



A member of **UEM Group**



*Colouring*  
*Your Life*

ANNUAL REPORT 2015

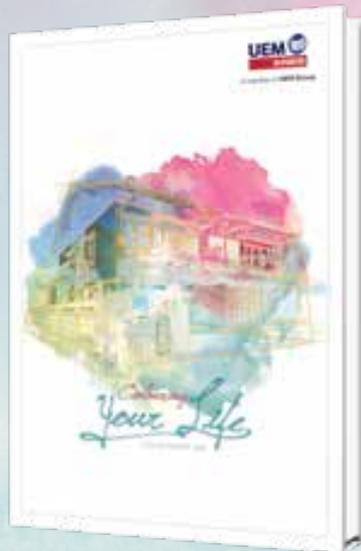
# COVER RATIONALE

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## COLOURING YOUR LIFE

UEM Sunrise is more than a master planner or property developer. In each of our project, we seek to add value to the communities that will eventually populate our buildings, our residential precincts, commercial centres, industrial zones and townships. This we do by respecting the natural environment and ensuring our developments are sustainable. We add colour to the lives of our communities through product designs that promote greater social interaction, physical recreation and spiritual well-being. Our aim is to build wholesome communities supported by smart infrastructure and strengthened by a network of vibrant activity in a conducive setting.

One such community is Estuari Gardens, as portrayed on the cover of our Annual Report 2015. The 47.62 acres Estuari Gardens is the first parcel of the overall landed Estuari development located on the north side of Puteri Harbour in Iskandar Puteri (formerly known as Nusajaya). It comprises double storey super-link houses designed to provide a resort living experience within nature's embrace and is inspired by the scenic mangrove belt of Sungai Perapat nearby that meanders along the Straits of Tebrau, Johor, emanating the joys of living within a larger-than-life ecosystem.



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UEM Sunrise is the flagship company for township and property development businesses of UEM Group Berhad ("UEM Group") which is celebrating its 50<sup>th</sup> anniversary in 2016.



UEM Group is an engineering-based infrastructure and services group with an established track record and global operations. It has the ability, expertise and resources to deliver key infrastructure development projects for the public and private sectors spanning expressways, bridges, buildings, urban transits, water infrastructure, airports, hospitals, township & property development and asset & facility management services.

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# 2015 HIGHLIGHTS



Revenue

RM  
1.75

billion



Ranked

7<sup>th</sup>

Top Property Developer by  
The Edge Malaysia



Dedicated  
Employees

close to

1,500



Awarded

Builder of  
the Year  
2015

by Frost & Sullivan



Approximately

13,  
000

Trésor card  
members



Total Dividend  
Pay-Out

RM  
136.1

million

(for financial year 2014 )

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Form of Proxy



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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 the industry. We believe in thinking big and acting quickly to unlock potential; to thrive in a changing world.



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## LIVING OUR VALUES

We are an **enterprising** entity that embraces **teamwork**, **integrity** and **passion** with a focus on **success**.

The key elements of our Values are:

- We are **enterprising and competitive** with a mind-set geared towards creating greater value for our stakeholders.
- We **practice teamwork, mutual respect, open communications and empowerment** while embracing diversity and inclusiveness to foster internal and external collaborations.
- We hold true to ethical and professional behaviour to set the highest standards of **integrity, honesty and trust**.
- We are **passionate, driven, competent and committed** to gain knowledge and improve skill sets to achieve personal growth and exceptional performance.
- We **achieve success** by pushing boundaries, thinking creatively resulting with out-of-the-box innovative ideas and solutions.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Eighth 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 Monday, 23 May 2016 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 2015 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 1.6 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2015. ▶ **Ordinary Resolution 1**
3. To re-elect the following Directors who are retiring in accordance with Article 85 of the Company's Articles of Association and, being eligible, have offered themselves for re-election:-
  - (i) Lim Tian Huat ▶ **Ordinary Resolution 2**
  - (ii) Dato' Srikandan Kanagainthiram ▶ **Ordinary Resolution 3**
  - (iii) Ungku Suseelawati Ungku Omar ▶ **Ordinary Resolution 4**
4. To re-elect the following Directors who are retiring in accordance with Article 92 of the Company's Articles of Association and, being eligible, have offered themselves for re-election:-
  - (i) Subimal Sen Gupta ▶ **Ordinary Resolution 5**
  - (ii) Zaida Khalida Shaari ▶ **Ordinary Resolution 6**
5. 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 7**

NOTICE OF  
ANNUAL GENERAL MEETING

6. To approve the payment of Directors' fees for the financial year ending 31 December 2016 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.
7. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.

► **Ordinary Resolution 8**

► **Ordinary Resolution 9**

**As Special Business**

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

**8. 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 10**

**9. 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 2016 **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 11**

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

**"THAT** pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the shareholders' mandate for the Company and/or its subsidiaries ("UEM Sunrise Group") to enter into additional recurrent related party transactions of a revenue or trading nature ("Proposed New Shareholders' Mandate"), which are necessary for the day-to-day operations of UEM Sunrise Group to be entered into by UEM Sunrise Group provided such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Item 2A of Appendix I of the Circular to Shareholders of the Company dated 29 April 2016 **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 12**

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

NOTICE OF  
ANNUAL GENERAL MEETING

**NOTICE OF DIVIDEND PAYMENT**

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Eighth Annual General Meeting, the proposed payment of a first and final single tier dividend of 1.6 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2015 will be paid to shareholders on 21 June 2016. The entitlement date for the proposed dividend shall be on 31 May 2016.

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 31 May 2016 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 Eighth 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 16 May 2016. Only a depositor whose name appears on the ROD as at 16 May 2016 shall be entitled to attend this Eighth 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 2016

## NOTICE OF ANNUAL GENERAL MEETING

**A. NOTES:**

1. Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend, speak and vote in his/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 had conducted an assessment of independence of the Independent Non-Executive Directors. 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 (save for the interested Independent Directors who abstained on their own assessment) is of the opinion that the Independent Directors consistently provided independent and objective judgement in all Board and Board Committee deliberations and is satisfied with their level of independence.

**C. EXPLANATORY NOTES ON SPECIAL BUSINESS****Ordinary Resolution 10 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 21 May 2015 and that mandate will lapse at the conclusion of the Eighth Annual General Meeting to be held on 23 May 2016.
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 11 and 12 on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature**

1. For Ordinary Resolutions 11 and 12, further information on the Recurrent Related Party Transactions are set out in the Circular to Shareholders of the Company dated 29 April 2016 which is dispatched together with the Company's Annual Report 2015.
2. The proposed Ordinary Resolutions 11 and 12, 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.

**D. PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# 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 Eighth 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 10 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 21 May 2015.

# 2015 FINANCIAL CALENDAR

26  
Feb

Announcement on the 4<sup>th</sup> quarter consolidated results for the financial period ended 31 December 2014.

3  
Apr

Announcement on the signing of a conditional share subscription agreement with UEM Group Berhad ("UEMG") for the proposed issuance and allotment of 524,399,546 new ordinary shares of RM0.50 each in UEM Sunrise to UEMG ("Proposed Share Issuance").

28  
Apr

Announcement on the:

- Notice of 7<sup>th</sup> Annual General Meeting ("AGM"); and
- First and Final Single Tier Dividend of 3.0 sen per ordinary share of RM0.50 sen each for the financial year ended 31 December 2014.

29  
Apr

Announcement on rescission of the Joint Venture Agreement with Medini Security Services Sdn. Bhd. dated 10 January 2012.

21  
May

- UEM Sunrise held its 7<sup>th</sup> AGM.
- Announcement on the 1<sup>st</sup> quarter consolidated results for the financial period ended 31 March 2015.

28  
May

Announcement on termination of the Memorandum of Understanding between UEM Land Berhad and Chinamall Holdings Pte. Ltd. dated 4 December 2012.

30  
Jun

Announcement on the proposed disposal of an office block together with a commercial area in Puteri Harbour by UEM Land Berhad to UEMG for a total cash consideration of RM137.8 million.

17  
Aug

Announcement on the 2<sup>nd</sup> quarter consolidated results for the financial period ended 30 June 2015.

17  
Sept

- Announcement on the:
- Mutual termination of the conditional share subscription agreement with UEMG dated 3 April 2015 for the Proposed Share Issuance.
  - Signing of a subscription agreement for the issuance of up to 793.0 million new redeemable convertible preference shares of RM0.01 each in UEM Sunrise at an issue price of RM1.00 each to UEMG ("Proposed RCPS Issuance").

7  
Oct

- Announcement on the notice of an Extraordinary General Meeting ("EGM") for the following:
- Proposed disposal of an office block together with a commercial area in Puteri Harbour by UEM Land Berhad to UEMG for a total consideration of RM137.8 million;
  - Proposed RCPS Issuance; and
  - Proposed amendments to the Memorandum and Articles of Association of UEM Sunrise to facilitate the Proposed RCPS Issuance.

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**30  
Oct**

UEM Sunrise held its EGM and announced its shareholders' approval for the following:

- Proposed disposal of an office block together with a commercial area in Puteri Harbour by UEM Land Berhad to UEMG for a total consideration of RM137.8 million;
- Proposed RCPS Issuance; and
- Proposed amendments to the Memorandum and Articles of Association of UEM Sunrise to facilitate the Proposed RCPS Issuance.

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**26  
Nov**

Announcement on the 3<sup>rd</sup> quarter consolidated results for the financial period ended 30 September 2015.

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**30  
Nov**

Announcement on the proposed joint venture with Edgenta Township Management Services Sdn. Bhd. ("ETMSSB") a wholly owned subsidiary of UEM Edgenta Berhad.

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**1  
Dec**

Announcement on the subscription and shareholders' agreement between Sunrise Berhad, a wholly-owned subsidiary UEM Sunrise, WCT Land Sdn. Bhd. ("WCTL"), a wholly owned subsidiary of WCT Holdings Berhad, and Jubilant Courtyard Sdn. Bhd., a wholly owned subsidiary of WCTL for a total consideration of RM214.9 million.

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**3  
Dec**

Announcement on the contract of sales dated 3 December 2015 between UEM Sunrise (La Trobe Street) Pty. Ltd. ("UEM Sunrise La Trobe"), a wholly-owned subsidiary of UEM Sunrise and the Trust Company (RE Services) Limited as trustee for the Ascendas Australia Hotel Trust for the disposal by UEM Sunrise La Trobe of 252 units serviced apartment forming part of the 92 storey mixed-use development at 224-252 La Trobe Street, Melbourne, Australia for a cash consideration exclusive of government service tax of approximately AUD\$120 million.

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**30  
Dec**

Announcement on the completion of the sale & purchase agreements in relation to the proposed joint development between UEM Land Berhad, a wholly-owned subsidiary of UEM Sunrise, and KLK Land Sdn. Bhd. ("KLKL"), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad of various parcels of freehold land measuring approximately 3,000 acres in the state of Johor.

# INVESTOR RELATIONS

## UEM SUNRISE'S INVESTOR & STAKEHOLDER ENGAGEMENT

In UEM Sunrise, we take pride in communicating reliable material information on the Company to our investors and stakeholders. These information are communicated clearly, accurately, consistently as well as in a timely and transparent manner in order to assist the investor community to make informed decisions in relation to the Company.

Throughout the year, the Company's Investor Relations ("IR") efforts includes arranging regular engagements with its stakeholders which were attended by the Chief Financial Officer ("CFO") and/or IR team. These engagements include conferences, physical meetings as well as site visits to Iskandar Puteri and projects within the Central Region. The main objective of these engagements were to update our stakeholders of the Company's financial results, strategic future plans and to address any issues or concerns that they may have relating to the Company.

In 2015, the Company attended to a total of 31 meetings and site visit requests as well as 2 conferences namely Invest Malaysia 2015 in April and the 6<sup>th</sup> Annual Asia Conference 2015 in Singapore organised by Deutsche Bank in May.

The Company also engages with analysts frequently and holds quarterly results briefing. Results briefing are usually chaired by the CFO and done immediately after the announcement of each quarterly result via a closed tele-conferencing. Additionally, the Company had also on 30 April 2015 organised a media and analyst briefing to formally introduce its Managing Director/Chief Executive Officer to the investment community.

## UEM SUNRISE'S COVERAGE

In terms of coverage, the Company has received a fair coverage and support from local and foreign research houses in 2015. As at December 2015 we have 21 analysts from the following research houses covering our stock:

1. Alliance DBS Research Sdn. Bhd.
2. Am Research Sdn. Bhd.
3. CIMB Investment Bank Berhad
4. BIMB Securities Sdn. Bhd.
5. BNP Paribas Securities (Singapore) Pte. Ltd
6. CLSA Securities Malaysia Sdn. Bhd.
7. Citigroup Global Markets Singapore Pte. Ltd
8. Credit Suisse Securities (Malaysia) Sdn. Bhd.
9. Deutsche Bank (Malaysia) Berhad
10. Hong Leong Investment Bank Berhad
11. JP Morgan Securities (Malaysia) Sdn. Bhd.
12. KAF Seagroatt & Campbell Securities
13. Kenanga Investment Bank Berhad
14. Macquarie Capital Securities (Malaysia) Sdn. Bhd.
15. Maybank Investment Bank Berhad
16. MIDF Amanah Investment Bank Berhad
17. Nomura Securities Malaysia Sdn. Bhd.
18. Public Investment Bank Berhad
19. RHB Research Institute Sdn. Bhd.
20. UBS Securities Malaysia Sdn. Bhd.
21. UOB Kay Hian (Malaysia) Holdings Sdn. Bhd.

## UEM SUNRISE IR PORTAL

Other than physically communicating with the investor community, the Company also has a 24-hour IR portal at [www.uemsunrise.com/investor-relations/](http://www.uemsunrise.com/investor-relations/) as a point of reference for investors.

## STOCK MARKET PERFORMANCE IN 2015

For the year under review, the Malaysian economy recorded a growth of 5.0% underpinned by relatively resilient domestic demand growth of 5.1% (2014: 5.9%). Domestic demand was driven by private consumption (2015: 6% vs. 2014: 7%) but it expanded at a more moderate pace as households adjusted their spending to the higher cost of living from the implementation of Goods and Services Tax (GST) in April 2015 and also due to a softer job market. Crude oil prices ended 2015 below US\$40/barrel, the lowest level since early 2009. In tandem with the movement in crude oil prices, the Ringgit weakened.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") started the year at 1,752.77 points on 2 January and continued to climb steadily in the first quarter amidst the heightened concerns and uncertainty over declining crude oil prices and the slowing momentum of global growth. The market however gradually improved in April when the FBM KLCI closed at its highest for 2015 on 21 April at 1,862.80 points due to the monetary easing measures by the European Central Bank and the People's Bank of China.

Improvements in the market was subsequently short-lived as the FBM KLCI started to trend downwards from end of April onwards through to the second half of the year amidst growing expectations of weaker corporate earnings and fears of a global financial crisis. On 4 August, the FBM KLCI took a sudden plunge where it closed at 1,723.73 points and later fell as much as 11% to an all-time low of 1,532.14 points recorded on 24 August. Global factors that contributed to the steep decline during the said period includes the unexpected move by the People's Bank of China to lower the central parity rate of the renminbi, the persistent reduction in crude oil prices and the depreciation of our Malaysian Ringgit against the US dollar. In late August to September, the FBM KLCI slowly rebounded following news by the Chinese Government to introduce economic stimulus measures and the US Federal Reserve's decision to hold interest rates. Additionally, the announcement by the Government of its stimulus measures to strengthen the nation's economy also helped the index to record an increase of 3% from 14 September to 17 September where it closed at 1,681.54 points.

The FBM KLCI only started to stabilize itself in the fourth quarter of 2015, where it hovered steadily between 1,622.84 points and 1,718.20 points and ended the year at 1,692.51 points.

### Source:

1. BNM Quarterly Bulletin Q4 2015
2. BNM Annual Report 2015
3. Bursa Malaysia Annual report 2015

## UEM SUNRISE BERHAD SHARE PRICE PERFORMANCE IN 2015

UEM Sunrise Berhad's ("UEM Sunrise" or the "Company") share price opened in January at its highest price of RM1.43 before hovering between RM1.40 and RM1.31 from January to 21 April amidst concerns over falling crude oil prices, Greece's potential exit from Eurozone and the US interest rate hike.

From May through to June, the Company's share price gradually declined from RM1.29 to RM0.97 in-line with the downward trend of the FBM KLCI whereby further concerns over the country's weaker earnings outlook and possible credit ratings downgrade dampened sentiment. In the month of July, the share price hovered steadily around the RM1.00 mark before taking a further plunge starting from August where it marked the lowest closing price for 2015 of RM0.77 recorded on 26 August on the back of a sharp decreasing trend of the FBM KLCI following the devaluation of Chinese Yuan coupled with continued depreciation of the Malaysian Ringgit as well as slumping crude oil and commodity prices.

The Company's share price then slowly rebounded in September to middle of November where it breached the RM1.00 mark on 11 September and subsequently hovered between RM1.04 to RM1.35 amidst the Government's announcement of the stimulus measures to strengthen the nation's economy.

Towards the end of November and December 2015, the share price took a slight dip where it declined to a closing price of RM1.03 recorded on 15 December before picking up again and closing the year at RM1.12 in line with the gradual upward trend of the FBM KLCI.

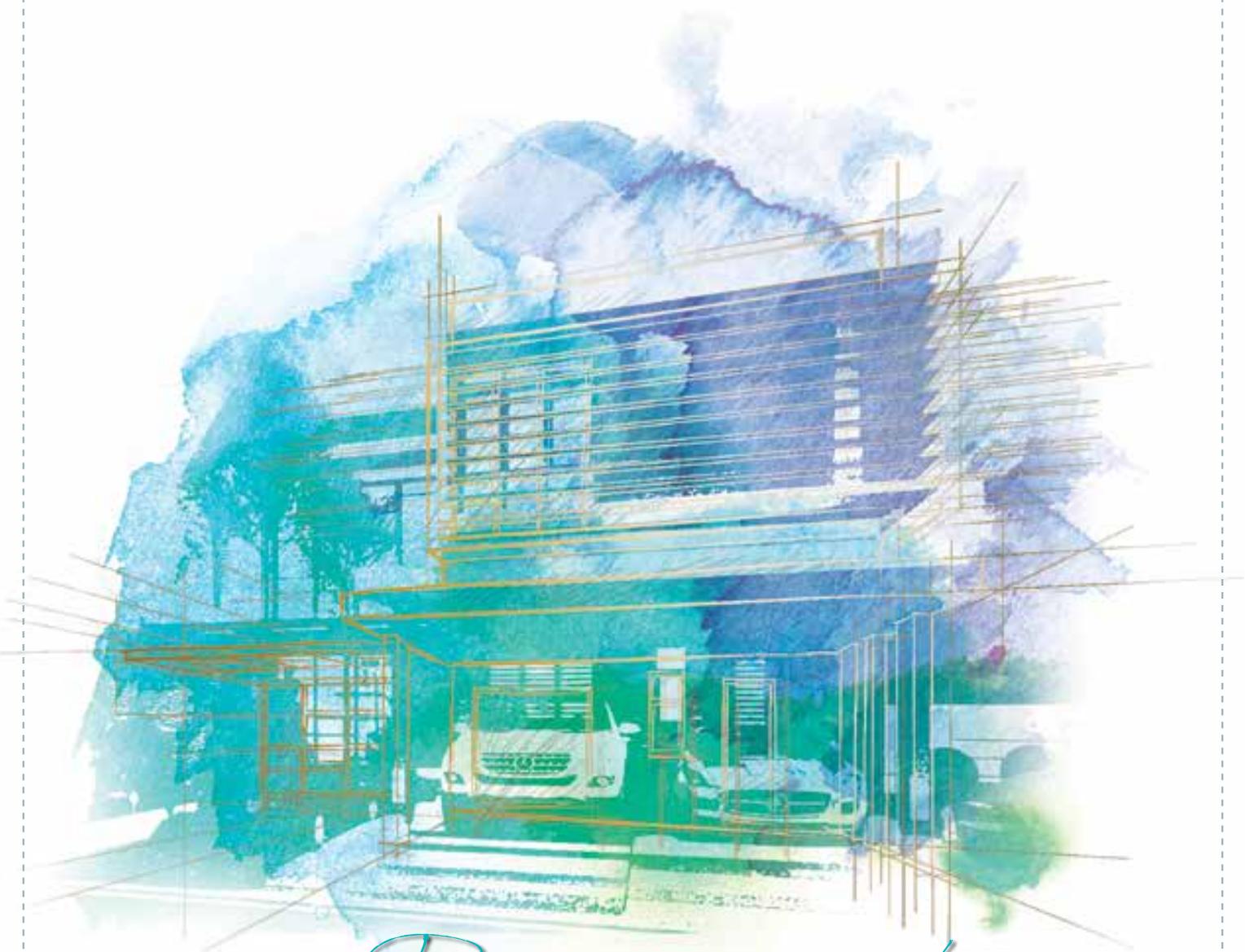
### Source:

1. Bursa Malaysia Annual Report 2015
2. Internal documents



# *Grow*

Our customers are always at the heart of everything that we do and meeting their aspirations is the best way to grow the Company and succeed together.



*Providing avenues to  
Grow Together*



**Regent's Park** in East Ledang features 32 beautifully designed luxury villas located in an exclusive gated and guarded landscaped sanctuary. The villas have built-ups of between 5,924 square feet to 6,250 square feet complete with large living areas, en-suit bathrooms, wet and dry kitchens, a private pool and ample parking space for four cars. Residential amenities include an exercise area, jogging paths, wetlands trail, aquatic garden and outdoor gym and play gardens.

# Chairman's Statement



**Tan Sri Dr. Ir. Ahmad Tajuddin Ali**  
Chairman

**“Our strategies going forward are simple, yet potentially very effective. Broadly speaking, they are to: diversify our geographical base and adjacent businesses; further build our reputation as a value-driven developer; and nurture a service-oriented culture in the organisation.”**

**Dear Shareholders,**

The year 2015 continued to be challenging for property players in Malaysia, mainly as a result of a generally sluggish economic conditions. As oil prices continued to plunge, the Ringgit too depreciated in value while prices in general increased across the board following the implementation of the Goods and Services Tax (“GST”) on 1 April 2015. These factors, combined with a more cautious stance by banks in disbursing housing loans, have dampened consumer confidence, especially with regard to high end property purchases. However, affordable landed properties with ready infrastructure and amenities, continue to see high demand.



Within this environment, UEM Sunrise Berhad (“UEM Sunrise” or the “Company”) has not relented in our commitment to keep growing, and in enhancing our fundamentals. The Company already has very strong foundations – given an extensive portfolio of properties currently being developed, as well as a remaining landbank representing more than RM100 billion in gross development value (“GDV”), including projects in various joint ventures (“JVs”). Our focus now is to build on our strengths to enable us sustain our value, not just during this difficult phase, but for the foreseeable future.

Our strategies going forward are simple, yet potentially very effective. Broadly speaking, they are to: diversify our geographical base and adjacent businesses; further build our reputation as a value-driven developer; and nurture a service-oriented culture in the organisation.

The Company had in the 1990s acquired a large landbank in Iskandar Puteri (formerly known as Nusajaya), Johor and later developed a master plan for the area, which is one of five flagship zones within the visionary Iskandar Malaysia project.

In recent years, we have strived to reduce the concentration of our Johor landbank to minimise our geographical risk while increasing our value propositions to a wider group of potential buyers.

Our customers are our strongest brand ambassadors and your Company places great emphasis in ensuring they are more than just satisfied with their investments in UEM Sunrise. We rolled out various programmes to engage with homebuyers and have a well established loyalty programme called Trésor, through which we are building closer rapport with our valued customers.

The initiatives to strengthen the Company at its core have delivered real results. Although we launched fewer projects in 2015 compared to the previous year – in keeping with the general market sentiment – we exceeded our property sales target by a significant 18%, hitting RM2.37 billion as opposed to an anticipated RM2.00 billion. Revenue for the year totalled RM1.75 billion while profit after tax and non-controlling interests (“PATANCI”) amounted to RM257 million. These were 34% and 46% lower than the respective figures in 2014, mainly due to the absence of any significant land deals in 2015.



Aurora Melbourne Central, Australia

**“We exceeded our property sales target by a significant 18%, hitting RM2.37 billion.”**

For the record, RM882 million of our revenue in 2014 came from land sales compared to only RM24 million in 2015.

Based on these results, the Board of Directors is recommending a dividend of 1.6 sen per share, as announced during the release of our fourth quarter results.

I would like to assure you that the Company remains committed to creating wealth for our shareholders in the long term. While our financial performance is of course the most tangible way in which we do this, we recognise it is equally as important to build the Company's intangible value – through a high level of corporate governance and the development of our people. These go a long way towards strengthening our reputation in the marketplace, making the UEM Sunrise brand both respected and trusted.

Towards this end, we are transparent in all our actions, disclosing our performance in quarterly and annual reports which are posted on our website while also engaging actively with the investing community. We also continue to build on our existing human resources, bring in the best talent and

then retaining them by providing a dynamic work environment in which they are encouraged to realise their potential through continuous professional training and development.

The Board has re-designated Dato' Izzaddin Idris, the Group Managing Director/Chief Executive Officer (“MD/CEO”) of UEM Group Berhad as Executive Director of UEM Sunrise effective 16 April 2016 to perform the duties and functions of the MD/CEO of the Company following a temporary leave of absence granted by the Board to allow En. Anwar Syahrin Abdul Ajib to focus on his personal matters.

On the note of people, I would like to take this opportunity to thank my colleagues on the Board for their commitment to UEM Sunrise. In particular, I would like to acknowledge the contributions of Mr. Oh Kim Sun who joined the Board on 15 September 2008 and has resigned effective 31 December 2015; Mr. Sheranjiv Sammanthan, who joined on the Board 27 October 2010 and resigned on 8 April 2016;

and Mr. Lum Tuck Ming, who was our Chief Operating Officer from 2011 and resigned on 15 July 2015. At the same time, I would like to welcome Mr. Subimal Sen Gupta and Pn. Zaida Khalida Shaari who joined the Board on 31 March 2016 and 8 April 2016 respectively.

I would also like to express my gratitude to the Government and regulators as well as all our business partners for your continued support, which has been crucial to our ongoing journey, and to our shareholders whose trust inspires us to keep outperforming ourselves.

Most of all, I would like to express my heartfelt appreciation to the Management and employees for your dedication to UEM Sunrise. It is because of you that we have been able to enjoy all our successes to date. With your continued efforts, we can continue *Colouring the Lives* of all our stakeholders.

Thank you.

**Tan Sri Dr. Ir. Ahmad  
Tajuddin Ali**

Chairman



*Live*

Residents enjoy the modern conveniences and lifestyle amenities at our developed properties and live in harmony with the environment and communities.

A watercolor illustration of a modern building with a golden wireframe structure. The building is the central focus, rendered in a golden-yellow wireframe style. It has a cylindrical base and a more complex, multi-tiered upper section. The background is a soft, abstract watercolor wash in shades of pink, purple, and blue. The overall style is artistic and modern.

*Creating  
Modern Communities*



**Conservatory** is UEM Sunrise's second undertaking in Melbourne, Australia. The development, which commands a GDV of AUD320 million, comprises 446 units of apartments in a 42-storey tower. It is located steps away from the vibrancy of the city with breathtaking view to Carlton Gardens, all year round. Amenities include the Victorian Terrace, Royal Banquet and Carlton Sky Deck complete with swimming pool, gymnasium, private cinema, golf simulator, multiple entertainment and private dining areas, open lounge areas and spa pools.

# Management

## Discussion & Analysis



Lakeview of Estuari Gardens in Puteri Harbour, Iskandar Puteri

**Dear Shareholders,**

The year 2015 was challenging for all property developers in Malaysia, including UEM Sunrise Berhad (“UEM Sunrise” or “the Company”). Yet, despite a generally soft market, we enjoyed our fair share of operational highs – we successfully launched four new developments; we were able to deepen our footprint in Australia; and we surpassed our sales target of RM2.00 billion.

**“Launches in the Southern, Central and International regions released a total of 1,599 residential units into the market with a combined gross development value (“GDV”) of over RM2.63 billion.”**



Interior view of Almās in Puteri Harbour, Iskandar Puteri

In Malaysia, notwithstanding a tough property market, we had three new project launches – Serene Heights Bangi, a nature inspired township in Selangor; Residensi Sefina Mont’Kiara, a unique cruise ship-themed high rise residence in Mont’Kiara, Kuala Lumpur and Estuari Gardens, our first landed residential project in the exclusive enclave of Puteri Harbour in Iskandar Puteri.

Both Serene Heights Bangi and Residensi Sefina Mont’Kiara received an overwhelming market response. 121 units of Acacia, Parcel 1 of Serene Heights Bangi were snapped up within two days of its launch in June while 40% of Parcel 2, the 153 units of Begonia, were taken up prior to the official launch in November.

Meanwhile, Residensi Sefina Mont’Kiara which was launched in August enjoys a take up of close to 80% to date.

Another highlight of the year was the launch of Conservatory in October 2015, a 42-storey residential development located on Mackenzie Street, Melbourne. This AUD320 million project marks our second high rise residential development in Melbourne, Australia after Aurora Melbourne Central, which has achieved a spectacular response since it was introduced to the market in 2014. The 252-room serviced apartment component of Aurora Melbourne Central was also sold to Ascendas Hospitality Trust Management Pte Ltd (“Ascendas Hospitality Trust”) in December 2015.



Grand finale of the Signature Selection campaign which ran from September to October 2015

These launches in the Southern, Central and International regions released a total of 1,599 residential units into the market with a combined gross development value ("GDV") of over RM2.63 billion. Along with ongoing developments, they contributed to the property sales amounting to RM2.37 billion, which surpassed our target of RM2.00 billion by 18%. This was especially encouraging given the generally soft local economy.

To further diversify our landbank in Malaysia, we entered into a 50:50 partnership with WCT Holdings Berhad ("WCT") to develop a

township on 10 parcels of freehold land measuring 608.63 acres near Serendah, Rawang. We expect to launch the project, which holds a total targeted GDV of RM3 billion, by the fourth quarter of 2017.

Meanwhile, we are also expanding our presence in Melbourne with the acquisition of our third property in July 2015; a 21-storey office tower on 412 St Kilda Road, about two kilometres south-east of the central business district ("CBD"). We aim to re-develop the tower into an ultra-luxurious residential apartment, potentially with a mix of ground floor retail and serviced apartments.

Our marketing initiatives have been the result of strategic planning in response to the economic environment – identifying pockets of demand within the general lull; timing our launches appropriately and even introducing an innovative gambit to entice the purchase of our products. For two months from September until October 2015, we ran a Signature Selection campaign offering attractive packages for selected units in Symphony Hills, Nusa Idaman, East Ledang and various properties in Mont'Kiara. This campaign, a first for us, was successful with 129 property units sold achieving sales of RM215 million. Signature Selection's achievement further encourages us to bring to the market more innovative campaigns to incentivise our customers.

MANAGEMENT DISCUSSION  
& ANALYSIS



**FINANCIAL PERFORMANCE**

<b>INDICATOR (RM mil)</b>	<b>2015</b>	<b>2014</b>	<b>ACTUAL CHANGE</b>
Revenue	<b>1,749.9</b>	2,661.7	-34%
Cost of Sales	<b>(1,224.7)</b>	(1,859.6)	34%
Operating Expenses	<b>(349.7)</b>	(340.4)	-3%
Operating Profit	<b>175.5</b>	461.7	-62%
Other Income	<b>117.6</b>	58.8	100%
Finance Costs	<b>(73.9)</b>	(45.9)	-61%
Share of Net Results of Associates & JVs	<b>123.8</b>	134.5	-8%
Profit Before Zakat and Income Tax	<b>343.0</b>	609.2	-44%
PATANCI	<b>257.2</b>	479.9	-46%
ROE	<b>3.9%</b>	7.8%	-3.9%
EPS	<b>5.7 sen</b>	10.6 sen	-46%
Dividend	<b>1.6 sen</b>	3.0 sen	-47%

Our financial results for the year ended 31 December 2015 reflected the challenging market conditions. In terms of property development sales, our strategy of international diversification continued to bear fruit, enabling us to derive substantial income from launches both domestically and abroad.

In the Central Region, sales from Serene Heights Bangi and Residensi Sefina Mont'Kiara accounted for RM330 million. Aurora Melbourne Central continued its strong momentum from 2014 and contributed a further RM720 million in sales in 2015 while our second project, Conservatory, has enjoyed a strong take up with sales of RM620 million since its October launch. In total, we achieved RM2.37 billion in sales for the year surpassing our target of RM2.00 billion. This helped to boost our unrecognised revenue as at 31 December 2015 to RM4.65 billion from RM3.99 billion as at 31 December 2014, and will underpin future revenue and earnings.

The absence of any significant contribution from land sales, which contributed 33% of our total revenue in 2014, had a huge impact on our financial performance in 2015 with total revenue declining by 34% to RM1.7 billion from RM2.7 billion. Revenue from property development declined slightly from RM1.67 billion to RM1.62 billion as the completion of various phases in East Ledang, Nusa Bayu and Symphony Hills in the previous financial year coupled with slower sales in the current financial year led to lower revenue recognition. Revenue from our property investment, assets and facilities management, project management and other activities also remained relatively flat at RM108 million.



In terms of profitability, our profit after tax and non-controlling interest ("PATANCI") decreased by 46% to RM257.2 million from RM479.9 million recorded in the previous year in line with the lower revenue.

Our balance sheet continues to be manageable with our gearing standing at 0.40 times as at 31 December 2015. This provides us sufficient headroom to raise future financing, if required, to fund our developments and expansion plans.

Total sales for the year of  
**RM2.37** billion  
 surpassing our target of  
**RM2.00** billion

**BUSINESS & OPERATIONS REVIEW****SOUTHERN REGION**

Our developments in the Southern Region are centred primarily in Iskandar Puteri, a flagship zone of Iskandar Malaysia. During the year under review, we launched a total of 382 landed property units with a total GDV worth RM809.0 million and handed over 1,804 residential and commercial units. We also sold the office component of Imperia tower in Puteri Harbour to UEM Group Berhad ("UEM Group"). As far as property sales are concerned, we managed to achieve RM292.4 million amid the generally tough property market in the Southern Region.

Meanwhile we also completed and handed over 400 units at Idaman Residence in June 2015. This was followed by the handover of Imperia in Puteri Harbour comprising 246 residential units, 11 levels of office floors and 20 retail units, in August 2015.

Our remaining landbank in the Southern Region is approximately 9,700 acres with a GDV of RM93 billion out of which about 6,000 acres with a GDV of RM68 billion is located in Iskandar Puteri.

<b>Project</b>	<b>Description</b>	<b>Total GDV</b>	<b>Launches in 2015</b>	<b>Project Launch Date</b>	<b>Total Launched GDV</b>	<b>Take-up Rate (entire project)</b>
Estuari	Estuari is an eco-friendly residential enclave sprawling across 394 acres of freehold land on the north side of Puteri Harbour; where 47.62 acres have been allocated for its first phase development known as Estuari Gardens comprising 350 double storey super-link houses.	RM7.5 bil	Phase 1A: 350 units of double-storey superlinks	2015	RM631.9 mil	5%
Almās	Almās is a 12.2-acre mixed development comprising two office blocks, a retail boulevard, two residential towers and one block of suites. It has a total of 1,513 units.	RM1.6 bil	Nil	2013	RM423 mil	38%
Imperia	Imperia was the first high rise project to be launched in 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.	RM469 mil	Nil	2011	RM469 mil	98%
Nusa Bayu	Nusa Bayu, located on a 258-acre land comprises landed as well as high rise properties targeted and designed for first-time homebuyers.	RM1.3 bil	Nil	2010	RM750 mil	84%
East Ledang	East Ledang comprises a collection of luxury resort homes nestled within 348 acres of greenery featuring 31 lush gardens equipped with a state-of-the-art intelligence system.	RM4.9 bil	Phase 5A1: 32 units double-storey bungalows with a GDV of RM177.1 mil in September	2008	RM1.9 bil	90%
Nusa Idaman	Nusa Idaman is a mid-range residential development spanning 251 acres with a total of 2,897 units. It offers convenient access to the Second Link Expressway.	RM1.9 bil	Nil	2006	RM947 mil	95%



Regent's Park in East Ledang, Iskandar Puteri

### Catalytic Developments

**Puteri Harbour** is a 1,082-acre integrated urban waterfront development featuring 13.5 km of waterfront properties comprising Puteri Harbour Marina, Puteri Harbour International Ferry Terminal, Puteri Harbour Promenade, Puteri Harbour residences which includes Imperia, Teega, Almās, Estuari Gardens and Emerald Bay, and Puteri Harbour commercial & leisure attractions, namely Hotel Jen Puteri Harbour, Sanrio Hello Kitty Town, Somerset Serviced Apartment, quayside lifestyle stores, fine dining, alfresco cafes and harbour view offices.

Sanrio Hello Kitty Town, developed by Themed Attractions and Resorts Sdn. Bhd. in Puteri Harbour, houses an indoor theme park for the young and recorded more than 2.5 million visitors as of December 2015.

Hotel Jen Puteri Harbour, a four-star hotel managed by Shangri-La Hotels & Resorts, is also already in operation. The developments within Puteri Harbour that are being undertaken by strategic partners and other developers, such as the Puteri Cove Residences, Pinetree Residences, Encorp Marina as well as the Southern Marina Residences, are at various stages of construction.

Puteri Harbour is also home to the Puteri Harbour International Ferry Terminal, designed to be an alternative gateway for tourist arrivals into Malaysia. Currently, it services two routes, to and from Batam Centre and Tg. Balai, Karimun in Indonesia. On 23 December 2015, the ferry terminal welcomed 1,000 passengers of the Star Cruise Superstar Virgo which made a port call during its 48-day cruise before returning to China. As at end December 2015, the ferry terminal has welcomed more than 57,000 passengers. The plan to launch a new route into HarbourFront, Singapore is under way.

Meanwhile, we are looking for a prospective partner to develop an international convention centre in Puteri Harbour to leverage on Iskandar Malaysia's great potential within the meetings, incentives, conventions and exhibitions ("MICE") market given its strategic location as the next centre of growth in Malaysia and its proximity to Singapore. By establishing a vibrant MICE sector, we would also be contributing towards tourism in the area.

**Kota Iskandar**, adjacent to Puteri Harbour, is the administrative centre for the Johor State Government. It houses the Chief Minister and State Secretary Complex, State Legislative Assembly Building, Ceremonial Plaza, three Government office buildings as well as the Kota Iskandar Mosque. Once fully completed, it will be populated by about 6,000 civil servants representing 76 state and federal departments. Planning for Phase 2 of Kota Iskandar, comprising staff housing, is currently under way.



Aerial view of Gerbang Nusajaya, Iskandar Puteri

**Southern Industrial & Logistics Clusters ("SiLC")** is a 1,300-acre managed industrial park for advanced technologies, biotechnology and integrated logistics. Phase 1 and Phase 2 are sold out, with 153 of the 228 completed factories already in operation while another 404 factories and commercial units are under construction. The next development for SiLC is Phase 3, located on a net area of approximately 196.5 acres and targeted to have a total of 86 industrial serviced lots. Earthworks for Phase 3 was completed in August 2015 and infrastructure works are ongoing with a target completion in October 2016.

**Bio-XCell**, developed in collaboration with Malaysian Biotechnology Corporation Sdn. Bhd., is Malaysia's first dedicated biotechnology park. Components that are already completed include four ready built manufacturing units, the X-Sentral, which houses the Science building complete with laboratories and the business building

which houses retail, office suites and business facilities for rent including an auditorium, boardroom, meeting rooms, video conferencing room and a business lounge. The Central Utilities Facility is currently in operations supplying industrial steam, chilled water and managing wastewater treatment for its clients. Bio-Con Ltd of India, the largest biotechnology firm in Asia specialising in biopharmaceuticals, custom and clinical research is now in operation in Bio-XCell and stands to be the largest integrated insulin production facility in Iskandar Puteri.

**Afiat Healthpark** is a 67-acre healthcare destination catering to modern, traditional and complementary medicine and wellness. Columbia Asia Hospital, an 80-bed private hospital, was the first to open in the precinct in 2010. In 2015, DB Hartanah Sdn. Bhd.'s wellness centre was completed and is to be handed over to the owners.

Other catalytic developments helmed by our partners in Iskandar Puteri are also making good progress. **LEGOLAND® Malaysia Resort** has attracted more than 4.7 million visitors since its opening in September 2012; the University of Reading Malaysia in **EduCity™ Iskandar Malaysia** opened in September 2015 offering programmes in Law and Business; the 300-bed **Gleneagles Medini Hospital** developed by Parkway Pantai Group also commenced operations in November 2015.

### The Next Wave – Gerbang Nusajaya

**Gerbang Nusajaya** is being developed to complement the first phase of Iskandar Puteri as well as to generate employment and create critical mass on a gross area of 4,500 acres. Boasting a total GDV of RM42 billion, Gerbang Nusajaya is to unfold in five phases over a period of 25 years. Nusajaya Tech Park, FASTrack Iskandar motorsports hub and residential components are part of Gerbang Nusajaya's Phase 1. Gerbang Nusajaya is also ready to capitalise on the high speed rail ("HSR") linking Kuala Lumpur and Singapore which is targeted to be completed by 2022.

Many new developments have unfolded at **Nusajaya Tech Park**, which is owned and managed by Nusajaya Tech Park Sdn. Bhd. ("NTPSB"), a JV between UEM Sunrise and the Ascendas Group of Singapore. The 21 units of ready-built factories ("RBF") in Phase 1A1 were completed in February 2016 with the Certificate of Completion and Compliance already obtained while 22 units of RBFs in Phase 1A2 are currently under construction and expected to be completed by end of 2016.

Making further progress, on 26 March, NTPSB inked an agreement with Telekom Malaysia Berhad ("TM") to establish a 7.94-acre Nusajaya Data Centre ("NJDC") in Nusajaya Tech Park. The NJDC is expected to be ready in the second half of 2016 and will serve as a neutral-carrier data centre and a regional hub for TM's ICT services. On the same day, NTPSB signed with InneuoNusa Sdn. Bhd., a JV between TM, UEM Land Berhad and Iskandar Investment Berhad, to deliver smart and connected services in the Nusajaya Tech Park.

Additionally, NTPSB has also signed an agreement with Tokyo-based Mitsui & Co Ltd to develop build-to-suit ("BTS") warehouses and factories on seven plots measuring approximately 26.4 acres. This marks the first Japanese partnership in an industrial park in Iskandar Malaysia.

**FASTrack Iskandar** is a 300-acre motorsports hub with R&D facilities, a 4.5km FIA-Grade 1 test track, 1.5km CIK-Grade A karting track, bonded warehouses, workshops and car showrooms as well as entertainment and F&B outlets. Applications for earthworks and the development order were approved by the local authority on 12 February and 30 April 2015 respectively. The groundbreaking ceremony is targeted to take place in 2016.

## CENTRAL REGION

For the Central Region, the year 2015 witnessed a total of 820 residential units launched, boasting a combined GDV of RM488.1 million. Sales for the year amounted to RM665.2 million, driven mainly by Residensi Sefina Mont'Kiara, Residensi22 Mont'Kiara and Symphony Hills in Cyberjaya. During the year, we also handed over 879 units in Mercu Summer Suites and 149 units in Symphony Hills. To date, we have approximately 840 acres of land available to be developed in the Central Region, with a GDV of close to RM13.3 billion.



FASTrack Iskandar in Gerbang Nusajaya, Iskandar Puteri



Residensi22 Mont'Kiara, Kuala Lumpur

MANAGEMENT DISCUSSION  
& ANALYSIS

Project	Description	Total GDV	Launches in 2015	Project Launch Date	Total Launched GDV	Take-up Rate (entire project)
Serene Heights Bangi	Serene Heights is a 448-acre nature-inspired township centred around a 25-acre Creekside Parkland, incorporating recreational parks and themed play zones.	RM3.2 bil	274 units of double-storey terrace houses	June 2015	RM181 mil	55%
Residensi Sefina, Mont'Kiara	This 35-storey condominium offers 245 units with built-ups between 1,333 square feet and 1,771 square feet. Its cruise ship concept is realised via a man-made beach, a Star Deck with a 50m lap pool, sauna, reading pavilion, yoga deck, multipurpose hall and gymnasium.	RM307.3 mil	245 units	August 2015	RM307.3 mil	76%
Residensi22, Mont'Kiara	The development offers four 38-storey towers with a total of 534 units.	RM971.3 mil	Nil	2013	RM971.3 mil	94%
Radia, Bt Jelutong, Shah Alam	This 21-acre Mediterranean/Asian inspired mixed development is being developed under a JV with Sime Darby Property Berhad. It offers a total of 640 residential units, 238 office units and 186 retail units.	RM1.6 bil	Block A: office component launched in October 2015 – 159 stratified office units with a GDV of RM149.0 mil	2013	RM506 mil	56%
Arcoris Mont'Kiara	Designed by London-based Foster+Partners, this six-acre mixed development comprises an 18-storey tower of serviced residences and 35-storey tower with a hotel, SoHo units and business suites with retail outlets in a central plaza.	RM1.1 bil	Nil	2011	RM738.3 mil	100%
Summer Suites & Summer VOS, Kuala Lumpur	The development comprises two towers in the Kuala Lumpur city centre offering a total of 877 office suites.	RM434 mil	Nil	2011	RM434 mil	99%
Symphony Hills, Cyberjaya	This 98-acre high end residential development was Malaysia's first connected intelligent community. It offers terrace houses, twin villas, townhouses and Verdi eco-dominiums (apartment block) with its own clubhouse, Opera House.	RM1.7 bil	Nil	2010	RM1.1 bil	58%
Forest Heights, Seremban	This is a 488-acre JV with MCL Land Ltd comprising 2,839 single and double-storey linked houses, bungalows and retail shops/offices.	RM2.0 bil	167 units of double and three-storey landed houses with a total GDV of RM102.9 mil	2004	RM365.0 mil	84%



Skydeck of Conservatory, Melbourne

### Hyatt House Kuala Lumpur in Mont'Kiara

In July, we signed a management agreement with Hyatt Hotels Corporation to introduce a Hyatt House Kuala Lumpur in Mont'Kiara as part of Arcoris Mont'Kiara. It was a significant milestone that marked our inaugural venture into the hospitality industry as we expand our business portfolio. The hotel will have 298 guestrooms, a three-meal restaurant, 3,100 square feet of meeting space, a fitness centre and sky pool. Slated for opening in 2017, the hotel will be the first Hyatt House in Malaysia. The brand concept revolves around casual hospitality in a warm environment that encourages guests to live like residents.

