 RM'000 (restated)
At 1 January		
Freehold land	381,900	413,905
Development costs	1,983,230	1,497,329
As previously stated	2,365,130	1,911,234
Effect of reclassification to jointly controlled entities	-	(1,078)
As restated	2,365,130	1,910,156

21. PROPERTY DEVELOPMENT COSTS (CONT'D.)

	2013 RM'000	Group 2012 RM'000 (restated)
Development costs incurred during the year	1,379,253	1,109,528
Transfer from/(to):		
- land held for property development (Note 13)	257,812	(2,040)
- property, plant and equipment (Note 11)	-	(13,659)
- investment properties (Note 12)	(40,126)	(24,277)
- inventory	(6,718)	(21,566)
- deemed disposal of a subsidiary	(74)	-
Reversal of cost arising from completed projects	(112,077)	(593,012)
	1,478,070	454,974
At 31 December	3,843,200	2,365,130

Costs recognised in profit or loss

At 1 January	(1,411,284)	(844,858)
Recognised during the year	(1,434,556)	(1,159,438)
Reversal of cost arising from completed projects	112,077	593,012
At 31 December	(2,733,763)	(1,411,284)

Property development costs as at 31 December	1,109,437	953,846
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Included in costs incurred during the year are:

Interest expense (Note 6)	39,084	38,030
Staff costs (Note 5(ii))	3,929	4,294

As at the reporting date, freehold land and related development expenditure of RM254,648,000 (2012:RM324,536,000) are pledged as securities for the borrowing facilities granted to the Group.

22. INVENTORIES

	Group	
	2013 RM'000	2012 RM'000
At cost		
Completed properties	73,547	89,778
Consumables	606	610
	74,153	90,388
At net realisable value		
Golf memberships *	31,703	32,234
	105,856	122,622

The cost of inventories recognised as cost of sales during the year amounted to RM30,341,000 (2012: RM23,787,000).

- * Under the terms of the Development Agreement dated 16 June 2005 between Horizon Hills Development Sdn. Bhd. ("HHDSB") and Nusajaya Greens Sdn. Bhd. ("NGSB"), HHDSB shall settle part of the purchase consideration in the form of rights to club membership (golf and non-golf) which is to be issued by the Horizon Hills Resort Bhd. ("HHRB"), a wholly-owned subsidiary of HHDSB.

23. RECEIVABLES

		Group			Company	
		2013 RM'000	2012 RM'000 (restated)	1.1.2012 RM'000 (restated)	2013 RM'000	2012 RM'000
	Note					
Trade receivables	(i)	900,846	894,024	645,894	-	-
Accrued billings in respect of property development costs		738,444	751,033	341,887	-	-
Amount due from related parties	(ii)	671	3,526	720	-	-
Other receivables	(iii)	176,767	162,298	172,187	280,777	138,585
		1,816,728	1,810,881	1,160,688	280,777	138,585
Less: Allowance for impairment	(iv)	(10,287)	(11,094)	(11,097)	-	-
		1,806,441	1,799,787	1,149,591	280,777	138,585
Analysed into:						
Non current		-	64,375	204,380	-	-
Current		1,806,441	1,735,412	945,211	280,777	138,585
		1,806,441	1,799,787	1,149,591	280,777	138,585

23. RECEIVABLES (CONT'D.)

(i) Included in trade receivables is an amount of RM48,115,000 (2012: RM73,036,000) owing from joint venture entity arising from sale of land to this company in prior year which are charged an interest of 6% (2012: 6%) per annum.

(ii) Related parties refer to those as specified in Note 36.

(iii) Other receivables

	Group			Company	
	2013 RM'000	2012 RM'000 (restated)	1.1.2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Projects debtors	641	3,419	6,168	-	-
Dividend receivable	-	-	-	279,842	138,422
Sundry debtors and prepayments	42,164	32,490	19,743	904	81
Tax recoverable	26,896	24,114	26,046	31	82
Interest receivable	-	-	23	-	-
Deposits (Note a)	22,880	18,089	36,021	-	-
Promissory note (Note b)	84,186	84,186	84,186	-	-
	176,767	162,298	172,187	280,777	138,585

(a) Included in deposits is an amount of RM7.0 million (2012: RM7.0 million) representing a deposit paid by a subsidiary for the acquisition of one parcel of freehold land held under Lot 2581, at Mukim Batu, Kuala Lumpur.

(b) Promissory note was given by the State Secretary Johore (Incorporation) to the Group for the purchase of two parcels of land in previous financial year. The salient terms of the promissory note are as follows:

(i) The promissory note may be utilised against the Group's conversion and land alienation premium liability, quit rent liability, payment in lieu of fulfillment of the low cost housing requirements or bumiputera/ foreign quota or any other contribution to social project funds; and

(ii) The promissory note - land price may be prepaid in whole or in part at any time without premium or penalty.

23. RECEIVABLES (CONT'D.)

(iv) Allowance for impairment

	2013 RM'000	Group 2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
Trade receivable	3,118	1,147	1,147
Projects debtors	295	3,073	3,076
Amount due from related parties	581	581	581
Sundry debtors	6,293	6,293	6,293
	10,287	11,094	11,097

(v) The Group's normal trade credit terms range from 30 to 90 days (2012: 30 to 90 days). For strategic land sales and sale of developed land, credit terms are negotiated and approved on a case by case basis.

(vi) Ageing analysis

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	2013 RM'000	Group 2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
Neither past due nor impaired	586,350	554,527	554,344
1 to 30 days past due not impaired	64,368	32,632	12,393
31 to 60 days past due not impaired	34,878	27,571	13,381
61 to 90 days past due not impaired	29,179	14,408	10,938
More than 90 days past due not impaired	164,433	245,219	35,171
	292,858	319,830	71,883
Impaired	21,638	19,667	19,667
	900,846	894,024	645,894
Individually impaired			
Nominal amount	21,638	19,667	19,667
Allowance for impairment	(3,118)	(1,147)	(1,147)
	18,520	18,520	18,520

23. RECEIVABLES (CONT'D.)

(vi) Ageing analysis (cont'd.)

Receivables that are neither past due nor impaired

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Based on past experience, the Board believes that no allowance for impairment is necessary in respect of those balances.

Receivables that are past due but not impaired

The Group has trade receivables that are related to customers with good track records with the Group or those with ongoing transactions and/or progressive payments. Based on past experience, the Board believes that no allowance for impairment is necessary.

Receivables that are impaired

The movement in allowance account for receivables are as follows:

	2013 RM'000	Group	2012 RM'000
At 1 January	11,094		11,097
Charge for the year (Note 5)	1,971		-
Reversal of impairment loss (Note 5)	(2,778)		(3)
At 31 December	10,287		11,094

24. AMOUNT DUE FROM SUBSIDIARIES

Amount due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

25. SHORT TERM INVESTMENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
In Malaysia:				
Available-for-sale investments				
- Quoted shares	8	5	-	-
Financial assets at fair value through profit or loss				
- Unquoted unit trust #	28,483	144,900	28,483	144,900
	28,491	144,905	28,483	144,900

Unquoted unit trusts represent special investment funds invested with licensed fund managers in the funds approved by the Securities Commissions. The portfolio of investment authorised by the Board of Directors comprise only deposits in both Islamic and conventional instruments with financial institutions.

26. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE

(i) Share capital

Authorised:

	Number of ordinary shares of RM0.50 each		Amount	
	2013 '000	2012 '000	2013 RM'000	2012 RM'000
Ordinary shares				
At 1 January / 31 December	7,000,000	7,000,000	3,500,000	3,500,000
	Number of preference shares of RM0.01 each		Amount	
	2013 '000	2012 '000	2013 RM'000	2012 RM'000
MCRPS				
At 1 January / 31 December	200,000	200,000	2,000	2,000
	Number of preference shares of RM0.01 each		Amount	
	2013 '000	2012 '000	2013 RM'000	2012 RM'000
RCPS				
At 1 January / 31 December	1,500,000	1,500,000	15,000	15,000

26. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

(i) Share capital (cont'd.)

Issued and fully paid:

	Number of ordinary shares of RM0.50 each		Amount	
	2013	2012	2013	2012
	'000	'000	RM'000	RM'000
Ordinary shares				
At 1 January	4,328,018	4,323,618	2,164,009	2,161,809
Conversion of MCRPS	187,911	-	93,956	-
ESOS	19,915	-	9,958	-
Conversion of RCPS	1,589	4,400	795	2,200
At 31 December	4,537,433	4,328,018	2,268,718	2,164,009
	Number of preference shares of RM0.01 each		Amount	
	2013	2012	2013	2012
	'000	'000	RM'000	RM'000
MCRPS				
At 1 January	154,914	154,914	1,549	1,549
Redemption	(154,914)	-	(1,549)	-
At 31 December	-	154,914	-	1,549
Total share capital (issued and fully paid)			2,268,718	2,165,558

(ii) Share premium

	Number of ordinary shares		Amount	
	2013	2012	2013	2012
	'000	'000	RM'000	RM'000
At 1 January	1,899,841	1,895,441	1,754,123	1,744,941
Arising from MCRPS conversion	187,911	-	248,404	-
ESOS	19,915	-	38,516	-
Arising from RCPS conversion	1,589	4,400	3,910	9,182
At 31 December	2,109,256	1,899,841	2,044,953	1,754,123

26. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

(ii) Share premium (cont'd.)

	Number of ordinary shares of RM0.99 each		Amount	
	2013	2012	2013	2012
	'000	'000	RM'000	RM'000
MCRPS				
At 1 January	154,914	154,914	153,365	153,365
Redemption	(154,914)	-	(153,365)	-
At 31 December	-	154,914	-	153,365
Total share premium			2,044,953	1,907,488

Issue of shares

During the financial year, the issued and paid-up share capital of the Company was increased in the following manner:

- (a) 187,911,211 new ordinary shares of RM0.50 each issued pursuant to MCRPS conversion;
- (b) 19,915,100 new ordinary shares of RM0.50 each issued pursuant to the Employee Share Option Scheme; and
- (c) 1,588,753 new ordinary shares of RM0.50 each issued arising from the conversion of RCPS.

Mandatory Convertible Redeemable Preference Shares ("MCRPS")

In 2009, the Company ("the Issuer") issued 28,971,840 MCRPS and 125,942,162 MCRPS to Hartanah Lintasan Kedua Sdn. Bhd. and UEM Group Berhad (as nominee of UEM Construction Sdn. Bhd.) respectively, at an issue price of RM1.00 per MCRPS with a par value of RM0.01 per MCRPS, as full satisfaction of the purchase consideration for various land parcels and 100% equity interest in Finwares Sdn. Bhd.

The salient terms of the MCRPS are as follows:

- (a) The conversion rates of the MCRPS (after adjustments pursuant to the Company's rights issue in 2010) are as follows:
 - (i) one MCRPS of RM1.00 each to be converted at RM1.82 ("Conversion Price") into approximately 0.549 new ordinary share of the Company; or
 - (ii) one MCRPS with cash subscription of RM1.21 per MCRPS to be converted into approximately 1.213 new ordinary shares of the Company;

26. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

Mandatory Convertible Redeemable Preference Shares ("MCRPS") (cont'd.)

