



A member of UEM Group

ANNUAL REPORT 2014

**ENHANCING**  
*Lives*

# 2014 HIGHLIGHTS



A member of UEM Group

Ranked **4<sup>th</sup>**  
**Top Property Developer**  
by The Edge Malaysia.

Approximately  
**12,000**  
**Tresor card members.**

Ranked **2<sup>nd</sup>**  
highest profit growth company  
under the property and REIT  
sector by **The Edge Billion  
Ringgit Club.**

RM **2.6** billion  
**revenue.**

More than  
**1,400**  
**dedicated employees.**

RM **181** million  
**total dividend payout**  
(for financial year 2013).

*Soaring higher with  
you and for you*





## ENHANCING LIVES

As one of Malaysia's leading property developers, UEM Sunrise is known for delivering innovative products and service excellence to our customers. To further enhance our service standards, we have implemented our own 'Service DNA' to establish and evolve the Company into a customer-centric organisation. UEM Sunrise is an organisation that builds long-lasting relationships with customers, whilst providing them with opportunities to live, grow, play and thrive.

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# 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 Seventh 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, 21 May 2015 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 2014 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 3.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2014.

Ordinary Resolution 1

3. To re-elect the following Directors retiring pursuant to the Company's Articles of Association and, being eligible, have offered themselves for re-election:-

#### Under Article 85

i) Tan Sri Dr Ahmad Tajuddin Ali

Ordinary Resolution 2

ii) Oh Kim Sun

Ordinary Resolution 3

#### Under Article 92

iii) Anwar Syahrin Bin Abdul Ajib

Ordinary Resolution 4

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 5

5. To approve the payment of Directors' fees for the financial year ending 31 December 2015 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 6

6. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.

Ordinary Resolution 7

### 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 8

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 Items 1A and 1B of Appendix I of the Circular to Shareholders of the Company dated 29 April 2015 **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 9

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 Items 2A and 2B of Appendix I of the Circular to Shareholders of the Company dated 29 April 2015 **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 10

10. **PROPOSED GRANT OF OPTIONS TO ANWAR SYAHRIN BIN ABDUL AJIB**

"**THAT** the Directors be and are hereby authorised at any time, and from time to time, to offer and/or grant options to Anwar Syahrin Bin Abdul Ajib, the Managing Director/Chief Executive Officer of the Company, to subscribe for up to 4,000,000 new ordinary shares of RM0.50 each in the Company under the Company's Employee Share Option Scheme ("ESOS"), provided always that the allocation of options to a director or employee who either singly or collectively through persons connected with the director or employee, holds 20% or more of the issued and paid-up share capital of the Company, does not exceed 10% of the shares available under the ESOS and subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the by-laws of the ESOS, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities **AND THAT** the Directors be and are hereby authorised to issue and allot new ordinary shares in the Company from time to time pursuant to the exercise of such options."

Ordinary Resolution 11

11. 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 Seventh Annual General Meeting, the proposed payment of a first and final single tier dividend of 3.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2014 will be paid to shareholders on 22 June 2015. The entitlement date for the proposed dividend shall be on 29 May 2015.

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 29 May 2015 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 Seventh 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 14 May 2015. Only a depositor whose name appears on the ROD as at 14 May 2015 shall be entitled to attend this Seventh 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

29 April 2015

#### 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/her 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/her 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/she 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/her shareholding to be represented by each proxy.

#### B. RE-ELECTION AND RE-APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In line with Recommendation 3.1 of the Malaysian Code On Corporate Governance 2012, the Board (save for the interested Directors) had conducted an assessment of independence of the Independent Non-Executive Directors including the Independent Directors who are due for re-election and re-appointment. Based on the criteria for an independent director as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other independence criteria applied by the Company, the Board is of the opinion that the Independent Directors consistently provided independent and objective judgment in all Board and Board Committee deliberations and is satisfied with their level of independence.

#### C. EXPLANATORY NOTES ON SPECIAL BUSINESS

##### Ordinary Resolution 8 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 24 April 2014 and that mandate will lapse at the conclusion of the Seventh Annual General Meeting to be held on 21 May 2015.

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 9 and 10 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 9 and 10, further information on the Recurrent Related Party Transactions are set out in the Circular to Shareholders of the Company dated 29 April 2015 which is dispatched together with the Company's Annual Report 2014.
2. The proposed Ordinary Resolutions 9 and 10, 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.

##### Ordinary Resolution 11 on the Proposed Grant of Options to Anwar Syahrin Bin Abdul Ajib ("Proposed Grant")

1. The Proposed Grant is made pursuant to the Company's Employee Share Option Scheme ("ESOS") which had been approved by the shareholders at the Extraordinary General Meeting held on 7 March 2012. The ESOS shall be in force for a period of seven (7) years from 9 April 2012, being the date of implementation.
2. Anwar Syahrin Bin Abdul Ajib was appointed as the Managing Director/Chief Executive Director of the Company on 1 September 2014 and he is entitled to participate in the ESOS. The Proposed Grant is to recognise and reward him for his contribution to the Company and its group of companies and also to provide him with an opportunity to participate in the equity of the Company.
3. The proposed Ordinary Resolution 11, if passed, will authorise the Directors to offer and to grant options to Anwar Syahrin Bin Abdul Ajib to subscribe for new ordinary shares of RM0.50 each in the Company under the ESOS.
4. The price at which the grantee is entitled to subscribe for an ordinary share that is the subject of an option ("Option Price") shall be at least the five-day volume-weighted average market price of the ordinary shares immediately preceding the date of offer subject to adjustments in accordance with the by-laws of the ESOS, provided that the Option Price shall in no event be less than the par value of the ordinary shares of the Company.
5. The new ordinary shares to be allotted upon any exercise of the options shall, upon issue and allotment rank equally in all respects with the then existing ordinary shares, except that they shall not be entitled to any dividend, right, allotment and/or distribution, the entitlement date of which is before the date of allotment of such new ordinary shares.
6. Anwar Syahrin Bin Abdul Ajib has abstained and will continue to abstain from deliberating and voting on any subject matter pertaining to his entitlement under the ESOS at the Board meetings and will continue to abstain from voting in respect of his direct and/or indirect shareholdings in the Company, on the ordinary resolution pertaining to the Proposed Grant to be tabled at the forthcoming Annual General Meeting. He shall also ensure that persons connected to him will abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on the ordinary resolution approving the Proposed Grant to be tabled at the forthcoming Annual General Meeting.
7. Save for the above, none of the Directors and/or major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Grant.

# STATEMENT ACCOMPANYING **NOTICE OF ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of persons who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the Seventh Annual General Meeting.

2. A statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The proposed Ordinary Resolution 8 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares were issued pursuant to the said mandate granted to the Directors at the last Annual General Meeting held on 24 April 2014.



# FINANCIAL CALENDAR 2014

**07**  
Feb

Announcement on the joint development arrangement with KLK Berhad via its wholly-owned subsidiary KLK Land for the following proposed developments:

- Mixed development on approximately 500 acres of land in Gerbang Nusajaya, Nusajaya to be undertaken by Scope Energy, a joint venture company 60% held by KLK Land and 40% held by UEM Land ("Gerbang Land"); and

- Mixed residential, commercial and industrial development on approximately 2,500 acres of land in Kulaijaya to be undertaken by Aura Muhibah, a joint venture company 60% held by UEM Land and 40% held by KLK Land ("Fraser Metropolis");

for a total consideration of RM871.2 million each.

**25**  
Feb

Announcement on the:

- 4th quarter consolidated results for the financial period ended 31 December 2013; and
- Headline Key Performance Indicator targets for 2014.

**01**  
Apr

Announcement on the:

- Notice of 6th Annual General Meeting ("AGM"); and
- First and Final Single Tier Dividend of 4.0 sen per ordinary share of RM0.50 sen each for the financial year ended 31 December 2013.

**24**  
Apr

UEM Sunrise held its 6th AGM.

**26**  
May

Announcement on the 1st quarter consolidated results for the financial period ended 31 March 2014.

**01**  
Jul

Announcement on the joint venture between UEM Land with Intelsec Sdn Bhd, a wholly owned subsidiary of Telekom Malaysia Berhad and Iskandar Innovations Sdn Bhd, a wholly owned subsidiary of Iskandar Investment Berhad for a managed services operating company to provide smart building and smart city services.

**08**  
Jul

Announcement on the notice of an Extraordinary General Meeting ("EGM") for the following:

- Disposal of Gerbang Land to Scope Energy for a total consideration of RM871.2 million; and
- Acquisition of Fraser Metropolis by Aura Muhibah from KLK Berhad for a total consideration of RM871.2 million.

**24**  
Jul

UEM Sunrise held EGM.

**25**  
Aug

Announcement on the 2nd quarter consolidated results for the financial period ended 30 June 2014.

**26**  
Nov

Announcement on the 3rd quarter consolidated results for the financial period ended 30 September 2014.

**12**  
Dec

Inclusion of UEM Sunrise in the FTSE4GOOD Bursa Malaysia Index.

**29**  
Dec

Announcement on the fulfilment of conditions precedent of the Sale and Purchase Agreement ("SPA") between UEM Land and Scope Energy for the disposal of the Gerbang Land.

**30**  
Dec

Announcement on the:

- Supplemental Agreement to the Joint Venture Agreement between UEM Land and Fastrack Autosport Pte Ltd dated 4 December 2012 for the increase of land acreage to 300 acres for the development of a Motorsports City in Gerbang Nusajaya; and
- Fulfilment of conditions precedent of the SPA for the disposal of 300 acres of land in Gerbang Nusajaya for the development of the Motorsports City.

# INVESTOR RELATIONS

## UEM SUNRISE'S PLEDGE TO ITS SHAREHOLDERS AND THE INVESTOR COMMUNITY

Ever since the listing of UEM Sunrise (then UEM Land Holdings Berhad) in November 2008, the Company has been in close contact with its shareholders as well as the investor community. The Company endeavours to ensure consistency, clarity, access and timeliness when communicating material information to the shareholders and investor community. The Investor Relations ("IR") team pledges to disseminate material and crucial information in order to assist the investor community to make informed and learned decision.

## INVESTOR ACTIVITIES & COMMUNICATION CHANNELS

For the year under review, the Company's IR efforts include arranging and preparing for conferences organised by local and foreign research houses, quarterly financial results briefings, formal meetings as well as site tours of Nusajaya and Mont'Kiara. These engagements with local and foreign fund managers, equity analysts and institutional shareholders were attended by selected senior management representatives and the IR team. Discussions were mainly geared towards strategic matters, future plans and addressing key issues relating to the Company.

Activities	Total for FY2014	Remarks
Meetings	49	Meetings in-house or via tele-conferencing.
Site Visits	16	Site visits mostly in Nusajaya to allow investors the opportunity to see development progress.
Conferences	7	<p>In total, the Company met 146 fund/asset management companies at the following conferences:</p> <ul style="list-style-type: none"><li>• CIMB Corporate Day 2014, Kuala Lumpur</li><li>• Credit Suisse ASEAN Conference 2014, Singapore</li><li>• Credit Suisse 17th ASIAN Investment Conference 2014, Hong Kong</li><li>• CLSA ASEAN Conference 2014, Bangkok</li><li>• Deutsche Bank Access Asia Forum 2014, Singapore</li><li>• Invest Malaysia 2014, Kuala Lumpur</li><li>• RHB Corporate Day 2014, Kuala Lumpur</li></ul>
Analysts' briefings	6	<ul style="list-style-type: none"><li>• Quarterly results briefing via tele-conferencing immediately after announcement to Bursa Malaysia.</li><li>• Analyst briefing held at Mercu UEM on 7 February 2014 for the back to back joint development arrangement with Kuala Lumpur Kepong Berhad in Gerbang Nusajaya and Kulai Jaya, Johor.</li><li>• Analyst briefing held in Nusajaya on 12 June 2014 for the groundbreaking ceremony of Nusajaya Tech Park, in Gerbang Nusajaya.</li></ul>

Other than physically communicating with the shareholders and investor community, the Company also has a 24-hour IR portal at [www.uemsunrise.com/v2/investor-relations.html](http://www.uemsunrise.com/v2/investor-relations.html) as a point of reference. The following information can be found in the IR portal and are updated on a regular basis:

- Corporate Information
- Corporate Governance
- Company Presentations
- Share Information
- Financial Information
- Entitlements (Dividend Declared)
- Management Discussions and Analysis\*
- News & Reports
- Event Calendar

#### **UEM SUNRISE COVERAGE**

As at December 2014, the Company received coverage and support from 20 local and foreign research houses as follows:

- Alliance DBS Research Sdn Bhd
- AM Research Sdn Bhd
- CIMB Investment Bank Berhad
- BIMB Securities Sdn Bhd
- BNP Paribas Securities (Singapore) Pte. Ltd
- Citigroup Global Markets Singapore Pte. Ltd
- CLSA Securities Malaysia Sdn Bhd
- Credit Suisse Securities (Malaysia) Sdn Bhd
- Deutsche Bank (Malaysia) Berhad
- Hong Leong Investment Bank Berhad
- JP Morgan Securities (Malaysia) Sdn Bhd
- Kenanga Investment Bank Berhad
- Macquarie Capital Securities (Malaysia) Sdn Bhd
- Maybank Investment Bank Berhad
- MIDF Amanah Investment Bank Berhad
- Nomura Securities Malaysia Sdn Bhd
- Public Investment Bank Berhad
- RHB Research Institute Sdn Bhd
- UBS Securities Malaysia Sdn Bhd
- UOB Kay Hian (Malaysia) Holdings Sdn Bhd

## STOCK MARKET PERFORMANCE IN 2014

Global economic activity expanded at a moderate pace while growth remained uneven across economies. The US economy showed signs of improvement, but economic activity in the Euro area and Japan remained subdued. Growth in Asia however was driven by domestic demand and exports.

The Malaysian economy expanded by 6.0% in 2014 compared to 4.7% in 2013, driven mainly by a rise in private consumption and investment. The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") however ended the year under review at 1,761.3 points with market capitalisation of RM1.65 trillion compared to the year ended in 2013 which saw the index closed at 1,867.0 points with market capitalisation of RM1.70 trillion. This is mainly due to weak sentiments and sharp decline in oil prices which led to the unwinding of portfolio investments by foreign shareholders in the fourth quarter of 2014.

In January 2014, the market sentiment dampened following the slow economic growth of China, investors' concerns over further scale-back in the quantitative easing programme by the US Federal Reserve, declining growth prospects in several emerging economies and geopolitical developments in Eastern Europe resulting in the FBM KLCI falling to 1,778.8 points. The new US Federal Reserve chairperson, Janet Yellen announced the extension of the US debt ceiling for another year boosted the market in February 2014. As at end March 2014, the FBM KLCI closed at 1,849.2 points but with a higher market capitalisation of RM1.72 trillion.

On 1 April 2014, the index closed at 1,847.8 points trending upwards all the way to 1,883.3 points on 16 May 2014 when Bank Negara Malaysia ("BNM") announced that the Malaysian economy expanded by 6.2% in the first quarter of 2014. Although there were concerns over a potential interest rate hike in the US and the political unrest in Thailand as reflected in the decline of the index on 26 May 2014 to 1,862.8 points, as at end June 2014, the FBM KLCI rebounded and closed at 1,882.7 points with a market capitalisation of RM1.77 trillion.

After closing at an all-time high on 8 July 2014 with 1,892.7 points, the index slid down to 1,839.9 points on 8 August 2014 due to amongst others, BNM's raise of the Overnight Policy Rate by 25 basis points to 3.25% and other geopolitical events including the invasion of Gaza, the downing of the Malaysia Airline Flight MH17 over Ukraine, US airstrikes in Iraq, concerns of global growth due to the Ukraine-Russia conflict and the Ebola outbreak as declared by the World Health Organisation. BNM's announcement of the 6.4% growth of the Malaysian economy for the second quarter of 2014 on 15 August helped alleviate the index to 1,864.3 points but as at end September 2014, the FBM KLCI closed at 1,846.3 points with a market capitalisation of RM1.77 trillion.

The fourth quarter saw the index trending downwards. The cut of interest rates and announcement of stimulus measures to combat low inflation by the European Central Bank and the Malaysian Government's upwards revision of the economic growth forecast from 5.0%-5.5% to 5.5%-6.0% in September 2014 did very little to improve the index. The Government's announcement on reduction of subsidies for RON95 petrol and diesel by 20 sen and the unveiling of Budget 2015 did not improve the index. On 16 October 2014, the index closed at 1,767.8 points amid concerns over weakening global economic growth, plunging oil prices, potential Ebola outbreak and the US Federal Reserve's announcement that it was ending its quantitative easing programme. The index rebounded with the announcement of further monetary policy easing by the Bank of Japan on 31 October 2014 which saw it closing at 1,855.2 points. Thereafter the index dipped and was at its lowest on 16 December 2014 at 1,673.9 points due to the continued decline in crude oil prices, weakening Ringgit vis-à-vis the US Dollar and concerns over Malaysia's fiscal position. As at end December 2014, the FBM KLCI closed at 1,761.3 points with market capitalisation of RM1.65 trillion.



## **UEM SUNRISE BERHAD SHARE PRICE PERFORMANCE IN 2014**

For the year under review, UEM Sunrise's share price was on a downward trend, in line with the overall trend of the FBM KLCI. The Company's share price opened the year at RM2.36 and gradually declined to RM1.98 on 28 January 2014 due to outflow of foreign funds from the emerging markets.

From February through to April 2014, the share price started to increase positively and touched its highest point for 2014 of RM2.42 on 21 April on the back of an upward trend of the FBM KLCI which was moving positively during the period following encouraging geopolitical developments such as the lower than expected sanctions by the US and European Union on Russia and improved US trade data. However, the share price subsequently fell to RM2.03 on 10 June 2014. The share price then hovered between RM2.03 and RM2.11 before falling below the RM2.00 threshold and closing at RM1.98 on 19 August 2014 amidst concerns by the market on the US airstrikes in Iraq, concerns over global growth in relation to the expanding economic sanctions for the Ukraine-Russia conflict and the the World Health Organisation's declaration of the Ebola outbreak.

The share price declined and closed at RM1.77 on 23 October 2014 before picking up again and closing at RM1.88 on 31 October 2014 in line with the general trend of the FBM KLCI which saw positive sentiments following the announcement of further monetary policy easing by the Bank of Japan on 31 October 2014.

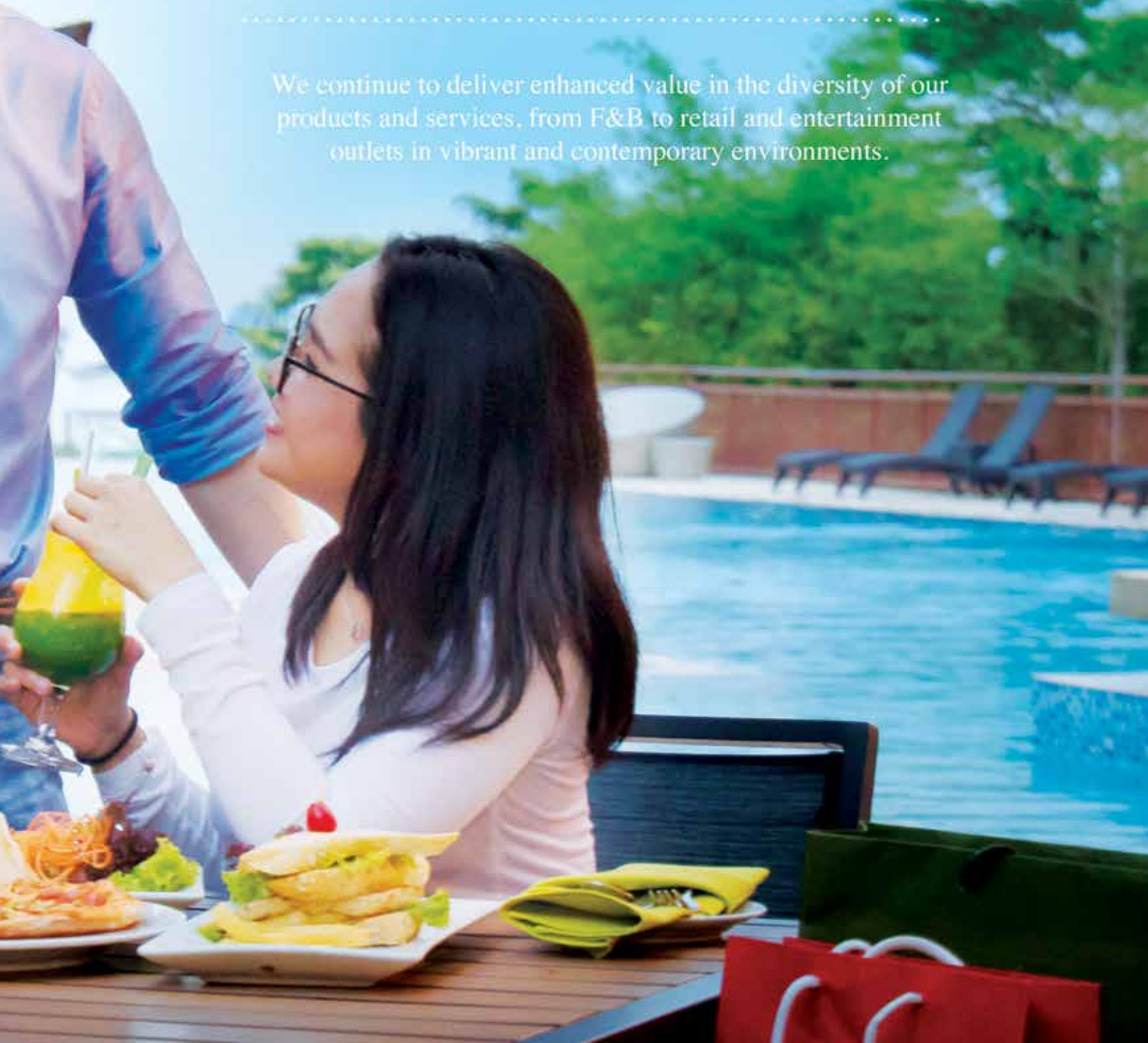
The share price then hovered around the RM1.85 mark until 25 November 2014 before taking a hit once again and falling to a low of RM1.35 on 16 December 2014 in line with the FBM KLCI which continued to decline following the fall in the crude oil prices, weakening Ringgit against the US Dollar and concerns on Malaysia's fiscal policy position. The price recovered slightly following the Company's announcements on the fulfillment of the conditions precedent for the Sale and Purchase Agreement with Scope Energy Sdn Bhd and the Motorsports City projects in Gerbang Nusajaya and ended the year under review at RM1.41.



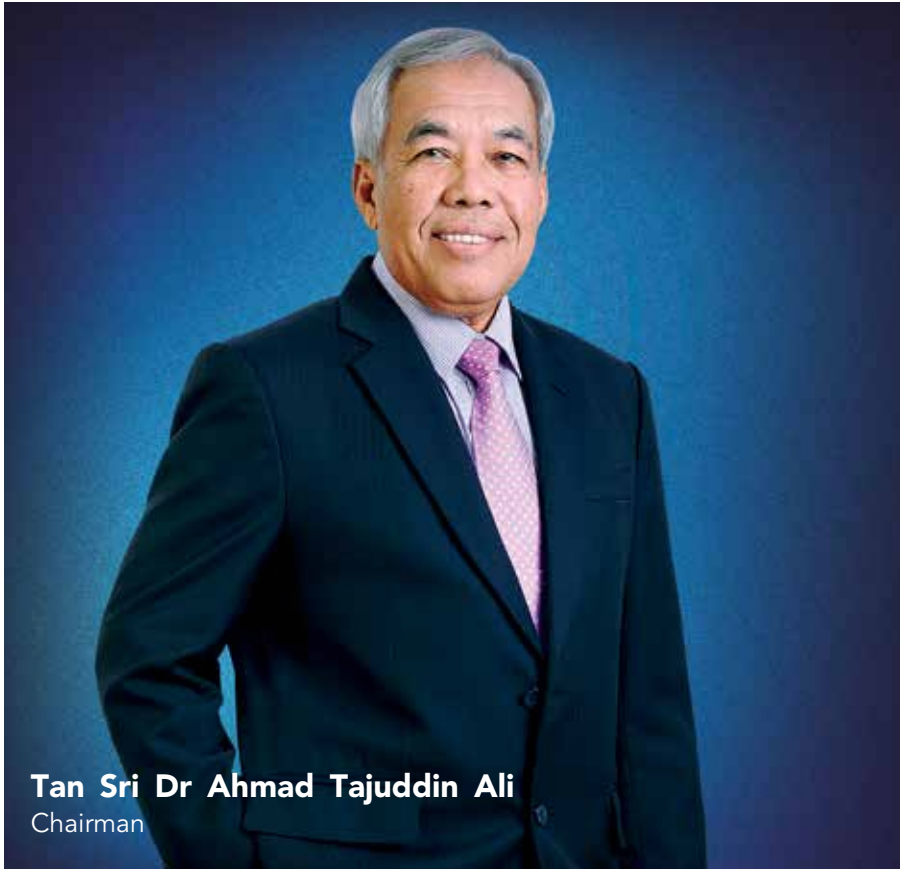
The Ledang Urban Retreat, Nusajaya

# Shop. *Dine.* Relax.

We continue to deliver enhanced value in the diversity of our products and services, from F&B to retail and entertainment outlets in vibrant and contemporary environments.



# CHAIRMAN'S STATEMENT



## 10%

increase in revenue to  
**RM2.7 billion.**

---

Profit After Tax

## RM479.8

million.

## Dear Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present to you the Group's performance for the financial year ended 31 December 2014. UEM Sunrise Berhad ("UEM Sunrise" and/or the "Company") achieved a 10% increase in revenue to RM2.7 billion with a profit after tax of RM479.8 million. Total sales for the year amounted to RM2.4 billion with unrecognised revenue standing at RM3.9 billion.

After a relatively robust first half year, Malaysia's economic growth slowed down considerably during the second half when the price of crude oil began to fall, contributing to a weakening of the Ringgit against major currencies, especially the US Dollar. It was also a challenging year for the property sector following the cooling measures announced in Budget

2014 and the tightening of credit by Bank Negara Malaysia particularly on loan applications for mortgages. Furthermore, in Iskandar Malaysia especially, the new conditions imposed on purchases by foreign buyers and the market perception of general over supply further impacted the market leading to lower property sales in general.



Aurora Melbourne Central, Melbourne, Australia

## OUR PERFORMANCE

Despite the challenging environment, property development revenue increased by 10% to RM1.7 billion as we continued to complete ongoing projects in the Southern and Central regions as well as our project in Vancouver, Canada. We also derived considerable revenue from strategic land sales. These included revenue from the sale of 500 acres of land to Scope Energy Sdn Bhd, our joint venture (“JV”) with KLK Land Sdn Bhd (“KLK Land”), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad (“KLK Berhad”), for a mixed residential development signed in February 2014. It also included revenue from the sale of 300 acres of land to FASTrack Iskandar Sdn Bhd, our JV with FASTrack Autosports Pte Ltd which we signed in December 2012, to develop a Motorsports City. Both properties are located in Gerbang Nusajaya, where the next wave of catalytic developments in Nusajaya will be concentrated.

Indeed, one of the Company’s greatest assets is our landbank. Excluding the numerous projects we have completed and properties we have handed over, we have approximately 14,600 acres of land to be developed spread across Johor, Selangor, Kuala Lumpur, Negeri Sembilan and Perak in Malaysia as well as small yet strategic parcels of land in Canada, Australia and South Africa.

This includes land that we hold jointly with partners. Approximately 77% of this landbank, however, is in Johor followed by 16% in Perak, 6% in the Klang Valley and Seremban, and only 0.2% overseas. Thus, we are still ‘Johor-centric’ and there is necessity for us to have a better geographical spread in order to mitigate risks. Regardless, as of current plans, our landbank boasts an estimated gross development value (“GDV”) of RM103.3 billion.

In 2014, we acquired a parcel of land measuring 4.9 acres in Alderbridge, Vancouver, Canada to leverage and build on the team and brand recognition that we have created through Quintet, our existing project which is now nearing completion. Going forward, we plan to increase our landbank locally with greater focus on the Klang Valley as well as the Northern and East Malaysia regions in order to create a more balanced portfolio.

## CORPORATE HIGHLIGHTS

A key highlight of the year was the global launch of Aurora Melbourne Central, our 92-storey integrated development in Melbourne’s Central Business District. Designed by renowned Australian architects, Elenberg Fraser, this development on La Trobe Street is strategically located, being close to two main universities, RMIT and the University of Melbourne and it sits practically above the Melbourne Central underground train station. The development which was launched in October 2014 comprised 941 residential units with a GDV of AUD552.3 million and as at end December 2014, 89% of these units were sold. We are proud not only of the unprecedented sales achieved but also of the speed with which we were able to bring Aurora Melbourne Central to the market. We completed the acquisition of the property in October 2013 and launched the development in just one year.

This points to some of UEM Sunrise’s key defining qualities, namely our project management skills and validates the commitment we place on product quality that meets current trends, lifestyle needs and expectations.



Gerbang Nusajaya Aerial View

I am also pleased with our reciprocal JV arrangement with KLK Land, which marks the first of its kind for the Company. This involved the sale of our land in Gerbang Nusajaya to Scope Energy Sdn Bhd, a JV company where we hold a 40% interest and in return, KLK Berhad agreed for us to hold a 60% majority in Aura Muhibah Sdn Bhd, the JV company formed for the development of 2,500 acres of land in Kulai, previously owned by KLK Berhad, for a mixed residential, commercial and industrial development to be known as Fraser Metropolis. The arrangement is mutually beneficial to both parties and it serves to increase our land bank with no capital outlay.

Also in Nusajaya, we forged ahead with the groundbreaking ceremony for Nusajaya Tech Park, the industrial park JV project with the Ascendas Group of Singapore. The significance of the Nusajaya Tech Park was underlined by the attendance at the ceremony of the Minister of International Trade and Industry, Yang Berhormat Dato' Sri Mustapa Mohamed and his Singaporean counterpart, The Honourable Mr Lim Hng Kiang.

In order to enhance Nusajaya's road connectivity, we inked an agreement with Iskandar Investment Berhad ("IIB"), Sunway Iskandar Development Sdn Bhd and Mulpha International Berhad ("Mulpha") to develop a 5.2 km Coastal Highway Southern Link extending the current Coastal Highway to the Sultan Abu Bakar CIQ Complex. This will reduce the travelling time for motorists entering into Johor and/or Singapore via the Tuas Checkpoint and, by extension, into and out of Nusajaya – positively benefitting our developments there.

## CORPORATE RESPONSIBILITY

UEM Sunrise's ultimate objective, as stated in our Corporate Vision, is to Build Communities of the Future. This reflects a holistic approach towards ensuring that our developments are environmentally-friendly while employing the latest technologies to offer the highest quality infrastructure and facilities. It also encompasses our commitment to elevating the standard of living of underprivileged communities. We achieve this through our Education Enhancement and Community Development initiatives under our Corporate Responsibility banner.

We are one of the biggest contributors to the Khazanah-inspired PINTAR school adoption programme, and are currently supporting 21 adopted schools in Nusajaya as well as Selangor. Various programmes are held for the students to inspire better academic outcomes while creating greater awareness of social and environmental issues. In terms of Community Development, we fully support the Government's efforts to provide affordable homes to all Malaysians. In collaboration with Denia Development Sdn Bhd ("Denia"), a total of 3,736 affordable houses and shop offices in Taman Nusantara have already been delivered to the respective buyers as at end December 2014 with another 1,436 units currently under construction by Denia in Taman Nusantara, Nusajaya as well as its later phase known as Nusantara Prima. Going forward, we have pledged to build 10,000 affordable homes in Nusajaya starting with the launch of the 351 units of Bayu Nusantara in 2014 followed, hopefully, by the launch of 1,217 units in Denai Nusantara this year.

Our community initiatives are integral to a broader Sustainability Policy which serves to enhance the Company's financial, social and environmental value. The Board of Directors acknowledges our role in safeguarding UEM Sunrise's sustainability and maintains a high level of corporate governance which is critical towards achieving this objective.



Nusajaya Tech Park Groundbreaking Ceremony, Nusajaya

## AWARDS

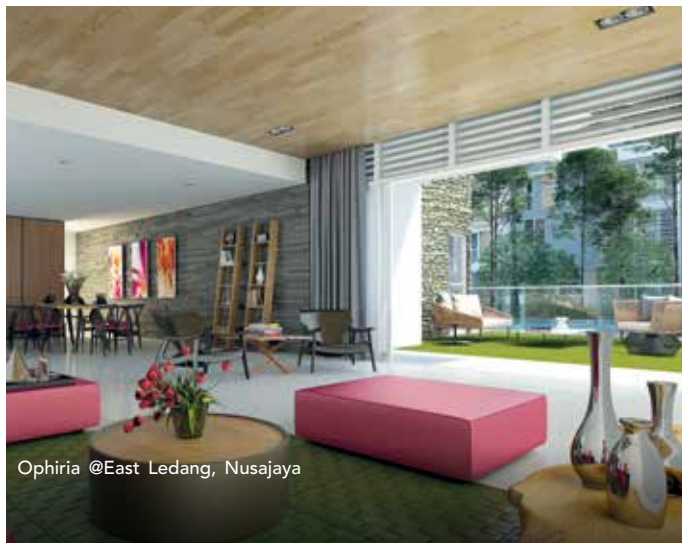
Our commitment to quality in everything we do has led to numerous awards and recognitions. This year, Puteri Harbour Marina made us proud by becoming the first marina in the country to be awarded the 5 Gold Anchors by The Yacht Harbour Association, a marina auditing agency based in the UK. We were also named one of 40 Best Companies to Work For in Asia 2014 by the HR Asia Journal in partnership with Mercer.



Symphony Hills, Cyberjaya

## OUTLOOK

The year 2015 will continue to be challenging for the property sector given prevailing macroeconomic factors. To our advantage, UEM Sunrise is able to leverage on the growth momentum that has already been built. Unrecognised value of ongoing projects, and planned launches in the Southern and Central Regions as well as Australia, guarantee a steady stream of income, giving us confidence in maintaining a sound financial scorecard. Complemented by continuous efforts to strengthen our core competencies and processes, and an ongoing evaluation of land acquisition opportunities, we look forward to the year 2015 as we continue Enriching Lives of the communities we serve.



Ophiria @East Ledang, Nusajaya



## ACKNOWLEDGEMENTS

It has been indeed a turbulent year for UEM Sunrise, yet we marched on and continued to leverage on our strength and built a track record of successful developments. For this, I would like to thank all the stakeholders – especially our highly valued customers and shareholders for your continuous support. I would also like to express my appreciation to the colleagues on the Board of UEM Sunrise for guiding the Company through these trying times.

I would like to acknowledge the contribution by Dato' Izzaddin Idris, UEM Sunrise's Board Member as well as Group Managing Director/Chief Executive Officer of UEM Group Berhad, who stepped in as the Executive Director to steer the Company with the demise of the late Dato' Wan Abdullah Wan Ibrahim in February 2014.

We welcome our new Managing Director/Chief Executive Officer, Encik Anwar Syahrin Abdul Ajib who joined us in September 2014 and has right away taken on the tasks to provide leadership in executing the various projects and initiatives.

I offer my gratitude to all our employees for their hard work and commitment towards achieving our shared goals and objectives and I urge everyone to give their undivided support to our new Managing Director/Chief Executive Officer in his effort to bring UEM Sunrise to greater heights.

Thank you.

**Tan Sri Dr Ahmad Tajuddin Ali**  
Chairman

# MD/CEO'S OPERATIONS REVIEW



**Anwar Syahrin Abdul Ajib**  
Managing Director/Chief Executive Officer

**Dear Shareholders,**

2014 was another eventful year for UEM Sunrise, one in which we achieved several notable successes.

We handed over 709 units of completed properties in Nusajaya and Symphony Hills, Cyberjaya; launched a total of RM2.3 billion worth of projects in Malaysia and Australia; further increased our landbank via a JV arrangement with KLK Berhad and acquired a prime land in Vancouver, Canada. Despite the slowdown in the property sector, our property development revenue recorded a growth of 10%.





Residensi22, Mont'Kiara, Kuala Lumpur

Within the context of a challenging macro environment, we leveraged on our existing properties portfolio while exploring opportunities elsewhere to mitigate the impact of the market slowdown, particularly in Iskandar Malaysia. This led us to venture out of Malaysia and prompted the launch of our first ever project in Australia, more specifically in Melbourne's Central Business District. Our 0.8-acre mixed-use development, Aurora Melbourne Central, made its debut in October 2014 with the introduction of its 941 residential units to the market. By the end of 2014, confirmed sales stood at 89% of the total residential units launched valued at AUD508.1 million.

We also continued to invest in our people and further enhance the customer-centric mindset we have been nurturing organisation-wide through programmes such as PRInSip which stands for Personalised, Reliable, Innovative and Simple. This was supported by various activities targeted at our residents and customers, many of whom have become ambassadors of the UEM Sunrise brand. Other key marketing initiatives included participation in property exhibitions and roadshows to showcase our products to potential buyers in Johor, Klang Valley, Penang, Singapore, Indonesia and Dubai, UAE.



# BUILDING COMMUNITIES OF THE FUTURE

## FINANCIAL PERFORMANCE

UEM Sunrise achieved a 10% increase in revenue to RM2.7 billion from RM2.4 billion in 2013 from steady progress of property development activities and strategic land sales. Our profit after tax, however, decreased by 17% from RM579.1 million in 2013 to RM479.8 million partly as a result of lower profit margins from strategic land sales.

Our revenue was derived mainly from property development, which increased from RM1.5 billion in 2013 to RM1.7 billion, representing 63% of our total revenue. East Ledang, our premium residential development in Nusajaya, was our highest contributor followed by Quintet, our mixed-use project in Richmond, Vancouver; premium high rise residential developments Imperia and Teega, both in Puteri Harbour, Nusajaya; as well as our high rise office tower Summer Suites in Kuala Lumpur.

There was a 5% year-on-year improvement in the share of profit from our JVs and associates mainly from Horizon Hills in Nusajaya which we are jointly developing with Gamuda Berhad; and Cyberjaya through our associate, Setia Haruman Sdn Bhd, the master developer for Cyberjaya.

The year also saw revenue recognition from two major land sales; RM522.7 million came from the 500 acres of land which we sold to Scope Energy Sdn Bhd, our JV company with KLK Land in February 2014 to develop a premium mixed residential and commercial project and RM248.3 million from the 300 acres of land sold to FASTrack Iskandar Sdn Bhd, our JV company with FASTrack Autosports Pte Ltd in December 2012 for the development of a Motorsports City. Both projects will act as catalysts for the future development of Gerbang Nusajaya.

Although the average margin from land sales was 36% in 2014 as compared to 42% in 2013, the long term nature of these projects will help spur the growth of Gerbang Nusajaya. The decrease in our return on equity from 10.2% in 2013 to 7.8% in 2014 was due to the lower profit after tax.

Total property development sales amounted to RM2.4 billion in 2014 with Aurora Melbourne Central taking the lead followed by Residensi22 in Mont'Kiara and Symphony Hills. Unrecognised revenue as at 31 December 2014 stood at RM3.9 billion, as opposed to RM3.4 billion as at end December 2013 ensuring continuous contribution to our revenue and earnings for the next few years.

Our share price at the beginning of the year under review opened at RM2.36 before closing at RM1.41 on 31 December 2014. It reached its highest in April 2014 closing at RM2.42 and thereafter dropped, generally in tandem with the trend of the FTSE Bursa Malaysia Kuala Lumpur Composite Index in 2014 which saw the market largely affected by a number of global geopolitical developments such as the US Federal Reserve's announcement to end the quantitative easing programme, the decline in crude oil prices, the weakening of the Ringgit against the US Dollar and Malaysia's position on its fiscal and monetary policy and its impact to the local economy. The slowdown in Iskandar Malaysia region, the impact of the property cooling measures and credit tightening policy announced in Budget 2014 may have also had some bearing on the performance of our share price.

RM **2.4** billion  
sales with Aurora Melbourne Central  
taking the lead.

RM **3.9** billion  
unrecognised revenue as  
at 31 December 2014.



Regent's Park @East Ledang, Nusajaya

### OPERATIONAL HIGHLIGHTS

As the master developer of Nusajaya, we continued to form strategic partnerships with third parties to further enhance the development of the area.

This led to the collaboration with KLK Berhad in developing various parcels of land in Gerbang Nusajaya as well as KLK Berhad's land in Kulai. Under our agreement, signed on 7 February 2014, we will develop 500 acres in Gerbang Nusajaya into a premium mixed residential and commercial project with a GDV of RM5 billion. For the 2,500 acres land in Kulai, north of Iskandar Malaysia, we will be developing a mid-market mixed residential, commercial, retail and industrial development with a GDV of RM15 billion. This development will be called Fraser Metropolis. UEM Sunrise will own 40% and 60% of these developments respectively.

Although Fraser Metropolis is not in Nusajaya, we believe the more affordable prices of the development here will attract a greater number of buyers, who also stand to benefit from the close proximity to Nusajaya. At the same time, a bustling Fraser Metropolis, only 20 to 30 minutes away from Nusajaya via the North-Link Expressway, will spur further activity in Iskandar Malaysia.

On 6 May 2014, we signed a Collaboration Agreement with Mulpha to construct and upgrade roads in Gelang Patah and Gerbang Nusajaya to jointly serve the needs of the population of Gerbang Nusajaya and Leisure Farm Resort. This was followed by an Infrastructure Cost Sharing Agreement on 27 August 2014 with IIB, Sunway Iskandar Development Sdn Bhd and Mulpha for the development of a 5.2 km Coastal Highway Southern Link extending the current Coastal Highway to the Sultan Abu Bakar Customs, Immigration and Quarantine complex. This effectively forms the final stretch of the Coastal Highway to the Second Link Expressway.



Opera Club House, Symphony Hills, Cyberjaya



The year also saw us make further progress towards fulfilling our promise to develop a smart city with IT infrastructure enabling a connected, digital lifestyle. On 1 July 2014, we signed an agreement with Intelsec Sdn Bhd, a wholly-owned subsidiary of Telekom Malaysia Berhad, and Iskandar Innovations Sdn Bhd, a wholly owned subsidiary of IIB for the establishment of a JV company offering smart services in Nusajaya following the Collaboration Agreement signed in 2012. The JV company will design and build smart city infrastructure as well as provide smart building and smart city services including security services, energy and IT facility for Nusajaya. Later, on 24 December 2014, we signed a Collaboration Agreement with edotco Sdn Bhd (“edotco”), a wholly-owned subsidiary of Axiata Group Berhad, for a multi-tenant mobile network infrastructure development. This will encourage a multi-telco environment thus ensuring readily available mobile services for residents and businesses in Nusajaya inclusive of the fastest available 4G connectivity.

### Launches & Ground-breaking of New Projects

Other than the launch of Aurora Melbourne Central, which was one of the highlights of the year, we were pleased to be able to introduce to the market new developments in Nusajaya. These included two affordable home projects – Bayu Nusantara and Denai Nusantara – which are integral to our pledge of developing 10,000 units of affordable homes in Nusajaya.

Bayu Nusantara opened for registration in March 2014 and forms part of the Nusa Bayu project. It offers 80 units of double-storey terraced houses with a built-up of 850 square feet priced at RM80,000 each, 241 units of double storey terraced houses with a built-up of 1,000 square feet at RM150,000 each and 30 units of shop offices priced at RM200,000 each. The total GDV was RM49.5 million.

In November 2014, we held the ground-breaking ceremony for Denai Nusantara, which offers five 12-storey blocks with 1,109 units of 1,000 square feet apartments priced at RM150,000 each and 108 single-storey shop lots of 1,200 square feet priced at RM200,000 each. These are expected to be launched in the first half of 2015.

Also in Nusajaya, we introduced Almas Retail and Nusa Idaman’s shop offices. Almas Retail represents the first retail shop lots in Puteri Harbour offering a lifestyle retail boulevard with al fresco dining, bistro, specialty stores, spa and fitness centres, among others. It was launched in October 2014 with a GDV of RM216 million. In Nusa Idaman, we launched 23 units of three-storey shop offices in July 2014.





In Mont'Kiara, Kuala Lumpur we launched Block B of Residensi22 in April 2014. The entire development has a total GDV of RM941 million and comprises four 38-storey tower blocks with built-up areas ranging from 1,878 to 3,043 square feet. Block A, launched in November 2013, is fully taken up whereas Block B as at December 2014 was 62% taken up.

In Shah Alam, Selangor our JV project with Sime Darby Property Sdn Bhd, Radia Bukit Jelutong, saw encouraging sales take-up for its residence blocks. The development, which has a total estimated GDV of RM1.2 billion, features a fan-shaped design inspired by a fusion of Mediterranean and Asian themes. This mixed development offers serviced apartments, retail shops and strata offices. The two residential blocks, B and C launched in April 2014 saw take-up rates of 75% and 82% as at end December 2014 whereas block D which was launched in October 2014, registered a take-up rate of 14%. These residential blocks have a GDV of approximately RM274 million.

#### **Gaining New Ground in Canada**

In April 2014, UEM Sunrise acquired 4.9 acres of land in Richmond, Vancouver, Canada called Alderbridge. With our existing project Quintet now coming towards its tail end, we felt that it was an opportune time to make another acquisition to take advantage of the success of Quintet and to make full use of existing resources in Canada. We plan to transform it into another integrated mixed residential and commercial development similar to Quintet with an estimated GDV of CAD420 million and the project is targeted to be launched in 2017.

**We plan to transform Alderbridge into another integrated mixed residential and commercial development similar to Quintet with an estimated GDV of CAD420 million and the project is targeted to be launched in 2017.**

Human capital is key to our success and as such we place significant emphasis on attracting and retaining talent, as well as establishing UEM Sunrise as an employer of choice. This involves developing our employees to enable them to realise their potential; managing their career expectations; and engaging them to create a sense of belonging and a spirit of teamwork as we strive to attain our shared goals and objectives.