### INTERNATIONAL PRESENCE

We have two properties in Vancouver, Canada – Quintet and Alderbridge – both of which are integrated mixed residential and commercial developments; and three development sites in Melbourne. Two of these, Aurora Melbourne Central and Conservatory have already been launched while the third site on St. Kilda Road, is under planning.

In 2015, Phase 2 of Quintet was completed and 691 units were handed over. We also launched Conservatory in October. Sales from Aurora Melbourne Central, Conservatory and Quintet amounted to RM1.40 billion, making our international projects the biggest sales contributor to the Group.

**“Sales from Aurora Melbourne Central, Conservatory and Quintet amounted to RM1.40 billion, making our international projects the biggest sales contributor to the Group.”**

MANAGEMENT DISCUSSION  
& ANALYSIS

Project	Description	Total GDV	Launches in 2015	Project Launch Date	Total Launched GDV	Take-up Rate (entire project)
Conservatory, Melbourne, Australia	Situated on 0.5 acres on Mackenzie Street, Conservatory is a 42-level high end mixed development designed by award-winning COX Architecture and featuring a total of 446 units.	AUD320 mil	Residential apartments	October 2015	AUD320 mil	55%
Aurora Melbourne Central, Melbourne, Australia	This 92-storey development in the CBD comprises retail and office space, serviced apartments, a hotel and residential units. It is set to be Melbourne's largest integrated mixed-use development.	AUD757.5 mil	Serviced apartments sold to Ascendas Hospitality Trust in December 2015	2014	AUD706.1 mil	99%
Quintet, Vancouver, Canada	Quintet is a mixed commercial development on 4.8 acres of freehold land in Minoru Boulevard.	CAD320 mil	Nil	2010	CAD320 mil	98%

We are very pleased with our projects in Melbourne, which have been attracting much positive interest not only from the local Melbourne market but also globally including from Malaysia and other international buyers.

Although the property market continues to be vibrant in Melbourne, we are conscious of the need to offer top quality products that not only appeal to the customers' sophisticated aesthetic sensibilities, their current lifestyle as well as discerning amenity needs, but also to satisfy niche demands. Aurora Melbourne Central, for example, enjoys a superb location in the heart of the CBD and is the only residential development with direct underground connection to the rail network, the Melbourne Central Station as well as the CBD's largest continuous retail precinct of over two million square feet. Its ground-breaking ceremony on 21 October 2015 was a momentous occasion for the Company, marking the commencement of construction for our first project in Australia. When completed, the mixed-use development comprising residences, serviced apartments, signature retail and office spaces will be the tallest building in the CBD at 92 storeys and is set to provide a dynamic and beautiful addition to Melbourne's skyline.

Conservatory, also located within the Melbourne CBD, has breathtaking views of the UNESCO World Heritage-listed Carlton Gardens. This development offers a unique proposition where city vibrancy meets garden tranquillity offering the best of both worlds. Designed by award-winning COX Architecture, the concept is of contemporary garden living in the sky with 446 apartments of one, two and three-bedroom units and penthouses in a 42-storey majestic tower. Construction is set to commence this year.

Having enjoyed a very encouraging response for our first two developments, in July 2015, we went on to acquire a 21-storey tower on a 0.387-acre corner site on St Kilda Road, Melbourne's most prominent boulevard that leads into the CBD. The tower offers panoramic views of the city, the Royal Botanic Gardens, Shrine of Remembrance, Albert Park and Port Phillip Bay and, being slightly less centrally located than the earlier two projects, will cater to a different target market. We are in the midst of planning the development of this site into an ultra-luxurious residential development. With this development, we have a firm pipeline of projects in Melbourne.

On 3 December 2015, we entered into a Contract of Sale with Ascendas Hospitality Trust for the disposal of the 252-unit serviced apartment at Aurora Melbourne Central together with 10 car park lots and part of the ground floor retail space. Ascendas Hospitality Trust is to manage the development of this component into a four or five-star hotel.

Our expansion overseas supports an overriding strategy to expand our portfolio geographically. Geographical diversification has the advantage of reducing single market risks, as demand for property in different countries do not necessarily grow and ebb in sync.

#### AFFORDABLE HOUSING

UEM Sunrise has been developing affordable homes on 650 acres known as **Taman Nusantara** and **Nusantara Prima** in the Southern Region since early 2000, in collaboration with Denia Development Sdn. Bhd. As at December 2015, 3,830 units of affordable homes and shop offices have been delivered in Taman Nusantara and 345 units more are under construction while 1,003 units are also under construction for Nusantara Prima with a target completion of 2016-2017.

On our own, we are developing more affordable homes in Nusa Bayu, Denai Nusantara and Gerbang Nusantara within the Iskandar Puteri area.

**Bayu Nusantara** offers 80 units of Perumahan Komuniti Johor (“PKJ”) with a built-up of 850 square feet priced at RM80,000 each, 241 units of Rumah Mampu Milik Johor (“RMMJ”) with a built up of 1,000 square feet priced at RM150,000 each and 30 units of shops priced at RM200,000 each. The project was launched in September 2014 and is targeted for completion by mid-2016.

**Denai Nusantara** offers 1,109 high rise units of RMMJ with a built-up of 1,000 square feet priced at RM150,000 each and 108 units of single-storey shops with a built up of 1,200 square feet priced at RM200,000 each. The project was launched on 28 February 2016 and is currently under development.

In **Gerbang Nusantara**, 4,752 units of high rise and landed residential units are also to be developed, comprising 2,900 PKJ units, 242 single-storey shops, and 1,610 double-storey units of RMMJ with prices ranging from RM42,000 to RM200,000. The entire development has a total expected GDV of RM485 million. Phase 1A – encompassing 780 units of the PKJ homes with a built up of 850 square feet – is targeted to be launched towards the end of 2016.

In the Central Region, we have obtained approval from the Selangor State Government through the Lembaga Perumahan dan Hartanah Selangor to develop the affordable housing component under the Rumah SelangorKu Scheme as part of Serene Heights Bangi. The launch of Phase 1 comprising more than 800 units with built-ups ranging from 700 square feet to 900 square feet is slated for early 2017.



Denai Nusantara, Iskandar Puteri

## ASSETS UNDER PROPERTY INVESTMENT

Property Investment represents a small yet increasingly important revenue earner for the Company, under which we manage various components of our developments in the Southern and Central regions.

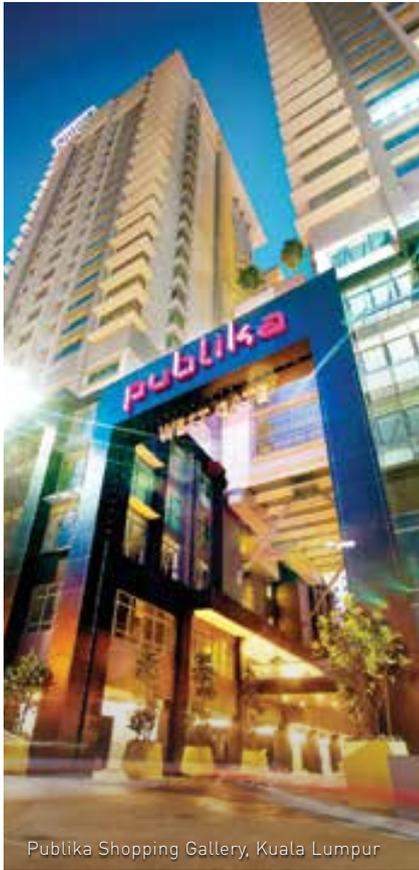
In the Southern Region, this encompasses the Puteri Harbour International Ferry Terminal, Anjung Neighbourhood Centre, Ledang Urban Retreat Clubhouse as well as the Mall of Medini.

The single-storey Anjung Neighbourhood Centre currently has 21 tenants including MYDIN, Daily Fresh, Cool Blog and a 24-hour restaurant as well as the Raffles American School. The Malay-styled Ledang Urban Retreat Clubhouse offers East Ledang residents a tranquil ambience and equipped with a spa, 50m pool, fitness gym, meeting rooms and two restaurants. The Mall of Medini on the other hand comprises mainly of F&B outlets as well as a space that can be rented by the public and corporate organisations for private functions known as MAP @Mall of Medini.

In the Central Region, we manage the Publika Shopping Gallery (“Publika”) as well as MAP @Publika in Solaris Dutamas.

Publika has created a niche for itself in the Kuala Lumpur retail space, becoming the place to explore for art pieces, F&B outlets, novel products, original concepts and an international grocer. Among its tenants are Wondermilk, Baskin Robbins, Just B, Bratpack, Rubaq, Ben’s Independent Grocer, Plan B, British India, Sony Centre and Chawan. MAP @Publika operates along the same lines as MAP @Mall of Medini, offering a rentable space in the mall for private, corporate and social events.

Opera House, a spectacular floating clubhouse at our Symphony Hills development in Cyberjaya exudes an exclusive resort ambience as it sprawls horizontally along a waterway into breathtaking pavilions with unique recreational spaces featuring a restaurant, an infinity pool, playground, gym and tennis courts.



**“Our growth development, in turn, will hinge on three imperatives namely activating niche properties, townships and signature developments.”**

### Facilities Management

On 30 November 2015, we entered into an agreement with Edgenta Township Management Services Sdn. Bhd., a wholly-owned subsidiary of UEM Edgenta Berhad, to jointly offer township management services as well as property management services. The JV, representing the first holistic township management services operator in the country, will provide integrated facilities management services in Iskandar Puteri.

### Strategic Direction

Our strategy moving into 2016 and the immediate future can be broadly classified into three focus areas: 1) expand our geographical base and adjacent businesses; 2) further build our reputation as a value-driven developer; and 3) nurture a service-oriented culture in the organisation.

Our growth development, in turn, will hinge on three imperatives namely activating niche properties, townships and signature developments. Mont’Kiara represents what we mean by a niche development, comprising high end high rise properties that cater to a specific market. We intend to replicate this niche development in a new location and are currently exploring suitable areas for the next ‘Mont’Kiara’.

We are already in the midst of developing a township in Serene Heights Bangi and are committed to rolling out more parcels over a period of seven years. At the same time, in our bid to further expand our geographical base, we intend to jointly develop a mixed-use development project near Serendah, Selangor with WCT which will give us the strategic presence in the Northern Corridor of the Klang Valley complementing Serene Heights Bangi located in the South of the Klang Valley.

We strongly believe that by creating signature developments, we will be able to add more value to the UEM Sunrise brand. Towards this end, we plan to transform the tower in St Kilda, Melbourne into an iconic ultra-luxurious high rise residential appealing to the finest sensibilities, to be followed by another landmark development on Lot 149, which was previously occupied by the Bangunan Angkasaraya, located at the prime location of Jalan Ampang and Jalan P. Ramlee intersection across the road from the iconic Petronas Twin Towers of the Kuala Lumpur City Centre.

Financially, we will ensure continued profitability of the Company by monetising our landbank, focusing on quick turnaround projects in Mont’Kiara and accelerating developments that have been outlined for Gerbang

Nusajaya. To optimise costs, we will look to derive savings from processes such as procurement which would help to absorb cost pressures from the GST as well as other compliance measures. These efforts will be supported by focusing on enhancing our customer proposition via quality products and market-driven campaigns.

We will forge ahead with Gerbang Nusajaya, activating it as the next growth area. It will serve as the commercial and business engine of Iskandar Puteri and it is also ready to capitalise on the high speed rail link between Singapore and Kuala Lumpur.

Puteri Harbour Marina is envisaged to be an integrated marina with complementary businesses that will breathe new life into the area and create an attractive new destination for both the yachting community as well as those who love the waterfront lifestyle.

And, to bring the whole of Iskandar Malaysia to life, our Mall of Medini will continue to be involved with the crowd-pulling activities such as the Medini Live, JB Arts Festival and ISKARNIVAL.

While executing these imperatives in Malaysia, we will further grow our international presence by developing our property in St Kilda while planning the development of our landbank in Durban, South Africa and exploring the possibility of undertaking new projects elsewhere internationally.

The string of awards that we have won speaks volumes on the quality of our brand. The Company was named one of the Top 10 Developers at the Malaysia Property Insight Prestigious Developers Award Gala Dinner 2015. We were also listed as one of the Top 10 Property Developers at The Edge Malaysia’s Property Excellence Awards 2015 and named Builder of the Year by Frost & Sullivan at its 2015 Malaysia Excellence Awards. Of our projects, Residensi Sefina Mont’Kiara clinched the Best Residential High Rise Architecture Malaysia Award at The Asia Pacific Property Awards 2015-2016.

**“As a responsible developer we are also developing affordable homes both in the Southern and Central Regions. In the pipeline, we have plans to launch more than 2,000 affordable homes in 2016.”**

We have been able to maintain the quality of our developments by adhering to the most stringent industry standards; partnering with the best architects, contractors and builders; and collaborating with leading technology companies that enable us to provide cutting-edge services to our customers. We are committed to maintaining the highest quality of products and to building the most professional and capable team in order to stay ahead of the curve at all times.

#### DEVELOPING CAPABILITIES

As the operating environment becomes more challenging – with increased competition and an economic slowdown in our main market of Malaysia – UEM Sunrise believes it is more important

than ever to build the Company at its core. This entails maintaining a high level of quality in our products; offering real value in meeting the expectations of today’s more discerning homebuyers; and establishing ourselves as a service-oriented organisation.

We are committed to being a value-driven developer not only in our high end projects but in all our undertakings. As a responsible developer we are also developing affordable homes both in the Southern and Central Regions. In the pipeline, we have plans to launch more than 2,000 affordable homes in 2016.

Beyond building quality homes, we invest considerably in building strong relationships with our homebuyers by engaging with them at events organised throughout the year as well as through our Annual Resident Survey. Our Trésor programme builds a strong network of loyal customers and provides a whole new experience of property ownerships with discounts offered up to a maximum of five per cent depending on the project.

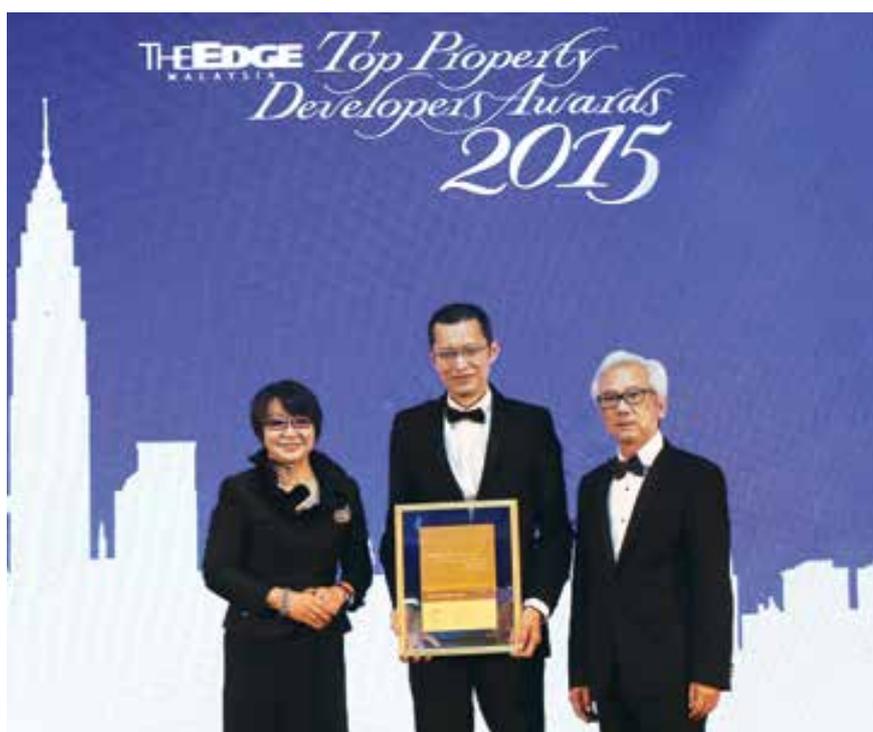
At the same time, we continue to build the professional skills and capabilities of our people through structured development programmes which target all levels of

employees from new recruits to our senior leadership.

This is encapsulated in our Human Capital strategy to build competency, capability and capacity. We are also committed to providing a workplace environment where all our employees can thrive, where high performance is recognised and rewarded, where talent grows, and where employees can build on their strengths within a network of experience and opportunities. The people development strategy of UEM Sunrise is about helping people to develop and grow to be the best that they can be. This is enabled by every staff having access to learning opportunities in structured programmes or experiential assignments.

The Company has also implemented an integrated talent management framework as part of our strategy to ensure the best in talent acquisition and talent development. It also includes a graduates programme run jointly with UEM Group to ensure the inflow of the best young talents that we can groom and grow for the future – the Young Graduates Program (“YGP”) and Young Engineers Program (“YEP”). Those selected to join the YGP & YEP will be positioned in an accelerated career development program to prepare them to be the future leaders of UEM Sunrise. This is a fast-tracked development program that balances the developmental rotations with real jobs and real responsibilities from day one. In addition, all YGPs and YEPs have access to mentors and line managers who provide them with the necessary tools to flourish in the organisation.

In order to ensure that the Company stays competitive and successful in attracting the best talent, UEM Sunrise adopts an effective design, delivery, and execution of performance based reward strategies and programme which lead to significant business values. The performance based reward programme strives to create an engaging employee experience and to deliver the right return on investment to UEM Sunrise. The performance driven rewards also provide an environment that instills continuous improvement and accountability to achieve high performance goals.



## MANAGEMENT DISCUSSION & ANALYSIS

In 2015, the Company benchmarked against the market to review and revise its salary and benefits to be more market competitive. This is aligned to a revised and robust Performance Management system. On top of this, UEM Sunrise motivates and retains our people via opportunities for career development and capabilities enhancement.

These efforts not only enhance our performance in the immediate term but also ensures our long term sustainability.

We have retained our focus on creating value for our stakeholders including the communities within our area of operations via various CSR programmes. In 2015, we added four new schools into the list of our PINTAR Adoption School Programme, now totalling 21 schools while for Pintar Al-Quran Programme, we added two KEMAS kindergartens totalling seven altogether. We also have numerous educational-focused engagement programmes with the Shelter Home for Children, Agathians Shelter as well as the Orang Asli communities in Tapah, Perak and Kg. Simpang Arang, Johor. Our educational programmes remain strong as we believe in nurturing the younger generation to become our future leaders.

### OUTLOOK & PROSPECTS

In response to the challenging economic landscape, and particularly the property sector, UEM Sunrise will continue to adopt a strategic approach in 2016 and phase out our launches in line with consumer sentiment and market demand.

In the Southern Region, we will launch our double-storey terrace houses known as Melia Residences, with an estimated GDV of RM66 million. We are also going ahead with the launch of our affordable houses in Gerbang Nusantara, under the Dasar Perumahan Rakyat Johor scheme, with a GDV of RM62.4 million; and Denai Nusantara with an estimated GDV of RM188 million.



At the same time, we will continue to search for new landbank for future developments to expand our portfolio, with a particular focus on 'hot spots' around Peninsular Malaysia such as the Klang Valley and Penang. The potential for distinctive niche and township developments are aplenty and we will seek to leverage on this.

In the Central Region, we will be launching 162 units of Camellia, our latest offering at Serene Heights Bangi, in Q2 2016. These double-storey terrace homes present typical lot sizes from 22' x 70' with built-ups starting from 2,174 square feet onwards. The standard units come with four bedrooms, three bathrooms and a high ceiling design for the family area.

Internationally, our team in Melbourne will be overseeing the construction of Aurora Melbourne Central while carrying out the preparatory work for Conservatory and finalising the concept of our third development on St Kilda Road. We are also working on realising the potential of Alderbridge in Canada and our land in Durban, South Africa, which we plan to develop into a luxurious mixed-use project known as Durban Point Waterfront.

**“At the same time, we will continue to search for new landbank for future developments to expand our portfolio, with a particular focus on ‘hot spots’ around Peninsular Malaysia such as the Klang Valley and Penang.”**

More generally, we will continue to collaborate with strategic partners to add value to our ongoing projects while focusing on the professional development of our people. This is also an excellent time to concentrate on strengthening our customer service, and we are making every effort to improve our systems, processes and the level of professionalism of our front liners so as to keep delighting our homebuyers and other customers, reinforcing the UEM Sunrise brand and *Colouring the Lives* of our stakeholders.

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

# 2016 OUTLOOK

According to the IMF, global growth is expected to pick up slightly in 2016, at 3.4% as opposed to 3.1% in 2015. However, this growth will not be even, with modest recovery seen in advanced economies while emerging markets and developing countries continue to face strong headwinds. Although low oil prices will be beneficial to net importers, it has also contributed to depressed investment which, coupled with low commodity prices, is set to impact trade.

In the US, as the economy continues on its path of steady recovery, the Federal Reserve is expected to tighten its monetary policy once again. Meanwhile, growth in the world's second largest economy – China – continues to drag as the country undergoes a rebalancing, its focus shifting from manufacturing to services, with mounting financial vulnerabilities. According to consensus, China's expansion will slow down in 2016 to 6.5%, lower than real GDP growth of 6.9%-10.6% from 2010-2015. This will necessarily have an impact on global growth.

Balancing China's slowdown, normalisation is anticipated in certain distressed emerging markets such as Brazil and Russia as well as in underperforming developing countries, driven by increased exports on account of lower commodity prices and exchange rates. Swings in capital flows, especially in these emerging markets, however, could prolong current exchange rate volatilities.

In Malaysia, real GDP growth is foreseen to moderate to 4.3% in 2015<sup>1</sup> along with a continued slowdown in domestic consumption given inflated imported prices, the recent subsidy cuts for gas, highway tolls and train fares, as well as the hike in tobacco duty in November 2015. Within the corporate sector, Petronas' cuts in capex will impact the investment environment while labour-intensive sectors will be weighed down by the foreign worker levy hike in February 2016. Added to a weak Ringgit which has increased import costs, these could lead to corporate restructuring and potential job losses, further capping consumer spending.

The Government revised its Budget, at end January 2016, in light of an estimated RM7 billion-RM9 billion drop in oil & gas related contributions to fiscal revenue. GDP growth has been revised downward to 4.0%-4.5% in 2016, while the inflation forecast was raised to 2.5%-3.5% from 2%-3% previously. Despite additional spending cuts of roughly RM8 billion-RM9.5 billion, inclusive of RM5 billion from development expenditure, priority has been given to projects with high multiplier effects such as the Mass Rapid Transit (MRT), Light Railway Transit (LRT), Pan-Borneo Highway, Malaysian Vision Valley, Cyber City Centre, RAPID Pengerang and High-Speed Rail.

Given this scenario, residential property demand in the country is likely to remain lacklustre, impacted by poor consumer sentiment, tighter credit (from a deceleration in mortgage loan approvals), lower disposable incomes and continued pull-back in purchases for investment. However, demand will still be strong in the affordable landed sector and in high-growth hot-spots such as the Klang Valley. Various infrastructure projects in these locations are likely to spur demand for housing.

In both Melbourne and Vancouver, where UEM Sunrise has property developments, the outlook remains marginally positive in the near term.

GDP growth in Australia is projected to improve to 2.6% in 2016, from 2.5% in 2015. Although housing demand in general is anticipated to decelerate given that price appreciation in recent years has outpaced wage growth, Melbourne's property market continues to be buoyed by strong population growth, low vacancy rates and recognition of being the World's Most Liveable City, which attracts strong interstate and international migration. Added to this, in November 2014, the State Government announced the Melbourne Metro Rail project that will see the addition of five rail stations over a 9km track spanning from the northwest of the Melbourne CBD to South Yarra in the southeast. The project is set to further improve connectivity and accessibility to the city, with two of the train stops located at the doorstep of UEM Sunrise's three developments in Melbourne.

In Canada, the economy has been growing at a mediocre pace since commodity prices began to tumble. However, the Government and the real estate industry forecast that Metro Vancouver and the Province of British Columbia will continue to outpace all other provinces in the country in terms of economic growth in 2016. A weakening Canadian dollar against the USD and Renminbi could also incite property investment by American and Chinese buyers.

<sup>1</sup> Based on Bloomberg's weighted average of 30 research contributors.

# CORPORATE PROFILE

**UEM SUNRISE BERHAD** ("UEM Sunrise" or the "Company") (Company No. 830144-W) is a public listed company and one of Malaysia's leading property developers. It is the flagship company for township and property development businesses of UEM Group Berhad ("UEM Group") and Khazanah Nasional Berhad ("Khazanah"). UEM Group is wholly-owned by Khazanah, an investment fund of the Government of Malaysia.

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



Puteri Harbour, Iskandar Puteri



Kota Iskandar, Iskandar Puteri



Quintet, Vancouver, Canada



DUO, Singapore

## SOUTHERN REGION

UEM Sunrise is currently undertaking various residential, commercial and mixed-use developments in Iskandar Puteri (formerly known as Nusajaya), one of the five flagship zones of Iskandar Malaysia. Upon completion, Iskandar Puteri will become the largest fully integrated urban development in Southeast Asia that will provide significant investment, financial and business opportunities.

Embracing innovation and technology, Iskandar Puteri will be the role model for an economically, socially and environmentally sustainable city. With modern infrastructure and cutting edge architectural masterplan, the expected social and foreign investment inflows into Iskandar Puteri will propel economic growth and transform the Southern Peninsular of Malaysia into an exciting centre of economic development in the region.

The thrust of Iskandar Puteri lies in the array of signature and catalytic developments including Kota Iskandar, the Johor State administrative centre which houses the State and Federal Government offices; Puteri Harbour, an integrated waterfront development; Southern Industrial and Logistics Clusters ("SiLC"), a managed, clean

and green industrial park; and Afiat Healthpark, a comprehensive medical park offering modern, traditional, and complementary medicine and wellness. Together with a mix of residential, commercial and industrial properties; hotels, resorts and many other amenities, Iskandar Puteri will emerge as a vibrant and dynamic destination offering holistic and integrated lifestyle, with immense potential growth for investors.

UEM Sunrise is also cementing its commitment in delivering affordable homes with the launch of Bayu Nusantara and Denai Nusantara, which are integral to the Company's pledge of developing 10,000 units of affordable homes in Iskandar Puteri.

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



### CENTRAL REGION

In the Central Region of Peninsular Malaysia, UEM Sunrise is renowned for its award winning and up-market high rise residential and commercial developments largely in the Mont'Kiara, Kuala Lumpur enclave; featuring projects such as Residensi Sefina Mont'Kiara, Residensi22 Mont'Kiara, Arcoris Mont'Kiara and 28 Mont'Kiara and many more. It is also responsible for introducing the concept of creative retail in Solaris Dutamas, known as Publika.

UEM Sunrise is also developing the 448-acre integrated township of Serene Heights Bangi that offers life's simple pleasures with nature-inspired environment apart from Symphony Hills, an exclusive residential development equipped with the Country's first smart-home features and community connectivity via the Connected Intelligent Community ("CIC") system. The Company also has other numerous award-winning residential, commercial and mixed-use developments within the Kuala Lumpur City Centre, Shah Alam and Seremban.

### INTERNATIONAL PRESENCE

Internationally, UEM Sunrise's presence extends into Richmond in Vancouver, Canada via its 4.8-acre mixed-use development, Quintet and the newly acquired site at Alderbridge.

Australia has become an increasingly strong market for the Company, having launched the 92-storey Aurora Melbourne Central, the tallest development in the CBD of Melbourne and the inspiring 42-storey Conservatory located on Mackenzie Street in Melbourne with panoramic views over the historic UNESCO World Heritage-listed Royal Exhibition Building and Carlton Gardens. UEM Sunrise has also acquired its first city-fringe property at 412 St. Kilda Road in Melbourne.

The Company retains a land bank in Durban, South Africa that is poised to be developed into a luxurious mixed-use project known as Durban Point Waterfront.

UEM Sunrise is also the appointed Project Manager (Marketing) for developer, M+S Pte. Ltd., a company owned by Khazanah and Temasek Pte. Ltd. for its Marina One and DUO mixed-use developments in Singapore.

### BUILDING BEYOND BUILDINGS

At UEM Sunrise, sustainability lies at the heart of our business. We are 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 designs and technological elements that enhance a sense of well-being, be it for work, living or leisure. Going above and beyond our commitment to quality products, we seek to balance our economic ambitions with sustainable initiatives that have positive impacts on our stakeholders.

Our sustainability principles focus on the Economic, Environmental and Social initiatives in our continuous effort to create inherent value to our customers, investors, employees and suppliers as well as the environment and communities which not only help us deliver excellence in our services, products and maximising value, but more importantly, ensure that our business meets our sustainability objective of *Building Beyond Buildings*.

# CORPORATE INFORMATION

## Board of Directors

**Tan Sri Dr. Ir. Ahmad Tajuddin Ali**  
Non-Independent Non-Executive  
Chairman

**Zaida Khalida Shaari**  
Non-Independent  
Non-Executive Director

**Dato' Srikandan Kanagainthiram**  
Independent  
Non-Executive Director

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

**Professor Philip Sutton Cox**  
Independent  
Non-Executive Director

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

**Dato' Izzaddin Idris**  
Executive Director

**Lim Tian Huat**  
Independent  
Non-Executive Director

**Subimal Sen Gupta**  
Independent  
Non-Executive Director

### AUDIT COMMITTEE

**Lim Tian Huat**  
Chairman

**Dato' Srikandan Kanagainthiram**  
Member

**Subimal Sen Gupta**  
Member

### NOMINATIONS & REMUNERATION COMMITTEE

**Ungku Suseelawati Ungku Omar**  
Chairman

**Lim Tian Huat**  
Member

### BOARD TENDER COMMITTEE

**Dato' Srikandan Kanagainthiram**  
Chairman

**Dato' Izzaddin Idris**  
Member

**Lim Tian Huat**  
Member

### ESOS COMMITTEE

**Tan Sri Dr. Ir. Ahmad Tajuddin Ali**  
Chairman

**Anwar Syahrin Abdul Ajib**  
Member

**Dato' Izzaddin Idris**  
Member

**Professor Philip Sutton Cox**  
Member

**Ungku Suseelawati Ungku Omar**  
Member

### SECRETARIES

**Sharifah Shafiqah Salim**  
LS 0008928

**Liew Irene**  
MAICSA 7022609

### PRINCIPAL SOLICITORS

**Kadir Andri & Partners**  
Level 10 Menara BRDB  
285 Jalan Maarof  
Bukit Bandaraya  
59000 Kuala Lumpur

### REGISTRARS

**Symphony Share Registrars  
Sdn. Bhd.**  
Level 6, Symphony House  
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Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor  
Tel : 03-7849 0777  
Fax : 03-7841 8151/52

### AUDITORS

**Ernst & Young**  
Level 23A Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur

### REGISTERED OFFICE

19-2 Mercu UEM  
Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel : 03-2727 6868  
Fax : 03-2727 2211

### 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 2016

## 100%

- UEM Land Berhad
- Sunrise Berhad
- Arcoris Sdn. Bhd.
- Aston Star Sdn. Bhd.
- Aurora Tower @KLCC Sdn. Bhd.
- Bandar Nusajaya Development Sdn. Bhd.
- Canada Sunrise Development Corp
- Marina Management Sdn. Bhd.
- Nusajaya Development Sdn. Bhd.
- Nusajaya Five O Sdn. Bhd.
- Nusajaya Greens Sdn. Bhd.
- Nusajaya Heights Sdn. Bhd.
- Nusajaya Medical Park Sdn. Bhd.

## 62%

- Ibarat Duta Sdn. Bhd.

## 60%

- Aura Muhibah Sdn. Bhd.

## 80%

- Nusajaya Premier Sdn. Bhd.

## 60%

- Cahaya Jauhar Sdn. Bhd.

## 55%

- Nusajaya Lifestyle Sdn. Bhd.

## 51%

- Desaru North Course Residences Sdn. Bhd.
- Desaru South Course Land Sdn. Bhd.
- Desaru South Course Residences Sdn. Bhd.

## 50%

- Horizon Hills Development Sdn. Bhd.
- Nusajaya Consolidated Sdn. Bhd.
- Sime Darby Sunrise Development Sdn. Bhd.
- Sunrise MCL Land Sdn. Bhd.

## 40%

- Haute Property Sdn. Bhd.
- Malaysian Bio-XCell Sdn. Bhd.
- Nusajaya Tech Park Sdn. Bhd.

## 30%

- FASTrack Iskandar Sdn. Bhd.

## 40.2%

- Durban Point Development Company (Proprietary) Ltd.

## 40%

- Scope Energy Sdn. Bhd.

## 30%

- BIB Insurance Brokers Sdn. Bhd.

## 25%

- Setia Haruman Sdn. Bhd.

### Note:

The complete list of subsidiaries, associates and joint ventures and their respective principal activities, country of incorporation and the Group's effective interest are shown in notes 44 to 46 of the financial statements on pages 263 to 274 of this Annual Report.

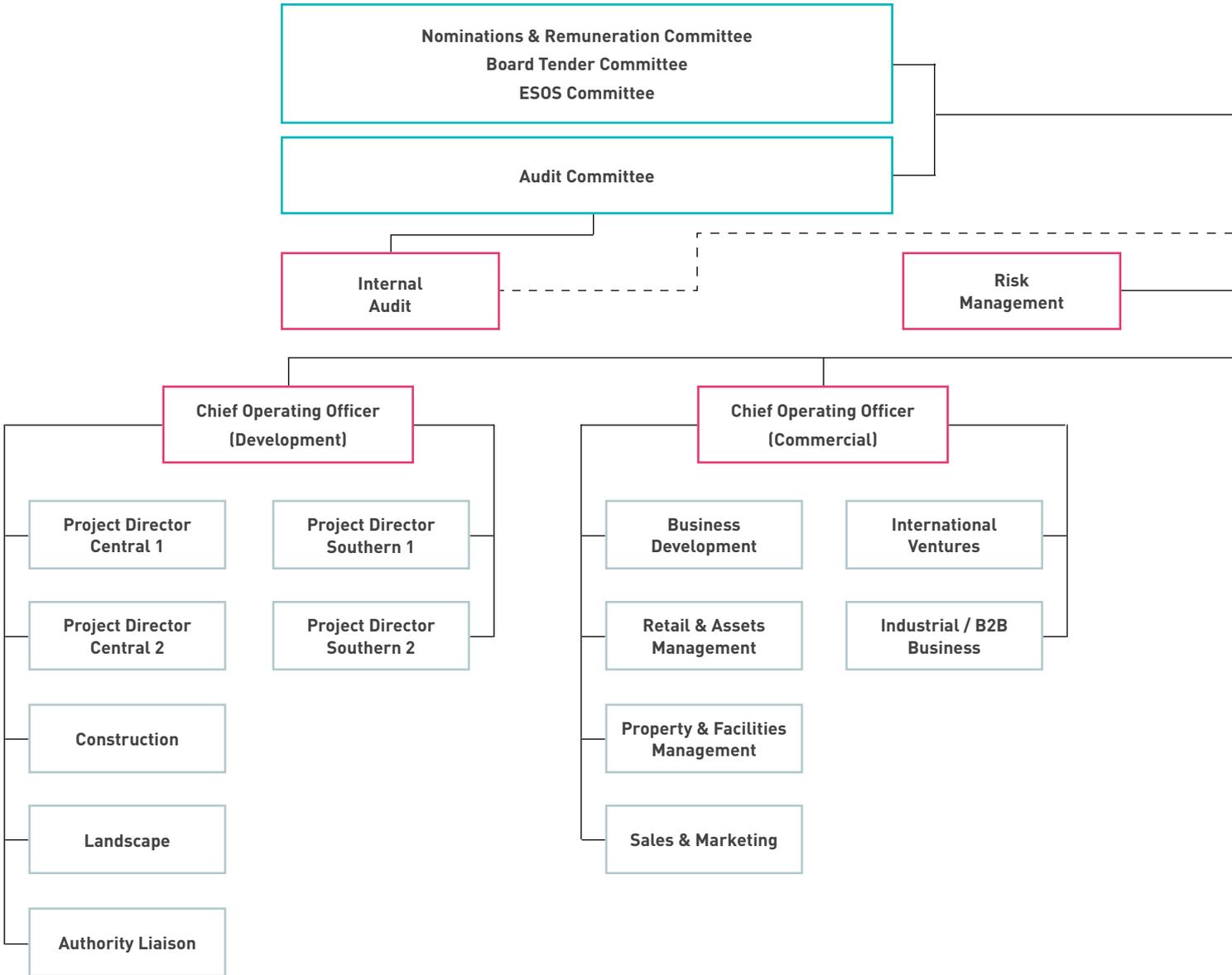
### LEGEND:

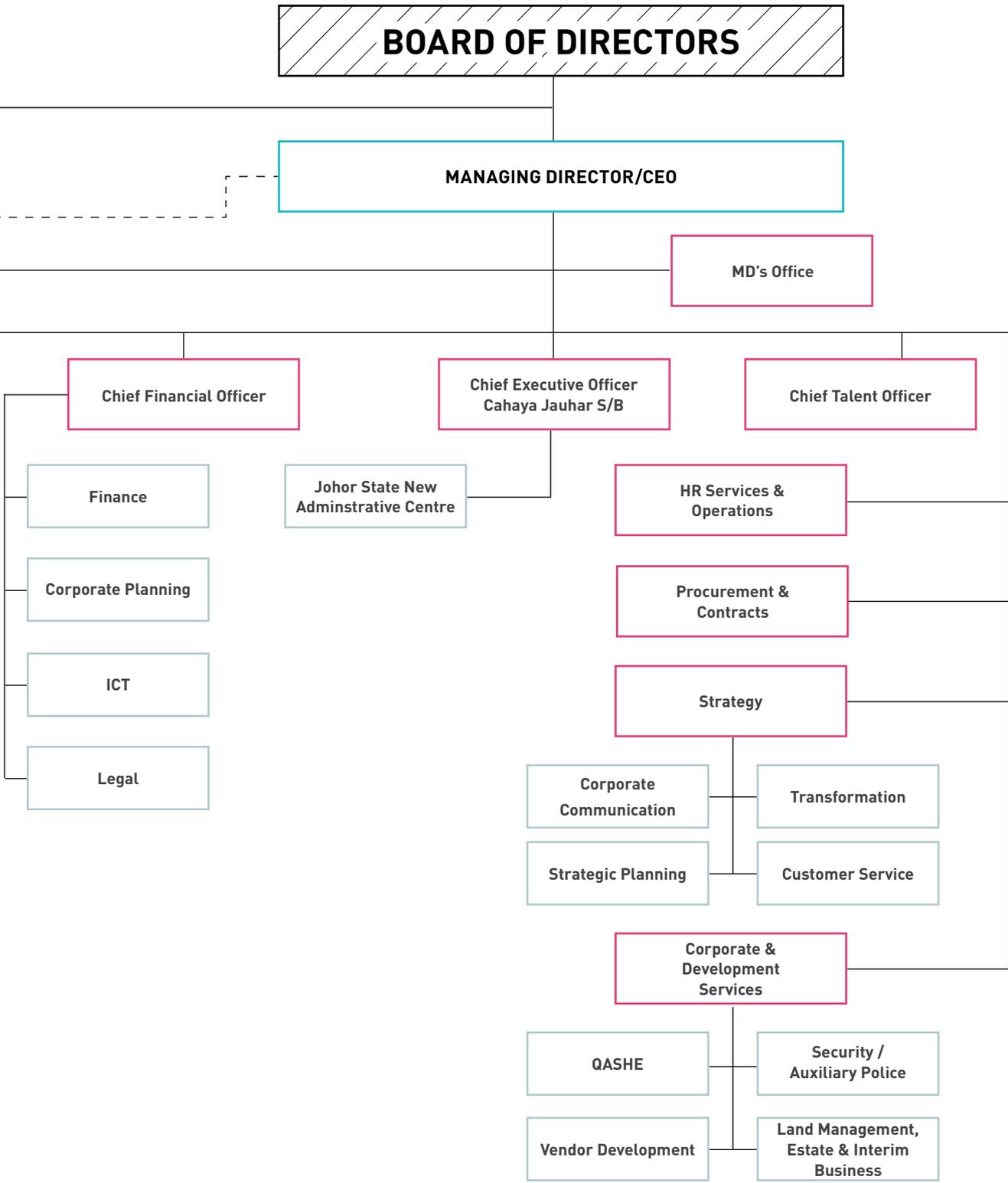
— Subsidiaries

— Joint Ventures

— Associate Companies

# ORGANISATION STRUCTURE





# EVENT HIGHLIGHTS 2015

## 25 JANUARY

UEM Sunrise, together with the office of the High Commissioner of Malaysia to Singapore, organised a friendly golf tournament at Horizon Hills Golf and Country Club in Iskandar Puteri.



## 17-18 JANUARY

UEM Sunrise invited fengshui consultant Dato' Joey Yap to host a two-day seminar at KLCC, Kuala Lumpur which covered personal forecasts for Health, Wealth, Love & Relationships, among others.



## 13-14 FEBRUARY

UEM Sunrise organised a UPSR examination seminar at Universiti Teknologi Malaysia for 250 students.



## 2 MARCH

UEM Sunrise hosted its annual Consultants, Contractors & Suppliers Appreciation Dinner 2015 in conjunction with the Chinese New Year, at the Sime Darby Convention Centre in Kuala Lumpur.



## 11-15 MARCH

The Company set up a booth displaying our Central and Southern Region projects at the MAPEX exhibition at One Utama Shopping Centre, Selangor.



## 14 MARCH

UEM Sunrise invited our Trésorians to a 'Reminiscence of Spring Heritage' at the Boulevard in Publika Shopping Gallery, Kuala Lumpur.



## 14-15 MARCH

The Company organised an examination seminar for 350 students from our newly-adopted PINTAR schools, namely SK Cyberjaya, SK Bangi and Sekolah Rendah Agama Batu 3, Bangi.



UEM Sunrise participated in the well-attended Cyberjaya Premier Property Showcase 4 (CPPS4).



**17-19 MARCH**

UEM Sunrise organised a Motivational Camp for 80 Form Four and Form Five students from our PINTAR schools at Pulau Spring Resort in Johor.



**26 MARCH**

UEM Sunrise and Ascendas Pte Ltd inked an agreement with Telekom Malaysia Berhad ("TM") for the establishment of Nusajaya Data Centre, which will be managed by TM's wholly-owned subsidiary, VADS Berhad.



**30 MARCH**

UEM Sunrise was honoured as one of the Top 10 Developers at the Malaysia Property Insight Prestigious Developers Award Gala Dinner 2015.



**3-4 APRIL**

The company organised a PT3 Seminar to help 250 Form Three students prepare for their exams.

**7 APRIL**

SMK Taman Nusa Jaya in Gelang Patah, Johor officially opened its newly enhanced library which had been refurbished by UEM Sunrise under the PINTAR programme.



**8 APRIL**

UEM Sunrise organised a briefing for close to 40 members of the media on our development plans for Gerbang Nusajaya - The Gateway to Iskandar Malaysia.



**14 APRIL**

UEM Sunrise was named Builder of the Year by Frost & Sullivan at its 2015 Malaysia Excellence Awards.



**17-19 APRIL**

The Company showcased its Central and Southern Region projects at the iProperty Expo, organised at KLCC Convention Centre, Kuala Lumpur.

EVENT HIGHLIGHTS  
2015

18 APRIL

UEM Sunrise organised a motivational talk for the parents of our PINTAR school students.



24-25 APRIL

UEM Sunrise organised a SPM Examination Seminar at Universiti Teknologi Malaysia in Skudai, Johor for 250 Form Five students from four PINTAR secondary schools in the Southern Region.



25-26 APRIL

UEM Sunrise organised a Tennis Slam for our Mont'Kiara residents, attracting the participation of 43 players from 14 countries.



8 MAY

Residensi Sefina Mont'Kiara won the Best Residential High Rise Architecture Malaysia Award at The Asia Pacific Property Awards ("APPA") 2015-2016.



21 MAY

More than 1,500 registered shareholders and proxy holders attended UEM Sunrise's seventh Annual General Meeting, held at Persada PLUS in Petaling Jaya, Selangor.



22-23 MAY

The Company organised the second phase of its UPSR Examination Clinic to assist 250 UPSR students in Iskandar Puteri prepare for their exams.

EVENT HIGHLIGHTS  
2015

**30 APRIL**

UEM Sunrise organised an Analyst and Media Briefing at its Showcase in Mont'Kiara, Kuala Lumpur.



**29-31 MAY**

UEM Sunrise invited Dato' Joey Yap, Dr Oliver Tan and Timothy Low to present at a seminar at Tropicana City Mall, Selangor. The topics ranged from investment opportunities in Cyberjaya to secrets of birthday numbers and fengshui.



**7 MAY**

UEM Sunrise presented RM31,000 to Shelter Home 1 in Petaling Jaya, Selangor to help pay for the home tuition of seven girls and 14 boys aged between three and 13 years .



**23-24 MAY**

Registrants to the soft launch of Residensi Sefina Mont'Kiara were invited to a preview of the development, at which most of the Type A units were snapped up.



**23 MAY**

UEM Sunrise hosted DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar, the Sultan of Johor, on a royal visit to Iskandar Puteri.



**23 MAY**

The Auxiliary Police Unit of UEM Sunrise organised a friendly futsal tournament against police officers from several police stations in Kuala Lumpur at Orbit De Futsal in Segambut, Kuala Lumpur.

EVENT HIGHLIGHTS  
2015

**25 MAY**

Nusajaya Five O, a subsidiary of UEM Sunrise, organised a Swearing-in Ceremony for its new auxiliary police personnel at The Ledang Urban Retreat in Iskandar Puteri, Johor.



**26 MAY**

UEM Sunrise officially handed over the community hall in Kampung Sungai Melayu, Gelang Patah, Johor to the local community upon completion of refurbishment works.



**30 MAY**

UEM Sunrise celebrated 86 PINTAR students who performed well in the 2014 UPSR, PT3 and SPM examinations, presenting them with cash prizes as well as an 11-inch MacBook Air to the best overall students for each examination.



**16 JUNE**

The Company organised a Road Safety Programme in collaboration with the Johor Road Safety Department for 150 Year Four and Year Five students from our PINTAR schools.

**17 JUNE**

Kota Iskandar Mosque, developed by UEM Sunrise subsidiary, Cahaya Jauhar Sdn. Bhd., was officially opened to the public.



**27-28 JUNE**

All 121 Acacia double-storey homes were snapped up during the two-day launch at Serene Heights Bangi while 40% of the 153 Begonia homes were taken up.



**29 JUNE**

UEM Sunrise hosted a breaking of fast for journalists and 100 students from the Madrasah Tahfiz Sidi Ibrahim, Johor. The Company also donated RM20,000 from its Zakat Fund to the religious school.