- (b) The MCRPS matures on 7 January 2014 ("Maturity Date").
- (c) The MCRPS will not be convertible from the Issue Date until the end of the third year from the Issue Date. Commencing after the end of the third year from the Issue Date until the Maturity Date, the MCRPS shall be convertible into ordinary shares of the Issuer at the Conversion Price. All outstanding MCRPS held by MCRPS holders are mandatorily convertible by the Issuer at the Maturity Date.
- (d) The MCRPS shall be redeemable at the option of the Issuer in whole but not in part after the end of year 3 from the Issue Date until the Maturity Date, by serving a 1 month prior written notice to the MCRPS holders. The redemption value shall be equivalent to 8% yield to maturity at redemption date, after taking into account any dividend paid, compounded on a yearly basis, on the MCRPS up to the redemption date.
- (e) The MCRPS shall carry no right to vote at any general meeting of the Company except with regards to:
- any proposal to wind-up the Company;
 - during the winding-up of the Company;
 - any proposal that effects the rights of the MCRPS holders;
 - any proposal to reduce the Company's share capital;
 - any proposal for the disposal of the whole of the Company's property, business and undertaking; or
 - when dividend or part of the dividend on the MCRPS is in arrears for more than 6 months.
- (collectively referred to as the "Voting Rights")
- (f) Save for the Voting Rights, the MCRPS shall rank equal in all respects amongst all MCRPS and the ordinary shares in the Company.
- (g) Any dividends to be paid to the holders of the MCRPS must be decided at the discretion of the directors of the Company, save that dividends on the MCRPS must be paid if dividends are paid on the ordinary shares of the Company.

Dividend per MCRPS payable to MCRPS holders shall be computed as follows:

$$\frac{\text{Dividend per ordinary share payable}}{\text{Conversion price}} \quad \times \quad \text{Issue price}$$

26. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

Mandatory Convertible Redeemable Preference Shares ("MCRPS") (cont'd.)

(h) The MCRPS shall be convertible into ordinary shares during the conversion period from 8 January 2012 to 7 January 2014 (both dates inclusive) with the following modes of conversion:

(i) by tendering 1 MCRPS with cash subscription of RM1.21 per MCRPS for conversion into approximately 1.213 new ordinary shares; or

(ii) by tendering such amount of MCRPS that are equal to the Conversion Price for conversion into 1 new ordinary share computed as follows:

$$\frac{\text{Issue price} \times \text{No. of MCRPS}}{\text{Conversion price}}$$

During the financial year, the whole MCRPS was converted based on the salient terms as stipulated in section a(ii) above. Following the conversion, 187,911,211 new ordinary shares of RM0.50 each were issued to its immediate holding company, as the MCRPS holder. The conversion sum was satisfied by way of offsetting the loan owing to its immediate holding company.

(iii) Merger relief reserves

In accordance with Section 60(4) of the Companies Act, 1965, the difference between the fair value and nominal value of shares issued as consideration for the acquisition of the UEM Land Berhad group, pursuant to the Restructuring Scheme in 2008, was not required to be recorded as share premium, but instead is recognised together with the effects of the merger as merger relief reserves.

27. OTHER RESERVES AND RETAINED PROFITS

(a) Other reserves

	Group	
	2013	2012
	RM'000	RM'000
(i) Exchange fluctuation reserves		
At 1 January	(3,330)	(1,788)
Foreign currency translation	(7,251)	(1,542)
At 31 December	(10,581)	(3,330)

27. OTHER RESERVES AND RETAINED PROFITS (CONT'D.)

	Group	
	2013 RM'000	2012 RM'000
(a) Other reserves (cont'd.)		
(ii) Merger reserve		
At 1 January/31 December	32,112	32,112
(iii) Fair value adjustments reserve		
At 1 January	(211)	(208)
Loss on fair value changes	4	(3)
At 31 December	(207)	(211)
(iv) Share based payment reserve		
At 1 January	22,799	-
Employee share option scheme	24,532	22,799
At 31 December	47,331	22,799
(v) Capital redemption reserve		
At 1 January	-	-
RCPS conversion	4,087	-
At 31 December	4,087	-
Total	72,742	51,370

Capital redemption reserve

The capital redemption reserve arose from the redemption of the RCPS of the Company during the current financial year in accordance with Section 61(5) of the Companies Act, 1965.

(b) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2013 under the single tier system.

During the previous financial year, the directors declared a first and final single tier dividend of 3.0 sen per ordinary share of RM0.50 each and 1.65 sen per MCRPS of RM0.01 each totalling RM130,396,237 and RM2,556,081 respectively, in respect of the financial year ended 31 December 2012. The dividend was paid on 31 July 2013.

28. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (“RCPS”)

As part settlement of the acquisition of Sunrise Berhad in 2011, the Company had issued 837,093,777 RCPS of RM0.01 per RCPS at an issue price of RM1.00 per RCPS.

The carrying amount of the equity and liability component of RCPS at the reporting date is as follows:

	Group / Company			
	2013		2012	
	Liability component RM'000	Equity component RM'000	Liability component RM'000	Equity component RM'000
At 1 January	409,424	119,068	388,414	120,521
Conversion of RCPS to ordinary shares	(2,953)	(1,055)	(4,781)	(1,453)
Interest expense recognised in profit or loss (Note 6)	2,218	-	25,791	-
Redemption of RCPS	(408,689)	(118,013)	-	-
At 31 December	-	-	409,424	119,068

The RCPS had matured on 7 January 2013 and the Company has redeemed 408,689,383 RCPS of RM1.00 each by cash and the balance of 3,654,179 RCPS were converted at 2.3 RCPS to one (1) ordinary share of RM0.50 each.

29. EMPLOYEE SHARE OPTION RESERVE

Employee share option reserve represents the equity-settled share options granted to employees (Note 30). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the equity-settled share options and is reduced by the expiry or exercise of the share options.

30. EMPLOYEE BENEFITS

Employee share option scheme (“ESOS”)

At an Extraordinary General Meeting held on 7 March 2012, the shareholders of the Company approved the implementation of an ESOS which will offer eligible employees and executive director(s) of the Company and its subsidiaries, options to subscribe for new ordinary shares of RM0.50 each in the Company (“ESOS shares”).

The salient features of the ESOS are as follows:

- (i) The scheme shall be in force for a period of 7 years from 9 April 2012 being the date of implementation.
- (ii) The total number of ESOS shares which may be offered and issued under the ESOS shall not exceed 7.5% of the issued and paid-up ordinary share capital of the Company at any time during the duration of the ESOS.

30. EMPLOYEE BENEFITS (CONT'D.)

Employee share option scheme ("ESOS") (cont'd.)

- (iii) If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of ESOS shares made available under the ESOS to exceed 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares), no further options shall be offered until the total number of ESOS shares to be made available under the ESOS falls below 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares). Any option granted prior to the adjustments of the Company's issued and paid-up ordinary share capital (excluding treasury shares) shall remain valid and exercisable (if applicable) in accordance with the provisions of the by-laws.
- (iv) Even if the maximum number of ESOS shares stipulated is allocated to Eligible Employees, the actual number of ESOS shares to be issued will be lesser in view of the Company's adoption of Performance Vesting Criteria, whereby only Eligible Employees who are consistently "Excellent" performers for the whole duration of the ESOS would be entitled to the full vesting of their ESOS share allocation.
- (v) The total number of ESOS shares which may be allocated to any one Eligible Employee under the ESOS shall be at the absolute discretion of the Company's Board/ESOS Committee, after taking into consideration, amongst others, the seniority (denoted by employee grade) of the Eligible Employees and such other criteria as the Board/ ESOS Committee may deem relevant. Notwithstanding the foregoing, not more than 10% of ESOS shares made available under the ESOS shall be allocated to any Eligible Employee who, either individually or collectively through persons connected with the said Eligible Employee, holds 20% or more of the Company's issued and paid-up share capital (excluding treasury shares).
- (vi) Not more than 30% of the ESOS shares shall be made available to the Company's Executive Director(s) and senior management.
- (vii) Any employee (including Executive Director(s)) of the Group (other than the subsidiaries which are dormant) who fulfils the following as at the Offer Date shall be eligible to participate in the ESOS:
 - a) has attained the age of 18 years;
 - b) has entered into a full-time or fixed-term contract with, and is on the payroll of the Group (other than the subsidiaries which are dormant) and whose service has been confirmed (where applicable);
 - c) has been in continuous employment with the Group (other than with the subsidiaries which are dormant) for a period of at least 1 year prior to and up to the Offer Date, whereby the renewal of any fixed term employment contract(s) would be deemed as continuous employment and take into account of the employment period of the previous expired contract(s);
 - d) is not a non-executive or independent director of the Company; and
 - e) has fulfilled any other eligibility criteria as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion.
- (viii) The Option Price shall be at least the 5-day volume-weighted average market price ("VWAMP") of the Company shares immediately preceding the Offer Date but shall in no event be lower than a floor price of RM2.10 (subject to any adjustments pursuant to alterations in the Company's share capital).

30. EMPLOYEE BENEFITS (CONT'D.)

Employee share option scheme ("ESOS") (cont'd.)

Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	2013		2012	
	No. '000	WAEP RM	No. '000	WAEP RM
Outstanding at 1 January	147,302	2.62	-	-
- Granted	44,139	2.80	147,302	2.62
- Exercised	(19,915)	2.28	-	-
- Lapsed	(32,974)	2.63	-	-
Outstanding at 31 December	138,552	2.72	147,302	2.62
Exercisable at 31 December	13,797	2.44	11,926	2.23

The weighted average fair value of options granted during the financial year was RM0.53 (2012: RM0.36).

The weighted average share price at the date of exercise of the options exercised during the financial year was RM2.71.

The exercise price for exercisable options outstanding at the end of the year ranged from RM2.23 to RM2.79. The weighted average of the remaining contractual life for these options is 6 years.

Fair value of share options granted

The fair value of the share options granted under ESOS is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing models for the year ended 31 December 2013:

	Group	
	2013	2012
Dividend yield (%)	1.4%	2.0%
Expected volatility (%)	36.0%	38.0%
Risk-free interest rate (%p.a)	3.24% to 3.32%	3.25 to 3.33%
Expected life of option (years)	4.4 to 5.3	4.1 to 4.9
Weighted average share price (RM)	2.50	2.20

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

31. NON-CONTROLLING INTERESTS

Included in non-controlling interests is the Redeemable Convertible Preference Shares ("BND RCPS") held by UEM amounting to RM450 million issued by BND ("the Issuer"). On 28 November 2005, BND issued 450,000,000 new BND RCPS of RM1.00 each at an issue price of RM1.00 per BND RCPS to UEM pursuant to the Subscription Agreement signed between BND and UEM on 9 August 2005. The issuance of the 450,000,000 BND RCPS were treated as part settlement of the outstanding loan of RM800,000,000 previously granted by Khazanah which was transferred to UEM via the Substitution Certificate.