### **Emphasis on Property Investment**

Our income from property investment is only 3% compared to contributions from other business segments, as UEM Sunrise has traditionally focused on property development, the bread and butter of any development company. Moving forward, however, we plan to expand our property investment portfolio as a means of creating recurring income which would provide stability whenever the market softens.

In the Southern region, our assets such as the Ledang Clubhouse in East Ledang and Marina Clubhouse in Puteri Harbour are primarily focused on hospitality. The Puteri Harbour International Ferry Terminal has been in operation since May 2013 and we are now working to secure more ferry routes to our ferry terminal. We are also in discussion with a potential partner to participate in the development of the future phases of the Mall of Medini.

In the Central region, our prized asset is Publika in Solaris Dutamas, a retail mall designed around the concept of creativity and novelty. Having a net lettable area of close to 330,000 square feet, Publika has an occupancy rate of approximately 90% as at December 2014.

### **PEOPLE DEVELOPMENT**

Human capital is key to our success and as such we place significant emphasis on attracting and retaining talent, as well as establishing UEM Sunrise as an employer of choice. This involves developing our employees to enable them to realise their potential; managing their career expectations; and engaging them to create a sense of belonging and a spirit of teamwork as we strive to attain our shared goals and objectives.

Various structured training and development opportunities are offered, supplemented by one-on-one coaching by members of the senior team. In 2014, we embarked on a programme to train our leadership to coach more junior members, and expect to derive positive outcomes not only in terms of the performance of employees being coached but in the leadership skills of our management.

To encourage upward staff mobility, we have created a set of guidelines which defines the behaviours expected and competencies required at different levels of the organisation. We are committed to empowering our employees and giving them ownership of their professional advancement, we hope with this clarity they have a deep understanding of what it takes to progress their careers and prosper with the company.

### **OUTLOOK**

2015 is expected to be challenging following the property measures introduced nationwide in Budget 2014. Exacerbating the environment, in Johor, further policies for foreign buyers and cautions of potential oversupply especially in the premium high-rise segment are further impacting an already adverse sentiment. Banks have also become cautious with more stringent lending criteria to tackle household debt, prompting a decline in loan approvals.

The first half of 2015 is likely to see property transaction volume falling. Nevertheless, we are still confident of our ability to overcome these challenges. Malaysian property, especially the residential market, is not volatile; and by the second half of 2015 sales are expected to regain momentum, driven by the desire for home ownership, especially among

the younger demographic, and affordable prices. Furthermore we are of the view that the prices for residential properties have not fallen significantly hence we still expect to be able to generate realisable sales despite the general market sentiments.

For our part, UEM Sunrise will continue to tap into various market segments; from properties which are affordable all the way to those that are more exclusive and premium. Product offerings planned for 2015 will include the first phase of our soon to be launched mid-market new township Serene Heights in Bangi, landed upmarket residential development Estuari in Puteri Harbour, Nusajaya and affordable Denai Nusantara also in Nusajaya – which will cater to the aspirational needs of all our potential buyers.

At the same time, we expect continued income from our overseas developments will cushion any downside in revenue from our local properties. Aurora Melbourne Central has the potential to bolster our earnings for the next three to five years as we have only launched the residential component, and still have the retail, commercial and serviced apartment/hotel in the pipeline with an estimated GDV close to AUD180 million which we are most likely to launch before year end.



Despite domestic market conditions, housing remains a basic necessity and demand for quality, affordable homes will always be there. We at UEM Sunrise are committed to meeting this demand as we continue to build on our expanding portfolio of innovative products that cater to all segments of the Malaysian population. Leveraging on our development expertise and insight into Malaysians' needs and expectations, we will continue to focus on Enhancing Lives to the best of our ability.

### **ACKNOWLEDGEMENTS**

As the newly appointed CEO of UEM Sunrise, I would like to take this opportunity to thank the Board for their confidence in my abilities. It is an honour to lead a company that is changing the Malaysian urbanscape as much as this organisation is, and I have every intention of reciprocating the trust placed in me by further building UEM Sunrise's capabilities, our productivity and performance, both within Malaysia and abroad. I would further like to acknowledge members of the Board for their steadfast counsel which has helped us stay the course even through challenging times.

On behalf of the Management, I would like to thank our numerous stakeholders – from our growing league of partners to the regulatory authorities, State and Federal Government bodies, our investors, shareholders and customers – for your continued support of UEM Sunrise. Rest assured that we truly appreciate your contributions and strive continuously to increase our value to you.

I would also like to express my heartfelt gratitude to all employees of UEM Sunrise. I realise this is the first full year of the Company's rebranding following the merger between UEM Land and Sunrise. Yet I can sense a strong feeling of unity across the organisation and would like to acknowledge all your efforts to come together as one force, with one vision, namely to Build Communities of the Future. Keep up your excellent work, and let's continue Enhancing Lives together.

**Anwar Syahrin Abdul Ajib**  
*Managing Director/Chief Executive Officer*

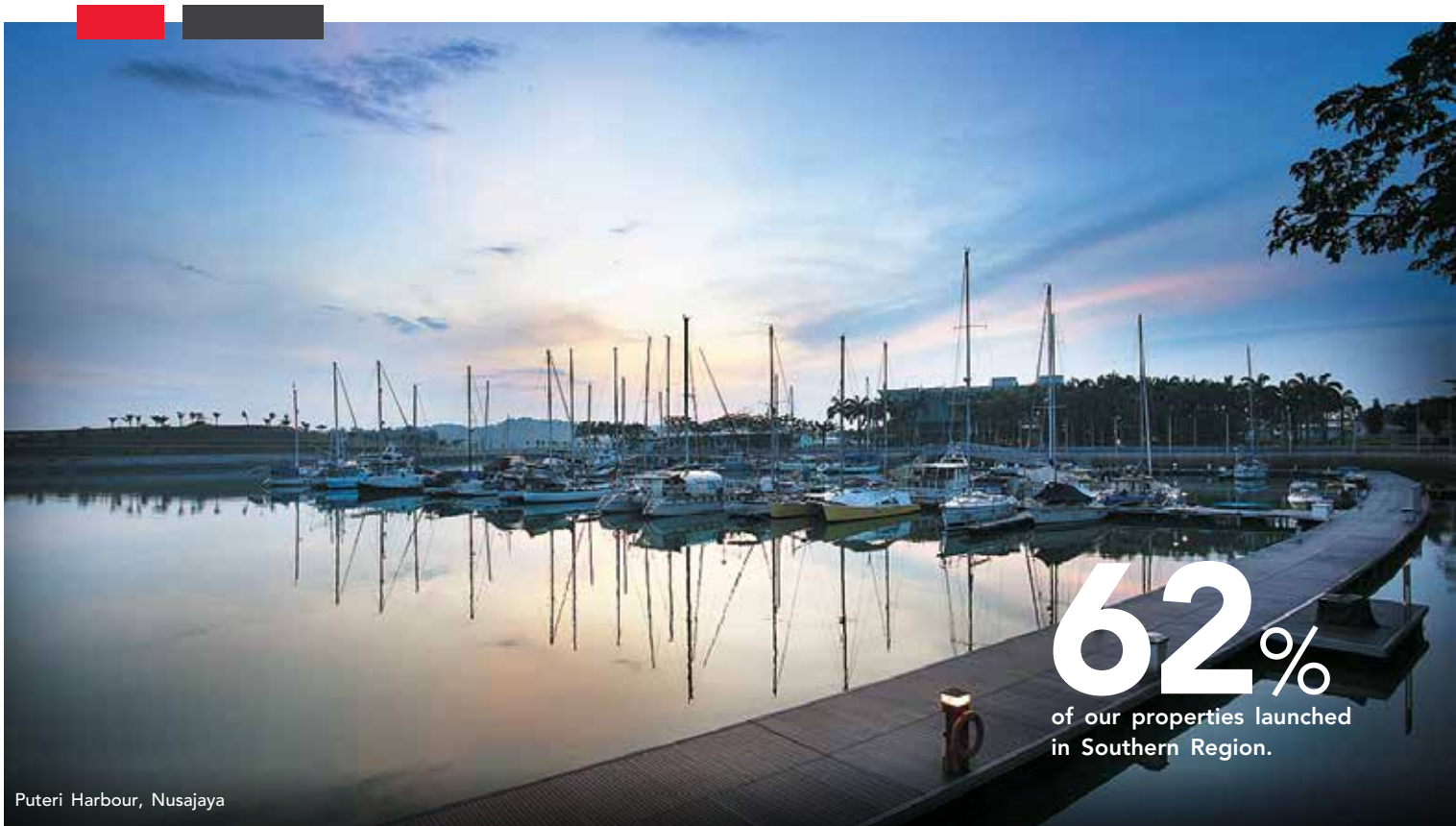
# BUSINESS REVIEW

The slowdown in the Iskandar Malaysia region has to a certain degree affected sales in selected market segments, but we at UEM Sunrise continue to have confidence in our projects while at the same time, source for opportunities elsewhere, gradually spreading our geographical risk. To date, looking at the number of the properties we have launched in the market, 62% is from the Southern region, all of it in Nusajaya; 22% from the Central region; while the remaining 16% is from the International presence. These included strategic collaborations with renowned property developers, most notably our Horizon Hills development in Nusajaya, an integrated golf-themed residential development with Gamuda Berhad.

Our landbank to date is approximately 14,600 acres including lands that are held under our JV entities – with 77% located in the Southern region, 6% in the Central region, 16% in Perak and 0.2% internationally. This includes lands earmarked for projects that are still in the pipeline and those for which we have no immediate development plans. Our total estimated GDV in line with our total landbank is RM103.3 billion.







Puteri Harbour, Nusajaya

**62%**  
of our properties launched  
in Southern Region.

# SOUTHERN REGION

As the master developer of Nusajaya, our role is not just to develop properties but to build the address into a regional destination. To accomplish that, we have introduced several catalytic projects for Nusajaya.

## Catalyst Developments

Puteri Harbour is our integrated waterfront development spanning a gross area of 688 acres. A number of components are already in operation and they include the public marina, Marina Clubhouse, Puteri Harbour International Ferry Terminal, themed attractions Sanrio Hello Kitty Town and The Little Big Club by Themed Attractions and Resorts Sdn Bhd and a 4-star business hotel under the Shangri-La house brand name, Hotel Jen Puteri Harbour (formerly known as Traders Hotel). The ferry terminal became operational in May 2013 and currently serves two routes – to Tg. Balai, Karimun and Batam Centre, Batam both in Indonesia. Other potential routes are currently being explored. As at December 2014, it has welcomed more than 46,000 passengers.



The Ledang Urban Retreat, Nusajaya

Most of our development partners in Puteri Harbour have also commenced works and launched their projects namely the Puteri Cove Residences, Pinetree Residences, Encorp Marina and the most recent, the Southern Marina Residences.

We are currently looking to expand the public marina and develop a proposed convention centre located adjacent to the Puteri Harbour International Ferry Terminal. Plans are also underway to include a yacht club and mega yacht marina.

Kota Iskandar, the Johor State Government's administrative centre located adjacent to Puteri Harbour, was completed in 2009. It currently houses the Chief Minister and State Secretary Complex, State Legislative Assembly Building, Ceremonial Plaza and three office buildings. Approximately 2,200 staff are working in Kota Iskandar. Towards end of November 2014, our JV company with the Johor State Government, Cahaya Jauhar Sdn Bhd, completed and handed over the Kota Iskandar Mosque to the State Government. This 'garden mosque' has been built along the kiblat axis, and is surrounded by scented plants and shaded trees. It is an extension of the State Legislative Assembly Building and boasts elaborate

carvings of Quranic verses within its walls. Occupying 7.7 acres, it has the capacity to accommodate approximately 6,000 people.

SiLC is a managed industrial park over approximately 1,300 acres conceptualised as clusters with emphasis on advanced technologies, biotechnology and integrated logistics. Phases 1 and 2 are sold out, with 39 out of 42 completed factories in operation while another 230 are currently under construction. Earthworks are ongoing for Phase 3 and expected to be completed by September 2015, followed by infrastructure works. It is expected to have a net area of approximately 196.5 acres made up of Zones A, B and C with a total of 86 industrial serviced lots ranging from one to five acres each.

Bio-XCell is a JV with Malaysian Biotechnology Corporation Sdn Bhd located within SiLC. Bio-XCell is Malaysia's first dedicated biotechnology park. To date, the Platinum Scheme (comprising three to four acres customised built-to-lease plants) and four units of the Standard Shell schemes in the Central Hub have been completed. Other components in the Central Hub, namely the main administration buildings, auditorium, laboratories and incubation facilities, are



SiLC consists of

**86**

industrial serviced lots ranging from one to five acres each.

completed pending issuance of certificate of completion and compliance. The Central Utility Facilities – i.e. chilled water supply, steam production, power distribution and industrial waste water management – are also completed.

Afiat Healthpark covers 67 acres and is a healthcare destination catering to modern medicine, traditional and complementary medicine, and wellness. It is centred on private hospitals supported by other health related facilities. Columbia Asia Hospital, an 80-bed private hospital, began operations in 2010. The latest addition is DB Hartanah Sdn Bhd’s wellness centre which is currently under construction and targeted to be completed by end 2015.

Catalyst projects being undertaken by IIB are also taking shape. LEGOLAND® Park, the first of its kind in Asia, opened in September 2012. LEGOLAND® Water Park and LEGOLAND® Hotel became operational in October and November 2013 respectively.

EduCity™ Iskandar Malaysia, a development by EduCity Iskandar Malaysia Sdn Bhd – a subsidiary of IIB, is a multiversity education hub in Nusajaya, Johor and home to top global institutions, schools and colleges, experienced faculty and a diverse student body. EduCity™ also offers student accommodation and promotes a healthy lifestyle through recreational and sports activities organised at the sports complex, which includes an athletic stadium, an indoor stadium and an aquatic centre.

Gleneagles Medini, the 300-bed hospital owned by IHH Healthcare Berhad is currently under construction.

Pinewood Iskandar Malaysia Studios, a collaboration between Khazanah and Pinewood Shepperton plc of the UK boasts 50 acres of state-of-the-art Film Stages, TV Studios and Post

Production facilities (provided by Imagica South East Asia). The Studios also offer a Green Screen Tank and an indoor water tank in the 30,000 square feet Film Stage. The backlots for outdoor filming includes a 30-acre natural forest. The Studios were used for the filming of Marco Polo, a 10-episode American drama shown on internet streaming media Netflix and Asia’s Got Talent – Judges Auditions which premiered on Astro’s AXN Asia Channel recently.

Our next wave of catalytic project in Nusajaya will be centred in Gerbang Nusajaya (“Gerbang”). Measuring a gross area over 4,500 acres, Gerbang is expected to be supported by regional connectivity and economic collaborations with local and regional players. Its development will take place in five phases focusing on lifestyle and retail parks, industrial parks as well as residential precincts.

Among the components in the first phase are FASTrack Iskandar (Motorsports City) and Nusajaya Tech Park. FASTrack Iskandar (Motorsports City) is a 300-acre motorsports hub boasting R&D facilities, a 4.5 km long FIA-Grade 1 test track, 1.5 km long CIK-Grade A karting track, bonded warehouses, workshops and car showrooms as well as entertainment and F&B outlets. Works are expected to commence by end 2015. The ground-breaking ceremony for Phase 1 of Nusajaya Tech Park, a 40:60 development between us and the Ascendas Group of Singapore, was held on 12 June 2014. 21 units of ready-built factories were put up for sale which saw a take-up of 62% (including bookings) as at end December 2014. These units are expected to be ready by December 2015.

### Residences

East Ledang is a prestigious offering of contemporary and spacious luxury resort homes nestled within 348 acres featuring 31 esoteric, intimate and lush gardens. Offering a total of 3,677 units with a GDV of RM6.2 billion, 1,446 units in this secured, guarded, patrolled and monitored community have been launched with a take-up rate of 91% as at end December 2014.



Nusa Idaman is a medium to medium high residential development spanning 251 acres with a total of 2,897 units and GDV of RM1.9 billion upon completion. It offers lush parks, recreational areas and a signature linear park. It also enjoys convenient access to the Second Link Expressway via the Nusa Idaman Interchange. A total of 2,079 units have been launched with a 95% take-up rate as at end December 2014.

Nusa Bayu was conceptualised to meet the needs of first time house buyers. The earlier bulk of the development were mainly landed but in September 2014, we launched Nusa Bayu's first high rise development known as Bayu Angkasa. This hillside apartment is located on an 8.5-acre land and comprises two blocks. Block B is currently opened for sale. To-date, a total of 2,223 units of properties have been launched including 101 shop units. The development is planned for a total of 2,878 units with a GDV of RM1.3 billion. The take-up rate as at end December 2014 is 72%.

Imperia was the first project to be launched at Puteri Harbour and the first development in Johor to be GBI Gold certified. The low-density mixed development comprises a 35-storey condominium block and 16-storey office tower with a total GDV of RM469 million. All 246 residential units have been launched, and 98% have been sold as at end December 2014.

Teega is a mixed commercial residential address offering a tranquil resort atmosphere, with serviced apartments, condominiums and cabanas as well as lifestyle offices, retail and F&B outlets amid a lush garden setting. Of 1,371 units, a total of 1,343 residential and office units have been launched with a take-up rate of 98% as at end December 2014. The retail units have yet to be launched. The development has a total GDV of RM1.2 billion with expected completion by 2016.

Almās, situated on 12.2 acres, is a mixed development comprising two blocks of offices, a lifestyle retail boulevard, two blocks of residences and one block of suites. Advancing towards fulfilling the quality and environmental standards of CONQUAS and Green Mark, it has a total of 1,513 units boasting a GDV of RM1.6 billion. In early 2014, 546 residential units were launched, achieving a take-up of 31% as at end December 2014.

The residential component at Somerset Puteri Harbour, a 50:50 JV with United Malayan Land Bhd consists of 164 serviced apartment units and 4 penthouses. To date, 166 units have been sold. The grand opening of the serviced apartment, to be managed by Ascott is slated for June 2015. The project boasts a total GDV of RM220 million.

Horizon Hills, our 50:50 JV with Gamuda Berhad is an up-market integrated golf-themed residential and leisure development sprawling across 1,227 acres of rolling greens with a GDV of RM7.0 billion. Each of nine residential parcels – The Gateway, The Golf, The Hills, The Green, The Canal Garden, The Valley, The Cove, The Woodlands and The Peak – has its own unique landscaping attractions. With 24-hour security, this residential haven has enjoyed a 78% take-up rate out of 4,016 units that have been launched as at end 2014.

Emerald Bay is a 111-acre residential project being undertaken by a 60:40 JV between UEM Land and BRDB Development Sdn Bhd. Comprising bungalows, semi-detached and courtyard homes as well as apartments, with amenities including a marina village/clubhouse, a yacht club and two marinas, the project has a total GDV of RM3.6 billion. A total of 82 units have been launched, with a take-up rate of 91%. The JV company, Haute Property Sdn Bhd, aims to launch the landed villas and low-rise apartments in 2015.

### **Assets under Property Investment**

We have plans to expand our existing property investment portfolio to generate recurring income in the future. Among the notable ones are:

The Ledang Urban Retreat Clubhouse, with a gross floor area ("GFA") close to 25,000 square feet, is built in luxurious contemporary Malay style to cater for residents living in East Ledang. It is equipped with a spa centre known as Angsana Spa Nusajaya, developed and managed by the Banyan Tree Spa group, a 50-metre infinity swimming pool, gym, meeting rooms and three restaurants.

The Marina Clubhouse in Puteri Harbour, with a GFA of slightly above 29,000 square feet, is a satellite clubhouse dedicated for yachters and provides services and facilities such as a launderette, chandlery shop, café, meeting rooms, library and chart room, water sports activities and river cruising.

Anjung Strip Mall in East Ledang, with a GFA of 152,000 square feet, is the neighbourhood mall. As of year end, it has 21 tenants including MYDIN, Daily Fresh and the Raffles American School.

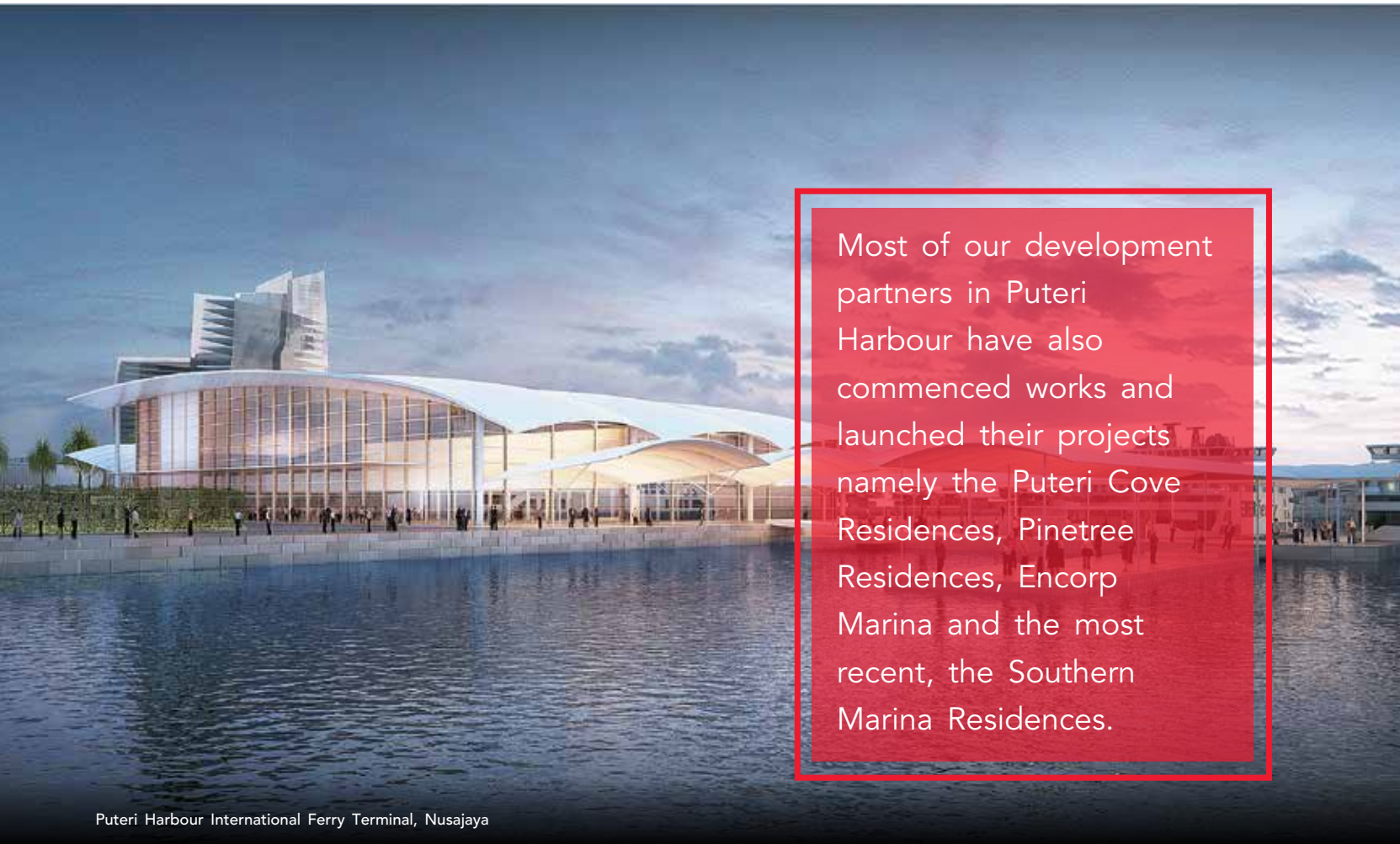
The Mall of Medini located in Medini is envisioned as a premier retail and lifestyle entertainment hub and enjoys the synergy of the adjacent LEGOLAND® Malaysia. Phase 1 with a GFA of 200,000 square feet is mainly street-style retail comprising F&B, speciality outlets and gift shops. We are currently exploring the development potential of Phase 2.

### **In the Pipeline**

Estuari measures close to 400 acres and is located at the north of Kota Iskandar and Puteri Harbour. The project is designed around an eco-living concept where nature and development is pursued in harmony with good interface between land and water. It will feature a variety of residential



Kota Iskandar, Nusajaya



Puteri Harbour International Ferry Terminal, Nusajaya

Most of our development partners in Puteri Harbour have also commenced works and launched their projects namely the Puteri Cove Residences, Pinetree Residences, Encorp Marina and the most recent, the Southern Marina Residences.

units ranging from landed to low rise luxury condominiums as well as commercial units with an estimated total GDV of RM4.3 billion. Phase 1 measuring close to 50 acres is targeted to be launched in 2015.

Citra Nusantara is an affordable home development on an area close to 155 acres in Nusajaya. Plans are currently being finalised on the concept, whereas Denai Nusantara, another affordable home development comprises five 12-storey blocks of three-bedroom apartments with a built-up area of 1,000 square feet each. The ground-breaking ceremony was carried out in November 2014 and we target to officially launch the project with a total of 1,109 apartments and 108 single-storey shop lots with a GDV of RM188 million in the first half of 2015.

Residential South is a JV residential development with Iskandar Coast Sdn Bhd across approximately 208 acres in Puteri Harbour. Conceptualised as a harmonious development

of eco-friendly living experience, water living and forest, the project is expected to have a total estimated GDV of RM4.7 billion, mostly comprising landed residences namely terraced homes, semi-detached houses, bungalows and some luxurious low rise apartments.

In Desaru, we are currently planning for a high end resort residential development surrounding two golf courses and a beach club sprawling across a gross area of approximately 680 acres. The opportunity was set in motion when Desaru Development Corporation Sdn Bhd ("DDC") was entrusted to revitalise the Desaru area and invited UEM Sunrise to participate in the development of the resort residential. The project is undertaken by three JV companies, 51% owned by UEM Sunrise and 49% by DDC's subsidiaries and planning is currently underway for the development of 122 bungalows and terraced villas on land parcels called Residential 7 and Residential 12. The total GDV for the entire project is estimated at around RM10.5 billion.



Arcoris Plaza, Arcoris Mont'Kiara, Kuala Lumpur

**22%**  
of our properties launched  
in Central Region.

# CENTRAL REGION

## Residences

Our developments in the Central Region are located in Mont'Kiara, Kuala Lumpur, Cyberjaya and Forest Heights in Seremban, the latter being undertaken via our JV with MCL Land Limited ("MCL Land") of Singapore. Pipeline projects include those in Bangi and Kajang.

Symphony Hills is a high end residential development on 98 acres of land located in Cyberjaya. It represents Malaysia's first Connected Intelligent Community complete with home automation controls, integrated facilities and services, online accessibility and advanced security features. The terraced houses, twin villas, townhouses, high rise Verdi eco-dominiums apartments and clubhouse – called The Opera – present a total of 2,500 residential units with a GDV of approximately RM1.7 billion. As at December 2014 a total of 1,216 units have been launched with a take-up rate of 50%. 128 units were handed over to the buyers as at end December 2014.

Arcoris Mont'Kiara is a mixed-use development designed by London-based award-winning architectural firm Foster+Partners. The 6-acre development with a total GDV of RM1.1 billion encompasses an 18-storey tower of serviced residences; and a 35-storey tower comprising a hotel, SoHo units and business suites with retail spaces occupying the central plaza. All 959 units have been launched, and 99% have been sold as at December 2014 bearing testimony to a distinctly high level of aesthetic and functional quality.

Residensi22 adds four 38-storey tower blocks to the Mont'Kiara skyline, with a total of 534 units ranging from 1,878 square feet to 3,043 square feet, and a GDV of RM941 million. Block A, with 264 units, was launched in November 2013 and is fully taken up. Another 270 units in Block B were opened for sale in April 2014 with a take-up rate of 62% as at end December 2014.



Symphony Hills, Cyberjaya

Summer Suites & Summer VOS occupy 1.65 acres of Kuala Lumpur's golden triangle at the intersection of Jalan Sultan Ismail and Jalan Ampang, with convenient urban rail access via the Dang Wangi LRT and Bukit Nanas monorail stations. The development comprises two towers offering a total of 877 office suites sized from 444 square feet to 866 square feet with a total GDV of RM434 million. Both are still under construction. The project's cumulative take-up rate as of end December 2014 was 98%.



Opera Club House, Symphony Hills, Cyberjaya





Sefina Mont'Kiara, Kuala Lumpur

Sefina Mont'Kiara is a unique beach themed low-density high rise residential development on a 3-acre land with an estimated GDV of RM311 million.

Radia at Bukit Jelutong is a 50:50 JV with Sime Darby Property Sdn Bhd sprawling across 21 acres of land, commanding a GDV of RM1.6 billion. Boasting a unique hand fan shaped design, and inspired by a fusion of Mediterranean and Asian themes, it is a mixed development comprising 640 residential units, 238 office units and 186 retail units. Three residential blocks were launched in 2014 totalling 388 units. These residential blocks have a GDV of RM274 million. Blocks B and C are 75% and 82% sold respectively as at December 2014 whereas Block D, which was launched only towards end 2014, has a take-up rate of 14%.

Coffee, British India, Galeri Chandan and a growing mix of quirky and independent boutiques and eateries. Recent events included the 1600 Pandas World Tour which is currently on a world journey to promote the message of panda conservation and sustainable development, Prudential Malaysian Eye art exhibition, a showcase of contemporary art from emerging Malaysian artists, Coffee & Art Fringe Festival Asia (CAFFA), The Cooler Lumpur Festival, as well as a series of other multi-disciplinary celebration of arts.

Forest Heights is a 50:50 JV with MCL Land on 488 acres of land in Seremban, Negeri Sembilan. It comprises a total of 2,839 single and double-storey link houses, bungalows and retail shop offices, with a GDV of RM1.0 billion. To date, 818 residential units have been launched with a take-up rate of 93% as at end December 2014.

#### Assets under Property Investment

We are proud of the success of Publika, a creative mall located in the prime integrated development of Solaris Dutamas, Kuala Lumpur. With a net lettable area of approximately 335,000 square feet enlivened by sculptures and murals, it has strongly affirmed itself as a creative hub as well as a favourite destination for local and expatriate families from in and around Kuala Lumpur. Its major tenants include Ben's Independent Grocer (B.I.G.), The Social, Sony Centre, San Francisco



Publika Square, Publika, Kuala Lumpur

### In the Pipeline

Serene Heights, Bangi is an integrated township development with the concept of a modern tropical theme tinged with a touch of “balik kampung” nostalgia. It is surrounded by pocket gardens and lush greenery. Its Creekside parkland which spans 25 acres is one of the dedicated green zone in Serene Heights, complemented by a winding 3.5 km and 3 meters wide bicycle and jogging track, reflexology path, outdoor gym and a raised gazebo with congkak and checker box, which add to the scenic environment, creating a nature-inspired sanctuary conducive for a healthy and well-balanced lifestyle. Spread across 448 acres of land, Serene Heights

will comprise double-storey terraced homes, semi-detached houses, bungalows, condominium and commercial to be developed in stages over the next 10 years. It currently has an estimated total GDV of RM2.7 billion. The first phase is targeted to be launched before the end of first half of 2015.

Sefina Mont’Kiara is a unique beach themed, low density high rise residential development on a 3-acre land with an estimated GDV of RM311 million. It comprises 245 apartment units with built-ups from 1,333 square feet to 1,771 square feet.



Serene Heights, Bangi



**16%**  
of our properties  
launched internationally.

Our international presence is still in its early stage. Our first venture outside of Malaysia was Richmond, Vancouver in Canada followed by Melbourne in Australia.

Aurora Melbourne Central, Melbourne, Australia

# INTERNATIONAL **PRESENCE**

## **Residences**

Quintet is a mixed residential and commercial development situated on a 4.8-acre freehold land at Minoru Boulevard City located in Vancouver, Canada. It comprises 5 tower blocks and townhouses ranging from 500 square feet for a 1-bedded unit to 1,500 square feet penthouses. Phase 1, comprising 292 units, was launched in September 2010. It is fully taken up and by the end of December 2014, a total of 289 units have been handed to the buyers. Phase 2, comprising 412 units was launched in June 2011 with take-up as at December 2014 of 89%. The project has a GDV of CAD400 million and is expected to be completed by end of 2015.

## Quintet

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**289** units

have been handed over to the buyers as at December 2014.

## Aurora

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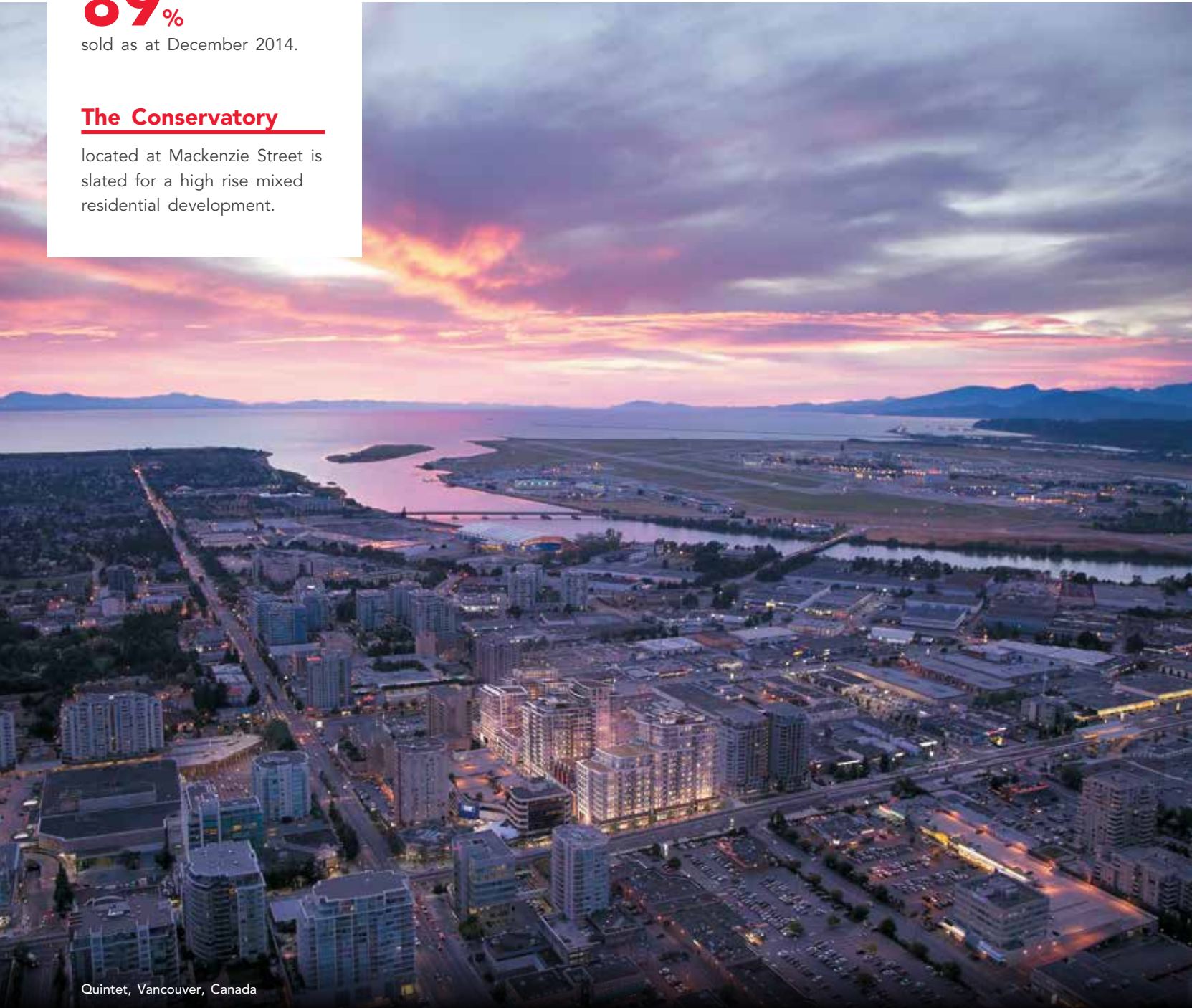
**89%**

sold as at December 2014.

## The Conservatory

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located at Mackenzie Street is slated for a high rise mixed residential development.



Quintet, Vancouver, Canada

Aurora Melbourne Central is a 92-storey integrated development in Melbourne's Central Business District with a total GDV of AUD757.5 million. Phase 1 comprising 941 residential units with a GDV of AUD552.3 million was launched in October, attracting a take-up of 89% as at end December 2014. We plan to launch the retail, commercial and serviced apartment components, with a total estimated GDV of AUD180 million, towards the end of 2015.

### **In the Pipeline**

The Conservatory, on 0.5 acres on Melbourne's Mackenzie Street, is slated for a high rise mixed residential development with an estimated GDV of AUD200.6 million. It is still under planning; upon the relevant approvals, we hope to launch it towards the end of 2015.

Alderbridge in Vancouver was acquired in April 2014 and located two blocks away from Quintet. We plan to develop the land into another integrated mixed residential and commercial development similar to Quintet. Under the current plans, we are looking at a total estimated GDV of CAD420 million.



The Australis Collection, Aurora Melbourne Central, Australia

# 2015 OUTLOOK



Symphony Hills, Cyberjaya

The global economy is expected to continue expanding at a moderate pace in 2015, with increasing divergence in the growth momentum among the major economies. Global growth will be supported by gradual but uneven improvements in the advanced economies and sustained growth in most emerging economies. The International Monetary Fund predicted the US economy to grow by 3.6% in 2015 and 3.3% in 2016 respectively, up by 0.5 and 0.3 percentage point respectively from its previous forecasts. Its domestic demand is expected to be supported by lower oil prices, more moderate fiscal adjustment, and continued support from accommodative monetary policy stance, despite the projected gradual rise in interest rates. The economic activity in the Euro area and Japan however is predicted to remain soft in 2015. As for China, according to the recent World Economic Outlook report, growth is projected to continue to moderate towards a more sustainable path as policymakers continue to undertake structural reforms to rebalance the key drivers of the economy.

Growth prospects in most emerging economies are expected to be sustained by the continued expansion in domestic demand and gradual improvement in external demand, following the recovery in several advanced economies. For 2015 in Asia, sustainable growth is expected, supported by the continued expansion in domestic activity and improving external demand. Capital spending, particularly on infrastructure development, will continue to support the expansion in domestic demand.

Malaysia's economic outlook is expected to be affected by developments in the global scene. Export growth is projected to be lower due to the low commodity prices while at the

same time, uncertainties regarding the strength of the global economic outlook and the sharp decline in the global oil prices have raised concerns on the country's fiscal and balance of payment positions. These developments have affected market sentiments and resulted in greater volatility in the capital market towards end 2014 and early 2015. The Malaysian economy is projected to register a steady growth of 4.5 to 5.5% in 2015 (2014: 6.0%), supported mainly by sustained expansion in domestic demand.

Household spending is expected to be affected by the implementation of the Goods and Services Tax ("GST") on 1 April 2015. Domestically, although the implementation of the GST will result in higher prices for some goods and services, the extent of the inflationary impact is expected to be contained by two factors – (1) The need for basic necessities such as fresh food and utilities which are zero-rated or exempted from the GST, minimising the extent of overall price increases, and (2) items such as clothing and electrical appliances which are already subjected to the same or higher tax rates under the Sales Tax and Service Tax ("SST"). With the GST replacing SST, prices of these items should remain relatively stable.

According to Bank Negara Malaysia, the decline in global oil prices will lead to lower domestic fuel prices through the managed float fuel pricing mechanism introduced by the Malaysian Government. The expenditure rationalisation undertaken by the Government in relation to the lower oil prices, helped reduce the subsidy burden of the Government, raised efficiency and supported the long-term sustainability of not only the country's fiscal position but also the overall growth prospects. The subdued external price pressures also mitigate increases in the cost of imports stemming partly from the recent Ringgit depreciation, thereby reducing overall imported inflation.

In the Budget 2015 tabled in October 2014, fiscal resources were strategically prioritised towards infrastructure projects with larger multiplier effects; investments to enhance future productive capacity and programmes for capacity building. These included public infrastructure projects such as highways, railways and urban public transportation. Malaysia's Prime Minister, Dato' Sri Haji Mohammad Najib bin Tun Haji Abdul Razak also tabled the revised budget on 20 January 2015 in view of the falling crude oil prices. While operating expenditure is slashed by RM5.5 billion, development expenditure remains at RM48.5 billion, unchanged from the original budget tabled in October 2014.

The overall residential and commercial property transaction volume is expected to fall by 5 to 10% in the first half of 2015 and 3 to 5% in the second half of 2015. Loan rejection rate remains high currently at 40 to 50% of loan submissions as banks continue to tighten mortgage lending. Buyers are likely to adopt a wait and see attitude post GST implementation while the clarity on its impact is expected in the second half of 2015. The property market is expected to regain momentum thereafter.



Almās @Puteri Harbour, Nusajaya

# CORPORATE PROFILE

UEM Sunrise Berhad (“UEM Sunrise” or the “Company”) is a public company listed on the Main Market of Bursa Malaysia Securities Berhad. It 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 arm 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 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 close to 24,000 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 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, commercial and industrial 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.

Gerbang Nusajaya, the second phase development of Nusajaya is a 4,551-acre project which will feature various catalytic developments including Nusajaya Tech Park, Motorsports City, Signature Residences and Gerbang Nusantara. Gerbang Nusajaya will be developed over a period of 25 years and will include components such as lifestyle & retail parks, campus offices & industrial parks as well as residential precincts.