**10 JULY**

UEM Sunrise contributed RM30,000 from its Zakat Fund for the building of a surau in Taman Nusa Perintis 4, Gelang Patah, Johor.

**30 JUNE**

UEM Sunrise and the Iskandar Regional Development Authority hosted a breaking of fast for the media at Sime Darby Convention Centre in Kuala Lumpur.



**7 JULY**

UEM Sunrise treated 100 orphans and tahfiz students from three homes in Segambut, Bangi and Sepang to a breaking of fast and presented a total of RM37,353.25 to the homes.



**9 JULY**

A total of 116 students from UEM Sunrise's PINTAR schools in Bangi and Cyberjaya received zakat contributions totalling RM58,000 from the Company, while another RM20,000 was presented for the refurbishment of Masjid Batu Tiga, Bangi.



**4-5 JULY**

The Retail Management Division of UEM Sunrise, with the support of Puteri Harbour Club House and Little Red Cube, organised a two-day 'Tempatan Fest Johor Bahru' at the Promenade Puteri Harbour, Iskandar Puteri to support local brands of clothes and accessories.

**28 JULY**

Nusajaya Tech Park entered into an agreement with Mitsui & Co Ltd to offer build-to-suit properties in Tokyo, Japan.



**3 AUGUST**

UEM Sunrise organised an inaugural Health and Safety Official Campaign themed *Towards Safety, Health and Environment Excellence* at Hotel Jen Puteri Harbour, Iskandar Puteri.



**5 AUGUST**

A press conference was held at UEM Sunrise Showcase in Kuala Lumpur in conjunction with the official launch of Residensi Sefina Mont'Kiara.



**8-9 AUGUST**

UEM Sunrise organised an Education Excellence Programme at Kirkby College, Cyberjaya for 200 UPSR, PT3 and SPM examination candidates from its PINTAR schools in the Klang Valley.

EVENT HIGHLIGHTS  
2015

**11 AUGUST**

UEM Sunrise hosted a Hari Raya Open House for external stakeholders in appreciation of their continuous support and cooperation.



UEM Sunrise organised a safety programme for its Mont'Kiara residents at the UEM Sunrise Chill Out Zone.



**12-13 AUGUST**

UEM Sunrise received Gold Awards for their projects namely "Overcoming Difficulties in Obtaining Documents Archive from Store room" and "Overcoming Late Report for Internal CONQUAS Assessment" at the Convention Team Excellence 2015 – Southern Region organised by Malaysia Productivity Corporation.



**14-15 AUGUST**

PT3 Examination Clinics were conducted at Universiti Teknologi Malaysia in Skudai, Johor followed by SPM Examination Clinics on 28-29 August. A total of 500 PINTAR students attended the two clinics.



**31 AUGUST-6 SEPTEMBER**

UEM Sunrise set up a booth at West Gate Entrance A and the Red Zone in Publika for our Central Region properties roadshow.



**1-3 SEPTEMBER**

UEM Sunrise hosted seven representatives from influential Australian media on a tour of its developments in the Central and Southern Regions as well as Singapore.



**14 SEPTEMBER**

UEM Sunrise organised its annual treasure hunt, the Amazing Patriotic Race, for 160 students from our PINTAR schools in Kota Iskandar, Iskandar Puteri in conjunction with Independence Day.

EVENT HIGHLIGHTS  
2015

**15 AUGUST**

UEM Sunrise organised *Verdilicious Night* at the Verdi eco-dominiums show unit in Symphony Hills for our Trésor members, registrants and the public.



A special dinner for Trésorians, themed *Reminiscence of Kampung Heritage*, was held at Jen Hotel, Iskandar Puteri, where guests were also privy to an exhibition displaying the newly-launched Estuari Gardens.



**18-27 SEPTEMBER**

UEM Sunrise participated in the EPICA Roadshow in Paradigm Mall, Petaling Jaya to showcase the Company's products.

**27 AUGUST**

UEM Sunrise launched its inaugural Signature Selection Campaign, offering units at existing properties at attractive rates.



**29-30 AUGUST**

The fourth Publika Jazz Festival was held at various venues in the shopping gallery featuring a host of local and international jazz performances.



**26 SEPTEMBER**

Publika Shopping Gallery hosted its fourth Bon Odori Festival to commemorate the famous summer festival in Japan.

**3 OCTOBER**

The Company organised a Halloween party at the UEM Sunrise Fun Zone.



EVENT HIGHLIGHTS  
2015

**1-4 OCTOBER**

UEM Sunrise showcased our Central and Southern Region projects at the Star Property exhibition at Queensbay Mall, Penang.



**3-4 OCTOBER**

Residensi Sefina Mont'Kiara and Residensi22 Mont'Kiara were presented at a private show in collaboration with Property Hunter at the Magellan Sutera, Sabah during which property guru Enoch Khoo spoke about investing in Mont'Kiara, Kuala Lumpur.



**6 OCTOBER**

HRH Raja Zarith Sofia binti Almarhum Sultan Idris Shah, Permaisuri of Johor, graced the 12<sup>th</sup> Johor Bahru Arts Festival 2015 at the White Box, MAP Nusajaya and toured the Mall of Medini, Iskandar Puteri.



**7 OCTOBER**

UEM Sunrise organised a Public Speaking & Debate Competition for its PINTAR school students in Kota Iskandar, Iskandar Puteri.



**8 OCTOBER**

The Company upgraded a 136m road leading to Maahad Tahfiz Al Quran Wal Qiraat Addin, a religious school in Tapah, Perak.



**17-18 OCTOBER**

UEM Sunrise organised 'An Exclusive Diamond Trésorian Evening with the Legendary World-Class Saxophonist, Kenny G' at the Arena of Stars, Genting Highlands, Kuala Lumpur.



**21 OCTOBER**

A groundbreaking ceremony was held for UEM Sunrise's first Australian development, Aurora Melbourne Central.



**22 OCTOBER**

The Company launched our second project in Australia, Conservatory, located on Mackenzie Street in Melbourne.



**24 OCTOBER**

UEM Sunrise organised an English hi-tea with Baroque music and sleight-of-hand magic at its Chill-Out Zone Community Centre for about 60 residents and friends.



**27 OCTOBER**

The Company contributed a total of RM123,800 from our Zakat Fund to 556 students from our PINTAR schools in Johor.



**30 OCTOBER**

UEM Sunrise's Extraordinary General Meeting at Persada PLUS, Petaling Jaya, Selangor was attended by about 1,000 registered shareholders and proxy holders.



**31 OCTOBER**

UEM Sunrise organised an inaugural UEM Sunrise Fun Run – Nusajaya 2015 for its employees, their families and members of the media at Puteri Harbour, Iskandar Puteri. At the event, our Sports and Recreational Club presented RM5,000 each to Yayasan Ikhtiar Nusajaya and Madrasah Tahfiz Az Zahra.



**2-4 NOVEMBER**

UEM Sunrise received a 3 Star Gold Award at the Annual Productivity & Innovation Conference and Exposition ("APIC") 2015 organised by MPC at Sunway Pyramid Convention Centre.



**7 NOVEMBER**

UEM Sunrise organised a Golf Friendly with 60 Trèstorians and residents of our managed-properties at A'Famosa Golf Resort Melaka.



UEM Sunrise officially unveiled our Begonia Show Unit in Bangi to the public.



**14 NOVEMBER**

The Company held our annual Pintar Al-Quran to commemorate the completion of Al-Quran reading classes by 151 pre-schoolers.



EVENT HIGHLIGHTS  
2015

**24 NOVEMBER**

UEM Sunrise organised a Back-to-School Programme with the Orang Asli Community in Kampung Sg. Geroyang and Kampung Sg. Merbau in Tapah, Perak; providing 77 primary and secondary students with school supplies to prepare them for the new school term.



**27-29 NOVEMBER**

The Company displayed our Central and Southern Region projects at the Star Property Fair held at KLCC Convention Centre, Kuala Lumpur.



**30 NOVEMBER**

UEM Sunrise was named one of the Top 10 Property Developers at The Edge Malaysia's Property Excellence Awards 2015.



**8 DECEMBER**

UEM Sunrise contributed RM20,000 towards re-wiring and general electrical improvements at Agathians Shelter in Petaling Jaya, which is home to 40 boys aged between five and 19 years.



**10 DECEMBER**

UEM Sunrise's new and ritzy Property Showcase@Publika in Solaris Dutamas, Kuala Lumpur was officially opened.



**16 DECEMBER**

The Company organised a High-Speed Rail Station Workshop for representatives of MyHSR Corporation Sdn. Bhd. and Suruhanjaya Pengangkutan Awam Darat ("SPAD"), to finalise the HSR station and rail alignment in Gerbang Nusajaya.



**3 DECEMBER**

The Company held a Back-to-School Programme with the Orang Asli Community in Kampung Simpang Arang, Gelang Patah, providing 151 primary and secondary students with school supplies to prepare them for the new school term.



**1 DECEMBER**

UEM Sunrise and WCT Holdings entered into a partnership to develop 10 parcels of freehold land measuring 608.63 acres in Mukim Serendah, Selangor.



UEM Sunrise and Ascendas Hospitality Trust signed a Sale and Purchase Agreement on the Serviced Apartments component of Aurora Melbourne Central for AUD120 million.



**5-6 DECEMBER**

The fourth ISKARNIVAL, organised by Khazanah Nasional, Iskandar Investment Berhad and UEM Sunrise, attracted more than 100,000 visitors.



**17 DECEMBER**

UEM Sunrise was recognised for its PINTAR School Adoption Programme at the Iskandar Malaysia Social Hero Awards 2015 under the Corporate Social Responsibility ("CSR") category.



UEM Sunrise contributed RM50,000 from its Zakat Fund for the refurbishment works at Pertubuhan Kebajikan Anak Yatim Darul Aitam in Temoh, Perak.

**22 DECEMBER**

UEM Sunrise was awarded the TABAS Award 2015 by Sepang Municipal Council ("MPS") for adhering to MPS' standards in safety and waste management, among others, in the construction of the Verdi eco-dominiums in Cyberjaya, Selangor.



**23 DECEMBER**

Puteri Harbour International Ferry Terminal in Iskandar Puteri received the Star Cruise Superstar Virgo, which made a port call during its 48-day cruise from China to New Zealand, Indonesia, Malaysia, Singapore, Australia, Thailand, Manila before returning to China.



# MEDIA HIGHLIGHTS 2015



## UEM Sunrise aims big with Aussie project

UEM Sunrise Bhd is set to launch a major residential project in Melbourne, Australia, valued at RM371 million. The project, known as Ascendas, is a serviced apartment complex. UEM Sunrise aims to fully sell the project by next March. The development is located in a prime area of Melbourne and is expected to attract a wide range of investors and tenants.

## UEM Sunrise sells Aussie property for RM371mil

Ascendas is the buyer of a block of serviced apartments in Melbourne.



UEM Sunrise Bhd has successfully sold a block of serviced apartments in Melbourne, Australia, for RM371 million. The buyer is Ascendas. The project is a prime example of UEM Sunrise's expansion into the Australian property market.

## UEM Sunrise aims to fully sell Conservatory by next March



UEM Sunrise aims to fully sell the Conservatory project in Melbourne by next March. The project is a prime example of UEM Sunrise's expansion into the Australian property market. The Conservatory is a serviced apartment complex located in a prime area of Melbourne.

## UEM Sunrise catat untung RM609.17 juta

UEM Sunrise Bhd mencatatkan keuntungan sebelum cukai RM609.17 juta pada tahun kewangan berakhir 31 Disember 2014, lebih rendah berbanding RM686.27 juta, berikutan margin jualan hartanah yang lebih rendah.



## ASIAN DEVELOPER EXEMPLAR UEM SUNRISE

UEM Sunrise catapulted into the Australian property market with decisive back-to-back acquisitions of two prime Melbourne development sites in late 2013 for a combined \$65.85 million. A third Melbourne property acquisition was announced by the company on 3 August for \$58 million.

Syarikat hartanah itu dalam kenyataannya kepada Bursa Malaysia, berkata prestasi itu bagaimanapun distabilkan oleh keuntungan yang lebih tinggi daripada pembangunan hartanah.

Pendapatan bagi tempoh dikaji naik kepada RM2.67 bilion, berbanding RM2.43 bilion pada 2013, hasil daripada peningkatan sumbangan bagi pembangunan hartanahnya sebanyak RM155 juta, dan jualan hartanah RM80 juta.

## UEM Sunrise finds success Down Under

Developer's Aurora Melbourne residential units fully sold



UEM Sunrise Bhd has found success in the Australian property market with the full sale of its Aurora Melbourne residential units. The project is a prime example of UEM Sunrise's expansion into the Australian property market.

## 依区产业将放理1年 UEM阳光扩展巴生谷檳城

UEM Sunrise is expanding its operations into the Klang Valley and Penang regions. The company is planning to launch several new projects in these areas over the next year.

## UEM Residensi Sefina 近售罄

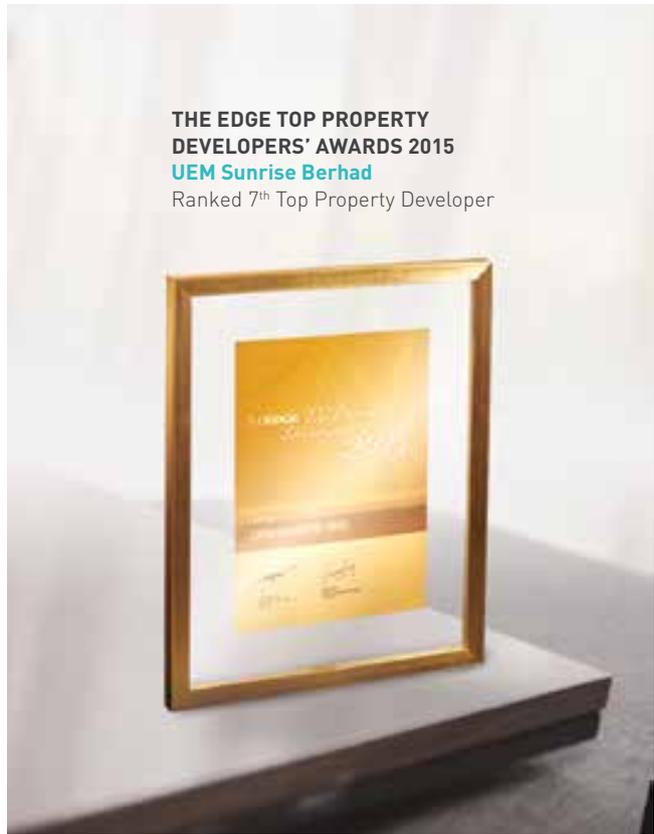
UEM Residensi Sefina is a prime residential project in Kuala Lumpur. The project is nearly sold out, reflecting the high demand for quality housing in the area.



# AWARDS & RECOGNITIONS 2015



**FROST & SULLIVAN EXCELLENCE AWARDS 2015**  
**UEM Sunrise Berhad**  
Builder of the Year



**THE EDGE TOP PROPERTY DEVELOPERS' AWARDS 2015**  
**UEM Sunrise Berhad**  
Ranked 7<sup>th</sup> Top Property Developer



**ASIA PACIFIC PROPERTY AWARDS 2015-2016**  
**Residensi Sefina Mont'Kiara**  
Best Residential High Rise Architecture Malaysia



**iPROPERTY.COM PEOPLE'S CHOICE AWARDS 2015**  
**Residensi Sefina Mont'Kiara**  
Best High Rise Development

AWARDS &  
RECOGNITIONS 2015



**PROPERTY INSIGHT  
PRESTIGIOUS DEVELOPER  
AWARDS 2015**  
**UEM Sunrise Berhad**  
Top 10 Developers Award



**ILAM-MLAA 2014**  
**11 Mont'Kiara**  
Property Developer Award  
**Beethoven, Symphony Hills**  
Property Developer Award



**TABAS (TAPAK BINA  
SEJAHTERA) AWARD 2015**  
Verdi eco-dominiums



**ISKANDAR MALAYSIA  
SOCIAL HERO  
AWARD 2015**  
**UEM Sunrise Berhad**  
Corporate Social  
Responsibility Category



**GRADMALAYSIA.COM  
MALAYSIA'S 100 LEADING  
GRADUATE EMPLOYERS**  
**UEM Sunrise Berhad**  
Ranked 4<sup>th</sup> Top 100  
Employers 2015



**KONVENSYEN TEAM EXCELLENCE 2015**  
**UEM Sunrise Berhad**  
Gold Award for Central & Southern regions



# Work

Our committed employees are full of positivity and always optimistic even in the face of enormous challenges.



*Developing  
Diverse Talents*



**Residensi Sefina Mont'Kiara**, in Kuala Lumpur's affluent enclave of Mont'Kiara, comprises 245 residential units in a 35-storey tower with built-ups between 1,333 square feet and 1,771 square feet. The project, commanding a GDV of RM307.3 million, encompasses a Star Deck designed to resemble a cruise ship, equipped with a 50m lap pool, sauna, reading pavilion, yoga deck, multipurpose hall and gymnasium. Other amenities include a spice garden, beach campfire site, therapeutic path, cabana, wellness garden, hammock garden and playground.

# BOARD OF DIRECTORS' PROFILE



**Tan Sri Dr. Ir. Ahmad Tajuddin Ali**

Nationality: Malaysian

Age: 67

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Non-Independent Non-Executive Chairman  
Chairman of ESOS Committee

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

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

Tan Sri Dr. Ir. 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. Ir. 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, a Fellow of the ASEAN Federation of Engineering Organisations, a Fellow of the ASEAN Academy of Engineering & Technology and he received the Prominent Player Award from the Construction Industry Development Board Malaysia.

Tan Sri Dr. Ir. Tajuddin is currently the Pro-Chancellor of Universiti Tenaga Nasional ("UNITEN"), Chairman of Universiti Teknikal Melaka ("UTeM"), UPM Innovations Sdn. Bhd. Joint-Chairman (Industry) of the Malaysian Industry-Government Group for High Technology, Chairman of SIRIM Berhad and Construction Industry Development Board Malaysia ("CIDB"), 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. Ir. Tajuddin is currently holding the Chairmanships of the Board of Trustees of Yayasan UEM and The Nusajaya Natural Heritage Trust and he is also 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.

BOARD OF  
DIRECTORS' PROFILE



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

**Anwar Syahrin Abdul Ajib**  
Nationality: Malaysian  
Age: 43

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Managing Director/Chief Executive Officer  
Member of ESOS Committee

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.

His directorships in other public companies include UEM Land Berhad, Sunrise Berhad and Horizon Hills Resort Berhad.



Dato' Izzaddin was appointed to the Board of UEM Sunrise Berhad ("UEM Sunrise") on 7 July 2009 as Non-Independent Non-Executive Director. He was re-designated as Executive Director on 16 April 2016 to perform the duties and functions of the Managing Director/Chief Executive Officer ("MD/CEO") of UEM Sunrise following the leave of absence of the MD/CEO, En. Anwar Syahrin Abdul Ajib on even date.

### **Dato' Izzaddin Idris**

Nationality: Malaysian

Age: 53

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Executive Director

Member of Board Tender Committee and ESOS Committee

He holds a Bachelor of Commerce Degree (First Class Honours in Finance) from University of New South Wales, Australia and is a Fellow of Chartered Public Accountants (CPA) Australia and a member of the Malaysian Institute of Accountants (MIA).

He is currently the Group MD/CEO of UEM Group Berhad, the holding company of UEM Sunrise, and is also the Non-Executive Deputy Chairman of PLUS Expressways International Berhad. He is also currently the Acting Chairman of UEM Edgenta Berhad.

Dato' Izzaddin has over 20 years of experience in the fields of investment banking, financial and general management having served in various senior positions at Malaysian International Merchant Bankers Berhad, Malaysian Resources Corporation Berhad and Southern Bank Berhad. Before his current position, he was the Chief Financial Officer/Senior Vice President (Group Finance) of Tenaga Nasional Berhad, a position he held from September 2004 to June 2009.

He currently sits on the Boards of UEM Group Berhad and several UEM Group of Companies including UEM Edgenta Berhad, PLUS Malaysia Berhad, PLUS Expressways International Berhad, Projek Lebuhraya Usahasama Berhad, Cement Industries of Malaysia Berhad, Opus Group Berhad, UEM Builders Berhad, PT Lintas Marga Sedaya in Indonesia and India's Uniquist Infra Ventures Private Limited.

In addition, Dato' Izzaddin is a member of the Board of Trustees of 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.

BOARD OF  
DIRECTORS' PROFILE



**Zaida Khalida Shaari**

Nationality: Malaysian

Age: 48

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Non-Independent  
Non-Executive Director

Zaida Khalida Shaari was appointed to the Board of UEM Sunrise Berhad on 8 April 2016. She is a barrister-at-law and a member of Gray's Inn, London, having graduated with LLB (Hons) from University of Warwick, United Kingdom. She also holds a Master in Business Administration from University of Strathclyde, United Kingdom.

She currently serves as Executive Director, Investments in Khazanah Nasional Berhad ("Khazanah"), the strategic investment fund of the Government of Malaysia.

She joined Khazanah in January 2007 as a Senior Vice President of Investments and in April 2009, she was appointed as Director of Investments.

Prior to joining Khazanah, she was Company Secretary and Head of Legal at Permodalan Nasional Berhad, after having been in legal practice for several years.



Professor Philip Sutton Cox AO was appointed to the Board of UEM Sunrise Berhad on 14 June 2012.

Professor Cox AO 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.

### Professor Philip Sutton Cox AO

Nationality: Australian

Age: 76

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Independent Non-Executive Director  
Member of ESOS Committee

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 AO has published nine books on the history of Australia's towns and buildings. He is a fellow of The American Institute of Architects and a fellow of The Australian Academy of the Humanities.

Professor Cox AO 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. In July 2015, he resigned as a Director of Cox Architecture and no longer has any financial interest in the firm.

He is now a consultant to the practice undertaking a design and advisory role in specific international projects. He is extensively involved in projects in Malaysia, Singapore, China, India and Australia.

His 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.

BOARD OF  
DIRECTORS' PROFILE



**Lim Tian Huat**

Nationality: Malaysian

Age: 61

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Independent Non-Executive Director  
Chairman of Audit Committee  
Member of Board Tender Committee and Nominations &  
Remuneration Committee

Lim Tian Huat was appointed to the Board of UEM Sunrise Berhad on 28 November 2012. He is the Founding President of Insolvency Practitioners Association of Malaysia, a member of the Malaysian Institute of Accountants, Malaysian 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 (Asia) Sdn. Bhd.

Lim co-authored the book entitled "The Law and Practice of Corporate Receivership in Malaysia and Singapore". He was a Commissioner to the United Nations Compensation Commission. Lim was 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, Bank of Yingkou, China and Anglo-Eastern Plantations PLC, a company publicly quoted on the London Stock Exchange.



### **Dato' Srikandan Kanagainthiram**

Nationality: Malaysian

Age: 65

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

Dato' Srikandan Kanagainthiram was appointed to the Board of UEM Sunrise Berhad on 19 March 2013. He is a Fellow of The Royal Institution of Surveyors Malaysia ("RISM"), a Fellow of The Australian Institute of Quantity Surveyors ("AIQS"), a Fellow of The Royal Institution of Chartered Surveyors United Kingdom ("RICS") 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.

Among the 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 President of RISM (2015/16) representation in various committees of RISM, Construction Industry Development Board Malaysia ("CIDB"), AIQS and SIRIM Berhad. He is an accredited mediator with CIDB. He currently serves on the Board of CIDB and BQSM and is the Chairman of BQSM's Ethics Committee. He also serves as a Council Member of the Malaysia Singapore Business Council.



**Ungku Suseelawati Ungku Omar**

Nationality: Malaysian

Age: 58

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

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

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 a Director of Suria KLCC Sdn. Bhd. and a Retail Council member of PROSPER Perbadanan Usahawan Nasional Berhad.



### Subimal Sen Gupta

Nationality: Malaysian

Age: 68

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Independent Non-Executive Director  
Member of Audit Committee

Subimal Sen Gupta was appointed to the Board of UEM Sunrise Berhad on 31 March 2016. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants.

Sen Gupta has over 40 years of experience in financial management and has diverse knowledge and experience in finance, accounting and auditing. He has served in various senior positions in large public companies and professional firms. His previous positions included Chief Financial Officer of Iskandar Investment Berhad, in various

capacities in Sime Darby Group as Financial Advisor, Group Head of Corporate Assurance and Advisor of Group Corporate Assurance, the Chief Financial Officer of KLCC (Holdings) Berhad and Director/Chief Executive Officer in Malaysian Resources Corporation Berhad.

Prior to his retirement in January 2016, he was the Chief Financial Officer of M+S Pte Ltd, a Singapore company jointly owned by Khazanah Nasional Berhad and Temasek Holdings Private Limited.

#### 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 123 of the Annual Report 2015.
5. *Interest in Securities in UEM Sunrise Berhad*  
The details of the Directors' interest in the securities of the Company are set out on page 278 of this Annual Report.

# SENIOR LEADERSHIP TEAM



Standing from left to right

**Liew Irene, Ali Talib, Khaidzir Hassan, Frederick Lee, Kassim Ali Mydin**

Seated from left to right

**Mohd Auzir Mohd Tahir, Azhar Othman, Norlida Azmi**

SENIOR  
LEADERSHIP TEAM



Standing from left to right

**Sharifah Shafiqa Salim, Zaid Hanief Mohamad Zaidi, Mohamad Faizal Mohamad, Penny Yaw**

Seated from left to right

**Anwar Syahrin Abdul Ajib, Dato' Roslan Ibrahim, Raymond Cheah**

### Anwar Syahrin Abdul Ajib

Managing Director/  
Chief Executive Officer

As expressed on page 66 of the Board of 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, United States of America. He has extensive and diversified experience in statutory financial requirements, financial strategy, planning and analysis, cost

reduction strategy, performance and profit improvement in various industries ranging from manufacturing, information technology, supply chain and business operations.

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

Azhar is also a member of the Chartered Institute of Management Accountants, United Kingdom as well as Malaysian Institute of Accountants.

### Dato' Roslan Ibrahim

Chief Operating Officer,  
Development

**Dato' Roslan Ibrahim** joined UEM Sunrise on 1 August 2015. He has over 30 years of industry experience which includes a proven track record in managing complex infrastructure projects.

Prior to joining UEM Sunrise, he was the President Direktor of PT Lintas Marga Sedaya, a 55% subsidiary of UEM Group Berhad ("UEM Group") that undertook the 116-kilometre, RM4.4 billion construction of the Cikopo-Palimana highway project.

He joined UEM Group back in 2006 and brings along with him a wealth of cross functional experience from his background in Engineering and Construction as well as Business Development. During his tenure, he headed the project team to design and build the Penang Second Bridge Project and was then assigned as the Head of Group Business Development.

He started his career in 1981 and has been involved in several mega projects including the Peninsular Gas Pipeline, the 55-storey Menara Telekom, the Putrajaya Bridges and the Petronas Twin Towers. In the area of Business Development, he secured maiden projects in Sudan and Dubai during his tenure with MMC Engineering Group Berhad and IJM Corporation Berhad respectively. He holds a Bachelor's Degree in Civil Engineering from University of Wales and a Master's Degree in Business Administration from Herriot-Watt University, Edinburgh, both in the United Kingdom.

He sits on the Board of several wholly-owned subsidiaries of UEM Sunrise and UEM Group.

## Raymond Cheah

Chief Operating Officer,  
Commercial

**Raymond Cheah** joined the Company on 2 January 2001. He is responsible for the local, regional and international business development, strategic investment and joint venture; retail, property and asset management; as well as the branding, sales and marketing initiatives of UEM Sunrise. He also leads the overall development and implementation of all the international projects of UEM Sunrise in Australia, Canada, Singapore and South Africa.

Throughout his tenure with UEM Sunrise, he has completed several major townships, approximately 6,000 apartments ranging from affordable to luxury offerings, over 10 million square feet of commercial spaces including retail and office spaces, as well as notable hospitality and mixed use developments.

On the international front, he spearheaded the company's maiden venture into Melbourne,

Australia via the acquisition of two prime land parcels in the CBD in 2013 and recently the third site on the prestigious St Kilda Road. In Canada, he oversees the Quintet and Alderbridge projects. In South Africa, he leads the beach front joint venture development in Durban Point. In addition, he pioneered the UEM Sunrise team in the mega mixed-use developments of Marina One and Duo in Singapore.

Prior to his career in UEM Sunrise, he was involved in major projects in Malaysia including the Kuala Lumpur International Airport ("KLIA"), mega townships and as well as various large-scale mixed-use developments in Malaysia.

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, United States of America.

## Norlida Azmi

Chief Talent Officer

**Norlida Azmi** joined UEM Group on 10 October 2014 as UEM Group Chief Human Capital Officer and assumed the role of Chief Talent Officer for UEM Sunrise as well on 22 January 2016. She continues with the focus to bring transformation in the human capital agenda to build competencies, capabilities, capacity and culture for UEM Sunrise as well. Prior to joining UEM Group, Norlida was the Global Head of Talent Management at Abu Dhabi Islamic Bank based in Abu Dhabi where she established and implemented an integrated talent management framework to support the bank's global ambition.

Prior to that, she spent 20 years mostly in the financial institution industry with companies including Citibank in Malaysia and Singapore, Standard Chartered in

Singapore and London, Samba Financial Group in Saudi Arabia, Commercial Bank of Qatar Group in Qatar. She carries a wealth of knowledge and proficiency spanning human capital management, strategic business planning and implementation, relationship management and risk management, corporate communication and policy implementation.

Norlida graduated with a Bachelor of Science (Computer Science) and Masters in Business Administration (Finance) from Northern Illinois University, Illinois, United States of America in 1983 and 1985 respectively.

SENIOR  
LEADERSHIP TEAM

**Mohd Auzir Mohd Tahir**

Chief Executive Officer,  
Cahaya Jauhar Sdn. Bhd.

**Mohd Auzir Mohd Tahir** joined the UEM Group on 1 September 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 state administrative centre in Iskandar Puteri which won the FIABCI Malaysia Property Award 2010 and FIABCI Prix d'Excellence 2011 runner-up.

He previously served in different capacities for various companies within the UEM Group of Companies, 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 Iskandar Puteri resulting in the identification of the various catalyst developments.

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

**Zadil Hanief Mohamad Zaidi**

Head, Strategy

**Zadil Hanief Mohamad Zaidi** joined UEM Sunrise on 5 January 2015 and oversees the Company's strategy, transformation, customer experience, and corporate communications functions. In 2015, he also held the role of Acting Chief Marketing Officer. He holds directorships in several subsidiaries and joint venture entities within UEM Sunrise Group of Companies.

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 management of Government Transformation Programme ("GTP") and Economic Transformation Programme ("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 almost a decade in various commercial and brand building roles. As a marketing professional, he has designed product launches, executed channel consolidation, and managed key accounts on behalf of various global brands.

Zadil holds a Bachelor of Science in Industrial Engineering Degree from Western Michigan University, United States of America and he obtained a Master in Business Administration from International Islamic University Malaysia.

**Frederick Lee Heng Meng**

Head, Procurement & Contracts

**Frederick Lee** joined UEM Sunrise on 8 September 2011. He brings with him more than 25 years of experience spanned across property, real estate, construction and infrastructure industries, with extensive knowledge in cost estimating, cost planning, cost and contract management, procurement strategies and supply chain management.

Prior to joining UEM Sunrise, he was attached for over a decade with IJM Construction Sdn. Bhd. as Senior Manager of the Tender & Contracts Department where he was responsible for the pre and post contract administration of various multi-million projects.

In the early years of his career, Frederick spent time building solid foundations in the property and construction subsidiaries of Chew Piau Berhad, Metroplex Berhad and Tanco Holdings Berhad where he gained exposure to the different aspects and practical technicalities relating to hotels, commercial buildings, service apartments and township developments.

Frederick gained his tertiary education in Australia where he graduated with a Bachelor of Building from the University of New South Wales, Sydney, Australia in July 1990.

**Kassim Ali Mydin**

Head, HR Services & Operations

**Kassim Ali Mydin** joined UEM Sunrise on 6 January 2014. He has a portfolio charting over 25 years of experience in the entire spectrum of Human Resources Management.

From 1995 to 1997, Kassim was part of the opening team responsible for the successful start-up of the first five-star international resort in Melaka as well as the expansion of Technocom Malaysia Sdn. Bhd., part of Venture Corporation Limited 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 Director, Group Human Resources Centre of Excellence.

He holds a Master's 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.

**Mohamad Faizal Mohamad**

Head, Corporate & Development Services

**Mohamad Faizal Mohamad** joined UEM Sunrise on 1 January 2012 and responsible for support services portfolio ranging from Quality Assurance; Safety, Health & Environment; Land Management, Vendor Development; and the Auxiliary Police force. He manages the end-to-end product quality assurance, project safety, health and environment performance as well as land management including interim business and estate operations. He also oversees the Bumiputera Vendor Development programme, aims at aiding the development of Bumiputera entrepreneurs in the property development sector.

He previously served in various capacities within the UEM Group of Companies including UEM Group Berhad, UEM World Berhad and Faber Medi-Serve Sdn. Bhd.

Faizal also served in Lembaga Tabung Haji (The Malaysian Hajj Pilgrims Fund Board) as part of the Putrajaya Committee on Government Link Companies' High Performance Cross Assignment Programme from 2008 to 2009 and was responsible in managing a portfolio of investee companies in the banking, property, manufacturing and services sectors. He was involved in the capital raising exercise of an Islamic banking group listed on the Main Board of Bursa Malaysia.

He holds a Master in Commerce, specialising in International Business from the University of New South Wales, Australia and a Bachelor of Commerce from the University of Queensland, Australia. He is an associate member of CPA Australia.

SENIOR  
LEADERSHIP TEAM

**Ali Talib**

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General Manager,  
Internal Audit

**Ali Talib** joined UEM Sunrise on 4 August 2014. Prior to joining UEM Sunrise, he was with Felda Global Ventures Holdings Berhad from January 2013 to July 2014 as General Manager, Group Internal Audit where he was responsible for the audit of the Company's plantations division. Prior to that, he was with Boustead Holdings Berhad from January 2011 to December 2012 as Senior Manager, Group Internal Audit in-charge of the audit of heavy industries, property and pharmaceutical division.

Ali started his career with Golden Hope Plantations Berhad in 1997 as Internal Auditor before he spent 10 years in the property and construction industries with Malaysian Resources Corporation Berhad ("MRCB") as Head of Corporate Governance. He has extensive experience in project management audit, risk management, investigation and developing policies and procedures.

Ali graduated with a Bachelor of Accountancy from University Technology Mara in 1997 and he is a member of The Institute of Internal Auditors Malaysia as well as Malaysian Institute of Accountants.

**Penny Yaw**

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General Manager,  
MD/CEO's Office

**Penny Yaw** joined UEM Sunrise on 1 July 2014. She currently heads the Market Research and Analytics team.

With more than ten years of experience in equities research, Penny has extensive knowledge in all aspects of equity-research related from her previous attachments with foreign and domestic banks and financial institutions, covering largely public-listed companies in Malaysia focusing on Malaysian property sector for close to a decade.

During her time as Vice President Property & Plantations – Malaysia in Citigroup from 2007 to 2012, the research team was rated runners-up in 2009 until 2012 by the Institutional Investor whilst Penny was rated a Top Property Analyst by The Edge Analyst All Stars Poll in 2008.

Prior to joining UEM Sunrise, she headed the research team of an international realtor headquartered in Singapore, covering the Singapore and Malaysia markets. Penny also wrote articles published in The Edge Singapore and The Edge Malaysia.

Penny holds a Bachelor of Commerce Degree majoring in Accounting and Finance (with Merit) from the University of New South Wales. She is also a Chartered Financial Analyst ("CFA") charterholder.

**Khaidzir Hassan**

Deputy General Manager,  
Risk Management

**Khaidzir Hassan** joined UEM Sunrise on 2 January 2006 and has about 26 years of industry experience. Prior to joining UEM Sunrise, he was with UEM Group from January 2004 to December 2005 as Manager, Group Business Development where he was instrumental for the establishment of business processes for Group Business Development Division and also involved in business missions. He also played an active role in the incubation stage of several business proposals and initiatives such as highway project with PT Jasa Marga, Southern Industrial & Logistics Clusters ("SiLC"), Intelligence Traffic Information System, Theme Park, and Industrialised Building System.

He started his career in 1990 as an academician at University of Malaya before he joined the UEM Group in 1995. He has extensive and diversified experience in education, project management, risk management, productivity and quality management and consultancy services in various industries ranging from telecommunication, logistic, supply chain, pharmaceutical, highway, engineering and construction, quarry, oil and gas, asset and facilities management, property development, power generation, and recycle energy.

Khaidzir holds a Certificate of Computer Science and graduated with a Bachelor of Arts (Honours) and a Master of Arts from University of Malaya in 1990 and 1994 respectively. He also attended Master of Business Administration program at International Islamic University Malaysia in 2004.

Khaidzir is a member of the Malaysian Association of Risk and Insurance Management.

**Sharifah Shafiqah Salim**

Joint Company Secretary

**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, PLUS Malaysia Berhad and other subsidiaries of UEM Group of Companies.

Sharifqa, a qualified Advocate and Solicitor of the High Court of Malaya and licenced Company Secretary, started her career with the Securities Commission and later held leadership roles in the Legal and Secretarial Departments of Metacorp Berhad and UEM Builders Berhad. Subsequently she joined UEM Group 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 2013. She is an Affiliate of the Malaysian Institute of Chartered Secretaries and Administrators.

**Liew Irene**

Joint Company Secretary

**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.

Prior to joining UEM Group Berhad in 2013, Irene served in a reputable secretarial firm since 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. From 2001 until 2004, she was attached to the secretarial division of a large listed financial institution group. She started her secretarial career with an established secretarial firm in 1996.



# *Invest*

We lay a solid foundation for shareholders and investors to be part of our Company and optimise business opportunities.



*Optimising  
Business Opportunities*

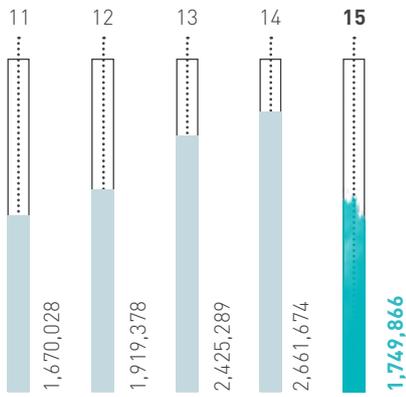


**Serene Heights Bangi** is a 448-acre nature inspired sanctuary nestled within a modern township with a GDV of RM3.2 billion. The first parcel, called Acacia, comprises 121 units of double-storey terrace homes with built-ups of 2,143 square feet onwards were snapped up within two days of its launch; while the second parcel, Begonia, comprises 153 units with built-ups of 2,204 square feet onwards enjoyed 40% take up prior to its official launch. Future parcels will be released in stages.

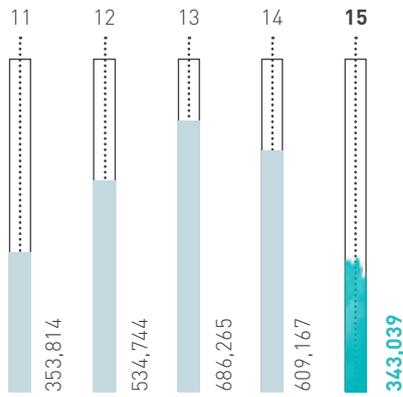
# FIVE-YEAR FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

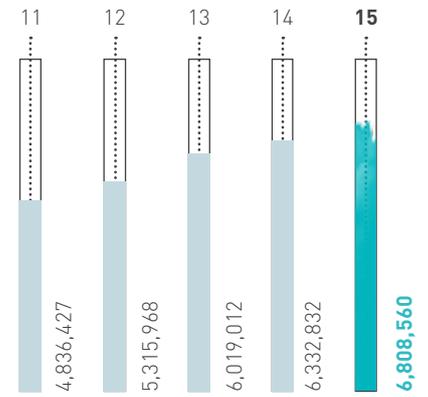
**Revenue**  
(RM'000)



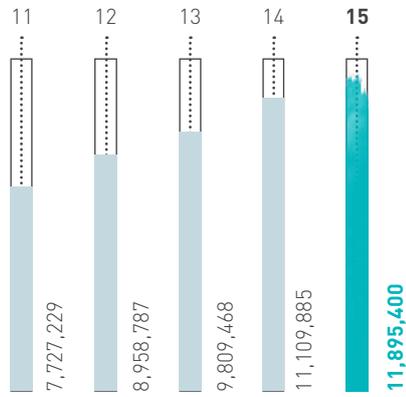
**Profit Before Zakat and Income Tax**  
(RM'000)



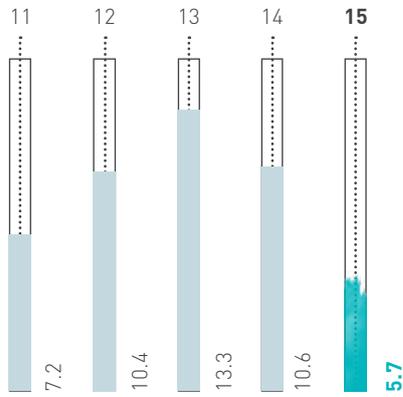
**Shareholder's Equity**  
(RM'000)



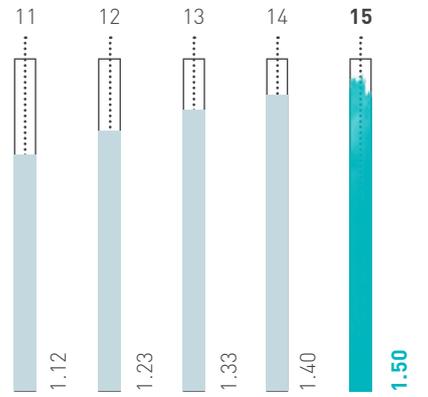
**Total Assets**  
(RM'000)



**Earning 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	2015	2014	2013	2012	2011
Revenue	<b>1,749,866</b>	2,661,674	2,425,289	1,919,378	1,670,028
Cost of sales	<b>(1,224,705)</b>	(1,859,575)	(1,497,165)	(1,217,927)	(1,157,245)
Operating expenses	<b>(349,688)</b>	(340,365)	(388,812)	(267,781)	(221,648)
<b>OPERATING PROFIT</b>	<b>175,473</b>	<b>461,734</b>	<b>539,312</b>	<b>433,670</b>	<b>291,135</b>
Other income	<b>117,604</b>	58,814	48,775	53,342	69,699
Finance costs	<b>(73,868)</b>	(45,852)	(29,386)	(41,372)	(51,401)
Share of net results of associates & joint ventures	<b>123,830</b>	134,471	127,564	89,104	44,381
<b>PROFIT BEFORE ZAKAT AND INCOME TAX</b>	<b>343,039</b>	<b>609,167</b>	<b>686,265</b>	<b>534,744</b>	<b>353,814</b>
Profit attributable to owners of the parent	<b>257,212</b>	479,927	579,141	448,358	301,712
Shareholders' equity	<b>6,808,560</b>	6,332,832	6,019,012	5,315,968	4,836,427
Earnings per share (sen)	<b>5.7</b>	10.6	13.3	10.4	7.2
Return on equity	<b>3.9%</b>	7.8%	10.2%	8.8%	8.0%

# 2015 GROUP QUARTERLY PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM'000	First Quarter 31/03/2015	Second Quarter 30/06/2015	Third Quarter 30/09/2015	Fourth Quarter 31/12/2015	Year Ended 31/12/2015
Revenue	417,445	372,316	353,058	607,047	<b>1,749,866</b>
Cost of sales	(274,189)	(241,373)	(240,038)	(469,105)	<b>(1,224,705)</b>
Operating expenses	(95,299)	(79,416)	(88,685)	(86,288)	<b>(349,688)</b>
<b>OPERATING PROFIT</b>	<b>47,957</b>	<b>51,527</b>	<b>24,335</b>	<b>51,654</b>	<b>175,473</b>
Other income	14,306	47,671	18,412	37,215	<b>117,604</b>
Finance costs	(12,666)	(22,255)	(18,962)	(19,985)	<b>(73,868)</b>
Share of net results of associates & joint ventures	15,427	28,381	24,309	55,713	<b>123,830</b>
<b>PROFIT BEFORE ZAKAT AND INCOME TAX</b>	<b>65,024</b>	<b>105,324</b>	<b>48,094</b>	<b>124,597</b>	<b>343,039</b>
Profit attributable to owners of the parent	53,137	83,912	47,742	72,421	<b>257,212</b>
Shareholders' equity	6,373,640	6,349,739	6,450,769	6,808,560	<b>6,808,560</b>
Earnings per share (sen)	1.2	1.9	1.1	1.6	<b>5.7</b>
Return on equity*	3.3%	5.3%	3.0%	4.4%	<b>3.9%</b>