The salient features of the BND RCPS are as follows:

- (a) BND shall have the discretion to decide whether to declare any annual non-cumulative dividend as well as the quantum of such dividend. The dividend declared shall not be more than 4% per annum per RCPS on the Issue Price of the said RCPS.
- (b) The RCPS may be converted at RM16.18 per one ordinary share in BND, at any time after the date of issuance at the option of the holder.
- (c) Any RCPS not converted or redeemed by the expiry of the tenure of 10 years of the RCPS shall be automatically converted to new ordinary shares in BND.
- (d) The RCPS is redeemable at the option of the Issuer at any time after the issue date and during the tenure of the RCPS. On redemption, it will result in an effective yield, on the Issue Price of the RCPS to be redeemed, of 7.5% per annum compounded yearly for the period from the Issuance Date to the Redemption Date.
- (e) After full redemption of the Redemption Price on each RCPS and full payment of dividends if any, the RCPS holder shall not be entitled to participate in the distribution of any surplus assets.

32. BORROWINGS

	Note	2013 RM'000	Group 2012 RM'000	1.1.2012 RM'000 (restated)	Company 2013 RM'000	2012 RM'000
Long terms borrowings						
Secured						
Islamic term financing		-	-	152,928	-	-
Loan from immediate holding company	(a)	-	262,330	261,571	-	-
Term and bridging loans	(b)	-	46,712	20,316	-	-
Term loans	(c)	311,723	329,035	443,828	-	-
Bank overdrafts	(c)	9,714	9,769	35,000	-	-
Canadian term loan	(d)	-	142,139	9,635	-	-
Unsecured						
IMTN	(e)	1,400,629	700,000	200,000	1,300,629	600,000
		1,722,066	1,489,985	1,123,278	1,300,629	600,000

32. BORROWINGS (CONT'D.)

	Note	2013 RM'000	Group 2012 RM'000	1.1.2012 RM'000 (restated)	Company 2013 RM'000	Company 2012 RM'000
Short term borrowings						
Secured						
Loan from immediate holding company	(a)	74,983	-	-	-	-
Revolving credit	(c)	7,000	7,000	7,000	-	-
Term loan	(c)	-	100,000	-	-	-
Hire purchase		-	-	42	-	-
Unsecured						
Revolving credit	(c)	11,000	15,000	42,500	-	-
IMTN	(e)	100,000	100,000	-	-	-
Bank overdraft	(g)	-	2,972	2,142	-	-
Structured commodity	(f)	25,000	-	-	25,000	-
		217,983	224,972	51,684	25,000	-
Total borrowings		1,940,049	1,714,957	1,174,962	1,325,629	600,000
Analysed as follows:						
- Government related financial institutions		200,000	346,712	373,244	-	-
- Other financial institutions		1,740,049	1,368,245	801,718	1,325,629	600,000
		1,940,049	1,714,957	1,174,962	1,325,629	600,000

- (a) The loan from the immediate holding company bears interest at 4.25% (2012: 6.5%) per annum and is secured by land titles of approximately 1,584 acres (2012: 1,584 acres) of freehold land which are deposited with the immediate holding company. During the financial year, the Company fully redeemed its MCRPS as disclosed in Note 26. In accordance with the redemption terms of the MCRPS, UEM as the MCRPS holder, has utilised the balance of loan owing to it by the Company to satisfy the cash subscription consideration for the new ordinary shares issued pursuant to the redemption.
- (b) In the previous financial year, the subsidiaries of the Company obtained the term and bridging loans together with bank guarantees facilities which are secured by a legal charge over land titles of approximately 272 acres of freehold land and 89,423,584 shares in a subsidiary, Bandar Nusajaya Development Sdn. Bhd.. Following the full repayment of term and bridging loan during the financial year, there were approximately 160 acres of freehold land maintained as security for the bank guarantees facility.

32. BORROWINGS (CONT'D.)

- (c) The term loans, revolving credits and bank overdraft facilities obtained from various banks, taken by certain subsidiaries, which bear interest rate of 4.31% to 4.79% (2012 :4.25% to 6.60%) per annum, are secured by certain land held for property development and property development cost as disclosed in Notes 13 and 21.
- (d) On 12 December 2011, the subsidiary of the Company had entered into a Canadian \$201,100,000 credit comprising of a Canadian \$190,000,000 construction facility and a Canadian \$11,100,000 letter of credit facility for the purposes of the Quintet Project. The credit facility is secured by:
 - (i) a Debenture which is a first fixed charged on the Project Lands, and all personal property and assets related to the Project and Project Lands;
 - (ii) the General Assignment of Rents and Leases;
 - (iii) the General Security Agreement;
 - (iv) the Assignment of Construction Contracts;
 - (v) the Assignment of Purchase Agreements;
 - (vi) the Direction, Equitable Mortgage and Acknowledgement;
 - (vii) the Environmental Indemnity Agreement;
 - (viii) the Cost Overrun and Completion Guarantee Agreement;
 - (ix) a certified copy of the insurance carried by the subsidiary, and the Burnaby lands, respectively, in accordance with the Credit Agreement showing the Administrative Agent and the Lenders as mortgagee and first loss loss payee with respect to the Quintet Lands and the Burnaby Lands owned by the subsidiary in Canada;
 - (x) the Pledge of Cash Deposit;
 - (xi) the Burnaby Security, which consist of an unlimited guarantee of the indebtedness granted by the Burnaby Owner and a collateral mortgage and assignment of rents in the principal amount of Canadian \$205,000,000 granted by the Burnaby Owner and registered as a first fixed financial charge on the Burnaby Lands;
 - (xii) the L/C Lender's form of indemnity for Letters of Credit, if required by it; and
 - (xiii) any other security determined by the Administrative Agent.

During the financial year, the Term Loan Facility was fully settled.

- e) (i) Sunrise Berhad, a wholly-owned subsidiary of the Company issued a RM150 million Islamic Medium Term Note Programme ("IMTN Programme") on 1 September 2005. The IMTN Programme size was subsequently increased to RM400 million on 18 December 2007. It has a tenure of 10 years from the date of the first issuance, 25 July 2006.

The current two tranches of IMTNs carry a profit rate of 3.99% and 4.55% per annum and will be maturing on 31 January 2014 and 31 January 2016 respectively.

32. BORROWINGS (CONT'D.)

(ii) In year 2012, the Company established its Islamic Commercial Paper Programme ("ICP Programme") and Islamic Medium Term Notes Programme ("IMTN Programme") with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. MARC has assigned a rating of MARC- 1_{IS}/AA-_{ID} for the ICP and IMTN Programme respectively.

On 21 December 2012, the Company issued RM600.0 million of IMTNs from its IMTN Programme. It has a five years tenure, carries a profit rate of 4.25% (2012: 4.25%) per annum and will mature on 21 December 2017.

On 13 December 2013, the Company issued another RM700.0 million of IMTNs from its IMTN Programme. It has a 5 years tenure, carries a profit rate of 4.60% per annum and will mature on 13 December 2018.

(f) During the year, the Company took a Structured Commodity Financing Facility, which bears an average interest at 4.50% per annum.

(g) The bank overdraft taken by Sunrise, a wholly-owned subsidiary of the Company, bears an average interest at 7.60% (2012:7.48%) per annum. During the year, the outstanding amount had been settled, however, the facility remains available.

33. PROVISIONS

	Provision for customer rebates, free maintenance and discounts RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Other provisions RM'000 (Note c)	Total RM'000
2013				
At 1 January	46,872	84,154	-	131,026
Addition	284,077	252,149	58,671	594,897
Utilised	(183,819)	(78,093)	(6,834)	(268,746)
Reversal	(3,311)	(3,048)	-	(6,359)
At 31 December	143,819	255,162	51,837	450,818
2012				
At 1 January (as previously stated)	80,420	56,620	-	137,040
Effect of reclassification of jointly controlled entities	-	(13,141)	-	(13,141)
As restated	80,420	43,479	-	123,899
Addition	36,246	71,749	-	107,995
Utilised	(65,675)	(31,074)	-	(96,749)
Reversal	(4,119)	-	-	(4,119)
At 31 December	46,872	84,154	-	131,026

33. PROVISIONS (CONT'D.)

(a) Provision for customer rebates, free maintenance and discounts

Provision for customer rebates refer to cash vouchers given to customers to be utilised against future purchase of development under the Group.

Provision for free maintenance comprises maintenance costs for the benefit of property purchasers.

Provision for discounts refer to discounts given for the benefit of property purchasers.

(b) Provision for construction costs

Provision for construction costs relates to estimated final claims by sub-contractors which have not been finalised.

(c) Other provisions

Other provisions comprise of provision for contribution to affordable housing which represents the present obligation for construction of low cost houses, provision for foreseeable losses and provision for liquidated ascertained damages.

34. PAYABLES

	Note	Group			Company	
		2013 RM'000	2012 RM'000 (restated)	1.1.2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Trade payables		292,207	266,153	174,591	-	-
Excess billings in respect of property development costs		-	68,225	60,079	-	-
Amount due to related parties		2,516	14,765	14,458	-	-
Amount due to minority shareholder	(i)	30,952	30,952	30,952	-	-
Other payables and accruals	(ii)	297,217	268,465	178,708	1,031	404
		622,892	648,560	458,788	1,031	404

The normal trade credit terms granted to the Group range from 30 to 60 days (2012: 30 to 60 days).

- (i) Amount due to minority shareholder arose from advances given by minority shareholders of Sunrise's subsidiary company for the acquisition of a piece of land. Based on a joint venture agreement, a subsidiary company of Sunrise and the minority shareholder will jointly develop the piece of land. The amount is unsecured, non-interest bearing and is expected to be repaid upon the completion of the development project on the land.

34. PAYABLES (CONT'D.)

(ii) Other payables and accruals

	Group			Company	
	2013 RM'000	2012 RM'000 (restated)	1.1.2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Sundry creditors	90,707	64,245	30,578	-	-
Deposits received*	98,156	165,801	113,654	-	-
Accruals	85,166	16,190	14,587	1,031	404
Employee benefits	23,188	22,229	19,889	-	-
	297,217	268,465	178,708	1,031	404

* Included in deposits of the Group is an amount of RM63.0 million (2012: RM130.0 million) representing deposits aced by purchasers of properties in Canada held by lawyer and will be released only upon the completion of the properties.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency and market price risk. The Group's overall risk management strategy seeks to minimise the adverse effects from the unpredictability of economy on the Group's financial performance.

It is the Group's policy not to engage in foreign exchange and/or derivatives speculation and trading. The Group only undertakes hedging instruments where appropriate and cost efficient. The Group does not have any hedging instruments during the financial year.

To ensure a sound system of internal controls, the Board has established a risk management framework for the Group.

The risk management framework of the Group encompasses effective policies, objectives and clear lines of responsibilities and accountabilities. The framework provides clear guidelines on the following:

- The overall Risk Management policy of the Group
- The key objectives of Risk Management
- The Risk Management Guiding Principles
- The Group's Risk Appetite and how different magnitudes of risk exposures are to be managed and monitored
- The risks which are unacceptable to the Group and to be avoided; and
- The roles of the Board, the Management, the Risk Management Committee (RMC), the Risk Owners and Risk Management Secretariat

In implementing this framework, a RMC comprising of the senior management from various functional responsibilities was set up to assist the Board of Directors in carrying out its responsibilities. The Group Managing Director/Chief Executive Officer is the Chairman of RMC. The RMC will deliberate on significant risks faced by the Group and reports the results of these to Audit Committee which assist the Board of Directors in deliberating on the identified risks and ensuring the implementation of appropriate systems and controls to manage these risks.