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 28 Mont’Kiara, Arcoris Mont’Kiara and Residensi22. 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 presence extends internationally into Vancouver, Canada via its mixed-use development, Quintet and the most recent being Aurora Melbourne Central in Melbourne, Australia. It also oversees the sales and marketing of Khazanah and Temasek’s Marina One and DUO mixed-use developments in Singapore. UEM Sunrise also retains a landbank 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**  
Non-Independent Non-Executive  
Chairman

**Anwar Syahrin Abdul Ajib**  
Managing Director/  
Chief Executive Officer

**Dato' Izzaddin Idris**  
Non-Independent  
Non-Executive Director

**Oh Kim Sun**  
Senior 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

**Ungku Suseelawati Ungku Omar**  
Independent  
Non-Executive Director

## AUDIT COMMITTEE

**Lim Tian Huat**  
Chairman

**Oh Kim Sun**  
Member

**Dato' Srikandan Kanagainthiram**  
Member

## NOMINATIONS & REMUNERATION COMMITTEE

**Oh Kim Sun**  
Chairman

**Dato' Izzaddin Idris**  
Member

**Sheranjiv Sammanthan**  
Member

**Ungku Suseelawati Ungku Omar**  
Member

## BOARD TENDER COMMITTEE

**Dato' Srikandan Kanagainthiram**  
Chairman

**Dato' Izzaddin Idris**  
Member

**Lim Tian Huat**  
Member

## ESOS COMMITTEE

**Tan Sri Dr Ahmad Tajuddin Ali**  
Chairman

**Anwar Syahrin Abdul Ajib**  
Member

**Dato' Izzaddin Idris**  
Member

**Professor Philip Sutton Cox**  
Member

**Ungku Suseelawati Ungku Omar**  
Member

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Pusat Bandar Damansara  
50490 Kuala Lumpur

## REGISTERED OFFICE

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Jalan Stesen Sentral 5  
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50470 Kuala Lumpur  
Tel : 03-2727 6868  
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## PRINCIPAL BANKERS

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

## STOCK EXCHANGE

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

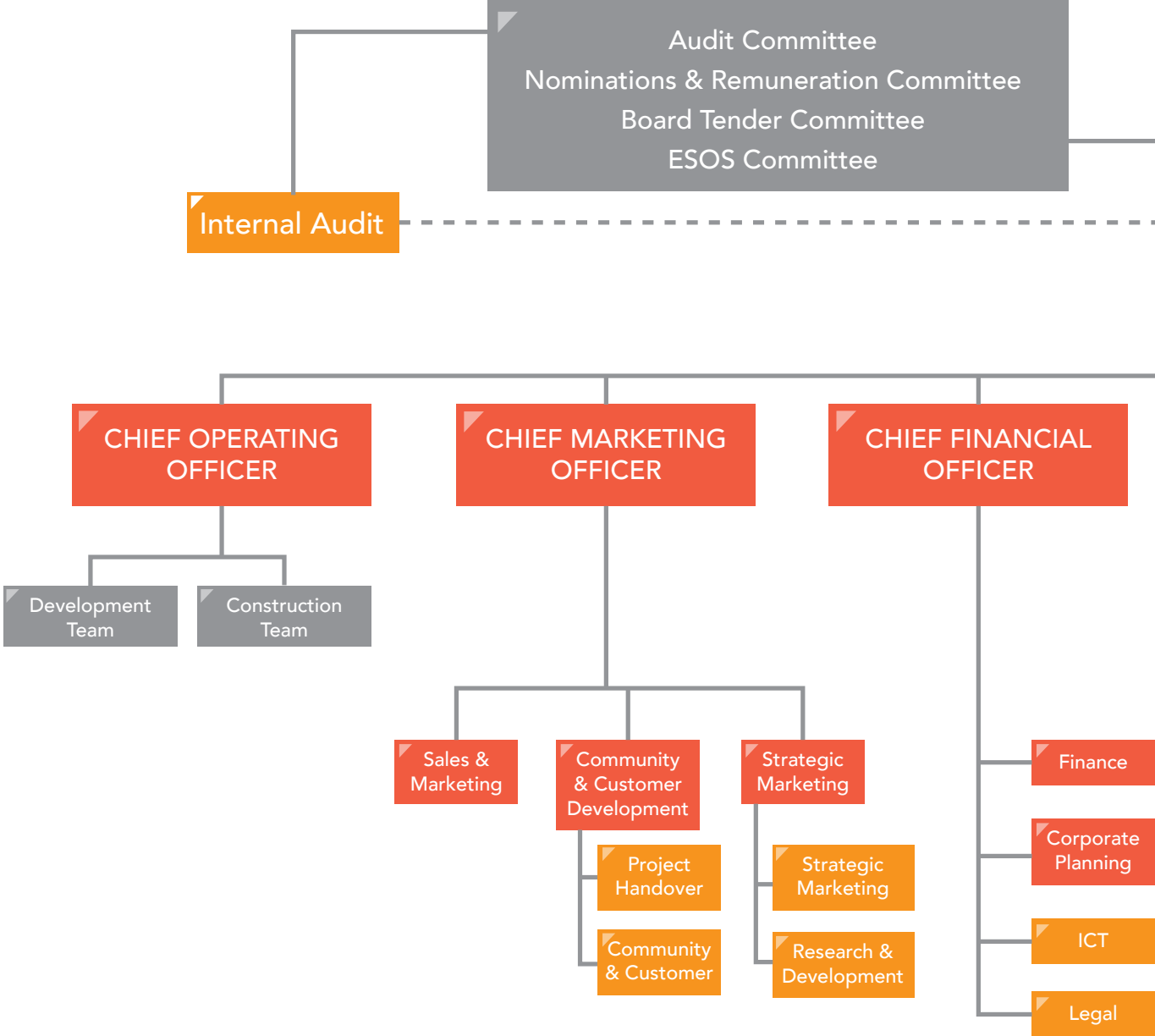


# GROUP CORPORATE STRUCTURE

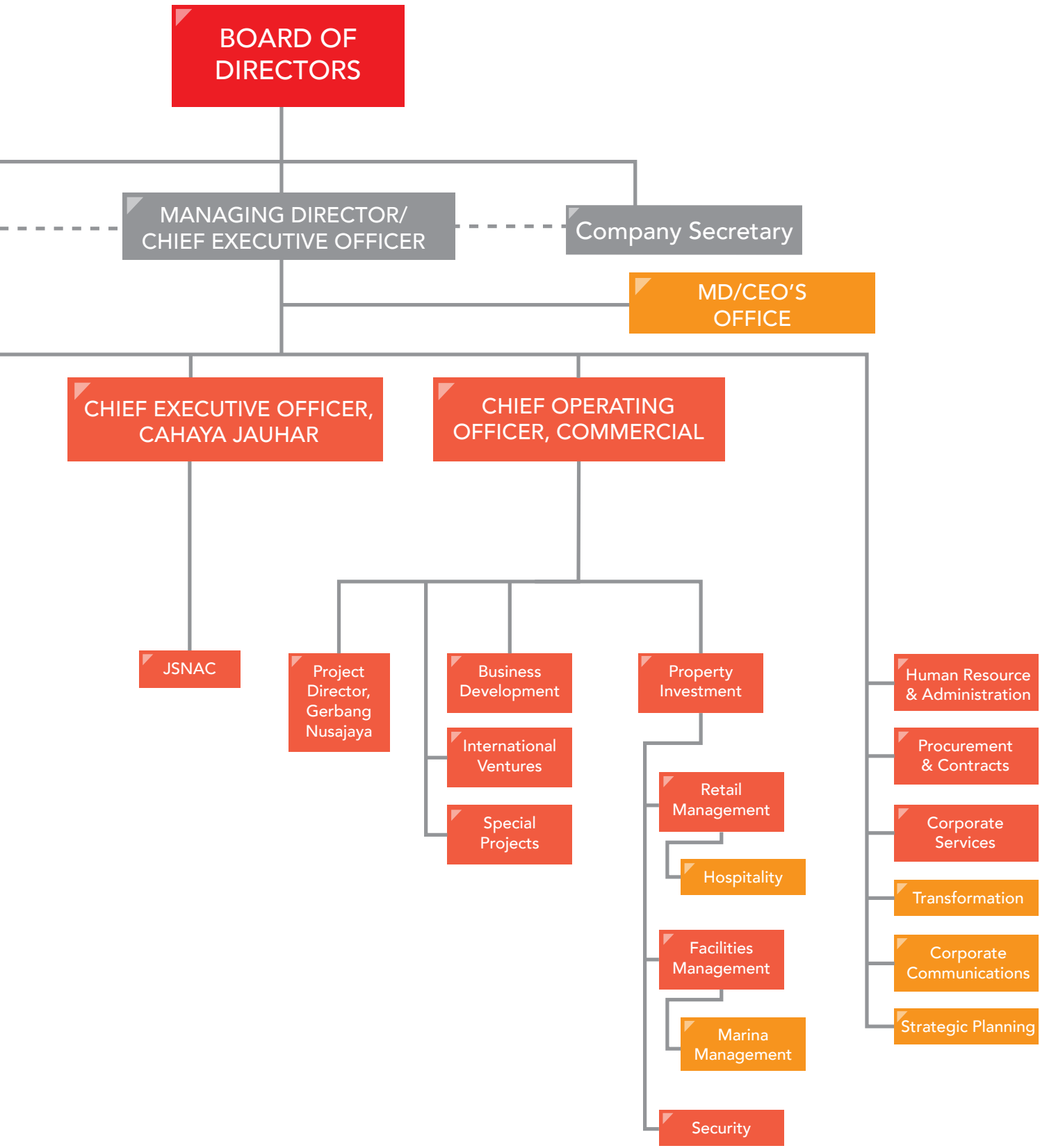
as at 31 March 2015

100% UEM Land Berhad	100% Sunrise Berhad	100% Arcoris Sdn Bhd	100% Aston Star Sdn Bhd	100% Bandar Nusajaya Development Sdn Bhd
100% Canada Sunrise Development Corp.	100% Lucky Bright Star Sdn Bhd	100% Marina Management Sdn Bhd	100% Nusajaya Development Sdn Bhd	100% Nusajaya Green Sdn Bhd
100% Nusajaya Heights Sdn Bhd	100% Nusajaya Medical Park Sdn Bhd	100% Nusajaya Resort Sdn Bhd	100% Nusajaya Rise Sdn Bhd	100% SCM Property Services Sdn Bhd
100% Sunrise DCS Sdn Bhd	100% Sunrise MS Pte Ltd	100% Sun Victory Sdn Bhd	100% Summer Suites Sdn Bhd	100% Sunrise Pioneer Sdn Bhd
100% Symphony Hills Sdn Bhd	100% UEM Sunrise (Australia) Sdn Bhd	100% UEM Sunrise (Canada) Sdn Bhd	62% Ibarat Duta Sdn Bhd	60% Aura Muhibah Sdn Bhd
80% Nusajaya Five O Sdn Bhd	80% Nusajaya Premier Sdn Bhd	60% Cahaya Jauhar Sdn Bhd	55% Nusajaya Lifestyle Sdn Bhd	51% Desaru North Course Residences Sdn Bhd
51% Desaru South Course Land Sdn Bhd	51% Desaru South Course Residences Sdn Bhd	50% Horizon Hills Development Sdn Bhd	50% Horizon Hills Resorts Berhad	50% Nusajaya Consolidated Sdn Bhd
50% Sime Darby Sunrise Development Sdn Bhd	50% Sunrise MCL Land Sdn Bhd	40% Haute Property Sdn Bhd	40% Malaysian Bio-XCell Sdn Bhd	40% Nusajaya Tech Park Sdn Bhd
30% FASTTrack Iskandar Sdn Bhd	40% Scope Energy Sdn Bhd	30% BIB Insurance Brokers Sdn Bhd	25% Setia Haruman Sdn Bhd	Legend: <ul style="list-style-type: none"> <li><span style="color: red;">—</span> Subsidiaries</li> <li><span style="color: orange;">—</span> Joint Ventures</li> <li><span style="color: yellow;">—</span> Associate companies</li> </ul>

# ORGANISATION STRUCTURE



- Legend:
- Division
  - Department



# EVENT HIGHLIGHTS 2014

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## 11 JANUARY GALLOPING IN STYLE

Residents got together at UEM Sunrise Fun Zone in Mont'Kiara, Kuala Lumpur to welcome the Year of the Horse. Children as well as adults had a fun-filled day with pony rides, acrobatic performances, Southern Shaolin Kung Fu, and a special unicorn dance. Various contests were also organised.

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## 3 FEBRUARY PERLIS ROYALTIES VISIT PUTERI HARBOUR, NUSAJAYA

Duli Yang Maha Mulia Raja Perlis Indera Kayangan, Tunku Syed Sirajuddin ibni Tuanku Syed Putra Jamalulail visited Puteri Harbour's Satellite Clubhouse in Nusajaya with his royal family. UEM Sunrise hosted the royal visit by highlighting the development of Puteri Harbour as well as the overall of Nusajaya developments in Iskandar Malaysia.

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## 7 FEBRUARY UEM SUNRISE & KUALA LUMPUR KEPONG TO JOINTLY DEVELOP LAND IN ISKANDAR MALAYSIA

UEM Sunrise and Kuala Lumpur Kepong Berhad have entered into agreements to jointly develop several plots of land in Iskandar Malaysia, specifically in Gerbang Nusajaya and Fraser Metropolis in Kulai, Johor.

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## 21 FEBRUARY – 2 MARCH HOME & PROPERTY SHOWCASE @SUBANG PARADE

Symphony Hills, Verdi eco-dominiums and Serene Heights were promoted at the Home & Property Showcase at Subang Parade, Selangor.

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## 21 FEBRUARY – 2 MARCH; 16 – 25 MAY; 7 – 16 NOVEMBER EPICA ROADSHOW @THE CURVE

Verdi eco-dominiums, Schubert and Serene Heights were displayed at three separate Epic Property Investment Centre Asia ("EPICA") roadshows held at The Curve, Petaling Jaya throughout the year.

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## 1 MARCH CREEPY CRAWLY CLASSIC DAY

Tresorians and their families enjoyed a Malaysian Philharmonic Orchestra matinee in Kuala Lumpur featuring the KL Children's Choir, who were joined on stage by a motley crew of insect characters.

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## 1 MARCH SAMBA STRIKE

Residents of UEM Sunrise-managed properties in Mont'Kiara and Dutamas, Kuala Lumpur had fun at a Bowling Samba Tournament that saw winners take home cash and other prizes.

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## 12 MARCH SCHOOL LIBRARY GETS UPLIFT

One of UEM Sunrise's PINTAR adopted schools, Sekolah Kebangsaan Taman Nusa Perintis 1 in Gelang Patah, Johor, officially opened its newly enhanced library. The facility was refurbished and upgraded with new books, presented worth RM30,000 for the benefits of more than 700 students.

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**16 MARCH**  
**LEARNING ENGLISH FAMILY (LEF)**  
**WORKSHOPS**

UEM Sunrise completed the Learning English Family (“LEF”) Workshops under the UEM English Learning Programme (“UELP”) covering 10 schools across the country. At the workshops, our volunteers exposed parents to English language learning materials to encourage them to inspire their children to learn the language. A total of 201 parents participated in the 10 workshops.

**17 – 23 MARCH; 21 AUGUST –**  
**1 SEPTEMBER; 7 – 16 NOVEMBER**  
**PROPERTY ROADSHOWS @PUBLIKA**

Symphony Hills and Verdi eco-dominiums roadshows were held at UEM Sunrise’s very own Publika in Solaris Dutamas, Kuala Lumpur which attracts daytime traffic of about 20,000 people.

**22 – 24 MARCH; 12 APRIL**  
**MOTIVATIONAL CAMPS FOR**  
**YOUTH AND PARENTS**

UEM Sunrise organised Phase 1 of Motivational Camp for 120 PINTAR secondary school students in Nusajaya at Tiram Indah Village, Johor Bahru. The objective was to inspire self-confidence and self-discipline in the youth as well as encourage them to be accountable for their actions. Phase 2 of the Motivational Camp, held at Kota Iskandar, Nusajaya, focused on developing stronger student-parent relationships and managing students/parents’ and teachers’ expectations.

**29 MARCH – 1 APRIL**  
**UKEC – GRADUAN MALAYSIAN**  
**CAREER FAIR @ UK**

UEM Sunrise took part in the UKEC-GRADUAN Career Fair 2014 to recruit Malaysians studying in the United Kingdom. The fair was held at the Lancaster Hotel, London.

**29 MARCH**  
**USE YOUR POWER, ONE HOUR,**  
**ONE EARTH, ONE WORLD**

A host of environmental activities were organised at Medini Mall in Nusajaya for the community and customers to celebrate Earth Hour. These included a puppet show on how to save the Earth, dancing to music created by recycled bins and watching cyclists use pedal power to light up a display.



**4 – 6 APRIL  
MAPEX**

UEM Sunrise's projects in the Central and Southern Regions were showcased at the MAPEX Exhibition organised by REHDA at the Mid Valley Convention Centre, Kuala Lumpur.

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**5 APRIL  
NUSAJAYA TREASURE HUNT**

The treasure hunt, themed Southern Gems Discovery, attracted 25 teams of four members each. By the end of the hunt, all the participants had become a lot more familiar with The Ledang Urban Retreat Clubhouse as well as properties developed by UEM Sunrise in Nusajaya.

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**6 APRIL  
QUALITY ENVIRONMENT/5S  
SYSTEM CERTIFICATION**

UEM Sunrise became the first property developer in Malaysia to be Quality Environment/5S System certified, following an audit by the Malaysian Productivity Corporation ("MPC").

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**12 APRIL  
TOUCHING IGUANAS ALIVE**

UEM Sunrise organised a "Farm in the City" tour featuring a Bird Show, Animal Feeding and Pony Ride for the residents of its managed properties in Mont'Kiara and Dutamas, Kuala Lumpur. While on the farm at Seri Kembangan, Selangor, the participants heard "parrot talk", coaxed giant turtles, fed the goats, and touched the iguanas.

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**15 – 17 APRIL  
ROADSHOW WITH IBM IN  
CYBERJAYA**

Symphony Hills, Verdi eco-dominiums and Serene Heights were promoted at IBM's Cyberjaya office.

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**18 – 20 APRIL  
RESIDENSI22 LAUNCH**

A media preview was held to announce the official launch of Residensi22 Block B at UEM Sunrise Showcase, Kuala Lumpur after the successful launch of Residensi22 Block A.

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**17 APRIL**  
**RESIDENSI22 APPRECIATION NIGHT**

In conjunction with a special preview of Residensi22 Block B, UEM Sunrise held an appreciation night for Block A purchasers and loyal customers at the Sime Darby Convention Centre, Kuala Lumpur.

**18 – 20 APRIL**  
**iPROPERTY INTERNATIONAL LUXURY PROPERTY FAIR**

In addition to exhibiting at the three-day iProperty Fair at the Kuala Lumpur Convention Centre, KLCC. UEM Sunrise was the exclusive sponsor for the Millionaire Forum which was held concurrently. The forum was opened to high net-worth individuals from iProperty's and Mastery Asia's databases.



**19 APRIL**  
**HOPPING EGG HUNT**

To celebrate Easter, we organised an Egg Hunt at the UEM Sunrise Fun Zone in Mont'Kiara, Kuala Lumpur as well as various craft activities, cake cutting, and birthday presents for all April-born children. We also brought in 30 rabbits of different species to charm the crowd.

**19 – 20 APRIL**  
**CPPS 3 @CYBERVIEW LODGE RESORT & SPA**

Symphony Hills and Verdi eco-dominiums were showcased at the Cyberjaya Premium Property Showcase held at the Cyberview Lodge Resort & Spa. The exhibition was led by Setia Haruman Sdn Bhd, the master developer of Cyberjaya. More than RM8 million in sales was generated from the exhibition.

**26 APRIL**  
**THE SOUND OF MUSIC TEA PARTY**

An appreciation tea party themed The Sound of Music was organised at the Opera Clubhouse in Symphony Hills, Cyberjaya exclusively for Symphony Hills purchasers.



**26 APRIL**  
**PINTAR MINI FOOTBALL**

UEM Sunrise, in collaboration with IIB, organised a PINTAR Southern Mini Football Challenge for our adopted schools at the Cryuff Court Iskandar, Johor Bahru. While promoting a healthy lifestyle, the inaugural sporting event for UEM Sunrise PINTAR students also served as a platform to uncover football talent.



**24 APRIL**  
**6TH ANNUAL GENERAL MEETING**

UEM Sunrise held its 6th AGM which saw the attendance of more than 1,600 shareholders and proxy members. The Company's progress was highlighted and several projects lined up aimed at the mid-market and affordable segments targeted for the year's launch were announced.



**5 MAY**  
**SITE VISIT BY SAFETY STUDENTS**

30 representatives from the National Institute of Occupational Safety & Health ("NIOOSH") Southern Region visited the construction site at Teega @Puteri Harbour in Nusajaya to observe safety processes in action.



**6 MAY**  
**WINNING SPICE GIRLS**

Five pairs of lady chefs competed in a cook-out at the UEM Sunrise Chill-Out Zone Community Centre serving up dishes from Japan to South India. The cooking contest was organised for residents of UEM Sunrise-managed properties in Mont'Kiara, Kuala Lumpur.



**6 MAY**  
**UEM SUNRISE & MULPHA INTERNATIONAL TO ESTABLISH THREE SETS OF ROADWORKS**

UEM Sunrise and Mulpha inked a Collaboration Agreement that will see its respective subsidiaries, Nusajaya Rise



**10 MAY**  
**PINTAR HIGH ACHIEVERS REWARDED**

UEM Sunrise recognised 68 PINTAR students at our sixth High Achievers Award held at Bangunan Sultan Ismail, Kota Iskandar, Nusajaya. The students, who excelled in the 2013 UPSR, PMR and SPM examinations, received RM300, RM400 and RM600 respectively, while the best overall students from each examination category also received an 11-inch MacBook Air each.



**20 MAY**  
**DAY OF FUTURISTIC APPRECIATION**

About 250 purchasers of Arcoris Mont'Kiara, Summer VOS and Summer Suites were rewarded with an exclusive screening of the blockbuster movie, X-Men Days of Future Past, at TGV cinema One Utama, Petaling Jaya. The guests dined at Indulge Restaurant before the show.



**23 – 25 MAY**  
**BN YOUTH JOB FAIR**

UEM Sunrise participated in the biggest job fair in Malaysia, the BN Youth Job Fair 2014, held at Dataran Putrajaya, Putrajaya. More than 38,000 visitors thronged the three-day event, and more than 5,700 resumes were deposited by job-seekers.



**23 MAY**  
**AUXILIARY POLICE HONOURED**

22 Auxiliary Police trainees from UEM Sunrise and Nusajaya Five-O, who had completed their two-month basic training at the Police Training Centre in Ulu Kinta, Perak, were honoured at a graduation ceremony. Constable Nurul Hidayah Bachok won an award for being the Best Female Shooter.





**27 MAY  
ROAD SAFETY PROGRAMME FOR  
PINTAR STUDENTS**

UEM Sunrise, in collaboration with PLUS Malaysia Berhad, organised a Road Safety Programme at LEGOLAND® Malaysia for 175 PINTAR students. The programme included a road safety talk, quizzes and mock driving tests in LEGO® cars.

**24 MAY  
JOINT EVENT WITH SME BANK**

SME Bank's customers were invited to UEM Sunrise Showcase, Kuala Lumpur and were introduced to its current developments namely Summer VOS, Summer Suites etc. A talk was also organised by property expert, Ahyat Ushak.

**7 – 8 JUNE  
PROPERTY GURU EXPO @MARINA  
BAY SANDS**

UEM Sunrise participated in the Property Guru Expo in Marina Bay Sands, Singapore, one of the biggest property events in the region.

**12 JUNE  
NUSAJAYA TECH PARK BREAKS  
GROUND**

UEM Sunrise and Ascendas Pte Ltd celebrated the groundbreaking of the Nusajaya Tech Park, an integrated tech park at Gerbang Nusajaya, in Nusajaya. The ceremony was graced by Malaysia's Minister of International Trade and Industry, Y.B. Dato' Sri Mustapa Mohamed, and Singapore's Minister of Trade and Industry, The Honourable Mr. Lim Hng Kiang.

**1 JULY  
TM COLLABORATES WITH  
UEM SUNRISE AND IIB FOR  
PROVISIONING OF SMART SERVICE**

TM signed an agreement with UEM Sunrise and IIB for the establishment of a JV Company that will offer and operate smart services in Nusajaya. The JV is one of the areas that have been identified in the Collaboration Agreement between TM, UEM Sunrise and IIB signed in 2012 for the development and management of the Smart and Connected Nusajaya.

**24 – 27 JULY  
STAR PROPERTY @G HOTEL**

UEM Sunrise generated healthy sales at the Star Property Fair at G Hotel, Penang. Properties preferred by Penangites included Arcoris Mont'Kiara and Verdi eco-dominiums.

**14 – 22 JULY  
RAMADAN GOODWILL**

UEM Sunrise ran several charitable activities in the Central and Southern Regions during the month of Ramadan. These included donating RM21,770.85 to the Pertubuhan Kanak Kanak Insan Istimewa Cemerlang Selangor; RM21,770.85 to Sekolah Kebangsaan Bangi to help meet the educational needs of underprivileged students; RM21,770.85 to Pertubuhan Kebajikan Al Kausar, a children's home in Selangor; RM21,770.85 to 46 students from Sekolah Kebangsaan Cyberjaya, Selangor; and RM53,000 to Rumah Nur Kasih Bistari, a children's home in Segambut, Kuala Lumpur. We also donated RM5,000 to Masjid Jamek Tapah Road in Tapah, Perak.

Iftar sessions were also held with Johor State local authorities and the students of Maahad Tahfiz School in Johor.



**12 AUGUST**  
**MOTIVATIONAL TALK FOR UPSR STUDENTS**

UEM Sunrise organised a motivational talk delivered by Azhar Othman, its Chief Financial Officer for 142 UPSR students from Sekolah Kebangsaan Bangi at Kolej Pendita Za'ba, Universiti Kebangsaan Malaysia, Bangi. This formed part of SK Bangi's UPSR Excellence Camp aimed at helping the students become more enthusiastic, confident, competent and hard-working.

**16 AUGUST**  
**RAYA SING-ALONG**

In conjunction with Hari Raya, loyal customers and the public were invited to our sales gallery at UEM Sunrise Showcase in Mont'Kiara, Kuala Lumpur to familiarise themselves with UEM Sunrise's projects. They were entertained by Helmi and Ning Baizura.

**20 AUGUST**  
**BEST COMPANY TO WORK FOR**

UEM Sunrise was named one of 40 Best Companies to Work for in Asia 2014 by the HR Asia Journal in partnership with Mercer. About 220 companies competed for the recognition of having the best workplace practices and employee engagement.

**23 AUGUST**  
**LEGENDARY TREASURE**

The UEM Sunrise Tresor Privilege Card was launched at a P.Ramlee-themed event complete with live performances of songs from the 50s and 60s by Malaysia's personality, Musli Ramlee held at Sime Darby Convention Centre, Kuala Lumpur.

**27 AUGUST**  
**EDUCATIONAL AID FOR CHILDREN'S SHELTER HOME 1**

UEM Sunrise presented RM32,000 to the Shelter Home 1 in Petaling Jaya to defray the cost of tuition of the 20 resident children. During the visit, our staff also conducted a story-telling session for the children and treated them to some snacks.

**5 - 7 SEPTEMBER**  
**MANAGERIAL & PROFESSIONAL JOB FAIR**

UEM Sunrise participated in the job fair held for senior managers and professionals, the Managerial & Professional Job Fair 2014 ("MJF14"). The event, held at the Mid Valley Exhibition Centre, Kuala Lumpur attracted 50,000 visitors.



**7 SEPTEMBER**  
**RESIDENSI22 LANTERN EVENT**

More than 500 guests packed the UEM Sunrise Showcase in Mont'Kiara, Kuala Lumpur for a mid-autumn spectacular featuring Chinese acrobats, a dragon dance and lantern parade.



**11 SEPTEMBER**  
**AMAZING PATRIOTIC RACE FOR PINTAR SCHOOLS**

UEM Sunrise organised an Amazing Patriotic Race for 12 PINTAR schools in Kota Iskandar, Nusajaya under our National Day Campaign. A total of 160 primary and secondary students competed in the treasure hunt-like patriotic competition that also tested their competency in English via activities that involved listening, spelling, solving crossword puzzles, mind and memory games.



**12 – 14 SEPTEMBER**  
**PREMIUM PROPERTY SHOWCASE BY FIABCI**

UEM Sunrise participated in the FIABCI Premium Property Showcase in Gurney Paragon, Penang while also sponsoring talks by two property gurus namely Ho Chin Soon and Previn Singh.



**18 SEPTEMBER**  
**INFRASTRUCTURE UNIVERSITY CAREER FAIR**

UEM Sunrise participated in the Infrastructure University Career Fair held at the university's campus in Kuala Lumpur.

**27 – 28 SEPTEMBER**  
**PROVIDING JOB OPPORTUNITIES**

UEM Sunrise participated in the Program Kembara Kerjaya Johor 2014 in Parit Sulong, Batu Pahat and Pontian, Johor, to assist the Government in providing more career opportunities in Johor.



**29 SEPTEMBER**  
**ZAKAT CONTRIBUTION TO PINTAR SCHOOLS**

UEM Sunrise organised a Zakat Contribution Ceremony in collaboration with the Majlis Agama Islam Negeri Johor at SMK Gelang Patah, Johor. A total of RM73,800 was presented to the principals of 13 of our PINTAR schools for distribution to 492 eligible students.



**8 OCTOBER**  
**CAREER TALK AT UM**

Our Human Resources & Administration team delivered a career talk to Engineering students at the University of Malaya, Kuala Lumpur.

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**10 OCTOBER**  
**PROMOTING GREEN SCHOOLS**

UEM Sunrise organised a prize-giving ceremony at Sekolah Kebangsaan Nusantara, Gelang Patah in Johor for the 15 PINTAR schools that had taken part in our Green Campaign 2014. During the three-month programme, each participating school enhanced its compound to create a more sustainable environment.

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**10 OCTOBER**  
**EDUCATIONAL AID AND FACILITY UPGRADE FOR AGATHIANS SHELTER**

UEM Sunrise contributed five HP Elite desktop sets, five computer desks and five folding chairs to Agathians Shelter in Petaling Jaya for the benefit of the 40 resident boys, aged between five and 19 years. We also upgraded the home's bathroom.

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**11 – 12 OCTOBER**  
**SOUTHERN GEMS EXPLORATION**

UEM Sunrise's Tresorians were taken on a Getaway Exploration during which they received tips on investment opportunities in Nusajaya. They also enjoyed sightseeing, dining and shopping, as well as a sneak preview of our development in Desaru, Johor.

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**13 OCTOBER**  
**THE EDGE PROPERTY EXCELLENCE AWARD 2014**

UEM Sunrise was ranked the Country's 4th Top Property Developer at The Edge Property Excellence Award 2014. Besides achieving the Top 5 ranking, the Company's project, Tranquility Park @East Ledang in Nusajaya was also the recipient of the Merit Award for The Edge-PEPS Value Creation Excellence Award (Residential Category).

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**18 OCTOBER**  
**SMART INVESTMENT TALK**

A Smart Investment Talk was held at UEM Sunrise Showcase in Mont'Kiara, Kuala Lumpur featuring Dr. Veerinderjeet, the tax expert; KC See, the property investor and Adrian Un, the investment guru.

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**20 OCTOBER**  
**CAREER FAIR AT TAR UNIVERSITY COLLEGES**

UEM Sunrise participated in the Tunku Abdul Rahman University College's Career Fair 2014 held at College Hall, Main Campus in Kuala Lumpur.

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**30 OCTOBER**  
**PROGRAMME WITH PERTUBUHAN**  
**KEBAJIKAN ANAK-ANAK YATIM**  
**DARUL AITAM**

UEM Sunrise together with the Faculty of Architecture Planning and Surveying, Universiti Teknologi MARA ("UiTM") Perak upgraded the bath rooms at the Pertubuhan Kebajikan Anak-Anak Yatim (Darul Aitam) in Tapah, Perak. Earlier in the month, a *gotong-royong* session was also organised which was also joined by PROPEL Berhad.

**23 – 26 OCTOBER**  
**PREMIUM PROPERTY SHOWCASE,**  
**FIABCI @1 UTAMA**

UEM Sunrise participated in the FIABCI Premium Property Showcase in 1 Utama, Petaling Jaya attracting a significant crowd to our booth.

**10 – 12 NOVEMBER**  
**QUALITY ENVIRONMENT**  
**MANAGEMENT SYSTEM RE-**  
**CERTIFICATION**

UEM Sunrise was re-certified with the Quality Environment/5S by the Malaysian Productivity Corporation in Kuala Lumpur.

**25 – 27 OCTOBER**  
**DUBAI PRIVATE SALES EVENT**

A private sales event was held in Dubai, UAE at the JW Marriot Marquis in collaboration with Downton Real Estate involving 30 high net worth individuals. The featured properties were Almas, Impiana, East Ledang, Residensi22, Verdi eco-dominiums and Symphony Hills.

**28 – 30 OCTOBER**  
**WORLD ISLAMIC ECONOMIC**  
**FORUM**

Through the invitation of UEM Group, UEM Sunrise showcased our properties at the World Islamic Economic Forum ("WIEF") in Dubai, UAE at Medinat Jumeirah. The exhibition featured our products from Southern and Central Regions as well as international. The event secured 44 strong leads with bookings worth more than RM10 million.

**7 NOVEMBER**  
**FIABCI MALAYSIA PROPERTY**  
**AWARD 2014**

UEM Sunrise was recognised for two of its developments, 28 Mont'Kiara and Publika at the FIABCI Malaysia Property Award 2014. The two developments were awarded for the Residential (High Rise) and Retail categories respectively.

**14 NOVEMBER**  
**BACK-TO-SCHOOL PROGRAMME**  
**FOR ORANG ASLI CHILDREN IN**  
**PERAK**

UEM Sunrise presented school uniforms, shoes and socks to 55 Orang Asli children from Kampung Sg. Geroyang and Kampung Sg. Merbau in Tapah, Perak. This is the third year we contributed school essentials to children from these two villages under our Back-To-School Programme.



**16 NOVEMBER**  
**SWINGING SENSATION**

A record 59 Tresorians and residents of UEM Sunrise-developed properties descended for a weekend of golf at the Horizon Hills Golf & Country Club, Nusajaya. The friendly provided a platform for the participants to receive updates on property investment opportunities in Almās, Nusa Idaman and East Ledang.

**19 – 21 NOVEMBER**  
**CAREER TALKS AND OPEN INTERVIEWS**

UEM Sunrise delivered career talk to about 600 Engineering and Urban Development students from Universiti Sains Malaysia (“USM”) and UiTM, in Penang. At the end of the programme, open interviews were held for final year students, and those who were successful were called to participate in an assessment centre.

**15 NOVEMBER**  
**CELEBRATING PRE-SCHOOLERS’ AL-QURAN ACHIEVEMENTS**

UEM Sunrise organised its sixth Khatam Al-Quran ceremony to celebrate the achievement of 131 pre-schoolers who had Khatam the Al-Quran. The ceremony was held in Kota Iskandar, Nusajaya.

**22 – 23 NOVEMBER**  
**15TH PENANG CAREER AND POSTGRADUATE EXPO**

UEM Sunrise participated in the 15th Penang Career and Postgraduate Expo 2014 held at the Penang International Sports Arena. More than 50,000 visitors turned up over the two-day programme.

**6 DECEMBER**  
**SINGAPORE APPRECIATION NITE**

UEM Sunrise’s Tresorians were feted at a Gala Appreciation Nite at the Marina Bay Sands, Singapore and entertainment by the acrobats from Viva Circus and performances by Jazzy Blues as well as the award-winning comedian Mustafa.



**6 – 7 DECEMBER  
MORE THAN 100,000 VISITORS  
THROUGH ISKARNIVAL**

The two-day ISKARNIVAL 2014, organised by Khazanah, UEM Sunrise and IIB, with the support of the Johor State Government and Iskandar Regional Development Authority, received more than 100,000 visitors. ISKARNIVAL 2014 is a carnival-like programme emphasizing on social inclusiveness, especially for the Rakyat of Johor. The event at Dataran Mahkota in Kota Iskandar, Nusajaya featured live concerts, a career and education fair, local food festival, bazaar and a property exposition showcasing affordable homes in Johor.

**18 DECEMBER  
ASSESSMENT CENTRE**

UEM Sunrise organised an assessment for potential new recruits at the Vistana Hotel, Penang. A total of 34 students from two universities namely UiTM and USM were put through their tests in English, arithmetic, group discussion and presentation skills. Successful participants were offered employments by the Company.

**20 DECEMBER  
THRILLING FINALE WITH THE  
HOBBIT**

UEM Sunrise Tresorians were privileged to watch an exclusive screening of The Hobbit: The Battle of the Five Armies at TGV Bukit Indah, Johor Bahru. Before show time, they mingled over refreshments and were able to learn more about our Nusajaya developments which were on display.



**24 DECEMBER  
COLLABORATION ON MULTI-TENANT MOBILE NETWORK INFRASTRUCTURE**

UEM Sunrise's wholly-owned subsidiary, UEM Land Berhad, signed a collaboration agreement with edotco Malaysia Sdn Bhd for multi-tenant mobile network infrastructure development in Nusajaya. This includes construction of communication towers and structures for mobile network operators, wireless service providers and radio and television broadcast companies. It will ensure mobile services and 4G connectivity are readily available for residents and businesses upon moving in.



**26 NOVEMBER  
BACK-TO-SCHOOL PROGRAMME  
FOR ORANG ASLI CHILDREN**

A total of 131 primary and secondary Orang Asli students from Kampung Simpang Arang in Gelang Patah, Johor received school uniforms, socks and shoes as well as stationery amounting to RM250 each under UEM Sunrise's Back-To-School Programme.

## UEM Sunrise in mobile network tie-up with edotco

**ANWAR SYANIR ABDUL ALIB MD/CEO UEM SUNRISE**

UEM Sunrise and edotco have entered into a strategic partnership to develop mobile network infrastructure in Malaysia. The tie-up involves the construction and operation of towers, energy, transmission and operations and maintenance for a multi-tenant mobile network infrastructure development in Nusantara Iskandar Malaysia in Johor.

UEM Sunrise and yesterday fully-owned UEM Land Ltd had signed a collaboration agreement with edotco, an integrated telecom-munications infrastructure services company.

The collaboration includes the joint identification by the two companies of potential sites for towers for communication towers and structures for mobile network operators (MNOs), wireless service providers, radio and television broadcast companies.

The construction of such communication towers and structures will be undertaken by edotco at its own cost.

UEM Sunrise said the partnership was expected to reduce MNO towers in Nusantara by at least 40 per cent.

"It will provide a lower entry cost for MNOs wishing to locate in Nusantara. It will also boost the infrastructure for 4G connectivity and cater for optimum coverage and data traffic growth in Nusantara," said UEM Sunrise chief financial officer Anwar Syanir in a statement.

The partnership would further enhance the sustainability of Nusantara, by encouraging more businesses and multinational corporations to set up headquarters in Thailand, Thailand Iskandar Malaysia.

## ASIAN EXECUTIVE



## UEM bina 3,563 rumah RMMJ



UEM Sunrise has completed the construction of 3,563 residential units under the RMMJ (Rumah Rakyat Malaysia) program. The units are distributed across various states in Malaysia, providing affordable housing for the public.

## UEM 阳光调整职指 安华沙林出任 CEO



UEM Sunrise has announced a restructuring of its management team. Anwar Syanir Abdul Alib has been appointed as the new CEO, replacing the previous CEO. The restructuring is aimed at improving operational efficiency and focusing on core business areas.

## UEM 阳光发展 22 亿产业



UEM Sunrise has secured a 2.2 billion ringgit investment for a new industrial development project. The project is expected to create thousands of jobs and boost the local economy.



## Semak unjuran

UEM Sunrise has presented its financial forecast for the upcoming year. The forecast shows a strong growth trajectory, driven by new projects and strategic partnerships.

## UEM Sunrise agih zakat RM73,800

UEM Sunrise has distributed a total of RM73,800 in zakat to various charitable organizations. The company is committed to social responsibility and supporting the community.

## UEM Sunrise in tie-up with edotco

**KUALA LUMPUR:** UEM Sunrise Ltd has teamed up with edotco Malaysia Sdn Bhd to provide end-to-end solutions of towers, energy, transmission and operations and maintenance for a multi-tenant mobile network infrastructure development in Nusantara Iskandar Malaysia in Johor.

UEM Sunrise and yesterday fully-owned UEM Land Ltd had signed a collaboration agreement with edotco, an integrated telecom-munications infrastructure services company.

The collaboration includes the joint identification by the two companies of potential sites for towers for communication towers and structures for mobile network operators (MNOs), wireless service providers, radio and television broadcast companies.

The construction of such communication towers and structures will be undertaken by edotco at its own cost.

UEM Sunrise said the partnership was expected to reduce MNO towers in Nusantara by at least 40 per cent.

"It will provide a lower entry cost for MNOs wishing to locate in Nusantara. It will also boost the infrastructure for 4G connectivity and cater for optimum coverage and data traffic growth in Nusantara," said UEM Sunrise chief financial officer Anwar Syanir in a statement.

The partnership would further enhance the sustainability of Nusantara, by encouraging more businesses and multinational corporations to set up headquarters in Thailand, Thailand Iskandar Malaysia.

## Surpassing RM2b

**PROPERTY OUTLOOK:** Melbourne project is well on track to enable UEM Sunrise to meet target, say analysts.

UEM Sunrise has successfully surpassed its RM2 billion sales target for the year. This achievement is a testament to the company's strong performance and strategic execution.

## UEM Sunrise shines on Melbourne

UEM Sunrise has secured a major contract in Melbourne, Australia. The contract is valued at over RM2 billion and is expected to significantly boost the company's revenue and market presence in the region.

## UEM Sunrise still on track to meet RM2b sales target



**BY YEN AZIZ**

**KUALA LUMPUR:** UEM Sunrise Ltd, the property development arm of UEM Group, remains confident of meeting its RM2 billion sales target for 2014 after reporting a record sales performance in the first half of the year.

"In the first half of 2014, we have achieved a record sales performance of RM1.2 billion, which is a strong indicator of our growth potential," said Anwar Syanir, CEO of UEM Sunrise.

UEM Sunrise has also secured several new projects, including a major residential development in the Klang Valley and a commercial project in the Iskandar region.

The company's strong performance is attributed to its strategic focus on high-quality projects and efficient execution. UEM Sunrise remains committed to meeting its RM2 billion sales target for the year.

## UEM Sunrise records 39% revenue increase



UEM Sunrise has reported a 39% increase in revenue for the first half of 2014. This growth is driven by strong performance in its core business areas and successful execution of new projects.

The company's revenue increase is a result of its strategic focus on high-quality projects and efficient execution. UEM Sunrise remains committed to meeting its RM2 billion sales target for the year.



# sedia kembali ke sekolah



## UEM Sunrise to review its business model for growth



UEM Sunrise is reviewing its business model to ensure it remains competitive and profitable in the current market environment. The company's focus is on identifying new growth opportunities and optimizing its existing operations. This strategic review is a key step towards achieving long-term sustainable growth.



## UEM Sunrise lancar program kad ganjaran Tesor

UEM Sunrise has launched its Treasury Card program, a new initiative designed to provide financial benefits and incentives to its employees. The program is a key part of the company's commitment to employee welfare and financial stability.



## AFFORDABLE HOUSING BY UEM SUNRISE

UEM Sunrise is committed to providing affordable housing solutions for the growing population. The company's focus is on developing high-quality, sustainable housing projects that meet the needs of the community.

## Immense potential brewing in Nusajaya Tech Park



Nusajaya Tech Park is emerging as a major hub for technology and innovation in the region. The park's strategic location and state-of-the-art facilities are attracting leading tech companies and startups, creating a vibrant ecosystem for growth and development.

## UEM Sunrise sees property upswing

UEM Sunrise anticipates a significant upswing in the property market, driven by strong economic growth and increasing demand for housing. The company is well-positioned to capitalize on these opportunities through its diverse real estate portfolio.

## UEM Sunrise, Mulpha in JV

UEM Sunrise and Mulpha have entered into a joint venture partnership to explore new business opportunities. This collaboration is a strategic move to leverage the strengths of both companies and drive mutual growth.



## UEM Sunrise mulls Australian expansion

UEM Sunrise is considering expansion into the Australian market, recognizing the country's strong economic growth and potential for infrastructure and real estate development. This move represents a significant step in the company's internationalization strategy.



The company's expansion into Australia is a strategic move to tap into new markets and diversify its revenue streams. UEM Sunrise is committed to delivering high-quality services and solutions to its customers in the Australian market.



UEM Sunrise is committed to providing high-quality services and solutions to its customers. The company's focus is on innovation, sustainability, and customer satisfaction, ensuring long-term success and growth.



## Developer gives five desktop computers to boys' home

A local developer has donated five desktop computers to a boys' home, supporting the educational and technological needs of the children. This act of kindness demonstrates the company's commitment to social responsibility and community support.



## UEM 阳光携手 Edotco 柔提供电讯设备服务

UEM Sunrise and Edotco have entered into a partnership to provide telecommunications equipment services. This collaboration is a strategic move to enhance the company's service offerings and meet the growing demand for telecom solutions.

The partnership between UEM Sunrise and Edotco is a key milestone in the company's expansion into the telecommunications sector. UEM Sunrise is committed to providing high-quality, reliable services to its customers.

## 努沙再也赛车城面积提高 11%

The area of the Sepang International Circuit has been increased by 11%, providing more space for racing activities and facilities. This expansion is a significant investment in the region's sports and entertainment infrastructure.

# AWARDS & RECOGNITIONS 2014



## PR AWARDS 2014

### Silver winner

- Best Employee Engagement/Internal Communications category.



## 20<sup>th</sup> ASIA PACIFIC PROPERTY AWARDS ("APPA")

### Summer Suites

- Winner – 5-star Best Office Development, Malaysia category.

### Teega Puteri Harbour

- Highly Commended, Condominium Development, Malaysia category.
- Highly Commended, Architecture Multiple Residence, Malaysia category.

### Almas Puteri Harbour

- Winner – 5-star, Best Mixed Use Architecture, Malaysia category.
- Highly Commended, Mixed Use Development, Malaysia category.



## BEST COMPANY TO WORK FOR IN ASIA 2014

- UEM Sunrise was named as one of the 40 Best Companies to Work for in Asia by HR Asia Journal in Partnership with Mercer.



## FIABCI MALAYSIA PROPERTY AWARDS 2014

### Publika

- Winner of Retail Category.

### 28 Mont'Kiara

- Winner of Residential (High-rise) Category.



## TYHA GOLD ANCHOR AWARD SCHEME

### Puteri Harbour Marina

- 5 Gold Anchor.



## ACCA MALAYSIA SUSTAINABILITY AWARDS ("MASRA") 2014

### UEM Sunrise Sustainability Report 2013

- Shortlisted.



### ILAM – MIAA HONOUR AWARD

#### Property Developer Category

- Property Developer Awards in Landscape Planning and Development of the Linear Park at Puteri Harbour, Nusajaya.



### iPROPERTY PEOPLE'S CHOICE AWARD 2014

#### Verdi eco-dominiums

- Best eco-friendly development.



### THE EDGE BILLION RINGGIT CLUB AWARD

- UEM Sunrise is one of the 178 members of The Edge Billion Ringgit Club for the fifth consecutive year since 2010.
- UEM Sunrise has been ranked as the second "Highest Profit Growth Company" under the Property and REIT Sectors 2014 category.



### NATIONAL ANNUAL CORPORATE REPORT AWARDS 2014

#### UEM Sunrise Annual Report 2013

- Merit Award.



### THE EDGE MALAYSIA PROPERTY EXCELLENCE AWARDS 2014

#### UEM Sunrise

- Ranked "4<sup>th</sup> Top Property Developer".

#### Tranquility Park @East Ledang

- Merit Award – "The Edge – PEPS Value Creation Excellence Award" (Residential category).



### THE MALAYSIAN RESERVE PROPERTY PRESS AWARDS 2014

#### Residensi22

- Most Iconic High-rise Residential Development.

#### Ophiria Residences @East Ledang

- Most Iconic Low-rise Residential Development.



# Commit. *Serve.* Deliver.

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We work hard to improve service levels and to enhance overall delivery capability. Our customers and clients are our priority and it is our aim to create a better, more effective customer focused culture within the organisation in order to offer personalised customer service and great customer experience at all contact points.



# PROFILE BOARD OF DIRECTORS

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## Tan Sri Dr Ahmad Tajuddin Ali

Non-Independent  
Non-Executive Chairman  
Chairman of ESOS  
Committee

**Nationality: Malaysian**  
**Age: 66**

Tan Sri Dr Ahmad Tajuddin Ali was appointed as Chairman of the Board of UEM Sunrise 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, the Chairman and Chief Executive of Tenaga Nasional Berhad, Chairman of the Energy Commission Malaysia, 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 and he received the Prominent Player Award from the Construction Industry Development Board Malaysia.

Tan Sri Dr Tajuddin is currently the Joint-Chairman (Industry) of the Malaysian Industry-Government Group for High Technology, Chairman of Construction Industry Development Board Malaysia and UPM Innovations Sdn Bhd, the President of the Academy of Sciences, Malaysia and a member of the Governing Council of the International Institute of Applied Systems Analysis in Laxenburg, Austria.

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, his alma mater.



## **Anwar Syahrin Abdul Ajib**

Managing Director/  
Chief Executive Officer  
Member of ESOS  
Committee

**Nationality: Malaysian**  
**Age: 42**

**Anwar Syahrin Abdul Ajib** was appointed to the Board of UEM Sunrise on 1 September 2014 as Managing Director/Chief Executive Officer.