\* annualised

# STATEMENT OF VALUE ADDED & DISTRIBUTION

FOR THE FINANCIAL YEAR ENDED

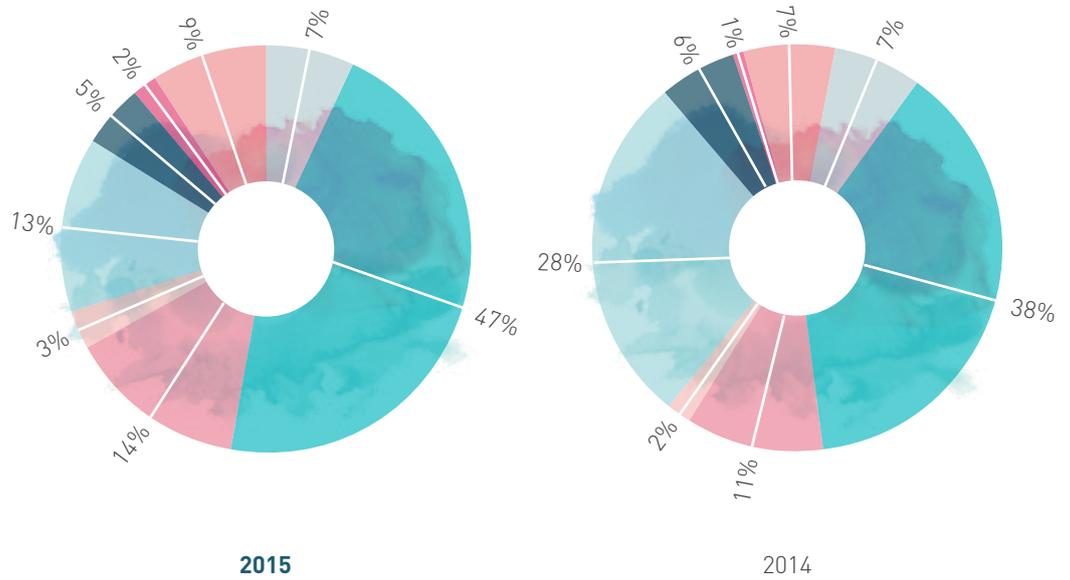
In RM'000	2015	2014	2013	2012	2011
<b>VALUE ADDED:</b>					
Revenue	<b>1,749,866</b>	2,661,674	2,425,289	1,919,378	1,670,028
Purchase of goods and services	<b>(1,446,971)</b>	(2,034,358)	(1,731,124)	(1,348,925)	(1,281,630)
Value added by the Group	<b>302,895</b>	627,316	694,165	570,453	388,398
Other income	<b>117,604</b>	58,814	48,775	53,342	69,699
Share of results of associates and joint ventures	<b>123,830</b>	134,471	127,564	89,104	44,381
<b>Total value added available for distribution</b>	<b>544,329</b>	820,601	870,504	712,899	502,478
<b>DISTRIBUTION:</b>					
To employees					
- salaries and other staff costs	<b>97,814</b>	144,940	134,653	119,163	83,863
To government					
- income tax & zakat	<b>86,049</b>	129,391	107,156	86,462	52,102
To provider of capital					
- dividend	<b>136,123</b>	181,497	132,952	-	-
- finance cost	<b>73,868</b>	45,852	29,386	41,372	51,401
Retained for future reinvestment & growth					
- depreciation & amortisation	<b>29,608</b>	20,642	20,200	17,620	13,400
- retained profits	<b>121,089</b>	298,430	446,189	448,358	301,712
- non-controlling interest	<b>(222)</b>	(151)	(32)	(76)	-
<b>Total distributed</b>	<b>544,329</b>	820,601	870,504	712,899	502,478
<b>RECONCILIATION</b>					
Profit for the year	<b>256,990</b>	479,776	579,109	448,282	301,712
Add: Depreciation & amortisation	<b>29,608</b>	20,642	20,200	17,620	13,400
Finance costs	<b>73,868</b>	45,852	29,386	41,372	51,401
Staff cost	<b>97,814</b>	144,940	134,653	119,163	83,863
Income tax & zakat	<b>86,049</b>	129,391	107,156	86,462	52,102
<b>Total value added</b>	<b>544,329</b>	820,601	870,504	712,899	502,478

# SUMMARISED GROUP BALANCE SHEET

AS AT 31 DECEMBER

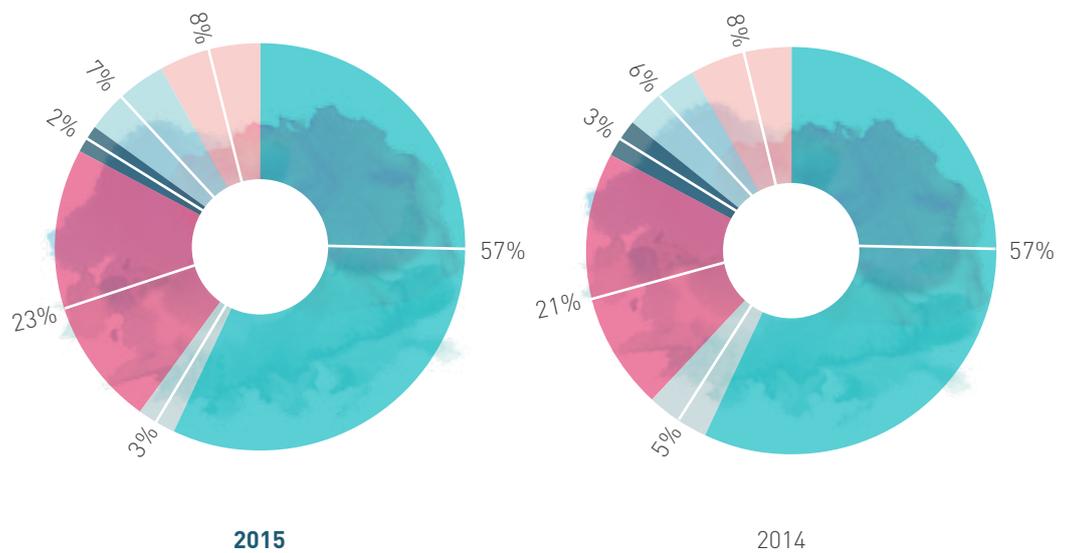
- Property, plant and equipment and Investment properties
- Land held for property development and property development cost
- Interests in associates, joint ventures & others
- Inventories
- Receivables
- Goodwill
- Deferred tax asset
- Deposits and cash and bank balances

## TOTAL ASSETS



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

## TOTAL EQUITY AND LIABILITIES



# FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

AS AT 31 DECEMBER

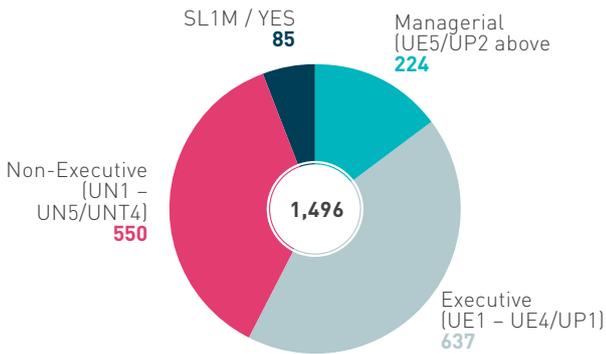
In RM'000	2015	2014	2013	2012	2011
<b>TOTAL ASSETS</b>					
Property, plant and equipment and investment properties	<b>875,042</b>	788,316	745,570	702,122	672,744
Land held for property development and property development cost	<b>5,550,909</b>	4,210,582	3,918,776	3,847,397	3,816,888
Interests in associates, joint ventures & others	<b>1,631,616</b>	1,280,213	846,090	657,493	655,142
Inventories	<b>403,099</b>	176,622	105,856	122,622	124,494
Receivables	<b>1,586,681</b>	3,123,460	2,073,780	1,930,386	1,202,646
Goodwill	<b>621,409</b>	621,409	621,409	621,409	621,409
Deferred tax asset	<b>221,044</b>	170,009	134,461	31,541	26,705
Deposits and cash and bank balances	<b>1,005,600</b>	739,274	1,363,526	1,045,817	607,201
<b>Total assets</b>	<b>11,895,400</b>	<b>11,109,885</b>	<b>9,809,468</b>	<b>8,958,787</b>	<b>7,727,229</b>
<b>TOTAL EQUITY AND LIABILITIES</b>					
Share capital	<b>2,276,643</b>	2,268,718	2,268,718	2,165,558	2,163,358
Share premium	<b>2,829,546</b>	2,044,955	2,044,953	1,907,488	1,898,306
Merger relief reserves	<b>34,330</b>	34,330	34,330	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	-	-	-	119,068	120,521
Other reserves	<b>115,439</b>	88,130	72,742	51,370	30,116
Retained profits	<b>1,552,602</b>	1,896,699	1,598,269	1,038,154	589,796
Non-controlling interests	<b>360,345</b>	485,753	450,604	450,636	450,712
<b>Total equity</b>	<b>7,168,905</b>	<b>6,818,585</b>	<b>6,469,616</b>	<b>5,766,604</b>	<b>5,287,139</b>
Borrowings	<b>2,750,570</b>	2,358,089	1,940,049	1,714,957	1,174,962
Liability component of RCPS	-	-	-	409,424	388,414
Income tax liabilities	<b>223,904</b>	353,846	324,632	288,216	280,886
Payables	<b>772,205</b>	655,906	624,353	648,560	458,788
Provisions and others	<b>979,816</b>	923,459	450,818	131,026	137,040
<b>Total equity and liabilities</b>	<b>11,895,400</b>	<b>11,109,885</b>	<b>9,809,468</b>	<b>8,958,787</b>	<b>7,727,229</b>
Net asset per share attributable to owners of the parent (RM)	<b>1.50</b>	1.40	1.33	1.23	1.12

# EMPLOYEES & PRODUCTIVITY

## EMPLOYEES BY CLASSIFICATION

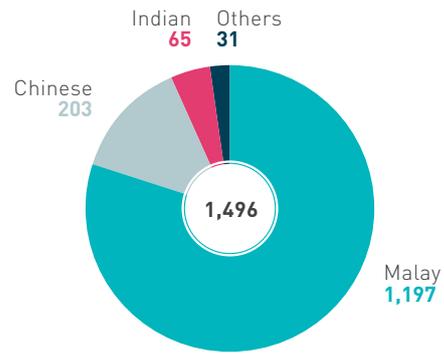
### Employees By Classification

Staff Category



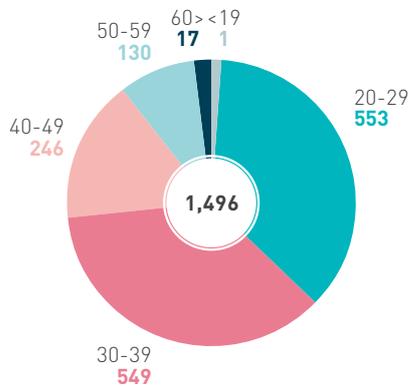
### Employees Ethnic Composition

Ethnicity



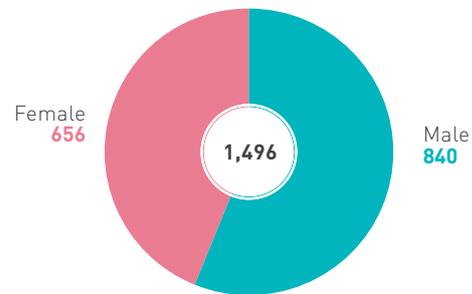
### Employees Breakdown by Age Group

Age Group



### Employees Breakdown by Gender

Job Category



**EMPLOYEES BY CLASSIFICATION**

---

**Revenue Per Employee**  
(RM'000)

<b>2015</b>	<b>1,170</b>
2014	1,803

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**Revenue Per Employee Cost**  
(Times)

<b>2015</b>	<b>18</b>
2014	18

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

<b>2015</b>	<b>364</b>
2014	556

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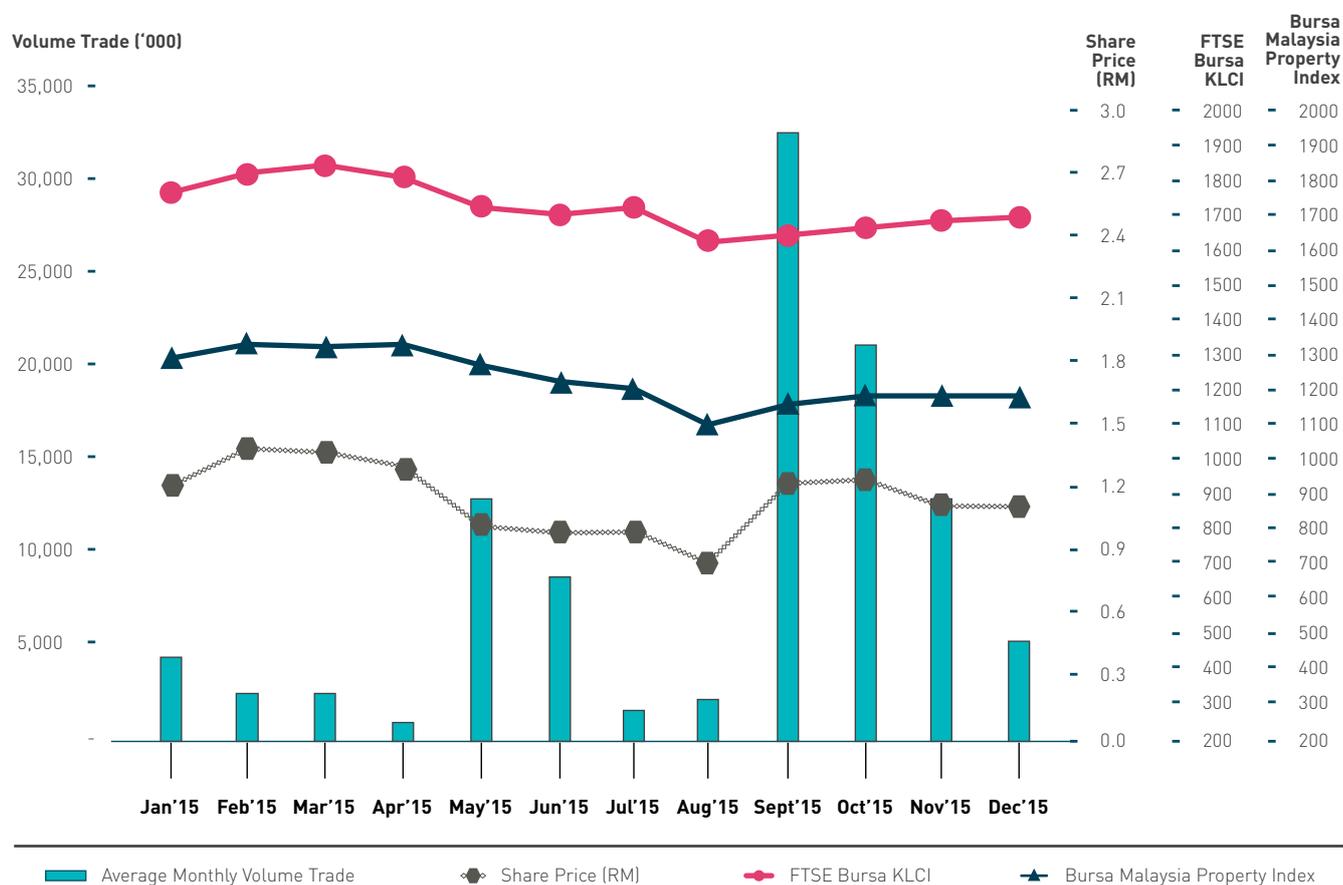
**Value Added & Distribution Per Employee Cost**  
(RM'000)

<b>2015</b>	<b>6</b>
2014	6

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# SHARE PRICE & VOLUME TRADED

## UEM SUNRISE SHARES PRICE MOVEMENT AND MONTHLY VOLUME TRADED



## UEM SUNRISE SHARES MOVEMENT

Month	Average Monthly Volume Trade	Closing			FTSE Bursa KLCI	Bursa Malaysia Property Index
		Share Price (RM)	Share Price High (RM)	Share Price Low (RM)		
Jan-15	4,704,281	1.24	1.39	1.21	1,781	1,294
Feb-15	2,673,556	1.38	1.38	1.26	1,821	1,339
Mar-15	2,834,059	1.34	1.35	1.25	1,831	1,316
Apr-15	1,275,986	1.26	1.37	1.26	1,818	1,323
May-15	12,931,279	1.03	1.29	1.03	1,748	1,254
Jun-15	8,895,364	0.98	1.04	0.98	1,707	1,213
Jul-15	2,062,886	0.98	1.02	0.95	1,723	1,206
Aug-15	2,418,765	0.85	0.97	0.77	1,613	1,098
Sept-15	32,382,120	1.23	1.25	0.84	1,621	1,156
Oct-15	21,261,200	1.25	1.27	1.14	1,666	1,187
Nov-15	13,022,155	1.13	1.35	1.13	1,672	1,186
Dec-15	5,585,981	1.12	1.15	1.03	1,693	1,188

# *Building Beyond Buildings*



# SUSTAINABILITY REPORT

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All responsible organisations are established with the implicit idea that they will grow in the long term. As such, business models are forward-looking and seek to outline how best organisations can guarantee their viability over time. This, in essence, is what sustainability is about and is something that we at UEM Sunrise have naturally been conscious of since the beginning.

Through this section, UEM Sunrise will be reporting the ways in which we create inherent value for our stakeholders - from our customers to investors, employees and suppliers to the environment and communities.

This year, following a guideline issued by Bursa Malaysia, we are adopting the regulator's recommended framework for sustainability reporting which focuses on the Economic, Environmental and Social ("EES") initiatives of a company. Briefly, the Economic Category describes our impact on the economic conditions of our stakeholders and our engagement with economic systems; the Environmental Category describes our interactions with living and non-living natural systems; and the Social Category outlines our interactions in social ecosystem within which we operate.

Our ultimate goal, guided by our sustainability slogan of *Building Beyond Buildings* is a strong endorsement of our commitment to sustainability, and could be said to be the founding principle of this report.

# Economic Impact

UEM Sunrise has a direct economic impact on our suppliers and vendors via our business dealings with them. More indirectly, the quality of our products plays a role in the well-being of our customers. We also enhance the socio-economic well-being of under-served segments of society via education, community development initiatives and supporting the work of various non-governmental organisations.



## PROCUREMENT POLICY

Recognising that our purchasing activity has an impact on the environment and society, we consider each procurement decision carefully and are guided by the following principles:

- Best Affordable Value – we optimise opportunities for efficiency and economies of scale when working with industry partners.
- Effective Governance and Control – procurement activities are conducted in a manner that satisfies the requirements of accountability and internal control, fulfils UEM Sunrise’s legal obligations, complies with financial constraints and effectively manages commercial risk.
- Standardised Approach – effective, efficient and consistent commercial arrangements are provided and enforced to procure works, products and services of a common nature.
- Effective Supplier Relationships – appropriate relationships are developed and maintained with suppliers and their supply chains. We practise a transparent procurement process which is fair for both parties.

Although we do not have a formal policy on the hiring of local suppliers, we source locally whenever possible without compromising on quality. More than 90% of our suppliers are local.

We also give opportunities to qualified Bumiputera vendors to participate in our developments, as part of the Bumiputera Vendor Development Programme.

### INCORPORATING SAFETY, HEALTH AND ENVIRONMENTAL FACTORS INTO OUR PROCUREMENT STANDARD

We incorporate environmental, safety and health factors into our contract agreements with supply chain partners. In addition, we require contractors to submit a Project Safety, Health & Environment Compliance Plan and Emergency Response Procedures. These documents outline the contractors' training, monitoring and reporting procedures, as well as note their commitment to complying with statutory regulations, industry standards and codes of practice.

In line with our Green Plan and our commitment to environmental conservation, we also require our contractors to familiarise themselves with the environmental conditions of our sites and their surroundings. This helps to ensure that the subsequent work does not adversely impact the environment.

### QUALITY PRODUCTS

To maintain world-class quality and workmanship in all our products and operations, we apply the Quality Assessment Systems in Construction ("QLASSIC") and Construction Quality Assessment System ("CONQUAS"), developed by the Construction Industry Development Board ("CIDB") of Malaysia

and the Building Construction Authority ("BCA") of Singapore, respectively. In 2015, we achieved a CONQUAS score of 80.6%, our highest to date, for Nusa Idaman 7D2. In addition, on 30 November 2015, CIDB awarded Nusa Bayu Phase 2A the High QLASSIC Achievement at the QLASSIC Excellence Awards 2014.

Employees are encouraged to contribute to continuous improvements in our operational procedures via the Innovative and Creative Circle ("ICC") established in 2014. Two projects that won awards at the Malaysia Productivity Corporation ("MPC") Conventions in 2015 have been implemented and are contributing to greater organisational efficiencies. They are: *Overcoming Difficulties in Obtaining Documents Archived from Storeroom and Overcoming Late Report for Internal CONQUAS Assessment*. The first project has improved QASHE department's filing system by transferring the physical database onto an online archive. Meanwhile, the second innovation has reduced the time taken to produce a CONQUAS Assessment Report from 5.5 days to two days.

Further enhancing our service delivery, we have streamlined our Handing Over Vacant Possession process with a Quick Win initiative endorsed by the senior leadership on 14 August 2015.

A roadshow was held to brief all relevant staff, contractors and consultants on UEM Sunrise's quality expectations on 14-15 September 2015.

### AFFORDABLE HOMES

We have pledged to build 10,000 affordable homes in Iskandar Puteri, to be launched in phases from 2015 onwards.

Our efforts to deliver affordable housing to the community began in early 2000, in collaboration with Denia Development Sdn. Bhd., with homes developed in Taman Nusantara and Nusantara Prima, both in Iskandar Puteri. As at December 2015, 3,830 units of affordable homes and shop offices have been delivered in Taman Nusantara and 345 units more are under construction while 1,003 units are under construction for Nusantara Prima with a target completion of 2016-2017.

Additionally, in Q4 2016 we will launch Gerbang Nusantara in Iskandar Puteri, offering houses with built-ups ranging from 720 square feet, 850 square feet and 1,000 square feet priced at RM42,000, RM80,000 and RM150,000 per unit respectively. This initiative supports the National Housing Council's agenda to ensure home ownership opportunities for the *rakyat* from all walks of life.



Gerbang Nusantara - UEM Sunrise's Affordable Homes initiative in Iskandar Puteri



PT3 Examination Seminar with UEM Sunrise's PINTAR Adopted School Students

**EDUCATIONAL ENHANCEMENT**

The Company has been investing significantly into educational initiatives in the communities that surround us, firm in the belief that education is a fundamental human right, and one of the most powerful enablers to uplift marginalised communities.

We are one of the pioneering supporters of the PINTAR School Adoption programme led by PINTAR Foundation and established by Khazanah Nasional Berhad ("Khazanah") in 2008, through which we inspire students in under-recognised schools to excel. Our commitment to the students is apparent in the various literacy projects and educational related programmes such as motivational talks and exam seminars and clinics that we organise on a regular basis throughout the year.

We started off with PINTAR Programme, which stands for Promoting Intelligence, Nurturing Talent and Advocating Responsibility, by adopting 13 primary and four secondary schools in Gelang Patah, Johor in 2008. In 2015, we added four more schools to our 'family', 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.

We also added two KEMAS kindergartens for the Pintar Al-Quran programme namely Tadika PRIMA and Tadika Firdaus in 2015 totalling seven altogether.

Over the years, we have been growing the involvement with our PINTAR schools. As an example, since 2013, we have contributed towards upgrading their libraries. In 2015, we presented RM40,000 for this purpose to SMK Taman Nusa Jaya, Iskandar Puteri.

In 2015, we also launched the first Public Speaking and Debate Competition pitching students from our adopted schools against each other. It was an excellent platform to increase the students' self-confidence and oratory skills.

As one of the aims of the programme is to develop well-rounded and responsible future leaders, our focus under PINTAR is not purely academic. Among others, we have also been running a Road Safety Campaign and Green Campaign under the programme.

In 2015, we invested a total of RM724,920 in our PINTAR schools. Our efforts were recognised for being exemplary in terms of Corporate Social Responsibility at the Iskandar Malaysia Social Hero Awards 2015 ("IMSHA").

## COMMUNITY DEVELOPMENT

Our contributions to the well-being of the marginalised also extend to 'adopting' a number of charitable homes and Orang Asli villages. Among the homes that we have been supporting on a long-term basis are Shelter Home for Children and Agathians Shelter in Petaling Jaya; Pertubuhan Kebajikan Anak-Anak Yatim Darul Aitam and Maahad Tahfiz Al Quran Wal Qiraat Addin in Tapah, Perak; Rumah Bakti Al-Kausar in Bangi; Pertubuhan Nur Kasih Bestari in Segambut, and Madrasah Tahfiz Az Zahra in Gelang Patah.

Representatives from the Company regularly visit these homes and organise special events to celebrate festive occasions with the residents. We also assist by providing additional financial aid when the need arises.

During the year, we helped to upgrade the facilities at Agathians Shelter and Darul Aitam Orphanage. We also donated RM37,353.25 to help provide for 100 orphans and tahfiz students from Rumah Nur Kasih Bestari, Rumah Bakti Al-Kausar and Maahad Tahfiz Kiblah in Sepang. In addition, we upgraded the road leading to Maahad Tahfiz Al Quran Wal Qiraat Addin.

Our involvement with the Orang Asli is through the communities in Kg. Sungai Geroyang and Kg. Sungai Merbau in Tapah as well as Kg. Simpang Arang in Gelang Patah. Since 2013, we have been supporting



UEM Sunrise's Educational Aid Programme at the Shelter Home for Children

the children of these communities via a Back-to-School Programme through which we provide school uniforms, shoes, socks and bags. On 24 November 2015, we provided for 44 primary and 33 secondary students from the two villages in Tapah. Later, we presented the same items to 151 children in Kg. Simpang Arang.

UEM Sunrise's community initiatives are strengthened by refunds of zakat (tithes) pay-outs to Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan, Lembaga Zakat Selangor and Majlis Agama Islam Negeri Johor. In 2015, we extended RM1,098,623.38 from our Zakat Disbursement Fund towards community development programmes, including RM123,800 to 556 Asnaf students at our PINTAR schools.

## OTHER COMMUNITY EFFORTS IN 2015

In May, we helped to refurbish the Community Hall in Kg. Sungai Melayu, which is used by the local villagers to hold community events and public engagements.

On 4-5 July, we supported 100 vendors of local garments and accessories by joining hands with Puteri Harbour Club House and Little Red Cube to organise *Tempatan Fest Johor Bahru* at the Puteri Harbour Promenade in Iskandar Puteri. The bazaar attracted more than 10,000 visitors from Johor and beyond.



Back-to-School Programme with Orang Asli children in Tapah, Perak

# Environmental Impact

Our commitment and action plan for the environment is manifested through the strategic management of water, energy, waste and environmental conservation. While ensuring that we incorporate innovative designs and features as well as new thinking into our development projects, we also track and monitor our environmental impacts. Operating sustainably is a journey of continuous improvement which we aim to enhance by identifying gaps, and the opportunities available to address them more efficiently.



Rainwater Harvesting at Symphony Hills, Cyberjaya

## SUSTAINABILITY INITIATIVES

To address resource usage and consumption in our properties, we employ practices such as water harvesting, cooling systems and smart technologies. These are most evident in Kota Iskandar and Symphony Hills, where our environment-friendly buildings have been designed to maximise natural ventilation and to harvest rainwater thus consuming less electricity and water. Kota Iskandar also boasts a cost-efficient, automatic waste collection and disposal system.

## WASTE MANAGEMENT

During the process of construction, two types of waste are produced: Non-Scheduled Waste (Construction Waste and Domestic Waste) and Hazardous Waste, also known as Scheduled Waste.

At UEM Sunrise, all our operations and developments fulfil the relevant environmental regulations and requirements. We have provisions for the collection, removal and regulated disposal of Non-Scheduled Waste in accordance with Solid Waste and Public Cleaning Management Act 2007 and relevant Municipal Councils's Requirements. Scheduled Waste is handled in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005. Scheduled waste, spent oil and grease found at sites are properly stored in bins which are collected by a licensed scheduled waste collection service and sent to a designated disposal site. This ensures cleanliness and averts the outbreak of disease.

**Types of Wastes Produced on UEM Sunrise sites**

Code	Description
SW 305	Spent lubricating oil
SW 306	Spent hydraulic oil
SW 408	Contaminated soil, debris or matter resulting from clean-up of a chemical, mineral oil or scheduled waste spill
SW 409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled waste
SW 410	Rags, plastics, papers or filters contaminated with scheduled waste
SW 422	A mixture of scheduled and non-scheduled waste



SIREH Park @ Iskandar Puteri

We will be able to disclose further details on our waste management practices in the next reporting cycle.

**Ongoing Conservation Activities through Development Projects**

The Regional Open Space in Iskandar Puteri will be developed into a world-class sustainable natural Heritage Park and will open to the public by early 2018. The park named as SIREH Park @ Iskandar Puteri, will be the largest public park in the country. The approximately 343-acre land is to be developed in such a manner as to encourage not only aesthetic appreciation of the planted areas, but also outdoor activities such as jogging, trekking, mountain biking, boating, kayaking and canoeing. In the planning and design phase, we aim to preserve as much existing vegetation, minimise slope cutting and maintain any existing water bodies.

The objectives of the SIREH Park @ Iskandar Puteri are to:

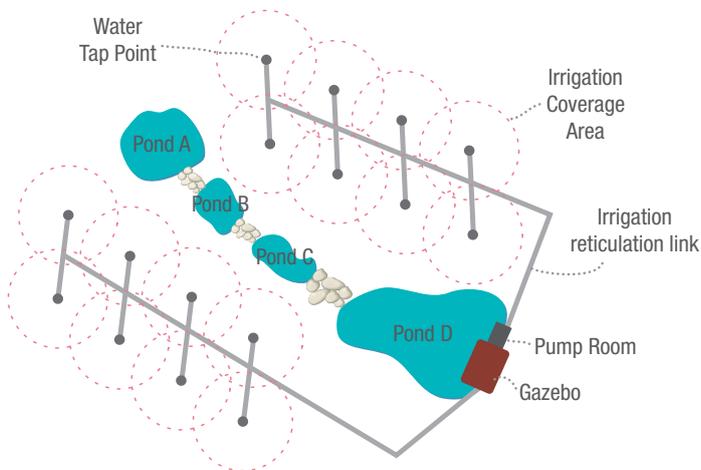
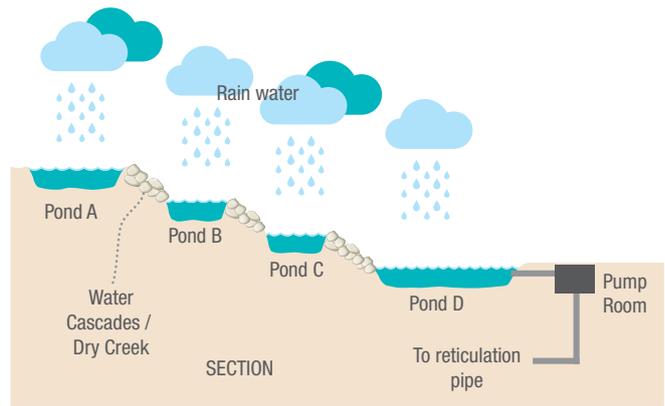
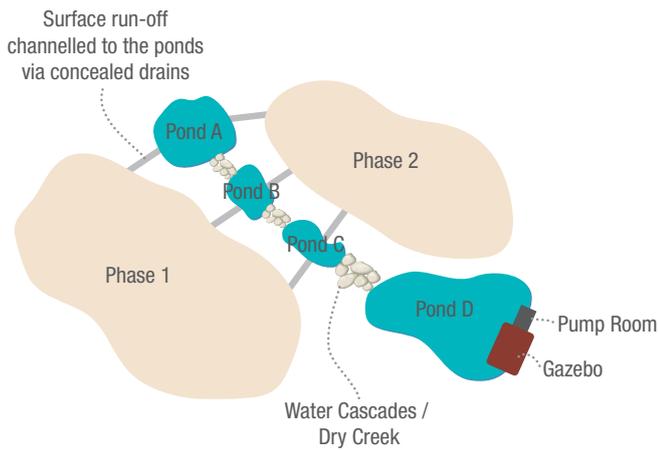
- Provide a well-planned, aesthetic park of extraordinary colours that caters to all ages, abilities and recreational needs, enhancing the quality of life of the community;
- Promote, showcase and document plant collections to reflect past and present uses and their importance from the perspective of history, culture, science and landscape;
- Nurture interest in, create awareness, understanding and appreciation of, the natural environment and its role in our lives through educational programmes;
- Engage in the ex-situ conservation of plant biodiversity that will benefit present and future generations;
- Deliver high standards of safety, comfort, products and services for visitors' enjoyment with minimal social and environmental impact.

The park will encompass three major focus areas, namely:

- (1) Recreational – to promote health related activities, aesthetics and relaxation
- (2) Educational Learning Experience Outside Classroom ("LEOC") – it is to be an evolving learning space with packaged curriculum for primary, secondary and tertiary students and adults, information display centres, galleries, signages and ad-hoc events
- (3) Science and Conservation – ongoing documentation, literature sourcing and publications

**RAINWATER HARVESTING SYSTEMS**

Rainwater harvesting enables homes to be more sustainable when it comes to water consumption. In Symphony Hills, for example, our semi-detached Beethoven homes employ a complex system of ponds and creeks to collect surface run-off for irrigation, thus greatly reducing dependence on municipal water.



**How It Works:**

The water is used mainly for plants that are close to the ponds. Water is taken from the pool at times when rainfall can replenish what is used. The plan is not to allow the water level to drop as the pond is an aesthetic feature of the development.

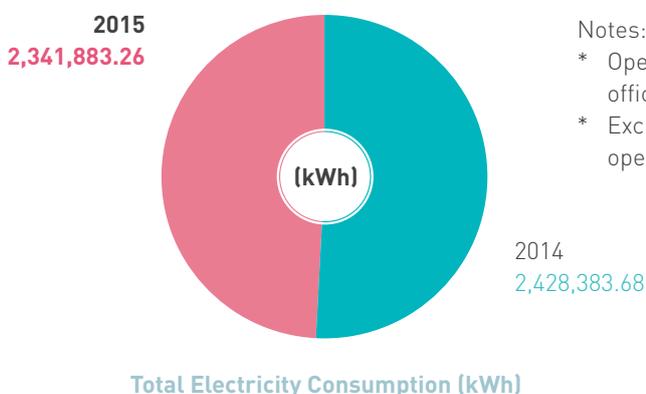
The contractor currently maintaining the landscape at Beethoven parcels, Symphony Hills waters the plants using four 1,000 litre containers. These containers are transported by lorry eight times per day: four in the morning and four in the evening. A total of 32,000 litres of water that are obtained from the main drain, streams and lakes around the site are used each day. If this amount was purchased from municipal water provider, there would be a greater environmental impact. It would also add RM1,920 to the monthly water bill.

### INTERNAL EFFORTS TO CONSERVE ENERGY AND WATER

We are headquartered in Solaris Dutamas, Kuala Lumpur with Satellite Offices and Sales Galleries in Iskandar Puteri, Johor; Cyberjaya, Bangi, Shah Alam in Selangor; Mont’Kiara and Publika in Kuala Lumpur; Singapore; Melbourne, Australia; Vancouver, Canada; and Durban, South Africa.

In 2014, our corporate offices consumed a total of 2,428,383.68 kWh of electricity. In 2015, we experienced a 3.56% decrease in electricity consumption. At our offices, we inculcate a culture of energy-saving among our employees, such as switching off lights and appliances and reducing paper wastage by printing only when necessary.

#### Total Electricity Consumption for UEM Sunrise in 2014 and 2015

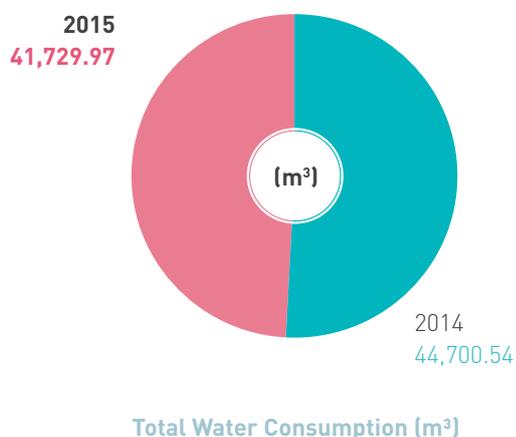


Notes:  
 \* Operations at our Bangi office began in 2015  
 \* Excluding international operations

Total Electricity Consumption (kWh)

Total water consumption in 2014 and 2015 amounted to 44,700.54 m<sup>3</sup> and 41,729.97 m<sup>3</sup>, respectively. We also practise water-saving initiatives at our offices. Examples include turning off sink taps properly and reporting any water leakages to the respective department to rectify.

#### Total Water Consumption for UEM Sunrise in 2014 and 2015



Notes:  
 \* Total water consumption includes our offices located in Nusajaya, Cyberjaya, Cahaya Jauhar and Tapah  
 \* Operations at our Bangi office began in 2015  
 \* Excluding international operations

Total Water Consumption (m<sup>3</sup>)



# Social Impact

UEM Sunrise recognises that we have a strong impact on the lives of two major groups of stakeholders, namely our customers and employees. We are committed to ensuring the best possible living environment for our customers while placing equal emphasis on nurturing a conducive workplace that respects our employees and provides them with the necessary support to derive a high level of satisfaction within the Company. At the same time, we invest in building strong relationships based on trust with the media, our investor community and society at large.

## CUSTOMER ENGAGEMENT

Customers are important to UEM Sunrise because they eventually serve as ambassadors of our brand. We believe in establishing a close rapport with homeowners of our properties and have various mechanisms to engage with them in ways that they find enjoyable or meaningful.

Among the key events organised in 2015 was a Golf Friendly at the A'Famosa Golf Resort Melaka for community including our loyalty members, called Trèssorians, on 7 November. The event saw 60 participants from the Southern and Central Regions. We also organised a screening of *Jurassic World – The Park is Open* for new owners of Residensi Sefina Mont'Kiara during its exclusive preview in June at GSC Signature in The Gardens, Mid Valley City, Kuala Lumpur.

This year, there was a strong focus on safety and security in Mont'Kiara. In collaboration with the Royal Malaysian Police, Kuala Lumpur Contingent and Joint Management Body of Tiffani, we held a Crime Prevention Campaign at Publika, followed by a Community Engagement programme organised by our Security Department. At both events, crime prevention tips were shared with our residents. Our Auxiliary Police Unit also regularly engage with the community and personnel from local and district police stations to establish a cohesive working relationship to improve safety and security at Mont'Kiara.



UEM Sunrise's Reminiscence of Spring Heritage @Publika, Solaris Dutamas, Kuala Lumpur

## LOYALTY PROGRAMME

Through our Trésor Loyalty Programme, customers are privy to pre-launch previews and discounts on new UEM Sunrise purchases while also receiving invitations to exclusive events hosted by the Company. During the year, these included *Reminiscence of Spring Heritage* at Publika; *Reminiscence of Kampung Heritage* at Jen Hotel, Puteri Harbour; and a Trésorian Evening with saxophonist Kenny G at the Arena of Stars, Genting Highlands.

To add value to our loyalty programme, we have put together a range of premium partner merchants in the beauty and health, lifestyle, food and beverage, and services sectors that regularly offer our Trésorians special discounts and offerings to enhance their lifestyle. Among key names in this list are Sothys, Payot, Seido Golf, the Jewellerists and GoCar Mobility.

## CUSTOMER FEEDBACK & SATISFACTION

Our customers' opinions are important to us, and we have in place a formal mechanism for them to give us feedback so we can keep improving our services and, hence, the Company's value proposition. Customers can communicate with us via the Customer Care toll free hotline at 1 800 888 008; our dedicated customer care email address; and via SMS.

To measure the effectiveness of our customer service, UEM Sunrise undertakes a satisfaction survey on our products, services and our customers' service experience. In the past we have run an Annual Resident Survey on residents of properties in both the Central and Southern regions as well as an Annual Customer Satisfaction Survey.

This year, the two surveys were combined in a Consolidated Customer Satisfaction Survey 2015, conducted by an independent third party. The survey included a focus group discussion with high net-worth loyal customers in addition to the customary questionnaire, and focused on three main areas, namely UEM Sunrise's Corporate Reputation, Product Quality and Offerings, and Customer Experience. Our overall score was 69%.

## CUSTOMER PRIVACY

The Personal Data Protection Act 2010 ("PDPA") is an act enacted by the Malaysian government in 2010 to protect individual's personal data in commercial transactions and came into force on 15 November 2013. In complying with the PDPA, UEM Sunrise has issued a Notice on PDPA to all its existing and new customers to get their consents prior to use it for commercial transactions.

The notice mentioned how UEM Sunrise and its subsidiaries and associate companies collect, store and handle personal information of individuals in accordance with the PDPA and the laws of Malaysia.

## PERFORMANCE MANAGEMENT AT WORK

We strive to create a performance oriented culture in the workplace in which employees are inspired to excel. This is supported by a revised Performance Management System ("PMS") framework that places emphasis on leadership, functional and technical competencies as well as behaviours in employee assessment, in line with our Company's agenda to build capabilities and competencies.

We engage in regular discussions on employees' performance to provide constructive, forward-looking feedback with a focus on development interventions to help employees to achieve their performance goals. The scorecard for each employee has been made available online throughout the year, so that individuals can track their performance in relation to their Key Performance Indicators ("KPI").



A tournament at the A'Famosa Golf Resort Melaka with UEM Sunrise's Trésorians and residents of managed-properties



One of the training sessions for the employees

### TRAINING & DEVELOPMENT

At UEM Sunrise, we strive to attract and nurture the best talent in the industry. To keep enhancing the professional capacity of our employees, we provide continuous opportunities in training and development with a focus on three main areas – functional skills, leadership development and soft skills. High-potential talents are prepared for the next phase of their career journey through leadership development. Much of the emphasis within soft skills development is on communication and interpersonal skills, which are essential in enhancing the customer experience.

### TALENT ATTRACTION

UEM Sunrise participates in various career fairs throughout Malaysia and even in the United Kingdom to cast our net far and wide to attract the best talent. To strengthen our talent pipeline, as well as to expand our database, 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 present 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 HR staff present. Shortlisted candidates are then invited to an assessment during which they are tested on their English, Mathematics and presentation skills. Successful participants will be offered employment in the Group.

In addition we run a Young Executive Scheme/*Skim Latihan 1Malaysia* (“SL1M”) under which we provide a one-year working opportunity for fresh graduates which combines training in communication, problem solving and decision making, among others. Candidates who demonstrate an aptitude for work at UEM Sunrise are offered permanent positions in the Company, subject to the availability of suitable vacancies.

To help young executives in the Group find their footing and progress their careers, we have in place the following two programmes:

- Young Engineers Programme – (“YEP”) under this five-year initiative, young engineers gain professional qualifications that enable them to be accredited by the Institute of Engineers Malaysia.

- Young Graduate Programme (“YGP”) – through this three-year programme, high-potential executives are given opportunities to develop critical leadership skills.

### HEALTH & SAFETY

UEM Sunrise places the highest priority on the safety of our employees and contractors and reinforces safety at our premises and work sites via a comprehensive QSHE Management System. We believe safety is everyone’s responsibility and are committed to instilling a culture of safe behaviours via continuous training and recognition.

We launched an inaugural Towards Safety, Health and Environment Excellence (“SHE Excellence”) campaign on 3 August 2015 in Iskandar Puteri, Johor outlining our policies and procedures on safety, health and environment while emphasising the roles and responsibilities of the development team, consultants and contractors to maintain safety. The launch was followed by 13 mini campaigns held at the Southern and Central regions until early November 2015.

### SHASSIC

UEM Sunrise introduced the Safety and Health Assessment System in Construction (“SHASSIC”) to our operations in 2013 to benchmark our safety and health performance against best practices. In the first year of its implementation, six projects were involved in the assessment and scored an average of 64.53% (3 stars). In 2014, four projects assessed scored an average of 68% (3 stars). In 2015, following the SHE Excellence campaign, and close monitoring of our contractors’ performance, the MK20 Project achieved a 5-star score of 88% which helped to push up the average of the six projects assessed to 73.3% (4 stars).

## WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower Policy which provides a mechanism for employees of UEM Sunrise, vendors and members of the public to report unethical behaviour, actual or suspected fraud or dishonesty or violation of the Company's Code of Conduct or Ethics Policy.

Any suspected malpractice or unethical activity should be addressed to the Chairman of the Board or the Chairman of the Audit Committee.

To encourage the report of any suspected wrong-doing, the Board is committed to protecting any employee who raises genuine concerns against any form of retribution or victimisation.

Our Whistle Blower Policy is available on our intranet portal for easy reference of all employees as well as on our corporate website.

## Engagement with Other Stakeholders

We continue to engage with the investing community, members of the media, suppliers and members of the public to build strong relationships with these groups and, ultimately, enhance the UEM Sunrise brand.

Investors have access to our financial reports and announcements as well as company updates on our corporate website. We also engage with analysts, investors and members of the media on a more personal basis via periodical briefings.

This year, in July, we organised Information Day to share our plans on the proposed development of Durban Point Waterfront in Durban, South Africa with about 350 guests comprising investors, journalists and members of the local community there. In addition, we held special media briefings on new projects, and took the local media on a tour of Gerbang Nusajaya. A highlight of our media relations was to host a group of journalists from influential Australian media on a three-day tour of our projects in the Central and Southern regions as well as Singapore.



Australian media familiarisation tour at Symphony Hills, Cyberjaya



Part of UEM Sunrise's stakeholders engagement activity

A number of public events were held in Kuala Lumpur and Iskandar Puteri, including Earth Day celebrations at Publika Shopping Gallery; Medini Live!, a music, film and art festival; the 12<sup>th</sup> Johor Bahru Arts Festival ("JBAF"), and Art of Speed Malaysia 2015 – all at the Mall of Medini in Iskandar Puteri. The year ended on a truly merry note with Christmas Wonderland at the Mall of Madini, Iskandar Puteri.

We also partnered with the High Commissioner of Malaysia to Singapore's Office to organise a golf tournament at Horizon Hills Golf and Country Club in Iskandar Puteri, Johor to strengthen relationships between

the High Commissioner of Malaysia to Singapore's Office and its stakeholders in Malaysia and Singapore.

On 5–6 December, UEM Sunrise once again collaborated with Khazanah and Iskandar Investment Berhad to organise the ISKARNIVAL at Puteri Harbour in Iskandar Puteri. With social inclusiveness as the underlying objective, ISKARNIVAL was a fun-filled corporate social responsibility initiative specially targeted at the rakyat. It provided the platform to highlight what Iskandar Malaysia has to offer such as business, entrepreneurial as well as employment opportunities and was attended by more than 100,000 visitors.

# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of UEM Sunrise Berhad ("UEM Sunrise" or 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 strengthen 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 Company's 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 last revision to the DAL was made in November 2015.

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

- Reviewing and adopting strategic plans and directions 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.

Key matters reserved for the Board's review and approval include the annual operating plan for the Group, which includes the overall corporate strategy, business development and plans, dividend policy, major capital commitment, disposal and acquisition of significant assets and investments.

The functions of the Board and Management are clearly demarcated to ensure the effectiveness of the Company's business and operations as outlined in the Board Charter which is available on the Company's website. The roles and responsibilities of the Chairman and the MD/CEO are clearly separated and distinct to ensure that there is a balance of power and authority.

The Board takes collective responsibility and accountability for the smooth functioning of core processes involving Board governance, business value and ethical oversight while it is constantly mindful of safeguarding the interests of all stakeholders.

The MD/CEO is accountable for leading the Management, building a dynamic corporate culture and ensuring that the Company's human capital has the requisite skills and competency to achieve the Company's vision and mission. The MD/CEO is responsible for developing and recommending to the Board annual operating plans and budgets, formulating major corporate policies, 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.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONT'D.)

### 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	Management Committees
(a) Audit Committee	(a) Development Committee
(b) Nominations & Remuneration Committee	(b) Management Committee
(c) Board Tender Committee	(c) Management Tender Committee
(d) ESOS Committee	(d) Risk Management Committee

During each Board and Committee meeting, the Independent Non-Executive Directors were inquisitive and vocal during discussions in order to better understand the items being discussed and judicious in the decision-making process. They were impartial in their views, with the Company's and stakeholders' best interest at the forefront of every major decision.