The policies for controlling these risks where applicable are set out below:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Generally, the Group does not require collateral in respect of its financial assets. The Group is not duly exposed to any individual customer or counter party nor does it have any major concentration of credit risk related to any financial instrument except as disclosed in Note 23.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statements of financial position. The Group's main financial assets are its receivables. Ageing analysis is disclosed in Note 23.

The total loans and receivables of the Group and of the Company are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Receivables				
- Non-current	-	64,375	-	-
- Current	1,797,484	1,732,016	280,777	138,585
Amount due from subsidiaries	-	-	2,035,567	1,958,207
Amount due from joint ventures				
- Non-current	57,402	33,901	-	-
- Current	209,937	95,800	147,536	66,817
Amount due from associates	-	898	-	-
Deposits in licensed banks				
- Non-current	1,418	1,418	-	-
- Current	776,112	538,714	-	-
Cash and bank balances	585,996	505,685	470	412
	3,428,349	2,972,807	2,464,350	2,164,021

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and short-term imbalances are addressed by buying or selling foreign currencies at spot rates.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Foreign currency risk (cont'd.)

The table below shows the Group's currency exposures, i.e. those transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the income statement. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating currency of the operating units involved.

	Functional currency of Group	
	2013 RM'000	2012 RM'000
Canada Dollar ("CAD")	6,366	1,826
Singapore Dollar ("SGD")	3,909	2,575
South Africa Rand ("ZAR")	26,568	30,164
United States Dollar ("USD")	13,089	12,158
	49,932	46,723

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the CAD, SGD, USD, and ZAR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2013 RM'000	2012 RM'000
CAD / RM (strengthened 5%)	293	193
SGD / RM (strengthened 5%)	477	137
USD / RM (strengthened 5%)	654	609
ZAR / RM (strengthened 5%)	1,328	1,508

(c) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group's objective is to maintain a balance of cost of funding and flexibility through the use of credit facilities, short and long term borrowings. Short-term flexibility is achieved through credit facilities and short-term borrowings. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve the Group's objective.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and cash flow risk (cont'd.)

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Amount due to joint ventures	1,461	-	-	-
Trade and other payables	622,892	648,560	1,031	404
Borrowings	1,940,049	1,714,957	1,325,629	600,000
	2,564,402	2,363,517	1,326,660	600,404

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts are disclosed as follows:

	2013		Total RM'000
	Within 1 year RM'000	2 to 5 years RM'000	
Group			
Trade and other payables	622,892	-	622,892
Loans and borrowings	393,674	1,859,023	2,252,697
	1,016,566	1,859,023	2,875,589
Company			
Trade and other payables	1,031	-	1,031
Loans and borrowings	25,562	1,588,500	1,614,062
	26,593	1,588,500	1,615,093

	2012		Total RM'000
	Within 1 year RM'000	2 to 5 years RM'000	
Group			
Trade and other payables	648,560	-	648,560
Loans and borrowings	303,317	1,483,182	1,786,499
	951,877	1,483,182	2,435,059
Company			
Trade and other payables	404	-	404
Loans and borrowings	-	727,500	727,500
	404	727,500	727,904

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Interest rate risk

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The average interest rates per annum on the financial assets and liabilities as at the reporting date were as follows:

	Group	
	2013	2012
	%	%
Financial assets		
Floating rate	3.10	3.14
Financial liabilities		
Fixed rate	4.44	5.38

The average interest rates per annum on the financial liabilities can be further analysed as follows:

	Group	
	2013	2012
	%	%
Financial liabilities		
Loan from immediate holding company	4.25	6.50
Term and bridging loans	-	6.37
Term loan	4.41	4.25
Credit facility	-	4.25
Revolving credit	4.36	4.52
Bank overdraft	6.60	7.18
IMTN	4.46	4.57
Structured commodity	4.50	-

At the reporting date, if the interest rates had been 10 basis points lower / higher, with all other variables held constant, the Group's profit after tax will be higher / lower by approximately RM3,766,000 as a result of lower / higher interest expense on borrowings.

(e) Market risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate as a result of changes in market prices (other than interest or exchange rates). The Group's exposure to market price risk is minimal as the Group's investment in quoted equity instruments are small compared to its total assets.

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2013 RM'000	2012 RM'000
Interest payable to UEM:		
- Loan from UEM	(12,310)	(15,642)
Loan repayment to UEM	(187,446)	-
Training fees paid/payable to subsidiaries of UEM:		
- UEM Group Management Sdn. Bhd.	(1,045)	(619)
Management fees payable to subsidiary of UEM:		
- UEM Group Management Sdn. Bhd.	(194)	(194)
Sale of land to joint ventures:		
- Horizon Hills Development Sdn. Bhd.	48,787	30,763
- Nusajaya Consolidated Sdn. Bhd.	2,132	2,899
- Malaysian Bio-XCell Sdn. Bhd.	15,030	-
- Nusajaya Tech Park Sdn. Bhd.	67,954	-
- Nusajaya Premier Sdn. Bhd.	17,072	-
Interest income from joint ventures:		
- Haute Properties Sdn. Bhd.	4,501	4,205
- Nusajaya Consolidated Sdn. Bhd.	890	280
- Desaru North Course Residences Sdn. Bhd.	2,139	-
- Desaru South Course Land Sdn. Bhd.	85	-
- Desaru South Course Residences Sdn. Bhd.	4,041	-
Management fee received and receivable from joint ventures:		
- Nusajaya Consolidated Sdn. Bhd.	148	590
- Cahaya Jauhar Sdn. Bhd.	420	420
Management fees received and receivable from a subsidiary of Khazanah:		
- Themed Attractions and Resorts Sdn. Bhd.	212	956
Lease rental received from a subsidiary of Khazanah:		
- Menara Burj Sdn. Bhd.	-	350
Profit sharing entitlement on joint development:		
- Faber Union Sdn. Bhd.	-	2,928
Professional services rendered by a firm related to a director:		
- Kadir Andri & Partners	-	(46)
- COX Architecture Pty Ltd.	2,900	-
Advertising fee payable to a firm related to a director:		
- The Edge Communication Sdn. Bhd.	-	(148)
Sale of property to directors of the subsidiaries	4,380	14,164
Sale of property to key management personnel of holding company	-	2,702
Government related financial institution:		
- Interest income	10,642	5,530
- Finance cost	(10,038)	(30,835)
- Repayment of borrowings	(143,260)	-

36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) (cont'd)

	Company	
	2013 RM'000	2012 RM'000
Dividend from subsidiaries during the year	134,696	145,146

Related parties refer to:

- Khazanah Nasional Berhad, the ultimate holding company, its subsidiaries and associates excluding subsidiaries of the Company;
- Directors and key management personnel having authority and representation for planning, directing and controlling the activities of the Company and their close family members;
- Enterprises owned by directors and key management personnel; and
- Enterprises that have a member of key management in common with the Company.

The directors are of the opinion that all the transactions above have been entered into in the normal course of the business and have been established on mutually agreed terms and conditions.

(b) Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Salaries and other emoluments	9,474	9,364	2,024	1,702
Employee share option scheme	7,187	7,599	-	-
Bonus	2,012	2,635	-	-
Defined contribution plan	1,604	1,691	-	-
Benefits-in-kind	1,110	1,408	120	106
Ex-gratia	456	-	-	-
	21,843	22,697	2,144	1,808

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Included in compensation of key management personnel are directors' remuneration (Note 5)	2,144	1,808	2,144	1,808

37. CONTINGENT LIABILITIES

	Note	Group	
		2013 RM'000	2012 RM'000
Unsecured			
Litigation, claims and legal suits			
- potential compensation payable to Felcra settlers	(a)	26,900	54,000
- potential compensation payable to the previous land owners	(b)	68,292	201,318
Income tax assessment	(c)	73,837	73,837
		169,029	329,155

(a) Potential compensation payable to Felcra settlers

A group of thirty eight (38) Felcra settlers ("the Plaintiffs") had collectively served an originating summons against Felcra Berhad ("Felcra"), District Land Administrator ("DLA") and the Johor State Government ("State Government") (collectively the "Defendants"). The Summons pertain to 198 acres of land previously owned by the State Government, developed by Felcra and subsequently alienated to BND, for the development of Nusajaya.

The Plaintiffs sought, inter-alia, for the Defendants to pay an additional total sum of RM54.0 million for the 198 acres and an acre of land to each Plaintiff.

On 12 January 2010, the High Court of Malaya made a decision against Felcra for breach of contract and dismissed the Plaintiffs' action against the DLA and State Government. However, the Plaintiffs had on 8 February 2010 filed a notice of appeal to the Court of Appeal to appeal against the decision of the High Court on the quantum against Felcra and the dismissal of the action against the DLA and the State Government. The Court of Appeal dismissed the appeal on 28 June 2011. The Plaintiffs' further appeal to the Federal Court against the decision of the Court of Appeal and the appeal was allowed on 15 October 2012.

On 14 May 2013, the Federal Court decided in favour of the Plaintiffs where it stated, among others, that the Plaintiffs are entitled to approximately RM26.9 million with payments previously received by the Plaintiffs to be taken into account and deducted from this total amount. At present, the balance amount payable is uncertain as there are certain disputes between the parties on the items to be deducted and both parties have written to the Federal Court for clarification on this matter. As at the reporting date, the sealed Order has yet to be issued by the Federal Court.

BND is not directly involved in these litigations, but by virtue of the Novation Agreement, is responsible for the additional land cost of land alienated to it, which includes the amounts payable to the Plaintiffs.

(b) Potential compensation payable to the previous land owners

There are a total of fifty (50) cases referred to High Court involving claims against the State Government for additional compensation by the previous landowners of lands acquired for the Second Malaysian Crossing Project.

After hearing the 50 cases, the High Court maintained the amount of compensation awarded by the DLA in 15 cases, and increased the amount of compensation in the remaining 35 cases. The parties involved however, made further appeals to the Court of Appeal for higher compensation. However, the Court of Appeal ordered that all land acquisition appeals to be transferred to the Federal Court.

37. CONTINGENT LIABILITIES (CONT'D.)

(b) Potential compensation payable to the previous land owners (cont'd.)

Of these 50 cases:

- (i) 1 has been heard and dismissed by the Court of Appeal;
- (ii) 4 have been heard and dismissed by the Federal Court;
- (iii) 2 have accepted out-of-court settlements proposed by the Johor State Legal Advisor;
- (iv) 4 have withdrawn the case against DLA;
- (v) 2 have been heard and granted additional compensation amounting to RM19.5 million by the Federal Court; and
- (vi) 1 has withdrawn its appeal to the Court of Appeal.

The remaining thirty six (36) cases, which the plaintiffs are seeking compensation with a total amount of RM68.3 million, are pending hearing at the Federal Court.

BND is not directly involved in these litigations but by virtue of the Novation Agreement, is responsible for the additional land cost of land alienated to it, which includes the amounts claimed by the previous landowners.

To date, the hearing for the remaining 36 cases have not been fixed.