Anwar holds a Bachelor of Engineering Degree in Mechanical Engineering from Imperial College, London and an MBA from University of Salford, United Kingdom. He is also a qualified chartered accountant and a Fellow of the Institute of Chartered Accountants in England and Wales as well as a member of the Malaysian Institute of Accountants.

Anwar was formerly the Group Chief Financial Officer at MMC Corporation Berhad, a position he assumed from June 2008. Anwar was also appointed Group

Head, Ports & Logistics Division in January 2014 at MMC and was previously the Chief Financial Officer of the Port of Tanjung Pelepas from April 2006 to May 2008. He was formerly the co-owner and Managing Director of Business Associates Consulting Sdn Bhd, a boutique strategy and management consulting firm based in Kuala Lumpur from 2003 to 2006. Prior to that, he was attached to Arthur Andersen and Ernst & Young in Kuala Lumpur, Malaysia and Manchester in the United Kingdom from 1998 to 2002.

Anwar started his career with Shell Malaysia Trading Sdn Bhd in 1996 as a transport executive where he gained considerable experience in transport and logistics.



## **Dato' Izzaddin Idris**

Non-Independent Non-Executive Director,  
Member of Nominations & Remuneration Committee,  
Board Tender Committee  
and ESOS Committee

**Nationality: Malaysian  
Age: 52**

**Dato' Izzaddin Idris** was appointed to the Board of UEM Sunrise 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 UEM Sunrise upon the late Dato' Wan Abdullah Wan Ibrahim's medical leave of absence. He continued to hold this position upon the resignation of the late Dato' Wan Abdullah from the Board of the Company on 25 February 2014. Upon the appointment of Encik Anwar Syahrin Abdul Ajib as the new Managing Director/Chief Executive Officer of UEM Sunrise, Dato' Izzaddin was re-designated by the Board as Non-Independent Non-Executive Director on 1 September 2014.

He is currently the Group Managing Director/Chief Executive Officer of UEM Group Berhad, the holding company of UEM Sunrise. 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. 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 Board of UEM Group and several UEM Group of Companies including UEM Edgenta Berhad (formerly known as Faber Group Berhad), PLUS Malaysia Berhad, PLUS Expressways International Berhad, Projek Lebuhraya Usahasama Berhad, Projek Lebuhraya Utara-Selatan Berhad, Cement Industries of Malaysia Berhad, Opus Group Berhad, UEM Builders Berhad, PT Lintas Marga Sedaya in Indonesia and India's Uniquet Infra Ventures Private Limited. He also serves on the Board of ACWA Power International, an independent water and power producer based in the Kingdom of Saudi Arabia.

In addition, Dato' Izzaddin is a member of the Board of Trustees at Yayasan UEM, a non-profit foundation that supports the implementation of UEM Group Berhad's corporate responsibility initiatives and philanthropic activities as well as a Director of Yayasan Putra Business School, a non-profit organisation that aims to become a home-grown globally recognised Business School.





## Oh Kim Sun

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

**Nationality: Malaysian**  
**Age: 66**

**Oh Kim Sun** joined the Board of UEM Sunrise on 15 September 2008 and was appointed as the Senior Independent Director on 24 April 2014. 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 and Nikko Electronics Berhad (in liquidation).



## Sheranjiv Sammanthan

Non-Independent  
Non-Executive Director  
Member of Nominations &  
Remuneration Committee

**Nationality: Malaysian**  
**Age: 47**

**Sheranjiv Sammanthan** was appointed to the Board of UEM Sunrise 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.

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**

Independent  
Non-Executive Director  
Member of ESOS  
Committee

**Nationality: Australian  
Age: 75**

**Professor Philip Sutton Cox** was appointed to the Board of UEM Sunrise 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

Independent  
Non-Executive Director  
Chairman of Audit  
Committee, Member of  
Board Tender Committee

**Nationality: Malaysian**  
**Age: 60**

**Lim Tian Huat** was appointed to the Board of UEM Sunrise on 28 November 2012. He is the Founding President of Insolvency Practitioners Association of Malaysia, a member of the Malaysian Institute of Accountants, Malaysia Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants. 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 under the purview of the Companies Commission of Malaysia.

Lim sits on the Boards of Malaysia Building Society Berhad, PLUS Malaysia Berhad, Perbadanan Insurans Deposit Malaysia and Bank of Yingkou, China.



**Dato'**  
**Srikandan**  
**Kanagainthiram**

Independent  
Non-Executive Director  
Chairman of Board Tender  
Committee, Member of  
Audit Committee

**Nationality: Malaysian**  
**Age: 64**

**Dato' Srikandan Kanagainthiram** was appointed to the Board of UEM Sunrise 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, United Kingdom and a Registered Member of The Board of Quantity Surveyors Malaysia ("BQSM").

Dato' Srikandan 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 centres, 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 also serves on the Board of CIDB.

He serves as Council Member of the Malaysia Singapore Business Council. He is also an accredited mediator with CIDB.



## Ungku Suseelawati Ungku Omar

Independent  
Non-Executive Director  
Member of Nominations &  
Remuneration Committee  
and ESOS Committee

**Nationality: Malaysian**  
**Age: 57**

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

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.

Ungku Suseelawati is a member of the Asia Pacific Research Council, International Council of Shopping Centers ("ICSC") and a recipient of its Gold Medallion Award 2015 for Research, being one of the 10 global recipients from North America, Europe, Asia and Latin America who have demonstrated significant commitment and contribution to the ICSC research programmes. She was previously was a Director of Suria KLCC Sdn Bhd and a Retail Council member of PROSPER Perbadanan Usahawan Nasional Berhad.

### 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 126 of the Annual Report 2014.*

# JOINT COMPANY SECRETARIES



## Sharifah Shafiqah Salim

Sharifah Shafiqah Salim is Head, UEM Group Secretarial and the Joint Company Secretary of UEM Sunrise. 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.

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. Following an internal reorganisation in January 2015, she is attached now to UEM Group Berhad.

## Liew Irene

Liew Irene is the Joint Company Secretary of UEM Sunrise and a number of its subsidiaries. She is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators. She started her secretarial career with a local secretarial firm in 1996 and had also served in the secretarial division of a large listed financial institution group for 3 years. She then joined a reputable secretarial firm in 2004 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. She joined UEM Group Management Sdn Bhd in December 2013 and in January 2015, she is attached to UEM Group Berhad following an internal reorganisation.



# SENIOR MANAGEMENT PROFILE

## Anwar Syahrin Abdul Ajib

Managing Director/Chief Executive Officer

As expressed in page 69 of the Directors' Profile.

## Azhar Othman

Chief Financial Officer



**Azhar Othman** joined UEM Sunrise on 10 July 2012. Prior to joining UEM Sunrise, 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 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, US. 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, US in May 1990 and obtained a Master in Business Administration from Arizona State University in Chandler, Arizona, US in December 2007. Azhar is also a member of the Chartered Institute of Management Accountants (CIMA), UK.



**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, 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.

**Lum**  
**Tuck Ming**  
Chief Operating Officer



**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, US.

**Raymond**  
**Cheah Ho Chee**  
Chief Operating Officer, Commercial



## 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 (a wholly-owned subsidiary of UEM Sunrise), 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 FIABCI Prix d’Excellence 2011 runner-up.

He 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 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. 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, UK where he graduated in 1982.

## 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”).

**Zadil Hanief Mohamad Zaidi** joined UEM Sunrise on 5 January 2015, as a Senior General Manager and subsequently appointed as the Acting Chief Marketing Officer. He currently oversees the company's market and brand strategy, sales operations, customer service, and external communications functions.

A former strategy consultant, he joined UEM Sunrise from A.T. Kearney, a global management consulting firm where he served clients in oil & gas and consumer-related industries.

Prior to that, he served as an Associate Director of Performance Management & Delivery Unit ("PEMANDU"), Prime Minister's Department, where he was directly involved in the formulation and program management of Government Transformation Program ("GTP") and Economic Transformation Program ("ETP"). He has worked closely with senior policy makers in the development and implementation of initiatives across rural development, land transport, home affairs, and economic development sectors.

He started his career with Shell and Procter & Gamble – spending about a decade in various commercial and brand building roles. As a marketing professional, he has designed product launches, executed channel consolidation, led sales teams, and managed key accounts on behalf of several global brands.

Zadil holds a B.S. in Industrial Engineering degree from Western Michigan University, US and he obtained an MBA from International Islamic University Malaysia.

## Zadil Hanief Mohamad Zaidi

Acting Chief Marketing Officer



A young girl in a white shirt and a young boy in a purple shirt are standing by a pond in a park. The girl is on the left, looking down at something in her hands. The boy is on the right, looking out over the pond with his arm extended. The background shows a grassy hill, trees, and a blue sky with clouds.

# Live. Laugh. Play.

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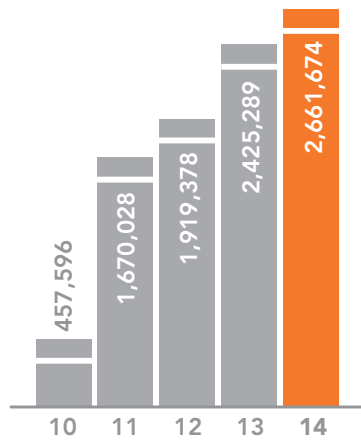
Our philosophy is to create harmonious and sustainable living with appreciable recreational spaces. As a conscientious developer, our projects are built with first-rate facilities and amenities that meet your needs and expectations.



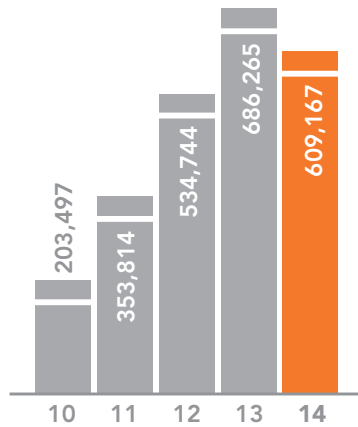
Nusa Bayu, Nusajaya

# FIVE-YEAR FINANCIAL HIGHLIGHTS

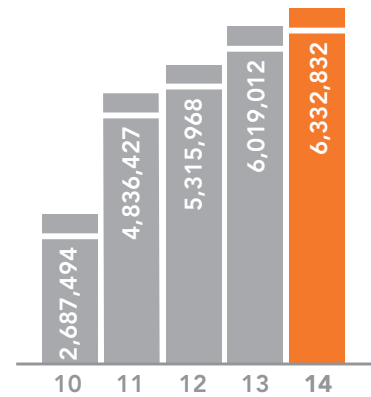
for the financial year ended 31 December



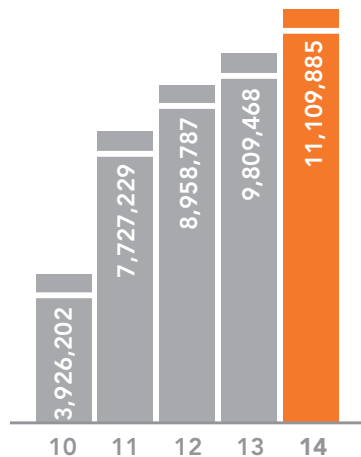
**Revenue**  
(RM'000)



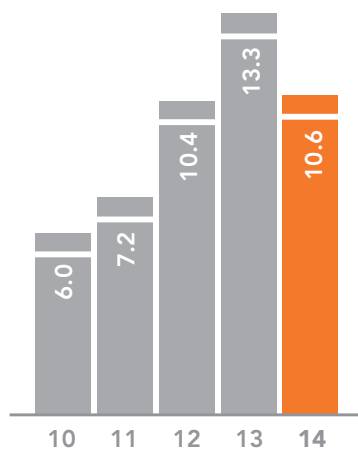
**Profit Before Zakat and Income Tax**  
(RM'000)



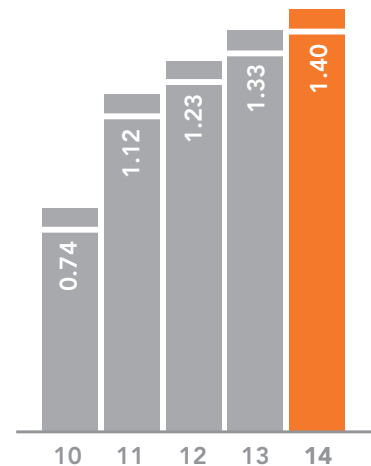
**Shareholders' Equity**  
(RM'000)



**Total Assets**  
(RM'000)



**Earnings Per Share\***  
(Sen)



**Net Assets Per Share\***  
(RM)

\* Attribute to owners of the parent

# FIVE-YEAR GROUP PERFORMANCE

for the financial year ended 31 December

In RM'000	2014	2013	2012	2011	2010
Revenue	2,661,674	2,425,289	1,919,378	1,670,028	457,596
Cost of sales	(1,836,387)	(1,497,165)	(1,217,927)	(1,157,245)	(250,582)
Operating expenses	(363,553)	(388,812)	(267,781)	(221,648)	(88,105)
<b>Operating profit</b>	<b>461,734</b>	<b>539,312</b>	<b>433,670</b>	<b>291,135</b>	<b>118,909</b>
Other income	58,814	48,775	53,342	69,699	55,058
Finance costs	(45,852)	(29,386)	(41,372)	(51,401)	(6,520)
Share of net results of associates & joint ventures	134,471	127,564	89,104	44,381	36,050
<b>Profit before zakat and income tax</b>	<b>609,167</b>	<b>686,265</b>	<b>534,744</b>	<b>353,814</b>	<b>203,497</b>
Profit attributable to owners of the parent	479,927	579,141	448,358	301,712	194,537
Shareholders' equity	6,332,832	6,019,012	5,315,968	4,836,427	2,687,494
Earnings per share (sen)	10.6	13.3	10.4	7.2	6.0
Return on equity	7.8%	10.2%	8.8%	8.0%	9.2%

# 2014 GROUP QUARTERLY PERFORMANCE

for the financial year ended 31 December

In RM'000	First Quarter 31/03/2014	Second Quarter 30/06/2014	Third Quarter 30/09/2014	Fourth Quarter 31/12/2014	Year Ended 31/12/2014
Revenue	401,551	447,636	471,137	1,341,350	<b>2,661,674</b>
Cost of sales	(269,421)	(315,251)	(329,320)	(922,395)	<b>(1,836,387)</b>
Operating expenses	(77,791)	(82,998)	(80,260)	(122,504)	<b>(363,553)</b>
<b>Operating profit</b>	<b>54,339</b>	<b>49,387</b>	<b>61,557</b>	<b>296,451</b>	<b>461,734</b>
Other income	10,325	13,312	12,321	22,856	<b>58,814</b>
Finance costs	(11,699)	(6,497)	(18,748)	(8,908)	<b>(45,852)</b>
Share of net results of associates & joint ventures	27,264	35,024	33,391	38,792	<b>134,471</b>
<b>Profit before zakat and income tax</b>	<b>80,229</b>	<b>91,226</b>	<b>88,521</b>	<b>349,191</b>	<b>609,167</b>
Profit attributable to owners of the parent	61,522	74,525	71,496	272,384	<b>479,927</b>
Shareholders' equity	6,071,909	5,980,531	6,039,303	6,332,832	<b>6,332,832</b>
Earnings per share (sen)	1.4	1.6	1.6	6.0	<b>10.6</b>
Return on equity*	4.1%	5.0%	4.7%	17.6%	<b>7.8%</b>

\*annualised



# STATEMENT OF VALUE ADDED & DISTRIBUTION

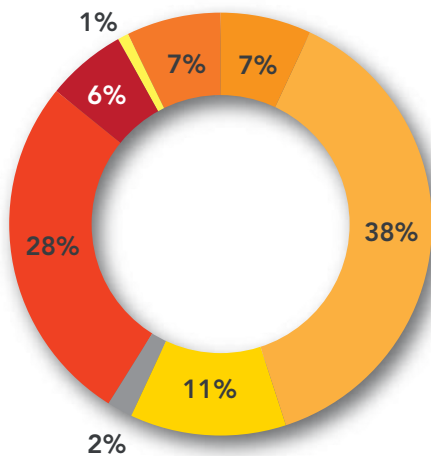
for the financial year ended

In RM'000	2014	2013	2012	2011	2010
<b>VALUE ADDED:</b>					
Revenue	2,661,674	2,425,289	1,919,378	1,670,028	457,596
Purchase of goods and services	(2,034,358)	(1,731,124)	(1,348,925)	(1,281,630)	(310,785)
Value added by the Group	627,316	694,165	570,453	388,398	146,811
Other income	58,814	48,775	53,342	69,699	55,058
Share of results of associates and joint ventures	134,471	127,564	89,104	44,381	36,050
<b>Total value added available for distribution</b>	<b>820,601</b>	<b>870,504</b>	<b>712,899</b>	<b>502,478</b>	<b>237,919</b>
<b>DISTRIBUTION:</b>					
To employees					
– salaries and other staff costs	144,940	134,653	119,163	83,863	23,168
To government & pusat zakat					
– income tax & zakat	129,391	107,156	86,462	52,102	8,960
To provider of capital					
– dividend	181,497	132,952	–	–	–
– finance cost	45,852	29,386	41,372	51,401	6,520
Retained for future reinvestment & growth					
– depreciation & amortisation	20,642	20,200	17,620	13,400	4,734
– retained profits	298,430	446,189	448,358	301,712	194,537
– minority interest	(151)	(32)	(76)	–	–
<b>Total distributed</b>	<b>820,601</b>	<b>870,504</b>	<b>712,899</b>	<b>502,478</b>	<b>237,919</b>
<b>RECONCILIATION</b>					
Profit for the year	479,776	579,109	448,282	301,712	194,537
Add: depreciation & amortisation	20,642	20,200	17,620	13,400	4,734
finance costs	45,852	29,386	41,372	51,401	6,520
staff cost	144,940	134,653	119,163	83,863	23,168
income tax & zakat	129,391	107,156	86,462	52,102	8,960
<b>Total value added</b>	<b>820,601</b>	<b>870,504</b>	<b>712,899</b>	<b>502,478</b>	<b>237,919</b>

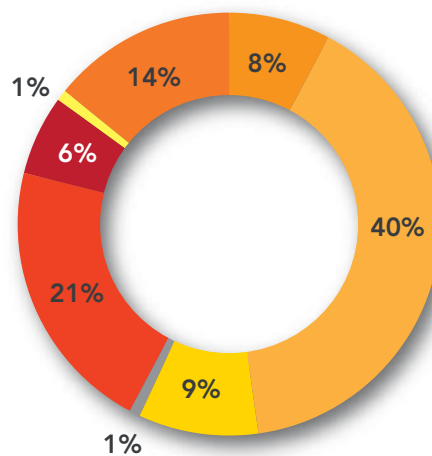
# SUMMARISED GROUP BALANCE SHEET

as at 31 December

## TOTAL ASSETS



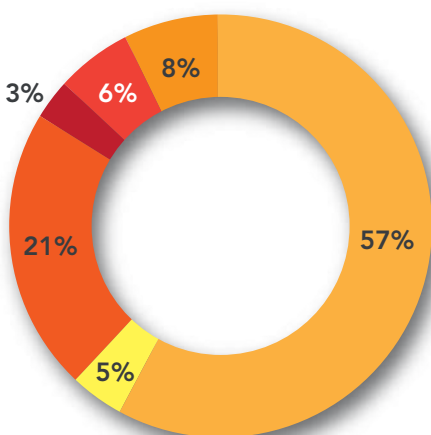
2014



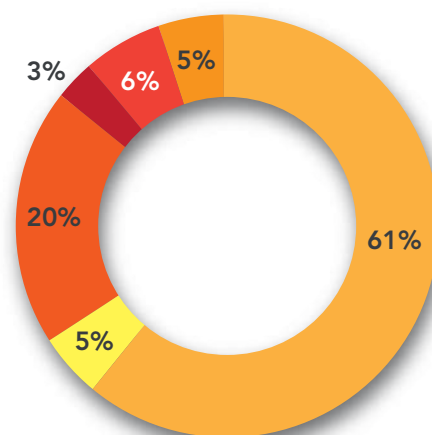
2013

- Property, plant and equipment and land used rights
- Land held for property development, development properties and property development cost
- Interests in associates, joint ventures & others
- Inventories
- Receivables
- Goodwill
- Deferred tax asset
- Deposits and cash and bank balances

## TOTAL EQUITY AND LIABILITIES



2014



2013

- Shareholder's equity
- Non-controlling interests
- Borrowings
- Income tax liabilities
- Payables
- Provisions and others

# FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

as at 31 December

In RM'000	2014	2013	2012	2011	2010
<b>TOTAL ASSETS</b>					
Property, plant and equipment and land used rights	788,316	745,570	702,122	672,744	92,142
Land held for property development, development properties and property development cost	4,210,582	3,918,776	3,847,397	3,816,888	2,566,841
Interests in associates, joint ventures & others	1,280,213	846,090	657,493	655,142	194,070
Inventories	176,622	105,856	122,622	124,494	42,252
Receivables	3,123,460	2,073,780	1,930,386	1,202,646	596,290
Goodwill	621,409	621,409	621,409	621,409	39,223
Deferred tax asset	170,009	134,461	31,541	26,705	–
Deposits and cash and bank balances	739,274	1,363,526	1,045,817	607,201	395,384
Others					
<b>Total assets</b>	<b>11,109,885</b>	<b>9,809,468</b>	<b>8,958,787</b>	<b>7,727,229</b>	<b>3,926,202</b>
<b>TOTAL EQUITY AND LIABILITIES</b>					
Share capital	2,268,718	2,268,718	2,165,558	2,163,358	1,822,681
Share premium	2,044,955	2,044,953	1,907,488	1,898,306	513,124
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	88,130	72,742	51,370	30,116	29,275
Retained profits	1,896,699	1,598,269	1,038,154	589,796	288,084
Non-controlling interests	485,753	450,604	450,636	450,712	450,712
<b>Total equity</b>	<b>6,818,585</b>	<b>6,469,616</b>	<b>5,766,604</b>	<b>5,287,139</b>	<b>3,138,206</b>
Borrowings	2,358,089	1,940,049	1,714,957	1,174,962	408,185
Liability component of RCPS	–	–	409,424	388,414	–
Income tax liabilities	353,846	324,632	288,216	280,886	148,612
Payables	655,906	624,353	648,560	458,788	208,296
Provisions and others	923,459	450,818	131,026	137,040	22,903
<b>Total equity and liabilities</b>	<b>11,109,885</b>	<b>9,809,468</b>	<b>8,958,787</b>	<b>7,727,229</b>	<b>3,926,202</b>
Net asset per share attributable to owners of the parent (RM)	1.40	1.33	1.23	1.12	0.74

# EMPLOYEES & PRODUCTIVITY

## EMPLOYEES BY CLASSIFICATION IN 2014

### Revenue Per Employee (RM'000)



### Revenue Per Employee Cost (Times)



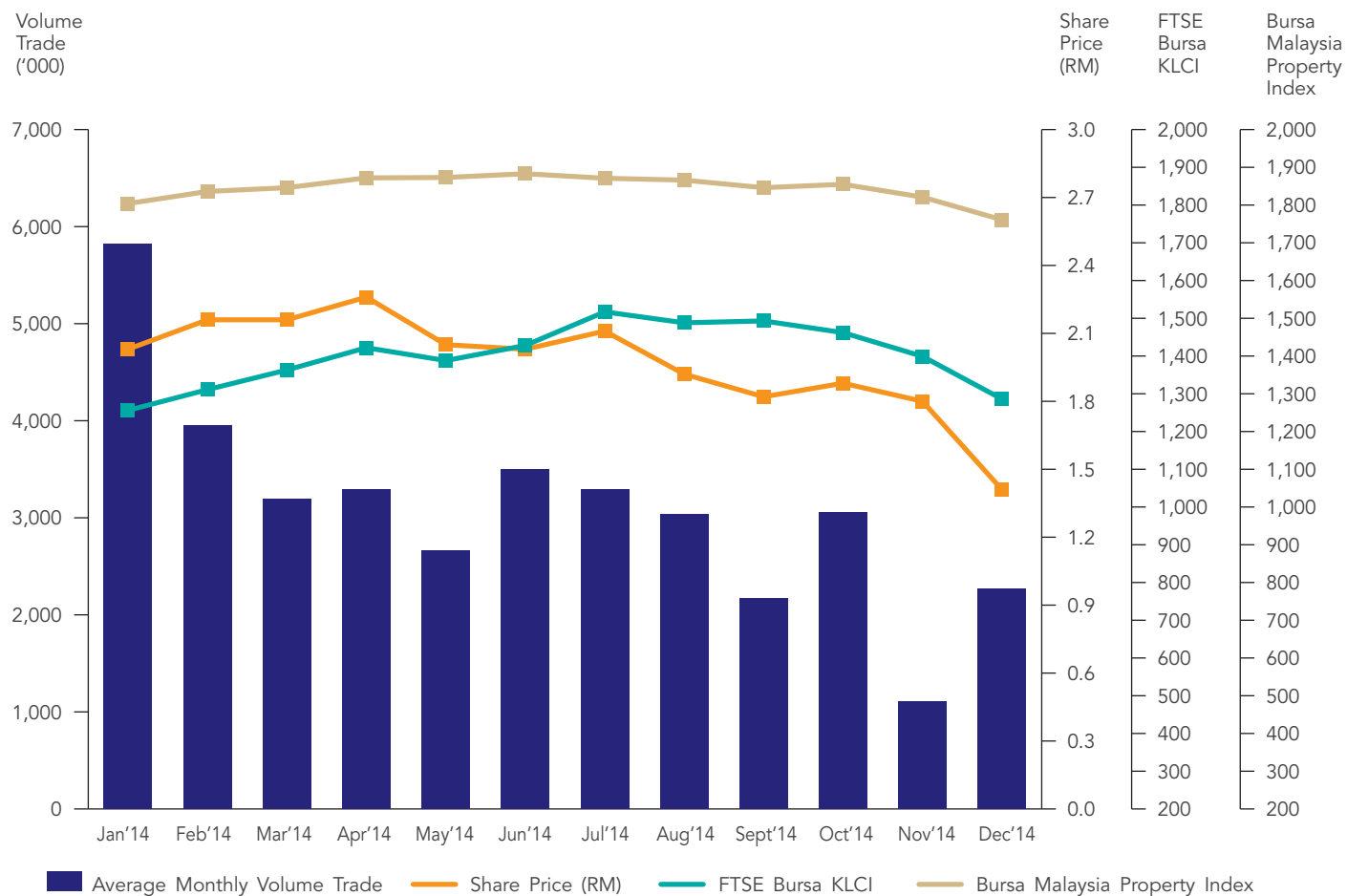
### Value Added & Distribution Per Employee (RM'000)



### Value Added & Distribution Per Employee Cost (RM'000)



# SHARE PRICE & VOLUME TRADED



## UEM SUNRISE SHARES MOVEMENT

Month	Average Monthly Volume Traded ('000)	Closing Price (RM)	Share Price High (RM)	Share Price Low (RM)	FTSE Bursa KLCI	Bursa Malaysia Property Index
Jan-14	5,819,447	2.03	2.33	1.98	1,804	1,256
Feb-14	3,950,968	2.16	2.16	2.00	1,836	1,311
Mar-14	3,193,800	2.16	2.17	2.11	1,849	1,363
Apr-14	3,293,195	2.26	2.37	2.15	1,872	1,422
May-14	2,667,484	2.05	2.25	2.05	1,873	1,388
Jun-14	3,497,116	2.03	2.12	2.03	1,883	1,428
Jul-14	3,293,195	2.11	2.14	2.03	1,871	1,517
Aug-14	3,040,895	1.92	2.10	1.91	1,866	1,488
Sep-14	2,167,289	1.82	1.96	1.80	1,846	1,493
Oct-14	3,053,047	1.88	1.88	1.65	1,855	1,463
Nov-14	1,104,658	1.80	1.88	1.73	1,821	1,399
Dec-14	2,268,574	1.41	1.73	1.37	1,761	1,286

# CREATING AND SERVING, WITH PASSION

## CORPORATE RESPONSIBILITY

As a premier property developer, UEM Sunrise is conscious of the impact we have on the lives we touch through our residential, commercial, retail, hospitality and industrial developments. Accordingly, we are committed to incorporating design and technological elements that enhance a sense of well-being, be it for work, living, entertainment or play.

**WE SEEK TO  
BALANCE OUR  
ECONOMIC  
AMBITIONS  
WITH SOCIALLY  
RESPONSIBLE  
INITIATIVES**

Going above and beyond our commitment to quality products, we seek to balance our economic ambitions with socially responsible initiatives that have a positive impact on communities surrounding our developments. In addition, conscious of our ability to contribute towards sustainable spaces, we have been integrating environment friendly considerations into our project blueprints. These initiatives contribute towards Enhancing Lives, as well as adding value to the UEM Sunrise brand and enhancing our long-term sustainability.

The following pages contain a description of our ongoing corporate responsibility ("CR") efforts, which have been categorised into the four broad areas of the Marketplace, Workplace, Environment and Community.





UEM Sunrise's reputation has been built on the basis of providing quality products that meet the needs and expectations of customers; and exceptional service that extends our customer care well beyond the handover of properties. In recent years, we have also taken heed of the Government's call for more affordable housing to satisfy the needs of the population. This has seen us venturing into a new market where we have embraced the challenge of providing high-quality homes for those in the low and middle-income brackets.



DUO, Singapore

## QUALITY PRODUCTS

Much thoughts and care go into our developments to enhance the quality of our end offerings. For example, Symphony Hills in Cyberjaya is the first residential development in the country to enable a Connected Intelligent Community ("CIC"), offering smart home features and connectivity through high-speed broadband. Nusajaya is being developed as a smart, safe and green World in One City. Over the years, various investments have been made into its infrastructure to ensure it lives up to this promise. In 2014, we further enhanced the 'smart quotient' of this development by signing an agreement with edotco Malaysia Sdn Bhd ("edotco") to create a multi-telco environment which will enable all residents and businesses in Nusajaya to enjoy 4G connectivity.

Our developments have won numerous awards that validate their superior quality. Among the more recent accolades include Verdi eco-dominiums for Best Green & Smart High-Rise Residential Development; Mall of Medini and Publika for outstanding features as retail complexes; 28 Mont'Kiara, Imperia Puteri Harbour and Radia @Bukit Jelutong for innovation in delivering quality.



In Mont'Kiara, we organise activities for children and adults at the UEM Sunrise Fun Zone and Chill Out Zone, respectively. More than 15 children's events were held during the year. We also organised outings to exciting destinations in and around the Klang Valley.

### **CUSTOMER ENGAGEMENT**

UEM Sunrise does not just build physical spaces but also relationships with the people who occupy them. The end user of our properties are foremost in our minds from the moment we develop our project plans, to the marketing stage and even after our products have been handed over. We are there for our customers for the long haul. We engage and listen to them and ensure their needs are met to the best of our ability. Various facilities and programmes are provided that encourage our customers and residents to get to know each other, and us, better.

In Mont'Kiara, we organise activities for children and adults at the UEM Sunrise Fun Zone and Chill Out Zone, respectively. More than 15 children's events were held during the year. We also organised outings to exciting destinations in and around the Klang Valley. Adults, meanwhile are offered language, dance and cooking classes, golf friendlies, badminton tournaments and craft workshops, among others.

We have also introduced the Trésor Loyalty Programme to provide a whole new experience of property ownership to our loyal customers. Apart from the opportunity to enjoy discounts on future purchases and invitations to exclusive events hosted by UEM Sunrise, Trésorians are given discounts by our participating merchant partners. They are also given priorities to pre-launch previews and therefore have first choice of new product launches. About 10 exclusive events and programmes were conducted for our Trésorians throughout 2014.

### **FESTIVALS AND CARNIVALS**

Two key events organised for the general public in 2014 were the Iskandar Malaysia Karnival 2014 ("ISKARNIVAL") and Publika Jazz Festival. On 6 to 7 December, we joined forces with Khazanah and IIB to organise the third ISKARNIVAL at Dataran Mahkota in Kota Iskandar, Nusajaya. The carnival which attracted more than 100,000 visitors featured concerts with an exciting line-up of popular artistes, a career and education fair, local food festival bazaars, auto show and a property exposition showcasing affordable homes in Johor. Meanwhile, the jazz festival, was organised by our retail subsidiary, Publika to commemorate its third anniversary. The event which was held from 19 to 20 September highlighted performances by popular local and international artistes.



Lantern Festival at UEM Sunrise Fun Zone, Mont'Kiara, Kuala Lumpur



ISKARNIVAL at Dataran Mahkota, Kota Iskandar, Nusajaya



Bantus Capoeira performing the Brazilian Martial Arts at Publika Square, Publika, Kuala Lumpur

### **BUS SHUTTLE SERVICE**

With our communities' convenience in mind, we set up UEM Sunrise Shuttle that facilitates free service within Mont'Kiara; and to and from KL Sentral. These two services run between 9.00 am to 10.00 pm, Mondays through Saturdays. The response to the services has been very positive and the continued demand clearly demonstrates their popularity.

### **CUSTOMER FEEDBACK**

In addition to engaging with our customers through the exclusive events and privilege programmes organised for them, UEM Sunrise has put in place a formal mechanism as a platform for customers' feedback. It means we are able to continuously improve on our services, and the Company's value proposition. Residents can communicate with us via the Customer Care toll free hotline at 1-800-888-008; as well as through our dedicated customer care email address at [customer-care@uemsunrise.uemnet.com](mailto:customer-care@uemsunrise.uemnet.com) and via SMS through 016-201 3230.

### **CUSTOMER SATISFACTION**

To measure the effectiveness of our customer service, UEM Sunrise undertakes a customer satisfaction survey on our products, services and service experience. Our Annual Resident Survey ("ARS") involves owners of properties in both the Central and Southern regions. In addition, we conduct an annual Taylor Nelson Sofres ("TNS") survey on customers who have gone through a full cycle of services to ascertain their level of satisfaction with UEM Sunrise. As of 2014, UEM Sunrise's annual TNS customer service and corporate reputation survey stands at 74 points, which is comparable to 2013's results.

As a result of our efforts to engage with and delight our customers, we are pleased to note that many of our satisfied customers have given us repeat business as well as referrals and recommendations.



UEM Sunrise Town Hall meeting at Mercu UEM, Kuala Lumpur

## WORKPLACE

UEM Sunrise recognises that the attainment of our goals and mission depends largely on our employees. We therefore invest significantly in creating a work environment that attracts the right people with the right set of capabilities for the right positions. To further drive a high performance organisation, we seek to develop, manage and engage our employees to enable them to perform their best. In support of the Company's strategies, we have crafted a Human Resources Roadmap to become an employer of choice.

### KNOWLEDGE SHARING

A key initiative in 2014 was to enhance knowledge sharing within the organisation which we believe would help to establish an innovative culture and reduce the need for retraining. This began with nine knowledge sharing sessions by our thought leaders, which attracted a total of 1,609

participants. In addition, 250 sessions were conducted by various departments for their teams. To incentivise the departmental sessions, as well as individual participation, we have made the organisation and attendance of knowledge sharing events as one of the key factors in departments' and employees' annual performance reviews.

### COACHING FOR LEADERS

One of the challenges of our Leadership Strategy is improving the level of engagement between superiors and subordinates. To increase such engagement, we embarked on a training programme in coaching. The objective is for leaders to coach employees on a regular basis and to discuss their performance and career development in order to empower them. A total of 59 leaders from the Central and Southern Regions took part in three coaching sessions.



Corporate Communication Department's Team Building Programme at Port Dickson, Negeri Sembilan

### COMPETENCY DICTIONARY

In driving a high performance culture, it is essential for all employees to have a clear understanding of what it takes to demonstrate functional competency. We have therefore developed a Competency Dictionary to help individuals identify, discuss and develop the skills and behaviours necessary to drive effective performance. Specifically, the dictionary defines behaviours that demonstrate required competencies.



## DEVELOPMENT PROGRAMMES FOR TALENT

In 2014, the following development programmes were organised for our talent:

- Harvard Business School 6th ASEAN Senior Management Development Program for Senior Leaders on 15-22 June
- Remarkable Women – Malaysia Programme on 10 December
- Winning Attitude & Values Enhancement programme designed for non-executives on 10-11 September
- PRIME Programme for Top Performing Non-Executives in supervisory positions from April to August
- Executive Enhancement Programme (“EEP”) with Batch 1 starting in May and Batch 2 starting in September
- New Executive Programme (“NEP”) from August to October

## TALENT ATTRACTION

We participate in various career fairs throughout Malaysia and even as far as the UK to attract the best talent. To strengthen our talent pipeline, we also collaborate with several local universities and colleges – such as the University of Malaya, Universiti Sains Malaysia, Universiti Teknologi Mara, Tunku Abdul Rahman University College and Infrastructure University Kuala Lumpur.

We organise career talks at local universities following which final-year students who are interested in joining UEM Sunrise are encouraged to have an informal interview with our Human Resource and Administration staff present. Shortlisted candidates are then invited to an assessment during which their English, Mathematics, group discussions and presentation skills are measured. Successful candidates will be considered for potential employment.

## YOUNG EXECUTIVE SCHEME

Our Young Executive Scheme (“YES”) provides a one-year working opportunity for fresh graduates and it combines soft skills training in communication, problem solving, and decision making. As of 30 June 2014, UEM Sunrise had engaged a total of 31 YES trainees who were placed in our various departments namely Development, Landscape, ICT, HR, Corporate Communication, Sales and Marketing etc. Candidates who demonstrated the right aptitude and possess the right attitude were offered permanent positions in the Company at the end of the training period, subject to the availability of suitable positions.



# ENVIRONMENT



Sustainability Campaign 2014



Tree Planting Programme on 19 November 2014 at Regional Open Space, Nusajaya

## HEALTH & SAFETY

UEM Sunrise places the highest priority on safety both at our office premises and at our work sites. In our offices, we implement the 5S initiatives to ensure a safe working environment. At our project sites, we instill a culture of safety via appropriate training and by benchmarking our performance against best practice projects. To promote the safety culture, we recognise excellence in safety behaviours and performance.

In 2014, 237 safety induction courses were conducted for 4,202 contractors' workers covering Quality, Safety, Health and Environment requirements. In addition, 40 awareness trainings and refresher sessions were carried out among relevant employees, contractors and consultants ranging from Quality, Safety, Health and Environment management systems to processes and procedures.

To reinforce safety performance, monthly construction audit meetings are held, and we require our contractors to undergo the annual Safety and Health Assessment System in Construction ("SHASSIC") by the Construction Industry Development Board ("CIDB"). In 2014, our contractors performed better in the assessment, achieving 3-4 star ratings.

We also collaborated with the National Institute of Occupational Safety & Health ("NIOSH") Southern Region and University Tun Hussein Onn Malaysia to conduct a research on Whole Body Vibration Exposure for Off-Road Lorry Drivers. The research was carried out at the SiLC Phase 3 site with the assistance of one of our contractors, ML Sepakat Sdn Bhd. The research is still ongoing.

A Sustainability Campaign was organised on 19 and 20 November at Puteri Harbour, Nusajaya in collaboration with National Institute of Safety and Health ("NIOSH"). The programme attracted more than 400 participants mainly from the Department of Occupational Safety and Health ("DOSH"), Malaysia Productivity Corporation ("MPC"), Colombia Asia, Fire and Rescue Department as well as contractors, consultants, site workers, UEM Sunrise's employees and the general public. Themed "Think Sustainable, Act Responsible", the programme aimed at inculcating safe work practice and positive culture, promoting better understanding on the construction quality, occupational safety and environmental issues in the work place that could affect the overall performance and productivity. It was officiated by Tan Sri Datuk Seri Lee Lam Thye, NIOSH Chairman.

At least

**30%**

state-of-the art features and furnishing in Imperia Condominiums @Puteri Harbour, Verdi eco-dominiums in Symphony Hills and 28 Mont'Kiara are made of recycled components.

As a responsible property developer, UEM Sunrise is aware of our duty to protect the environment and the many ecosystems it supports. We are committed to reducing our carbon footprint by maximising energy efficiencies and reducing all forms of emissions. We also preserve precious natural resources such as water by minimising waste and protect natural habitats by ensuring sufficient tracts of green are maintained to support Malaysia's rich biodiversity.

Imperia Condominium @Puteri Harbour, 28 Mont'Kiara and the Verdi eco-dominiums in Symphony Hills stand out as examples of our commitment to delivering green projects. All three properties boast energy-saving, state-of-the-art features and furnishing made of at least 30% recycled components.

Generally, we are applying green principles into the blueprints of our township developments. In Kota Iskandar, for example, we have implemented a nonintrusive automatic waste collection and disposal system that is environmentally-friendly and cost efficient. The development also boasts the first district cooling system outside of Kuala Lumpur. Together with environmentally-driven building designs that encourage natural ventilation, the administrative centre of Nusajaya has a naturally low energy consumption index.

A key environmental feature in Nusajaya is the Regional Open Space ("ROS"). This represents 343 acres of land which we are rehabilitating to create the Nusajaya Natural Heritage Park ("NNHP"), a multifaceted nature reserve with separate areas designated for botanical gardens, a reforested rainforest, herbarium and arboretum. The NNHP will also support a biodiversity programme that includes: activities such as planting wildlife-friendly plants to sustain the wildlife population; conducting education programmes that promote plant conservation; and the use of environmental-friendly products in the park's operations and maintenance to minimise the environmental impact on the flora and fauna.

Other environmentally-friendly initiatives we are deploying in our projects include rainwater harvesting. In Symphony Hills, for example, our semi-detached Beethoven homes employ a complex system of ponds and creeks to collect surface water runoff for irrigation, thus greatly reducing dependence on municipal water.

Within our office premises, we have implemented a number of processes and systems to reduce waste, leading to UEM Sunrise becoming the first property developer in Malaysia to be Quality Environment/5S System certified in 2014, following an audit by the Malaysian Productivity Corporation ("MPC").



Regional Open Space, Nusajaya

# COMMUNITY

Our community outreach programmes are categorised into two main pillars – Education Enhancement and Community Development.

## EDUCATION ENHANCEMENT

Our focus on Education Enhancement is based on a firm belief that education is a fundamental human right and should be extended to every child regardless of gender, race, religion or economic status. We also believe that education is one of the strongest enablers of community development, thus, with that in mind, UEM Sunrise brings educational benefits with the objective of creating a positive impact on local communities, and especially those that surround our operations.

We have adopted 13 primary schools and four secondary schools in Gelang Patah, Johor under the PINTAR programme since 2007. PINTAR, which stands for Promoting Intelligence, Nurturing Talent and Advocating Responsibility, is a programme launched by Khazanah in 2008 and driven by PINTAR Foundation that promotes school adoptions with the objectives to help achieve better education outcomes.

As of end 2014, UEM Sunrise has expanded its outreach in the PINTAR Adoption School programme by adopting four more schools in areas where we have developments, namely: Sekolah Kebangsaan Bangi, Sekolah Rendah Agama Bt. 3,

Bangi and Sekolah Kebangsaan Cyberjaya, all in Selangor, as well as Sekolah Jenis Kebangsaan (C) Ming Terk in Gelang Patah, Johor.

This brings UEM Sunrise PINTAR Adoption School programme to 21 schools located in Southern and Central Regions, touching the lives of approximately 7,000 students yearly.

We organise various initiatives in our PINTAR schools, guided by four PINTAR Core Modules, namely Team Building, Educational Support, Capability and Capacity Building and Reducing Vulnerability and Social Issues.

These efforts encompass educational, stimulating and motivational activities to inspire the students to reach new heights academically and to broaden their horizons personally. Under our Academic Excellence Programme we provide learning support through after-school and holiday activities that include exam clinics and seminars, and literacy projects such as the Newspaper in Education (“NiE”).

Over and above the Academic Excellence Programme and to create conducive resource centre within school compound, UEM Sunrise has sponsored books and refurbishment under the Library Enhancement Programme. Sekolah Kebangsaan Taman Nusa Perintis 1 in Gelang Patah, Johor was selected in 2014 to purchase additional reading materials and interior upgrade.



The students of SK Taman Nusa Perintis 1 at the enhanced library

This brings UEM Sunrise PINTAR Adoption School programme to 21 schools located in Southern and Central Regions, touching the lives of approximately 7,000 students yearly.

To further inspire the students and recognise their hard work and determination to deliver their personal best, an annual High Achievers' Awards ceremony is organised. In 2013, the UPSR examination recorded a 9% increase for 5As, 6As and 7As as compared to 2012 when PMR indicated a slump in students achieving 8As. Meanwhile for 2013 SPM results, statistics showed a significant leap with eight students obtaining 8As, 9As and 11As as compared to the previous year with only two students scoring 9As. The outstanding students were celebrated in May 2014.

As key objectives of the PINTAR programme is to develop rounded individuals, we also encourage our students to take an active interest in sports and environmental issues, and to be aware of social issues. In 2014, a number of activities were organised towards this end, including a Mini Football Challenge, a Green Programme Competition and a Road Safety Programme.

2014's motivational programme was conducted in two phases – 120 students for the camp phase, and their parents for the talk phase. The programme has inspired the students to be well-rounded individuals and at the same time, developed stronger parent-student relationship.

In line with the National Education Blueprint and to encourage high order thinking skills, more programmes have been designed to tap into the student's ability to collaborate in a team and subsequently strive for a solution. The inaugural Amazing Patriotic Race under the annual National Day Programme was a platform that tested their knowledge on the Country's history through writing, listening and presentations.



Wan Muhammad Baqie Mahadi, the recipient of Best PMR Student Award 2013 at the High Achievers' Award ceremony 2014 in Kota Iskandar, Nusajaya

In addition to the core PINTAR School Programme, in 2012 together with the PINTAR Foundation, we participated in the three-year UEM Group English Literacy Programme ("UELTP") with the aim to promote English literacy among Year 1, Year 2 and Year 3 students at selected schools and their parents.