#### **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 ("KPIs") and targets for the Company, reflective of competitive industry trends and internal capabilities. Pursuant to recommendation 1.2 of the MCCG 2012, a periodic monitoring and reporting system is in place which highlights significant variances of KPIs against plans and budget to monitor performance.

In March 2015, the MD/CEO presented strategy updates to the Board where he briefed about the economic and market outlook for UEMS. Building from the Annual Operating Plan 2015 with inputs from the strategy session, Management has refreshed its overall strategy to three components which are: to expand into new geography and adjacent businesses, become a customer centric organisation and be a value driven developer. The Board noted the strategy progress and provided their comments to ensure success in realisation of the strategies.

The Company also has in place a robust performance management system based on a "Balanced Scorecard" approach with identified KPIs and targets being set at the beginning of each year in line with the Company's business strategy and objectives in accordance with the annual operating plan. The KPIs in the overall Corporate Scorecard (which measures overall Company performance) are aligned and cascaded down to the MD/CEO, Senior Management team and all employees. Employees who meet their KPIs and achieve a high performance rating are rewarded whilst non performers are given the opportunity to improve their performance through specific Performance Improvement Plans.

Following a request from the Board, a Board retreat session with Senior Management was held on 26 to 27 November 2015 for the Board to thoroughly review and provide feedback on management strategies. This culminated in deliberation of and decision making for the annual operating plan, financial targets and strategic direction for five years from 2016 to 2020.

The main objective of the retreat was to emphasise on strategic implementation where the Board focused on the core strategies for the Group in 2016. The Board was engaged in providing feedbacks and thoughts on the strategies with a holistic outlook. With the Board being satisfied with the core approaches, the strategies were acknowledged and Management were reminded to be adaptive to market needs.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONT'D.)

### 1.2 Clear Roles and Responsibilities (cont'd.)

#### *Conduct of Company's Business*

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

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

- **Audit Committee**

The Audit Committee was established on 15 September 2008 to assist the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group. It also reviews any related party transactions and conflict of interest situations that may arise within the Group.

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

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

Mr. Oh Kim Sun ceased to be a Committee member on 31 December 2015 following his resignation from the Board of the Company.

The Audit Committee Report is presented on pages 140 to 147 of this Annual Report.

- **Nominations & Remuneration Committee**

The Nominations & Remuneration Committee was established on 26 September 2008 to assist the Board in the nomination of new Directors and evaluating 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 present members of the committee 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 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.

STATEMENT ON  
CORPORATE GOVERNANCE**1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONT'D.)****1.2 Clear Roles and Responsibilities (cont'd.)**

- **ESOS Committee**

The ESOS Committee was established on 28 February 2012. The present members of the committee are as follows:

1. **Tan Sri Dr. Ir. Ahmad Tajuddin Ali** (Chairman/Non-Independent Non-Executive Chairman)
2. **Anwar Syahrin Abdul Ajib** (Member/MD/CEO)
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 functions of the ESOS Committee are to administer the implementation of the Employee Share Option Scheme ("ESOS") in accordance with the objectives and regulations set out in the By-Laws, make rules and regulations or impose such terms and conditions in such manner as it deems fit and with such powers and duties as are conferred upon it by the Board.

The Company has one ESOS in existence during the financial year. The ESOS was approved by the shareholders of the Company at the Company's Extraordinary General Meeting held on 7 March 2012. As at 31 December 2015, ESOS options over 275,004,200 new ordinary shares of RM0.50 each in the Company had been granted to the employees of the Group (including the MD/CEO) as follows:

Category of employees	No. of ESOS options granted as at 31 Dec 2015	Percentage granted as at 31 Dec 2015 of total available*	No. of ESOS options vested	No. of ESOS options exercised	No. of options lapsed	No. of ESOS options outstanding
MD/CEO (including former MD/CEO)	14,000,000	4.11	5,224,000	2,180,000	5,376,000	6,444,000 <sup>#</sup>
Senior Management	51,625,000	15.17	17,102,900	5,251,500	26,347,800	20,025,700
Other employees	209,379,200	61.53	78,917,400	12,484,600	77,514,600	119,380,000
<b>TOTAL</b>	<b>275,004,200</b>	<b>80.81</b>	<b>101,244,300</b>	<b>19,916,100</b>	<b>109,238,400</b>	<b>145,849,700</b>

\* As at 31 December 2015, 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.

# 2,444,000 from the total amount of 6,444,000 relates to the outstanding 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 23.86%.

**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, 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 risks 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.

STATEMENT ON  
CORPORATE GOVERNANCE

**1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONT'D.)**

**1.2 Clear Roles and Responsibilities (cont'd.)**

Commencing from the financial year 2014, in line with the suggestions of the Corporate Governance Guide Second Edition issued by Bursa Malaysia Berhad in October 2013, the Board implemented 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 for the financial year under review.

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. The Statement on Risk Management and Internal Control was reviewed by the external auditors pursuant to paragraph 15.22 of the Listing Requirements.

***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 Sunrise and UEM Group Berhad's Talent Management and Learning & Development.

***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 (CONT'D.)

### 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 is governed by the Code of Ethics for employees which provides clear direction on conduct of business, general workplace behaviour and dealings 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 employees' Code of Ethics are placed in the Employee Handbook as well as in the Company's Intranet web portal for reference by the employees.

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. 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.

The Company's Whistle Blowing Policy which contains, among others, the procedures, investigation, decisions and other matters related to whistle blowing, is available on the Company's intranet web portal for the ease of reference of all employees.

#### ***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.

#### ***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.

STATEMENT ON  
CORPORATE GOVERNANCE

**1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (CONT'D.)**

**1.3 Formalise Ethical Standards through Code of Ethics (cont'd.)**

***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 2015 are set out on pages 281 to 284 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. UEM Sunrise will continue its efforts to ensure that sustainability considerations are integrated as part of its corporate decision-making process in particular into the products it builds, the methods it employs, who it hires and how it works with the communities where it operates. 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 94 to 107 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 are generally circulated at least three (3) working days prior to the meeting. 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 tabled at Board meetings.

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 (CONT'D.)

### 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;
- (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. 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 updates on regulatory changes such as amendments to the Listing Requirements. In addition, the Company Secretaries also facilitate the Board in conducting the annual Board Effectiveness Assessment.

In order to play an effective advisory role to the Board, the Company Secretaries remain informed of the latest regulatory changes, evolving industry developments and best practices in corporate governance through continuous training and regular interactions with regulators and industry peers. The profile of the Company Secretaries is set out in page 81 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
- 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).

STATEMENT ON  
CORPORATE GOVERNANCE**2. STRENGTHEN COMPOSITION OF THE BOARD****2.1 Nominations & Remuneration 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 five (5) 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) - Ceased on 31 December 2015 following his resignation from office as Director	4/5	80
2.	<b>Dato' Izzaddin Idris</b> (Member/Non-Independent Non-Executive Director)	5/5	100
3.	<b>Sheranjiv Sammanthan</b> (Member/Non-Independent Non-Executive Director) - Relinquished membership on 31 December 2015	5/5	100
4.	<b>Ungku Suseelawati Ungku Omar</b> (Member/Independent Non-Executive Director)	5/5	100
5.	<b>Lim Tian Huat</b> (Member/Independent Non-Executive Director) - Appointed on 22 April 2015	1/2*	50

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

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. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D.)

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

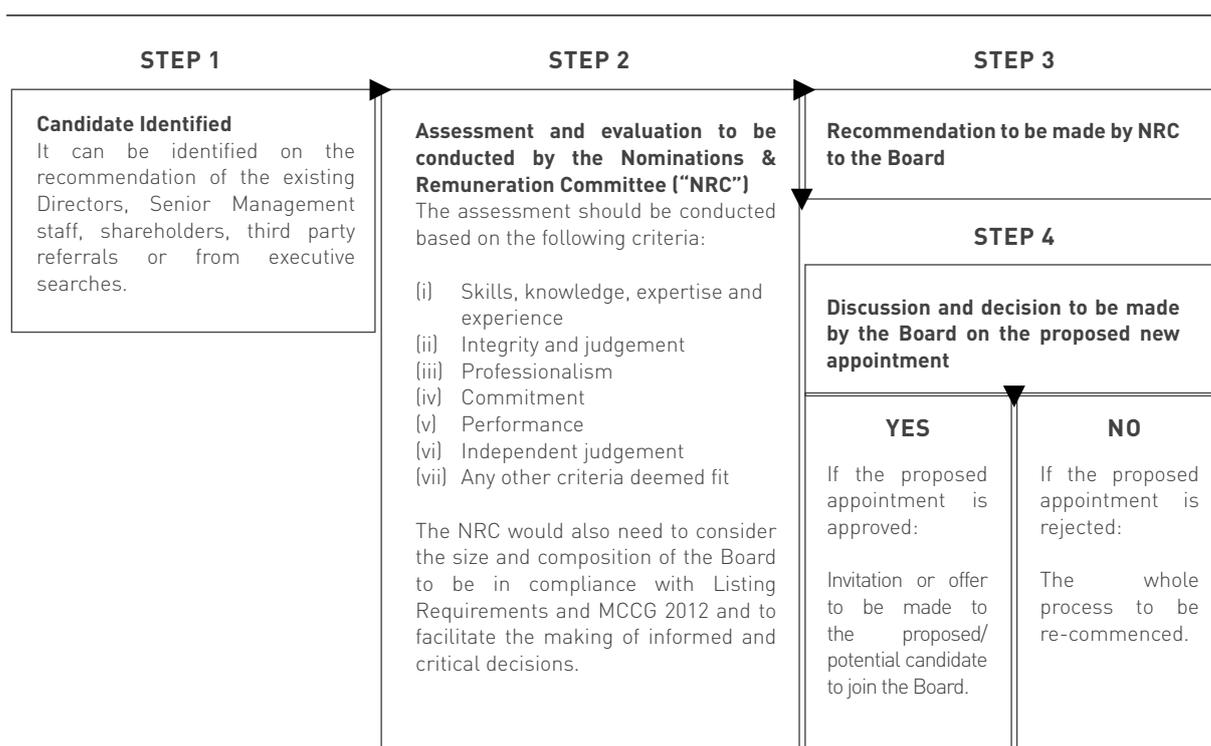
The Nominations & Remuneration Committee is responsible for making recommendations to the Board on the appropriate size and composition of the Board. In discharging its responsibilities, the Nominations & Remuneration Committee has developed certain criteria used in the recruitment process and annual 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 & Remuneration 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.

The Board does not fix a policy on age and ethnicity 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.

The table below demonstrates the procedures on appointing a new director:



STATEMENT ON  
CORPORATE GOVERNANCE

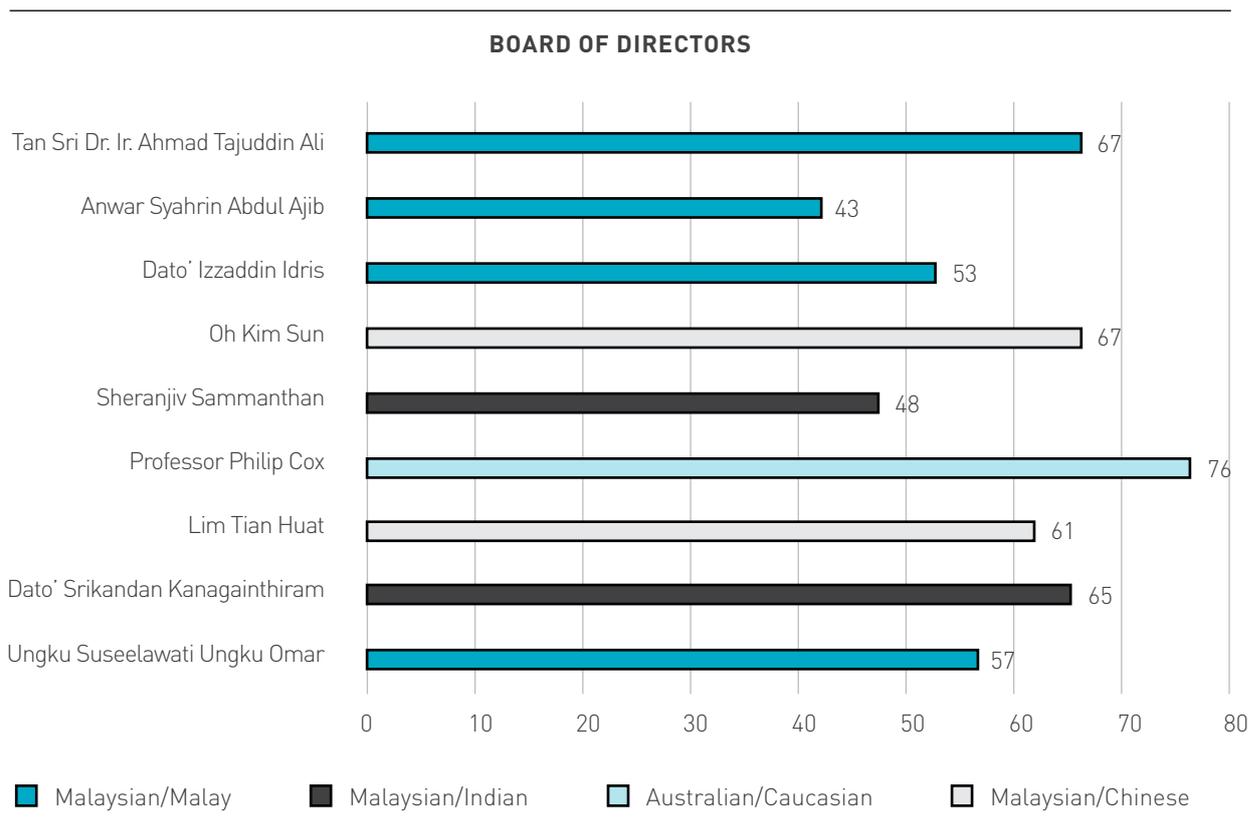
**2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D.)**

**2.2 Develop, Maintain and Review the Criteria for Recruitment Process and Annual Assessment of Directors (cont'd.)**

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 (2) or more than fifteen (15).

Throughout the financial year 2015, the Board consisted of nine (9) members comprising the Non-Independent Non-Executive Chairman, the MD/CEO, two (2) Non-Independent Non-Executive Directors, a Senior Independent Non-Executive Director and four (4) 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 (2) 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 by 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 judgement made by the Board.

Depicted below is a chart summarising the age and ethnicity of the Board of the Company as at 31 December 2015:



The Board is currently in search for a potential candidate to fill in the vacancy following Mr. Oh Kim Sun’s resignation on 31 December 2015 with expectation that the candidate will have the requisite skills, knowledge, expertise in the related areas, commitment, ability to exercise good and independent judgement and any other essential qualities that can meet the criteria as determined by the Nominations & Remuneration Committee. Aside from having a varied set of skills, the Board will also ensure that any appointment of Director would comply with the qualifications set out in paragraph 15.05 of the Listing Requirements.

## 2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D.)

### 2.2 Develop, Maintain and Review the Criteria for Recruitment Process and Annual Assessment of Directors (cont'd.)

The process of appointing a new Director is subjected to the procedures guided by the Nominations & Remuneration Committee which is depicted in the above flow chart. The Board is certain that the addition of a potential member will constitute a balance of Executive and Non-Executive Directors, presently 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 would enable 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 set of questions are annually reviewed to continuously engage the Directors' perspectives on fresh and relevant areas.

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 2015. 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.

Besides conducting the annual Board Effectiveness Assessment, the Nominations & Remuneration Committee has 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 MD/CEO's Scorecard for 2015; reviewed and evaluated the results of Corporate and MD/CEO's Scorecard for 2014; reviewed bonus, salary increment and promotion for the Company's staff; and reviewed bonus, ex-gratia payment and salary revision for Senior Management staff.
- Reviewed and recommended to the Board the offer of subsequent fixed-term employment contract of Senior Management staff of the Company.
- Reviewed and recommended to the Board the adoption of Global Mobility Policy for the Group.
- Reviewed and recommended to the Board the appointment of Chief Operating Officer, Development of the Company.
- Reviewed and recommended to the Board on findings on the job evaluation and rewards review for the MD/CEO and revisions to key rewards and benefits for UEM Sunrise' employees.
- 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 ("AGM") for approval.
- Reviewed the performance of the Board Committees and its members.
- Annual assessment of independence status of the Independent Non-Executive Directors.
- Assessment of Directors' continuing education needs and status of continuing education programme.
- Reviewed and recommended the appointment of a new member of the Nominations & Remuneration Committee to the Board for approval.
- Was apprised on the Company's human capital management agenda.
- Evaluated and satisfied that the minimum 50% attendance requirement at Board meetings imposed by the Listing Requirements was met by all Directors.

STATEMENT ON  
CORPORATE GOVERNANCE

## 2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D.)

### 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. UEM Sunrise recognises that the remuneration packages for Executive Directors should involve balance between fixed and performance linked-elements which are reflected on his responsibilities, expertise and complexity of the Company's activities. 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 the decision in respect of their individual remuneration. The aggregate amount of directors' fees to be paid to Non-Executive Directors is subject to the approval of the shareholders at a general meeting.

The current remuneration policy for the Non-Executive Directors comprises the following:

- (a) As per the 7<sup>th</sup> AGM held on 21 May 2015, the Directors' fees are:
  - (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.
- (b) An allowance of RM1,000.00 per day will be paid to Directors for the following, subject to the approval of the Chairman of UEMS or the Group Managing Director/Chief Executive Officer of UEM Group Berhad:
  - (i) Attending meetings with Government representatives on behalf of the Company; or
  - (ii) Handling operational issues such as visiting sites to advise the operating companies.
- (c) The medical benefits to Directors are as follows:
  - (i) Medical coverage of RM4,000.00 per annum, inclusive of outpatient, clinical, specialist and dental; and
  - (ii) Hospitalisation of RM20,000.00 per annum including room and board at RM250.00 per day.

Where a Director sits on several boards, he will only be entitled to claim medical benefits from one (1) company only.

STATEMENT ON  
CORPORATE GOVERNANCE**2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D.)****2.3 Remuneration Policies and Procedures (cont'd.)**

The details of the Directors' remuneration for the financial year ended 31 December 2015 are as below:

Name of Director	Salary	Fees	Allowance, other benefits & emoluments	Benefit in kind	Total <sup>4</sup>
			RM'000		
Tan Sri Dr. Ir. Ahmad Tajuddin Ali	-	235	2 <sup>1</sup>	-	237
Anwar Syahrin Abdul Ajib	960	-	182	71	1,213 <sup>2</sup>
Dato' Izzaddin Idris	-	153 <sup>3</sup>	9 <sup>1</sup>	-	162
Oh Kim Sun	-	163	-	-	163
Sheranjiv Sammanthan	-	123 <sup>3</sup>	-	-	123
Professor Philip Sutton Cox	-	123	6 <sup>1</sup>	-	129
Lim Tian Huat	-	183	-	-	183
Dato' Srikandan Kanagainthiram	-	163	9 <sup>1</sup>	-	172
Ungku Suseelawati Ungku Omar	-	138	-	-	138
<b>TOTAL</b>	<b>960</b>	<b>1,281</b>	<b>208</b>	<b>65</b>	<b>2,514</b>

(1) Comprised site visit allowance.

(2) This amount is inclusive of salary, bonus and EPF (employer's contribution) borne by a subsidiary.

(3) Fees for nominees of UEM Group Berhad and Khazanah Nasional Berhad on the Board of the Company are paid directly to the respective companies.

(4) Excluding GST where applicable.

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
RM100,001 – RM150,000	-	3
RM150,001 – RM200,000	-	4
RM200,001 – RM250,000	-	1
RM1,200,001 – RM1,250,000	1	-

**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 and especially the Chairman of the Audit Committee are also proactively engaged with both the internal and external auditors.

Taking into cognisance of the importance of the interests of shareholders and stakeholders, the Board had identified an Independent Director, Mr. Oh Kim Sun, as the designated Senior Independent Director to whom concerns relating to the Company may be conveyed by shareholders and stakeholders. In view of Mr. Oh Kim Sun's resignation on 31 December 2015, the Senior Independent Director's position is now vacant and pending suitable replacement by the Board.

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 judgement, and his or her ability to advise the Board on matters relating to existing transactions where conflict of interest may exist. Based on the assessment in respect of the financial year 2015, the Board is of the opinion that the Independent Directors consistently provided independent and objective judgement in all Board and Board Committee deliberations and is satisfied with the level of independence demonstrated by the Independent Directors.

#### 3.2 Tenure of Independent Directors

The Board has a policy of not allowing Independent Non-Executive Directors to serve a cumulative term of exceeding nine (9) 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 (9) 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 (9) years during the financial year. Therefore, the Company is not required to seek the shareholders' approval for the retention of Independent Directors above nine (9) years of service.

#### 3.4 Separation of Positions of the Chairman and Chief Executive Officer

As explained in section 1 above, 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 MD/CEO is responsible for the day-to-day management of the business with power, discretions and delegations authorised in the DAL. The Non-Executive Chairman leads the Board effectively and encourages contribution from all members. During the financial year 2015, the Company complied with the recommendation of the MCCG 2012 where a majority of the Board was represented by Independent Directors and there is a Senior Independent Director.

STATEMENT ON  
CORPORATE GOVERNANCE**3. REINFORCE INDEPENDENCE (CONT'D.)****3.5 Composition of Board**

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

**4. FOSTER COMMITMENT****4.1 Time Commitment**

The Board is expected to meet at least six (6) times annually, with additional meetings to be convened when necessary to review financial, operational and business performances. Board meetings for each financial year are scheduled before the end of the preceding financial year.

During the financial year ended 31 December 2015, the Board met eleven (11) times consisting of nine (9) scheduled Board Meetings and two (2) Special Board Meetings. The details of the attendance are as follows:

<b>Directors</b>	<b>Number of Board Meetings Attended/Held</b>	<b>Percentage of Attendance (%)</b>
Tan Sri Dr. Ir. Ahmad Tajuddin Ali (Non-Independent Non-Executive Chairman)	10/11	91
Anwar Syahrin Abdul Ajib (MD/CEO)	10/11	91
Dato' Izzaddin Idris (Non-Independent Non-Executive Director)	10/11	91
Oh Kim Sun (Senior Independent Non-Executive Director) - Resigned as a Director on 31 December 2015	7/11	64
Sheranjiv Sammanthan (Non-Independent Non-Executive Director)	11/11	100
Professor Philip Sutton Cox (Independent Non-Executive Director)	9/11	82
Lim Tian Huat (Independent Non-Executive Director)	8/11	73
Dato' Srikanthan Kanagathiraman (Independent Non-Executive Director)	11/11	100
Ungku Suseelawati Ungku Omar (Independent Non-Executive Director)	10/11	91

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 AGM 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 AGM. All retiring Directors can offer themselves for re-election.

STATEMENT ON  
CORPORATE GOVERNANCE

#### 4. FOSTER COMMITMENT (CONT'D.)

##### 4.1 Time Commitment (cont'd.)

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

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

To assist the shareholders in their decision, sufficient information such as personal profile and attendance of meetings for the Directors standing for re-election and re-appointment are disclosed in the Directors' Profile on pages 65 to 73 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 278 of this Annual Report.

##### 4.2 Training and Development of Directors

The Company 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. In addition, some members of the Board have also been invited to participate in forums and/or seminars in the capacity as a speaker, moderator or panelists in areas of their expertise.

All new Directors appointed to the Board will receive a formal induction programme to be provided by the MD/CEO and senior management. To supplement the programme, an information kit will be furnished by the Company Secretary immediately upon a Director's 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.

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.

During the financial year, some of the Directors together with senior management team attended site visits to the Company's projects in Johor and Australia.

Pursuant to Paragraph 15.08 of the Listing Requirements, the Board through the Nominations & Remuneration Committee in February 2015 conducted an assessment of each Director's training needs via its Board Evaluation Assessment. Through the assessment, each of the Directors were rated by their peers and via self-assessment in respect of their training attendance and needs. All the Directors agreed that they and their peers have attended trainings that are relevant in their discharge of duties as Directors.

#### 4. FOSTER COMMITMENT (CONT'D.)

##### 4.2 Training and Development of Directors (cont'd.)

All Directors attended trainings during the financial year either as participants and/or speakers. Below are some of the trainings/conferences/seminars and/or workshop in which members of the Board had participated during the financial year ended 31 December 2015:

No.	Directors	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
1.	Tan Sri Dr. Ir. Ahmad Tajuddin Ali	8 January 2015	Consultative Implementation of Sustainable Infrastructure Programme by Professor Spiro N.Pollalis, Head Zofnass Programme for Sustainable Infrastructure, Harvard University	Construction Industry Development Board [Putrajaya Marriott Hotel]
		21-23 January 2015	World Economic Forum	World Economic Forum [Davos, Switzerland]
		9 March 2015	International Conference: The New World Order - A Recipe For War or Peace. Keynote Address by Tun Dr. Mahathir Mohamed	Perdana Global Peace Foundation [PICC]
		16 March 2015	APEC Young Scientist Workshop. Welcoming Remarks by Tan Sri Dr. Ir. Ahmad Tajuddin Ali	Academy of Sciences Malaysia [Connexion@Nexus by Fraser, Bangsar South]
		2 April 2015	UEM Group Berhad ("UEM Group") Lecture Series by Tan Sri Dato' Seri Dr. Robaayah Zambahari, Director, Senior Consultant Cardiologist & Head of Department of Institut Jantung Negara	UEM Group [The Odyssey, Mercuri UEM]
		7 April 2015	Seminars on Ensuring Climate Resilience of Buildings and Infrastructure: "Towards Sustainable Infrastructure"	Construction Industry Development Board [The Saujana Hotel, Subang]
		21 May 2015	Cabinet Away Day	Construction Industry Development Board [PICC]
		22 May 2015	National Innovation Conference and Exhibition (NICE): Tan Sri Dr. Ir. Ahmad Tajuddin Ali, FASc as a Panel Member for the Forum - 11 <sup>th</sup> Malaysia Plan - Science, Technology and Innovation Way Forward	Academy of Sciences Malaysia / Ministry Of Science Technology & Innovation [KL Convention Centre]
		2 Jun 2015	Future Malaysia Forum: Opening Remarks by Tan Sri Dr. Ir. Ahmad Tajuddin Ali, FASc	Academy of Sciences Malaysia / New Straits Times Press [NSTP]

**4. FOSTER COMMITMENT (CONT'D.)****4.2 Training and Development of Directors (cont'd.)**

No.	Directors	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
1.	Tan Sri Dr. Ir. Ahmad Tajuddin Ali (cont'd.)	5 August 2015	Global R&D Leaders and CEOs Forum 2015. Welcoming Address by Tan Sri Dr. Ir. Ahmad Tajuddin Ali, President of The Academy of Sciences Malaysia	Academy of Sciences Malaysia /Universiti Malaysia Sarawak [Pullman Hotel Kuching]
		7 August 2015	Day-1 : GLC Open Day Forum # 1: The GLCT Story – The Long Journey Towards Excellence	Khazanah Nasional Berhad [KL Convention Centre]
		8 August 2015	Day-2 : GLC Open Day Forum #3: Value Creation – Objective Met; What Next Amidst Global Uncertainty? Tan Sri Dr. Ir. Ahmad Tajuddin Ali as a Panelist	
		9 August 2015	Day-3: GLC Open Day	
		10 August 2015	Academy of Sciences Malaysia Fellow's Lecture Series: Blastocystis sp.-Elucidating the Enigma by Professor Dr. G. Suresh Kinar FASc. Welcome Remarks by Tan Sri Dr. Ir. Ahmad Tajuddin Ali, FASc	Academy of Sciences Malaysia [Faculty of Medicine University of Malaya]
		14 August 2015	Academy of Sciences Malaysia – Talk Entitled: "The Mega Science Project 2050-How and Where Religion and Philosophy Can Help" By Professor Datuk Dr. Osman Bakar. Welcome Remarks by Tan Sri Dr. Ir. Ahmad Tajuddin Ali, FASc	Academy of Sciences Malaysia [ASM]
		21 August 2015	Kolokium Perdana – Bicara Tokoh. Tan Sri Dr. Ir. Ahmad Tajuddin Ali FASc as a Penceramah Jemputan. Title : Science, Technology & Innovation (STI): Hindsight, Insight & Foresight – a conversation with Tan Sri Dr. Ir. Ahmad Tajuddin Ali, FASc, P.Eng	Lembaga Getah Malaysia [Akademi Hevea Malaysia @ Sg Buloh]
		24 August 2015	Dinner Talk with David Morey – Vice Chairman of Core Strategy Group and Founder & CEO of DMG Global (one of the leading consultants in the US) sharing his experience and insights in the area of global politics and business	UEM Group [Hilton Hotel KL Sentral]

#### 4. FOSTER COMMITMENT (CONT'D.)

##### 4.2 Training and Development of Directors (cont'd.)

No.	Directors	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
1.	Tan Sri Dr. Ir. Ahmad Tajuddin Ali (cont'd.)	27 August 2015	Seminar on Malaysian Civil Engineering Standard Method of Measurement ("MyCESMM"). Welcoming Remarks by Tan Sri Dr. Ir. Ahmad Tajuddin Ali, FASc - Chairman of CIDB	Construction Industry Development Board [PWTC]
		5 October 2015	Science & Technology in Society (STS) Forum	Academy of Science Malaysia [Kyoto International Convention Centre, Japan]
		19 October 2015	UEM Group Lecture Series by Datuk Wira (Dr.) Haji Ameer Ali Mydin, Managing Director of Mydin Mohamed Holdings Berhad	UEM Group [The Odyssey, Mercu UEM]
		22 October 2015	Construction Industry Research Achievement International Conference. Tan Sri Dr. Ir. Ahmad Tajuddin Ali, FASc as a Keynote Speaker/Topic: "Construction Industry Transformation Programme: Way Forward to Global Construction"	Construction Industry Development Board [The Royale Chulan, Kuala Lumpur]
		24 October 2015	Malaysian Industry-Government Group for High Technology ("MIGHT") Board of Directors' Retreat	MIGHT [Grand Hyatt Hotel Kuala Lumpur]
		3 November 2015	World Islamic Economic Forum	WIEF Foundation [Kuala Lumpur Convention Centre]
		4 November 2015	Konstruksi Indonesia Conference	Construction Industry Development Board [Jakarta Convention Centre]
		17 November 2015	Talk on Measuring Research Quality (in Australia) by Professor Stephen Buckman from Australian Nuclear Science and Technology Organisation	Academy of Sciences Malaysia

**4. FOSTER COMMITMENT (CONT'D.)****4.2 Training and Development of Directors (cont'd.)**

No.	Directors	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
1.	Tan Sri Dr. Ir. Ahmad Tajuddin Ali (cont'd.)	17 November 2015	Program perbincangan dan perkongsian maklumat "Enhancing Academia-Industry Collaborators: Exploring New Frontiers for UUM" by Professor Dato' Seri Dr. Mohamed Mustafa Ishak – Naib Cancellor Universiti Utara Malaysia	Centre for University-Industry Collaboration & Universiti Utara Malaysia [Le Meridien Hotel, KL]
		22 November 2015	Perasmian Youth Industry Bootcamp oleh Tan Sri Dr. Ir. Ahmad Tajuddin Ali, FASc – Presiden Akademi Sains Malaysia.	Universiti Sains Malaysia [Kampus@USM Penang]
		23 November 2015	The Exchange - "Building Capabilities and Competencies" by Professor Dave Ulrich from Ross School of Business, University of Michigan	UEM Group [UEM Learning Centre, Petaling Jaya]
		30 November 2015	ASEAN Iron & Steel Sustainability Forum. Keynote Speaker by Tan Sri Dr. Ir. Ahmad Tajuddin Ali, Chairman of CIDB	Malaysian Iron & Steel Sustainability Forum/ Construction Industry Development Board [Hotel Istana Kuala Lumpur]
		30 November 2015	Malaysian Technical Cooperation Program. Welcoming Address by Tan Sri Dr. Ir. Ahmad Tajuddin Ali, Chairman of SIRIM Bhd.	SIRIM [Grand Bluewave Hotel, Shah Alam]
2.	Dato' Izzaddin Idris	13 January 2015	Excellerate Cohort: Talk by Senator Dato' Sri Abdul Wahid Omar at Persada PLUS	
		25 February 2015	Tun Azizan Zainul Abidin Integrity Lecture Series at Universiti Teknologi Petronas, Tronoh, Perak (as speaker)	
		2 April 2015	UEM Group Lecture Series by Tan Sri Dato' Seri Dr. Robaayah Zambahari, Director, Senior Consultant Cardiologist & Head of Department of Institut Jantung Negara	UEM Group [The Odyssey, Mercu UEM]
		10 Jun 2015	UEM Group Lecture Series by Aireen Omar, Chief Executive Officer of Air Asia Berhad	UEM Group [The Odyssey, Mercu UEM]

#### 4. FOSTER COMMITMENT (CONT'D.)

##### 4.2 Training and Development of Directors (cont'd.)

No.	Directors	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
2.	Dato' Izzaddin Idris (cont'd.)	18 August 2015	UEM Group Lecture Series by Tan Sri Dr. Rebecca Fatima Sta Maria, Secretary General of Ministry of International Trade & Industry	UEM Group [The Odyssey, Mercu UEM]
		21 September 2015	UEM Group Lecture Series on Privatisation Case Study (Project 1Way)	UEM Group [The Odyssey, Mercu UEM]
		19 October 2015	UEM Group Lecture Series by Datuk Wira (Dr.) Haji Ameer Ali Mydin, Managing Director of Mydin Mohamed Holdings Berhad	UEM Group [The Odyssey, Mercu UEM]
		3 November 2015	World Islamic Economic Forum	WIEF Foundation [Kuala Lumpur Convention Centre]
		23 November 2015	The Exchange – “Building Capabilities and Competencies” by Professor Dave Ulrich from Ross School of Business, University of Michigan	UEM Group [UEM Learning Centre, Petaling Jaya]
3.	Oh Kim Sun	24 March 2015	Audit Committee Conference 2015 – Rising to New Challenges	The Institute of Internal Auditors Malaysia/ Malaysian Institute of Accountants [Connexion@ Nexus, Kuala Lumpur]
		29 April 2015	Roundtable Discussion on Global Equity Markets	Deutsche Asset & Wealth Management [Mandarin Oriental, KLCC]
		9 Jun 2015	Mid-Year Outlook Luncheon @ Hilton Hotel	J.P. Morgan
		18 September 2015	Bursatra Sdn. Bhd. – Ethics Red Flags for Board of Directors	Bursatra [Seri Pacific Hotel, KL]
4.	Sheranjiv M Sammanthan	21-24 January 2015	World Economic Forum	World Economic Forum [Davos, Switzerland]
		23-27 March 2015	18 <sup>th</sup> Asian Investment Conference	Credit Suisse, HK
		23-24 April 2015	Invest Malaysia 2015	CIMB Bank
		30 April-3 May 2015	EXPO Milano	Ministry of International Trade and Industry at Italy
		21-23 May 2015	Khazanah Nasional Berhad Mid Year Retreat 2015	Khazanah Nasional Berhad [Cyberjaya Kuala Lumpur]
		7-9 August 2015	Khazanah Nasional Berhad GLC Open Day (Dialogue & Forum) 2015	Khazanah Nasional Berhad
		27 September 2015	NY Maker Faire	Maker Media Inc [New York, USA]

**4. FOSTER COMMITMENT (CONT'D.)****4.2 Training and Development of Directors (cont'd.)**

<b>No.</b>	<b>Directors</b>	<b>Date</b>	<b>List of Training/Conference/ Seminar/ Workshop Attended</b>	<b>Organiser/ Provider</b>
5.	Professor Philip Sutton Cox	16 January 2015	Taking it All Away – Effects of erasure, abstraction and the social impact of art	Museum of Contemporary Art Sydney
		24 February 2015	A Journey of Design – Reinterpretation of Oriental Traditional Culture in Modern Context	Institute of Analytics Professionals of Australia
		28 February 2015	Mono no Aware – The Poignancy of Things, The Japan Foundation, Sydney	The Japan Foundation
		5 March 2015	The MUDD (20th Anniversary) Paul Reaf Lecture in Urban Design – Utzon Lecture Series	Utzon Lecture Series
		10 March 2015	Warlayirti Artists Art from Balgo	Art Gallery of New South Wales
		14 March 2015	Art Basel Hong Kong	Art Gallery of New South Wales
		7 April 2015	Conversations Through the Asian Collection Exhibition	Art Gallery of New South Wales
		29 April 2015	Changing the Storyline from Green to Regenerative – Utzon Lecture Series	Utzon Lecture Series
		30 April 2015	Map of the World Exhibition Kay Rosen	Art Gallery of New South Wales
		5 May 2015	Architectural Historians Conference	University of New South Wales
		12 May 2015	Architecture in Formation – Chinese Lecture	Museum of Modern Art, Australia
		15 May 2015	Built Environment Delivering for Diversity	University of New South Wales
		26 May 2015	Architecture Beyond Experience – Utzon Lecture Series	Utzon Lecture Series
		4 June 2015	Sedimentary City – Utzon Lecture Series	Utzon Lecture Series
		4 June 2015	Prof Nezar AlSayyad – Virtual Uprising	University New South Wales
		9 June 2015	Go East Exhibition – Contemporary Asian Art Collection	Art Gallery of New South Wales
		11 June 2015	Fine Tune your Architectural Business	American Institute of Architects

#### 4. FOSTER COMMITMENT (CONT'D.)

##### 4.2 Training and Development of Directors (cont'd.)

No.	Directors	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
6.	Lim Tian Huat	23-24 March 2015	Insol International Conference San Francisco	Insol International
		24-25 August 2015	Annual Conference for Insurance Guarantee Scheme, Kuala Lumpur	Perbadanan Insurans Deposit Malaysia
		7-8 September 2015	National Conference on Governance, Risk and Controls, Kuala Lumpur	Institute of International Auditors, Malaysia
		26-27 October 2015	Annual Accountants Conference, Kuala Lumpur	Malaysia Institute of Accountants
		23 November 2015	The Exchange - "Building Capabilities and Competencies" by Professor Dave Ulrich from Ross School of Business, University of Michigan	UEM Group [UEM Learning Centre, Petaling Jaya]
7.	Dato' Srikandan Kanagaintiram	6 March 2015	"Delivery Excellence in APAC," by Patrick Chao (AECOM HK)	Architecture Engineering Construction Operations and Management [KPK KL]
		16 March 2015	GST Essentials for the Construction Industry by Eugenie Lip	Konsultant Perkhidmatan Kontrek [Renaissance KL]
		7-8 April 2015	Ensuring Climate Resilience of Buildings and Infrastructure - Towards Sustainable Infrastructure	Construction Industry Development Board [The Saujana Hotel Kuala Lumpur]
		20 May 2015	Opening Speech for "Standard Terms of Construction Contract for Renovation and Small Projects (STCC-RSP 2015)"	The Royal Institution of Surveyors Malaysia [Hotel Istana, Kuala Lumpur]
		11-13 June 2015	RISM - 17 <sup>th</sup> International Surveyors Congress at One World Hotel, Petaling Jaya (as President for Session 2015 / 2016)	The Royal Institution of Surveyors Malaysia
		2 September 2015	Speaker for "KLCC Projek QS Convention: Way Forward in Challenging Times"	KLCC Projek Sdn. Bhd. [The Everly Hotel, Putrajaya]
		27-28 January 2015	Corporate Directors Advanced Programme "Financial Language in the Boardroom"	Malaysian Directors Academy [Le Meridien Hotel, Kuala Lumpur]
8.	Ungku Suseelawati Ungku Omar	9-11 March 2015	DTZ Regional Study Tour of Shopping Centres in Seoul	DTZ
		17-20 May 2015	International Council of Shopping Centers ("ICSC") Recon Las Vegas Conference	ICSC [Las Vegas]

**4. FOSTER COMMITMENT (CONT'D.)****4.2 Training and Development of Directors (cont'd.)**

No.	Directors	Date	List of Training/Conference/ Seminar/ Workshop Attended	Organiser/ Provider
8.	Ungku Suseelawati Ungku Omar (cont'd.)	20-23 October 2015	ICSC Recon Asia Pacific Conference	ICSC [Taipei]
		22 October 2015	Shopping Centre Study Tour in Taipei	ICSC [Taipei]
		23 November 2015	The Exchange – “Building Capabilities and Competencies” by Professor Dave Ulrich from Ross School of Business, University of Michigan	UEM Group [UEM Learning Centre, Petaling Jaya]
9.	Anwar Syahrin Abdul Ajib	2 April 2015	UEM Group Lecture Series by Tan Sri Dato’ Seri Dr. Robaayah Zambahari, Director, Senior Consultant Cardiologist & Head of Department of Institut Jantung Negara	UEM Group [The Odyssey, Mercu UEM]
		24 April 2015	Invest Malaysia 2015 – Large track presentation to investors	CIMB/Bursa Malaysia
		10 Jun 2015	UEM Group Lecture Series by Aireen Omar, Chief Executive Officer of Air Asia Berhad	UEM Group [The Odyssey, Mercu UEM]
		30 July 2015	Advisory Sessions on Management discussion & Analysis for CEOs and CFOs	Bursa Malaysia
		18 August 2015	UEM Group Lecture Series by Tan Sri Dr. Rebecca Fatima Sta Maria, Secretary General of Ministry of International Trade & Industry.	UEM Group [The Odyssey, Mercu UEM]
		21 August 2015	The 18 <sup>th</sup> National Housing & Property Summit 2015. Topic: Green and Eco-Development: The Wave of the Future	Asian Strategy & Leadership Institute (ASLI)
		19 October 2015	UEM Group Lecture Series by Datuk Wira [Dr.] Haji Ameer Ali Mydin, Managing Director of Mydin Mohamed Holdings Berhad	UEM Group [The Odyssey, Mercu UEM]
		23 November 2015	The Exchange – “Building Capabilities and Competencies” by Professor Dave Ulrich from Ross School of Business, University of Michigan	UEM Group [UEM Learning Centre, Petaling Jaya]

## 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 Audit Committee reviews the Company's financial results on a quarterly basis, particularly on significant changes in accounting policies, practices and its implementation if any, significant adjustments arising from the audit, the going concern assumption, compliance with accounting and financial reporting standards and other legal requirements. The review typically involves the Management and the internal and external auditors to ensure that the financial statements are well deliberated to provide a true and fair view of the Company's financial position.

Aside from financial performance, the Audit Committee also discharges its oversight role in assessing the adequacy of the internal audit and annual audit plan, ensuring sufficient risk and governance coverage, reviewing the overall internal audit process and where necessary, ensuring that appropriate actions are taken on the recommendations of the internal auditors and reviewing the overall performance of the internal audit functions. Any activity embarked by the internal audit would be monitored by the Audit Committee in ensuring that their activities are well implemented in a just, independent and objective manner.

The Audit Committee also reviews the external auditors' performance for the financial year. Ensuring that the Audit Committee is vigilant in discharging their oversight functions, the external auditors' independence is reviewed by taking into consideration various factors. The non-audit services are reviewed from time to time and the Audit Committee also ensures that the non-audit services do not impair the external auditors' independence or objectivity in their audit work.

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

### 5.2 Assessment of Suitability and Independence of External Auditors

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

The Audit Committee meets up with the external auditors at least twice a year in the absence of the MD/CEO and Management. During the financial year, the Audit Committee met with the external auditors on 24 February 2015 and 26 November 2015 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 7<sup>th</sup> AGM in 2015 had considered their independence, objectivity and cost effectiveness primarily guided by the criteria set out in the Corporate Governance Guide Second Edition issued by Bursa Malaysia Berhad in October 2013. The guide serves as a tool for the external auditors' independence assessment and that the Audit Committee was satisfied with their competency in audit.

The Company has established policies governing the provision of non-audit services that can be provided by the external auditors if the services rendered are deemed as value added to the Company.

## 5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D.)

### 5.2 Assessment of Suitability and Independence of External Auditors (cont'd.)

Other factors which the Audit Committee takes into consideration included, but are not limited to, the measures to keep track of evolving standards and best practices in areas relating to independence and ethical rules, limit on the engagement term of external auditors to ensure minimal familiarity threat, specified criteria on the qualification of external auditors in relations to scope and size of audit and other related means of external auditors' oversight functions.

The Board received a written assurance by the external auditors, confirming their independence in providing both audit and non-audit services for the year under review.

The Audit Committee, having taken all appropriate factors into consideration and being satisfied with Messrs. Ernst & Young's suitability, performance, technical competency and audit independence, recommended the re-appointment of Messrs. Ernst & Young as external auditors for the ensuing financial year. The Board approved the Audit Committee's recommendation and proposed for the re-appointment of Messrs. Ernst & Young as the external auditors of the Company, which was approved by the shareholders at the 7<sup>th</sup> AGM in 2015. The external auditors' tenure is up to the conclusion of the next forthcoming AGM.

## 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.

The process of identifying risk, evaluation, mitigation, review and its assessments by the Risk Management team and Internal Control system are detailed in the Risk Management Report which is set out on page 153 to 155 of this Annual Report.

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.

### 6.2 Internal Audit Function

The size and complexity of the Company's operation is indeed a challenging endeavour. Therefore the Board has to ensure that operational risk, financial risk and general risk are all managed effectively through effective internal controls. Acknowledging the importance of internal controls, the setting up of an internal audit function for the group was approved by the Audit Committee in the financial year 2013. The head for the internal audit function came on board on 4 August 2014 and reports directly to the Audit Committee.

The Audit Committee continued to provide support to the Group's internal audit function and the head of the internal audit division has oversight of the internal audit activities of the Group and reports directly to the Audit Committee. The Internal Audit role is to provide independent, objective assurance and consulting services designed to add value to the Company's operation and promote a strong and transparent control and governance culture in the Company. All internal auditing activity is guided by the Internal Audit Charter which was approved by the Audit Committee on 26 September 2014 for adoption by the internal audit function of the Company and International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors, Inc.

## 7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

### 7.1 Corporate Disclosure Policy

The Company 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 Group 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).

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).

### 7.2 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 Shareholders' 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 2015, 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 notice of AGM in 2015 was dispatched 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. This would also enable the shareholders to be well informed with the timeframe given and allow them to have ample time in making necessary preparations to attend and participate in person or by corporate representative, proxy or attorney. The proxy forms provided before the AGM includes information to the shareholders regarding the details of the AGM, their entitlement to attend the AGM, their right to appoint a proxy and information as to who may be accounted as a proxy.