(c) Income tax assessment

On 3 October 2011, Bandar Nusajaya Development Sdn. Bhd. ("BND"), a major subsidiary of the Company which was held through its wholly owned subsidiary, UEM Land Berhad, received a notice of additional assessment from the IRB for additional tax and penalty of RM50.9 million and RM22.9 million respectively in respect of the year of assessment 2006.

On 4 September 2012, the Kuala Lumpur High Court had ruled in favour of BND and declared that the IRB had no legal basis to raise the additional assessment. Following the decision held by the High Court, IRB has filed in an appeal to the Court of Appeal ("CoA") against the decision. The CoA has set the hearing date for the appeal on 19 May 2014.

Based on the advice received from the Company's advisors, no provision for income tax and tax penalty have been made by the Company in respect of the above amount as the Company believes that the grounds for the original assessment are valid.

(d) Third party charge

On 18 May 2007, Horizon Hills entered into the following:

- (i) The issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic Securities of up to RM270 million nominal value by Horizon Hills, comprising:
 - up to 12-year Islamic Bank Guarantee Medium-Term Notes Programme of up to RM200 million nominal value under the principles of Murabahah ("IMTN Programme"); and
 - up to 7-year Islamic Commercial Papers Programme of up to RM70 million nominal value under the principles of Murabahah.
- (ii) A Kafalah (bank guarantee) facility of up to RM205 million to guarantee the nominal value of the IMTN Programme of up to RM200 million and one profit payment in respect of the IMTN Programme of up to RM5 million.

Collectively referred to as "the Facilities".

37. CONTINGENT LIABILITIES (CONT'D.)

(d) Third party charge (cont'd.)

In this respect, Nusajaya Greens Sdn. Bhd. had provided a third party charge over approximately 1,227 acres of land in favour of the security trustee for the Facilities ("Charge"). 1,049 acres out of the total of 1,227 acres had been purchased and paid by Horizon Hills. Save and except in the event of a default on the Facilities, the Charge is not expected to have a financial impact on the Group.

38. CAPITAL COMMITMENTS

	Group	
	2013 RM'000	2012 RM'000
In respect of purchase of property, plant and machinery, and investment property		
Approved and contracted for	2,600	1,130
Approved but not contracted for	25,000	4,703
	27,600	5,833

39. FAIR VALUES

The following are fair value of financial instruments by classes which are not carried at fair value on the face of statements of financial position:

	Carrying amount RM'000	Fair values RM'000
Group		
2013		
Borrowings (non-current portion)	1,722,066	1,722,066
2012		
Long term receivables	64,375	65,541
Borrowings (non-current portion)	1,489,985	1,489,985
Company		
2013		
Borrowings (non-current portion)	1,300,629	1,300,629
2012		
Borrowings (non-current portion)	600,000	600,000

39. FAIR VALUES (CONT'D.)

As stipulated in Amendments to FRS 7: *Improving Disclosure about Financial Instruments*, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

- Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)
- Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents the Group's other financial assets and financial liabilities that are measured at fair value as 31 December 2013:

As 31 December 2013:	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial asset available for sale: Short term investment	8	28,483	-	28,491
As 31 December 2012:				
As 31 December 2012:	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial asset available for sale: Short term investment	5	144,900	-	144,905

Determination of fair values

(a) Borrowings

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

(b) Unquoted debt securities and corporate bonds

Fair value is estimated by using a discounted cash flow model based on various assumptions, including current and expected future credit losses, market rates of interest, prepayment rates and assumptions regarding market liquidity.

(c) Long term receivables/payables

Fair value of long term receivables/payables are based on discounting expected future cash flows at market incremental lending rate for the receivable/payable.

40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and acceptable capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting dividend payment policies.

There are no externally imposed capital requirements.

41. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) Disposal of land in Commercial North, Puteri Harbour, Nusajaya

Sale and purchase agreements dated 14 December 2012 and 8 January 2013 between UEM Land Berhad ("UEM Land"), a wholly-owned subsidiary of the Company, Bandar Nusajaya Development Sdn. Bhd., a wholly owned subsidiary of UEM Land, and Liberty Bridge Sdn. Bhd. ("LBSB") have been entered into for the disposal by UEM Land of approximately 43.638 acres in Commercial North, Puteri Harbour, Nusajaya to LBSB for a cash consideration of RM400.8 million.

The disposals are subject to approvals to be obtained from the following parties:

- (i) the approval in writing from the Economic Planning Unit of the Prime Minister's Office in respect of the purchase of lands by the LBSB from UEM Land;
- (ii) approval in writing from the State Authority of Johor for the purchase of land by LBSB from UEM Land pursuant to Section 433B of the National Land Code, 1965; and
- (iii) issuance of new land titles by the State Authority of Johor reflecting the conversion of the land use from "Agriculture" to "Building".

On 30 September 2013, the agreements have been completed upon settlement of the balance purchase consideration by LBSB to UEM Land.

(b) Master Agreement between the UEM Land and Ascendas Land (Malaysia) Sdn. Bhd. ("Ascendas")

On 23 October 2012, UEM Land, a wholly-owned subsidiary of the Company, had entered into a Master Agreement with Ascendas, to undertake the development of an integrated tech park over approximately 519 acres of land in Gerbang Nusajaya, Nusajaya, Johor as detailed out in Note 13(ii).

During the financial year, the conditions precedent in relation to the development of Phase 1 Lands have been fulfilled.

41. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

(c) Development of a Motorsport City in Gerbang Nusajaya, Nusajaya

On 4 December 2012, UEM Land, a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement (“JVA”) with Fastrack Autosports Pte Ltd (“FAPL”), to purchase and jointly develop the development of a Motorsport City over approximately 270 acres of land in Gerbang Nusajaya, Nusajaya through a special purpose company established by UEM Land called Crimson Carnival Sdn Bhd (“CCSB”). On 18 February 2013, CCSB changed its name to Fastrack Iskandar Sdn. Bhd (“FISB”).

The land measuring approximately 270 acres is located within the Gerbang Nusajaya development, held under part of PTD 2380, HS (D) 268611, Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim which is owned by Nusajaya Rise Sdn Bhd (“NRSB”), a wholly-owned subsidiary of UEM Land.

On the same day, FISB entered into a Sales and Purchase Agreement (“SPA”) to purchase the land from NRSB, for a total consideration of RM223.5 million to be satisfied within 3 months from the unconditional date of the agreement.

The disposal of land by NRSB to FISB is subject to approval of the following parties:

- (i) the Estate Land Board pursuant to Section 214A of the National Land Code, 1965; and
- (ii) the State Authority for transfer of land.

The issuance, transfer and registration of the title for the land and the satisfactory results of due diligent to be performed on FISB, are conditions precedent to the completion of JVA and SPA which are still outstanding as at the end of the year.

(d) Development of Fraser and Gerbang lands in the State of Johor

On 7 February 2014, UEM Land, a wholly-owned subsidiary of the Company, entered into two separate shareholders’ agreement (“SHAs”) with KLK Land Sdn. Bhd. (“KLK Land”), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad (“KLK”), to establish the shareholding structure of Aura Muhbah Sdn. Bhd. (“AMSB”) and Scope Energy Sdn. Bhd. (“SESB”).

AMSB, a company which UEM Land and KLK Land hold 60% and 40% equity interest respectively, will undertake the development of Fraser Land of approximately 2,500 acres of freehold land held under GRN 237459, Lot 2956; GM 1408, Lot 1033; GM1410, Lot 1080; all situated in Mukim Senai, District of Kulai Jaya, State of Johor, into a mixed residential, commercial and insdustrial development.

SESB, a company which UEM Land and KLK Land hold 40% and 60% equity interest respectively, will undertake the development of Gerbang Land of approximately 500 acres of freehold land held under HSD 268610, PTD 2379; HSD 268611, PTD 2380; HSD 309471, PTD 2387; HSD 297739, PTD 2987; all situated in Mukim Tanjung Kupang, District of Johor Bahru, State of Johor, into a mixed development.

41. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

(d) Development of Fraser and Gerbang lands in the State of Johor (cont'd.)

Concurrent with the execution of the SHAs, AMSB and SESB entered into two separate sales and purchase agreements for the acquisition of the Lands which will form part of the Joint Development as follows:

- (i) AMSB entered into a sale and purchase agreement with KLK to acquire the Fraser land for a purchase consideration of RM871.2 million; and
- (ii) SESB entered into a sale and purchase agreement ("SESB SPA") with Nusajaya Rise Sdn. Bhd., Finwares Sdn. Bhd. and Symphony Hills Sdn. Bhd., all of which are wholly-owned subsidiaries of UEM Land to acquire the Gerbang Land for a purchase consideration of RM871.2 million.

The SPAs are conditional upon the fulfilment of all the following conditions precedent:

- (i) shareholders' approval of the transacting parties (including the approval of the shareholders of their holding companies, if required);
- (ii) the Vendor obtaining the freehold title deed of the Lands from the relevant authorities to the subdivision of and/or surrender and re-alienation of the master title of the land;
- (iii) the Vendor obtaining the approval of the Estate Land Board for the transfer of the land;
- (iv) the Vendor obtaining the approval of the State Authority of Johor (if applicable) for the transfer of the land;
- (v) solely for the SESB SPA, SESB obtaining the approval of the Economic Planning Unit for the purchase of the land; and
- (vi) any other authorities' approval which may be required and have been informed in writing.

42. SEGMENTAL REPORTING

There was no disclosure and presentation of segment information as the Group is mainly involved in property development and related activities.

43. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2013 %	2012 %
Nusajaya Resort Sdn. Bhd.	Proprietor and management of a clubhouse	Malaysia	100	100
Sunrise Berhad	Property development and investment holding	Malaysia	100	100
UEM Land Berhad	Property development, property investment, project procurement and management, and strategic investment holding	Malaysia	100	100
UEM Sunrise (Australia) Sdn. Bhd.	Investment holding	Malaysia	100	-
Nusajaya Premier Sdn. Bhd. **	Property development and investment holding	Malaysia	-	100
Subsidiaries of Sunrise Berhad				
Arcoris Sdn. Bhd.	Property investment and development	Malaysia	100	100
Ascot Assets Sdn. Bhd.	Property development	Malaysia	100	100
Aston Star Sdn. Bhd.	Property investment, development and construction	Malaysia	100	100
Aurora Tower at KLCC Sdn. Bhd.	Property development	Malaysia	100	100
Cekap Kawal Sdn. Bhd.	Struck-off	Malaysia	-	100
# Crescent Phase I Ltd.	Dissolved	British Virgin Islands	-	100
# Crescent Phase II Ltd.	Dissolved	British Virgin Islands	-	100
# Global Associates International Ltd.	Dissolved	British Virgin Islands	-	100

43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2013 %	2012 %
Subsidiaries of Sunrise Berhad (cont'd.)				
Interior Design One Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
Laser Tower Sdn. Bhd.	Property development	Malaysia	100	100
Lembah Suria Sdn. Bhd.	Property development	Malaysia	100	100
Lucky Bright Star Sdn. Bhd.	Property investment and development	Malaysia	100	100
Milik Harta Sdn. Bhd.	Property development	Malaysia	100	100
New Planet Trading Sdn. Bhd.	Property investment and development	Malaysia	100	100
Prinsip Eramaju Sdn. Bhd.	Property development	Malaysia	100	100
Saga Centennial Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
SCM Property Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
Solid Performance Sdn. Bhd.	Property development	Malaysia	100	100
Summer Suites Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Alliance Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Benchmark Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Century Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise dotCom Sdn. Bhd.	Struck-off	Malaysia	-	100
Sunrise Hospitality and Leisure Sdn. Bhd.	Provision of ancillary services to property related projects	Malaysia	100	100