Green Campaign Programme at Sekolah Kebangsaan Nusantara, Gelang Patah, Johor



Story-telling session by UEM Sunrise with the children at the Shelter Home 1





YAB Dato' Mohamed Khaled Nordin at the Pre-launch of Bayu Nusantara in March 2014

UEM Sunrise continues on its commitment to build affordable housing for the rakyat in Nusajaya by offering 351 units of Bayu Nusantara and pledged to build 10,000 more affordable housing which will be located in Gerbang Nusajaya.

### COMMUNITY DEVELOPMENT

Under our Community Development, we integrate ourselves with local communities and encouraged social inclusiveness by organising various events and providing assistance to those in need. In the process, we have built lasting relationships based on trust.

#### Affordable Housing

UEM Sunrise continues on its commitment to build affordable housing for the rakyat in Nusajaya by offering 351 units of Bayu Nusantara and pledged to build 10,000 more affordable housing which will be located in Gerbang Nusajaya. At a pre-launch ceremony held on 1 March at SMK Gelang Patah in Johor, Menteri Besar YAB Dato' Mohamed Khaled Nordin presented the Certificates of Entitlement to Purchase to the eligible rakyat whom were successful in the balloting conducted by the SUK Perumahan Negeri Johor to purchase the properties that are scheduled to be completed in 2016.

UEM Sunrise's affordable homes will be built based on the guidelines of Dasar Perumahan Rakyat Johor in Iskandar Malaysia and depending on the demand structure. The affordable homes we are offering is in support of the Government's various efforts to ensure

home ownership for all Malaysians. It demonstrates our commitment in building quality affordable housing in Nusajaya which in the long term leads to the improvement in the quality of life of the local community.

A groundbreaking ceremony took place on 9 November for the development of Rumah Mampu Milik Johor ("RMMJ") named Denai Nusantara in Nusajaya with 1,109 units of three-bedroom apartments and 108 units of one-storey shoplots are expected to be completed by 2017.



YAB Dato' Mohamed Khaled Nordin officiated the groundbreaking ceremony of Denai Nusantara in November 2014

A further 1,436 units including PR1MA (government-sponsored quality and affordable) homes in urban areas are also currently being developed in collaboration with Denia Development Sdn Bhd ("Denia") in Taman Nusantara and its later phase, Nusantara Prima, both in Nusajaya. In collaboration with Denia, we have delivered 3,736 affordable homes and shop offices as at December 2014.

In addition, UEM Sunrise had in 2008/2009 allocated 60 acres of land in Gelang Patah to the State Government of Johor for the Perumahan Rakyat Iskandar Malaysia known as PR1MA development.

In 2014, UEM Sunrise has built up closer relationships with the communities via various engagement activities such as Educational Aids Assistance, Facility Enhancement Programmes, "Gotong-royong" activities, Motivational Talks and Back-To-School Programmes with the 'Orang Asli' children in Tapah, Perak and Gelang Patah, Johor.

UEM Sunrise is also proud to have pioneered the pintar Al-Quran Programme in 2008 in collaboration with Yayasan Islam Terengganu ("YIT"). This programme provides opportunities for pre-schoolers from five kindergartens in Gelang Patah to read and understand the Quran. In 2011,



Staff members at UEM Sunrise explaining to the children at the Agathians Home, Petaling Jaya on how to operate the newly presented desktop

when the Johor Religious Department ("JAJ") took over YIT's functions, it made substantial changes to the programme's modules to make it more effective. At the end of 2014, we included two more kindergartens in Gelang Patah namely Tabika KEMAS PR1MA and Tabika KEMAS Firdaus which brings the total number of UEM Sunrise Pintar Al-Quran Programme to seven KEMAS kindergartens.

In terms of Educational Aids Assistance, we contributed funds to the Shelter Home for Children and Agathians Shelter in Petaling Jaya, Selangor. For Facility Enhancement Programmes,



The team from SMK Taman Nusa Jaya celebrating their winning during the Amazing Patriotic Race Programme



Pintar Al-Quran Khatam Ceremony at Kota Iskandar, Nusajaya

UEM Sunrise organised a "Gotong-royong" programme as well as upgraded the shower area of Pertubuhan Kebajikan Anak-anak Yatim Darul Aitam in Perak.

Our community initiatives are further supported by zakat (tithes) disbursements from Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan ("PPZ-MAIWP") and Lembaga Zakat Selangor ("LZS"). In line with Approved Guidelines on Tabung Zakat Distribution by UEM Group, in 2014 we extended zakat funds totalling RM741,500 for community development programmes.



Soh Hwee Woon (middle), the recipient of Best SPM Student Award 2013 with her siblings at the High Achievers' Award Ceremony 2014 in Kota Iskandar, Nusajaya



Students of Sekolah Rendah Jenis Kebangsaan Tamil Gelang Patah, Johor at the UPSR Clinic in UTM, Skudai, Johor

A high-angle photograph of a modern residential complex. In the foreground, a large, curved swimming pool with clear blue water is surrounded by a paved deck and lush greenery, including several trees and shrubs. A few people are walking on the deck near the pool. In the background, a multi-story apartment building with a light-colored facade and green-tinted windows rises. The building has a modern architectural style with balconies and a mix of materials. The overall scene is bright and sunny, suggesting a pleasant living environment.

# Value. *Creation.* Innovation.

Our mixed residential and commercial developments continue to attract interest. Located in prime areas, our projects offer holistic and integrated lifestyles, with immense potential growth for investors. We are renowned for our award-winning projects, loved by home owners, acclaimed by investors and recognised by industry.



# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (“Board”) of UEM Sunrise Berhad (the “Company”) remains fully committed to high standards of corporate governance driven by 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 reinforce 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. The DAL was last revised in August 2014 following the Board's approval for the Board Tender Committee to be given the mandate to award all contracts.

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. During the medical leave of absence of the former MD/CEO, the late Dato' Wan Abdullah Wan Ibrahim until his resignation from the Board on 25 February 2014, Dato' Izzaddin Idris performed the duties and functions of the MD/CEO in the capacity as Executive Director as designated by the Board. Dato' Izzaddin continued with the executive functions until the new MD/CEO, Anwar Syahrin Abdul Ajib was appointed on 1 September 2014, whereby Dato' Izzaddin was then immediately re-designated to Non-Executive Non-Independent Director on the same date.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)

### 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 their recommendations. However, the ultimate responsibility for the final decision on all matters lies with the Board.

The Board and Management Committees are:-

#### Board Committees

- a. Audit Committee
- b. Nominations & Remuneration Committee
- c. Board Tender Committee
- d. ESOS Committee

#### Management Committees

- a. Development Committee
- b. Management Committee
- c. Management Tender 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.

A Board session with senior management was held on 26 November 2014 for the Board to thoroughly review and deliberate on the annual operating plan, financial targets and strategic direction for five years from 2015 to 2020.

#### *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 judgment 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.



## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)

### 1.2 Clear Roles and Responsibilities (continued)

- **Audit Committee (continued)**

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

1. **Lim Tian Huat**  
(Chairman/Independent Non-Executive Director)
2. **Oh Kim Sun**  
(Member/Senior Independent Non-Executive Director)
3. **Dato' Srikandan Kanagainthiram**  
(Member/Independent Non-Executive Director)

Md Ali Md Dewal ceased to be a member following his retirement from office as a Director at the conclusion of the Sixth Annual General Meeting held on 24 April 2014.

The Board through the Audit Committee has undertaken a periodic review of the terms of reference of Audit Committee during the financial year. The Board approved the proposed amendments to the terms of reference to further elaborate on the duties and responsibilities of the Audit Committee regarding risk management and internal controls which are currently being undertaken by the Audit Committee.

The Audit Committee Report is presented on pages 139 to 147 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. Further information is set out in section 2.1 below.

- **Board Tender Committee**

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

1. **Dato' Srikandan Kanagainthiram**  
(Chairman/Independent Non-Executive Director)
2. **Dato' Izzaddin Idris**  
(Member/Non-Independent Non-Executive Director)
3. **Lim Tian Huat**  
(Member/Independent Non-Executive Director)

The Board had on 20 March 2014 approved for the Board Tender Committee to be given the mandate to award all contracts for projects for expediency purposes to ensure timely progress of projects. Notwithstanding that, the Board Tender Committee may, on its own account, decide to raise any proposed award of Projects/Construction contracts to the Board for the Board's approval. Arising thereto, the terms of reference and DAL was accordingly updated to reflect the Board's decision.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)

### 1.2 Clear Roles and Responsibilities (continued)

- **Board Tender Committee (continued)**

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 Projects/Construction contracts and to notify the Board of its decisions;
- Approves the finalisation of project accounts (per contract) within the approved contract terms and approved variation orders of more than RM100 million;
- Approves the award of variation order/claims to contractors/sub-contractors (cumulative amount per contract) of up to RM20 million if cumulative variation order is within 10% of the contract sum or up to RM10 million if cumulative variation order exceeds 10% of the contract sum; 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. **Anwar Syahrin Abdul Ajib**  
(Member/MD/CEO)  
[Appointed on 1 September 2014]
3. **Dato' Izzaddin Idris**  
(Member/Non-Independent Non-Executive Director)
4. **Professor Philip Sutton Cox**  
(Member/Independent Non-Executive Director)
5. **Ungku Suseelawati Ungku Omar**  
(Member/Independent Non-Executive Director)

The late 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.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)

### 1.2 Clear Roles and Responsibilities (continued)

- **ESOS Committee (continued)**

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. As at 31 December 2014, ESOS options over 249,261,800 new ordinary shares of RM0.50 each in the Company were granted to the employees of the Group (including the MD/CEO) as follows:

Category of employees	No. of ESOS granted as at 31 Dec 2014	Percentage granted as at 31 Dec 2014 of total available*	No. of ESOS options vested	No. of ESOS options exercised	No. of options lapsed	No. of ESOS options outstanding
MD/CEO	10,000,000	2.94	3,424,000	2,180,000	5,376,000	2,444,000 <sup>#</sup>
Senior Management	48,225,000	14.17	12,673,900	5,251,500	28,260,350	14,713,150
Other employees	191,036,800	56.14	52,579,800	12,484,600	49,820,050	128,732,150
<b>TOTAL</b>	<b>249,261,800</b>	<b>73.25</b>	<b>68,677,700</b>	<b>19,916,100</b>	<b>83,456,400</b>	<b>145,889,300</b>

\* As at 31 December 2014, the issued and paid-up ordinary share capital of the Company comprised 4,537,436,037 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.

<sup>#</sup> Relates to the entitlement of the former MD/CEO, the late Dato' Wan Abdullah Wan Ibrahim, which shall be exercisable by the beneficiaries of the estate of the late Dato' Wan Abdullah.

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 23.36%.



## **1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)**

### **1.2 Clear Roles and Responsibilities (continued)**

#### ***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 (or the Executive Director during the interim period without MD/CEO in the financial year), assists 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 on a half-yearly basis.

During the financial year, in line with the suggestions of the Corporate Governance Guide Second Edition issued by Bursa Malaysia Berhad in October 2013, the Board introduced a set of questionnaires to the senior management covering areas on financial reporting, control and regulations issues for assessment of:-

- the reasonableness and appropriateness of the financial statements in accordance with applicable approved accounting standards;
- risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company; and
- regulatory and legislative requirements are met and complied with by the Company.

After having reviewed the representation by senior management through the Audit Committee, the Board concluded that the risk management and internal control system of the Company are generally adequate and effective.

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 as to enhance the leadership skills of existing leaders. These initiatives are facilitated by UEM Group Berhad's training centre called UEM Learning Centre.

The Board, on 25 February 2014, established a special committee, named as Search Committee comprising four members of the Board with delegated authority to initiate and oversee the recruitment process of a new MD/CEO following the resignation of the late Dato' Wan Abdullah Wan Ismail from the Board.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)

### 1.2 Clear Roles and Responsibilities (continued)

#### *Succession Planning (continued)*

The composition of the Search Committee and the meetings attendance are as follows:-

No.	Name	Number of Meetings Attended/Held	Percentage of Attendance (%)
1.	<b>Oh Kim Sun</b> (Chairman/Senior Independent Non-Executive Director)	2/2	100
2.	<b>Dato' Izzaddin Idris</b> (Member/Executive Director)	2/2	100
3.	<b>Sheranjiv Sammanthan</b> (Member/Non-Independent Non-Executive Director)	2/2	100
4.	<b>Professor Philip Sutton Cox</b> (Member/Independent Non-Executive Director)	2/2	100

The Search Committee has undertaken a rigorous process of selecting suitable candidates who should possess the following desired traits:

- High integrity with sound leadership and people management skills;
- Excellent stakeholder management;
- In-depth experience in managing large projects;
- Strong technical background and experience with good understanding of commercial considerations; and
- Ability to drive the organisation and grow the business.

Upon the identification of the suitable candidates for selection by the Board, the Search Committee was formally disbanded on 30 June 2014.

The Board has on 24 July 2014 announced Anwar Syahrin Abdul Ajib as the new MD/CEO effective 1 September 2014.

#### ***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](http://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.

#### ***Privacy Policy***

The Board on 25 February 2014 ratified the adoption of the Company's Privacy Policy prepared in accordance with the seven data protection principles which form the basis of protection under the Personal Data Protection Act 2010. A copy of this policy is available for reference on the Company's website [www.uemsunrise.com](http://www.uemsunrise.com).

## **1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)**

### **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](http://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.

All communications made in good faith that discloses or demonstrates information that may evidence malpractice or unethical activity should be addressed to the Chairman of the Board or the Chairman of the Audit Committee, if the concerns cannot be resolved through the normal reporting lines and procedures. Reports made anonymously will not be entertained as it would not be possible to interview the officer or employee who made the report. The Board is committed that the officer or employee who raised genuine concerns in accordance with the whistle blower policy will not suffer any form of retribution, victimisation or detriment.

#### ***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 and principal officers on a quarterly basis.

## **1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)**

### **1.3 Formalise Ethical Standards through Code of Ethics (continued)**

#### ***Conflict of Interest***

Directors are required to declare their respective interest in the securities of 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 2014 are set out on pages 288 to 291 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](http://www.uemsunrise.com) and the Group's Corporate Responsibility activities for the year under review are disclosed on pages 92 to 105 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 addition, the Board is also updated on the information relating to the Company's developments and industry development through a monthly progress report to the Board, which was integrated into the monthly CEO Report commencing from the month of April 2014.

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.

## **1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)**

### **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 corporate governance practices, 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. The Company Secretaries, whose appointment and removal is a matter reserved for the Board, advised the Board on matters including corporate governance issues and Directors' responsibilities in complying with relevant legislation and regulations as well as updated on regulatory changes such as amendments to the Listing Requirements. The profile of the Company Secretaries are set out in page 77 of the Annual Report.

### **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 comprises, amongst others, the following areas:-

- Role, duties and responsibilities of the Board and Board Committees
- Roles of the Chairman and MD/CEO
- Composition and structure of the Board
- Risk and compliance management and internal controls
- Code of ethics and conduct
- Tenure of independent directors
- Non-executive directors' remuneration



## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONTINUED)

### 1.7 Board Charter (continued)

- Assessment and evaluation of Board performance
- Succession planning of the MD/CEO, Board members and senior management
- Independent external advice
- Directors' training and continuous education

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](http://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 seven times and the meeting attendance is as follows:-

No.	Name	Number of Meetings Attended/Held	Percentage of Attendance (%)
1.	<b>Oh Kim Sun</b> (Chairman/Senior Independent Non-Executive Director) – Appointed as Chairman on 24 April 2014	7/7	100
2.	<b>Dato' Izzaddin Idris</b> (Member/Non-Independent Non-Executive Director) – Appointed on 1 September 2014	1/1*	100
3.	<b>Sheranjiv Sammanthan</b> (Member/Non-Independent Non-Executive Director)	6/7	86
4.	<b>Ungku Suseelawati Ungku Omar</b> (Member/Independent Non-Executive Director)	6/7	86
5.	<b>Md Ali Md Dewal</b> (Chairman/Senior Independent Non-Executive Director) – Ceased on 24 April 2014 following his retirement from office as Director at the conclusion of the Sixth Annual General Meeting held on 24 April 2014	2/3*	67

\* Reflects the number of Meetings attended and held during his tenure of appointment.

## **2. STRENGTHEN COMPOSITION OF THE BOARD (CONTINUED)**

### **2.1 Nomination Committee**

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.

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. The Board believes that while it is important to promote gender diversity, it decided not to set specific targets just to fill the quota for gender diversity as the selection criteria of a Director will be based on an effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board. The Board endeavours that suitably qualified women candidates will be sought and included in the pool of candidates for evaluation in respect of new appointments to the Board.

## **2. STRENGTHEN COMPOSITION OF THE BOARD (CONTINUED)**

### **2.2 Develop, Maintain and Review the Criteria for Recruitment Process and Annual Assessment of Directors (continued)**

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 2014, the Board consists of nine members comprising the Non-Independent Non-Executive Chairman, MD/CEO, two Non-Independent Non-Executive Directors and five 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. All the Independent Non-Executive Directors met the criteria of independence as prescribed in the Listing Requirements and other independence criteria applied by the Company and the Board confirmed that there had been no transactions, relationship or arrangements that would have impaired the independence or any judgment 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, port/transport & logistics, utilities & infrastructure, 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 which is designed to identify the strengths and weaknesses of Board operations and establish a common understanding of the Board's roles and responsibilities with a view to maximising Board performance, 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 structure, operations and interaction, communication, effectiveness and roles 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 2014. 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. STRENGTHEN COMPOSITION OF THE BOARD (CONTINUED)**

### **2.2 Develop, Maintain and Review the Criteria for Recruitment Process and Annual Assessment of Directors (continued)**

Besides conducting the annual Board Effectiveness Assessment, the Nominations & Remuneration Committee have also undertaken the following activities in the discharge of its duties for the financial year:-

- Reviewed and recommended to the Board the proposed Corporate and Managing Director's Scorecard for 2014; the results of Corporate and Managing Director's Scorecard for 2013; bonus, salary increment and promotion for the Company; bonus, ex-gratia payment and salary revision for senior management staff; and offer of subsequent fixed-term employment contracts of senior management staff of the Company.
- Proposed the re-election and re-appointment of Directors and Non-Executive Directors' fees to the Board for recommendation to the shareholders at Annual General Meeting for approval.
- Reviewed the term of office and performance of the Audit Committee and its members pursuant to paragraph 15.20 of the Listing Requirements and reported to the Board that all the members of the Audit Committee are effective in discharging their duties and the Audit Committee has carried out its duties in accordance with the terms of reference.
- Reviewed and recommended the appointment of Senior Independent Director and Chairman of the Nominations & Remuneration Committee to the Board for approval.
- Was apprised on the Company's human capital management agenda.
- Reviewed and recommended the implementation of meeting allowance for ad-hoc or temporary Board Committees established by the Board for specific purposes, which is supplemental to the existing 2012 Board Remuneration Framework.

### **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.

## 2. STRENGTHEN COMPOSITION OF THE BOARD (CONTINUED)

### 2.3 Remuneration Policies and Procedures (continued)

The details of the Directors' remuneration for the financial year ended 31 December 2014 are as below:-

Name of Director	Salary	Fees	Allowance, Other Benefits & Emoluments RM'000	Benefit in kind	Total
Tan Sri Dr Ahmad Tajuddin Ali	–	235	10 <sup>(1)</sup>	–	245
Anwar Syahrin Abdul Ajib <sup>(2)</sup>	320	–	173	75	568 <sup>(3)</sup>
Dato' Mohd Izzaddin Idris	–	51 <sup>(4)</sup>	552 <sup>(5)</sup>	–	603
Oh Kim Sun	–	160	13 <sup>(1)</sup>	–	173
Sheranjiv Sammanthan	–	123 <sup>(4)</sup>	3 <sup>(1)</sup>	–	126
Professor Philip Sutton Cox	–	123	11 <sup>(1)</sup>	–	134
Lim Tian Huat	–	173	5 <sup>(1)</sup>	–	178
Dato' Srikandan Kanagainthiram	–	163	8 <sup>(1)</sup>	–	171
Ungku Suseelawati Ungku Omar	–	138	12 <sup>(1)</sup>	–	150
Allahyarham Dato' Wan Abdullah Wan Ibrahim <sup>(6)</sup>	162	–	36	90	288 <sup>(3)</sup>
Md Ali Md Dewal <sup>(7)</sup>	–	52	9 <sup>(5)</sup>	–	61
<b>TOTAL</b>	<b>482</b>	<b>1,218</b>	<b>832</b>	<b>165</b>	<b>2,697</b>

<sup>(1)</sup> Comprising ad-hoc committee meeting allowance and/or site visit allowance.

<sup>(2)</sup> Appointed with effect from 1 September 2014.

<sup>(3)</sup> This amount is inclusive of salary, bonus and EPF (employer's contribution) borne by a subsidiary.

<sup>(4)</sup> Fees for nominees of UEM Group Berhad and Khazanah Nasional Berhad on the Board of the Company are paid directly to the respective companies.

<sup>(5)</sup> The special allowance was paid during his tenure as Executive Director from 1 January 2014 to 31 August 2014. The amount is inclusive of EPF (employer's contribution).

<sup>(6)</sup> Resigned with effect from 25 February 2014.

<sup>(7)</sup> Retired on 24 April 2014 after conclusion of the Sixth Annual General Meeting.

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	Non-Executive
RM50,001 – RM100,000	–	1
RM100,001 – RM150,000	–	3
RM150,001 – RM200,000	–	3
RM200,001 – RM250,000	–	1
RM250,001 – RM300,000	1	–
RM550,001 – RM600,000	1	–
RM600,001 – RM650,000	–	1*

\* Re-designated to Non-Executive Director on 1 September 2014.

## **2. STRENGTHEN COMPOSITION OF THE BOARD (CONTINUED)**

### **2.3 Remuneration Policies and Procedures (continued)**

#### *Directors' Indemnity*

The Company through UEM Group Berhad's group-wide Directors' and Officers' Liability Insurance maintains coverage throughout the financial year to indemnify directors and officers against any liability incurred by them in the discharge of their duties while holding office as directors and officers of the Company. The insurance does not provide coverage in the event of any negligence, fraud, breach of duty or trust, or fine upon conviction. All the Directors contribute their portion of the premium payment for this policy.

## **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 Director, Oh Kim Sun, as the designated Senior Independent Director to replace Md Ali Md Dewal who retired from his office as Director at the conclusion of the Sixth Annual General Meeting held on 24 April 2014, 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 and other independence criteria applied by the Company which 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 judgment, 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 2014, the Board is of the opinion that the Independent Directors consistently provided independent and objective judgment in all Board and Board Committee deliberations and is satisfied with the level of independence demonstrated by the Independent Directors.

### **3. REINFORCE INDEPENDENCE (CONTINUED)**

#### **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.

#### **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 more than half 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.

#### 4. FOSTER COMMITMENT (CONTINUED)

##### 4.1 Time Commitment (continued)

During the financial year ended 31 December 2014, the Board met ten times and the details of the attendance are as follows:-

Directors	Number of Board Meetings Attended/Held	Percentage of Attendance (%)
Tan Sri Dr Ahmad Tajuddin Ali (Non-Independent Non-Executive Chairman)	10/10	100
Anwar Syahrin Abdul Ajib (MD/CEO) – Appointed with effect from 1 September 2014	2/2 <sup>(1)</sup>	100
Dato' Izzaddin Idris (Non-Independent Non-Executive Director) – Redesignated from Executive Director on 1 September 2014	10/10	100
Oh Kim Sun (Senior Independent Non-Executive Director) – Appointed as Senior Independent Director on 24 April 2014	7/10	70
Sheranjiv Sammanthan (Non-Independent Non-Executive Director)	10/10	100
Professor Philip Sutton Cox (Independent Non-Executive Director)	8/10	80
Lim Tian Huat (Independent Non-Executive Director)	9/10	90
Dato' Srikandan Kanagaintiram (Independent Non-Executive Director)	9/10	90
Ungku Suseelawati Ungku Omar (Independent Non-Executive Director)	9/10	90
Allahyarham Dato' Wan Abdullah Wan Ibrahim (MD/CEO) – Resigned from the Board on 25 February 2014	0/2 <sup>(1)</sup>	0 <sup>(2)</sup>
Md Ali Md Dewal (Senior Independent Non-Executive Director) – Retired on 24 April 2014 after conclusion of the Sixth Annual General Meeting	3/3 <sup>(1)</sup>	100

<sup>(1)</sup> Reflects the number of Meetings attended and held during his tenure of appointment.

<sup>(2)</sup> On medical leave of absence.

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.



## **4. FOSTER COMMITMENT (CONTINUED)**

### **4.1 Time Commitment (continued)**

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. The Board does not fix a policy on age of directors as it believes that the ability of a Director to serve effectively is dependent on his/her calibre, experience, qualifications and personal quality, in particular his/her integrity and objectivity.

To assist the shareholders in their decision, sufficient information such as personal profile and attendance of meetings for the Directors standing for re-election and re-appointment are disclosed in the Directors' Profile on pages 68 to 76 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 285 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 newly appointed MD/CEO in 2014 received an information kit from the Company Secretary immediately upon his appointment regarding disclosure obligations of a director, Board Charter, Code of Ethics, Memorandum & Articles of Association of the Company, Board committees' terms of reference, schedule of meetings, amongst others. He has attended the Mandatory Accreditation Programme accredited by Bursa Securities within four months of his appointment.

The Company Secretary arranges for the Directors' attendance at the training programmes, which are conducted either in-house or by external parties and keeps a record of the trainings received by the Directors.

The Directors together with senior management team attended site visits to the Company's projects in Australia, South Africa and Cyberjaya.

#### 4. FOSTER COMMITMENT (CONTINUED)

##### 4.2 Training and Development of Directors (continued)

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 2014, are as follows:-

###### No. Directors

###### List of Training/Conference/Seminar/Workshop Attended

- 
- |   |  |
|---|--|
| 1. <b>Tan Sri Dr Ahmad Tajuddin Ali</b> | <ul style="list-style-type: none"><li>• Finding Soul in R&amp;D by Nobel Laureate Professor Dr Lee Yuan Tseh</li><li>• Industry Dialogue – Overview of Construction Industry by YBhg Dato’ Seri Professor Ir Dr Judin Abdul Karim, Chief Executive Officer, Construction Industry Development Board (“CIDB”)</li><li>• 10th Khazanah Annual Review + Dialogue Session by YBhg Tan Sri Dato’ Azman Mokhtar, Managing Director of Khazanah Nasional Berhad</li><li>• National Economic Summit &amp; Dialogue</li><li>• Workshop on Scoping for Mega Science Framework Study for Sustained National Development 3.0</li><li>• Dialogue on Aerospace Industry with YB Minister of International Trade and Industry</li><li>• Malaysian Industry-Government Group for High Technology (MIGHT) Board of Directors Retreat</li><li>• Professional and Intellect of Perlis Symposium (PROLIS) 2014</li><li>• 1st Road Engineering Association of Asia and Australasia (REAAA) Business Forum</li><li>• 1st Aerospace Blueprint Workshop – Workshop on the Development of Malaysian Aerospace Industry Blueprint 2015-2030</li><li>• High-Level IMF Conference on Economic Development, Diversification, and the Role of the State &amp; Presentation on “Malaysia, Oil and Diversification: A View from the Inside of Ahmad Tajuddin Ali” by Tan Sri Dr Ahmad Tajuddin Ali, President of The Academy of Sciences Malaysia (“ASM”)</li><li>• International Electrotechnical Commission (IEC) President Meeting Industry Leaders &amp; Members of the Malaysian National Committee</li><li>• Putrajaya Premier Lecture Series with YAB Prime Minister – Past Achievements &amp; Present Challenges in the Muslim World by Dr Farhan Ahmad Nizami, Prince of Wales Fellow in Study of the Islamic World, Magdalen College Oxford, Founding Director of Oxford Centre for Islamic Studies</li><li>• Facility Management Conference Asia 2014: Luncheon Talk Session by Tan Sri Dr Ahmad Tajuddin Ali, Chairman of CIDB</li></ul> |
|---|--|

#### 4. FOSTER COMMITMENT (CONTINUED)

##### 4.1 Time Commitment (continued)

No. Directors	List of Training/Conference/Seminar/Workshop Attended
1. Tan Sri Dr Ahmad Tajuddin Ali (continued)	<ul style="list-style-type: none"><li>• ASM-NST Insight on Malaysia's Water Future: Assessment of Challenges and Opportunities</li><li>• The King's Discourse Malaysia: A Frank Discussion &amp; Tan Sri Dr Ahmad Tajuddin Ali as a Speaker for "Corporate Malaysia: Thriving in Global Competition"</li><li>• CIDB Industry Construction Week</li><li>• Convention of Women in Construction 2014 (KUBINA) - Tan Sri Dr Ahmad Tajuddin Ali as Panel for Prime Discourse/Wacana Perdana</li><li>• Khazanah Megatrends Forum 2014</li><li>• UEM Group Directors' Forum: The Exchange 2014</li><li>• Innovation For Cool Earth Forum</li><li>• World Islamic Economic Forum (WIEF) 2014</li><li>• Malaysian Aerospace Industry Blueprint</li><li>• National Conference on Mega Science 2.0</li><li>• 9th Malaysian Road Conference &amp; Permanent International Association of Road Congresses (PIARC) International Seminar</li><li>• National Conference on Mega Science 2.0</li><li>• Science@Malaysia Conference 2014 – Tan Sri Dr Ahmad Tajuddin Ali as Panel member for "The Role of Government in Advancing Science in Malaysia"</li><li>• Khazanah Global Lectures: Lecture by HE Boris Johnson, Mayor of London</li><li>• Top Research Scientists Malaysia Round Table 2014 – Tan Sri Dr Ahmad Tajuddin Ali as a Moderator for "Are You Delivering Value For Money?" Forum</li><li>• Seminar on National Accredited Renovator</li><li>• Teaching Science in the Muslim World Dialogue and Open Forum for Science Education</li></ul>
2 Anwar Syahrin Abdul Ajib	<ul style="list-style-type: none"><li>• Mandatory Accreditation Programme for Directors of Public Listed Companies</li><li>• UEM Group Directors' Forum: The Exchange 2014</li></ul>

#### 4. FOSTER COMMITMENT (CONTINUED)

##### 4.2 Training and Development of Directors (continued)

No. Directors	List of Training/Conference/Seminar/Workshop Attended
3 Dato' Izzaddin Idris	<ul style="list-style-type: none"><li>• Knowledge Sharing Session with UEM Sunrise staff (Speaker)</li><li>• UEM Sunrise Management Retreat</li><li>• CIMB 4th Annual Asia Pacific Conference and Invest Malaysia Conference</li><li>• UEM Group Directors' Forum: The Exchange 2014</li><li>• UEM Group Management Retreat</li><li>• 2014 UEM Group Induction Programme (Speaker)</li></ul>
4 Oh Kim Sun	<ul style="list-style-type: none"><li>• UBS Singapore Wealth Insights</li><li>• Bank Of Singapore Market Outlook</li><li>• Talk With Indonesian Finance Minister – Jeffrey Cheah Distinguished Speakers Series</li><li>• International Fertilizer Industry Association – Fertilizer Conference</li><li>• Deutsche Bank Dinner Talk “The Rocky Road To Normality”</li><li>• MINDA Corporate Directors Advanced Programme 2014 “Ethics in Business – Creating Sustainable Value”</li><li>• Bursa Malaysia – Enhancing Internal Audit Practice By Variety</li><li>• UBS Global Economic Outlook</li></ul>
5 Sheranjiv Sammanthan	<ul style="list-style-type: none"><li>• The Official Monetary &amp; Financial Institutions Forum (“OMFIF”) 2014 on “Update On Europe Macro-Economic Outlook” by Mr David Marsh, Chairman OMFIF</li><li>• 17th Annual Credit Suisse Asian Investment Conference</li><li>• Khazanah Nasional Tea Talk on “Global Economic Trends and Market Outlook” by Mr Byron Wien of Blackstone Advisory Partners LP</li><li>• Investment Mid Year Retreat 2014 - “Leadership Training Session” by Dr Ronald B Smith (Centre for Creative Leadership)</li><li>• Khazanah Mid Year Retreat 2014<ul style="list-style-type: none"><li>– Developing Global Strategies by Mr Anil Gupta (INSEAD)</li><li>– The Governance of Risks and Opportunities: Current Trends by Mr Didier Cossin (IMD)</li><li>– Leadership in Execution and Innovation by Mr Mike Forde (Chelsea Football Club) and Mr Charles Leadbeater (Author)</li></ul></li></ul>

#### 4. FOSTER COMMITMENT (CONTINUED)

##### 4.2 Training and Development of Directors (continued)

No. Directors	List of Training/Conference/Seminar/Workshop Attended
5 Sheranjiv Sammanthan (continued)	<ul style="list-style-type: none"><li>• PROTEUS Training – “Inspiring Leaders Through Creative Encounters”</li><li>• Khazanah Megatrends Forum 2014</li><li>• Leadership Development Circle (LCD6) with CEOs of GLICs &amp; GLCs by Tan Sri Dato’ Azman Hj Mokhtar</li><li>• Khazanah SPG Year End Retreat – “The Leadership Ecosystem” by Mr Tarmizi Tun Dr Ismail and Ms Shahnaz Al-Sadat</li><li>• Distinguished Corporate Governance Seminar Speaker Series as a Speaker on “Khazanah Nasional Berhad: Our Approach to Business and Governance”</li></ul>
6 Professor Philip Sutton Cox	<ul style="list-style-type: none"><li>• Haymarket Chamber of Commerce (HCC) Asia Panel Event 2014 (Panelist)</li></ul>
7 Lim Tian Huat	<ul style="list-style-type: none"><li>• International Association of Restructuring, Insolvency &amp; Bankruptcy Professionals (INSOL) International Annual Regional Conference</li><li>• Khazanah Megatrends Forum 2014</li></ul>
8 Dato’ Srikandan Kanagathiram	<ul style="list-style-type: none"><li>• Board of Quantity Surveyors Malaysia (“BQSM”) - QS Act Amendments (Bengkel Penyelarasan Pindaan Kaedah-Kaedah Juruukur Bahan Bil. 2)</li><li>• MINDA Corporate Directors Advanced Programme 2014 “Ethics in Business”</li><li>• UEM Group Directors’ Forum: The Exchange 2014</li><li>• Quantity Surveying International Convention 2014 “Wind of Change”</li></ul>
9 Ungku Suseelawati Ungku Omar	<ul style="list-style-type: none"><li>• 6th Annual Corporate Governance Summit 2014</li><li>• Bursatra: Evaluating &amp; Implementing Overseas Investment Strategies – From Evolving Challenges to Sustainable Performance</li><li>• UEM Group Directors’ Forum: The Exchange 2014</li></ul>

#### 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. UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONTINUED)**

### **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. During the financial year, the Audit Committee met with the external auditors on 24 February 2014 and 25 November 2014 without the presence of the executive Board member and management staff, to discuss the extent of assistance rendered by management and issues and reservations arising from audits.

The Audit Committee in reviewing the re-appointment of external auditors for tabling at the Sixth AGM in 2014 had considered their independence, objectivity and cost effectiveness primarily guided by a checklist adapted from the Corporate Governance Guide Second Edition issued by Bursa Malaysia Berhad in October 2013.

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 148 to 152 of this Annual Report and the Risk Management Report is set out on pages 153 to 156 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.

## **6. RECOGNISE AND MANAGE RISKS (CONTINUED)**

### **6.2 Internal Audit Function (continued)**

During the previous financial year ended 31 December 2013, the Audit Committee approved the setting up of an internal audit function for the Group. The head for the internal audit function came on board on 4 August 2014 and reports directly to the Audit Committee. Prior to that, UEMGM continued to provide support to the Group's internal audit function and the head of the internal audit division in UEMGM has oversight of the internal audit activities of the Group and reported directly to the Audit Committee.

The Internal Audit Charter was approved by the Audit Committee on 26 September 2014 for adoption by the internal audit function of the Company.

## **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 Bursa Securities and 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](http://www.uemsunrise.com).

In its continuous efforts to enhance greater transparency to the public, the Company announced its annual Headline Key Performance Indicators ("KPIs") for 2014 in February 2014. Headline KPI targets are aspirations set by the Company as a transparent performance management practice and shall not be construed as forecasts, projections or estimates or representations of any future performance, occurrence or matter of the Group. The targets are merely a set of targets/aspirations of future performance aligned to the Group's strategy.

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](http://www.uemsunrise.com).

## **7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE (CONTINUED)**

### **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.

This 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.

At the AGM in 2014, the Chairman explained the procedure to be followed in tabling and approving each of the resolutions, encouraged shareholders to participate at the meeting and informed of shareholders' right to demand for a poll provided it meets the minimum requirements as set out in the Company's Articles of Association. The Executive Director presented the Company's financial and operational performance and responded to shareholders' questions.

The notice of AGM in 2014 was despatched at least 21 days ahead of the meeting date to enable shareholders sufficient time to peruse the Annual Report and its supporting documents to the resolutions proposed.

### **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 Sixth AGM held on 24 April 2014 were voted by a show of hands.



## **8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS (CONTINUED)**

### **8.3 Effective Communication and Proactive Engagements with Shareholders**

At the Sixth AGM, all the Directors save for a retired Director and another Director who had conveyed his leave of absence were present in person to engage directly with the shareholders. The external auditors were in attendance to respond to any shareholders' queries. The Executive Director also shared with the shareholders the Company's responses to questions submitted in advance of the AGM by the Minority Shareholder Watchdog Group.

A media conference was held immediately after the AGM where the Chairman and Executive Director updated media representatives, as they were not invited into the meeting hall, on the Company's affairs and answered questions on matters related to the Group. The outcome of the AGM was announced on the same day to Bursa Securities. During the financial year, the Company has made available the minutes of its Sixth AGM on its website.

#### ***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](http://www.uemsunrise.com).

Total dividends paid for the financial year ended 31 December 2013 ("FY2013") was RM181.5 million representing 31% of the Company's FY2013 profit after tax and non-controlling interests or 4 sen per share.

For the financial year ended 31 December 2014 ("FY2014"), the Directors have on 26 February 2015 proposed a first and final single tier dividend of 3.0 sen per ordinary share of RM0.50 each for the shareholders' approval at the forthcoming AGM. This translates into approximately 28% of the Company's FY2014 profit after tax and non-controlling 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 2014, the Group has used appropriate accounting policies and applied them consistently and made judgments 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.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF FINANCIAL STATEMENTS (CONTINUED)**

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 160 to 165 and the Financial Statements from pages 169 to 281 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 2014.

This Statement is made in accordance with the resolution of the Board dated 26 February 2015.

# **ADDITIONAL** COMPLIANCE INFORMATION

IN ACCORDANCE WITH APPENDIX 9C OF THE LISTING REQUIREMENTS

## **UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS**

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 28 and 30 June 2014 completed its third issuance of RM400.0 million of IMTNs from its IMTN Programme. Tranche 1 amounts to RM200.0 million, a tenure of five (5) years and a profit rate of 4.72% per annum. Tranche 2 amounts to RM200.0 million, a tenure of seven (7) years and a profit rate of 4.90% per annum. The proceeds from the IMTNs are mainly being utilised towards the Group’s property development activities.

## **SHARE BUY-BACKS**

There were no share buy-backs during the financial year ended 31 December 2014.

## **OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES**

The Employee Share Option Scheme (“ESOS”) implemented on 7 March 2012 is the only employee share option scheme in existence during the financial year ended 31 December 2014.

During the financial year ended 31 December 2014, the Company did not issue convertible securities, other than the granting of option under the ESOS as disclosed in the Directors’ Report. A total of 1,000 ESOS options were exercised during the financial year.

## **DEPOSITORY RECEIPT PROGRAMME**

The Company has not sponsored any depository receipt programme during the financial year ended 31 December 2014.

## **SANCTIONS AND/OR PENALTIES**

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors and management by any regulatory bodies during the financial year ended 31 December 2014, which have material impact on the operations or financial position of the Group.

## **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 2014 as per the audited financial statements and the unaudited results previously announced.

### **PROFIT GUARANTEE**

There was no profit guarantee given or received by the Company during the financial year ended 31 December 2014.

### **MATERIAL CONTRACTS**

Other than those disclosed in the financial statements and the recurrent related party transactions section on pages 288 to 291 in 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 21 May 2015. Please refer to pages 288 to 291 of this Annual Report on the disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2014 pursuant to the shareholders' mandates approved at the previous Annual General Meeting.

# AUDIT COMMITTEE REPORT

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## 1. FORMATION

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

The Audit Committee is committed to its role to assist the Board in ensuring 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"). The Audit Committee reviews the adequacy and effectiveness of the risk management and internal control processes to ensure that the Group's key risks are adequately managed.

## 2. COMPOSITION

The Audit Committee consists of three 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 and Malaysian Institute of Certified Public Accountants (MICPA);  Fellow of the Association of Chartered Certified Accountants
Oh Kim Sun	Member	Senior Independent Non-Executive Director	Member of MICPA
Dato' Srikandan Kanagainthiram	Member	Independent Non-Executive Director	Fellow of the Royal Institution of Surveyors Malaysia, the Australian Institute of Quantity Surveyors and Royal Institution of Chartered Surveyors, United Kingdom;  Registered Member of the Board of Quantity Surveyors Malaysia

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 2014 and details of the attendance of the members at the Audit Committee meetings are as follows:-

No.	Name of Audit Committee Member	Number of Meetings Attended/Held
1.	Lim Tian Huat	7/7
2.	Oh Kim Sun	7/7
3.	Dato' Srikandan Kanagainthiram	7/7
4.	Md Ali Md Dewal <sup>(1)</sup>	3/3 <sup>(2)</sup>

<sup>(1)</sup> Retired as Director at the conclusion of the Sixth Annual General Meeting held on 24 April 2014

<sup>(2)</sup> Reflects the number of meetings attended and held prior to his retirement on 24 April 2014

The Managing Director/Chief Executive Officer ("MD/CEO"), the Executive Director (during the medical leave of absence of the former MD/CEO and interim period from his resignation until the appointment of the new MD/CEO), 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 or the Executive Director (where applicable), 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 twice during the financial year without the presence of MD/CEO or Executive Director (where applicable) 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](http://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, financial reporting process, risk management and management information systems, including related party transactions and systems for compliance with applicable 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 or possesses such other qualifications and experience as approved by Bursa Securities.
- 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:-

### **Corporate Financial Reporting**

- i. Review the quarterly interim results and annual financial statements of the Company and the Group prior to approval by the Board, focusing particularly on:-
  - Any significant changes in accounting policies and practices and its implementation.
  - Significant adjustments arising from the audit.
  - The going concern assumption.
  - Compliance with accounting and financial reporting standards and other legal requirements.
- ii. Review with management and the external auditors the results of the audit, including any difficulties encountered.
- iii. Review the Audit Committee Report, Statement on Internal Control and Statement on Corporate Governance to be included in the annual report and recommend for their approval by the Board.

## **4. TERMS OF REFERENCE (CONTINUED)**

### **4.3 Duties And Responsibilities Of The Audit Committee (continued)**

#### **Risk Management**

- i. Assist the Board in identifying the principal risks in the achievement of the Company's objectives and ensuring the implementation of appropriate systems to manage these risks.
- ii. Review and recommend the risk management policy, procedures and risk management framework for the approval and acknowledgement of the Board and provide guidance on the overall risk strategy and directives for implementation and ensure that the principles and requirements of managing risk are consistently adopted throughout the Group.
- iii. Review periodically the risk management framework and risk profile and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximise opportunities.
- iv. Commission, where required, special projects to investigate, develop or report on specific aspects of the risk management processes of the Company.

#### **Internal Controls**

- i. Oversee the Company's internal controls structure to assure operational effectiveness and efficiency, reduce the risk of unreliable financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance.
- ii. Monitor systems and procedures, with external and internal auditors, which are designed to provide a satisfactory and effective level of internal controls, asset protection and management information.
- iii. Monitor the Group's operations via appropriate internal audit reviews, to ascertain if adequate attention is given to attributes of efficiency, effectiveness and economy.
- iv. Assist the Board in setting appropriate policies on internal control system and ensure that the system is functioning adequately and that its integrity is maintained in managing the risks of the Company and companies within the Group.

#### **Internal Audit**

- i. Consider the major findings of internal investigations and management's response.
- ii. Review the extent to which internal audit recommendations are implemented and the timeliness of responses received.
- iii. Review internal audit performance and effectiveness to ensure consistency with the approved plans, the internal audit plans and relevant professional standards.
- iv. Review the adequacy of the scope, functions, competency and resources of the Internal Audit function and 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 provide the resigning staff member an opportunity to submit his/her reasons for resigning.

#### **External Audit**

- i. Review with external auditors, their audit report.
- ii. Recommend to the Board on the appointment and annual re-appointment 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 Committee shall approve and monitor the extent of non-audit services to be provided by the external auditors to ensure that the provision of non-audit services does not impair their independence or objectivity. For avoidance of doubt, non-audit services include, among other services, services pertaining to:-

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, proforma balance sheet and Accountant's Report in relation to capital market transactions or corporate exercises; and
6. Reviewing interim audit.

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

- iii. Review with the external auditors before the audit commences, the nature and scope of the audit as well as audit plan and ensure co-ordination where more than one audit firm is involved.
- iv. Discuss 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.
- v. Review the external auditors' management letter and management's response.
- vi. Review 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 report the results thereof to the Board.
- vii. Review any letter of resignation from the external auditors and any questions of resignation or dismissal.