**8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS (CONT'D.)****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.

On 30 October 2015, the Company held an Extraordinary General Meeting for proposals that required shareholders' approval to be transacted which involved inter alia a proposal for the disposal of an office building to its holding company, hence a related party transaction, and the proposed issuance of redeemable convertible preference shares to its holding company. The Senior Independent Director was appointed by the Board to chair the meeting and as Chairman of the meeting, he explained the procedures for the conduct of poll and informed the floor of the interested shareholders that are required to abstain from voting on the resolutions. The voting by poll promotes shareholders' rights and allows all votes of shareholders to be taken into account including those who were unable to attend the Meeting but had appointed proxies to vote on their behalf in accordance with their instructions, if any. The 'one share one vote' principle would result in a fair and more accurate reflection of the views of shareholders. The poll vote count results were verified by Messrs. Ernst & Young who attended the Extraordinary General Meeting as Scrutineers.

In the case of the 7<sup>th</sup> AGM held on 21 May 2015, all resolutions put forth at the meeting were voted by a show of hands.

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

At the 7<sup>th</sup> AGM, all the Directors save for a Director who had conveyed her 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 MD/CEO gave a presentation on the Company's financial and operational performance and 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 the MD/CEO 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 7<sup>th</sup> AGM on its website.

The Board also encourages engagements with the shareholders by disseminating crucial information such as strategic matters, future plans, and key issues in regards to the Company via technological means. For the financial year 2015, the investor relations team has conducted a total of 70 meetings with analysts and fund managers including visits to Iskandar Puteri (formerly known as Nusajaya), one-on-one meetings and tele-conferencing. The Company also participated in events and/or conferences organised by major investment bankers and research houses. The analysts were also briefed on the Company's quarterly results via tele-conferencing after the quarterly results announcements were released to Bursa Securities.

***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 2014 ("FY2014") was RM136.1 million representing 28% of the Company's FY2014 profit after tax and non-controlling interests or 3 sen per share.

## 8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS (CONT'D.)

### 8.3 Effective Communication and Proactive Engagements with Shareholders (cont'd.)

For the financial year ended 31 December 2015 ("FY2015"), the Directors have on 25 February 2016 proposed a first and final single tier dividend of 1.6 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 FY2015 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 2015, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable Financial Reporting Standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

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

The Board is satisfied that it has met its obligation to present a balanced and fair assessment of the Company's position and prospects in the Directors' Report on pages 157 to 161 and the Financial Statements from pages 165 to 275 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 2015.

This Statement is made in accordance with the resolution of the Board dated 25 February 2016.

# 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 10 April 2015 completed its final issuance of RM300.0 million of IMTNs from its IMTN Programme. The first tranche of the IMTN amounts to RM150.0 million, with a tenure of five (5) years and a profit rate of 4.58% per annum. The second tranche of the IMTN amounts to RM150.0 million, with a tenure of seven (7) years and a profit rate of 4.80% per annum. The proceeds from the IMTNs are mainly being utilised towards the Group's property development activities.

During the year ended 31 December 2015, the Company issued and allotted 792,515,753 Redeemable Convertible Preference Shares of RM0.01 each in the Company to UEM Group Berhad at an issue price of RM1.00 each. The proceeds raised of approximately RM792.5 million together with the sale proceed of Imperia Building amounting to RM137.8 million (inclusive of GST) has been fully utilised for the redemption of Redeemable Convertible Preference Shares of a subsidiary, held by the immediate holding company, UEM Group Berhad, at a redemption price of RM922.5 million in the financial year ended 31 December 2015.

## SHARE BUY-BACKS

There were no share buy-backs during the financial year ended 31 December 2015.

## 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 2015.

During the financial year ended 31 December 2015, the Company did not issue convertible securities, other than the following:-

- (i) Issuance and allotment of 792,515,753 Redeemable Convertible Preference Shares of RM0.01 ("RCPS") each on 30 October 2015. None of the RCPS were converted during the financial year.
- (ii) Granting of option under the ESOS as disclosed in the Directors' Report. None of the 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 2015.

## 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 2015, which have material impact on the operations or financial position of the Group.

## NON-AUDIT FEES

The non-audit fees paid or payable to Messrs Ernst & Young, the external auditors of the Company for the financial year ended 31 December 2015 amounted to RM97,405.

ADDITIONAL COMPLIANCE  
INFORMATION  
IN ACCORDANCE WITH APPENDIX 9C OF THE LISTING REQUIREMENTS

**VARIATION IN RESULTS**

There was no deviation of 10% or more between the results of the financial year ended 31 December 2015 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 2015.

**MATERIAL CONTRACTS**

Other than those disclosed in the financial statements and the recurrent related party transactions section on page 281 to 284 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 are in the ordinary course of business at the Annual General Meeting of the Company to be held on 23 May 2016. Please refer to pages 281 to 284 of this Annual Report on the disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2015 pursuant to the shareholders' mandates approved at the previous Annual General Meeting.

# AUDIT COMMITTEE REPORT

## 1. FORMATION

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

The Audit Committee 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 and facilitate high standards of corporate disclosure and transparency.

## 2. COMPOSITION

During the financial year ended 31 December 2015, the Audit Committee consisted of three (3) 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

\* Mr. Oh Kim Sun ceased as a Committee member on 31 December 2015 following his resignation from the Board of the Company.

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

## 3. MEETINGS

Six (6) meetings were held during the financial year ended 31 December 2015 and details of the attendance of the members at the Audit Committee meetings are as follows:

Name of Audit Committee member	No. of Meetings Attended/Held	Percentage of Attendance (%)
1. Lim Tian Huat	6/6	100
2. Oh Kim Sun	4/6	67
3. Dato' Srikandan Kanagainthiram	5/6	83

### 3. MEETINGS (CONT'D.)

The Managing Director/Chief Executive Officer ("MD/CEO"), relevant Senior Management that is responsible for the pertinent areas and representatives of the internal and external auditors attended the meetings upon invitation.

The external auditors as well as the internal auditors were invited to the first Audit Committee meeting in 2015 to review the statutory audit in respect of the financial statements for the financial year 2014 as well as to brief on the progress of the audit plan for 2014 and 2015. Detailed internal audit reports, together with management's responses were circulated to the Audit Committee members and MD/CEO, 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 and management. During these sessions, the Audit Committee sought the external auditors' advice on key issues affecting the Group as well as obtaining their thoughts on any matters of concern that could impact the issuance of the audited financial statements. The external auditors provided their insights on how the issues could be addressed and the cooperation with the management in terms of information sharing and proficiency in financial reporting functions that would facilitate the accuracy of the disclosures.

### 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 terms of reference was last reviewed by the Audit Committee and Board in the financial year 2014. 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. TERMS OF REFERENCE (CONT'D.)

### 4.2 Composition of the Audit Committee (cont'd.)

#### 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.

#### 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.

## 4. TERMS OF REFERENCE (CONT'D.)

### 4.3 Duties and Responsibilities of the Audit Committee (cont'd.)

#### 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 reappointment of the external auditors and their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of the audit.

In addition to the above, the 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.

## 4. TERMS OF REFERENCE (CONT'D.)

### 4.3 Duties and Responsibilities of the Audit Committee (cont'd.)

#### External Audit (cont'd.)

- (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.

#### 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. TERMS OF REFERENCE (CONT'D.)

### 4.5 Audit Committee meetings

- (i) The Audit Committee will meet at least four (4) 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 (2) 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.

AUDIT COMMITTEE  
REPORT

**5. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

The Audit Committee held six (6) meetings during the financial year ended 31 December 2015. The internal and external auditors, the MD/CEO 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, ad-hoc and special audits on:
  - Procurement
  - Property management
  - Project implementation
  - Safety and health system
  - Sales and marketing
  - Corporate governance and related party transactions
  - Follow-ups on corrective actions
- (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 the performance, adequacy, scope, resources and competency of the Internal Auditors.

**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 2015 and 26 November 2015 without the presence of the executive board member and management staff, the extent of assistance rendered by management and issues and suggestions arising from audits.
- (iii) Considered the re-appointment of External Auditors and conducted an assessment of 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 2015 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, Risk Management Report and Corporate Governance Statement 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 21 May 2015.

**5. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D.)****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) Verified the allocations of the ESOS options and confirmed the allocations are made in compliance with the criteria set by the ESOS Committee.
- (ii) 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) From its listing in 2008 until 2013, the Company outsourced the internal audit function to UEM Group Management Sdn. Bhd. which has adequate resources and appropriate standing to undertake its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of risk management, internal control and governance systems.

During the financial year 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.

The Internal Audit Charter was approved by the Audit Committee on 26 September 2014 for adoption by the internal audit function of the Company. The Internal Audit function is also guided by the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors, Inc.

For the financial year ended 31 December 2015, the total cost incurred for the audit function was RM600,990.44.

- (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.
- (iv) The Internal Audit team practises risk-based approach when preparing the Company's annual internal audit plan.
- (v) The Internal Audit team highlighted to the management and Audit Committee the audit findings including follow-up actions required to be taken by management. The Internal Audit reports are sent to the Audit Committee and management and deliberated at the Audit Committee meetings. During the financial year, the internal audit works covered operational, ad-hoc and special audits on the areas set out in the above section.
- (vi) The Internal Audit team also conducted follow-up audits to ensure the corrective actions were tracked and implemented appropriately. In this respect, the Internal Audit team has added value by improving the control processes within the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

## BOARD'S RESPONSIBILITIES

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

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

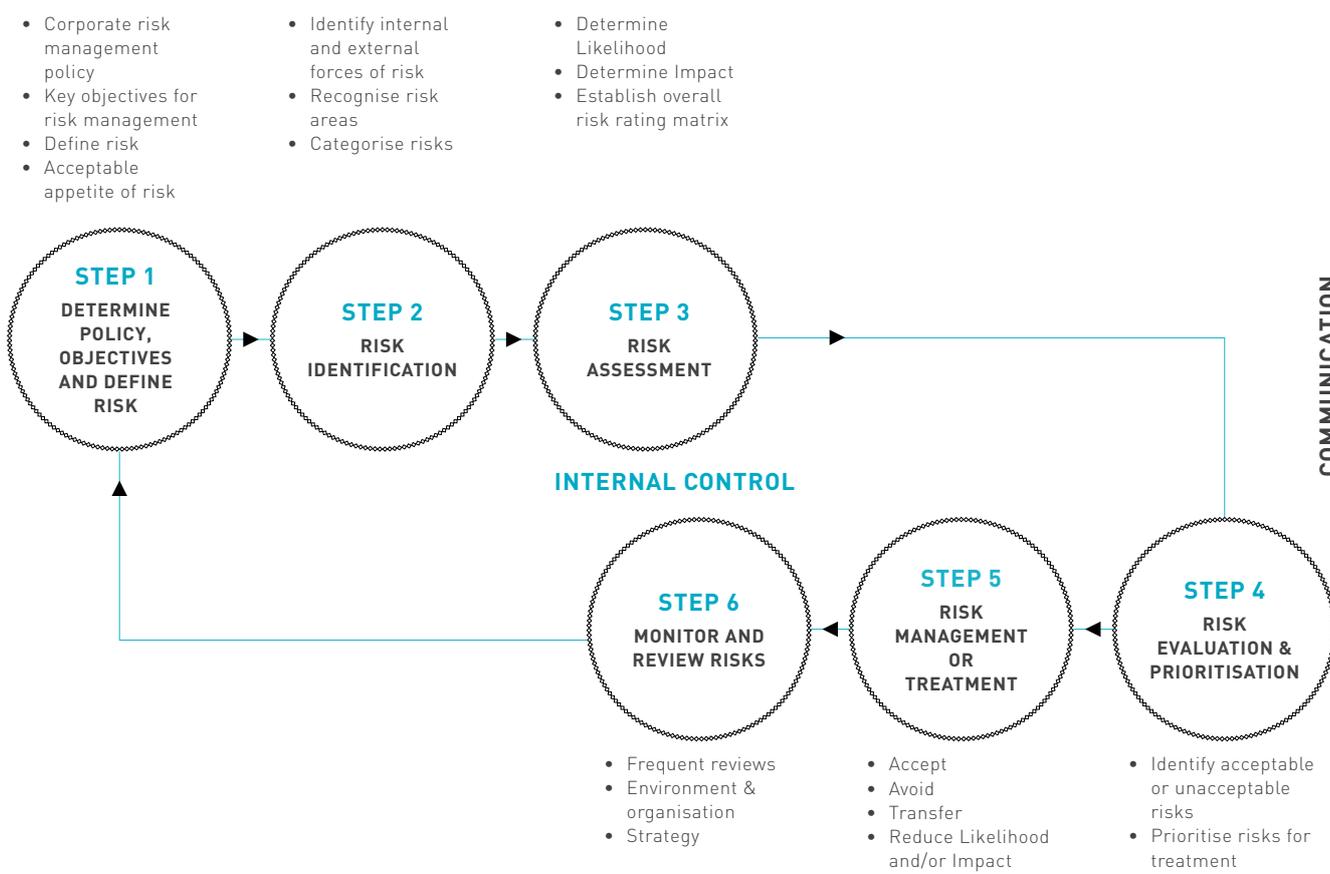
## RISK MANAGEMENT

UEM Sunrise Group of Companies (the "Group") has established a Risk Management Framework that is aligned to ISO 31000:2009 Risk Management – Principles and Guidelines. The framework outlines policy and practices for effective management and supervision of risks in response to current and emerging risks in the environment and continually improving risk management throughout the Group.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 and to take specific measures to mitigate these risks. The risk management system is designed to manage rather than eliminate risk that may impede the attainment of the Group’s business objectives. Thus, the system only provides reasonable but not absolute assurance against material misstatement, loss or fraud. Throughout this system, there is continuous monitoring, review, communication and consultation. The details of the system is illustrated as follows:



All record of information about identified risks is captured in a risk register. The risk register which has been instituted throughout the Group are updated and reviewed from time to time to respond to the changes in the business environment throughout the financial year under review. Appropriate mitigation plans are identified and implemented to mitigate the key risk areas by the risk owners to safeguard shareholders’ investment and the Group’s assets. The implementation status and the effectiveness of the mitigation plans are assessed and reviewed during the Risk Management Committee (“RMC”) meeting.

The 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 and chaired by the Managing Director/Chief Executive Officer (“MD/CEO”). The RMC meeting, scheduled for every quarterly defines, develops and recommends risk management strategies and policies for the Group.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In the year under review, the RMC deliberates the Group's principal risks and updated the Audit Committee and the Board for their review and commentary on the adequacy and effectiveness of the key risk profiles and enterprise risk management in the Group based on the integration and continual improvement of risk management in the dynamic environment the Group operates in. The requirement to provide periodical updates to the Audit Committee and the Board reaffirm the Board's commitment to safeguard stakeholders' interests and the Group's assets. For the year under review, the Board had reviewed the adequacy and effectiveness of the Group's risk management through the risk management framework, policy, processes and activities disclosed in this statement.

### CONTROL STRUCTURE & MONITORING ACTIVITIES

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

#### Board Committees

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

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

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

#### Board Meetings

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

#### Group and Organisational Structure

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

#### Strategic Plans & Budgets

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

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

#### Authority Limits and Approved Policies

One of the critical elements of corporate governance is establishing clear roles, responsibilities and accountabilities 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board has also approved the Group's 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 environmental management ("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 contract specifications and internal guidelines and that the project sites comply with legal and other requirement 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 standards in March 2010. These certification promote the adoption of a systematic approach to the development, implementation and improvement of the Group's Quality Management System. This approach emphasizes the importance of understanding customers and meeting their expectations. The Group was also certified to OHSAS 18001:1999 standard in November 2007 and this was upgraded to OHSAS 18001:2007 standard in November 2008. Certification to MS 1722:2011 standards for safety and health was further obtained in January 2011. This 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 to MS ISO 14001:2004 standard in November 2009. With the three systems certification to all three standards in place, the Group has integrated them into an Integrated Management System by 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 ICT Security Policies prescribes the requirements to maintain an adequate level of security for IT systems and information used to support the Group's activities.

### **Human Resources Policies and Procedures**

The Human Resources ("HR") Policies and Procedures provide clarity for the organisation in all aspects of human resource management of the Group. UEM Sunrise's HR reviews its policies and procedures periodically to ensure that they remain relevant, and appropriate controls are in place to manage operational risks. UEM Sunrise's HR updates employees of changes to the policies and procedures via email/memoranda. These policies and procedures are easily accessible by all employees via the staff intranet.

Training needs analysis in the Group is facilitated through UEM Sunrise and UEM Group Berhad's Talent Management and Learning & Development. 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### **Code of Conduct**

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

### **Internal Audit**

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

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

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

### **Business Continuity Management**

The Group has instituted and implemented Business Continuity Management (BCM) to ensure that business operations are resilient and the effects of disruptions to business operations are minimised. For the year 2015 the Group has started its initiative to establish the BCM Policy and to be followed by review and update of business impact analysis, manuals, procedures and guidelines needed to ensure the Group is able to continue without stoppage.

### **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 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 written assurance from the MD/CEO and the Chief Financial Officer that UEM Sunrise' risk management and internal control system are 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 ("Board"), in ensuring that the Group corporate objectives are met, supported a sound risk strategy and an effective enterprise risk management framework that is appropriate to the nature, scale and complexity of its activities.

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

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

The risk management system is designed to manage rather than eliminate risk that may impede the attainment of the Group's business objectives. Thus, the system only provides reasonable but not absolute assurance against material misstatement, loss or fraud. Throughout this system, there is continuous monitoring, review, communication and consultation.

## **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:

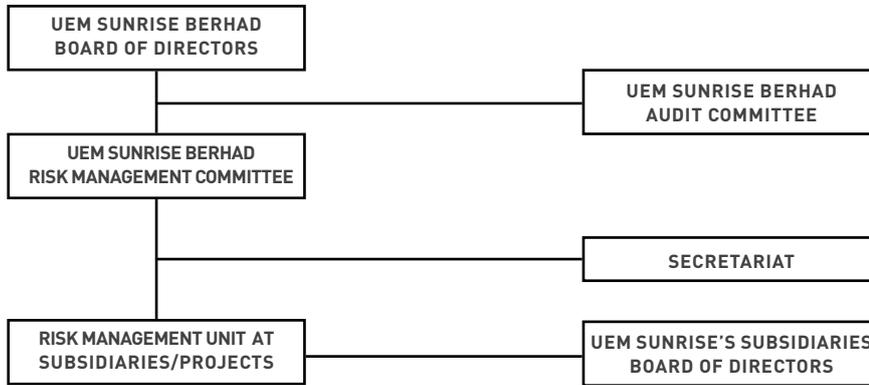
- The overall risk management policy of the UEM Sunrise Group of companies;
- The key objectives of risk management;
- The risk management guiding principles;
- The risk appetite and how different magnitudes of risk exposures are to be managed and monitored;
- The risks which are unacceptable to the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

## **Risk Management Policy**

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

**Risk Governance Structure**

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



**1. Role of the Board of Directors**

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

**2. Role of the Audit Committee**

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

**3. Role of the Risk Management Committee**

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

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

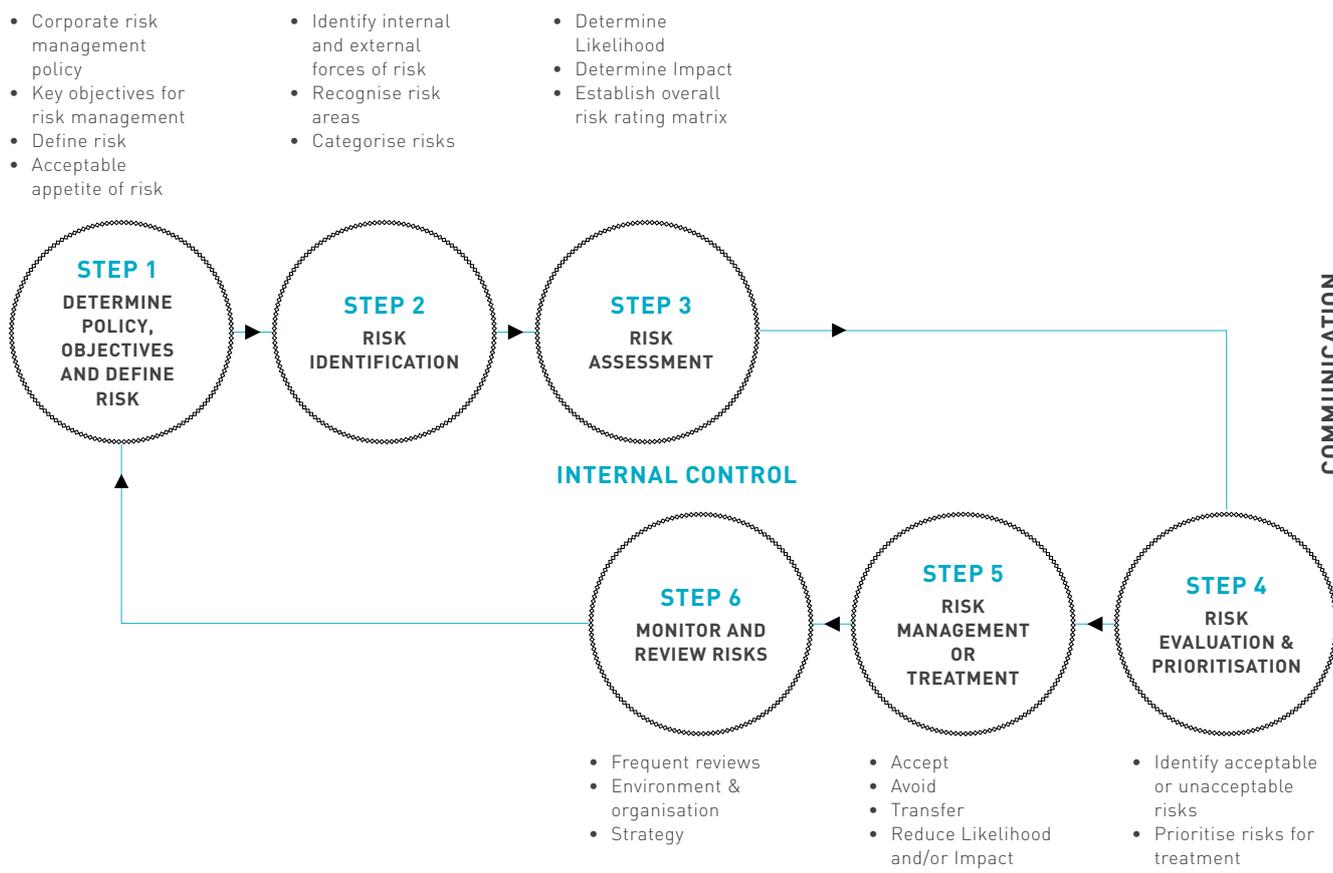
The Risk Management Unit ("RMU") is chaired by the Head of Subsidiaries/Project Director of the respective operating units or projects. Its members include all the Heads of Division and Heads of Department. The RMU's key role is to review the validity of the identified risks and to ensure that action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

The RMU is also responsible for the following activities:

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

#### Risk Management Process

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



#### Conclusion

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

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

# *Financial Statements*

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# DIRECTORS' REPORT

## 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 2015.

## 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	256,990	39,878
Attributable to:		
Owners of the parent	257,212	39,878
Non-controlling interests	(222)	-
	256,990	39,878

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 2014 were as follows:

	<b>RM'000</b>
In respect of the financial year ended 31 December 2014:	
First and final single tier dividend of 3.0 sen per share on 4,537,436,037 ordinary shares of RM0.50 each, paid on 22 June 2015	136,123

At the forthcoming Annual General Meeting, a first and final single tier dividend of 1.6 sen, in respect of the financial year ended 31 December 2015 on 4,537,436,037 ordinary shares amounting to a dividend payable of RM72,598,977 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 2016.

# DIRECTORS' REPORT

## DIRECTORS

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

Tan Sri Dr. Ir. Ahmad Tajuddin Ali  
 Anwar Syahrin Abdul Ajib  
 Dato' Mohd Izzaddin Idris  
 Sheranjiv Sammanthan  
 Professor Philip Sutton Cox  
 Lim Tian Huat  
 Dato' Srikandan Kanagaintiram  
 YM Ungku Suseelawati Ungku Omar  
 Oh Kim Sun (resigned on 31 December 2015)

## 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, other than those arising from share options granted under Employee Share Option Scheme ("ESOS").

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 the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 37 to the financial statements.

## DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.50			
	As at 1.1.2015	During the year Acquired	Sold	As at 31.12.2015
<b>The Company</b>				
<b>Direct interest</b>				
Anwar Syahrin Abdul Ajib	-	100,000	-	100,000

## EMPLOYEE SHARE OPTION SCHEME ("ESOS")

	Number of ordinary shares of RM0.50 each of the Company under the option pursuant to the ESOS				
	As at 1.1.2015	Granted	During the year Exercised	Lapsed	As at 31.12.2015
<b>The Company</b>					
<b>Direct interest</b>					
Anwar Syahrin Abdul Ajib	-	4,000,000	-	-	4,000,000

# DIRECTORS' REPORT

## REDEEMABLE CONVERTIBLE PREFERENCE SHARES

During the financial year, the issued and paid up share capital of the Company was increased from RM2,268,718,019 to RM2,276,643,177 by way of issuance of 792,515,753 new Redeemable Convertible Preference Shares ("RCPS") of RM0.01 each at an issue price of RM1.00 per RCPS.

## 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 145,849,700 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.

Details of the share options granted as at 31 December 2015 are as follows:

Date of offer	Option price RM	Vesting date	As at 1.1.2015	Granted RM	Exercise RM	Lapsed RM	As at 31.12.2015
9 April 2012	2.23	23 April 2012	5,786,000	-	-	(1,259,800)	4,526,200
9 April 2012	2.41	9 April 2013	13,748,150	-	-	(3,219,550)	10,528,600
9 April 2012	2.60	9 April 2014	18,540,000	-	-	(5,232,950)	13,307,050
9 April 2012	2.81	9 April 2015	18,540,000	-	-	(2,934,000)	15,606,000
9 April 2012	3.03	9 April 2016	18,540,000	-	-	(2,934,000)	15,606,000
9 October 2012	2.23	23 October 2012	274,200	-	-	(5,000)	269,200
9 October 2012	2.41	9 April 2013	1,088,900	-	-	(172,600)	916,300
9 October 2012	2.60	9 April 2014	1,736,000	-	-	(367,050)	1,368,950
9 October 2012	2.81	9 April 2015	1,736,000	-	-	(80,000)	1,656,000
9 October 2012	3.03	9 April 2016	1,736,000	-	-	(80,000)	1,656,000
9 April 2013	2.79	23 April 2013	3,064,400	-	-	(406,200)	2,658,200
9 April 2013	2.79	9 April 2014	3,850,000	-	-	(771,950)	3,078,050
9 April 2013	2.81	9 April 2015	3,850,000	-	-	(142,000)	3,708,000
9 April 2013	3.03	9 April 2016	3,850,000	-	-	(142,000)	3,708,000
9 October 2013	2.79	23 October 2013	3,390,050	-	-	(633,650)	2,756,400
9 October 2013	2.79	9 April 2014	4,788,000	-	-	(1,160,050)	3,627,950
9 October 2013	2.81	9 April 2015	4,788,000	-	-	(489,000)	4,299,000
9 October 2013	3.03	9 April 2016	4,788,000	-	-	(489,000)	4,299,000
9 April 2014	2.79	23 April 2014	6,549,000	-	-	(1,711,600)	4,837,400
9 April 2014	2.81	9 April 2015	6,549,000	-	-	(775,000)	5,774,000
9 April 2014	3.03	9 April 2016	6,549,000	-	-	(775,000)	5,774,000
9 October 2014	2.79	23 October 2014	3,148,600	-	-	(675,000)	2,473,600
9 October 2014	2.81	9 April 2015	4,500,000	-	-	(369,000)	4,131,000
9 October 2014	3.03	9 April 2016	4,500,000	-	-	(369,000)	4,131,000
9 April 2015	2.81	23 April 2015	-	7,351,000	-	(409,000)	6,942,000
9 April 2015	3.03	9 April 2016	-	7,351,000	-	(409,000)	6,942,000
9 October 2015	2.81	23 October 2015	-	4,987,200	-	(3,400)	4,983,800
9 October 2015	3.03	9 April 2016	-	6,292,000	-	(6,000)	6,286,000
			145,889,300	25,981,200	-	(26,020,800)	145,849,700

# DIRECTORS' REPORT

## 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 500,000 ordinary shares of RM0.50 each. The names of the holders granted share options to subscribe for 500,000 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 31.12.2015
	As at 1.1.2015	Granted	During the year Exercised	Lapsed	
Kassim Ali Mydin	-	1,200,000	-	-	1,200,000
Zulkifly Garib	-	1,000,000	-	-	1,000,000
Saw Seong Keat	900,000	600,000	-	(63,000)	1,437,000
Anthony Lo	900,000	600,000	-	(31,500)	1,468,500
Zalizan Muid	-	600,000	-	-	600,000
Azman Abdul Aziz	-	600,000	-	-	600,000
Robert A/L Simon	-	550,000	-	-	550,000
Yaw Choon Yee	-	525,000	-	-	525,000
Ali Talib	-	500,000	-	-	500,000

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

## OTHER STATUTORY INFORMATION

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for 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
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) 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
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (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 30 March 2016.

**Tan Sri Dr. Ir. Ahmad Tajuddin Ali**

**Anwar Syahrin Abdul Ajib**

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Dr. Ir. 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 165 to 274 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 2015 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 275 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 30 March 2016.

**Tan Sri Dr Ir 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 165 to 275 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 30 March 2016.

**Azhar Othman**

Before me,

**Tan Seok Kett** (No. W530)  
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 2015 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 165 to 274.

### 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 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 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.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UEM SUNRISE BERHAD (INCORPORATED IN MALAYSIA)

## OTHER MATTERS

The supplementary information set out in Note 47 on page 275 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

30 March 2016

### **Ong Chee Wai**

No. 2857/07/16(J)

Chartered Accountant

# INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	3	<b>1,749,866</b>	2,661,674	<b>100,000</b>	140,000
Cost of sales	4	<b>(1,224,705)</b>	(1,859,575)	-	-
Gross profit		<b>525,161</b>	802,099	<b>100,000</b>	140,000
Other income		<b>117,604</b>	58,814	<b>82,176</b>	68,540
Selling and distribution expenses		<b>(144,845)</b>	(89,638)	-	-
Other expenses		<b>(204,843)</b>	(250,727)	<b>(53,782)</b>	(6,437)
Operating profit	5	<b>293,077</b>	520,548	<b>128,394</b>	202,103
Finance costs	6	<b>(73,868)</b>	(45,852)	<b>(88,685)</b>	(67,957)
Share of results of associates		<b>11,811</b>	31,477	-	-
Share of results of joint ventures		<b>112,019</b>	102,994	-	-
Profit before zakat and income tax		<b>343,039</b>	609,167	<b>39,709</b>	134,146
Zakat	7	<b>(8,662)</b>	(9,556)	-	-
Income tax (expense)/credit	8	<b>(77,387)</b>	(119,835)	<b>169</b>	(1,446)
<b>Profit for the year</b>		<b>256,990</b>	479,776	<b>39,878</b>	132,700
Attributable to:					
Owners of the parent		<b>257,212</b>	479,927	<b>39,878</b>	132,700
Non-controlling interests		<b>(222)</b>	(151)	-	-
		<b>256,990</b>	479,776	<b>39,878</b>	132,700
Earnings per share attributable to owners of the parent (sen):					
Basic, for profit for the year	10	<b>5.7</b>	10.6		
Diluted, for profit for the year	10	<b>5.5</b>	8.7		

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 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the year	<b>256,990</b>	479,776	<b>39,878</b>	132,700
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent period:				
- Foreign currency translation differences of foreign operations	<b>45,549</b>	(7,937)	-	-
- Loss on fair value changes	<b>(1)</b>	-	-	-
- Share of other comprehensive income of an associate	<b>760</b>	352	-	-
Total comprehensive income for the year	<b>303,298</b>	472,191	<b>39,878</b>	132,700
Total comprehensive income attributable to:				
Owners of the parent	<b>303,506</b>	472,342	<b>39,878</b>	132,700
Non-controlling interests	<b>(208)</b>	(151)	-	-
	<b>303,298</b>	472,191	<b>39,878</b>	132,700

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	<b>234,067</b>	218,173	-	-
Investment properties	12	<b>640,975</b>	570,143	-	-
Land held for property development	13	<b>3,269,275</b>	2,631,999	-	-
Investment in subsidiaries	14	-	-	<b>4,530,910</b>	3,738,094
Interests in associates	15	<b>487,835</b>	149,251	<b>1,170</b>	-
Interests in joint ventures	16(a)	<b>1,143,774</b>	928,327	<b>419,517</b>	444,645
Amount due from a joint venture	16(b)	<b>72,697</b>	62,536	-	-
Other investments	17	-	-	-	-
Goodwill	18	<b>621,409</b>	621,409	-	-
Non-current deposits	19	-	3	-	-
Deferred tax asset	20	<b>221,044</b>	170,009	<b>169</b>	-
Long term receivables	23	<b>54,849</b>	59,105	-	-
		<b>6,745,925</b>	5,410,955	<b>4,951,766</b>	4,182,739
<b>Current assets</b>					
Property development costs	21	<b>2,281,634</b>	1,578,583	-	-
Inventories	22	<b>403,099</b>	176,622	-	-
Receivables	23	<b>1,219,500</b>	2,761,535	<b>387,694</b>	421,134
Amount due from subsidiaries	24	-	-	<b>1,940,833</b>	1,564,035
Amount due from joint ventures	16(b)	<b>239,635</b>	240,284	<b>130,348</b>	154,662
Short term investments	25	<b>7</b>	202,635	-	-
Short term deposits	19	<b>30,373</b>	70,942	-	2,000
Cash and bank balances	19	<b>975,227</b>	668,329	<b>6,570</b>	2,120
		<b>5,149,475</b>	5,698,930	<b>2,465,445</b>	2,143,951
<b>Total assets</b>		<b>11,895,400</b>	11,109,885	<b>7,417,211</b>	6,326,690

STATEMENTS OF  
FINANCIAL POSITION

AS AT 31 DECEMBER 2015 (CONT'D.)

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	26	<b>2,276,643</b>	2,268,718	<b>2,276,643</b>	2,268,718
Share premium	26	<b>2,829,546</b>	2,044,955	<b>2,829,546</b>	2,044,955
Merger relief reserves	26	<b>34,330</b>	34,330	<b>34,330</b>	34,330
Other reserves	27	<b>115,439</b>	88,130	<b>55,406</b>	74,391
Retained profits	27	<b>1,552,602</b>	1,896,699	<b>114,225</b>	203,170
		<b>6,808,560</b>	6,332,832	<b>5,310,180</b>	4,625,564
Non-controlling interests	31	<b>360,345</b>	485,753	-	-
<b>Total equity</b>		<b>7,168,905</b>	6,818,585	<b>5,310,180</b>	4,625,564
<b>Non-current liabilities</b>					
Borrowings	32	<b>2,227,594</b>	2,119,666	<b>2,003,611</b>	1,700,575
Payables	34	<b>66,143</b>	71,047	-	-
Deferred income	35	<b>111,874</b>	113,955	-	-
Provision	33	<b>411,436</b>	436,432	-	-
Deferred tax liabilities	20	<b>204,058</b>	204,041	-	-
		<b>3,021,105</b>	2,945,141	<b>2,003,611</b>	1,700,575
<b>Current liabilities</b>					
Provisions	33	<b>456,506</b>	373,072	-	-
Payables	34	<b>706,062</b>	584,748	<b>980</b>	551
Amount due to subsidiaries	24	-	-	<b>1,464</b>	-
Amount due to a joint venture	16(b)	-	111	-	-
Borrowings	32	<b>522,976</b>	238,423	<b>100,976</b>	-
Tax payable		<b>19,846</b>	149,805	-	-
		<b>1,705,390</b>	1,346,159	<b>103,420</b>	551
<b>Total liabilities</b>		<b>4,726,495</b>	4,291,300	<b>2,107,031</b>	1,701,126
<b>Total equity and liabilities</b>		<b>11,895,400</b>	11,109,885	<b>7,417,211</b>	6,326,690

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 2015

Group	← Attributable to owners of the parent →							
	← Non-distributable →					Distributable		
	Share capital (Note 26) RM'000	Share premium (Note 26) RM'000	Merger relief reserves (Note 26) RM'000	Other reserves (Note 27) RM'000	Retained profits (Note 27) RM'000	Total RM'000	Non controlling interests (Note 31) RM'000	Total equity RM'000
<b>At 1 January 2015</b>	2,268,718	2,044,955	34,330	88,130	1,896,699	6,332,832	485,753	6,818,585
Total comprehensive income for the year	-	-	-	46,294	257,212	303,506	(208)	303,298
Issuance of RCPS	7,925	784,591	-	-	-	792,516	-	792,516
Subscription of shares by non-controlling shareholder in a subsidiary	-	-	-	-	-	-	324,800	324,800
ESOS								
- remeasurement	-	-	-	(11,655)	-	(11,655)	-	(11,655)
- expiry of vested employee share options	-	-	-	(7,330)	7,330	-	-	-
Redemption of RCPS #	-	-	-	-	(472,516)	(472,516)	(450,000)	(922,516)
Dividend paid (Note 9)	-	-	-	-	(136,123)	(136,123)	-	(136,123)
<b>At 31 December 2015</b>	<b>2,276,643</b>	<b>2,829,546</b>	<b>34,330</b>	<b>115,439</b>	<b>1,552,602</b>	<b>6,808,560</b>	<b>360,345</b>	<b>7,168,905</b>

# On 30 October 2015, the Redeemable Convertible Preference Share ("RCPS") of a subsidiary, which was held by the immediate holding company, UEM Group Berhad and recorded as non-controlling interests, had been fully redeemed at a total redemption price of RM922.5 million. The total redemption price includes RM472.5 million cumulative yield, compounded at 7.5% per annum in accordance with the redemption terms.

<b>At 1 January 2014</b>	2,268,718	2,044,953	34,330	72,742	1,598,269	6,019,012	450,604#	6,469,616
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>

# 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 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  
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D.)

Company	← Non-distributable →				→ Distributable		Total equity RM'000
	Share capital (Note 26) RM'000	Share premium (Note 26) RM'000	Merger relief reserves (Note 26) RM'000	Other reserves (Note 27) RM'000	Retained profits (Note 27) RM'000		
<b>At 1 January 2015</b>	<b>2,268,718</b>	<b>2,044,955</b>	<b>34,330</b>	<b>74,391</b>	<b>203,170</b>	<b>4,625,564</b>	
Total comprehensive income for the year	-	-	-	-	<b>39,878</b>	<b>39,878</b>	
Issuance of RCPS	<b>7,925</b>	<b>784,591</b>	-	-	-	<b>792,516</b>	
ESOS							
- remeasurement	-	-	-	<b>(11,655)</b>	-	<b>(11,655)</b>	
- expiry of vested employee share options	-	-	-	<b>(7,330)</b>	<b>7,330</b>	-	
Dividend paid (Note 9)	-	-	-	-	<b>(136,123)</b>	<b>(136,123)</b>	
<b>At 31 December 2015</b>	<b>2,276,643</b>	<b>2,829,546</b>	<b>34,330</b>	<b>55,406</b>	<b>114,255</b>	<b>5,310,180</b>	
<b>At 1 January 2014</b>	2,268,718	2,044,953	34,330	51,418	251,967	4,651,386	
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)	-	-	-	-	<b>(181,497)</b>	<b>(181,497)</b>	
<b>At 31 December 2014</b>	2,268,718	2,044,955	34,330	74,391	203,170	4,625,564	

\* 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 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows from operating activities</b>				
Cash receipts from customers	2,317,516	2,144,560	-	-
Cash receipts from holding companies	9,796	-	-	-
Receipts from other related party	34	-	-	-
Receipts from joint ventures	772,326	2,142	-	-
Cash payments to suppliers	(424,000)	(413,308)	-	-
Cash payments to contractors	(1,039,706)	(1,179,402)	-	-
Cash payments for land and development related costs	(179)	(12,768)	-	-
Cash payments for land acquisition deposit	(18,206)	(87,120)	-	-
Cash payments to other related party	(2,968)	-	-	-
Cash payment to joint venture	-	(6,448)	-	-
Cash payment to immediate holding company	-	(1,135)	-	-
Cash payments to employees and for expenses	(406,914)	(367,834)	(5,522)	(3,267)
Cash generated from/(used in) operations	1,207,699	78,687	(5,522)	(3,267)
Zakat paid	(8,662)	(9,556)	-	-
Net income tax paid	(279,806)	(199,816)	(1,145)	(2,701)
Interest received	19,358	27,623	1,772	2,187
Net cash generated from/(used in) operating activities	938,589	(103,062)	(4,895)	(3,781)
<b>Cash flows from investing activities</b>				
Dividend received from associates	3,900	8,050	-	-
Dividend received from joint ventures	6,500	-	-	-
Dividend received from a subsidiary	-	-	134,696	-
Proceeds from disposals of:				
- property, plant and equipment	193	130	-	-
- short term investments	353,630	230,915	150,581	79,777
Capital distribution from an associate under liquidation	18	-	-	-
Repayment from a joint venture	6,050	-	-	-
Deposit paid for subscription of shares	(21,488)	-	-	-
Acquisition of a subsidiary, net of cash and cash equivalent	(28)	-	-	-
Purchase of property, plant and equipment (Note a)	(38,361)	(43,058)	-	-
Advances to subsidiaries	-	-	(344,705)	(367,032)
Advances to joint ventures	(14,074)	(34,032)	(1,170)	-
Repayment from subsidiaries	-	-	19,567	355,808
Repayment from joint ventures	30,845	-	19,768	-
Investment in land held for property development	(896,861)	(283,490)	-	-
Investment in associates	(331,820)	(35,300)	(60)	-
Investment in a joint venture	(78,000)	(135,102)	-	(135,012)
Investment in short term investments	(150,000)	(401,000)	(150,000)	(51,000)
Net cash used in investing activities	(1,129,496)	(692,887)	(171,323)	(117,509)

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows from financing activities</b>				
Drawdown of term loans	67,457	145,163	-	-
Drawdown of Commodity Murabahah Finance	106,880	-	-	-
Drawdown of Islamic Medium Term Notes	300,000	400,000	300,000	400,000
Drawdown of revolving credit	23,500	109,822	-	-
Drawdown of structured commodity	150,000	25,000	150,000	25,000
Subscription of shares by non-controlling shareholder in a subsidiary	324,800	35,300	-	-
Proceeds from ESOS	-	2	-	2
Repayment of term loan	(201,858)	(197,394)	-	-
Repayment of revolving credit	(22,500)	(16,986)	-	-
Repayment of structured commodity	(50,000)	(50,000)	(50,000)	(50,000)
Repayment from immediate holding company	30	-	-	-
Interest paid	(113,141)	(94,871)	(85,203)	(68,565)
Dividend paid	(136,123)	(181,497)	(136,129)	(181,497)
Net cash generated from financing activities	449,045	174,539	178,668	124,940
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>258,138</b>	<b>(621,410)</b>	<b>2,450</b>	<b>3,650</b>
Transfer from non-current deposits	3	1,415	-	-
Effects of foreign exchange rate changes	2,885	(3,083)	-	-
Cash and cash equivalents at beginning of year	739,030	1,362,108	4,120	470
<b>Cash and cash equivalents at end of year (Note 19)</b>	<b>1,000,056</b>	<b>739,030</b>	<b>6,570</b>	<b>4,120</b>
<b>Note a:</b>				
Additions of property, plant and equipment (Note 11)	40,422	43,246	-	-
Interest capitalised (Note 6)	(2,061)	(188)	-	-
Cash outflow for acquisition of property, plant and equipment	38,361	43,058	-	-

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The 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 Level U2, Block C5, Solaris Dutamas, No 1, Jalan Dutamas 1, 50480 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 30 March 2016.

## 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.

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

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

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

- 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 involvement 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.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to other comprehensive income ("OCI"). If the contingent consideration is not within scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

NOTES TO THE  
FINANCIAL STATEMENTS  
- 31 DECEMBER 2015

## 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.)

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.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

##### (ii) Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

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

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

##### (ii) Investments in associates and joint ventures (cont'd.)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate and joint venture in the statement of profit or loss'.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### (b) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, 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 reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

NOTES TO THE  
FINANCIAL STATEMENTS  
- 31 DECEMBER 2015

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

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

#### (b) Goodwill (cont'd.)

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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.

Freehold land and capital work in progress 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	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.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

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

#### (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 2% to 10% per annum on a straight line basis to write off the building cost of each asset to its residual value over the estimated useful life. Investment properties under construction are not depreciated.

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected. Any gains or losses on the retirement or disposal of investment properties are recognised in the income statement in the year in which they arise.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, demand and short-term deposits, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, reduced by bank overdrafts that form an integral part of the Group's cash management.

#### (f) Land held for property development and property development costs

Land held for property development consists of land where no development activity has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified within non-current assets and is stated at cost less impairment losses. Cost consists of land and development expenditure which include borrowing costs relating to the financing of the development. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(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.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

NOTES TO THE  
FINANCIAL STATEMENTS  
- 31 DECEMBER 2015

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

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

#### (f) Land held for property development and property development costs (cont'd.)

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. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### (h) Inventories

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (i) Income and indirect 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 taxable 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.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

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

#### (i) Income and indirect taxes (cont'd.)

##### (ii) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

##### (iii) Malaysian sales and services tax

Prior to 1 April 2015, revenues, expenses and assets are recognised net of the amount of sales tax except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

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

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

#### (i) Income and indirect taxes (cont'd.)

##### (iii) Malaysian sales and services tax (cont'd.)

- when receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

##### (iv) Malaysian Goods and Services Tax ("GST")

On and after 1 April 2015, revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### (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 and of the Company. 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 and the Company pay 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").

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 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.

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.

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

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

#### (m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company 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 on a straight line basis 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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

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

#### (m) Revenue recognition (cont'd.)

##### (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 and the Company assess 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.

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.

NOTES TO THE  
FINANCIAL STATEMENTS  
- 31 DECEMBER 2015

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

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

#### (o) Financial assets (cont'd.)

The subsequent measurement of financial assets depends on their classification as described below:

##### (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.

##### (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.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 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 (cont'd.)

Reclassification to the held to maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the profit or loss.