43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2013 %	2012 %
Subsidiaries of Sunrise Berhad (cont'd.)				
Sunrise Incubation Sdn. Bhd.	Struck-off	Malaysia	-	100
Sunrise Innovations Sdn. Bhd.	Property development	Malaysia	100	100
# Sunrise International Development Ltd.	Investment holding	The Cayman Islands	100	100
Sunrise Landmark Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Mersing Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Millennium Sdn. Bhd.	Struck-off	Malaysia	-	100
Sunrise Oscar Sdn. Bhd.	Investment holding	Malaysia	100	100
Sunrise Overseas Corporation Sdn. Bhd.	Investment holding and provision of management services	Malaysia	100	100
Sunrise Paradigm Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Pioneer Sdn. Bhd.	Property investment	Malaysia	100	100
Sunrise Project Services Sdn. Bhd.	Property development or project management for property development project	Malaysia	100	100
Sunrise Quality Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Region Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise REIT Management Sdn. Bhd.	Struck-off	Malaysia	-	100
Sunrise Sovereign Sdn. Bhd.	Investment holding	Malaysia	100	100
Sun Victory Sdn. Bhd.	Property investment and development	Malaysia	100	100
Sunrise MS Pte. Ltd.	Provision of consultancy, advisory and technical services in relation to project development	Republic of Singapore	100	100

43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2013 %	2012 %
Subsidiaries of Sunrise Berhad (cont'd.)				
Sunrise Overseas (S) Pte. Ltd.	Promotion and management services relating to the Group's properties in Malaysia	Republic of Singapore	100	100
Ibarat Duta Sdn. Bhd.	Property development	Malaysia	62	62
Subsidiaries of UEM Sunrise (Australia) Sdn. Bhd.				
UEM Sunrise (Land) Pty Ltd.	Holding and financing company	Australia	100	-
UEM Sunrise (Development) Pty Ltd.	Holding and financing company	Australia	100	-
Subsidiaries of UEM Sunrise (Land) Pty Ltd.				
UEM Sunrise (La Trobe Street) Pty Ltd.	Trustee company	Australia	100	-
UEM Sunrise (Mackenzie Street) Pty Ltd.	Trustee company	Australia	100	-
UEM Sunrise (La Trobe Street) Unit Trust	Landowning entity	Australia	100	-
UEM Sunrise (Mackenzie Street) Unit Trust	Landowning entity	Australia	100	-
Subsidiaries of UEM Sunrise (Development) Pty Ltd.				
UEM Sunrise (La Trobe Street Development) Pty Ltd.	Development company	Australia	100	-
UEM Sunrise (Mackenzie Street Development) Pty Ltd.	Development company	Australia	100	-

43. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
				2013 %	2012 %
	Subsidiary of Sun Victory Sdn. Bhd.				
	Sunrise Assets Sdn. Bhd.	Struck-off	Malaysia	-	100
	Subsidiary of Sunrise Oscar Sdn. Bhd.				
	Sunrise DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	100	100
	Subsidiary of Sunrise International Development Ltd.				
#	Sunrise Holdings S.à.r.l.	Investment holding	The Grand Duchy of Luxembourg	100	100
	Subsidiary of Sunrise Holdings S.à.r.l.				
*	Canada Sunrise Development Corp.	Property investment and development	Canada	100	100
	Subsidiaries of Canada Sunrise Development Corp.				
*	Canada Sunrise Developments (Richmond) Ltd.	Property investment and development	Canada	100	100
*	0757422 B.C. Ltd.	Property investment and development	Canada	100	100
	Subsidiaries of UEM Land Berhad				
	Bandar Nusajaya Development Sdn. Bhd.	Investment holding, property development, land trading and an agent for its subsidiaries	Malaysia	100	100
	Finwares Sdn. Bhd.	Investment holding	Malaysia	100	100
	Fleet Group Sdn. Bhd.	Investment holding	Malaysia	100	100
	Hatibudi Nominees (Tempatan) Sdn. Bhd.	Investment holding	Malaysia	100	100

43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2013 %	2012 %
Subsidiaries of UEM Land Berhad (Cont'd.)				
Mahisa Sdn. Bhd.	Property development and undertaking construction and turnkey development contracts	Malaysia	100	100
* Marina Management Sdn. Bhd.	Marina management	Malaysia	100	100
Nusajaya Business Park Sdn. Bhd.	Dormant	Malaysia	100	100
Nusajaya Development Sdn. Bhd.	Property development	Malaysia	100	100
* Nusajaya Medical Park Sdn. Bhd.	Construct, manage and/or operate specialized buildings for long term lease and property development	Malaysia	100	100
Projek Usahasama Transit Ringan Automatik Sdn. Bhd.	In creditors' voluntary liquidation	Malaysia	100	100
Renong Nusantara Sdn. Bhd.	Investment holding	Malaysia	100	100
Renong Overseas Corporation Sdn. Bhd.	Provision of reimbursable support services to the Group	Malaysia	100	100
Renong Pacific Sdn. Bhd.	Investment holding	Malaysia	100	100
Renong Ventures Sdn. Bhd.	Investment holding	Malaysia	100	100
Fastrack Iskandar Sdn Bhd (fka Crimson Carnival Sdn. Bhd.)	General trading and real property holding	Malaysia	100	100

43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2013 %	2012 %
Subsidiaries of UEM Land Berhad (Cont'd.)				
Nusajaya Tech Park Sdn. Bhd. (fka Suasana Prisma Sdn. Bhd.)**	General trading and real property holding	Malaysia	-	100
UEML-ZRE Reit Managers Sdn. Bhd.	Struck-off	Malaysia	-	72
Marak Unggul Sdn. Bhd.	Dormant	Malaysia	50.01	50.01
Subsidiaries of Bandar Nusajaya Development Sdn. Bhd.				
Nusajaya Gardens Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Nusajaya Greens Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Heights Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Industrial Park Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Land Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Rise Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Seaview Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Symphony Hills Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Preferred Resources Sdn. Bhd.	Dormant	Malaysia	70	70

43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2013 %	2012 %
Subsidiaries of Fleet Group Sdn. Bhd.				
Fibroceil Manufacturing (Malaysia) Sdn. Bhd.	In creditors' voluntary liquidation	Malaysia	100	100
Subsidiary of Renong Nusantara Sdn. Bhd.				
P.T. Bias Permata	Investment holding	Indonesia	100	100
Subsidiary of Renong Overseas Corporation Sdn. Bhd.				
* Renong Overseas Corporation (S.A.) (Proprietary) Ltd.	Investment holding	South Africa	100	100
Subsidiary of Renong Overseas Corporation (S.A) (Proprietary) Ltd.				
* R.O.C Management Services (Proprietary) Ltd.	Representation of holding company in South Africa	South Africa	100	100
* Roc-Union (Proprietary) Ltd.	Investment holding	South Africa	80.4	80.4
Subsidiary of Roc-Union (Proprietary) Ltd.				
* Rocpoint (Proprietary) Ltd.	Acquisition and development of land	South Africa	80.4	80.4

Note:

* Subsidiaries not audited by Ernst & Young.

** The subsidiary has become a joint venture.

The financial statement of these subsidiary companies are audited for consolidation purposes.

44. ASSOCIATES

	Name of associates	Principal activities	Country of incorporation	Effective interest	
				2013 %	2012 %
	Associates of UEM Land Berhad				
	OptixLab Sdn. Bhd.	Ceased operations	Malaysia	50	50
#	Ekuiti Mahir Sdn. Bhd.	Development and marketing of real estate	Malaysia	25	25
#	Setia Haruman Sdn. Bhd.	Township development, property development, project development, and sale of land	Malaysia	25	25
	Associate of Hatibudi Nominees (Tempatan) Sdn. Bhd.				
#	BIB Insurance Brokers Sdn. Bhd.	Insurance brokers, insurance consultants, commission agents and investment holding	Malaysia	30	30
	Associate of Rocpoint (Proprietary) Ltd.				
#	Durban Point Development Company (Proprietary) Ltd.	Property development	South Africa	40.2	40.2

Associates not audited by Ernst & Young

45. JOINT VENTURES

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2013 %	2012 %
@ Malaysian Bio-XCell Sdn. Bhd.	Development and operation of a biotechnology park	Malaysia	40	40
Nusajaya Premier Sdn. Bhd.#	Property development and investment holding	Malaysia	80	-
Nusajaya Five O Sdn. Bhd.	Provision of security services	Malaysia	80	80
Nusajaya Lifestyle Sdn. Bhd.	Property and real estate development, management and property management	Malaysia	55	55
Desaru North Course Residences Sdn. Bhd.	Property development	Malaysia	51	51
Desaru South Course Land Sdn. Bhd.	Property development	Malaysia	51	51
Desaru South Course Residences Sdn. Bhd.	Property development	Malaysia	51	51
Joint Ventures of UEM Land Berhad				
Horizon Hills Development Sdn. Bhd.	Property development	Malaysia	50	50
@ Nusajaya Consolidated Sdn. Bhd.	Property development and related activities	Malaysia	50	50
Haute Property Sdn. Bhd.	Property development and related activities	Malaysia	40	40
@ Nusajaya Tech Park Sdn. Bhd. (fka Suasana Prisma Sdn. Bhd.)#	General trading and real property holding	Malaysia	40	-
Cahaya Jauhar Sdn. Bhd.	Undertake the turnkey design and build contract for the development of the Johor State New Administrative Centre and provision of facilities management and management services	Malaysia	60	60
Joint Ventures of Sunrise Berhad				
@ Sime Darby Sunrise Development Sdn. Bhd.	Property development	Malaysia	50	50
@ Sunrise MCL Land Sdn. Bhd.	Property development	Malaysia	50	50

45. JOINT VENTURES (CONT'D.)

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2013 %	2012 %
Subsidiaries of Horizon Hills Development Sdn. Bhd.				
Horizon Hills Property Services Sdn Bhd	Management and maintenance services	Malaysia	50	50
Horizon Hills Resort Bhd.	Proprietor of a club and management of a golf course	Malaysia	50	50
Subsidiary of Nusajaya Consolidated Sdn. Bhd.				
@ Clear Dynamics Sdn. Bhd.	Property development and related activities	Malaysia	50	50
Subsidiary of Cahaya Jauhar Sdn. Bhd.				
CJ Capital Sdn. Bhd.	Special purpose vehicle solely to undertake the issue of Sukuk Murabahah	Malaysia	60	60
CJ Bina Maju Sdn. Bhd.	Construction and turnkey development contracts	Malaysia	60	60

@ Joint ventures not audited by Ernst & Young.

In previous year, the Company was a wholly-owned subsidiary and now became a joint venture.