#### **4. TERMS OF REFERENCE (CONTINUED)**

##### **4.3 Duties And Responsibilities Of The Audit Committee (continued)**

###### **Others**

- i. Review the assistance and co-operation given by the Company and its Group's officers to the external and internal auditors.
- ii. Review any related party transaction 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.
- iii. Examine and commission appropriate investigation on instances and matters, including disclosures from whistle blower that may have compromised the principles of corporate governance and the Group's code of conduct or ethics policy.
- iv. Consider 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 and to appoint such investigator(s), as appropriate;
- 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 expertise 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.
- 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 or Executive Director (where applicable) 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 2014**

The Audit Committee held seven meetings during the financial year ended 31 December 2014. The internal and external auditors, the MD/CEO or the Executive Director (where applicable) and members of the senior management attended the meetings and the following matters, inter-alia, were covered during the Audit Committee meetings:-

### **Internal Audit**

- i. Reviewed and approved the annual risk-based internal audit plan to ensure adequate scope and comprehensive coverage of the activities of the Company and the Group.
- ii. Reviewed and deliberated on the internal audit reports on the adequacy, effectiveness and efficiency of operational, compliance and governance processes across the Company and its Group. The reports reviewed and deliberated during the year include operational audits on procurement, projects implementation, sales and marketing as well as compliance audits on corporate governance and related party transactions.

## **5. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

### **Internal Audit (continued)**

- iii. Monitored the implementation of recommendation by management on outstanding issues to ensure that all key risks and control weaknesses are properly addressed.
- iv. Reviewed and deliberated on the appointment of Head of Internal Audit.
- v. Approved the adoption of the Company's Internal Audit Charter.
- vi. Reviewed the performance, adequacy, scope, resources and competency of the Internal Auditors.
- vii. Reviewed and approved the internal scorecard for the Internal Audit Department.

### **External Audit**

- i. 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.
- ii. Reviewed with the External Auditors on 24 February 2014 and 25 November 2014 without the presence of the executive board member and management staff, the extent of assistance rendered by management and issues and reservations arising from audits.
- iii. Considered the re-appointment of external auditors and their independence, objectivity and cost effectiveness.

### **Financial and Annual Reporting**

- i. Reviewed the quarterly results and financial statements for the financial year ended 31 December 2014 with management and the External Auditors for recommendation to the Board for approval and release to Bursa Securities.
- ii. Reviewed and recommended the Statement on Risk Management and Internal Control, Audit Committee Report and Risk Management Report to the Board for approval.

### **Related Party Transactions**

- i. Reviewed all related party transactions to be 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.
- ii. Reviewed and recommended to the Board the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.
- iii. Reviewed on a quarterly basis the related party transactions entered into by the Group pursuant to the shareholders' mandate on recurrent related party transactions procured at the Annual General Meeting of the Company on 24 April 2014.

### **Risks and Controls**

- i. Reviewed the Risk Management Committee's periodic reports on the Group's major business risks and remedial actions as well as changes to the Group's risk profile, a summary of which was reported to the Board on a half yearly basis.
- ii. Reviewed the representation by senior management on specific questions posed on:-
  - the reasonableness and appropriateness of the financial statements in accordance with applicable approved accounting standards;
  - risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company; and
  - regulatory and legislative requirements are met and complied with by the Company.

### **Others**

- i. Undertook periodic review of the Terms of Reference of Audit Committee and amendments were proposed to further elaborate on its duties and responsibilities regarding risk management and internal controls which are currently being undertaken by the Audit Committee.
- ii. Verified the allocations of the ESOS options and confirmed the allocations are made in compliance with the criteria set by the ESOS Committee.
- iii. In addition, the Chairman of the Audit Committee had engaged on a continuous basis with senior management, Head of Internal Audit and the external auditors, in order to keep abreast of matters and issues affecting the Group.

## **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 previous financial year ended 31 December 2013, the Audit Committee approved the setting up of an internal audit function for the Group. The head for the internal audit function came on board on 4 August 2014 and reports directly to the Audit Committee. Prior to that, UEMGM continued to provide support to the Group's internal audit function and the head of the internal audit division in UEMGM has oversight of the internal audit activities of the Group and reported directly to the Audit Committee.

The Internal Audit Charter was approved by the Audit Committee on 26 September 2014 for adoption by the internal audit function of the Company.

As at 31 December 2014, the costs incurred for the audit function (including reimbursable expenses) was RM325,909.31.

- 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

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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 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 Enterprise Risk Management system to identify, assess, evaluate, prioritise, treat and monitor the key risks facing the Group.

The risk registers 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") and the Executive Director (during the medical leave of absence of the former MD/CEO and interim period from his resignation until the appointment of the new MD/CEO).

## **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 on-going 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.

## **CONTROL STRUCTURE & MONITORING ACTIVITIES (CONTINUED)**

### **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, safety, health and environment ("QASHE"). 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 the relevant 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 expectations. 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. Certification to MS 1722:2011 standards for safety and health was further obtained in January 2011. These reflected the Group's commitment to safeguard the health and safety of its employees, customers and suppliers. Additionally, the Group has 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.

### **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's ICT Security Policies prescribe 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 Code 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 conducts of the Group.

### **Internal Audit**

During the previous financial year ended 31 December 2013, the Audit Committee approved the setting up of an internal audit function for the Group. The Head for the internal audit function came on board on 4 August 2014 and reports directly to the Audit Committee. Prior to that, UEM Group Management Sdn Bhd (“UEMGM”) continued to provide support to the Group’s internal audit function and the head of the internal audit division in UEMGM has oversight of the internal audit activities of the Group and reported directly to the Audit Committee.

The Internal Audit Charter was approved by the Audit Committee on 26 September 2014 for adoption by the internal audit function of the Group.

The main role of internal audit is to undertake regular and systematic reviews so as to provide reasonable assurance to the Audit Committee and the Board regarding the adequacy and effectiveness of risk management, internal control and governance systems. This is done through on-going 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.

## **CONTROL STRUCTURE & MONITORING ACTIVITIES (CONTINUED)**

### **Government-Linked Companies Transformation Programme**

The Government-Linked Companies ("GLC") Transformation Programme 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.

### **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 UEM Sunrise's 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 and its group of companies (“the Group”) is not only involved in local property developments but also at the international level. In line with progress, the risk management practices at the Group also continue to evolve in response to current and emerging risks in the environment. The Board of Directors (“the 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.

UEM Sunrise’s 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 management 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 RMC is chaired by the Managing Director/Chief Executive Officer (“MD/CEO”) and the Executive Director (during the medical leave of absence of the former MD/CEO and interim period from his resignation until the appointment of the new MD/CEO). The RMC meets on a regular 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:

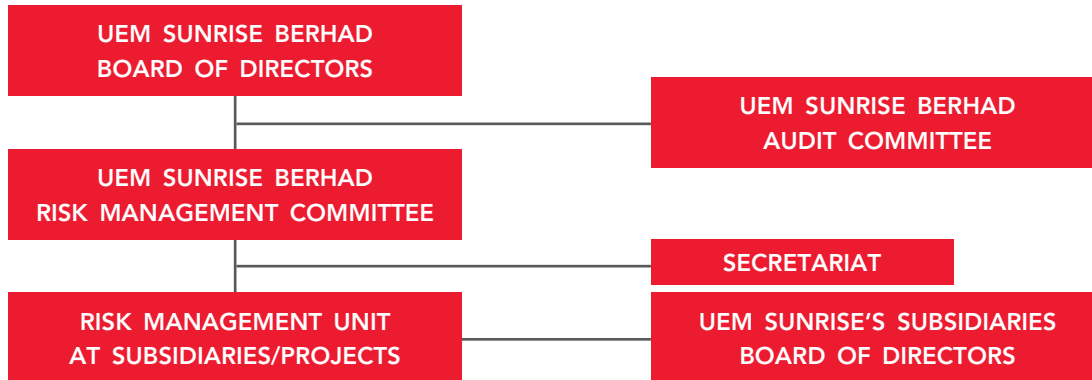
- The overall risk management policy of the Group;
- The key objectives of risk management;
- The risk management guiding principles;
- The risk appetite and how different magnitudes of risk exposures are to be managed and monitored;
- The risks which are unacceptable to the Group and should be avoided; 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 RMC, chaired by the MD/CEO and the Executive Director (during the medical leave of absence of the former MD/CEO and interim period from his resignation until the appointment of the new 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 Group.

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.

#### **4. Role of the Risk Management Unit**

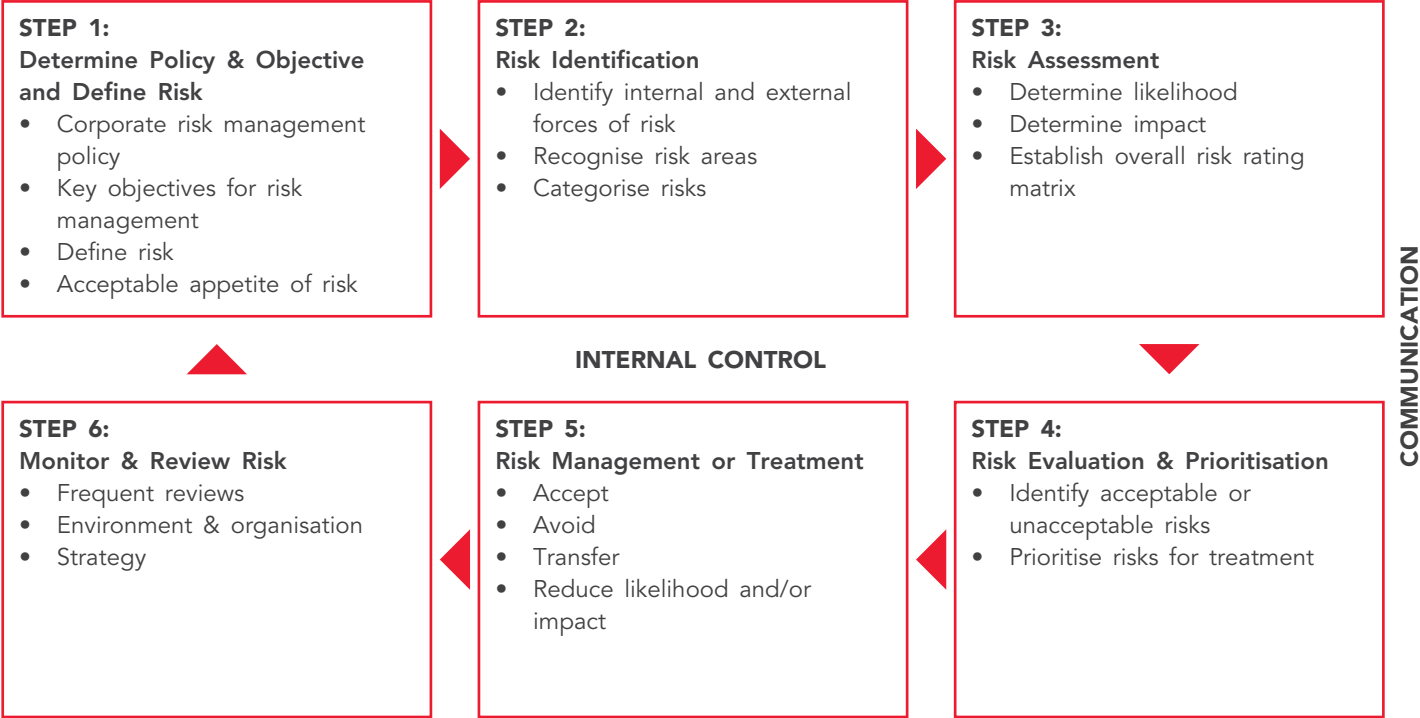
The Risk Management Unit ("RMU") is chaired by the Head of Subsidiaries/Project Director of the respective operating units or projects. Its members include all the relevant Heads of Division and Heads of Department. The RMU's key role is to review the validity of the identified risks and to ensure that 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 risks 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**

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UEM Sunrise Berhad is committed to conduct its business fairly, impartially and in full compliance with all applicable laws and regulations in Malaysia and in countries where it has operations. The Company's Code of Conduct are placed in the Employee Handbook as well in the Company's Intranet web portal named as **Home of The Titans**, crystallises the Company's commitment to enhance the standard of good corporate governance and ensure its business dealings are conducted in a manner that is in full compliance with all applicable laws and regulations at all times. The Code serves as a guide, rather than merely a set of rules for compliance. UEM Sunrise ensures that it is the responsibility of every Employee to act in accordance with the policies detailed in the Company's Code of Conduct in an ethical and professional manner at all times.

In order to maintain the Company's reputation, the Board ensures that all are aware, understand and adhere to the tenets of the Code. To realise this intent, policies returned in the Code of Conduct are also made available in the new employee Welcome On Board program and circulated to every Employee's via emails. Policies such as Whistleblowing, Conflict of Interest and Social Media Policy are clearly stipulated to ensure that all Employees understand its importance and adhere to the Code in ensuring UEM Sunrise remains a highly regarded organisation that is admired by customers, employees, shareholders, suppliers and communities worldwide. The consequences of breaching the Code are clearly set out in the Code of Conduct, and this demonstrates the commitment and determination in ensuring that everyone adheres to the high standards set out in the Code of Conduct.

The Code of Conduct provides:

- Practical advice on how to comply with laws and regulations
- Requirements and guidance about how an Employee should relate to colleagues, customers, shareholders, communities, vendors, competitors and governments
- Employees with useful information applicable to performing their duties as a UEM Sunrise Employee
- Explanation on how to get confidential advice
- Assistance for Employees to resolve difficult questions about business conduct
- Circumstances or situations in which Employees are expected to report their concerns

## **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.

All communications made in good faith that discloses or demonstrates information that may evidence malpractice or unethical activity should be addressed to the Chairman of the Board or the Chairman of the Audit Committee, if the concerns cannot be resolved through the normal reporting lines and procedures. Reports made anonymously will not be entertained as it would not be possible to interview the officer or employee who made the report. The Board is committed that the officer or employee who raised genuine concerns in accordance with the whistle blower policy will not suffer any form of retribution, victimisation or detriment.



Mercu UEM, KL Sentral, Kuala Lumpur



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### Design. Functionality. Style.

It is our goal to always raise the bar in all the markets we invest in. From residential properties and high rise developments to premium retail and office spaces, we ensure every project we embark on delivers cutting edge design, functionality and style.

# 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 2014.

## **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**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit net of tax	479,776	132,700
Attributable to:		
Owners of the parent	479,927	132,700
Non-controlling interests	(151)	–
	479,776	132,700

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 2013 were as follows:

**RM'000**

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In respect of the financial year ended 31 December 2013:

First and final single tier dividend of 4.0 sen per share on 4,537,436,037 ordinary shares of RM0.50 each, paid on 20 June 2014	181,497
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At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.0 sen, in respect of the financial year ended 31 December 2014 on 4,537,436,037 ordinary shares amounting to a dividend payable of RM136,123,081 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 2015.

## 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

Oh Kim Sun

Sheranjiv Sammanthan

Professor Philip Sutton Cox

Lim Tian Huat

Dato' Srikandan Kanagainthiram

YM Ungku Suseelawati Ungku Omar

Anwar Syahrin Abdul Ajib

(appointed on 1 September 2014)

Md. Ali Md. Dewal

(retired on 24 April 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 37 to the financial statements.

## **DIRECTORS' INTERESTS**

None of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

## **ISSUE OF SHARES**

During the financial year, the Company increased its issued and paid up ordinary share capital from RM2,268,717,519 to RM2,268,718,019 by way of issuance of 1,000 new ordinary shares of RM0.50 each for cash pursuant to the exercise of share options under the Employees' Share Option Scheme ("ESOS").

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 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 145,889,300 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 2014 are as follows:

Date of offer	Option price RM	Vesting Date	As at 1.1.2014	Granted RM	Exercised RM	Lapsed RM	As at 31.12.2014
9 April 2012	2.23	23 April 2012	7,209,500	–	(1,000)	(1,422,500)	5,786,000
9 April 2012	2.41	9 April 2013	17,848,800	–	–	(4,100,650)	13,748,150
9 April 2012	2.60	9 April 2014	21,407,000	–	–	(2,867,000)	18,540,000
9 April 2012	2.81	9 April 2015	21,407,000	–	–	(2,867,000)	18,540,000
9 April 2012	3.03	9 April 2016	21,407,000	–	–	(2,867,000)	18,540,000
9 October 2012	2.23	23 October 2012	388,350	–	–	(114,150)	274,200
9 October 2012	2.41	9 April 2013	1,410,300	–	–	(321,400)	1,088,900
9 October 2012	2.60	9 April 2014	1,895,000	–	–	(159,000)	1,736,000
9 October 2012	2.81	9 April 2015	1,895,000	–	–	(159,000)	1,736,000
9 October 2012	3.03	9 April 2016	1,895,000	–	–	(159,000)	1,736,000
9 April 2013	2.79	23 April 2013	5,120,000	–	–	(2,055,600)	3,064,400
9 April 2013	2.79	9 April 2014	5,422,000	–	–	(1,572,000)	3,850,000
9 April 2013	2.81	9 April 2015	5,422,000	–	–	(1,572,000)	3,850,000
9 April 2013	3.03	9 April 2016	5,422,000	–	–	(1,572,000)	3,850,000
9 October 2013	2.79	23 October 2013	4,309,000	–	–	(918,950)	3,390,050
9 October 2013	2.79	9 April 2014	5,365,000	–	–	(577,000)	4,788,000
9 October 2013	2.81	9 April 2015	5,365,000	–	–	(577,000)	4,788,000
9 October 2013	3.03	9 April 2016	5,365,000	–	–	(577,000)	4,788,000
9 April 2014	2.79	23 April 2014	–	7,599,000	–	(1,050,000)	6,549,000
9 April 2014	2.81	9 April 2015	–	7,599,000	–	(1,050,000)	6,549,000
9 April 2014	3.03	9 April 2016	–	7,599,000	–	(1,050,000)	6,549,000
9 October 2014	2.79	23 October 2014	–	3,295,200	–	(146,600)	3,148,600
9 October 2014	2.81	9 April 2015	–	4,715,000	–	(215,000)	4,500,000
9 October 2014	3.03	9 April 2016	–	4,715,000	–	(215,000)	4,500,000
			138,552,950	35,522,200	(1,000)	(28,184,850)	145,889,300

## EMPLOYEE SHARE OPTION SCHEME (CONT'D.)

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 825,000 ordinary shares of RM0.50 each. The names of the holders granted share options to subscribe for 825,000 or more ordinary shares of RM0.50 each during the financial year are as follows:

Name	Number of ordinary shares of RM0.50 each of the Company under the option pursuant to the ESOS				
	As at 1.1.2014	Granted	During the year Exercised	Lapsed	As at 31.12.2014
Anthony Lo	–	900,000	–	–	900,000
Ang Kee Ping	2,463,000	900,000	–	(81,900)	3,281,100
Azmy bin Mahbot	1,418,500	900,000	–	(41,000)	2,277,500
Lee Heng Meng	1,195,750	900,000	–	(36,250)	2,059,500
Loke Wei Feng	1,378,500	900,000	–	(41,000)	2,237,500
Mohamed Basir bin Mohamed Sali	–	900,000	–	–	900,000
Ng Kee Seng	–	900,000	–	–	900,000
Saw Seong Keat	–	900,000	–	–	900,000
Badrulzaman bin Mohd Bedu	–	825,000	–	–	825,000
Redzuan bin Shawaluddin	–	825,000	–	–	825,000

None of the directors in office at the end of the financial year had been granted with the new share options during the year.

## 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:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that there were no known bad debts and that adequate allowance for impairment had been made for receivables; and
  - 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.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- it necessary to write off any bad debts or the amount of the allowance for impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

#### **OTHER STATUTORY INFORMATION (CONT'D.)**

- (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 statements 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 42 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 18 March 2015.

**Tan Sri Dr Ahmad Tajuddin Ali**

**Anwar Syahrin Abdul Ajib**

# STATEMENT BY **DIRECTORS**

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

We, Tan Sri Dr Ahmad Tajuddin Ali and Anwar Syahrin Abdul Ajib, being two of the directors of UEM Sunrise Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 169 to 280 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 2014 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 281 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 18 March 2015.

**Tan Sri Dr Ahmad Tajuddin Ali**

**Anwar Syahrin Abdul Ajib**

# 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, do solemnly and sincerely declare that the accompanying financial statements set out on pages 169 to 281 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 18 March 2015.

**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  
(Incorporated in Malaysia)

## **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of UEM Sunrise Berhad, which comprise the statements of financial position as at 31 December 2014 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 169 to 280.

### **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.

### **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 2014 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.

# **INDEPENDENT AUDITORS' REPORT**

To the members of UEM Sunrise Berhad (cont'd.)  
(Incorporated 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 44 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.

## **OTHER MATTERS**

The supplementary information set out in Note 47 on page 281 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  
18 March 2015

### **Hoh Yoon Hoong**

No. 2990/08/16(J)  
Chartered Accountant

# INCOME STATEMENTS

For the financial year ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	3	<b>2,661,674</b>	2,425,289	<b>140,000</b>	134,696
Cost of sales	4	<b>(1,836,387)</b>	(1,497,165)	-	-
Gross profit		<b>825,287</b>	928,124	<b>140,000</b>	134,696
Other income		<b>58,814</b>	48,775	<b>68,540</b>	26,496
Selling and distribution expenses		<b>(89,638)</b>	(143,485)	-	-
Other expenses		<b>(273,915)</b>	(245,327)	<b>(6,437)</b>	(5,670)
Operating profit	5	<b>520,548</b>	588,087	<b>202,103</b>	155,522
Finance costs	6	<b>(45,852)</b>	(29,386)	<b>(67,957)</b>	(30,183)
Share of results of associates		<b>31,477</b>	20,447	-	-
Share of results of joint ventures		<b>102,994</b>	107,117	-	-
Profit before zakat and income tax		<b>609,167</b>	686,265	<b>134,146</b>	125,339
Zakat	7	<b>(9,556)</b>	(7,334)	-	-
Income tax (expense)/credit	8	<b>(119,835)</b>	(99,822)	<b>(1,446)</b>	554
<b>Profit for the year</b>		<b>479,776</b>	579,109	<b>132,700</b>	125,893
Attributable to:					
Owners of the parent		<b>479,927</b>	579,141	<b>132,700</b>	125,893
Non-controlling interests		<b>(151)</b>	(32)	-	-
		<b>479,776</b>	579,109	<b>132,700</b>	125,893
Earnings per share attributable to owners of the parent (sen):					
Basic, for profit for the year	10	<b>10.6</b>	13.3		
Diluted, for profit for the year	10	<b>8.7</b>	12.2		

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 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit for the year	<b>479,776</b>	579,109	<b>132,700</b>	125,893
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent period:				
– Foreign currency translation differences of foreign operations	<b>(7,937)</b>	(7,244)	–	–
– Gain on fair value changes	–	4	–	–
– Share of other comprehensive income/(loss) of associates	<b>352</b>	(7)	–	–
Total comprehensive income for the year	<b>472,191</b>	571,862	<b>132,700</b>	125,893
Total comprehensive income attributable to:				
Owners of the parent	<b>472,342</b>	571,894	<b>132,700</b>	125,893
Non-controlling interests	<b>(151)</b>	(32)	–	–
	<b>472,191</b>	571,862	<b>132,700</b>	125,893

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

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	218,173	189,947	-	-
Investment properties	12	570,143	555,623	-	-
Land held for property development	13	2,631,999	2,809,339	-	-
Investment in subsidiaries	14	-	-	3,738,094	3,176,297
Interests in associates	15	149,251	126,190	-	-
Interests in joint ventures	16(a)	928,327	691,409	444,645	308,916
Amount due from a joint venture	16(b)	62,536	57,402	-	-
Other investments	17	-	-	-	-
Long term receivables	23	59,105	-	-	-
Goodwill	18	621,409	621,409	-	-
Non-current deposits	19	3	1,418	-	-
Deferred tax asset	20	170,009	134,461	-	-
		<b>5,410,955</b>	5,187,198	<b>4,182,739</b>	3,485,213
<b>Current assets</b>					
Property development costs	21	1,578,583	1,109,437	-	-
Inventories	22	176,622	105,856	-	-
Receivables	23	2,761,535	1,806,441	421,134	280,777
Amount due from subsidiaries	24	-	-	1,564,035	2,035,567
Amount due from joint ventures	16(b)	240,284	209,937	154,662	147,536
Short term investments	25	202,635	28,491	-	28,483
Short term deposits	19	70,942	776,112	2,000	-
Cash and bank balances	19	668,329	585,996	2,120	470
		<b>5,698,930</b>	4,622,270	<b>2,143,951</b>	2,492,833
<b>Total assets</b>		<b>11,109,885</b>	9,809,468	<b>6,326,690</b>	5,978,046

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014 (cont'd.)

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	26	<b>2,268,718</b>	2,268,718	<b>2,268,718</b>	2,268,718
Share premium	26	<b>2,044,955</b>	2,044,953	<b>2,044,955</b>	2,044,953
Merger relief reserves	26	<b>34,330</b>	34,330	<b>34,330</b>	34,330
Equity component of redeemable convertible preference shares ("RCPS")	28	–	–	–	–
Other reserves	27	<b>88,130</b>	72,742	<b>74,391</b>	51,418
Retained profits	27	<b>1,896,699</b>	1,598,269	<b>203,170</b>	251,967
		<b>6,332,832</b>	6,019,012	<b>4,625,564</b>	4,651,386
Non-controlling interests	31	<b>485,753</b>	450,604	–	–
<b>Total equity</b>		<b>6,818,585</b>	6,469,616	<b>4,625,564</b>	4,651,386
<b>Non-current liabilities</b>					
Borrowings	32	<b>2,119,666</b>	1,722,066	<b>1,700,575</b>	1,300,629
Payables	34	<b>71,047</b>	–	–	–
Deferred income	35	<b>113,955</b>	–	–	–
Provision	33	<b>436,432</b>	–	–	–
Deferred tax liabilities	20	<b>204,041</b>	262,242	–	–
		<b>2,945,141</b>	1,984,308	<b>1,700,575</b>	1,300,629
<b>Current liabilities</b>					
Provisions	33	<b>373,072</b>	450,818	–	–
Payables	34	<b>584,748</b>	622,892	<b>551</b>	1,031
Amount due to a joint venture	16(b)	<b>111</b>	1,461	–	–
Borrowings	32	<b>238,423</b>	217,983	–	25,000
Liability component of RCPS	28	–	–	–	–
Tax payable		<b>149,805</b>	62,390	–	–
		<b>1,346,159</b>	1,355,544	<b>551</b>	26,031
<b>Total liabilities</b>		<b>4,291,300</b>	3,339,852	<b>1,701,126</b>	1,326,660
<b>Total equity and liabilities</b>		<b>11,109,885</b>	9,809,468	<b>6,326,690</b>	5,978,046

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 2014

Group	Attributable to owners of the parent							Non-controlling interests <sup>#</sup> (Note 31) RM'000	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 (Note 27) RM'000	Retained profits (Note 27) RM'000	Total RM'000		
<b>At 1 January 2014</b>	<b>2,268,718</b>	<b>2,044,953</b>	<b>34,330</b>	-	<b>72,742</b>	<b>1,598,269</b>	<b>6,019,012</b>	<b>450,604</b>	<b>6,469,616</b>
Total comprehensive income for the year	-	-	-	-	(7,585)	479,927	472,342	(151)	472,191
Subscription of shares by non-controlling shareholder in a subsidiary	-	-	-	-	-	-	-	35,300	35,300
ESOS									
- issuance of new shares	*	2	-	-	-	-	2	-	2
- share option granted	-	-	-	-	22,973	-	22,973	-	22,973
Dividend paid (Note 9)	-	-	-	-	-	(181,497)	(181,497)	-	(181,497)
<b>At 31 December 2014</b>	<b>2,268,718</b>	<b>2,044,955</b>	<b>34,330</b>	-	<b>88,130</b>	<b>1,896,699</b>	<b>6,332,832</b>	<b>485,753</b>	<b>6,818,585</b>
<b>At 1 January 2013</b>	<b>2,165,558</b>	<b>1,907,488</b>	<b>34,330</b>	<b>119,068</b>	<b>51,370</b>	<b>1,038,154</b>	<b>5,315,968</b>	<b>450,636</b>	<b>5,766,604</b>
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 Mandatory Convertible Redeemable Preference Shares ("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)
<b>At 31 December 2013</b>	<b>2,268,718</b>	<b>2,044,953</b>	<b>34,330</b>	-	<b>72,742</b>	<b>1,598,269</b>	<b>6,019,012</b>	<b>450,604</b>	<b>6,469,616</b>

\* The amount for issuance of new shares is RM500

# Included in non-controlling interest is the Redeemable Convertible Preference Share ("RCPS") of a subsidiary amounting to RM450 million, which is held by the immediate holding company, UEM Group Berhad.

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 2014 (cont'd.)

Company	← Non-distributable →				Distributable		Total 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 (Note 27) RM'000	Retained profits (Note 27) RM'000	
<b>At 1 January 2014</b>	<b>2,268,718</b>	<b>2,044,953</b>	<b>34,330</b>	<b>-</b>	<b>51,418</b>	<b>251,967</b>	<b>4,651,386</b>
Total comprehensive income for the year	-	-	-	-	-	132,700	132,700
ESOS							
- issuance of new shares	*	2	-	-	-	-	2
- share option granted	-	-	-	-	22,973	-	22,973
Dividend paid (Note 9)	-	-	-	-	-	(181,497)	(181,497)
<b>At 31 December 2014</b>	<b>2,268,718</b>	<b>2,044,955</b>	<b>34,330</b>	<b>-</b>	<b>74,391</b>	<b>203,170</b>	<b>4,625,564</b>
<b>At 1 January 2013</b>	2,165,558	1,907,488	34,330	119,068	22,799	145,100	4,394,343
Total comprehensive income for the year	-	-	-	-	-	125,893	125,893
ESOS							
- issuance of new shares	9,958	35,529	-	-	-	-	45,487
- share option granted	-	-	-	-	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
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)
<b>At 31 December 2013</b>	<b>2,268,718</b>	<b>2,044,953</b>	<b>34,330</b>	<b>-</b>	<b>51,418</b>	<b>251,967</b>	<b>4,651,386</b>

\* The amount for issuance of new shares is RM500

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 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Cash flows from operating activities</b>				
Cash receipts from customers	2,144,560	2,437,719	-	-
Receipts from joint ventures	2,142	877	-	-
Cash payments to suppliers	(413,308)	(418,486)	-	-
Cash payments to contractors	(1,179,402)	(821,864)	-	-
Cash payments for land and development related costs	(12,768)	(54,032)	-	-
Cash payments to other related parties	-	(14,774)	-	-
Cash payment to joint venture	(6,448)	(99,739)	-	-
Cash payment to immediate holding company	(1,135)	(1,215)	-	-
Cash payments to employees and for expenses	(454,954)	(270,194)	(3,267)	(871)
Cash generated from/(used in) operations	78,687	758,292	(3,267)	(871)
Zakat paid	(9,556)	(7,334)	-	-
Net income tax (paid)/refund	(199,816)	(168,933)	(2,701)	51
Interest received	27,623	18,617	2,187	482
Net cash (used in)/generated from operating activities	(103,062)	600,642	(3,781)	(338)
<b>Cash flows from investing activities</b>				
Dividend received from associates	8,050	9,100	-	-
Proceeds from disposals of:				
– property, plant and equipment	130	6	-	-
– investment property	-	12,418	-	-
– short term investments	230,915	290,547	79,777	290,547
Subscription of shares in subsidiaries	-	-	-	(211,343)
Net cash effect from deemed disposal of a subsidiary	-	(201)	-	50
Purchase of property, plant and equipment (Note a)	(43,058)	(21,789)	-	-
Advances to joint venture	(11,800)	-	-	-
Investment in land held for property development	(283,490)	(212,166)	-	-
Investment in an associate	(35,300)	-	-	-
Investment in short term investments	(401,000)	(172,600)	(51,000)	(172,600)
Investment in a joint venture	(135,102)	(16,125)	(135,012)	(15,950)
Net cash used in investing activities	(670,655)	(110,810)	(106,235)	(109,296)

## STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2014 (cont'd.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Cash flows from financing activities</b>				
Drawdown of term and bridging loans	145,163	183,786	-	-
Drawdown of Islamic Medium Term Notes	400,000	700,000	400,000	700,000
Drawdown of revolving credit	109,822	63,450	-	-
Drawdown of structured commodity	25,000	25,000	25,000	25,000
Subscription of shares by non-controlling shareholder in a subsidiary	35,300	-	-	-
Proceeds from ESOS	2	45,487	2	45,487
Receipt of a grant	-	25,000	-	-
Advances to subsidiaries	-	-	(367,082)	(93,514)
Repayment from subsidiaries	-	-	355,808	-
Repayment from a joint venture	-	6,687	-	-
Advances to joint ventures	(22,232)	(48,752)	-	-
Repayment of term and bridging loan	(197,394)	(489,521)	-	-
Repayment of revolving credit	(16,986)	(67,450)	-	-
Repayment of structured commodity	(50,000)	-	(50,000)	-
Repayment to immediate holding company	-	(12,755)	-	-
Redemption of RCPS	-	(408,689)	-	(408,689)
Interest paid	(94,871)	(58,170)	(68,565)	(25,640)
Dividend paid	(181,497)	(132,952)	(181,497)	(132,952)
Net cash generated from/(used in) financing activities	152,307	(168,879)	113,666	109,692
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(621,410)</b>	320,953	<b>3,650</b>	58
Transfer from non-current deposits	1,415	-	-	-
Effects of foreign exchange rate changes	(3,083)	(272)	-	-
Cash and cash equivalents at beginning of year	1,362,108	1,041,427	470	412
<b>Cash and cash equivalents at end of year (Note 19)</b>	<b>739,030</b>	1,362,108	<b>4,120</b>	470
<b>Note a:</b>				
Additions of property, plant and equipment (Note 11)	43,246	21,789	-	-
Interest capitalised	(188)	-	-	-
Cash outflow for acquisition of property, plant and equipment	43,058	21,789	-	-

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

# NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2014

## 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 18 March 2015.

## 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

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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Summary of significant accounting policies (cont'd.)

#### (a) Basis of consolidation (cont'd.)

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date.

The Group controls an investee if and only if the Group has all the following:

- Power over 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

#### (i) Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated from the date on which control is obtained by the Group and are no longer consolidated from the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Acquisitions of subsidiaries are consolidated using the acquisition method of accounting. The acquisition method involves allocating the fair value of the consideration transferred in the business combination to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The excess of the cost of business combination over the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities of acquired subsidiaries at the date of acquisition, is reflected in the financial statements as goodwill. If the cost of business combination is less than the Group's share of net fair value of the assets, liabilities and contingent liabilities, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in the excess of the fair value of the net assets acquired over the consideration transferred, then the gain is recognised in profit or loss. Acquisition-related costs, other than those associated with issuing debt or equity securities, are recognised in profit or loss as incurred.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **2.2 Summary of significant accounting policies (cont'd.)**

#### **(a) Basis of consolidation (cont'd.)**

##### **(i) Subsidiaries (cont'd.)**

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

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

Consistent accounting policies are applied to like transactions and events in similar circumstances.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

If the Group loses control of a subsidiary, any gain or loss is recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net fair value of the assets together with any balance of goodwill and exchange differences that were not previously recognised in profit or loss.

Business combinations involving entities under common control are accounted for by applying the pooling of interest 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 profit or loss reflect 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.

At each reporting date, the Group's retained profits for the immediate preceding financial year in relation to the entities under common control, after adjusting for proposed/declared dividend as at that date will be transferred to merger deficit.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **2.2 Summary of significant accounting policies (cont'd.)**

#### **(a) Basis of consolidation (cont'd.)**

##### **(ii) Associates**

An associate is an entity over 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.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Where necessary, adjustments are made to bring the accounting policies of associates in line with those of the Group.

Goodwill relating to associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost of the 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 profit or loss for the period in which the investment is acquired.

Equity accounting is discontinued when the Group's share of losses and negative reserves in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

##### **(iii) Joint Arrangements**

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

##### **(aa) Joint Ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Investments in joint venture are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.2(a)(ii).

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **2.2 Summary of significant accounting policies (cont'd.)**

#### **(a) Basis of consolidation (cont'd.)**

##### **(iii) Joint Arrangements (cont'd.)**

##### **(bb) Joint Operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises its interest in joint operation using the proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operation with the similar items, line by line, in its consolidated financial statements. The joint operation is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint operation.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its joint operation.

The financial statements of the joint operation 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.

#### **(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(n). 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Summary of significant accounting policies (cont'd.)

#### (c) Property, plant and equipment and depreciation (cont'd.)

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%

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.



## **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**

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(n).

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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Summary of significant accounting policies (cont'd.)

#### (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.

##### (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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Summary of significant accounting policies (cont'd.)

#### (i) Income taxes (cont'd.)

##### (ii) Deferred tax (cont'd.)

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.

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) Zakat

The Group recognises its obligation towards the payment of zakat on business in the income statement. Zakat is an obligation and is computed based on a certain basis as approved by the Board of Directors.

#### (k) 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").

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **2.2 Summary of significant accounting policies (cont'd.)**

#### **(k) Employee benefits (cont'd.)**

##### **(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.

#### **(l) 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.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **2.2 Summary of significant accounting policies (cont'd.)**

#### **(l) Foreign currencies (cont'd.)**

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.

#### **(m) 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 and upon the transfer of significant risk and rewards of ownership.

###### **(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.

###### **(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 and upon the transfer of significant risk and rewards of ownership.

##### **(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 and upon the transfer of significant risk and rewards of ownership.

##### **(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 income are recognised as when such services are rendered.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Summary of significant accounting policies (cont'd.)

#### (m) Revenue recognition (cont'd.)

##### (v) Project management

This relates to provision of consultancy, advisory and technical services in relation to property development activities. Revenue from services is recognised in the period in which the services are rendered, by reference to completion of the actual service provided as a proportion of the total services to be performed.

##### (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.

#### (n) 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")).

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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Summary of significant accounting policies (cont'd.)

#### (n) Impairment of non-financial assets (cont'd.)

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.

#### (o) 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.

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.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **2.2 Summary of significant accounting policies (cont'd.)**

#### **(o) Financial assets (cont'd.)**

##### **(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.

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.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Summary of significant accounting policies (cont'd.)

#### (p) 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.

#### (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.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **2.2 Summary of significant accounting policies (cont'd.)**

#### **(q) 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.

#### **(r) 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.

Ordinary shares and MCRPS are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Summary of significant accounting policies (cont'd.)

#### (s) 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.

#### (t) 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.

#### (u) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.2 Summary of significant accounting policies (cont'd.)

#### (u) Current versus non-current classification (cont'd.)

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classified all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### (v) Fair value measurements

The Group measures financial instruments, such as, financial assets at fair value through profit or loss at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **2.2 Summary of significant accounting policies (cont'd.)**

#### **(v) Fair value measurements (cont'd.)**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **(w) 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

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2014, the Group and the Company adopted the following amended FRSs mandatory for annual financial periods beginning on or after 1 January 2014:

	<b>Effective for the financial period beginning on or after</b>
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014

The adoption of the above standards does not have any significant impact to the financial statements of the Group and of the Company.

The nature of the amended FRSs is described below.

#### **(a) Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities**

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments which are to be applied retrospectively, have no impact on the Group and the Company.

#### **(b) Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets**

These amendments remove the requirement to disclose the recoverable amount for each CGU to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU.

In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by FRS 13 Fair Value Measurements.

These amendments which are to be applied retrospectively, have no impact to the Group and the Company.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.3 Changes in accounting policies (cont'd.)

#### (c) Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness.

These amendments which are to be applied retrospectively, have no impact to the Group and the Company.

#### (d) Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under FRS 10 Consolidated Financial Statements, which must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss.

These amendments have no impact to the Group.

### 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:

	<b>Effective for the financial period beginning on or after</b>
Amendments to FRS 119: Defined Benefit Plans (Employee Contributions)	1 July 2014
Amendments to FRSs 'Annual Improvements to FRSs 2010-2012 Cycle'	1 July 2014
Amendments to FRSs 'Annual Improvements to FRSs 2011-2013 Cycle'	1 July 2014
Amendments to FRSs 'Annual Improvements to FRSs 2012-2014 Cycle'	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127 : Equity Method in Separate Financial Statements	1 January 2016
FRS 9: Financial Instruments	1 January 2018

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Standards issued but not yet effective (cont'd.)

The nature of some of the amendments are described below.

#### (a) **Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

These amendments clarify that gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

These amendments are to be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016, with early adoption permitted.

#### (b) **Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations**

These amendments require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

#### (c) **Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation**

These amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

These amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

#### (d) **Amendments to FRS 127: Equity Method in Separate Financial Statements**

These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

These amendments are effective retrospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.



## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

### **2.4 Standards issued but not yet effective (cont'd.)**

#### **(e) FRS 9: Financial Instruments**

In November 2014, MASB issued the final version of FRS 9 Financial Instruments, which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

### **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 has been 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 2017.

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 2017. 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.

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 statements for the years ended 31 December 2013 and 2014 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 2017.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 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 fair value less cost to sell and 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 2014 was RM621,409,000 (2013: 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 are disclosed in Note 21.

#### **(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.

## 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 (cont'd.)

As disclosed in Note 38(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 construction costs

The Group recognises a provision for construction costs relating to estimated final claims by contractors which have not been finalised and provision for property development, infrastructure and land related costs relating to portions of land sold.

Significant judgement is required in determining the extent of the costs to be incurred and in making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists. The carrying amount of the Group's provision for construction costs is RM687,779,000 (2013: RM255,162,000).

##### (v) Provision for liquidated ascertained damages

Provision for liquidated ascertained damages is recognised for the 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Property development:				
– Sale of development properties	1,670,639	1,512,218	–	–
– Sale of developed land	17,145	59,230	–	–
	<b>1,687,784</b>	1,571,448	–	–
Strategic land sale	<b>865,081</b>	757,236	–	–
Property investment	<b>76,349</b>	63,886	–	–
Assets and facilities management	<b>10,296</b>	10,869	–	–
Project management	<b>11,991</b>	14,331	–	–
Harvesting, land leasing and other income	<b>10,173</b>	7,519	–	–
Dividend income				
– a subsidiary	–	–	<b>140,000</b>	134,696
	<b>2,661,674</b>	2,425,289	<b>140,000</b>	134,696

#### 4. COST OF SALES

	Group	
	2014 RM'000	2013 RM'000
Property development:		
– Sale of development properties	<b>1,269,813</b>	1,146,168
– Sale of developed land	<b>13,869</b>	38,860
	<b>1,283,682</b>	1,185,028
Strategic land sale	<b>548,968</b>	310,014
Harvesting, land leasing and other costs	<b>3,737</b>	2,123
	<b>1,836,387</b>	1,497,165

#### 5. OPERATING PROFIT

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Allowance for doubtful debts				
– receivables (Note 23(vii))	<b>2,381</b>	1,971	–	–
Rental expenses of				
– land and building	<b>13,741</b>	12,816	–	–
– equipment	<b>710</b>	656	–	–
Auditors' remuneration				
– statutory audit	<b>863</b>	680	<b>63</b>	63
Depreciation of property, plant and equipment (Note 11)	<b>12,079</b>	13,659	–	–
Depreciation of investment properties (Note 12)	<b>8,563</b>	6,541	–	–
Property, plant and equipment written off (Note 11)	<b>468</b>	25	–	–
Investment properties written off	<b>1,771</b>	–	–	–
Directors' remuneration (Note (i))	<b>2,697</b>	3,340	<b>2,697</b>	3,340
Staff costs (Note (ii))	<b>144,940</b>	134,653	–	–
Provision for foreseeable losses and liquidated ascertained damages	<b>26,663</b>	29,292	–	–
Impairment loss on long term receivables (Note 23(v))	<b>7,278</b>	–	–	–
Write back of allowance for impairment				
– others (Note 23(vii))	<b>(996)</b>	(2,778)	–	–
– inventory	<b>(49)</b>	(95)	–	–

## 5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in arriving at operating profit: (cont'd.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Net loss/(gain) on remeasurement of investment at fair value through profit or loss	<b>258</b>	768	<b>(113)</b>	768
Direct operating expenses arising from investment properties that are generating rental income	<b>30,431</b>	29,981	-	-
Direct operating expenses arising from investment properties that did not generate rental income	<b>4,240</b>	712	-	-
Dividend income from investment in unit trust	<b>(4,317)</b>	(2,348)	<b>(181)</b>	(2,348)
Interest income				
– deposits with licensed banks	<b>(22,596)</b>	(18,617)	<b>(2,125)</b>	(482)
– trade receivables	<b>(4,812)</b>	(9,319)	-	-
– subsidiaries	-	-	<b>(58,431)</b>	(17,249)
– joint ventures	<b>(9,960)</b>	(11,656)	<b>(6,941)</b>	(6,338)
– investment in a joint venture	<b>(718)</b>	-	<b>(718)</b>	-
– others	<b>(308)</b>	-	-	-
Bad debts recovered	-	(31)	-	-
(Gain)/loss on disposal of:				
– property, plant and equipment	<b>(127)</b>	(3)	-	-
– subsidiaries	<b>(43)</b>	604	-	-

## 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Executive:				
Salary and other emoluments	<b>1,243</b>	1,880	<b>1,243</b>	1,880
Fees*	–	144	–	144
Benefits-in-kind	<b>165</b>	120	<b>165</b>	120
	<b>1,408</b>	2,144	<b>1,408</b>	2,144
Non-executive:				
Fees	<b>1,218</b>	1,196	<b>1,218</b>	1,196
Other emoluments	<b>71</b>	–	<b>71</b>	–
	<b>1,289</b>	1,196	<b>1,289</b>	1,196
	<b>2,697</b>	3,340	<b>2,697</b>	3,340
Analysis of total directors' remuneration excluding benefits-in-kind:				
– executive	<b>1,243</b>	2,024	<b>1,243</b>	2,024
– non-executive	<b>1,289</b>	1,196	<b>1,289</b>	1,196
Total directors' remuneration excluding benefits-in-kind	<b>2,532</b>	3,220	<b>2,532</b>	3,220

\* Fees paid to a director who was redesignated from non-executive to executive.