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.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (i) the Group has transferred substantially all the risks and rewards of the asset; or
  - (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 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) Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

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

#### (p) Impairment of financial assets (cont'd.)

##### (ii) Available-for-sale financial investments (cont'd.)

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

##### (iii) 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.

#### (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.

#### Derecognition

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.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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

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

#### (q) Financial liabilities (cont'd.)

##### Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

#### (r) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

#### (s) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### (i) As lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

##### (ii) As lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

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

#### (t) 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 are equity instruments.

Ordinary shares 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.

#### (u) Redeemable convertible preference shares ("RCPS")

The redeemable convertible preference shares are regarded as compound instruments, consisting of a liability component and an equity component. The component of convertible redeemable preference shares that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. On issuance of the convertible redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability in accordance with the accounting policy for other payables.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs. The dividends on these shares is recognised in equity in the period in which they are declared.

Transaction costs are apportioned between the liability and equity components of the convertible redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

#### (v) 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 Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

#### (w) 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.)

#### (w) 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.

#### (x) Statements of Cash Flows

The statements of cash flows classify movements in cash and cash equivalents according to operating, investing and financing activities.

The Group and the Company do not consider any of its assets other than deposits with maturity not more than 3 months with financial institutions, which are subject to an insignificant risk of changes in value, cash and bank balances reduced by bank overdraft as meeting the definition of cash and cash equivalents.

#### (y) 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.

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:

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

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

#### (y) Fair value measurements (cont'd.)

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) 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.

#### (z) 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.

#### (aa) Deferred Income

##### Unrealised Profit

In 2014, the Group completed the sale of land to an associate. The profit recognised from the disposal of land by the Group 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 realised to profit or loss over the period when the underlying asset of the associate is realised or disposed.

#### (ab) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

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FINANCIAL STATEMENTS  
- 31 DECEMBER 2015

## 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 2015, the Group and the Company adopted the following amended FRSs mandatory for annual financial periods beginning on or after 1 January 2015:

	<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

The adoption of the above standards does not have any significant impact to the financial statements of the Group and of the Company.

### 2.4 Standards issued but not yet effective

The Group and the Company have 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 FRSs 'Annual Improvements to FRSs 2012-2014 Cycle'	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
Amendments to FRS 10 and FRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

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.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 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

The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in FRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by MASB. Earlier application is permitted.

#### (b) Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations

The amendments require that a joint operator which acquires an interest in a joint operation which constitutes a business to apply the relevant FRS 3 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.

#### (e) FRS 9 : Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments that replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard brings together all three aspects of the accounting for financial instruments project: 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. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

### 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 Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018.

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 majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings. The consolidated financial statements for the years ended 31 December 2014 and 2015 could be different if prepared under the MFRS Framework.

### 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 and at other times when such indication exist. 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 2015 was RM621,409,000 (2014: 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. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. 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.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

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

### 2.6 Critical judgements and accounting estimates (cont'd.)

#### Key sources of estimation uncertainty (cont'd.)

##### (iii) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

As disclosed in Note 38(b), 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 RM682,092,000 (2014: RM687,779,000).

##### (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.

##### (vi) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 30.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

### 3. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property development:				
- Sale of development properties	<b>1,617,916</b>	1,670,639	-	-
- Sale of developed land	<b>20,536</b>	17,145	-	-
	<b>1,638,452</b>	1,687,784	-	-
Strategic land sale <sup>#</sup>	<b>3,433</b>	865,081	-	-
Property investment	<b>62,842</b>	67,790	-	-
Assets and facilities management	<b>11,856</b>	10,296	-	-
Project management	<b>13,457</b>	11,991	-	-
Harvesting, land leasing and other income	<b>19,826</b>	18,732	-	-
Dividend income				
- subsidiary	-	-	<b>100,000</b>	140,000
	<b>1,749,866</b>	2,661,674	<b>100,000</b>	140,000

### 4. COST OF SALES

	Group	
	2015 RM'000	2014 RM'000
Property development:		
- Sale of development properties	<b>1,187,299</b>	1,269,813
- Sale of developed land	<b>8,279</b>	13,869
	<b>1,195,578</b>	1,283,682
Strategic land sale <sup>#</sup>	<b>(1,582)</b>	548,968
Property investment	<b>21,570</b>	23,188
Harvesting, land leasing and other costs	<b>9,139</b>	3,737
	<b>1,224,705</b>	1,859,575

<sup>#</sup> Included in revenue and cost of sales are reversal amounting to RM9.3 million (2014: Nil) and RM6.2 million (2014: Nil), respectively, due to reduction in land size as per Note 13.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 5. OPERATING PROFIT

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Allowance for doubtful debts				
- receivables (Note 23(vii))	<b>1,335</b>	2,381	-	-
Rental expenses of				
- land and building	<b>5,880</b>	13,741	-	-
- equipment	<b>412</b>	710	-	-
Auditors' remuneration				
- statutory audit	<b>951</b>	863	<b>70</b>	63
- non-statutory audit	<b>97</b>	-	<b>81</b>	-
Depreciation of property, plant and equipment (Note 11)	<b>16,366</b>	12,079	-	-
Depreciation of investment properties (Note 12)	<b>13,242</b>	8,563	-	-
Property, plant and equipment written off (Note 11)	<b>267</b>	468	-	-
Goodwill written-off (Note 14)	<b>375</b>	-	-	-
Investment properties written off (Note 12)	-	1,771	-	-
Directors' remuneration (Note (i))	<b>2,702</b>	2,697	<b>2,702</b>	2,697
Staff costs (Note (iii))	<b>97,814</b>	144,940	-	-
Dividend distribution receivable from a subsidiary under liquidation	<b>(20,000)</b>	-	-	-
Provision for foreseeable losses and liquidated ascertained damages	<b>12,317</b>	26,663	-	-
Impairment loss on long term receivables (Note 23(v))	-	7,278	-	-
Write back of allowance for impairment				
- receivable (Note 23(vii))	<b>(978)</b>	(996)	-	-
- inventory	<b>(159)</b>	(49)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Write down of inventories	165	-	-	-
Liquidated ascertained damages receivable from contractors	<b>(30,815)</b>	(2,295)	-	-
Loss on foreign exchange				
- unrealised	<b>2,609</b>	-	-	-
Net (gain)/loss on remeasurement of investment at fair value through profit or loss	<b>(429)</b>	258	<b>(6)</b>	(113)
Direct operating expenses arising from investment properties that are generating rental income	<b>12,343</b>	9,465	-	-
Direct operating expenses arising from investment properties that did not generate rental income	<b>1,975</b>	1,444	-	-
Dividend income from investment in unit trust	<b>(574)</b>	(4,317)	<b>(574)</b>	(181)
Interest income				
- deposits with licensed banks	<b>(16,855)</b>	(22,596)	<b>(1,711)</b>	(2,125)
- trade receivables	<b>(4,392)</b>	(4,812)	-	-
- subsidiaries	-	-	<b>(69,335)</b>	(58,431)
- joint ventures	<b>(16,696)</b>	(9,960)	<b>(7,169)</b>	(6,941)
- investment in a joint venture	<b>(2,582)</b>	(718)	<b>(2,582)</b>	(718)
- others	<b>(2,523)</b>	(308)	-	-
Provision for impairment of investment in a joint venture	-	-	<b>45,770</b>	-
Profit sharing received from related company	<b>(5,135)</b>	-	-	-
Gain on disposal of:				
- property, plant and equipment	<b>(191)</b>	(127)	-	-
- subsidiaries	-	(43)	-	-
- associate	<b>(18)</b>	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Executive:</b>				
Salary and other emoluments	1,142	1,243	1,142	1,243
Benefits-in-kind	71	165	71	165
	<b>1,213</b>	1,408	<b>1,213</b>	1,408
<b>Non-executive:</b>				
Fees	1,281	1,218	1,281	1,218
Other emoluments	26	71	26	71
	<b>1,307</b>	1,289	<b>1,307</b>	1,289
	<b>2,520</b>	2,697	<b>2,520</b>	2,697
Analysis of total directors' remuneration excluding benefits-in-kind:				
- executive	1,142	1,243	1,142	1,243
- non-executive	1,307	1,289	1,307	1,289
Total directors' remuneration excluding benefits-in-kind	<b>2,449</b>	2,532	<b>2,449</b>	2,532

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	
	2015	2014
<b>Executive director:</b>		
RM250,001 - RM300,000	-	1
RM550,001 - RM600,000	-	1
RM1,200,001 - RM1,250,000	1	-
<b>Non-executive directors:</b>		
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	3	3
RM150,001 to RM200,000	4	3
RM200,001 to RM250,000	1	1
RM600,001 to RM650,000	-	**1

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 5. OPERATING PROFIT (CONT'D.)

### (ii) Staff costs

	Group	
	2015 RM'000	2014 RM'000
Wages and salaries	87,235	82,612
Staff bonuses, benefits and welfare	22,606	33,716
Statutory contribution to EPF and social security costs	13,484	15,132
Employee share option scheme	(11,652)	22,973
Training expenses	971	1,882
	<b>112,644</b>	156,315
Capitalised to:		
Land held for property development (Note 13)	(4,092)	(7,436)
Property development costs (Note 21)	(10,738)	(3,939)
	<b>97,814</b>	144,940

## 6. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Finance costs incurred and accrued during the year on:				
- term loan	20,464	10,964	-	-
- bank overdraft	173	400	-	-
- revolving credit	5,812	4,182	-	-
- structured commodity	2,265	558	976	558
- Islamic Medium Term Notes ("IMTN")	95,270	75,922	87,709	67,399
- loan from immediate holding company	2,417	2,233	-	-
- accretion of interest on long term payables	1,822	315	-	-
- bank charges	323	892	-	-
	<b>128,546</b>	95,466	<b>88,685</b>	67,957
Capitalised in:				
- land held for property development (Note 13)	(2,741)	(2,370)	-	-
- property development costs (Note 21)	(49,876)	(47,056)	-	-
- property, plant, and equipment (Note 11)	(2,061)	(188)	-	-
	<b>(54,678)</b>	(49,614)	-	-
	<b>73,868</b>	45,852	<b>88,685</b>	67,957

The interest and profit rate for borrowing cost capitalised during the financial year range from 3.99% to 5.70% per annum.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 7. ZAKAT

	Group	
	2015 RM'000	2014 RM'000
Expensed and paid in the financial year	<b>8,662</b>	9,556

## 8. INCOME TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax:				
Malaysian income tax	<b>76,807</b>	212,202	-	8
Foreign tax	<b>11,983</b>	6,385	-	-
Under/(over) provision in prior years	<b>3,773</b>	(4,898)	-	1,438
	<b>92,563</b>	213,689	-	1,446
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	<b>(29,557)</b>	(89,130)	<b>(53)</b>	-
Relating to reduction in Malaysian income tax rate	<b>(2,836)</b>	(1,982)	-	-
Under/(over) provision of deferred tax in prior years	<b>17,217</b>	(2,742)	<b>(116)</b>	-
	<b>(15,176)</b>	(93,854)	<b>(169)</b>	-
Total income tax expense/(credit)	<b>77,387</b>	119,835	<b>(169)</b>	1,446

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The domestic statutory tax rate will be reduced to 24% from the current year's rate of 25% effective year of assessment 2016. The computation of deferred tax as at 31 December 2015 has reflected these changes.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax and zakat	<b>343,039</b>	609,167	<b>39,709</b>	134,146
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	<b>85,760</b>	152,292	<b>9,927</b>	33,536
Effect of different tax rates in other countries	<b>(2,040)</b>	(469)	-	-
Effect of different tax rates on real property gain tax	-	(7,992)	-	-
Income not subject to tax	<b>(9,810)</b>	(10,904)	<b>(25,143)</b>	(35,073)
Expenses not deductible for tax purposes	<b>11,526</b>	23,995	<b>655</b>	1,545
Effect on opening deferred tax relating to reduction in Malaysian income tax rate	<b>(2,836)</b>	2,632	-	-
Deferred tax assets not recognised during the year	<b>6,252</b>	3,418	<b>14,508</b>	-
Utilisation of previously unrecognised tax losses and other deductible temporary differences	<b>(826)</b>	(11,856)	-	-
Withholding tax payment	-	11,297	-	-
Tax effect on share of associates' and joint ventures' results	<b>(30,957)</b>	(33,618)	-	-
Under/(over) provision of income tax in prior year	<b>3,773</b>	(4,898)	-	1,438
Under/(over) provision of deferred tax in prior year	<b>17,217</b>	(2,742)	<b>(116)</b>	-
Zakat deduction	<b>(672)</b>	(1,320)	-	-
Tax expense/(credit) for the year	<b>77,387</b>	119,835	<b>(169)</b>	1,446

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## 9. DIVIDENDS

	Company	
	2015 RM'000	2014 RM'000
<b>In respect of financial year ended 31 December 2014:</b>		
First and final single tier dividends of the following:		
3.0 sen per share on 4,537,436,037 ordinary shares of RM0.50 each, paid on 22 June 2015	136,123	-
<b>In respect of financial year ended 31 December 2013:</b>		
First and final single tier dividends of the following:		
4.0 sen per share on 4,537,436,037 ordinary shares of RM0.50 each, paid on 20 June 2014	-	181,497

At the forthcoming Annual General Meeting, a first and final single tier dividend of 1.6 sen, in respect of the financial year ended 31 December 2015 on 4,537,436,037 ordinary shares amounting to a dividend payable of RM72,598,977 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 2016.

## 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	
	2015	2014
Profit for the year attributable to owners of the parent (RM'000)	257,212	479,927
Weighted average number of ordinary shares in issue ('000)	4,537,436	4,537,436
Basic earnings per share (sen)	5.7	10.6

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**10. EARNINGS PER SHARE (CONT'D.)****(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.

	<b>Note</b>	<b>Group</b>	
		<b>2015</b>	<b>2014</b>
Profit for the year attributable to owners of the parent (RM'000)		<b>257,212</b>	479,927
Profit for the year of subsidiaries attributable to non-controlling interests arising from dilutive impact of unconverted BND RCPS (RM'000)	(i)	-	(85,367)
Profit for the year attributable to owners of the parent including assumed conversion (RM'000)		<b>257,212</b>	394,560
Weighted average number of ordinary shares in issue ('000)		<b>4,646,552</b>	4,537,436
Diluted earnings per share (sen)		<b>5.5</b>	8.7

**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% of BND's enlarged share capital as at 31 December 2014.

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## 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 2015</b>								
Net carrying amount at 1 January 2015	12,155	81,154	61,469	41,908	3,500	2,387	15,600	218,173
Additions	-	2,888	29,196	743	-	1,226	6,369	40,422
Disposal	-	-	-	-	-	-	(2)	(2)
Foreign currency translation	-	-	-	-	-	-	3	3
Transfer to property development cost (Note 21)	(7,030)	-	-	-	-	-	-	(7,030)
Acquisition of a subsidiary (Note 14a)	-	-	-	-	-	162	38	200
Reclassification	6,568	(11,063)	38	69	14	(19)	4,393	-
Adjustment	-	(1,120)	-	-	54	-	-	(1,066)
Write-off (Note 5)	-	-	-	(42)	-	-	(225)	(267)
Depreciation charge (Note 5)	-	(2,820)	-	(2,960)	(1,018)	(1,465)	(8,103)	(16,366)
Net carrying amount at 31 December 2015	11,693	69,039	90,703	39,718	2,550	2,291	18,073	234,067
<b>At 31 December 2015</b>								
Cost	11,693	77,669	90,703	56,209	6,477	9,775	55,314	307,840
Accumulated depreciation	-	(8,630)	-	(16,491)	(3,927)	(7,484)	(37,241)	(73,773)
Net carrying amount	11,693	69,039	90,703	39,718	2,550	2,291	18,073	234,067

Included in capital work in progress of the Group are construction costs of RM63,349,000 (2014: RM38,355,000). These capital work in progress will be reclassified to appropriate categories of property, plant and equipment when they are ready for their intended use.

Included in capital work in progress is the borrowing cost of RM2,061,000 (2014: RM188,000) arising from IMTN for the construction of a freehold building.

# NOTES TO THE FINANCIAL STATEMENTS

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## 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

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

# NOTES TO THE FINANCIAL STATEMENTS

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## 12. INVESTMENT PROPERTIES

Group	Investment properties under construction RM'000	Completed investment properties RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2015	68,471	526,833	595,304
Addition	49,743	34,331	84,074
Reclassification	(42,472)	42,472	-
At 31 December 2015	75,742	603,636	679,378
<b>Accumulated depreciation</b>			
At 1 January 2015	-	(25,161)	(25,161)
Depreciation charge (Note 5)	-	(13,242)	(13,242)
At 31 December 2015	-	(38,403)	(38,403)
Net carrying amount	75,742	565,233	640,975
Fair value of investment properties	#	721,700	721,700
<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

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.

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## 13. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2015 RM'000	2014 RM'000
<b>Freehold land</b>		
<b>Cost</b>		
At 1 January	2,631,999	2,809,339
Addition	990,814	293,296
Change in land size #	3,884	-
Transfer to property development costs (Note 21)	(363,830)	(469,036)
Foreign currency translation	6,408	(1,600)
At 31 December	<b>3,269,275</b>	2,631,999

# The reduction in land size was due to adjusted land area to account for TNB transmission line reserve as per the final layout plan for land sold in 2014.

The Group originally had 23,875 acres (2014: 23,875 acres) of freehold land zoned for residential, commercial and industrial development known as Iskandar Puteri that is spearheaded by a subsidiary, UEM Land Berhad ("UEM Land"). Iskandar Puteri 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 net land bank comprising Iskandar Puteri and others is approximately 10,990 acres (2014: 8,567 acres) of which approximately 958 acres (2014: 506 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.

As at reporting date, freehold land and related development expenditure of RM459,326,000 (2014: RM438,955,000) are pledged as securities for the borrowing facilities granted to the Group.

Included in the addition to the land held for property development of the Group during the financial year are as follows:

	Group	
	2015 RM'000	2014 RM'000
Interest capitalised (Note 6)	2,741	2,370
Staff costs (Note 5 (ii))	4,092	7,436

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## 13. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)

Included in land held for property development of the Group are parcels of land committed through the agreement as follows:

### **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 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; and
- (ii) Phase 2 lands measuring approximately 166 acres; and
- (iii) Phase 3 lands measuring approximately 148 acres.

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. INTERESTS IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
<b>Investments in subsidiaries, unquoted shares</b>		
At 1 January	3,176,297	3,176,297
Reclassified from interests in joint ventures (Note 16a)	240	-
Subscription of shares	60	-
	<b>300</b>	-
At 31 December	<b>3,176,597</b>	3,176,297
<b>Investments in RCPS, issued by subsidiaries</b>		
At 1 January	561,797	201,984
Subscription of additional capital in an existing subsidiary	792,516	359,813
At 31 December	<b>1,354,313</b>	561,797
	<b>4,530,910</b>	3,738,094

# NOTES TO THE FINANCIAL STATEMENTS

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## 14. INTERESTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are disclosed in Note 44.

### (a) Acquisition of subsidiaries

- (i) On 29 April 2015, the Company announced that the Joint Venture Agreement ("JVA") between the Company and Medini Security Services Sdn. Bhd. ("MSSSB"), a wholly-owned subsidiary of Iskandar Investment Berhad, has been rescinded.

Previously, the Company owned 80% of Nusajaya Five O Sdn. Bhd.'s ("NFIVEO") equity interest, which is equivalent to RM240,000. Pursuant to the rescission and in accordance with the terms of the JVA, the Company acquired the remaining 20% equity interest in NFIVEO from MSSSB, represented by 60,000 ordinary shares of RM1.00 each for a cash consideration of RM60,000, and as a result NFIVEO became a wholly-owned subsidiary of the Company. Under the collaboration, NFIVEO was formed to provide enhanced security service for Iskandar Puteri.

The carrying amount of assets acquired and liabilities assumed from the acquisition date are as follows:

	Fair values recognised on acquisition RM'000	Acquiree's carrying amounts RM'000
<b>Assets</b>		
Property, plant and equipment	200	200
Trade and sundry receivable	4,832	4,832
Cash and bank balances	32	32
<b>Total Assets</b>	5,064	5,064
<b>Liabilities</b>		
Trade and sundry payables	6,641	6,641
<b>Total Liabilities</b>	6,641	6,641
Total net liabilities	(1,577)	(1,577)
@20% equity acquisition	(315)	
Add: Goodwill on acquisition of NFIVEO (Note 18)	375	
Purchase consideration	60	
Less: Consideration settled in cash	(60)	
	-	
Consideration settled in cash	(60)	
Cash and cash equivalents of subsidiary acquired	32	
Net cash outflow on acquisition	(28)	

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## 14. INTERESTS IN SUBSIDIARIES (CONT'D.)

### (a) Acquisition of subsidiaries (cont'd.)

- (ii) On 7 August 2015, the Company announced the formation of two (2) wholly-owned Australian subsidiaries of UEM Sunrise (Australia) Sdn. Bhd. ("UEM Sunrise Australia") which in turn is a wholly-owned subsidiary of the Company with 2 paid-up ordinary share capital of AUD1 each are as follows:

**Subsidiary of UEM Sunrise (Development) Pty. Ltd., a wholly-owned subsidiary of UEM Sunrise Australia**  
- UEM Sunrise (St Kilda Road Development) Pty. Ltd.

**Subsidiary of UEM Sunrise (Land) Pty. Ltd., a wholly-owned subsidiary of UEM Sunrise Australia**  
- UEM Sunrise (St Kilda Road) Pty. Ltd.

- (iii) On 18 August 2015, the following unit trust company was established with paid-up ordinary 10 units of AUD1 each:

**Subsidiary of UEM Sunrise (Land) Pty. Ltd., a wholly-owned subsidiary of UEM Sunrise Australia**  
- UEM Sunrise (St Kilda Road) Unit Trust

### (b) Subscription of additional capital in an existing subsidiary

During the year, the Company subscribed additional 792,515,753 Redeemable Convertible Preference Shares of RM0.10 each at a premium of RM0.90 each in UEM Land Berhad.

## 15. INTERESTS IN ASSOCIATES

Group	2015 RM'000	2014 RM'000
<b>Investments in associates, unquoted shares</b>		
At 1 January	63,810	63,710
Additional investment	7,020	100
Liquidation of an associate	(15,551)	-
At 31 December	55,279	63,810
<b>Investments in RPS, issued by an associate</b>		
At 1 January	35,200	-
Additional investment	324,800	35,200
At 31 December	360,000	35,200
Share of post-acquisition reserves	97,931	77,631
Foreign currency translation	(25,375)	(23,483)
	72,556	54,148
Accumulated impairment losses	-	(3,907)
	<b>487,835</b>	<b>149,251</b>

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**15. INTERESTS IN ASSOCIATES (CONT'D.)**

Company	2015 RM'000	2014 RM'000
Investments in associate, unquoted shares	1,170	-

**(a) Acquisition of investment in associates**

- (i) On 13 January 2015, UEM Land Berhad ("UEM Land"), a wholly-owned subsidiary of the Company, subscribed for 5,850,000 ordinary shares of RM1.00 per share satisfied by cash of RM5,850,000 in Inneonusa Sdn. Bhd. ("INNEO"), representing 39% equity interest held in INNEO.
- (ii) On 9 December 2015, the Company subscribed for 1,170,000 ordinary shares of RM1.00 per share satisfied by cash of RM1,170,000 in UEM Sunrise Edgenta TMS Sdn. Bhd. ("UEMSET") (formerly known as ETMS Sdn. Bhd.) representing 30% equity interest held in UEMSET.
- (iii) On 30 December 2015, UEM Land subscribed for additional 324,800,000 Redeemable Preference Shares of RM0.01 each at a premium of RM0.99 each via cash of RM324,800,000 in Scope Energy Sdn. Bhd.

**(b) Members' voluntary liquidation**

On 26 August 2015, Optixlab Sdn. Bhd., was dissolved via Members' Voluntary Liquidation upon the expiration of three (3) months after the lodging of the return (Form 69) by the liquidator relating to the final meeting with the Registrar and the Official Receiver pursuant to Section 272 (5) of the Company Act, 1965.

The above does not have a material impact to the financial statement of the Group.

Details of associates are disclosed in Note 45.

- (i) Summarised financial information in respect of Group's material associates are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

**Summarised statement of financial position**

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	811,532	-	1,041,394	1,083,529
Current assets	88,778	88,268	1,882,695	2,203,587
<b>Total assets</b>	<b>900,310</b>	88,268	<b>2,924,089</b>	3,287,116
Non-current liabilities	-	-	2,128,901	2,449,166
Current liabilities	4	-	282,589	358,261
<b>Total liabilities</b>	<b>4</b>	-	<b>2,411,490</b>	2,807,427
<b>Net assets</b>	<b>900,306</b>	88,268	<b>512,599</b>	479,689

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## 15. INTERESTS IN ASSOCIATES (CONT'D.)

- (i) Summarised financial information in respect of Group's material associates are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts. (cont'd.)

### Summarised statement of comprehensive income

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	-	-	<b>432,008</b>	694,885
Profit Before Tax	<b>38</b>	18	<b>56,613</b>	101,639
Total Comprehensive Income	<b>38</b>	18	<b>40,110</b>	114,427
Dividend Paid During The Year	-	-	<b>(7,200)</b>	(13,000)

### Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associates

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net assets at 1 January	<b>88,268</b>	-	<b>479,689</b>	378,262
Profit for the year	<b>38</b>	18	<b>40,110</b>	114,427
Additional issuance of shares	<b>812,000</b>	88,250	-	-
Dividend paid	-	-	<b>(7,200)</b>	(13,000)
Net assets at 31 December	<b>900,306</b>	88,268	<b>512,599</b>	479,689
Interest in associate	<b>40%</b>	40%	<b>25%</b>	25%
	<b>360,122</b>	35,307	<b>128,150</b>	119,922
Unrealised profit arising from land sales	<b>(35,322)</b>	(35,307)	-	-
Carrying value of Group's interest	<b>324,800</b>	-	<b>128,150</b>	119,922

### Aggregate information of associates that are not individually material

	2015 RM'000	2014 RM'000
The Group's share of profit before tax	<b>1,768</b>	2,974
The Group's share of profit after tax	<b>1,768</b>	2,870

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### 16a. INTERESTS IN JOINT VENTURES

	Group	
	2015 RM'000	2014 RM'000
<b>Investments in joint ventures, unquoted shares</b>		
At 1 January	29,744	29,674
Additional investment	-	70
Reclassified to interests in subsidiaries [Note 14 (a)(i)]	(240)	-
At 31 December	29,504	29,744
<b>Investments in RCULS, RCPS and RPS, issued by joint ventures</b>		
At 1 January	503,353	367,623
Additional investment	98,881	135,730
At 31 December	602,234	503,353
Share of post-acquisition reserves	344,105	233,420
Amounts due from joint ventures (Note i)	167,931	161,810
	<b>1,143,774</b>	928,327
<b>Company</b>		
	2015 RM'000	2014 RM'000
At 1 January	444,645	308,916
Additional investments	20,882	135,729
Reclassified to interests in subsidiaries [Note 14 (a)(i)]	(240)	-
	465,287	444,645
Impairment losses	(45,770)	-
At 31 December	419,517	444,645

- (i) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand. The Group views the non-trade amounts due from joint ventures as part of the Group's investment in joint ventures.

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## 16a. INTERESTS IN JOINT VENTURES (CONT'D.)

- (ii) Summarised financial information in respect of Group's material joint ventures are 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	<b>285,718</b>	317,427	<b>187,361</b>	185,186	<b>190,317</b>	158,344	<b>663,396</b>	660,957
Cash and cash equivalents	<b>60,446</b>	48,775	<b>242,278</b>	92,997	<b>377</b>	353	<b>303,101</b>	142,125
Other current assets	<b>8,950</b>	5,850	<b>863,782</b>	837,281	<b>16,618</b>	76,308	<b>889,350</b>	919,439
Total current assets	<b>69,396</b>	54,625	<b>1,106,060</b>	930,278	<b>16,995</b>	76,661	<b>1,192,451</b>	1,061,564
Total assets	<b>355,114</b>	372,052	<b>1,293,421</b>	1,115,464	<b>207,312</b>	235,005	<b>1,855,847</b>	1,722,521
Current liabilities	<b>19,904</b>	11,297	<b>93,624</b>	99,405	<b>21,531</b>	28,408	<b>135,059</b>	139,110
Trade and other payables and provisions	<b>10,259</b>	55,179	<b>132,643</b>	138,325	<b>243</b>	20,591	<b>143,145</b>	214,095
Total current liabilities	<b>30,163</b>	66,476	<b>226,267</b>	237,730	<b>21,774</b>	48,999	<b>278,204</b>	353,205
Non-current liabilities	-	22,505	<b>1</b>	49,900	-	-	<b>1</b>	72,405
Trade and other payables and provision	-	-	<b>42,788</b>	24,685	-	-	<b>42,788</b>	24,685
Total non-current liabilities	-	22,505	<b>42,789</b>	74,585	-	-	<b>42,789</b>	97,090
Total liabilities	<b>30,163</b>	88,981	<b>269,056</b>	312,315	<b>21,774</b>	48,999	<b>320,993</b>	450,295
Net assets	<b>324,951</b>	283,071	<b>1,024,365</b>	803,149	<b>185,538</b>	186,006	<b>1,534,854</b>	1,272,226

# NOTES TO THE FINANCIAL STATEMENTS

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**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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	<b>36,255</b>	4,250	<b>553,295</b>	1,374,799	-	-	<b>589,550</b>	1,379,049
Depreciation and amortisation	<b>(12,176)</b>	(1,294)	<b>(1,435)</b>	(1,447)	-	-	<b>(13,611)</b>	(2,741)
Interest income	<b>2,226</b>	864	<b>12,175</b>	13,441	<b>967</b>	1,392	<b>15,368</b>	15,697
Interest expenses	<b>(8,342)</b>	(1)	<b>(71)</b>	(69)	<b>(1,180)</b>	(425)	<b>(9,593)</b>	(495)
(Loss)/profit before tax	<b>(44,160)</b>	(58,880)	<b>293,030</b>	316,725	<b>(241)</b>	4,191	<b>248,629</b>	262,036
Income tax expenses	-	-	<b>(71,814)</b>	(78,184)	<b>(227)</b>	(492)	<b>(72,041)</b>	(78,676)
(Loss)/profit after tax	<b>(44,160)</b>	(58,880)	<b>221,216</b>	238,541	<b>(468)</b>	3,699	<b>176,588</b>	183,360
Total comprehensive (loss)/ income	<b>(44,160)</b>	(58,880)	<b>221,216</b>	238,541	<b>(468)</b>	3,699	<b>176,588</b>	183,360

**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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net assets at 1 January	<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
(Loss)/profit for the year	<b>(44,160)</b>	(58,880)	<b>221,216</b>	238,541	<b>(468)</b>	3,699	<b>176,588</b>	183,360
Additional issuance of shares	<b>85,912</b>	103,543	-	-	-	-	<b>85,912</b>	103,543
Net assets at 31 December	<b>324,823</b>	283,071	<b>1,024,365</b>	803,149	<b>185,538</b>	186,082	<b>1,534,726</b>	1,272,302
Interest in joint venture	<b>40%</b>	40%	<b>50%</b>	50%	<b>80%</b>	80%		
Share of net assets of the Group	<b>116,498*</b>	113,228	<b>512,183</b>	401,575	<b>148,430</b>	148,866	<b>777,111</b>	663,669
Unrealised profit arising from land sales	<b>(11,166)</b>	(11,140)	<b>(53,990)</b>	(57,153)	-	-	<b>(65,156)</b>	(68,293)
Carrying value of Group's interest	<b>105,332</b>	102,088	<b>458,193</b>	344,422	<b>148,430</b>	148,866	<b>711,955</b>	595,376

\* Includes investment in Redeemable Convertible Unsecured Loan Stocks which is not in accordance to equity participation ratio.

# NOTES TO THE FINANCIAL STATEMENTS

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## 16a. INTERESTS IN JOINT VENTURES (CONT'D.)

(ii) (cont'd.)

### Aggregate information of joint ventures that are not individually material

	2015 RM'000	2014 RM'000
The Group's share of profit before tax	<b>20,303</b>	6,006
The Group's share of profit after tax	<b>19,449</b>	4,317

During the financial year, there were additional investment in joint venture entities as detailed below:

- (a) the Company subscribed to additional 2,581,544 Redeemable Convertible Unsecured Loan Stock ("RCULS") at a nominal value of RM1.00 each through capitalisation of RCULS interest of RM2,581,544 in Malaysian Bio-XCell Sdn. Bhd. ("Bio-XCell"); and
- (b) the Company subscribed to additional 18,300,000 Redeemable Convertible Preference Shares of RM0.01 each at a premium of RM0.99 each through capitalisation of amount due to the Company of RM18,300,000 in Bio-XCell; and
- (c) UEM Land subscribed to 78,000 Redeemable Preference Shares of RM1,000.00 each satisfied by cash of RM78,000,000 in FASTrack Iskandar Sdn. Bhd.

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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 16b. AMOUNT DUE FROM/(TO) JOINT VENTURES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount due from joint ventures				
- Non-current (Note i)	<b>67,353</b>	62,536	-	-
- Non-current (Note ii)	<b>5,344</b>	-	-	-
	<b>72,697</b>	62,536	-	-
- Current (Note iii)	<b>239,635</b>	240,284	<b>130,348</b>	154,662
	<b>312,332</b>	302,820	<b>130,348</b>	154,662
Amount due to a joint venture				
- Current (Note iv)	-	111	-	-

- (i) Amount due from a joint venture is unsecured, no fixed repayment term and bears an interest of 6.0% (2014: 6.0%) per annum.
- (ii) Amount due from a joint venture which arose from sale of land in the prior year is unsecured with renegotiated repayment term during the financial year and bears an interest of 6.0% (2014: 6.0%) per annum.
- (iii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand except for RM117,241,000 (2014: RM111,142,000) and RM97,066,000 (2014: RM97,066,000) which bear interest at an average rate of 7% (2014: 6.83%) and 7.35% (2014: 7.35%) per annum, respectively.
- (iv) Amount due to a joint venture is unsecured, non-interest bearing and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

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## 17. OTHER INVESTMENTS

	Group	
	2015 RM'000	2014 RM'000
Available-for-sale investments		
At cost:		
Unquoted shares in Malaysia	22,525	22,525
Less: Accumulated impairment losses	(22,525)	(22,525)
	-	-

## 18. GOODWILL

	Group	
	2015 RM'000	2014 RM'000
At 1 January	621,409	621,409
Acquisition of a subsidiary (Note 14a)	375	-
Written-off (Note 5)	(375)	-
At 31 December	621,409	621,409

### Assumptions and approach used

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 10% (2014: 11%) and forecasted growth rate of 3% (2014: 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.
- Market value of identifiable assets - Investment properties are valued by certified external valuers as at financial year end.

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.

### Impact of possible changes in key assumptions

The sensitivity tests indicated that with an increase in the discount rate by 4%, there will be no impairment loss required where other realistic variations are applied to key assumptions.

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**19. CASH, BANK BALANCES AND DEPOSITS**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks				
- Short term deposits	<b>30,373</b>	70,942	-	2,000
- Non-current deposits	-	3	-	-
	<b>30,373</b>	70,945	-	2,000
Cash and bank balances (Note (ii))	<b>975,227</b>	668,329	<b>6,570</b>	2,120
	<b>1,005,600</b>	739,274	<b>6,570</b>	4,120
Bank overdraft (Note 32)	<b>(5,544)</b>	(241)	-	-
Non-current deposits	-	(3)	-	-
Cash and cash equivalents	<b>1,000,056</b>	739,030	<b>6,570</b>	4,120

**(i) Cash and bank balances**

Included in cash and bank balances of the Group is an amount of RM217,638,000 (2014: RM476,763,000) 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 3.29% (2014: 3.12%) and 36 days (2014: 30 days) respectively.

**20. DEFERRED TAXATION**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 January	<b>34,032</b>	127,781	-	-
Recognised in income statement (Note 8)	<b>(15,176)</b>	(93,854)	<b>(169)</b>	-
Foreign currency translation	<b>(2,064)</b>	105	-	-
Arising from unrealised profit (Note 35)	<b>(33,778)</b>	-	-	-
At 31 December	<b>(16,986)</b>	34,032	<b>(169)</b>	-
Presented as follows:				
Deferred tax liabilities	<b>204,058</b>	204,041	-	-
Deferred tax assets	<b>(221,044)</b>	(170,009)	<b>(169)</b>	-
	<b>(16,986)</b>	34,032	<b>(169)</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. DEFERRED TAXATION (CONT'D.)

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	Others RM'000	Total RM'000
At 1 January 2015	162,455	109,239	13,607	285,301
Recognised in the income statement	(723)	(826)	(431)	(1,980)
At 31 December 2015	161,732	108,413	13,176	283,321
At 1 January 2014	164,166	150,673	5,548	320,387
Recognised in the income statement	(1,841)	(41,434)	8,059	(35,216)
Foreign currency translation	130	-	-	130
At 31 December 2014	162,455	109,239	13,607	285,301

### Deferred tax assets of the Group:

	Provisions RM'000	Tax losses and capital allowances RM'000	Others RM'000	Total RM'000
At 1 January 2015	(185,538)	(65,731)	-	(251,269)
Recognised in the income statement	5,185	(18,381)	-	(13,196)
Foreign currency translation	(57)	(2,007)	-	(2,064)
Arising from unrealised profit (Note 35)	-	-	(33,778)	(33,778)
At 31 December 2015	(180,410)	(86,119)	(33,778)	(300,307)
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)

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**20. DEFERRED TAXATION (CONT'D.)****Deferred tax liabilities of the Company:**

	Provisions	
	2015 RM'000	2014 RM'000
At 1 January	-	-
Recognised in the income statement	<b>(169)</b>	-
At 31 December	<b>(169)</b>	-

Deferred tax assets are not recognised in respect of the following items:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unused tax losses	<b>115,270</b>	91,442	<b>58,032</b>	-
Others	<b>10,097</b>	12,221	-	-
	<b>125,367</b>	103,663	<b>58,032</b>	-
Deferred tax benefit at 24%, if recognised	<b>30,088</b>	24,879	<b>13,928</b>	-

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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. PROPERTY DEVELOPMENT COSTS

	Group	
	2015 RM'000	2014 RM'000
At 1 January	5,348,988	3,843,200
Development costs incurred during the year	1,731,632	1,876,508
Transfer from/(to):		
- land held for property development (Note 13)	363,830	469,036
- property, plant and equipment (Note 11)	7,030	(2,770)
- inventory	(239,015)	(98,039)
- receivables	(2,865)	-
- deconsolidation of a subsidiary	-	(1,670)
Reversal of cost arising from completed projects	(1,521,324)	(723,682)
Foreign currency translation	40,390	(13,595)
	<b>379,678</b>	1,505,788
At 31 December	<b>5,728,666</b>	5,348,988
Costs recognised in profit or loss		
At 1 January	(3,770,405)	(2,733,763)
Recognised during the year	(1,168,850)	(1,776,009)
Reversal of cost arising from completed projects	1,521,324	723,682
Foreign currency translation	(29,101)	15,685
At 31 December	<b>(3,447,032)</b>	(3,770,405)
Property development costs as at 31 December	<b>2,281,634</b>	1,578,583

Included in costs incurred during the year are:

	Group	
	2015 RM'000	2014 RM'000
Interest expense (Note 6)	49,876	47,056
Staff costs (Note 5(ii))	10,738	3,939

As at the reporting date, freehold land and related development expenditure of RM44,009,000 (2014: RM137,498,000) are pledged as securities for the borrowing facilities granted to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

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## 22. INVENTORIES

	Group	
	2015 RM'000	2014 RM'000
<b>At cost</b>		
Completed properties	365,208	144,590
Consumables	584	604
	<b>365,792</b>	145,194
<b>At net realisable value</b>		
Completed properties	6,762	-
Golf memberships*	30,545	31,428
	<b>403,099</b>	176,622

The cost of inventories recognised as cost of sales during the year amounted to RM196,104,000 (2014: RM31,336,000).

\* Under the terms of the Development Agreement dated 16 June 2005 between Horizon Hills Development Sdn. Bhd. ("HHDSB") and Nusajaya Greens Sdn. Bhd., 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., a wholly-owned subsidiary of HHDSB.

## 23. RECEIVABLES

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables	(i)	291,004	1,428,349	-	-
Accrued billings in respect of property development costs		678,207	1,080,580	-	-
Amounts due from related parties	(ii)	700	671	-	-
Other receivables	(iii)	316,467	322,712	387,694	421,134
		<b>1,286,378</b>	2,832,312	<b>387,694</b>	421,134
Less: Allowance for impairment	(iv)	<b>(12,029)</b>	(11,672)	-	-
		<b>1,274,349</b>	2,820,640	<b>387,694</b>	421,134
Analysed into:					
Non-current	(v)	54,849	59,105	-	-
Current		1,219,500	2,761,535	387,694	421,134
		<b>1,274,349</b>	2,820,640	<b>387,694</b>	421,134

# NOTES TO THE FINANCIAL STATEMENTS

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## 23. RECEIVABLES (CONT'D.)

- (i) Included in the current year trade receivables is an amount of RM28,500,000 (2014: RM1,087,004,000) owing from a joint venture entity arising from sale of land in the prior year. In year 2014, the trade receivables comprised amount owing from joint venture entities and an associate arising from sale of land to these companies.

The amount due from this joint venture is non-interest bearing except for RM28,500,000 (2014: RM49,009,000) which bear an interest of 6% (2014: 6%) per annum.

- (ii) Related parties refer to those as specified in Note 37.

- (iii) Other receivables

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Dividend receivable	-	-	<b>385,146</b>	419,842
Sundry debtors and prepayments	<b>152,850</b>	113,705	<b>116</b>	6
Tax recoverable	<b>124,202</b>	100,749	<b>2,432</b>	1,286
Interest receivable	<b>147</b>	135	-	-
Deposits (Note a)	<b>39,268</b>	108,123	-	-
	<b>316,467</b>	322,712	<b>387,694</b>	421,134

- (a) Included in deposits are:

- (i) an amount of RM7.0 million (2014: 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.
- (ii) an amount of RM18.2 million (2014: Nil) representing a deposit paid by a subsidiary for the acquisition of a property at 412 St. Kilda Road, Melbourne, Australia.

- (iv) Allowance for impairment

	Group	
	2015 RM'000	2014 RM'000
Trade receivables	<b>4,696</b>	4,503
Amount due from related parties	<b>581</b>	581
Sundry debtors	<b>6,752</b>	6,588
	<b>12,029</b>	11,672

# NOTES TO THE FINANCIAL STATEMENTS

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## 23. RECEIVABLES (CONT'D.)

- (v) Long term receivables relate 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	
	2015 RM'000	2014 RM'000
At 1 January	59,105	-
Addition	-	66,383
Settlement	(7,046)	-
Fair value adjustment (Note 5)	-	(7,278)
Accretion of interest (Note 5)	2,790	-
At 31 December	<b>54,849</b>	59,105

- (vi) The Group's normal trade credit terms range from 30 to 90 days (2014: 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.

- (vii) Ageing analysis

### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	180,324	1,232,714
1 to 30 days past due not impaired	43,474	33,031
31 to 60 days past due not impaired	14,141	12,087
61 to 90 days past due not impaired	6,202	33,176
More than 90 days past due not impaired	23,647	94,318
Past due but not impaired	87,464	172,612
Impaired	23,216	23,023
	<b>291,004</b>	1,428,349
<b>Individually impaired</b>		
Nominal amount	23,216	23,023
Allowance for impairment	(4,696)	(4,503)
	<b>18,520</b>	18,520

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## 23. RECEIVABLES (CONT'D.)

(vii) Ageing analysis (cont'd.)

### Receivables that are neither past due nor impaired

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year except for an amount owing from joint venture entity arising from sale of land in prior 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 on-going transactions and/or progressive payments. Based on past experience, the Board believes that no allowance for impairment is necessary as the directors are of the opinion that this debt should be realised in full without making losses in the ordinary course of business.

### Receivables that are impaired

The movement in allowance account for receivables are as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	<b>11,672</b>	10,287
Charge for the year (Note 5)	<b>1,335</b>	2,381
Reversal of impairment loss (Note 5)	<b>(978)</b>	(996)
At 31 December	<b>12,029</b>	11,672

## 24. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand except for amounts totalling RM1,744,000,000 (2014: RM1,465,069,000) which bear interest at rates ranging from 4.25% to 4.9% (2014: 4.25% to 4.9%) per annum as at the financial year end.

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**25. SHORT TERM INVESTMENTS**

	Group	
	2015 RM'000	2014 RM'000
In Malaysia:		
Available-for-sale investments		
- Quoted shares	7	8
Financial assets at fair value through profit or loss		
- Unquoted unit trust <sup>#</sup>	-	202,627
	<b>7</b>	<b>202,635</b>

<sup>#</sup> 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	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
<b>Ordinary shares</b>				
At 1 January/31 December	<b>7,004,000</b>	7,000,000	<b>3,502,000</b>	3,500,000

	Number of preference shares of RM0.01 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
<b>MCRPS</b>				
At 1 January/31 December	-	200,000	-	2,000

	Number of preference shares of RM0.01 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
<b>RCPS</b>				
At 1 January/31 December	<b>1,500,000</b>	1,500,000	<b>15,000</b>	15,000

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## 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	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
<b>Ordinary shares</b>				
At 1 January	<b>4,537,436</b>	4,537,435	<b>2,268,718</b>	2,268,718
ESOS	-	1	-	*
At 31 December	<b>4,537,436</b>	4,537,436	<b>2,268,718</b>	2,268,718
<b>RCPS</b>				
At 1 January	-	-	-	-
Issued during the year	<b>792,516</b>	-	<b>7,925</b>	-
At 31 December	<b>792,516</b>	-	<b>7,925</b>	-
<b>Total share capital (issued and fully paid)</b>			<b>2,276,643</b>	2,268,718

\* This relates to issuance of 1,000 new ordinary shares of RM0.50 each pursuant to the ESOS.

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**26. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)****(ii) Share premium**

	Number of ordinary shares		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
At 1 January	<b>2,109,258</b>	2,109,257	<b>2,044,955</b>	2,044,953
ESOS	-	1	-	2
At 31 December	<b>2,109,258</b>	2,109,258	<b>2,044,955</b>	2,044,955

	Number of preference shares of RM0.99 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
<b>RCPS</b>				
At 1 January	-	-	-	-
Issued during the year	<b>792,516</b>	-	<b>784,591</b>	-
At 31 December	<b>792,516</b>	-	<b>784,591</b>	-

Total share premium			<b>2,829,546</b>	2,044,955
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**(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.