46. RESTATEMENT OF COMPARATIVES

In the course of its business, the Group has entered into various shareholder's agreements with joint venture partners with the Group's share of equity interest ranging from 51% to 80%. Based on the guiding principles under both FRS 10 & 11, the Group has revisited the terms as set out in the shareholders' agreement. Resulting therefrom, certain entities previously accounted for as subsidiaries have now being reclassified as jointly controlled entities as the Group concluded that it does not control those entities due to joint approval requirement over key decisions affecting the strategic decisions and dividend/distributions of those entities. The effect of the reclassification has been adjusted for retrospectively.

The following reclassifications was made to the financial statement of prior year to be consistent with current year presentation.

Income statements

Group	As previously stated RM'000	Adjustments RM'000	As Restated RM'000
Revenue	1,939,676	(20,298)	1,919,378
Profit after taxation	447,863	419	448,282
Profit attributable to owners of the Company	448,358	-	448,358

Statements of Financial Position

Group

Assets

Property, plant and equipment	184,141	(1,265)	182,876
Investment properties	674,337	(155,091)	519,246
Land held for property development	2,942,084	(48,533)	2,893,551
Interest in joint ventures	332,007	63,287	395,294
Property development costs	954,107	(261)	953,846
Receivables	1,791,635	(56,223)	1,735,412
Amount due from joint ventures - current	9,726	86,074	95,800
Cash, bank balances and deposits	1,060,085	(15,686)	1,044,399

46. RESTATEMENT OF COMPARATIVES (CONT'D.)

Statements of Financial Position (cont'd.)

Group (cont'd.)

	As previously stated RM'000	Adjustments RM'000	As Restated RM'000
Liabilities			
Deferred tax liabilities	(249,993)	98	(249,895)
Provisions	(144,167)	13,141	(131,026)
Payables	(712,587)	64,027	(648,560)
Tax payable	(38,322)	1	(38,321)
Non-controlling interest	501,067	(50,431)	450,636
Net assets per share attributable to owners of the Parent	RM1.23		RM1.23

Company

	As previously stated RM'000	Adjustments RM'000	As Restated RM'000
Assets			
Investments in subsidiaries	3,021,257	(56,053)	2,965,204
Interest in joint ventures	51,923	56,053	107,976
Amount due from subsidiaries	2,025,024	(66,817)	1,958,207
Amount due from joint ventures	-	(66,817)	(66,817)

47. SUPPLEMENTARY INFORMATION

The breakdown of the retained profits of the Group and of the Company as at 31 December 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Total retained profits				
- realised	1,360,117	1,032,414	251,967	145,100
- unrealised	53,358	47,790	-	-
Total share of retained profits from associates				
- realised	65,909	47,041	-	-
- unrealised	1,446	(132)	-	-
Total share of retained profits from joint ventures				
- realised	213,111	106,794	-	-
- unrealised	2,459	1,670	-	-
	1,696,400	1,235,577	251,967	145,100
Less: Consolidation adjustments	(98,131)	(197,423)	-	-
Total retained profits	1,598,269	1,038,154	251,967	145,100

INVESTOR INFORMATION

STOCK MARKET PERFORMANCE IN 2013

Despite the challenging global economic environment, defined primarily by policy uncertainties in the United States (“US”), the Malaysian economy expanded by 4.7% in 2013 attributed to private sector demand and improvements in exports which remained supportive of the domestic economic growth. The FTSE Bursa Malaysia Kuala Lumpur Composite Index (“FBM KLCI”) also ended higher at 1,867 points as at end of 2013 with market capitalisation of RM1.7 trillion compared to end 2012 of 1,689 points and a market capitalisation of RM1.47 trillion, driven mainly by sustained demand from domestic investors due to better outlook for global growth.

The FBM KLCI started the year stable and remained steady throughout early January ranging between 1,674 points to 1,694 points. On 21 January, it fell sharply by 40.81 points or 2.43% to 1,635 points amidst speculation of Parliament being dissolved to make way for the 13th General Election. For the rest of Q1 2013, it hovered from 1,694 points to the lowest of 1,613 points recorded on 20 February amidst concerns that the US Federal Reserve might roll back its quantitative easing measures.

As at end of March 2013 however, it began trending upward closing at 1,694 points on 3 May, the last market day before the 13th General Election. On 6 May, the FBM KLCI staged a breakout rally by the ruling coalition’s win in the 13th General Election, closing at 1,752 points.

Concerns on the potential scaling back of stimulus by the US triggered a regional sell-off sparked by the reversal of foreign portfolio funds back to the US which saw the FBM KLCI fell by 1.82% to 1,742 points from 1,775 points on 13 June. However it then started trending higher in the middle of July considering the possibility that the stimulus measures in the US would be prolonged.

Nonetheless, Fitch Ratings announcement on 30 July which downgraded Malaysia’s credit rating outlook from stable to negative saw the FBM KLCI trending downward till end of August amidst increased speculation that the US Federal Reserve could scale back its asset purchase programme.

The month of September saw an upturn in the FBM KLCI following the Government’s announcement of reduction in fuel subsidies on 2 September and by the decision of the US Federal Reserve on 18 September to maintain its asset purchase programme. The announcement of Budget 2014 coupled with Bank Negara’s report on 15 November that the Malaysian economy grew by 5.0% in Q3 2013 provided timely boost for the market which saw the FBM KLCI trending upwards touching and all time high of 1,872 points on 30 December before finishing the year at 1,867 points.

Source:

1. *BNM Quarterly Bulletin*
2. *Bursa Malaysia Annual Report 2013*

UEM SUNRISE BERHAD SHARE PRICE PERFORMANCE IN 2013

The share price performance for UEM Sunrise Berhad (“UEM Sunrise” or the “Company”) for 2013 was far from subdued. Opening the year at RM2.10, the share price ranged between RM2.08 to RM2.27 throughout January. On 6 February however, the Company’s share price fell sharply touching a low of RM1.99 but quickly recovered from 13 February onwards and closed the month of February at RM2.27. In the month of March and April, the Company’s share price trended positively touching a high of RM2.87 on 8 April before taking a slight dip on the last day of April at RM2.49.

On 6 May, post the 13th General Election, the Company’s share price jumped sharply by 34 sen to RM2.95 from RM2.61 recorded on 3 May reflecting the Government’s win in the 13th General Election. It subsequently trended upwards and hit an all-time high of RM3.65 on 28 May.

The share price however started declining in June where it closed at RM3.12 in view of the sentiment following the expected roll back of the quantitative easing measure by the United States Federal Reserve which saw foreign investors selling down as evidenced from the drop of foreign shareholding from 21.9% in April to 15.2% in December. Other factors attributed to the decline in both the share price and foreign shareholding, include Fitch Ratings credit outlook from stable to negative in July 30 which saw the Company’s share price fell by 18 sen to RM2.68 and Bank Negara Malaysia’s downward revision of the country’s Gross Domestic Product’s growth forecast in August 21 where it closed at RM2.52.

The property cooling measures and credit tightening policy announced in Budget 2014 towards the end of October further created pessimistic sentiment across the property sector. Towards the end of 2013, the Company’s share price started to stabilize however touching a low of RM2.23 in November 2013 before closing at RM2.36 on the last day of December 2013.

Source:

1. *Bursa Malaysia Index Series*
2. *Bursa Malaysia Annual Report 2013*
3. *Internal documents*

ANALYSIS OF SHAREHOLDINGS

As at 28 February 2014

SHARE CAPITAL FOR ORDINARY SHARES

Authorised capital	: RM3,500,000,000.00
Issued and Paid-up Capital	: RM2,268,718,018.50
Class of securities	: Ordinary shares of RM0.50 each
Voting Rights	: One vote per ordinary share held

DISTRIBUTION SCHEDULE FOR ORDINARY SHARES

Size of Holdings	No. of Shareholders	%	Total Shareholdings	%
Less than 100	2,823	8.01	102,631	0.00
100 to 1,000	11,037	31.33	5,973,018	0.13
1,001 to 10,000	16,415	46.59	67,216,748	1.48
10,001 to 100,000	4,159	11.80	122,439,472	2.70
100,001 to 226,871,800 (less than 5% of issued shares)	800	2.27	1,344,212,389	29.63
226,871,801 (5% of issued shares) and above	1	0.00	2,997,491,779	66.06
Total	35,235	100.00	4,537,436,037	100.00

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	% of Issued Shares
1	UEM Group Berhad	2,997,491,779	66.06
2	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	196,430,394	4.33
3	Lembaga Tabung Haji	133,803,700	2.95
4	HSBC Nominees (Asing) Sdn Bhd - TNTC for Saudi Arabian Monetary Agency	53,866,800	1.19
5	Cartaban Nominees (Asing) Sdn Bhd - Exempt AN for State Street Bank & Trust Company (West CLT OD67)	38,083,501	0.84
6	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for The Bank of New York Mellon (Mellon Acct)	33,843,966	0.75
7	Cartaban Nominees (Asing) Sdn Bhd - GIC Private Limited for Government of Singapore (C)	25,738,800	0.57
8	HSBC Nominees (Asing) Sdn Bhd - BBH And Co. Boston for Vanguard Emerging Markets Stock Index Fund	24,217,300	0.53
9	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd	24,213,825	0.53
10	Citigroup Nominees (Asing) Sdn Bhd - CBHK for Kuwait Investment Authority (Fund 208)	23,839,700	0.52
11	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	20,735,718	0.46
12	HSBC Nominees (Asing) Sdn Bhd - Morgan Stanley & Co. International PLC (Firm A/C)	19,376,200	0.43
13	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Bank Berhad (EDP 2)	18,658,300	0.41
14	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Morgan Stanley & Co. International PLC (IPB Client Acct)	17,557,000	0.39
15	Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	15,913,200	0.35
16	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.A.E.)	15,888,500	0.35
17	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.K.)	14,154,223	0.31
18	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (Norges BK)	11,814,000	0.26

ANALYSIS OF SHAREHOLDINGS

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

No.	Name of Shareholder	No. of Shares Held	% of Issued Shares
19	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	11,736,000	0.26
20	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (Norges BK Lend)	11,660,219	0.25
21	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (Netherlands)	11,167,700	0.25
22	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	10,376,500	0.23
23	Amanahraya Trustees Berhad - Public Savings Fund	10,271,400	0.23
24	Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Takaful Berhad (Family PRF EQ)	10,220,700	0.22
25	HSBC Nominees (Asing) Sdn Bhd - HSBC BK PLC for Kuwait Investment Office (KIO)	9,500,000	0.21
26	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for CitiBank NA, Singapore (Julius Baer)	8,223,803	0.18
27	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc.	8,119,545	0.18
28	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LSF)	8,047,900	0.18
29	HSBC Nominees (Asing) Sdn Bhd - TNTC for CC Asia Alpha Fund	7,900,000	0.17
30	Citigroup Nominees (Asing) Sdn Bhd - Legal & General Assurance (Pensions Management) Limited (A/C 1125250001)	7,857,000	0.17
TOTAL		3,800,707,673	83.76

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders, excluding bare trustees

Name	Direct	No. of shares		
		%	Indirect	%
UEM Group Berhad	2,997,491,779	66.06	-	-
Khazanah Nasional Berhad*	-	-	2,997,491,779	66.06

Note:

* Deemed interested by virtue of being the holding company of UEM Group Berhad

STATEMENT OF DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 28 February 2014

Directors' Interests in Ordinary Shares in UEM Sunrise Berhad (Formerly Known As UEM Land Holdings Berhad)