## 5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in the staff costs in arriving at operating profit: (cont'd.)

### (i) Directors' remuneration (cont'd.)

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	
	2014	2013
Executive director:		
RM200,001 – RM250,000	–	1
RM250,001 – RM300,000	1	–
RM550,001 – RM600,000	1	–
RM1,900,001 – RM1,950,000	–	1
Non-executive directors:		
RM50,001 to RM100,000	1	–
RM100,001 to RM150,000	3	4
RM150,001 to RM200,000	3	3
RM200,001 to RM250,000	1	1
RM600,001 to RM650,000	**1	–

\*\* Re-designated to Non-Executive Director on 1 September 2014.

### (ii) Staff costs

	Group	
	2014 RM'000	2013 RM'000
Wages and salaries	82,612	71,378
Statutory contribution to EPF and social security costs	15,132	13,292
Staff bonuses, benefits and welfare	33,716	31,432
Employee share option scheme	22,973	27,519
Training expenses	1,882	2,933
	<b>156,315</b>	146,554
Capitalised to:		
Land held for property development (Note 13)	(7,436)	(7,972)
Property development costs (Note 21)	(3,939)	(3,929)
	<b>144,940</b>	134,653

## 6. FINANCE COSTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Finance costs incurred and accrued during the year on:				
– term loan	10,964	24,237	–	–
– bridging loan	–	360	–	–
– bank overdraft	400	808	–	–
– revolving credit	4,182	2,328	–	–
– structured commodity	558	1,176	558	1,176
– Islamic Medium Term Notes (“IMTN”)	75,922	35,187	67,399	26,789
– loan from immediate holding company	2,233	12,310	–	–
– accretion of interest on:				
– liability component of RCPS (Note 28)	–	2,218	–	2,218
– long term payables	315	–	–	–
– bank charges	892	212	–	–
	<b>95,466</b>	78,836	<b>67,957</b>	30,183
Capitalised in:				
– land held for property development (Note 13)	(2,370)	(10,366)	–	–
– property development costs (Note 21)	(47,056)	(39,084)	–	–
– property, plant and equipment (Note 11)	(188)	–	–	–
	<b>(49,614)</b>	(49,450)	–	–
	<b>45,852</b>	29,386	<b>67,957</b>	30,183

## 7. ZAKAT

	Group	
	2014 RM'000	2013 RM'000
Expensed and paid in the financial year	9,556	7,334



## 8. INCOME TAX EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Income tax:				
Malaysian income tax	<b>212,202</b>	180,488	<b>8</b>	–
Foreign tax	<b>6,385</b>	1,484	–	–
(Over)/under provision in prior years	<b>(4,898)</b>	8,248	<b>1,438</b>	–
	<b>213,689</b>	190,220	<b>1,446</b>	–
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	<b>(89,130)</b>	(87,403)	–	(554)
Relating to reduction in Malaysian income tax rate	<b>(1,982)</b>	–	–	–
Over provision of deferred tax in prior year	<b>(2,742)</b>	(2,995)	–	–
	<b>(93,854)</b>	(90,398)	–	(554)
Total income tax expense/(credit)	<b>119,835</b>	99,822	<b>1,446</b>	(554)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

## 8. INCOME TAX EXPENSE (CONT'D.)

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before tax and zakat	<b>609,167</b>	686,265	<b>134,146</b>	125,339
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	<b>152,292</b>	171,566	<b>33,536</b>	31,335
Effect of different tax rates in other countries	<b>(469)</b>	(31)	-	-
Effect of different tax rates on real property gain tax	<b>(7,992)</b>	-	-	-
Income not subject to tax	<b>(10,904)</b>	(14,896)	<b>(35,073)</b>	(34,261)
Expenses not deductible for tax purposes	<b>23,995</b>	18,015	<b>1,545</b>	791
Utilisation of previously unrecognised tax losses	-	(9,634)	-	-
Effect on opening deferred tax relating to reduction in Malaysian income tax rate	<b>2,632</b>	-	-	-
Deferred tax assets not recognised during the year	<b>3,418</b>	5,292	-	1,581
Deferred tax assets recognised on unabsorbed business loss previously not recognised	<b>(11,856)</b>	(42,018)	-	-
Withholding tax payment	<b>11,297</b>	-	-	-
Tax effect on share of associates' and joint ventures' results	<b>(33,618)</b>	(31,891)	-	-
(Over)/under provision of income tax in prior year	<b>(4,898)</b>	8,248	<b>1,438</b>	-
Over provision of deferred tax in prior year	<b>(2,742)</b>	(2,995)	-	-
Zakat deduction	<b>(1,320)</b>	(1,834)	-	-
Tax expense/(credit) for the year	<b>119,835</b>	99,822	<b>1,446</b>	(554)

## 9. DIVIDENDS

	Company	
	2014 RM'000	2013 RM'000
<b>In respect of financial year ended 31 December 2013:</b>		
First and final single tier dividends of the following:		
RM0.04 per share on 4,537,436,037 ordinary shares of RM0.50 each, paid on 20 June 2014	<b>181,497</b>	–
<b>In respect of financial year ended 31 December 2012:</b>		
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

At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.0 sen, in respect of the financial year ended 31 December 2014 on 4,537,436,037 ordinary shares amounting to a dividend payable of RM136,123,081 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 2015.

## 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	
	2014	2013
Profit for the year attributable to owners of the parent (RM'000)	<b>479,927</b>	576,585
Weighted average number of ordinary shares in issue ('000)	<b>4,537,436</b>	4,344,130
Basic earnings per share (sen)	<b>10.6</b>	13.3

### (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.

		Group	
	Note	2014	2013
Profit for the year attributable to owners of the parent (RM'000)		<b>479,927</b>	576,585
Profit for the year of subsidiaries attributable to non-controlling interests arising from dilutive impact of unconverted BND RCPS (RM'000)	(i)	<b>(85,367)</b>	(46,853)
Profit for the year attributable to owners of the parent including assumed conversion (RM'000)		<b>394,560</b>	529,732
Weighted average number of ordinary shares in issue ('000)		<b>4,537,436</b>	4,344,130
Diluted earnings per share (sen)		<b>8.7</b>	12.2

#### 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% (2013: 21.76%) of BND's enlarged share capital as at 31 December 2014.

## 11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Freehold building RM'000	Capital work in progress RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Others RM'000	Total RM'000
<b>At 31 December 2014</b>								
Net carrying amount at 1 January 2014	38,753	79,923	-	44,754	5,998	3,362	17,157	189,947
Additions	-	3,358	32,505	233	-	507	6,643	43,246
Disposal	-	-	-	-	-	-	(3)	(3)
Foreign currency translation	(404)	-	-	-	-	-	49	(355)
Transfer (to)/from property development cost (Note 21)	(26,194)	-	28,964	-	-	-	-	2,770
Adjustment	-	(1,175)	-	-	(3,710)	-	-	(4,885)
Write-off (Note 5)	-	-	-	-	-	-	(468)	(468)
Depreciation charge (Note 5)	-	(952)	-	(3,079)	1,212	(1,482)	(7,778)	(12,079)
Net carrying amount at 31 December 2014	12,155	81,154	61,469	41,908	3,500	2,387	15,600	218,173
<b>At 31 December 2014</b>								
Cost	12,155	86,960	61,469	58,171	6,408	9,702	56,402	291,267
Accumulated depreciation	-	(5,806)	-	(16,263)	(2,908)	(7,315)	(40,802)	(73,094)
Net carrying amount	12,155	81,154	61,469	41,908	3,500	2,387	15,600	218,173

## 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
<b>At 31 December 2013</b>							
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)
Foreign 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
<b>At 31 December 2013</b>							
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
<b>At 1 January 2013</b>							
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 capital work in progress is the borrowing cost of RM188,000 (2013: NIL) arising from IMTN for the construction of a freehold building.

## 12. INVESTMENT PROPERTIES

<b>Group</b>	<b>Investment properties under construction RM'000</b>	<b>Completed investment properties RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 January 2014	44,575	527,676	572,251
Addition	23,896	958	24,854
Write-off	-	(1,801)	(1,801)
At 31 December 2014	68,471	526,833	595,304
<b>Accumulated depreciation</b>			
At 1 January 2014	-	(16,628)	(16,628)
Depreciation charge (Note 5)	-	(8,563)	(8,563)
Write-off	-	30	30
At 31 December 2014	-	(25,161)	(25,161)
Net carrying amount	68,471	501,672	570,143
Fair value of investment properties	#	637,400	637,400

## 12. INVESTMENT PROPERTIES (CONT'D.)

Group (cont'd.)	Investment properties under construction RM'000	Completed investment properties RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2013	25,453	503,777	529,230
Addition	–	1,814	1,814
Transfer from property, plant and equipment (Note 11)	–	1,081	1,081
Transfer from property development cost (Note 21)	19,122	21,004	40,126
At 31 December 2013	44,575	527,676	572,251
<b>Accumulated depreciation</b>			
At 1 January 2013	–	(9,984)	(9,984)
Depreciation charge (Note 5)	–	(6,541)	(6,541)
Transfer from property, plant and equipment (Note 11)	–	(103)	(103)
At 31 December 2013	–	(16,628)	(16,628)
Net carrying amount	44,575	511,048	555,623
Fair value of investment properties	#	560,943	560,943

The fair value of the investment properties substantially has been arrived at via valuation performed by certified external valuer. Investment properties are categorised within the fair value hierarchy (Level 3), as the fair value is measured using inputs that are not based on observable market data.

# The fair value of the investment properties under construction cannot be reliably determined and accordingly, no fair value information is being disclosed.



### 13. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2014 RM'000	2013 RM'000
<b>Freehold land</b>		
<b>Cost</b>		
At 1 January	<b>2,809,339</b>	2,893,551
Addition	<b>293,296</b>	266,812
Disposal	–	(93,212)
Transfer to property development costs (Note 21)	<b>(469,036)</b>	(257,812)
Foreign currency translation	<b>(1,600)</b>	–
At 31 December	<b>2,631,999</b>	2,809,339

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 ("UEM Land"). 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 available land bank comprising Nusajaya and others is approximately 8,567 acres (2013: 9,913 acres) of which approximately 506 acres (2013: 460 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) 114 acres (2013: 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(d).
- (b) 160 acres (2013: 160 acres) have been charged as security for the bank guarantees facilities taken by the subsidiary of the Company.
- (c) 104 acres (2013: 102 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(a).

### 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	
	2014	2013
	RM'000	RM'000
Interest capitalised (Note 6)	2,370	10,366
Staff costs (Note 5 (ii))	7,436	7,972

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 UEM Land 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 Pulai, 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 had fully exercised the option of purchase for the whole development land.

**(ii) Master Agreement between UEM Land Berhad ("UEM Land"), a wholly-owned subsidiary of the Company with Ascendas Land (Malaysia) Sdn. Bhd. ("Ascendas")**

On 23 October 2012, UEM Land 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 of 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; and
- (iii) Phase 3 lands measuring approximately 148 acres.

### 13. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)

#### (ii) Master Agreement between UEM Land Berhad ("UEM Land"), a wholly-owned subsidiary of the Company with Ascendas Land (Malaysia) Sdn. Bhd. ("Ascendas") (cont'd.)

In financial year 2013, 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 UEM Land and Ascendas.

Pursuant to the MA, UEM Land 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. None of these options were exercised by Ascendas in the current financial year. The options shall automatically lapse if not exercised within the Option Period.

### 14. INVESTMENT IN SUBSIDIARIES

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares, at cost		
At 1 January	<b>3,176,297</b>	2,965,204
Acquisition of subsidiaries	–	211,343
Dilution of equity interest in subsidiaries	–	(250)
Subscription of additional capital in an existing subsidiary	<b>561,797</b>	–
At 31 December	<b>3,738,094</b>	3,176,297

Details of the subsidiaries are disclosed in Note 44.

#### (a) Acquisition of subsidiaries

- (i) On 28 January 2014, UEM Land Berhad ("UEM Land"), a wholly-owned subsidiary of the Company, acquired two (2) ordinary shares of RM1.00 each in Aura Muhibah Sdn. Bhd. ("AMSB") representing 100% of the total issued and paid-up share capital of AMSB for a cash consideration of RM2.00 only, resulting in AMSB becoming an indirect wholly-owned subsidiary of the Company. Subsequently on 5 March 2014, UEM Land subscribed for 149,998 ordinary shares and 52,800,000 Redeemable Preference Shares of RM1.00 each ("RPS") in AMSB representing 60% of total issued and paid up capital of AMSB for RM149,998 and RM52,800,000 respectively.
- (ii) On 20 March 2014, the Company acquired two (2) ordinary shares of RM1.00 each in UEM Sunrise (Canada) Sdn. Bhd. ("UEMS Canada") for a cash consideration of RM2.00 resulting in UEMS Canada becoming a wholly-owned subsidiary of the Company. The intended principal activity of UEMS Canada is investment holding.

## 14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

### (a) Acquisition of subsidiaries (cont'd.)

- (iii) On 28 March 2014, UEMS Canada acquired one (1) Common Share, representing the entire issued share capital of UEM Sunrise (Canada) Development Ltd ("UEMSCD"), at a consideration of CAD1.00 equivalent to RM2.965 resulting in UEMSCD becoming a wholly-owned subsidiary of UEMS Canada.

UEMSCD is incorporated in British Columbia, Canada on 30 December 2013 as a private limited company under the provisions of British Columbia Business Corporations Act. The principal activity of UEMSCD is real estate acquisition and development. UEMSCD has a wholly-owned subsidiary namely UEM Sunrise (Canada) Alderbridge Ltd ("UEMSCA").

UEMSCA was incorporated in British Columbia, Canada on 30 December 2013 as a private limited company under the provisions of British Columbia Business Corporations Act with one (1) Common Share of CAD1.00 issued in the name of UEMSCD. The principal activity of UEMSCA is real estate acquisition and development.

- (iv) On 21 October 2014, the Company acquired two (2) ordinary shares of RM1.00 each in UEM Sunrise Management Services Sdn. Bhd. ("UEMSMS") for a cash consideration of RM2.00 resulting in UEMSMS becoming a wholly-owned subsidiary of the Company. The intended principal activity of UEMSMS is investment holding. UEMSMS has also on 21 October 2014 acquired two (2) ordinary shares of RM1.00 each in UEM Sunrise Project Services Sdn. Bhd. ("UEMSPS") for a cash consideration of RM2.00, resulting in UEMSPS becoming an indirect wholly-owned subsidiary of the Company. The intended principal activity of UEMSPS is to carry on the business of project management for property development.
- (v) On 3 November 2014, the Company acquired four (4) ordinary shares of RM0.50 each in UEM Sunrise Properties Sdn. Bhd. (formerly known as UEM Properties Sdn. Bhd.) ("UEMSP") for a cash consideration of RM2.00 resulting in UEMSP becoming a wholly-owned subsidiary of the Company. The intended principal activity of UEMSP is to carry on the business of investment holding, property development and general trading.
- (vi) On 10 November 2014, UEMSMS acquired two (2) ordinary shares of RM1.00 each in UEM Sunrise Nusajaya Property Services Sdn. Bhd. ("USNPS") for a cash consideration of RM2.00 resulting in USNPS becoming an indirect wholly-owned subsidiary of the Company. The intended principal activity of USNPS is provision of property management services.

On 10 November 2014, UEMSP acquired two (2) ordinary shares of RM1.00 each in the following companies for a cash consideration of RM2.00 only each, resulting in these companies becoming indirect wholly-owned subsidiaries of the Company:

- UEM Sunrise Nusajaya Properties Sdn. Bhd.
- Nusajaya DCS Sdn. Bhd.
- Opera Retreat Sdn. Bhd.

## 14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

### (a) Acquisition of subsidiaries (cont'd.)

(vii) On 2 December 2014, UEMSP acquired two (2) ordinary shares of RM1.00 each in Puteri Harbour Convention Centre Sdn Bhd ("PHCC") for a cash consideration of RM2.00 resulting in PHCC becoming an indirect wholly-owned subsidiary of the Company. The intended principal activity of PHCC is to own and operate a convention centre.

### (b) Subscription of additional capital in an existing subsidiary

During the year, the Company subscribed for additional redeemable convertible preference shares ("RCPS") in the following subsidiaries via capitalisation of amount due to the Company:

	Number of RCPS subscribed	Capitalisation of amount due to the Company RM
(i) Sunrise Berhad	148,470,314	148,470,314
(ii) UEM Sunrise (Australia) Sdn. Bhd.	32,094,749	32,094,749
(iii) UEM Sunrise (Canada) Sdn. Bhd.	208,462,535	208,462,535
(iv) UEM Land Berhad	155,500,000	155,500,000
(v) Nusajaya Resort Sdn. Bhd.	172,692	17,269,200

### (c) Dilution of equity interest in subsidiary resulting in a loss of control

On 30 December 2014, following the completion of the terms and conditions to the Joint Venture Agreement (as amended by the Supplementary Joint Venture Agreement) between UEM Land and FASTrack Autosports (Iskandar) Pte. Ltd. (formerly known as FASTrack Autosports Pte. Ltd.) ("FAPL"), FASTrack Iskandar Sdn. Bhd. became a 30% joint venture of the Group upon the allotment of 89,998 ordinary shares to UEM Land and 210,000 ordinary shares to FAPL.

The above does not have a material impact to the financial statement of the Group.

### (d) Subsidiary struck-off

On 7 February 2014, the Company announced that Interior Design One Sdn. Bhd., a dormant subsidiary of Sunrise Berhad, which in turn is a wholly-owned subsidiary of the Company has been struck-off pursuant to Section 308(4) of the Companies Act, 1965.

## 15. INTERESTS IN ASSOCIATES

	Group	
	2014 RM'000	2013 RM'000
In Malaysia:		
Unquoted shares at cost	53,396	18,096
Outside Malaysia:		
Unquoted shares at cost	45,614	45,614
Share of post-acquisition reserves	77,631	89,159
Foreign currency translation	(23,483)	(22,772)
	<b>153,158</b>	130,097
Accumulated impairment losses	<b>(3,907)</b>	(3,907)
	<b>149,251</b>	126,190

On 5 March 2014, UEM Land Berhad, a wholly owned subsidiary of the Company, subscribed for 100,000 ordinary shares of RM1.00 each and 35,200,000 Redeemable Preference Shares of RM0.01 each at a premium of RM0.99 each in Scope Energy Sdn. Bhd. ("SESB") representing 40% of total issued and paid up capital of SESB for RM100,000 and RM35,200,000 respectively.

Details of associates are disclosed in Note 45.

- (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.	
	2014 RM'000	2013 RM'000
Non-current assets	1,083,529	1,406,586
Current assets	2,203,587	1,865,676
Total assets	<b>3,287,116</b>	3,272,262
Non-current liabilities	2,449,166	2,637,197
Current liabilities	358,261	256,803
Total liabilities	<b>2,807,427</b>	2,894,000
Net assets	<b>479,689</b>	378,262

## 15. INTERESTS IN ASSOCIATES (CONT'D.)

- (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. (cont'd.)

### Summarised statement of comprehensive income

	Setia Haruman Sdn. Bhd.	
	2014	2013
	RM'000	RM'000
Revenue	694,885	236,109
Profit before tax	101,639	68,540
Total comprehensive income	114,427	60,749
Dividend paid during the year	(13,000)	(31,000)

### Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associate

	Setia Haruman Sdn. Bhd.	
	2014	2013
	RM'000	RM'000
Net assets at 1 January	378,262	348,513
Profit for the year	114,427	60,749
Dividend paid	(13,000)	(31,000)
Net assets at 31 December	479,689	378,262
Interest in associate	25%	25%
Carrying value of Group's interest	119,922	94,566

### Aggregate information of associates that are not individually material

	2014	2013
	RM'000	RM'000
The Group's share of profit before tax	2,974	5,775
The Group's share of profit after tax	2,870	5,260

**16a. INTERESTS IN JOINT VENTURES**

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost	<b>533,096</b>	397,296
Share of post-acquisition reserves	<b>233,420</b>	144,102
	<b>766,516</b>	541,398
Amount due from joint ventures (Note i)	<b>161,811</b>	150,011
	<b>928,327</b>	691,409

	<b>Company</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost	<b>444,645</b>	308,916

- (i) Amount 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.



## 16a. INTERESTS IN JOINT VENTURES (CONT'D.)

- (ii) Summarised financial information of Malaysian Bio-XCell Sdn. Bhd., 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

	Malaysian Bio-XCell Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current assets	<b>317,427</b>	280,796	<b>185,186</b>	143,415	<b>158,344</b>	158,344	<b>660,957</b>	582,555
Cash and cash equivalents	<b>48,775</b>	72,671	<b>92,997</b>	143,011	<b>353</b>	46,957	<b>142,125</b>	262,639
Other current assets	<b>5,850</b>	526	<b>837,281</b>	551,107	<b>76,308</b>	19,147	<b>919,439</b>	570,780
Total current assets	<b>54,625</b>	73,197	<b>930,278</b>	694,118	<b>76,661</b>	66,104	<b>1,061,564</b>	833,419
Total assets	<b>372,052</b>	353,993	<b>1,115,464</b>	837,533	<b>235,005</b>	224,448	<b>1,722,521</b>	1,415,974
Current liabilities	<b>11,297</b>	77,123	<b>99,405</b>	64,735	<b>28,408</b>	41,955	<b>139,110</b>	183,813
Trade and other payables and provisions	<b>55,179</b>	6,550	<b>138,325</b>	85,250	<b>20,591</b>	110	<b>214,095</b>	91,910
Total current liabilities	<b>66,476</b>	83,673	<b>237,730</b>	149,985	<b>48,999</b>	42,065	<b>353,205</b>	275,723
Non-current liabilities	<b>22,505</b>	31,912	<b>49,900</b>	99,832	-	-	<b>72,405</b>	131,744
Trade and other payables and provision	-	-	<b>24,685</b>	23,108	-	-	<b>24,685</b>	23,108
Total non-current liabilities	<b>22,505</b>	31,912	<b>74,585</b>	122,940	-	-	<b>97,090</b>	154,852
Total liabilities	<b>88,981</b>	115,585	<b>312,315</b>	272,925	<b>48,999</b>	42,065	<b>450,295</b>	430,575
Net assets	<b>283,071</b>	238,408	<b>803,149</b>	564,608	<b>186,006</b>	182,383	<b>1,272,226</b>	985,399

## 16a. INTERESTS IN JOINT VENTURES (CONT'D.)

(ii) (cont'd.)

### Summarised statements of comprehensive income

	Malaysian Bio-XCell Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	4,250	–	1,374,799	690,551	–	–	1,379,049	690,551
Depreciation and amortisation	(1,294)	(135)	(1,447)	(1,831)	–	–	(2,741)	(1,966)
Interest income	864	1,024	13,441	7,584	1,392	532	15,697	9,140
Interest expenses	(1)	(1,735)	(69)	(433)	(425)	–	(495)	(2,168)
(Loss)/profit before tax	(58,880)	(11,919)	316,725	271,728	4,191	(305)	262,036	259,504
Income tax expenses	–	–	(78,184)	(66,961)	(493)	–	(78,677)	(66,961)
(Loss)/profit after tax	(58,880)	(11,919)	238,541	204,767	3,698	(305)	183,359	192,543
Total comprehensive (loss)/income	(58,880)	(11,919)	238,541	204,767	3,698	(305)	183,359	192,543

### Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the joint ventures

	Malaysian Bio-XCell Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Net assets at 1 January	238,408	113,227	564,608	359,841	182,383	313	985,399	473,381
(Loss)/profit for the year	(58,880)	(11,919)	238,541	204,767	3,699	(305)	183,360	192,543
Additional issuance of shares	103,543	137,100	–	–	–	182,375	103,543	319,475
Net assets at 31 December	283,071	238,408	803,149	564,608	186,082	182,383	1,272,302	985,399
Interest in joint venture	40%	40%	50%	50%	80%	80%		
	113,228	95,363	401,575	282,304	148,866	145,906	663,669	523,573
Unrealised profit arising from land sales	(11,140)	(11,140)	(57,153)	(42,173)	–	–	(68,293)	(53,313)
Carrying value of Group's interest	102,088	84,223	344,422	240,131	148,866	145,906	595,376	470,260

## 16a. INTERESTS IN JOINT VENTURES (CONT'D.)

(ii) (cont'd.)

### Aggregate information of joint ventures that are not individually material

	2014 RM'000	2013 RM'000
The Group's share of profit before tax	6,006	13,773
The Group's share of profit after tax	4,317	9,745

During the financial year, there were additional investment in joint venture entities as detailed below:

- (a) the Company subscribed to additional 19,994,040 Redeemable Preference Shares ("RPS") of RM0.01 each at a premium of RM0.99 each via cash of RM19,994,040 in Desaru North Course Residences Sdn. Bhd..
- (b) the Company subscribed to additional 584,715 RPS of RM0.01 each at a premium of RM0.99 each via cash of RM584,715 in Desaru South Course Land Sdn. Bhd..
- (c) the Company subscribed to additional 28,924,711 RPS of RM0.01 each at a premium of RM0.99 each via cash of RM28,924,711 in Desaru South Course Residences Sdn. Bhd..
- (d) the Company subscribed to 40,699,885 Redeemable Convertible Unsecured Loan Stock ("RCULS") at a nominal value of RM1.00 each satisfied by cash of RM40,699,885 in Malaysian Bio-XCell Sdn. Bhd. ("Bio-XCell");
- (e) the Company subscribed to 717,750 RCULS at a nominal value of RM1.00 each through capitalisation of RCULS interest of RM717,750 in Bio-XCell;
- (f) the Company subscribed to additional 44,808,500 RPS of RM1.00 each via cash of RM44,808,500 in Nusajaya Lifestyle Sdn. Bhd.; and
- (g) on 30 December 2014, following the completion of the terms and conditions to the Supplementary Joint Venture Agreement between UEM Land and FASTrack Autosports (Iskandar) Pte. Ltd., formerly known as FASTrack Autosports Pte. Ltd. ("FAPL"), FASTrack Iskandar Sdn. Bhd. became a 30% joint venture of the Group upon the allotment of 89,998 ordinary shares to UEM Land and 210,000 ordinary shares to FAPL.

The above does not have a material impact to the financial statement of the Group.

Details of the joint venture entities are disclosed in Note 46.

## 16b. AMOUNT DUE FROM/TO JOINT VENTURES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Amount due from joint ventures				
– Non-current (Note i)	<b>62,536</b>	57,402	–	–
– Current (Note ii)	<b>240,284</b>	209,937	<b>154,662</b>	147,536
	<b>302,820</b>	267,339	<b>154,662</b>	147,536
Amount due to a joint venture				
– Current (Note iii)	<b>111</b>	1,461	–	–

- (i) Amount due from a joint venture is unsecured, no fixed repayment term and bears an interest of 6.0% (2013: 6.0%) per annum.
- (ii) Amounts due from these joint ventures to the Group and Company are unsecured, non-interest bearing and repayable on demand except for RM111,142,000 (2013: RM89,822,000) and RM97,066,000 (2013: RM77,464,000) which bears an average interest of 6.83% (2013: 7.50%) and 7.35% (2013: 7.1%) per annum, respectively.
- (iii) Amounts due to a joint venture is unsecured, non-interest bearing and repayable on demand.

## 17. OTHER INVESTMENTS

	Group	
	2014 RM'000	2013 RM'000
Available-for-sale investments		
At cost:		
Unquoted shares in Malaysia	<b>22,525</b>	22,525
Less: Accumulated impairment losses	<b>(22,525)</b>	(22,525)
	–	–

## 18. GOODWILL

	Group	
	2014 RM'000	2013 RM'000
At 1 January/31 December	<b>621,409</b>	621,409

## 18. GOODWILL (CONT'D.)

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 11% (2013: 12%) and forecasted growth rate of 3% 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.
- Terminal value of identifiable assets – Investment properties are valued by certified external valuers as at financial year end and projected to grow at 3% year on year.

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	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits with licensed banks					
– Short term deposits		<b>70,942</b>	776,112	<b>2,000</b>	–
– Non-current deposits		<b>3</b>	1,418	–	–
		<b>70,945</b>	777,530	<b>2,000</b>	–
Cash and bank balances	(i)	<b>668,329</b>	585,996	<b>2,120</b>	470
		<b>739,274</b>	1,363,526	<b>4,120</b>	470
Bank overdraft	32	<b>(241)</b>	–	–	–
Non-current deposits		<b>(3)</b>	(1,418)	–	–
Cash and cash equivalents		<b>739,030</b>	1,362,108	<b>4,120</b>	470

### (i) Cash and bank balances

Included in cash and bank balances of the Group is an amount of RM476,763,000 (2013: RM304,533,000) 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 as at financial year end were 3.12% (2013: 3.10%) and 30 days (2013: 45 days) respectively.

## 20. DEFERRED TAXATION

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 January	<b>127,781</b>	218,354	-	729
Recognised in income statement (Note 8)	<b>(93,854)</b>	(90,398)	-	(554)
Foreign currency translation	<b>105</b>	-	-	-
Reversal arising from conversion of RCPS recognised through equity	-	(175)	-	(175)
At 31 December	<b>34,032</b>	127,781	-	-
Presented as follows:				
Deferred tax liabilities	<b>204,041</b>	262,242	-	-
Deferred tax assets	<b>(170,009)</b>	(134,461)	-	-
	<b>34,032</b>	127,781	-	-

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:

	Fair value adjustment of land and building RM'000	Interest capitalised RM'000	RCPS RM'000	Others RM'000	Total RM'000
At 1 January 2014	<b>164,166</b>	<b>150,673</b>	-	<b>5,548</b>	<b>320,387</b>
Recognised in the income statement	<b>(1,841)</b>	<b>(41,434)</b>	-	<b>8,059</b>	<b>(35,216)</b>
Foreign currency translation	<b>130</b>	-	-	-	<b>130</b>
At 31 December 2014	<b>162,455</b>	<b>109,239</b>	-	<b>13,607</b>	<b>285,301</b>

## 20. DEFERRED TAXATION (CONT'D.)

### Deferred tax liabilities of the Group (cont'd.):

	Fair value adjustment 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

### Deferred tax assets of the Group:

	Provisions RM'000	Tax losses and capital allowances RM'000	Total RM'000
At 1 January 2014	(88,053)	(104,553)	(192,606)
Recognised in the income statement	(97,451)	38,813	(58,638)
Foreign currency translation	(34)	9	(25)
At 31 December 2014	(185,538)	(65,731)	(251,269)
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)

## 20. DEFERRED TAXATION (CONT'D.)

### Deferred tax liabilities of the Company:

	RCPS	
	2014 RM'000	2013 RM'000
At 1 January	-	729
Reversal arising from conversion of RCPS recognised through equity	-	(175)
Recognised in the income statement	-	(554)
At 31 December	-	-

Deferred tax assets are not recognised in respect of the following items:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unused tax losses	<b>74,972</b>	52,283	-	-
Others	<b>9,567</b>	66,007	-	-
	<b>84,539</b>	118,290	-	-
Deferred tax benefit at 25%, if recognised	<b>21,135</b>	29,573	-	-

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	
	2014 RM'000	2013 RM'000
At 1 January	<b>3,843,200</b>	2,365,130
Development costs incurred during the year	<b>1,862,913</b>	1,379,253
Transfer from/(to):		
– land held for property development (Note 13)	<b>469,036</b>	257,812
– property, plant and equipment (Note 11)	<b>(2,770)</b>	–
– investment properties (Note 12)	–	(40,126)
– inventory	<b>(98,039)</b>	(6,718)
– deconsolidation of a subsidiary	<b>(1,670)</b>	(74)
Reversal of cost arising from completed projects	<b>(723,682)</b>	(112,077)
	<b>1,505,788</b>	1,478,070
At 31 December	<b>5,348,988</b>	3,843,200
Costs recognised in profit or loss		
At 1 January	<b>(2,733,763)</b>	(1,411,284)
Recognised during the year	<b>(1,760,324)</b>	(1,434,556)
Reversal of cost arising from completed projects	<b>723,682</b>	112,077
At 31 December	<b>(3,770,405)</b>	(2,733,763)
Property development costs as at 31 December	<b>1,578,583</b>	1,109,437

Included in costs incurred during the year are:

	Group	
	2014 RM'000	2013 RM'000
Interest expense (Note 6)	<b>47,056</b>	39,084
Staff costs (Note 5(ii))	<b>3,939</b>	3,929

As at the reporting date, freehold land and related development expenditure of RM137,498,000 (2013: RM254,648,000) are pledged as securities for the borrowing facilities granted to the Group.

## 22. INVENTORIES

	Group	
	2014 RM'000	2013 RM'000
<b>At cost</b>		
Completed properties	144,590	73,547
Consumables	604	606
	<b>145,194</b>	74,153
<b>At net realisable value</b>		
Golf memberships *	31,428	31,703
	<b>176,622</b>	105,856

The cost of inventories recognised as cost of sales during the year amounted to RM31,336,000 (2013: RM30,341,000).

\* 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

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	(i)	1,428,349	900,846	-	-
Accrued billings in respect of property development costs		1,080,580	738,444	-	-
Amount due from related parties	(ii)	671	671	-	-
Other receivables	(iii)	322,712	176,767	421,134	280,777
		<b>2,832,312</b>	1,816,728	<b>421,134</b>	280,777
Less: Allowance for impairment	(iv)	(11,672)	(10,287)	-	-
		<b>2,820,640</b>	1,806,441	<b>421,134</b>	280,777
Analysed into:					
Non-current	(v)	59,105	-	-	-
Current		2,761,535	1,806,441	421,134	280,777
		<b>2,820,640</b>	1,806,441	<b>421,134</b>	280,777

## 23. RECEIVABLES (CONT'D.)

Included in trade receivables is an amount of RM1,087,004,000 (2013: RM48,115,000) owing from joint venture entities and an associate arising from sale of land to these companies in the current and prior years.

(i) Included in trade receivables is an amount of RM49,009,000 (2013: RM48,115,000) owing from joint venture entity arising from sale of land in prior year which bore interest at 6% (2013: 6%) per annum during the financial year.

(ii) Related parties refer to those as specified in Note 37.

(iii) Other receivables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Projects debtors	346	641	-	-
Dividend receivable	-	-	419,842	279,842
Sundry debtors and prepayments	113,359	42,164	6	904
Tax recoverable	100,749	26,896	1,286	31
Interest receivable	135	-	-	-
Deposits (Note a)	108,123	22,880	-	-
Promissory note	-	84,186	-	-
	<b>322,712</b>	176,767	<b>421,134</b>	280,777

(a) Included in deposits are:

(i) an amount of RM87.1 million (2013: Nil) representing a deposit paid by a subsidiary for the acquisition of various parcel of freehold land held under GRN 237459, Lot 2956; GM 1408, Lot 1033; GM 1410, Lot 1080; all situated in Mukim Senai, District of Kulai Jaya, State of Johor.

(ii) an amount of RM7.0 million (2013: 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.

## 23. RECEIVABLES (CONT'D.)

(iv) Allowance for impairment

	Group	
	2014	2013
	RM'000	RM'000
Trade receivables	4,503	3,118
Projects debtors	295	295
Amount due from related parties	581	581
Sundry debtors	6,293	6,293
	<b>11,672</b>	10,287

(v) Long term receivables are in relation to the amount rechargeable to land purchasers for the sum paid by UEM Land Berhad, as a master developer of Puteri Harbour to Johor State Government.

Pursuant to the measurement and recognition requirement of FRS 139, the amounts due from the land purchasers are measured at fair value which are computed based on estimated future cash flows discounted at the Group's cost of borrowing as follows:

	Group	
	2014	2013
	RM'000	RM'000
At 1 January	-	-
Addition	66,383	-
Fair value adjustment (Note 5)	(7,278)	-
At 31 December	<b>59,105</b>	-

(vi) The Group's normal trade credit terms range from 30 to 90 days (2013: 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.

## 23. RECEIVABLES (CONT'D.)

(vii) Ageing analysis

### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2014 RM'000	2013 RM'000
Neither past due nor impaired	1,232,714	586,350
1 to 30 days past due not impaired	33,031	64,368
31 to 60 days past due not impaired	12,087	34,878
61 to 90 days past due not impaired	33,176	29,179
More than 90 days past due not impaired	94,318	164,433
Past due but not impaired	172,612	292,858
Impaired	23,023	21,638
	1,428,349	900,846
<b>Individually impaired</b>		
Nominal amount	23,023	21,638
Allowance for impairment	(4,503)	(3,118)
	18,520	18,520

### 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.

## 23. RECEIVABLES (CONT'D.)

(vii) Ageing analysis (cont'd.)

### Receivables that are impaired

The movement in allowance account for receivables are as follows:

	Group	
	2014 RM'000	2013 RM'000
At 1 January	10,287	11,094
Charge for the year (Note 5)	2,381	1,971
Reversal of impairment loss (Note 5)	(996)	(2,778)
At 31 December	11,672	10,287

## 24. AMOUNT DUE FROM SUBSIDIARIES

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand except for amounts totalling RM1,465,069,000 (2013: RM1,065,069,000) which bear interest at rates ranging from 4.25% to 4.9% (2013: 4.25% to 4.6%) per annum as at the financial year end.

## 25. SHORT TERM INVESTMENTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
In Malaysia:				
Available-for-sale investments				
– Quoted shares	8	8	–	–
Financial assets at fair value through profit or loss				
– Unquoted unit trust #	202,627	28,483	–	28,483
	202,635	28,491	–	28,483

# 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	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
<b>Ordinary shares</b>				
At 1 January/31 December	<b>7,000,000</b>	7,000,000	<b>3,500,000</b>	3,500,000

	Number of preference shares of RM0.01 each		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
<b>MCRPS</b>				
At 1 January/31 December	<b>200,000</b>	200,000	<b>2,000</b>	2,000

	Number of preference shares of RM0.01 each		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
<b>RCPS</b>				
At 1 January/31 December	<b>1,500,000</b>	1,500,000	<b>15,000</b>	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	
	2014	2013	2014	2013
	'000	'000	RM'000	RM'000
<b>Ordinary shares</b>				
At 1 January	4,537,435	4,328,019	2,268,718	2,164,009
ESOS	1	19,915	*	9,958
Conversion of MCRPS	-	187,912	-	93,956
Conversion of RCPS	-	1,589	-	795
At 31 December	4,537,436	4,537,435	2,268,718	2,268,718

	Number of preference shares of RM0.01 each		Amount	
	2014	2013	2014	2013
	'000	'000	RM'000	RM'000
<b>MCRPS</b>				
At 1 January	-	154,914	-	1,549
Redemption	-	(154,914)	-	(1,549)
At 31 December	-	-	-	-

<b>Total share capital (issued and fully paid)</b>			<b>2,268,718</b>	2,268,718
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\* This relates to issuance of 1,000 new ordinary shares of RM0.50 each pursuant to the ESOS.



## 26. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

### (ii) Share premium

	Number of ordinary shares		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
At 1 January	2,109,257	1,899,841	2,044,953	1,754,123
ESOS	1	19,915	2	38,516
Arising from MCRPS conversion	-	187,912	-	248,404
Arising from RCPS conversion	-	1,589	-	3,910
At 31 December	2,109,258	2,109,257	2,044,955	2,044,953

	Number of preference shares of RM0.99 each		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
<b>MCRPS</b>				
At 1 January	-	154,914	-	153,365
Redemption	-	(154,914)	-	(153,365)
At 31 December	-	-	-	-
<b>Total share premium</b>			<b>2,044,955</b>	<b>2,044,953</b>

### Issue of shares

During the financial year, the Company increased its issued and paid up ordinary share capital from RM2,268,717,519 to RM2,268,718,019 by way of issuance of 1,000 new ordinary shares of RM0.50 each for cash pursuant to the exercise of share options under the Employees' Share Option Scheme ("ESOS").

### Mandatory Convertible Redeemable Preference Shares ("MCRPS")

In 2009, the Company 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..

In the last financial year, the whole MCRPS were converted to ordinary shares prior to the maturity date of 7 January 2014 based on its salient terms resulting in an issuance of 187,911,211 new ordinary shares of RM0.50 each to its immediate holding company.

## 26. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

### (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		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(i) Exchange fluctuation reserves				
At 1 January	<b>(10,581)</b>	(3,330)	-	-
Foreign currency translation	<b>(7,518)</b>	(7,251)	-	-
At 31 December	<b>(18,099)</b>	(10,581)	-	-
(ii) Merger reserve				
At 1 January/31 December	<b>32,112</b>	32,112	-	-
(iii) Fair value adjustments reserve				
At 1 January	<b>(207)</b>	(211)	-	-
Loss on fair value changes	<b>(67)</b>	4	-	-
At 31 December	<b>(274)</b>	(207)	-	-
(iv) Share based payment reserve				
At 1 January	<b>47,331</b>	22,799	<b>47,331</b>	22,799
Employee share option scheme	<b>22,973</b>	24,532	<b>22,973</b>	24,532
At 31 December	<b>70,304</b>	47,331	<b>70,304</b>	47,331
(v) Capital redemption reserve				
At 1 January	<b>4,087</b>	-	<b>4,087</b>	-
RCPS conversion	-	4,087	-	4,087
At 31 December	<b>4,087</b>	4,087	<b>4,087</b>	4,087
Total	<b>88,130</b>	72,742	<b>74,391</b>	51,418

## 27. OTHER RESERVES AND RETAINED PROFITS (CONT'D.)

### (a) Other reserves (cont'd.)

#### Capital redemption reserve

The capital redemption reserve arose from the redemption of the RCPS of the Company in the previous 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 2014 under the single tier system.

During the previous financial year, the directors declared a first and final single tier dividend of 4.0 sen per ordinary share of RM0.50 each totalling RM181,497,441 in respect of the financial year ended 31 December 2013. The dividend was paid on 20 June 2014.

## 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 2014		Group/Company 2013	
	Liability component RM'000	Equity component	Liability component RM'000	Equity component
At 1 January	-	-	409,424	119,068
Conversion of RCPS to ordinary shares	-	-	(2,953)	(1,055)
Interest expense recognised in profit or loss (Note 6)	-	-	2,218	-
Redemption of RCPS	-	-	(408,689)	(118,013)
At 31 December	-	-	-	-

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.
- (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).

### 30. EMPLOYEE BENEFITS (CONT'D.)

#### Employee share option scheme ("ESOS") (cont'd.)

- (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:
- has attained the age of 18 years;
  - 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);
  - 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);
  - is not a non-executive or independent director of the Company; and
  - 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 the higher of the equivalent option tranche for the previous offers and the 5-day volume weighted average market price immediately preceding the date of offer. The exercise price for the subsequent option tranches is fixed by applying an annual escalation factor corresponding to the scheduled vesting.

#### 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:

	2014		2013	
	No. '000	WAEP RM	No. '000	WAEP RM
Outstanding at 1 January	138,552	2.72	147,302	2.62
– Granted	35,522	2.88	44,139	2.80
– Exercised	(1)	2.23	(19,915)	2.28
– Lapsed	(28,184)	2.74	(32,974)	2.63
Outstanding at 31 December	145,889	2.77	138,552	2.72
Exercisable at 31 December	41,122	2.56	13,797	2.44

### 30. EMPLOYEE BENEFITS (CONT'D.)

#### Employee share option scheme ("ESOS") (cont'd.)

The weighted average fair value of options granted during the financial year was RM0.29 (2013: RM0.53).

The weighted average share price at the date of exercise of the options exercised during the financial year was RM2.17 (2013: RM2.71).

The exercise price for exercisable options outstanding at the end of the year ranged from RM2.23 to RM3.03. The weighted average of the remaining contractual life for these options is 5 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 2014:

	Group	
	2014	2013
Dividend yield (%)	2.0%	1.4%
Expected volatility (%)	34% – 36%	36.0%
Risk-free interest rate (% p.a)	3.43% to 3.57%	3.24% to 3.32%
Expected life of option (years)	3.1 to 3.6	4.4 to 5.3
Weighted average share price (RM)	2.08	2.50

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.

### 31. NON-CONTROLLING INTERESTS (CONT'D.)

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	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Long term borrowings</b>					
<b>Secured</b>					
Term loans	(a)	<b>117,841</b>	311,723	-	-
Bank overdraft	(a)	-	9,714	-	-
Canadian term loan	(b)	<b>99,250</b>	-	-	-
Revolving credit	(a)	<b>2,000</b>	-	-	-
<b>Unsecured</b>					
IMTN	(c)	<b>1,900,575</b>	1,400,629	<b>1,700,575</b>	1,300,629
		<b>2,119,666</b>	1,722,066	<b>1,700,575</b>	1,300,629

## 32. BORROWINGS (CONT'D.)

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Short term borrowings</b>					
<b>Secured</b>					
Loan from immediate holding company	(d)	<b>75,303</b>	74,983	-	-
Revolving credit	(a)	<b>7,000</b>	7,000	-	-
Term loan	(a)	<b>44,329</b>	-	-	-
<b>Unsecured</b>					
Revolving credit	(a)	<b>111,550</b>	11,000	-	-
IMTN	(c)	-	100,000	-	-
Bank overdraft	(e)	<b>241</b>	-	-	-
Structured commodity	(f)	-	25,000	-	25,000
		<b>238,423</b>	217,983	-	25,000
<b>Total borrowings</b>		<b>2,358,089</b>	1,940,049	<b>1,700,575</b>	1,325,629
Analysed as follows:					
- Government related financial institutions		<b>200,000</b>	200,000	-	-
- Other financial institutions		<b>2,158,089</b>	1,740,049	<b>1,700,575</b>	1,325,629
		<b>2,358,089</b>	1,940,049	<b>1,700,575</b>	1,325,629

- (a) The term loans, revolving credits and bank overdraft facilities obtained from various banks, taken by certain subsidiaries, which bear interest rate of 4.67% to 5.05% (2013 : 4.31% 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.



### 32. BORROWINGS (CONT'D.)

- (b) On 12 December 2011, the subsidiary of the Company had entered into a Canadian \$201,100,000 credit facility comprising 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, in accordance with the Credit Agreement showing the Administrative Agent and the Lenders as mortgagee and first loss payee with respect to the Quintet Lands;
  - (x) the Pledge of Cash Deposit;
  - (xi) the L/C Lender's form of indemnity for Letters of Credit, if required by it; and
  - (xii) any other security determined by the Administrative Agent.

During the financial year, a subsidiary had partially drawdown the credit facility of Canadian \$37,677,841 which bore interest rate at 4.75% per annum.

### 32. BORROWINGS (CONT'D.)

- (c) (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 outstanding balance which consist of fifth and sixth tranche of RM100 million each were issued and will be maturing on 18 February 2016 and 25 July 2016 respectively. The IMTN bears profit at the fixed rate of 3.99% and 4.35% per annum in respect of the fifth and sixth tranche respectively.

- (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-1is/AA-id for the ICP and IMTN Programme respectively.

The details of the IMTN issuance are as follows:

<b>Issuance date</b>	<b>Amount RM'million</b>	<b>Tenures (Years)</b>	<b>Profit rate</b>
21 December 2012	600	5	4.25%
13 December 2013	700	5	4.60%
30 June 2014	200	5	4.72%
30 June 2014	200	7	4.90%

- (d) The loan from immediate holding company bears interest at 4.25% (2013: 4.25%) per annum and is secured by land titles of approximately 114 acres (2013: 1,584 acres) of freehold land which are deposited with the immediate holding company.
- (e) The bank overdraft taken by Sunrise Berhad, a wholly-owned subsidiary of the Company, bears an average interest at 7.60% (2013: nil) per annum.
- (f) During the year, the Structured Commodity Financing Facility was fully settled, however, the facility remains available.

### 33. PROVISIONS

	Provision for customer rebates and free maintenance RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Other provisions RM'000 (Note c)	Total RM'000
<b>2014</b>				
<b>Non-Current</b>				
At 1 January	-	-	-	-
Addition	-	436,432	-	436,432
At 31 December	-	436,432	-	436,432
<b>Current</b>				
At 1 January	143,819	255,162	51,837	450,818
Addition	30,473	113,036	36,185	179,694
Utilised	(99,221)	(104,857)	(21,532)	(225,610)
Reversal	(3,738)	(11,994)	(16,098)	(31,830)
At 31 December	71,333	251,347	50,392	373,072
<b>2013</b>				
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

#### (a) Provision for customer rebates and free maintenance

Provision for customer rebates refer to cash vouchers given to customers to be utilised against future purchases of development under the Group.

Provision for free maintenance comprises maintenance costs for the benefit of property purchasers.

### 33. PROVISIONS (CONT'D.)

#### (b) Provision for construction costs

This relates to estimated final claims by sub-contractors which have not been finalised and provision for property development, infrastructure and land related cost relating to portions of land sold.

#### (c) Other provisions

Other provisions comprise 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

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables		<b>322,316</b>	292,207	–	–
Amounts due to related parties		<b>3,045</b>	2,516	–	–
Amount due to minority shareholder	(i)	<b>30,952</b>	30,952	–	–
Other payables and accruals	(ii)	<b>299,482</b>	297,217	<b>551</b>	1,031
		<b>655,795</b>	622,892	<b>551</b>	1,031
Analysed into:					
Non-current		<b>71,047</b>	–	–	–
Current		<b>584,748</b>	622,892	<b>551</b>	1,031
		<b>655,795</b>	622,892	<b>551</b>	1,031

The normal trade credit terms granted to the Group range from 30 to 60 days (2013: 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 repayable on demand.

### 34. PAYABLES (CONT'D.)

(ii) Other payables and accruals

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sundry creditors	80,210	90,707	15	–
Deposits received*	113,801	98,156	–	–
Accruals	77,117	85,166	536	1,031
Employee benefits	28,354	23,188	–	–
	<b>299,482</b>	297,217	<b>551</b>	1,031

\* Included in deposits of the Group is an amount of RM72.8 million (2013: RM63.0 million) representing deposits placed by purchasers of properties in Canada held by lawyer and will be released only upon the completion of the properties.

### 35. DEFERRED INCOME

#### Unrealised profit

In the current financial year, the Group completed the sale of land to an associate. The land sale profit recognised from the disposal of land by the subsidiaries to the associate is eliminated to the extent of the Group's interest in the associate in accordance with the basis of consolidation as disclosed in Note 2.2(a)(ii).

Accordingly, the Group recognised the excess of the unrealised profit over the carrying value of the associate as deferred income. The deferred income is amortised or realised to profit or loss over the period when the underlying asset of the associate is realised or disposed.

### 36. 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.

### **36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

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.

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.

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

The total loans and receivables of the Group and of the Company are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Receivables				
– Non-current	59,105	–	–	–
– Current*	2,747,829	1,797,484	421,134	280,777
Amount due from subsidiaries	–	–	1,564,035	2,035,567
Amount due from joint ventures				
– Non-current	224,347	207,413	–	–
– Current	240,284	209,937	154,662	147,536
Deposits in licensed banks				
– Non-current	3	1,418	–	–
– Current	70,942	776,112	2,000	–
Cash and bank balances	668,329	585,996	2,120	470
	<b>4,010,839</b>	3,578,360	<b>2,143,951</b>	2,464,350

\* Trade and other receivables exclude prepayments.

#### (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.

### 36. 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	
	2014 RM'000	2013 RM'000
Canada Dollar ("CAD")	13,746	6,366
Singapore Dollar ("SGD")	4,939	3,909
South Africa Rand ("ZAR")	25,650	26,568
United States Dollar ("USD")	13,907	13,089
	<b>58,242</b>	49,932

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	
	2014 RM'000	2013 RM'000
CAD/RM (strengthened 5%)	515	293
SGD/RM (strengthened 5%)	185	477
USD/RM (strengthened 5%)	522	654
ZAR/RM (strengthened 5%)	962	1,328



### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (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.

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Amount due to a joint venture	111	1,461	–	–
Trade and other payables	655,795	622,892	551	1,031
Borrowings	2,358,089	1,940,049	1,700,575	1,325,629
	<b>3,013,995</b>	<b>2,564,402</b>	<b>1,701,126</b>	<b>1,326,660</b>

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts are disclosed as follows:

2014	Within 1 year RM'000	2 to 5 years RM'000	5 years and above RM'000	Total RM'000
<b>Group</b>				
Trade and other payables	584,748	67,712	11,815	664,275
Loans and borrowings	337,217	2,149,250	214,660	2,701,127
	<b>921,965</b>	<b>2,216,962</b>	<b>226,475</b>	<b>3,365,402</b>
<b>Company</b>				
Trade and other payables	551	–	–	551
Loans and borrowings	76,964	1,717,972	204,833	1,999,769
	<b>77,515</b>	<b>1,717,972</b>	<b>204,833</b>	<b>2,000,320</b>

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (c) Liquidity and cash flow risk (cont'd.)

2013	Within 1 year RM'000	2 to 5 years RM'000	5 years and above RM'000	Total RM'000
<b>Group</b>				
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
<b>Company</b>				
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

#### (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	
	2014 %	2013 %
<b>Financial assets</b>		
Floating rate	3.12	3.10
<b>Financial liabilities</b>		
Fixed rate	4.79	4.41
Floating rate	4.48	4.44

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (d) Interest rate risk (cont'd.)

The average interest rates per annum on the financial liabilities can be further analysed as follows:

	Group	
	2014	2013
	%	%
<b>Financial liabilities</b>		
Loan from immediate holding company	<b>4.25</b>	4.25
Term loan	<b>4.77</b>	4.41
Revolving credit	<b>4.83</b>	4.36
Bank overdraft	<b>7.60</b>	6.60
IMTN	<b>4.49</b>	4.46
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 RM3,028,000 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.

### 37. 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:

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest payable to UEM:		
– Loan from UEM	<b>(2,233)</b>	(12,310)
Loan repayment to UEM	–	(187,446)
Training fees paid/payable to subsidiaries of UEM:		
– UEM Group Management Sdn. Bhd.	<b>(752)</b>	(1,045)
Management fees payable to subsidiary of UEM:		
– UEM Group Management Sdn. Bhd.	<b>(194)</b>	(194)
Sale of land to an associate:		
– Scope Energy Sdn. Bhd.	<b>522,720</b>	–
Sale of land to joint ventures:		
– FASTrack Iskandar Sdn. Bhd.	<b>248,310</b>	–
– Horizon Hills Development Sdn. Bhd.	<b>45,035</b>	48,787
– Nusajaya Consolidated Sdn. Bhd.	<b>2,057</b>	2,132
– Nusajaya Tech Park Sdn. Bhd.	–	67,954
– Haute Properties Sdn. Bhd.	<b>1,945</b>	–
– Malaysian Bio-XCell Sdn. Bhd.	–	15,030
– Nusajaya Premier Sdn. Bhd.	–	17,072
Interest income from joint ventures:		
– Haute Properties Sdn. Bhd.	<b>4,889</b>	4,501
– Nusajaya Consolidated Sdn. Bhd.	<b>1,424</b>	890
– Desaru North Course Residences Sdn. Bhd.	<b>2,665</b>	2,139
– Desaru South Course Land Sdn. Bhd.	<b>81</b>	85
– Desaru South Course Residences Sdn. Bhd.	<b>901</b>	4,041
Management fee received and receivable from joint ventures:		
– Nusajaya Consolidated Sdn. Bhd.	–	148
– Cahaya Jauhar Sdn. Bhd.	<b>420</b>	420
Management fees received and receivable from a subsidiary of Khazanah:		
– Themed Attractions and Resorts Sdn. Bhd.	–	212
Professional services rendered by a firm related to a director:		
– KPK Quantity Surveyor (Semenanjung) Sdn. Bhd.	<b>21</b>	–
– COX Architecture Pty. Ltd.	<b>5,351</b>	2,900
Sale of property to directors of the subsidiaries	<b>15,647</b>	4,380
Sale of property to key management personnel of holding company	<b>13,998</b>	–
Sale of property to directors of the Company	<b>19,598</b>	–
Government related financial institution:		
– Interest income	<b>14,526</b>	10,642
– Finance cost	–	(10,038)
– Repayment of borrowings	<b>(2,361)</b>	(143,260)

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) (cont'd.)

	Company	
	2014 RM'000	2013 RM'000
Interest income from subsidiaries	<b>58,431</b>	17,249
Interest income from joint-ventures	<b>6,941</b>	6,338
Dividend from subsidiaries during the year	<b>140,000</b>	134,696

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Salaries and other emoluments	<b>13,632</b>	9,474	<b>1,093</b>	1,780
Employee share option scheme	<b>6,557</b>	7,187	–	–
Bonus	<b>3,083</b>	2,012	–	–
Defined contribution plan	<b>2,380</b>	1,604	<b>150</b>	244
Benefits-in-kind	<b>1,158</b>	1,110	<b>165</b>	120
Ex-gratia	<b>475</b>	456	–	–
Other benefits	<b>268</b>	–	–	–
	<b>27,553</b>	21,843	<b>1,408</b>	2,144
Included in compensation of key management personnel are directors' remuneration (Note 5)	<b>1,408</b>	2,144	<b>1,408</b>	2,144

### 38. CONTINGENT LIABILITIES

	Note	Group	
		2014 RM'000	2013 RM'000
Unsecured			
Litigation, claims and legal suits			
– potential compensation payable to Felcra settlers	(a)	<b>26,900</b>	26,900
– potential compensation payable to the previous land owners	(b)	–	68,292
Income tax assessment	(c)	<b>73,837</b>	73,837
		<b>100,737</b>	169,029

#### (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.

### **38. CONTINGENT LIABILITIES (CONT'D.)**

#### **(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.

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.

The State Legal Adviser Johor had on 27 October 2014 confirmed that the matter has been resolved.

#### **(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 ("KLHC") 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 made.

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

### 38. CONTINGENT LIABILITIES (CONT'D.)

#### (c) Income tax assessment (cont'd.)

On 26 January 2015, the FC heard the oral submission of both parties in respect of IRB's application for leave and will set a date for hearing on the merit of the case.

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 a joint venture entity of the Group 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".

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"). As at financial year end, the whole 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.

### 39. CAPITAL COMMITMENTS

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
In respect of purchase of property, plant and machinery, and investment property		
Approved and contracted for	<b>19,000</b>	2,600
Approved but not contracted for	<b>424,900</b>	25,000
	<b>443,900</b>	27,600



#### 40. FAIR VALUES

The following are fair value of financial instruments by classes:

	<b>Carrying amount RM'000</b>	<b>Fair values RM'000</b>
<b>Group</b>		
<b>2014</b>		
Borrowings (non-current portion)	<b>2,119,666</b>	<b>2,119,666</b>
<b>2013</b>		
Borrowings (non-current portion)	1,722,066	1,722,066
<b>Company</b>		
<b>2014</b>		
Borrowings (non-current portion)	<b>1,700,575</b>	<b>1,700,575</b>
<b>2013</b>		
Borrowings (non-current portion)	1,300,629	1,300,629

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)

#### 40. FAIR VALUES (CONT'D.)

The following table presents the Group's other financial assets and financial liabilities that are measured at fair value as at 31 December 2014 and 31 December 2013:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>As 31 December 2014:</b>				
<b>Assets</b>				
<b>Short term investment:</b>				
Financial asset at fair value through profit or loss	–	202,627	–	202,627
Financial asset available for sale	8	–	–	8
<b>As 31 December 2013:</b>				
<b>Assets</b>				
<b>Short term investment:</b>				
Financial asset at fair value through profit or loss	–	28,483	–	28,483
Financial asset available for sale	8	–	–	8

#### 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. FAIR VALUES (CONT'D.)

##### Non financial instruments

The following table provides the fair value measurement hierarchy of the Group's assets.

Quantitative disclosures fair value measurement hierarchy for asset as at 31 December 2014 and 31 December 2013:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>As 31 December 2014:</b>				
<b>Assets for which fair value are disclosed:</b>				
Investment properties (Note 12)	-	-	637,400	637,400
<b>As 31 December 2013:</b>				
<b>Assets for which fair value are disclosed:</b>				
Investment properties (Note 12)	-	-	560,943	560,943

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

Description of valuation techniques used and key inputs:

##### As at 31 December 2014:

Properties	Valuation technique
Offices and food court	Income approach
Car parks	Income approach
Retail	Income approach
Ferry terminal	Comparison/cost approach

##### As at 31 December 2013:

Properties	Valuation technique
Offices and food court	Market value comparison approach
Car parks	Market value comparison approach
Retail	Market value comparison approach
Ferry Terminal	Market value comparison approach

#### **40. FAIR VALUES (CONT'D.)**

##### **Non financial instruments (cont'd.)**

In the previous financial year, the fair values of the properties of the Group were estimated by the Directors based on reference to open market value of properties in the vicinity. As at 31 December 2014, accredited independent valuers have been engaged to perform a valuation of the Group's properties. Depending on the types of properties, the independent valuers apply various valuation techniques.

The income approach uses valuation techniques to convert estimated future amounts of cash flows or income to a single present value (discounted) amount. To this estimated future amounts of cash flows or income, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

The market comparison approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities.

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics. Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

#### **41. 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.

## 42. SIGNIFICANT AND SUBSEQUENT EVENTS

### (a) 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 ("Project") 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.

On 29 December 2014, UEM Land and FASTrack Autosports (Iskandar) Pte Ltd (formerly known as FASTrack Autosports Pte Ltd) ("FAIPL") have entered into a supplemental joint venture agreement ("SJVA"), to agree, among others, that the total land area for the Project has increased to 300.022 acres.

The JVA (as amended by the SJVA) and SPA have become unconditional on 30 December 2014 upon fulfillment of their conditions precedent.

Following from the above, FAIPL now owns 70% of the issued and paid up share capital of Fastrack Iskandar Sdn Bhd ("FISB") and UEM Land shareholding in FISB has reduced to 30%. Accordingly, FISB has ceased to be an indirect subsidiary of the Company on 30 December 2014.

### (b) 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 industrial development.

## 42. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

### (b) Development of Fraser and Gerbang lands in the State of Johor (cont'd.)

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.

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.

On 29 December 2014, SESB SPA has become unconditional upon the fulfilment of the conditions precedent stipulated in the SPA.

## 43. SEGMENTAL REPORTING

There was no disclosure and presentation of segment information as the Group is mainly involved in property development and related activities.

#### 44. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
Nusajaya Resort Sdn. Bhd.	Operator of the East Ledang Clubhouse, Nusajaya Symphony Hills Clubhouse, and Publika Halal Food Court	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	100
UEM Sunrise (Canada) Sdn. Bhd.	Investment holding	Malaysia	100	–
UEM Sunrise Management Services Sdn. Bhd.	Investment holding	Malaysia	100	–
UEM Sunrise Properties Sdn. Bhd. (formerly known as UEM Properties Sdn. Bhd.)	Investment holding, property development and general trading	Malaysia	100	–
<b>Subsidiaries of Sunrise Berhad</b>				
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
Interior Design One Sdn. Bhd.	Struck-off	Malaysia	–	100
Laser Tower Sdn. Bhd.	Property development	Malaysia	100	100

#### 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Subsidiaries of Sunrise Berhad (cont'd.)</b>				
Lembah Suria Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Lucky Bright Star Sdn. Bhd.	Property investment and development	Malaysia	<b>100</b>	100
Milik Harta Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
New Planet Trading Sdn. Bhd.	Property investment and development	Malaysia	<b>100</b>	100
Prinsip Eramaju Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Saga Centennial Sdn. Bhd.	Ceased operations	Malaysia	<b>100</b>	100
SCM Property Services Sdn. Bhd.	Provision of property management services	Malaysia	<b>100</b>	100
Solid Performance Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Summer Suites Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Sunrise Alliance Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Sunrise Benchmark Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Sunrise Century Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Sunrise Hospitality and Leisure Sdn. Bhd.	Provision of ancillary services to property related projects	Malaysia	<b>100</b>	100
Sunrise Innovations Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
# Sunrise International Development Ltd.	Investment holding	The Cayman Islands	<b>100</b>	100
Sunrise Landmark Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Sunrise Mersing Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Sunrise Oscar Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100



#### 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Subsidiaries of Sunrise Berhad (cont'd.)</b>				
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 and project management for property development projects	Malaysia	100	100
Sunrise Quality Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Region Sdn. Bhd.	Property development	Malaysia	100	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
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
<b>Subsidiary of Sunrise Oscar Sdn. Bhd.</b>				
Sunrise DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	100	100

#### 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Subsidiary of Sunrise International Development Ltd.</b>				
# Sunrise Holdings S.à.r.l.	Investment holding	The Grand Duchy of Luxembourg	<b>100</b>	100
<b>Subsidiary of Sunrise Holdings S.à.r.l.</b>				
* Canada Sunrise Development Corp.	Property investment and development	Canada	<b>100</b>	100
<b>Subsidiaries of Canada Sunrise Development Corp.</b>				
* Canada Sunrise Developments (Richmond) Ltd.	Property investment and development	Canada	<b>100</b>	100
* 0757422 B.C. Ltd	Property investment and development	Canada	<b>100</b>	100
<b>Subsidiaries of UEM Land Berhad</b>				
Bandar Nusajaya Development Sdn. Bhd.	Investment holding, property development, land trading and an agent for its subsidiaries	Malaysia	<b>100</b>	100
Finwares Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100
Fleet Group Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100
Hatibudi Nominees (Tempatan) Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100
Mahisa Sdn. Bhd.	Property development and undertaking construction and turnkey development contracts	Malaysia	<b>100</b>	100

#### 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Subsidiaries of UEM Land Berhad (cont'd.)</b>				
* Marina Management Sdn. Bhd.	Marina management	Malaysia	<b>100</b>	100
Nusajaya Business Park Sdn. Bhd.	Dormant	Malaysia	<b>100</b>	100
Nusajaya Development Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
* Nusajaya Medical Park Sdn. Bhd.	Construct, manage and/or operate specialised buildings for long term lease and property development	Malaysia	<b>100</b>	100
Projek Usahasama Transit Ringan Automatik Sdn. Bhd.	In creditors' voluntary liquidation	Malaysia	<b>100</b>	100
Renong Nusantara Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100
Renong Overseas Corporation Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100
Renong Pacific Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100
Renong Ventures Sdn. Bhd.	Investment holding	Malaysia	<b>100</b>	100
** FASTrack Iskandar Sdn. Bhd.	General trading and real property holding	Malaysia	–	100
Marak Unggul Sdn. Bhd.	Dormant	Malaysia	<b>50</b>	50
Aura Muhibah Sdn. Bhd.	Property development	Malaysia	<b>60</b>	–

#### 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Subsidiaries of Bandar Nusajaya Development Sdn. Bhd.</b>				
Nusajaya Gardens Sdn. Bhd.	Land trading and investment holding	Malaysia	<b>100</b>	100
Nusajaya Greens Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	<b>100</b>	100
Nusajaya Heights Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	<b>100</b>	100
Nusajaya Industrial Park Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Nusajaya Land Sdn. Bhd.	Property development	Malaysia	<b>100</b>	100
Nusajaya Rise Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	<b>100</b>	100
Nusajaya Seaview Sdn. Bhd.	Land trading and investment holding	Malaysia	<b>100</b>	100
Symphony Hills Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	<b>100</b>	100
Preferred Resources Sdn. Bhd.	Dormant	Malaysia	<b>70</b>	70
<b>Subsidiaries of Fleet Group Sdn. Bhd.</b>				
Fibroceil Manufacturing (Malaysia) Sdn. Bhd.	Dissolved	Malaysia	–	100
<b>Subsidiary of Renong Nusantara Sdn. Bhd.</b>				
P.T. Bias Permata	Investment holding	Indonesia	<b>100</b>	100

#### 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Subsidiary of Renong Overseas Corporation Sdn. Bhd.</b>				
* Renong Overseas Corporation (S.A.) (Proprietary) Ltd.	Investment holding	South Africa	<b>100</b>	100
<b>Subsidiary of Renong Overseas Corporation (S.A.) (Proprietary)</b>				
* R.O.C Management Services (Proprietary) Ltd.	Representation of holding company in South Africa	South Africa	<b>100</b>	100
* Roc-Union (Proprietary) Ltd.	Investment holding	South Africa	<b>80.4</b>	80.4
<b>Subsidiary of Roc-Union (Proprietary) Ltd</b>				
* Rocpoint (Proprietary) Ltd.	Acquisition and development of land	South Africa	<b>80.4</b>	80.4
<b>Subsidiary of UEM Sunrise (Australia) Sdn. Bhd.</b>				
# UEM Sunrise (Land) Pty Ltd	Holding and financing company	Australia	<b>100</b>	100
# UEM Sunrise (Developments) Pty Ltd	Holding and financing company	Australia	<b>100</b>	100
<b>Subsidiaries of UEM Sunrise (Land) Pty Ltd</b>				
# UEM Sunrise (La Trobe Street) Pty Ltd	Trustee company	Australia	<b>100</b>	100
# UEM Sunrise (Mackenzie Street) Pty Ltd	Trustee company	Australia	<b>100</b>	100
# UEM Sunrise (La Trobe Street) Unit Trust	Landowning entity	Australia	<b>100</b>	100
# UEM Sunrise (Mackenzie Street) Unit Trust	Landowning entity	Australia	<b>100</b>	100

#### 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Subsidiaries of UEM Sunrise (Developments) Pty Ltd</b>				
# UEM Sunrise (La Trobe Street Development) Pty Ltd	Development company	Australia	100	100
# UEM Sunrise (Mackenzie Street Development) Pty Ltd	Development company	Australia	100	100
<b>Subsidiary of UEM Sunrise (Canada) Sdn. Bhd.</b>				
UEM Sunrise (Canada) Development Ltd	Real estate acquisition and development	Canada	100	–
<b>Subsidiary of UEM Sunrise (Canada) Development Ltd</b>				
UEM Sunrise (Canada) Alderbridge Ltd	Real estate acquisition and development	Canada	100	–
<b>Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.</b>				
UEM Sunrise Project Services Sdn. Bhd.	Project management for property development	Malaysia	100	–
UEM Sunrise Nusajaya Property Services Sdn. Bhd.	Provision of property management services	Malaysia	100	–

#### 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Subsidiaries of UEM Sunrise Properties Sdn. Bhd. (formerly known as UEM Properties Sdn. Bhd.)</b>				
UEM Sunrise Nusajaya Properties Sdn. Bhd.	Property investment	Malaysia	100	–
Nusajaya DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	100	–
Opera Retreat Sdn. Bhd.	Property investment	Malaysia	100	–
Puteri Harbour Convention Centre Sdn Bhd	Own and operate a convention centre	Malaysia	100	–

**Note:**

\* Subsidiaries not audited by Ernst & Young

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

\*\* The subsidiary has become a joint venture

#### 45. ASSOCIATES

Name of associates	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Associates of UEM Land Berhad</b>				
OptixLab Sdn. Bhd.	In members' voluntary liquidation	Malaysia	50	50
® Ekuiti Mahir Sdn. Bhd.	Temporarily ceased operations	Malaysia	25	25
® Setia Haruman Sdn. Bhd.	Township development	Malaysia	25	25
® Scope Energy Sdn. Bhd.	Property development	Malaysia	40	–

#### 45. ASSOCIATES (CONT'D.)

Name of associates	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Associate of Hatibudi Nominees (Tempatan) Sdn. Bhd.</b>				
@ BIB Insurance Brokers Sdn. Bhd.	Insurance brokers, insurance consultants, commission agents and investment holding	Malaysia	<b>30</b>	30
<b>Associate of Rocpoint (Proprietary) Ltd.</b>				
Durban Point Development Company (Proprietary) Ltd.	Property development	South Africa	<b>40.2</b>	40.2

**Note:**

@ Associates not audited by Ernst & Young

#### 46. JOINT VENTURES

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
@ Malaysian Bio-XCell Sdn. Bhd.	Development and operation of a biotechnology park	Malaysia	<b>40</b>	40
Nusajaya Premier Sdn. Bhd.	Property development and investment holding	Malaysia	<b>80</b>	80
Nusajaya Five O Sdn. Bhd.	Provision of security services	Malaysia	<b>80</b>	80
Nusajaya Lifestyle Sdn. Bhd.	Property and real estate development, management and property management	Malaysia	<b>55</b>	55
Desaru North Course Residences Sdn. Bhd.	Property development	Malaysia	<b>51</b>	51
Desaru South Course Land Sdn. Bhd.	Property development	Malaysia	<b>51</b>	51
Desaru South Course Residences Sdn. Bhd.	Property development	Malaysia	<b>51</b>	51



#### 46. JOINT VENTURES (CONT'D.)

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Joint Ventures of UEM Land Berhad</b>				
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 property marketing	Malaysia	40	40
Nusajaya Tech Park Sdn. Bhd.	Property development	Malaysia	40	40
Cahaya Jauhar Sdn. Bhd.	Undertake the Turnkey Design and Build contract for the development of the Johor State New Administrative Centre now known as Kota Iskandar and State Government staff housing in Nusajaya, Johor and provision of facilities maintenance and management services	Malaysia	60	60
# FASTrack Iskandar Sdn. Bhd.	General trading and real property holding	Malaysia	30	–
<b>Joint Ventures of Sunrise Berhad</b>				
® Sime Darby Sunrise Development Sdn. Bhd.	Property development	Malaysia	50	50
® Sunrise MCL Land Sdn. Bhd.	Property development and property investment	Malaysia	50	50
<b>Subsidiaries of Horizon Hills Development Sdn. Bhd.</b>				
Horizon Hills Property Services Sdn. Bhd.	Provision of property management and maintenance services	Malaysia	50	50
Horizon Hills Resort Berhad	Proprietor of a club and management of a golf course	Malaysia	50	50

#### 46. JOINT VENTURES (CONT'D.)

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2014 %	2013 %
<b>Subsidiary of Nusajaya Consolidated Sdn. Bhd.</b>				
@ Clear Dynamic Sdn. Bhd.	Property development and related activities	Malaysia	50	50
<b>Subsidiaries of Cahaya Jauhar Sdn. Bhd.</b>				
CJ Capital Sdn. Bhd.	Special purpose vehicle solely to undertake the issue of Sukuk Murabahah and any other activities incidental to its function as a special purpose vehicle in relation to the Sukuk Murabahah	Malaysia	60	60
CJ Bina Maju Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	60
CJ Residentials Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	–
CJ Developments Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	–
CJ Ledang Development Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	–

**Note:**

@ Joint ventures not audited by Ernst & Young

# In previous year, the company was a wholly-owned subsidiary and has now become a joint venture

#### 47. SUPPLEMENTARY INFORMATION

The breakdown of the retained profits of the Group and of the Company as at 31 December 2014 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained profits				
– realised	<b>1,513,973</b>	1,360,117	<b>203,170</b>	251,967
– unrealised	<b>142,114</b>	53,358	–	–
Total share of retained profits from associates				
– realised	<b>97,818</b>	65,909	–	–
– unrealised	<b>1,014</b>	1,446	–	–
Total share of retained profits from joint ventures				
– realised	<b>311,708</b>	213,111	–	–
– unrealised	<b>6,856</b>	2,459	–	–
	<b>2,073,483</b>	1,696,400	<b>203,170</b>	251,967
Less: Consolidation adjustments	<b>(176,784)</b>	(98,131)	–	–
Total retained profits	<b>1,896,699</b>	1,598,269	<b>203,170</b>	251,967

# ANALYSIS OF SHAREHOLDINGS

As at 31 March 2015

## SHARE CAPITAL

Authorised capital	:	RM3,517,000,000.00 divided into 7,000,000,000 ordinary shares of RM0.50 each, 200,000,000 mandatory convertible redeemable preference shares of RM0.01 each and 1,500,000,000 redeemable convertible preference shares of RM0.01 each
Issued and Paid-up Capital	:	RM2,268,718,018.50 comprising 4,537,436,037 ordinary shares of RM0.50 each
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	2,797	8.07	99,987	0.00
100 to 1,000	10,536	30.40	5,673,573	0.13
1,001 to 10,000	16,007	46.19	67,156,006	1.48
10,001 to 100,000	4,495	12.97	135,000,918	2.98
100,001 to 226,871,800 (less than 5% of issued shares)	820	2.36	1,103,666,074	24.32
226,871,801 (5% of issued shares) and above	2	0.01	3,225,839,479	71.09
<b>Total</b>	<b>34,657</b>	<b>100.00</b>	<b>4,537,436,037</b>	<b>100.00</b>

### 30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

As at 31 March 2015

No.	Name of Shareholder	No. of Shares Held	% of Issued Shares
1.	UEM GROUP BERHAD	2,997,491,779	66.06
2.	LEMBAGA TABUNG HAJI	225,327,400	4.97
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	220,865,494	4.87
4.	HSBC NOMINEES (ASING) SDN BHD TNTC FOR SAUDI ARABIAN MONETARY AGENCY	43,029,600	0.95
5.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	38,345,600	0.85
6.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	30,870,834	0.68
7.	CITIGROUP NOMINEES (ASING) SDN BHD CBHK FOR KUWAIT INVESTMENT AUTHORITY (FUND 208)	29,506,800	0.65
8.	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	27,868,700	0.61
9.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	26,927,723	0.59
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	25,379,525	0.56
11.	CARTABAN NOMINEES (ASING) SDN BHD GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)	19,160,800	0.42
12.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)	16,763,366	0.37
13.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT ENTERPRISES FUND	15,913,200	0.35
14.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	13,972,718	0.31
15.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (VCAM EQUITY FD)	13,763,800	0.30
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA TAKAFUL BERHAD (FAMILY PRF EQ)	12,239,500	0.27

### 30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D.)

As at 31 March 2015

No. Name of Shareholder	No. of Shares Held	% of Issued Shares
17. AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC DIVIDEND FUND	10,376,500	0.23
18. AMANAHRAYA TRUSTEES BERHAD PUBLIC SAVINGS FUND	10,271,400	0.23
19. CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	10,044,445	0.22
20. HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR KUWAIT INVESTMENT OFFICE (KIO)	9,500,000	0.21
21. HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ABU DHABI INVESTMENT AUTHORITY (AGUS)	9,485,200	0.21
22. AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC EQUITY FUND	7,639,600	0.17
23. HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ABU DHABI INVESTMENT AUTHORITY (TRANG)	7,304,600	0.16
24. CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	7,290,945	0.16
25. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	7,220,822	0.16
26. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	7,047,900	0.15
27. AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPTIMAL GROWTH FUND	6,803,500	0.15
28. DB (MALAYSIA) NOMINEE (ASING) SDN BHD STATE STREET LONDON FUND 33ZX FOR FP OMNIS PORTFOLIO INVESTMENTS ICVC - FP OMNIS EMERGING MARKETS EQUITY FUND	6,670,900	0.15
29. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR J.P. MORGAN BANK (IRELAND) PUBLIC LIMITED COMPANY	6,579,700	0.14
30. DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND RCER FOR ROCK CREEK EMERGING MARKETS FUND SPC, LTD	6,388,000	0.14
<b>Total</b>	<b>3,870,050,351</b>	<b>85.29</b>

## SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders, excluding bare trustees

As at 31 March 2015

Name	No. of Shares			
	Direct	%	Indirect	%
1. UEM Group Berhad	2,997,491,779	66.06	–	–
2. Khazanah Nasional Berhad*	–	–	2,997,491,779	66.06
3. Lembaga Tabung Haji	229,547,700	5.06	–	–

**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 31 March 2015

Directors' Interests in Ordinary Shares in UEM Sunrise Berhad

Name	No. of Shares			
	Direct	%	Indirect	%
1. Tan Sri Dr Ahmad Tajuddin Ali	–	–	–	–
2. Anwar Syahrin Abdul Ajib	100,000	@	–	–
3. Dato' Izzaddin Idris	–	–	–	–
4. Oh Kim Sun	–	–	–	–
5. Sheranjiv Sammanthan	–	–	–	–
6. Professor Philip Sutton Cox	–	–	–	–
7. Lim Tian Huat	–	–	–	–
8. Dato' Srikandan Kanagainthiram	–	–	–	–
9. Ungku Suseelawati Ungku Omar	–	–	–	–

**Note:**

@ Less than 0.01%

# MATERIAL PROPERTIES OF UEM SUNRISE BERHAD GROUP

as at 31 December 2014

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 31/12/2014 RM'000	Date of revaluation/ acquisition
Bandar Nusajaya Iskandar Development Region Johor Darul Takzim	Land held for property development and development in progress	18,143,554	Freehold	–	1,097,481	1995
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	–	176,530	14-Jun-11*
Geran 60863 Lot 58689 Mukim Batu Daerah Kuala Lumpur	Land held for property development	15,307	Freehold	–	47,075	14-Jun-11*
GM 4733 Lot 149 Seksyen 58 Bandar of Kuala Lumpur Daerah Kuala Lumpur	Land held for property development	6,434	Freehold	–	267,756	4-Jun-11*
Solaris Mont'Kiara Jalan Solaris 50480 Kuala Lumpur	Building – Carpark	63,302	Freehold	7	50,055	29-Jun-11*
Solaris Dutamas 1 Jalan Dutamas 1 50480 Kuala Lumpur	Building – Retail and Carpark	150,187	Freehold	4	406,119	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	–	260,651	28-Oct-11
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	–	90,948	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	–	62,909	14-Jun-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 31/12/2014 RM'000	Date of revaluation/ acquisition
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	-	76,320	19-Aug-10
9-23 Mackenzie Street Melbourne Victoria 3000 Australia	Land held for property development	2,023	Freehold	-	72,044	7-Aug-13
5333, 5411 No. 3 Road and 7960 Alderbridge Way, Richmond British Columbia	Land held for property development	19,828	Freehold	-	213,608	1-Apr-14

\* Revaluation date

# RECURRENT RELATED PARTY TRANSACTIONS

Each year during UEM Sunrise's AGM, the Company will obtain the approval of its shareholders for the mandates for UEM Sunrise and/or its subsidiaries ("UEM Sunrise 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 this AGM until the date of the next AGM.

The following is the breakdown of the aggregate value of the Recurrent Transactions that UEM Sunrise Group entered into with related parties during the financial year ended 31 December 2014 ("FY 2014"):

**a) UEM Sunrise Group receiving services and/or renting and/or acquiring land and/or land-based property from related parties.**

No. Group	Company in UEM Sunrise Group	Related Party	Interested major shareholders, directors and persons connected with them	Natural of relationship as at FY2014	Nature of Transaction	Value (RM)
1.	UEM Sunrise Group	UEM Group Berhad ("UEMG") and/or its subsidiaries ("UEMG Group")	Khazanah Nasional Berhad ("Khazanah"), UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Sunrise is a 66.06% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Receipt of group wide ICT shared services	153,457
					Receipt of internal audit, training and administrative support services	1,150,688
					Renting of office space, meeting rooms and other facilities at Mercu UEM, KL Sentral	2,946,500
					Renting of parking space at Mercu UEM, KL Sentral	57,455
					Receipt of electricity and air-conditioning facilities at Mercu UEM, KL Sentral	216,733
					Receipt of construction and engineering services for Kota Iskandar and related projects	–
					Rental of facilities and other services	30,540
<b>Total</b>						<b>4,555,373</b>

No.	Company in UEM Sunrise Group	Related Party	Interested major shareholders, directors and persons connected with them	Natural of relationship as at FY2014	Nature of Transaction	Value (RM)
2.	UEM Sunrise Group	UEM Edgenta Berhad (formerly known as Faber Group Berhad) and/or its subsidiaries ("UEM Edgenta Group")	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Edgenta Group is a 70.68% subsidiary of UEMG. UEM Sunrise is a 66.06% subsidiary of UEMG	Receipt of consultation and facilities maintenance services for Nusajaya  Receipt of office cleaning, tea lady and pest control services  Receipt of assets and facilities management services	5,937,446  75,581  313,019
<b>Total</b>						<b>6,326,046</b>
3.	UEM Sunrise Group	Khazanah and/or its subsidiaries ("Khazanah Group")	UEMG Group, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Sunrise 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	–
<b>Total</b>						<b>–</b>
4.	UEM Sunrise Group	Cox Architecture Pty Ltd ("COX")	Professor Philip Sutton Cox	Profesor Philip Sutton Cox is the founding partner of COX and also a director of UEM Sunrise	Receipt of consulting services	5,351,770
<b>Total</b>						<b>5,351,770</b>

No.	Company in UEM Sunrise Group	Related Party	Interested major shareholders, directors and persons connected with them	Natural of relationship as at FY2014	Nature of Transaction	Value (RM)
5.	UEM Sunrise Group	Telekom Malaysia Berhad ("TM") and/or its subsidiaries ("TM Group")	Khazanah and Sheranjiv Sammanthan	TM is a 28.95% associate company of Khazanah which in turn is our ultimate holding company	Receipt of data/internet leased line and UniFi bundling	3,836,053
<b>Total</b>						<b>3,836,053</b>
6.	UEM Sunrise Group	KPK Quantity Surveyor ("KPK")	Dato' Srikandan Kanagainthiram	Dato' Srikandan Kanagainthiram is the Managing Director and a substantial shareholder of KPK and also a Director of UEM Sunrise	Receipt of consulting services	21,426
<b>Total</b>						<b>21,426</b>

b) UEM Sunrise and its subsidiaries providing services and/or renting and/or disposing land and/or land-based property to related parties

No.	Company in UEM Sunrise Group	Related Party	Interested major shareholders, directors and persons connected with them	Natural of relationship as at FY2014	Nature of Transaction	Value (RM)
1.	UEM Sunrise Group	UEMG Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Sunrise 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	221,088
<b>Total</b>						<b>221,088</b>
2.	UEM Sunrise Group	Khazanah Group	UEMG Group, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Sunrise 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	318,156 11,606,092 – –
<b>Total</b>						<b>11,924,248</b>
3.	UEM Sunrise Group	Directors and/or major shareholders of UEM Sunrise and persons connected with them	Directors and/or major shareholders of UEM Sunrise and persons connected with them	–	Sale of land and/or land based properties by UEM Sunrise Group	50,488,400
<b>Total</b>						<b>50,488,400</b>

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# FORM OF PROXY



A member of UEM Group

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of UEM Sunrise 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 on my/our behalf at the Seventh 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, 21 May 2015 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/her discretion.)*

Ordinary Resolutions	No.	For	Against
To approve the payment of a first and final single tier dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2014.	1		
To re-elect the following Directors retiring pursuant to the Company's Articles of Association: <b>Under Article 85</b> i) Tan Sri Dr Ahmad Tajuddin Ali ii) Oh Kim Sun <b>Under Article 92</b> iii) Anwar Syahrin Bin Abdul Ajib	2 3 4		
To re-appoint Professor Philip Sutton Cox in accordance with Section 129(6) of the Companies Act, 1965.	5		
To approve the payment of Directors' fees for the financial year ending 31 December 2015 on a quarterly basis.	6		
To re-appoint Messrs Ernst & Young as Auditors and to authorise Directors to fix their remuneration.	7		
To empower Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares.	8		
To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	9		
To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.	10		
To approve the Proposed Grant of Options to Anwar Syahrin Bin Abdul Ajib.	11		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

No. of shares	
CDS Account No.	
Telephone No.	

\_\_\_\_\_  
Signature  
*(If the shareholder is a corporation, this part should be executed under seal)*

## 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/her 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/her 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/she 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/her 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

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## CORPORATE HEADQUARTERS

### UEM Sunrise Berhad

16-1 Mercu UEM  
Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia

T : +603-2727 6000  
F : +603-2727 2004  
E : corpcomm@uemsunrise.uemnet.com  
W : www.uemsunrise.com

## BUSINESS OFFICE, SALES AND MARKETING OPERATIONS

### Nusajaya Centre

No. 8, Persiaran Ledang Heights  
79250 Nusajaya  
Johor Darul Ta'zim, Malaysia

T : +607-277 3700  
F : +607-277 3701  
E : customercare@uemsunrise.uemnet.com  
W : www.nusajacity.com

### Puteri Harbour

Satelite Clubhouse, Lot PTD 141090  
79000 Nusajaya  
Johor Darul Ta'zim, Malaysia

T : +607-530 2127  
F : +607-530 2125/2126  
E : puteriharbour@uemsunrise.uemnet.com  
W : www.puteriharbour.com.my

### Horizon Hills Golf & Country Club

No. 1 Jalan Eka, Horizon Hills  
79100 Nusajaya  
Johor Darul Ta'zim, Malaysia

T : +607-232 3166  
F : +607-232 3919  
E : general@hhgcc.com.my  
W : www.hhgcc.com.my

### Kota Iskandar

Kota Iskandar Visitor Information Centre  
Dataran Mahkota  
Pusat Pentadbiran Kerajaan Negeri Johor  
Kota Iskandar, 79100 Nusajaya  
Johor Darul Ta'zim, Malaysia

T : +607-290 9080  
F : +607-290 9081  
E : enquiries@kotaiskandar.com  
W : www.kotaiskandar.com

### Solaris Dutamas Office

Level U2, Block C5  
Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur, Malaysia

T : +603-2718 7788  
F : +603-6207 9330  
E : customercare@uemsunrise.uemnet.com

### M+S Sales Office

A-OG-01, Plaza Mont'Kiara  
No. 2, Jalan Kiara  
50480 Kuala Lumpur, Malaysia

T : +603-6201 2288/2718 7777  
F : +603-6411 8138

### Cahaya Jauhar Sdn Bhd

27 & 29, Jalan Indah 15/3  
Bukit Indah  
79100 Nusajaya  
Johor Darul Ta'zim, Malaysia

T : +607-235 0800  
F : +607-235 0890  
E : enquiries@cahayajauhar.com  
W : www.cahayajauhar.com

### Publika Shopping Gallery

Level U2, Block C5  
Solaris Dutamas  
No. 1 Jalan Dutamas 1  
50480 Kuala Lumpur, Malaysia

T : +603-6207 9426  
F : +603-6207 9427  
E : info.publika@uemsunrise.uemnet.com  
W : www.publika.com.my

### UEM Sunrise Showcase

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

T : +603-6201 0657  
F : +603-6201 0625

### Symphony Hills Sdn Bhd

Clubhouse Symphony Hills  
Persiaran Simfoni, Cyber 9  
63000 Cyberjaya  
Selangor Darul Ehsan, Malaysia

T : +603-8312 7800  
F : +603-8318 3442  
E : symphonyhills@uemsunrise.uemnet.com  
W : www.symphonyhills.com.my

### UEM Sunrise Property Gallery

21 Tan Quee Lan Street  
#01-03A, Heritage Place  
Singapore 188108

T : +65-6835 7652  
F : +65-6835 7653

### MapKL

Level G2-01, Block A5  
Solaris Dutamas  
No. 1 Jalan Dutamas 1  
50480 Kuala Lumpur, Malaysia

T : +603-6207 9732  
F : +603-6207 9729

### Bangi Sales Office


A-3-G, Jalan Medan Pusat Bandar 5  
43650 Bandar Baru Bangi  
Selangor Darul Ehsan, Malaysia

T : +603-8925 8877  
F : +603-8318 3442  
W : www.sereneheights.com.my

### Canada Sunrise Development Corp.

London Plaza  
890 – 5951 No. 3 Road  
Richmond, B.C.  
Canada

T : +1604-247 1911  
F : +1604-247 1944  
E : info@quintetrichmond.com  
W : www.quintetrichmond.com



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Tel: +603 2727 6000 Fax: +603 2727 2004  
Email: [corpcomm@uemsunrise.uemnet.com](mailto:corpcomm@uemsunrise.uemnet.com)

**[uemsunrise.com](http://uemsunrise.com)**