Name	Direct	No. of shares		
		%	Indirect	%
Tan Sri Dr Ahmad Tajuddin Ali	-	-	-	-
Dato' Mohd Izzaddin Idris	-	-	-	-
Md Ali Md Dewal	-	-	-	-
Oh Kim Sun	-	-	-	-
Sheranjiv Sammanthan	-	-	-	-
Professor Philip Sutton Cox	-	-	-	-
Lim Tian Huat	-	-	-	-
Dato' Srikandan Kanagaintiram	-	-	-	-
YM Ungku Suseelawati Ungku Omar	-	-	-	-

MATERIAL PROPERTIES OF UEM SUNRISE BERHAD GROUP

As at 31 December 2013

Location and address of property	Brief description and existing use	Area (sq meters)	Tenure and year of expiry	Age of building (years)	Net book value as at 31/12/2013 RM'000	Date of revaluation/ acquisition
Bandar Nusajaya Iskandar Development Region Johor Darul Takzim	Land held for property development and development in progress	22,737,482	Freehold	-	1,294,577	1995
PTD 2987, Taman Industri Perintis Mukim of Tanjung Kupang Nusajaya, Johor Darul Takzim	Agriculture land	1,443,424	Freehold	-	108,768	17-Nov-08
PTD 2994, 2995, 2999, 3001-4, 3006-15, 3050, 3053 Taman Industri Perintis Mukim of Tanjung Kupang Nusajaya, Johor Darul Takzim	Industrial and agriculture land	231,446	Freehold	-	44,827	17-Nov-08
Geran 60862 Lot 58688, Mukim Batu Daerah Kuala Lumpur	Land held for property development	60,614	Freehold	-	170,661	14-Jun-11*
Geran 60863 Lot 58689, Mukim Batu Daerah Kuala Lumpur	Land held for property development	15,307	Freehold	-	45,132	14-Jun-11*
GM 4733 Lot 149 Seksyen 58 Bandar of Kuala Lumpur Daerah Kuala Lumpur	Land held for property development	6,434	Freehold	-	261,696	4-Jun-11*
Solaris Mont'Kiara, Jalan Solaris 50480 Kuala Lumpur	Building - Carpark	63,302	Freehold	6	51,522	29-Jun-11*
Solaris Dutamas 1 Jalan Dutamas 1 50480 Kuala Lumpur	Building - Retail and Carpark	150,187	Freehold	3	410,120	25-Jul-11*
PT 21628, Lot No. 540 Mukim of Semenyih District of Ulu Langat Selangor Darul Ehsan	Land held for property development	1,815,291	Freehold	-	259,960	28-Oct-11

Location and address of property	Brief description and existing use	Area (sq meters)	Tenure and year of expiry	Age of building (years)	Net book value as at 31/12/2013 RM'000	Date of revaluation/ acquisition
PN 9988 Lot 1108, Pekan Kajang Daerah Ulu Langat Selangor Darul Ehsan	Land held for property development	136,204	99 years lease expiring on 22-Oct-2090	-	89,880	14-Jun-11*
PN 9989 Lot 1109, Pekan Kajang Daerah Ulu Langat Selangor Darul Ehsan	Land held for property development	98,329	99 years lease expiring on 22-Oct-2090	-	62,438	14-Jun-11*
PTD 4936-4955 and 7905 Mukim of Batang Padang Daerah Batang Padang Perak Darul Ridzuan	Agriculture land	9,729,923	Leasehold expiring on 18-Aug-2109	-	76,257	19-Aug-10
224-252 La Trobe Street Melbourne Victoria 3000 Australia	Land held for property development	3,197	Freehold	-	134,984	7-Aug-13
9-23 Mackenzie Street Melbourne Victoria 3000 Australia	Land held for property development	2,023	Freehold	-	70,622	7-Aug-13

*Revaluation date

RECURRENT RELATED PARTY TRANSACTIONS

Each year during UEM Sunrise Berhad's ("UEMS or the Company") Annual General Meeting ("AGM"), the Company will obtain the approval of its shareholders for the mandates for UEMS and/or its subsidiaries ("UEMS Group") to enter into recurrent related party transactions ("Recurrent Transactions") in their ordinary course of business, with certain related parties in order to comply with paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Shareholders Mandates").

The Shareholders Mandates are for the period from the date of the AGM until the date of the next AGM.

The following is the breakdown of the aggregate value of the Recurrent Transactions that UEMS Group entered into with related parties during the financial year ended 31 December 2013 ("FY 2013"):

A) UEM Sunrise Berhad ("UEMS") and/or its subsidiaries ("UEMS Group") receiving services and/or renting and/or acquiring land and/or land-based property from related parties.

No.	Company in UEMS Group	Related Party	Interested major shareholders, directors and persons connected with them	Nature of relationship as at FY 2013	Nature of Transaction	Value (RM)
1.	UEMS Group	UEM Group Berhad ("UEMG") and/or its subsidiaries ("UEMG Group")	Khazanah Nasional Berhad ("Khazanah"), UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris, Oh Kim Sun ² and Sheranjiv Sammanthan	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 internal audit, training and administrative support services Renting of office space, meeting rooms and other facilities at Mercu UEM, KL Sentral Renting of parking space at Mercu UEM, KL Sentral Receipt of electricity and air-conditioning facilities at Mercu UEM, KL Sentral Receipt of office cleaning, tea lady and pest control services Receipt of construction and engineering services for projects in Nusajaya and Klang Valley	272,020 1,831,279 2,105,885 57,520 162,617 73,303 2,293,999

No	Company in UEMS Group	Related Party	Interested major shareholders, directors and persons connected with them	Nature of relationship as at FY 2013	Nature of Transaction	Value (RM)
					Receipt of construction and engineering services for Kota Iskandar and related projects	14,552
					Receipt of assets and facilities management services	405,511
					Rental of facilities and other services	0
Total						7,216,686
2.	UEMS Group	Faber Group Berhad and/or its subsidiaries ("Faber Group")	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris, Oh Kim Sun ² and Sheranjiv Sammanthan	Faber Group is a 34.29% associate of UEMG. UEMS is a 66.06% subsidiary of UEMG	Receipt of consultation and facilities maintenance services for Nusajaya	5,665,246
Total						5,665,246
3.	UEMS Group	Khazanah and/or its subsidiaries ("Khazanah Group")	UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris and Sheranjiv Sammanthan	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Acquisition of land or land based properties in the ordinary course of business	38,448,582
Total						38,448,582
4.	UEMS Group	Cox Architecture Pty Ltd ("COX")	Professor Philip Sutton Cox	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Profesor Philip Sutton Cox is the founding partner of COX and also a director of UEMS	2,900,582
Total						2,900,582
5.	UEMS Group	Telekom Malaysia ("TM") and/or its subsidiaries ("TM Group")	Khazanah and Sheranjiv Sammanthan	TM is a 28.73% associate company of Khazanah which in turn is our ultimate holding company	Receipt of data/internet leased line and UniFi bunding	1,351,411
Total						1,351,411

RECURRENT RELATED PARTY TRANSACTIONS

B) UEMS and its subsidiaries providing services and/or renting and/or disposing land and/or land-based property to related parties

No.	Company in UEMS Group	Related Party	Interested major shareholders, directors and persons connected with them	Nature of relationship as at FY 2013	Nature of Transaction	Value (RM)
1.	UEMS Group	UEMG Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris and Sheranjiv Sammanthan	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Provision of tenancy of land for batching plant/casting yard	132,544
Total						132,544
2.	UEMS Group	Khazanah Group	UEMG Group, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Mohd Izzaddin Idris and Sheranjiv Sammanthan	UEMS is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Provision of lease/rental of office space Provision of development management services Disposal of land or land based properties in the ordinary course of business Provision of security services	185,591 10,854,567 185,379,334 35,104
Total						196,454,595
3.	UEMS Group	Directors and/ or Major Shareholders of UEMS and Persons Connected with Them	Directors and/ or Major Shareholders of UEMS and Persons Connected with Them		Sale of land and/or land based properties by UEMS Group	4,379,200
Total						4,379,200

Notes:-

¹ Covered under the following two (2) Shareholders Mandates:-

i) Shareholders Mandates obtained on 14 June 2012, which covers Recurrent Transactions from June 2012 till May 2013; and

ii) Shareholders Mandates obtained on 14 June 2013, which covers Recurrent Transactions from June 2013 till the conclusion of the forthcoming AGM.

² Oh Kim Sun resigned effective from 25 June 2013. He is deemed interested in the RRPT between the UEMS Group and UEMG or UEMS Group and Faber Group respectively up to 31 December 2013.

FORM OF PROXY



A member of UEM Group

I/We _____
of _____

being a member of UEM Sunrise Berhad (formerly known as UEM Land Holdings Berhad) ("the Company") hereby appoint
_____ NRIC/Passport No. _____

of _____
or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and my/our behalf at the Sixth Annual General Meeting of the Company to be held at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM 15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 24 April 2014 at 10.00 a.m., or at any adjournment thereof.

(Please indicate with a "X" or "✓" in the boxes provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Ordinary Resolutions	No.	For	Against
To approve the payment of a first and final single tier dividend of 4.0 sen per ordinary share for the financial year ended 31 December 2013.	1		
To re-elect the following Directors retiring in accordance with Article 85 of the Company's Articles of Association: (i) Dato' Mohd Izzaddin Idris (ii) Sheranjiv Sammanthan	2		
	3		
To re-appoint Professor Philip Sutton Cox in accordance with Section 129(6) of the Companies Act, 1965.	4		
To approve the payment of Directors' fees in respect of the financial year ending 31 December 2014 on a quarterly basis.	5		
To re-appoint Messrs Ernst & Young as Auditors and to authorise Directors to fix their remuneration.	6		
To empower Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares.	7		
To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	8		
To approve the Proposed New Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.	9		

Signed this _____ day of _____ 2014

Signature

(If the shareholder is a corporation, this part should be executed under seal)

No. of shares	
CDS Account No.	
Telephone No.	

NOTES

- Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.
- To be valid, the **original** form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time of holding the Meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.
- If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.
- A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend, speak and vote at a general meeting who shall represent all the shares held by such member. A member holding more than one thousand (1,000) ordinary shares may appoint up to ten (10) proxies to attend, speak and vote at the same meeting and each proxy appointed, shall represent a minimum of one thousand (1,000) ordinary shares. Where a member appoints one (1) or more proxies to attend, speak and vote at the same meeting, such appointments shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

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Stamp

The Share Registrar's Office
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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CORPORATE DIRECTORY

CORPORATE HEADQUARTERS

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Horizon Hills Golf & Country Club

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79100 Nusajaya, Johor Darul Ta'zim Malaysia

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Kota Iskandar

Kota Iskandar Visitor Information Centre
Dataran Mahkota, Pusat Pentadbiran Kerajaan
Negeri Johor, Kota Iskandar
79000 Nusajaya, Johor Darul Ta'zim Malaysia

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27 & 29, Jalan Indah 15/3, Bukit Indah
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50480 Kuala Lumpur, Malaysia

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Symphony Hills Sdn Bhd

Clubhouse Symphony Hills
Persiaran Simfoni, Cyber 9
63000 Cyberjaya
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A member of **UEM Group**

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