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## 27. OTHER RESERVES AND RETAINED PROFITS

### (a) Other reserves

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(i) Exchange fluctuation reserves				
At 1 January	<b>(18,099)</b>	(10,581)	-	-
Foreign currency translation	<b>46,468</b>	(7,518)	-	-
At 31 December	<b>28,369</b>	(18,099)	-	-
(ii) Merger reserve				
At 1 January/31 December	<b>32,112</b>	32,112	-	-
(iii) Fair value adjustments reserve				
At 1 January	<b>(274)</b>	(207)	-	-
Loss on fair value changes	<b>(174)</b>	(67)	-	-
At 31 December	<b>(448)</b>	(274)	-	-
(iv) Share based payment reserve				
At 1 January	<b>70,304</b>	47,331	<b>70,304</b>	47,331
Remeasurement	<b>(11,655)</b>	-	<b>(11,655)</b>	-
Expiry of vested employee share options	<b>(7,330)</b>	-	<b>(7,330)</b>	-
Employee share option scheme	-	22,973	-	22,973
At 31 December	<b>51,319</b>	70,304	<b>51,319</b>	70,304
(v) Capital redemption reserve				
At 1 January/31 December	<b>4,087</b>	4,087	<b>4,087</b>	4,087
Total	<b>115,439</b>	88,130	<b>55,406</b>	74,391

### 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 2015 under the single tier system.

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

As part settlement of the redemption of BND RCPS (Note 31), the Company had issued 792,515,753 RCPS of RM0.01 per RCPS at an issue price of RM1.00 per RCPS.

The salient terms of the RCPS are as follows:

- (a) Conversion price of RM1.60 per RCPS.
- (b) The RCPS matures on 29 October 2020.
- (c) The RCPS can be converted at any time after the 54th month from the Issuance Date at the option of the Subscriber at the Conversion Price into Conversion Shares. Any remaining RCPS that are not converted or redeemed by the expiry of the tenure of the RCPS shall be automatically converted into Conversion Shares at the Conversion Price.
- (d) The RCPS can be redeemed at the option of the issuer at the Redemption Price at any time after the 48th month from the Issuance Date for a period of 6 months (up to the 54th month from the Issuance Date).
- (e) The Redemption Price is equivalent to the Redemption Value in respect of each RCPS to be redeemed.
- (f) The RCPS shall be converted or redeemed, at the value of each outstanding RCPS on the Conversion Date (as defined below) or Redemption Date (as defined below) (as the case may be) based on the following calculation:

Redemption Value = [Carrying Value 4 x 1.05 x (number of months from the 49th month from the Issuance Date to the Redemption Date/12)] - any dividends declared for the period from the 49th month from the Issuance Date to the Redemption Date (as defined below).

Conversion Value = [Carrying Value 4 x 1.05 x (number of months from the 49th month from the Issuance Date to the Conversion Date/12)] - any dividends declared for the period from the 49th month from the Issuance Date to the Conversion Date (as defined below).

Where:

Carrying value 4 = (Carrying Value 3 x 1.05) - any dividends declared for the period from the 37th to the 48th month from the Issuance Date.

Carrying value 3 = (Carrying Value 2 x 1.05) - any dividends declared for the period from the 25th to the 36th month from the Issuance Date.

Carrying value 2 = (Carrying Value 1 x 1.05) - any dividends declared for the period from the 13th to the 24th month from the Issuance Date.

Carrying value 1 = (Issue Price x 1.05) - any dividends declared for the period from the Issuance Date to the 12th month from the Issuance Date.

- (g) The number of Conversion Shares to be issued to the Subscriber shall be calculated in accordance with the following formula:

$$\text{Number of Conversion Share} = \frac{\text{Conversion Value}}{\text{Conversion Price}}$$

## NOTES TO THE FINANCIAL STATEMENTS

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### 28. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D.)

- (h) Any dividends to be declared to the holders of the RCPS must be decided at the sole discretion of the Issuer whether to annually declare, any non-cumulative dividend and the quantum of such dividend to the Subscriber, provided always that:
  - (i) Such dividend shall not be more than 4.75 sen per RCPS; and
  - (ii) If dividends are declared to its ordinary shareholders, then dividends in respect of the RCPS shall be paid to the Subscriber in preference.
- (i) The RCPS shall rank pari passu among themselves in respect of the right to receive dividends out of distributable profit. The Conversion Share to be issued upon conversion of the RCPS shall upon allotment and issue rank equal in all respects with the then existing shares of the Company.

### 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.

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### 30. EMPLOYEE BENEFITS (CONT'D.)

#### Employee share option scheme ("ESOS") (cont'd.)

- (v) The total number of ESOS shares which may be allocated to any one Eligible Employee under the ESOS shall be at the absolute discretion of the Company's Board/ESOS Committee, after taking into consideration, amongst others, the seniority (denoted by employee grade) of the Eligible Employees and such other criteria as the Board/ESOS Committee may deem relevant. Notwithstanding the foregoing, not more than 10% of ESOS shares made available under the ESOS shall be allocated to any Eligible Employee who, either individually or collectively through persons connected with the said Eligible Employee, holds 20% or more of the Company's issued and paid-up share capital (excluding treasury shares).
- (vi) Not more than 30% of the ESOS shares shall be made available to the Company's Executive Director(s) and senior management.
- (vii) Any employee (including Executive Director(s)) of the Group (other than the subsidiaries which are dormant) who fulfils the following as at the Offer Date shall be eligible to participate in the ESOS:
- (a) has attained the age of 18 years;
  - (b) has entered into a full-time or fixed-term contract with, and is on the payroll of the Group (other than the subsidiaries which are dormant) and whose service has been confirmed (where applicable);
  - (c) has been in continuous employment with the Group (other than with the subsidiaries which are dormant) for a period of at least 1 year prior to and up to the Offer Date, whereby the renewal of any fixed term employment contract(s) would be deemed as continuous employment and take into account of the employment period of the previous expired contract(s);
  - (d) is not a non-executive or independent director of the Company; and
  - (e) has fulfilled any other eligibility criteria as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion.
- (viii) The Option Price shall be at 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:

	2015		2014	
	No. '000	WAEP RM	No. '000	WAEP RM
Outstanding at 1 January	145,889	2.77	138,552	2.72
- Granted	25,981	2.93	35,522	2.88
- Exercised	-	-	(1)	2.23
- Lapsed	(26,021)	2.72	(28,184)	2.74
Outstanding at 31 December	145,849	2.81	145,889	2.77
Exercisable at 31 December	64,856	2.65	41,122	2.56

The weighted average fair value of options granted during the financial year was RM0.30 (2014: RM0.29).

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## 30. EMPLOYEE BENEFITS (CONT'D.)

### Employee share option scheme ("ESOS") (cont'd.)

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 4 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 2015:

	Group	
	2015	2014
Dividend yield (%)	<b>2.0%</b>	2.0%
Expected volatility (%)	<b>33.0%</b>	34% - 36%
Risk-free interest rate (%p.a)	<b>3.39% to 3.56%</b>	3.43% to 3.57%
Expected life of option (years)	<b>2.1 to 2.6</b>	3.1 to 3.6
Weighted average share price (RM)	<b>1.29</b>	2.08

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 in previous year was 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.

On 30 October 2015, BND had fully redeemed its RCPS at a total redemption price of RM922,515,753 includes RM472,515,753 cumulative yield, compounded at 7.5% per annum in accordance with the redemption terms.

The redemption price is settled through execution of the agreements as detailed below:

- (a) RM130,000,000 by way of the setting-off of the sale consideration in respect of a parcel of land held under Geran 509609, Lot No. 194439, Mukim of Pulai, District of Johor Bahru, State of Johor and the building erected thereon pursuant to the Sale and Purchase Agreement dated 30 June 2015 between UEM, UEMLB and BND; and
- (b) RM792,515,753 by way of the setting-off of the issuance price in respect of the issuance of 792,515,753 new Redeemable Convertible Preference Shares ("RCPS") in the Company to UEM pursuant to the RCPS Subscription Agreement as disclosed in Note 28.

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**32. BORROWINGS**

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Long term borrowings</b>					
<b>Secured</b>					
Term loans	(a)	<b>114,103</b>	117,841	-	-
Canadian term loan	(b)	-	99,250	-	-
Revolving credit	(a)	<b>3,000</b>	2,000	-	-
<b>Unsecured</b>					
IMTN	(c)	<b>2,003,611</b>	1,900,575	<b>2,003,611</b>	1,700,575
Commodity Murabahah Finance	(d)	<b>106,880</b>	-	-	-
		<b>2,227,594</b>	2,119,666	<b>2,003,611</b>	1,700,575
<b>Short term borrowings</b>					
<b>Secured</b>					
Loan from immediate holding company	(e)	<b>74,912</b>	75,303	-	-
Revolving credit	(a)	<b>7,000</b>	7,000	-	-
Term loans	(a)	<b>22,995</b>	44,329	-	-
<b>Unsecured</b>					
Revolving credit	(a)	<b>111,550</b>	111,550	-	-
IMTN	(c)	<b>200,000</b>	-	-	-
Bank overdraft	(f)	<b>5,544</b>	241	-	-
Structured commodity	(g)	<b>100,975</b>	-	<b>100,976</b>	-
		<b>522,976</b>	238,423	<b>100,976</b>	-
<b>Total borrowings</b>		<b>2,750,570</b>	2,358,089	<b>2,104,587</b>	1,700,575
Analysed as follows:					
- Government related financial institutions		<b>200,000</b>	200,000	-	-
- Other financial institutions		<b>2,550,570</b>	2,158,089	<b>2,104,587</b>	1,700,575
		<b>2,750,570</b>	2,358,089	<b>2,104,587</b>	1,700,575
<b>Maturities of borrowings :</b>					
Not later than 1 year		<b>522,976</b>	238,423	<b>100,976</b>	-
Later than 1 year and not later in 5 years		<b>1,877,594</b>	1,919,666	<b>1,653,611</b>	1,500,575
More than 5 years		<b>350,000</b>	200,000	<b>350,000</b>	200,000
		<b>2,750,570</b>	2,358,089	<b>2,104,587</b>	1,700,575

## NOTES TO THE FINANCIAL STATEMENTS

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### 32. BORROWINGS (CONT'D.)

- (a) The term loans, revolving credits and bank overdraft facilities obtained from various banks, taken by certain subsidiaries, which bear interest rate of 4.36% to 7.80% (2014 : 4.67% to 5.05%) per annum, are secured by certain land held for property development and property development cost as disclosed in Notes 13 and 21.
- (b) On 12 December 2011, the subsidiary of the Group 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.

Following the completion of Quintet Project, the credit facility and its securities were fully settled and discharged.

- (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.

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## 32. BORROWINGS (CONT'D.)

- (c) (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-is for the ICP and IMTN Programme respectively.

The details of the IMTN issuance are as follows:

Issuance date	Amount RM'million	Tenures (Years)	Profit rate
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%
10 April 2015	150	5	4.58%
10 April 2015	150	7	4.80%
	2,000		

- (d) On 14 September 2015, UEM Sunrise (Australia) Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Commodity Murabahah Financing-i Facility ("Facility") of up to AUD150 million to part finance the equity portion of the development of Aurora Melbourne Central Project.

During the financial year, AUD35 million of the Facility was utilised which bears profit rate at 4.36% per annum.

- (e) The loan from immediate holding company bears interest at 4.60% (2014: 4.25%) per annum and is secured by land titles of approximately 114 acres (2014: 114 acres) of freehold land which are deposited with the immediate holding company.
- (f) The bank overdraft taken by Sunrise Berhad, a wholly-owned subsidiary of the Company, bears an average interest at 7.59% (2014: 7.60%) per annum.
- (g) The Structured Commodity Financing-i ("SCF-i") Facility of RM50 million was obtained by the Company in year 2013. In 2015, the Company entered into an additional SCF-i Facility of RM50 million. Both the facilities were utilised for projects and working capital purposes which bear an average profit at 5.39% per annum.

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## 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>2015</b>				
<b>Non-Current</b>				
At 1 January	-	436,432	-	436,432
Reclassification	-	(24,996)	-	(24,996)
At 31 December	-	411,436	-	411,436
<b>Current</b>				
At 1 January	71,333	251,347	50,392	373,072
Addition	19,968	173,714	138,698	332,380
Utilised	(50,921)	(144,621)	(35,468)	(231,010)
Reversal	(8,440)	(29,395)	(5,097)	(42,932)
Reclassification	-	24,996	-	24,996
At 31 December	31,940	276,041	148,525	456,506
<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

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**33. PROVISIONS (CONT'D.)****(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.

**(b) Provision for construction costs**

This relates to estimated final claims by 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 foreseeable losses and provision for liquidated ascertained damages.

**34. PAYABLES**

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade payables		<b>425,283</b>	322,316	-	-
Amounts due to related parties		<b>1,850</b>	3,045	-	-
Amount due to minority shareholder	(i)	<b>30,952</b>	30,952	-	-
Other payables and accruals	(ii)	<b>314,120</b>	299,482	<b>980</b>	551
		<b>772,205</b>	655,795	<b>980</b>	551
Analysed into:					
Non-current		<b>66,143</b>	71,047	-	-
Current		<b>706,062</b>	584,748	<b>980</b>	551
		<b>772,205</b>	655,795	<b>980</b>	551

The normal trade credit terms granted to the Group range from 30 to 60 days (2015: 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.

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## 34. PAYABLES (CONT'D.)

(ii) Other payables and accruals

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sundry creditors	<b>69,874</b>	80,210	<b>203</b>	15
Deposits received*	<b>27,469</b>	113,801	-	-
Accruals**	<b>200,024</b>	77,117	<b>777</b>	536
Employee benefits	<b>16,753</b>	28,354	-	-
	<b>314,120</b>	299,482	<b>980</b>	551

\* Included in deposits of the Group in the previous year was an amount of RM72.8 million representing deposits placed by purchasers of properties in Canada held by lawyer. During the financial year, the deposit was released following the completion of the properties.

\*\* Included in accruals is an amount of RM134.6 million (2014: RM7.4 million) representing the project development cost accrued.

## 35. DEFERRED INCOME

### Unrealised profit

In the previous 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.

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**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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (a) Credit risk (cont'd.)

The following are the carrying amounts of the financial instruments of the Group and the Company at reporting date:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<u>Available-for-sale</u>				
Interests in subsidiaries:				
- Unquoted RCPS (Note 14)	-	-	1,354,313	561,797
Interests in an associate:				
- Unquoted RPS (Note 15)	360,000	35,200	-	-
Interests in joint ventures:				
- Unquoted RCULS, RCPS and RPS (Note 16(a))	602,234	503,353	20,882	-
	<b>962,234</b>	538,553	<b>1,375,195</b>	561,797
<u>Loans and receivables</u>				
Receivables				
- Non-current (Note 23)	54,849	59,105	-	-
- Current*	534,680	1,667,249	387,694	421,134
Amount due from subsidiaries	-	-	1,940,833	1,564,035
Interest in joint ventures				
- Amount due from joint ventures (Note 16(a))	167,931	161,810	-	-
Amount due from joint ventures				
- Non-current (Note 16(b))	72,697	62,536	-	-
- Current (Note 16(b))	239,635	240,284	130,348	154,662
Deposits in licensed banks				
- Non-current (Note 19)	-	3	-	-
- Current (Note 19)	30,373	70,942	-	2,000
Cash and bank balances (Note 19)	975,227	668,329	6,570	2,120
	<b>2,075,392</b>	2,930,258	<b>2,465,445</b>	2,143,951

\* Trade and other receivables exclude prepayments and accrued billings in respect of property development costs.

### (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.

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.

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## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (b) Foreign currency risk (cont'd.)

	Functional currency of Group	
	2015 RM'000	2014 RM'000
Canada Dollar ("CAD")	14,201	13,746
Singapore Dollar ("SGD")	5,683	4,939
South Africa Rand ("ZAR")	23,491	25,650
Australian Dollar ("AUD")	106,880	-
United States Dollar ("USD")	17,116	13,907
	<b>167,371</b>	58,242

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the CAD, SGD, ZAR, AUD and USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2015 RM'000	2014 RM'000
CAD/RM (strengthened 5%)	533	515
SGD/RM (strengthened 5%)	213	185
ZAR/RM (strengthened 5%)	881	962
AUD/RM (strengthened 5%)	4,008	-
USD/RM (strengthened 5%)	642	522

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (c) Liquidity and cash flow risk (cont'd.)

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount due to a joint venture	-	111	-	-
Trade and other payables	<b>772,205</b>	655,795	<b>980</b>	551
Borrowings	<b>2,750,570</b>	2,358,089	<b>2,104,587</b>	1,700,575
	<b>3,522,775</b>	3,013,995	<b>2,105,567</b>	1,701,126

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts are disclosed as follows:

	2015			Total RM'000
	Within 1 year RM'000	2 to 5 years RM'000	5 years and above RM'000	
<b>Group</b>				
Trade and other payables	<b>706,062</b>	<b>71,710</b>	-	<b>777,772</b>
Loans and borrowings	<b>602,782</b>	<b>2,113,728</b>	<b>356,793</b>	<b>3,073,303</b>
	<b>1,308,644</b>	<b>2,185,438</b>	<b>356,793</b>	<b>3,851,075</b>
<b>Company</b>				
Trade and other payables	<b>980</b>	-	-	<b>980</b>
Loans and borrowings	<b>192,686</b>	<b>1,858,834</b>	<b>356,793</b>	<b>2,408,313</b>
	<b>193,666</b>	<b>1,858,834</b>	<b>356,793</b>	<b>2,409,293</b>

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### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (c) Liquidity and cash flow risk (cont'd.)

	2014			Total RM'000
	Within 1 year RM'000	2 to 5 years RM'000	5 years and above 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
	921,965	2,216,962	226,475	3,365,402
<b>Company</b>				
Trade and other payables	551	-	-	551
Loans and borrowings	76,964	1,717,972	204,833	1,999,769
	77,515	1,717,972	204,833	2,000,320

#### (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	
	2015 %	2014 %
<b>Financial assets</b>		
Floating rate	<b>3.29</b>	3.12
<b>Financial liabilities</b>		
Fixed rate	<b>4.33</b>	4.48
Floating rate	<b>4.76</b>	4.79

# NOTES TO THE FINANCIAL STATEMENTS

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## 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	
	2015 %	2014 %
<b>Financial liabilities</b>		
Loan from immediate holding company	<b>4.60%</b>	4.25
Commodity Murabahah Finance	<b>4.36%</b>	-
Term loan	<b>4.82%</b>	4.77
Revolving credit	<b>4.91%</b>	4.83
Bank overdraft	<b>7.59%</b>	7.60
IMTN	<b>4.52%</b>	4.49
Structured commodity	<b>5.39%</b>	-

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 RM454,000 (2014: RM251,000) 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.

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### 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:

	Group	
	2015 RM'000	2014 RM'000
Interest payable to UEM:		
- Loan from UEM	<b>(2,417)</b>	(2,233)
Training fees paid/payable to subsidiaries of UEM:		
- UEM Group Management Sdn. Bhd.	<b>(1,462)</b>	(752)
Management fees payable to subsidiary of UEM:		
- UEM Group Management Sdn. Bhd.	<b>(194)</b>	(194)
Sale of land and building to UEM	<b>130,000</b>	-
Sale of land to an associate:		
- Scope Energy Sdn. Bhd.	<b>(9,298)</b>	522,720
Sale of land to joint ventures:		
- FASTrack Iskandar Sdn. Bhd.	-	248,310
- Horizon Hills Development Sdn. Bhd.	<b>7,454</b>	45,035
- Nusajaya Consolidated Sdn. Bhd.	<b>835</b>	2,057
- Haute Properties Sdn. Bhd.	<b>2,468</b>	1,945
- Malaysian Bio-XCell Sdn. Bhd.	<b>17,233</b>	-
Interest income from joint ventures:		
- Haute Properties Sdn. Bhd.	<b>4,816</b>	4,889
- Nusajaya Consolidated Sdn. Bhd.	<b>1,026</b>	1,424
- Nusajaya Premier Sdn. Bhd.	<b>35</b>	-
- Nusajaya Lifestyle Sdn. Bhd.	<b>384</b>	-
- Desaru North Course Residences Sdn. Bhd.	<b>2,882</b>	2,665
- Desaru South Course Land Sdn. Bhd.	<b>84</b>	81
- Desaru South Course Residences Sdn. Bhd.	<b>7,469</b>	901
Management fee received and receivable from joint ventures:		
- Nusajaya Consolidated Sdn. Bhd.	<b>164</b>	-
- Nusajaya Tech Park Sdn. Bhd.	<b>243</b>	-
- Cahaya Jauhar Sdn. Bhd.	<b>420</b>	420
Management fees received and receivable from a subsidiary of Khazanah:		
- Themed Attractions and Resorts Sdn. Bhd.	<b>531</b>	-
Profit sharing received from:		
- Faber Union Sdn. Bhd.	<b>5,135</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

- (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: (cont'd.)

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Professional services rendered by a firm related to a director:		
- KPK Quantity Surveyor (Semenanjung) Sdn. Bhd.	<b>(774)</b>	(21)
- COX Architecture Pty. Ltd.	<b>(427)</b>	(5,351)
Sale of property to directors of the subsidiaries	<b>19,220</b>	15,647
Sale of property to key management personnel of holding company	<b>23,412</b>	13,998
Sale of property to directors of the Company	<b>27,191</b>	19,598
Sale of property to directors of the related companies	<b>10,306</b>	-
Government related financial institution:		
- Interest income	<b>5,297</b>	14,526
- Repayment of borrowings	-	(2,361)
	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income from subsidiaries	<b>69,335</b>	58,431
Interest income from joint ventures	<b>7,169</b>	6,941
Dividend from subsidiaries during the year	<b>100,000</b>	140,000

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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	Group		Company	
	2015 RM'000	*2014 RM'000	2015 RM'000	*2014 RM'000
Salaries and other emoluments	5,669	5,291	1,020	1,093
Employee share option scheme	(1,261)	3,102	-	-
Bonus	740	1,125	-	-
Defined contribution plan	923	936	122	150
Benefits-in-kind	689	567	71	165
Ex-gratia	340	266	-	-
Other benefits	50	172	-	-
	<b>7,150</b>	11,459	<b>1,213</b>	1,408
Included in compensation of key management personnel are directors' remuneration (Note 5)	<b>1,213</b>	1,408	<b>1,213</b>	1,408

\* The remuneration has been restated following a redefinition to the designation of key management personnel.

## 38. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Unsecured</b>					
Corporate guarantee given to bank for credit facilities granted to a subsidiary		-	-	106,880	-
Litigation, claims and legal suits					
- potential compensation payable to Felcra settlers	(a)	-	26,900	-	-
Income tax assessment	(b)	73,837	73,837	-	-
		<b>73,837</b>	100,737	<b>106,880</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

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### 38. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

- (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 Bandar Nusajaya Development Sdn. Bhd. ("BND"), for the development of Iskandar Puteri (formerly known as 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.

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.

Pursuant to a letter dated 2 December 2015 from Johor State Legal Adviser, BND had on 14 December 2015 make a payment of RM15.95 million to the Plaintiffs for full and final settlement for the claim for and on behalf of the state government and Pentadbir Tanah Daerah Johor Bahru.

# NOTES TO THE FINANCIAL STATEMENTS

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## 38. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

### (b) Income tax assessment

On 3 October 2011, 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 Inland Revenue Board ("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") ruled in favour of BND and declared that IRB had no legal basis to raise the additional assessment. Following the decision held by the KLHC, IRB had filed an appeal to the Court of Appeal ("CoA") against the decision made.

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

On 26 January 2015, FC heard the oral submission of both parties in respect to the IRB's application for leave and unanimously decided to allow IRB's application. Subsequently, FC has called for case management on 30 April 2015 and the Court Registrar instructed IRB to enclose the grounds of judgment, together with the CoA's sealed order as part of IRB's record of appeal. Case management was fixed before Deputy Registrar of FC on 14 July 2015, 28 September 2015 and 10 December 2015.

The case management was concluded on 1 March 2016. Upon conclusion of case management, FC has fixed 26 July 2016 for filing of written submission and 9 August 2016 for hearing on the merit of the case with respect to the interpretation of Section 22(2)(a) of the Income Tax Act, 1967. The Group's solicitors are of the view that BND has an arguable case to contend as there is no legal and factual basis for the notice of additional assessment nor is there legal or factual basis for IRB to impose the penalty.

## 39. CAPITAL COMMITMENTS

	<b>Group</b>	
	<b>2015</b>	<b>2014</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>83,721</b>	125,077
Approved but not contracted for	<b>454,407</b>	519,407
	<b>538,128</b>	644,484

# NOTES TO THE FINANCIAL STATEMENTS

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## 40. FAIR VALUES

The following are fair value of financial instruments by classes:

	Carrying amount RM'000	Fair values RM'000
<b>Group</b>		
<b>2015</b>		
Borrowings (non-current portion)	2,227,594	2,223,827
<b>2014</b>		
Borrowings (non-current portion)	2,119,666	2,123,032
<b>Company</b>		
<b>2015</b>		
Borrowings (non-current portion)	2,003,611	1,999,495
<b>2014</b>		
Borrowings (non-current portion)	1,700,575	1,703,320

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 (i.e as prices) or indirectly (i.e derived from prices)
- Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents the Group's other financial assets and financial liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>As 31 December 2015:</b>				
<b>Assets</b>				
<b>Short term investments:</b>				
Financial asset at fair value through profit or loss	-	-	-	-
Financial asset available for sale	7	-	-	7

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#### 40. FAIR VALUES (CONT'D.)

The following table presents the Group's other financial assets and financial liabilities that are measured at fair value:  
(cont'd.)

	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 investments:</b>				
Financial asset at fair value through profit or loss	-	202,627	-	202,627
Financial asset available for sale	8	-	-	8

#### Determination of fair values

- (i) The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

	Note
Receivables	23
Payables	34

The carrying amounts of the financial assets and financial liabilities are reasonable approximations of fair values due to their short term nature.

- (ii) The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 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:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>As at 31 December 2015:</b>				
<b>Assets for which fair value are disclosed:</b>				
Investment properties (Note 12)	-	-	721,700	721,700
<b>As 31 December 2014:</b>				
<b>Assets for which fair value are disclosed:</b>				
Investment properties (Note 12)	-	-	637,400	637,400

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:

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 2015, 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 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.

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## 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 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 Muhibah 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; GM1408, 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.

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.

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### 42. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

#### (a) Development of Fraser and Gerbang lands in the State of Johor (cont'd.)

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.

The SPAs entered by SESB and AMSB have become unconditional upon fulfillment of its conditions precedent on 29 December 2014 and 6 October 2015 respectively. On 30 December 2015, the SPAs have been completed following the issuance and allotment of redeemable preference shares of RM0.01 each by AMSB and SESB to UEM Land and KLK Land and settlement of balance purchase consideration.

#### (b) Development of land in Mukim of Bandar Serendah in the State of Selangor

On 1 December 2015, Sunrise Berhad ("SB"), a wholly-owned subsidiary of the Company, entered into a conditional Subscription and Shareholders' Agreement ("SSA") with WCT Land Sdn. Bhd. ("WCTL"), a wholly-owned subsidiary of WCT Holdings Berhad and Jubilant Courtyard Sdn. Bhd. ("JCSB"), a wholly-owned subsidiary of WCTL whereby SB and WCTL will be cooperating and work together through JCSB as the special purpose incorporated joint venture company to develop the ten (10) parcels of freehold lands held by JCSB, measuring in total approximately 608.63 acres, all located in the Mukim of Bandar Serendah, District of Ulu Selangor, Negeri Selangor ("Lands").

Pursuant to the SSA, SB shall subscribe for 1,000,000 new ordinary shares of RM1.00 each in JCSB ("Shares") representing 50% of the enlarged issued and paid up share capital of JCSB for a total subscription consideration of RM214.9 million and the subscription of shares by SB will result in a dilution of WCTL's equity interest in JCSB from 100% to 50%.

The SSA is conditional upon and subject to the fulfilment of various conditions precedent.

A deposit of RM21.5 million equivalent to 10% of the total subscription consideration was paid by SB on 1 December 2015, the remaining 90% of the total subscription consideration will be payable within three months from the unconditional date of the SSA.

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## 42. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

### (c) A Joint Venture cum Shareholders' Agreement with Leisure Farm Corporation Sdn. Bhd.

On 16 February 2016, a wholly-owned subsidiary of the Company, UEM Land Berhad ("UEM Land") entered into a Joint Venture cum Shareholders' Agreement with Leisure Farm Corporation Sdn. Bhd. ("LFC"), a wholly-owned subsidiary of Mulpha International Berhad ("MIB") and JV Axis Sdn. Bhd. ("JVASB"), the intended joint venture company for the proposed collaboration between UEM Land and LFC ("JVA").

Both UEM Land and LFC wish to work together as strategic joint development partners to jointly develop thirty-eight (38) parcels of freehold lands (located in Gerbang Nusajaya and near the Leisure Farm Resort) within Mukim Pulai, District of Johor Bahru, Johor. Part of the land parcels are owned by Nusajaya Seaview Sdn. Bhd. ("NSSB") and Nusajaya Rise Sdn. Bhd. ("NRSB"), both are indirect wholly-owned subsidiaries of the Company measuring 98.24 acres and 41.89 acres respectively or collectively as UEM Sunrise Lands whilst the balance of thirty-six (36) land parcels owned by LFC with a total of 91.22 acres ("LFC Lands"). (Both UEMS Lands and LFC Lands are collectively referred as "JV Lands").

On the same day, NSSB and NRSB have entered into a Master Agreement with both JVASB and LFC ("Master Agreement") to record the agreed framework and parameters for the disposal of the JV Lands by NSSB, NRSB and LFC to JVASB.

The Master Agreement is conditional upon certain conditions precedent and to be fulfilled by the respective landowners within twenty-four (24) months from the date of the Master Agreement.

## 43. SEGMENT INFORMATION

### (a) Business unit segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

- (i) Property development - development and sales of residential and commercial properties
- (ii) Property investment - development of investment properties, holds to earn rental income and/or capital appreciation
- (iii) Others - investment holding, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

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## 43. SEGMENT INFORMATION (CONT'D.)

### (b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in four geographical areas:

- (i) Malaysia - the operations in this area are principally development and sales of residential and commercial properties, development of investment properties, holds to earn rental income and/or capital appreciation, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies
- (ii) Canada - the operations in this area are principally development and sales of residential and commercial properties
- (iii) Australia - the operations in this area are principally development and sales of residential and commercial properties
- (iv) Singapore - the operation in this area is principally project management

### Business segment information

	Property development RM'000	Property investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>As at 31 December 2015</b>					
<b>Revenue</b>					
External revenue	1,640,778	62,842	46,246	-	1,749,866
Inter-segment revenue	-	196	14,258	(14,454)	-
<b>Total revenue</b>	<b>1,640,778</b>	<b>63,038</b>	<b>60,504</b>	<b>(14,454)</b>	<b>1,749,866</b>
<b>Results</b>					
Segment results	281,156	13,387	11,882	(13,348)	293,077
Finance costs	(54,810)	(13,154)	(19,252)	13,348	(73,868)
Share of results of associates	9,193	-	2,618	-	11,811
Share of results of joint ventures	131,932	(1,572)	(18,341)	-	112,019
Profit/(loss) before zakat and income tax	367,471	(1,339)	(23,093)	-	343,039
Zakat	(8,662)	-	-	-	(8,662)
Tax expense	(75,289)	(1,344)	(754)	-	(77,387)
<b>Profit/(loss) for the year</b>	<b>283,520</b>	<b>(2,683)</b>	<b>(23,847)</b>	<b>-</b>	<b>256,990</b>
<b>Attributable to:</b>					
Owners of the parent	283,572	(2,683)	(23,677)	-	257,212
Non-controlling interest	(52)	-	(170)	-	(222)
<b>Profit/(loss) for the year</b>	<b>283,520</b>	<b>(2,683)</b>	<b>(23,847)</b>	<b>-</b>	<b>256,990</b>

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**43. SEGMENT INFORMATION (CONT'D.)****Business segment information (cont'd.)**

	Property development RM'000	Property investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>As at 31 December 2015</b>					
<b>Assets</b>					
Segment assets	9,844,169	677,629	147,641	(529,850)	10,139,589
Interest in:					
- associates	468,824	-	19,011	-	487,835
- joint ventures	943,610	94,832	105,332	-	1,143,774
Income tax assets	120,148	1,394	2,660	-	124,202
<b>Total assets</b>	<b>11,376,751</b>	<b>773,855</b>	<b>274,644</b>	<b>(529,850)</b>	<b>11,895,400</b>
<b>Liabilities</b>					
Segment liabilities	4,673,965	513,646	48,888	(529,850)	4,706,649
Income tax liabilities	19,273	-	573	-	19,846
<b>Total liabilities</b>	<b>4,693,238</b>	<b>513,646</b>	<b>49,461</b>	<b>(529,850)</b>	<b>4,726,495</b>
<b>Other Information</b>					
Additions to non-current assets	998,600	99,372	17,338	-	1,115,310
Depreciation and amortisation	(11,569)	(12,596)	(5,443)	-	(29,608)
<b>As at 31 December 2014</b>					
<b>Revenue</b>					
External revenue	2,548,202	67,789	45,683	-	2,661,674
Inter-segment revenue	-	90	6,969	(7,059)	-
<b>Total revenue</b>	<b>2,548,202</b>	<b>67,879</b>	<b>52,652</b>	<b>(7,059)</b>	<b>2,661,674</b>
<b>Results</b>					
Segment results	489,052	23,077	12,847	(4,428)	520,548
Finance costs	(36,062)	(4,437)	(9,781)	4,428	(45,852)
Share of results of associates	28,203	-	3,274	-	31,477
Share of results of joint ventures	127,684	(942)	(23,748)	-	102,994
Profit/(loss) before zakat and income tax	608,877	17,698	(17,408)	-	609,167
Zakat	(9,556)	-	-	-	(9,556)
Tax expense	(114,797)	(2,654)	(2,384)	-	(119,835)
<b>Profit/(loss) for the year</b>	<b>484,524</b>	<b>15,044</b>	<b>(19,792)</b>	<b>-</b>	<b>479,776</b>
<b>Attributable to:</b>					
Owners of the parent	484,559	15,044	(19,676)	-	479,927
Non-controlling interest	(35)	-	(116)	-	(151)
<b>Profit/(loss) for the year</b>	<b>484,524</b>	<b>15,044</b>	<b>(19,792)</b>	<b>-</b>	<b>479,776</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 43. SEGMENT INFORMATION (CONT'D.)

### Business segment information (cont'd.)

	Property development RM'000	Property investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>As at 31 December 2014</b>					
<b>Assets</b>					
Segment assets	9,671,206	583,638	132,707	(455,993)	9,931,558
Interest in:					
- associates	138,538	-	10,713	-	149,251
- joint ventures	730,368	96,404	101,555	-	928,327
Income tax assets	98,793	270	1,686	-	100,749
<b>Total assets</b>	<b>10,638,905</b>	<b>680,312</b>	<b>246,661</b>	<b>(455,993)</b>	<b>11,109,885</b>
<b>Liabilities</b>					
Segment liabilities	4,131,738	410,228	55,522	(455,993)	4,141,495
Income tax liabilities	149,521	-	284	-	149,805
<b>Total liabilities</b>	<b>4,281,259</b>	<b>410,228</b>	<b>55,806</b>	<b>(455,993)</b>	<b>4,291,300</b>
<b>Other Information</b>					
Additions to non-current assets	335,505	25,170	721	-	361,396
Depreciation and amortisation	(9,195)	(8,834)	(2,613)	-	(20,642)

### Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2015 RM'000	2014 RM'000
Malaysia	<b>1,455,188</b>	2,381,433
Canada	<b>143,159</b>	259,780
Australia	<b>138,533</b>	5,299
Singapore	<b>12,986</b>	15,162
<b>Consolidated</b>	<b>1,749,866</b>	2,661,674

# NOTES TO THE FINANCIAL STATEMENTS

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### 43. SEGMENT INFORMATION (CONT'D.)

#### Geographical information (cont'd.)

	Non-current assets	
	2015 RM'000	2014 RM'000
Malaysia	6,469,116	5,097,751
Canada	224,962	215,435
Australia	35,964	79,139
South Africa	15,871	18,614
Singapore	12	16
Consolidated	<b>6,745,925</b>	5,410,955

### 44. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
Nusajaya Resort Sdn. Bhd.	Operator of the East Ledang Clubhouse, 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, property development and general trading	Malaysia	100	100
UEM Sunrise Management Services Sdn. Bhd.	Investment holding	Malaysia	100	100

# NOTES TO THE FINANCIAL STATEMENTS

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## 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
UEM Sunrise Properties Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	100	100
** Nusajaya Five 0 Sdn. Bhd.	Provision of security services	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 construction	Malaysia	100	100
Aurora Tower at KLCC Sdn. Bhd.	Property development	Malaysia	100	100
Laser Tower Sdn. Bhd.	Property development	Malaysia	100	100
Lembah Suria Sdn. Bhd.	Property development	Malaysia	100	100
Lucky Bright Star Sdn. Bhd.	Property investment and development	Malaysia	100	100
Milik Harta Sdn. Bhd.	Property development	Malaysia	100	100
New Planet Trading Sdn. Bhd.	Property investment and development	Malaysia	100	100
Prinsip Eramaju Sdn. Bhd.	Property development	Malaysia	100	100
Saga Centennial Sdn. Bhd.	Ceased operations	Malaysia	100	100
SCM Property Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
Solid Performance Sdn. Bhd.	Property development	Malaysia	100	100
Summer Suites Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Alliance Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Benchmark Sdn. Bhd.	Property development	Malaysia	100	100

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#### 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<b>Subsidiaries of Sunrise Berhad (cont'd.)</b>				
Sunrise Century Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Hospitality and Leisure Sdn. Bhd.	Provision of ancillary services to property related projects	Malaysia	100	100
Sunrise Innovations Sdn. Bhd.	Property development	Malaysia	100	100
# Sunrise International Development Ltd.	Investment holding	The Cayman Islands	100	100
Sunrise Landmark Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Mersing Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Oscar Sdn. Bhd.	Investment holding	Malaysia	100	100
Sunrise Overseas Corporation Sdn. Bhd.	Investment holding and provision of management services	Malaysia	100	100
Sunrise Paradigm Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Pioneer Sdn. Bhd.	Property development	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

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**44. SUBSIDIARIES (CONT'D.)**

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<b>Subsidiaries of Sunrise Berhad (cont'd.)</b>				
Sunrise Oversea (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
<b>Subsidiary of Sunrise International Development Ltd.</b>				
#. Sunrise Holdings S.à.r.l.	Investment holding	The Grand Duchy of Luxembourg	100	100
<b>Subsidiary of Sunrise Holdings S.à.r.l.</b>				
* Canada Sunrise Development Corp.	Property investment and development	Canada	100	100
<b>Subsidiaries of Canada Sunrise Development Corp.</b>				
* Canada Sunrise Developments (Richmond) Ltd.	Property investment and development	Canada	100	100
* 0757422 B.C. Ltd.	Property investment and development	Canada	100	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	100	100
Finwares Sdn. Bhd.	Investment holding	Malaysia	100	100

# NOTES TO THE FINANCIAL STATEMENTS

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**44. SUBSIDIARIES (CONT'D.)**

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<b>Subsidiaries of UEM Land Berhad (cont'd.)</b>				
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 developer and undertaking construction and turnkey development contracts	Malaysia	<b>100</b>	100
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
Aura Muhibah Sdn. Bhd.	Property development	Malaysia	<b>60</b>	60
Marak Unggul Sdn. Bhd.	Dormant	Malaysia	<b>50</b>	50

# NOTES TO THE FINANCIAL STATEMENTS

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## 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<b>Subsidiaries of Bandar Nusajaya Development Sdn. Bhd.</b>				
Nusajaya Gardens Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Nusajaya Greens Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Heights Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Industrial Park Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Land Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Rise Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Seaview Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Symphony Hills Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Preferred Resources Sdn. Bhd.	Dormant	Malaysia	70	70
<b>Subsidiary of Renong Nusantara Sdn. Bhd.</b>				
P.T. Bias Permata	Investment holding	Indonesia	100	100
<b>Subsidiary of Renong Overseas Corporation Sdn. Bhd.</b>				
* Renong Overseas Corporation (S.A.) (Proprietary) Ltd.	Investment holding	South Africa	100	100

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## 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<b>Subsidiary of Renong Overseas Corporation (S.A.) (Proprietary) Ltd.</b>				
* R.O.C Management Services (Proprietary) Ltd.	Representation of holding company in South Africa	South Africa	100	100
* Roc-Union (Proprietary) Ltd.	Investment holding	South Africa	80.4	80.4
<b>Subsidiary of Roc-Union (Proprietary) Ltd.</b>				
* Rocpoint (Proprietary) Ltd.	Acquisition and development of land	South Africa	80.4	80.4
<b>Subsidiary of UEM Sunrise (Australia) Sdn. Bhd</b>				
# UEM Sunrise (Land) Pty. Ltd.	Holding and financing company	Australia	100	100
# UEM Sunrise (Developments) Pty. Ltd.	Holding and financing company	Australia	100	100
<b>Subsidiaries of UEM Sunrise (Land) Pty. Ltd.</b>				
# UEM Sunrise (La Trobe Street) Pty. Ltd.	Trustee company	Australia	100	100
# UEM Sunrise (Mackenzie Street) Pty. Ltd.	Trustee company	Australia	100	100
# UEM Sunrise (St Kilda Road) Pty. Ltd.	Trustee company	Australia	100	-
# UEM Sunrise (La Trobe Street) Unit Trust	Landing entity	Australia	100	100
# UEM Sunrise (Mackenzie Street) Unit Trust	Landing entity	Australia	100	100
# UEM Sunrise (St Kilda Road) Unit Trust	Landing entity	Australia	100	-

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## 44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<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
# UEM Sunrise (St Kilda Road Development) Pty. Ltd.	Development company	Australia	100	-
<b>Subsidiary of UEM Sunrise (Canada) Sdn. Bhd.</b>				
UEM Sunrise (Canada) Development Ltd.	Real estate acquisition and development	Canada	100	100
<b>Subsidiary of UEM Sunrise (Canada) Development Ltd</b>				
UEM Sunrise (Canada) Alderbridge Ltd.	Real estate acquisition and development	Canada	100	100
<b>Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.</b>				
UEM Sunrise Project Services Sdn. Bhd.	Project management for property development	Malaysia	100	100
UEM Sunrise Nusajaya Property Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100

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**44. SUBSIDIARIES (CONT'D.)**

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<b>Subsidiaries of UEM Sunrise Properties Sdn. Bhd.</b>				
UEM Sunrise Nusajaya Properties Sdn. Bhd.	Property investment	Malaysia	100	100
Nusajaya DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	100	100
Opera Retreat Sdn. Bhd.	Property investment	Malaysia	100	100
Puteri Harbour Convention Centre Sdn. Bhd.	Own and operate a convention centre	Malaysia	100	100

**Note:**

\* Subsidiaries not audited by Ernst &amp; Young

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

\*\* The joint venture has now become a subsidiary

**45. ASSOCIATES**

Name of associates	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
UEM Sunrise Edgenta TMS Sdn. Bhd. (formerly known as ETMS Sdn. Bhd.)	Management of real estate	Malaysia	30	-
<b>Associates of UEM Land Berhad</b>				
OptixLab Sdn. Bhd.	Dissolved	Malaysia	-	50
<sup>(a)</sup> Ekuiti Mahir Sdn. Bhd.	Temporarily ceased operations	Malaysia	25	25
<sup>(a)</sup> Setia Haruman Sdn. Bhd.	Township development	Malaysia	25	25
<sup>(a)</sup> Scope Energy Sdn. Bhd.	Property development	Malaysia	40	40
<sup>(a)</sup> Inneonusa Sdn. Bhd.	Provision of information communication technology (ICT) system security and smart building services including smart tenant services for building owners, operators, residents and visitors	Malaysia	39	-

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## 45. ASSOCIATES (CONT'D.)

Name of associates	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<b>Associate of Hatibudi Nominees (Tempatan) Sdn. Bhd.</b>				
<sup>a</sup> 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:**<sup>a</sup> Associates not audited by Ernst & Young

## 46. JOINT VENTURES

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<sup>a</sup> Malaysian Bio-XCell Sdn. Bhd.	Development and operation of a biotechnology park in the Southern Industrial Logistic Cluster in Nusajaya, Iskandar Malaysia	Malaysia	<b>40</b>	40
Nusajaya Premier Sdn. Bhd.	Property development and investment holding	Malaysia	<b>80</b>	80
<sup>#</sup> Nusajaya Five O Sdn. Bhd.	Provision of security services	Malaysia	-	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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 46. JOINT VENTURES (CONT'D.)

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<b>Joint Ventures of UEM Land Berhad</b>				
Horizon Hills Development Sdn. Bhd.	Property development	Malaysia	<b>50</b>	50
<sup>(a)</sup> Nusajaya Consolidated Sdn. Bhd.	Property development and related activities	Malaysia	<b>50</b>	50
Haute Property Sdn. Bhd.	Property development and property marketing	Malaysia	<b>40</b>	40
Nusajaya Tech Park Sdn. Bhd.	Property development	Malaysia	<b>40</b>	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 Iskandar Puteri, Johor and provision of facilities maintenance and management services	Malaysia	<b>60</b>	60
FASTrack Iskandar Sdn. Bhd.	General trading and real property holding	Malaysia	<b>30</b>	30
<b>Joint Ventures of Sunrise Berhad</b>				
<sup>(a)</sup> Sime Darby Sunrise Development Sdn. Bhd.	Property development	Malaysia	<b>50</b>	50
<sup>(a)</sup> Sunrise MCL Land Sdn. Bhd.	Property development and property investment	Malaysia	<b>50</b>	50
<b>Subsidiaries of Horizon Hills Development Sdn. Bhd.</b>				
Horizon Hills Property Services Sdn. Bhd.	Provision of property management and maintenance services	Malaysia	<b>50</b>	50
Horizon Hills Resort Berhad	Proprietor of a club and management of a golf course	Malaysia	<b>50</b>	50

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 46. JOINT VENTURES (CONT'D.)

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2015 %	2014 %
<b>Subsidiary of Nusajaya Consolidated Sdn. Bhd.</b>				
<sup>a</sup> 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	60
CJ Developments Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	60
CJ Ledang Development Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	60

**Note:**<sup>a</sup> Joint ventures not audited by Ernst & Young<sup>#</sup> In previous year, the company was a joint venture and has now become a wholly-owned subsidiary

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015

## 47. SUPPLEMENTARY INFORMATION

The breakdown of the retained profits of the Group and of the Company as at 31 December 2015 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained profits				
- realised	<b>1,044,475</b>	1,513,973	<b>114,255</b>	203,170
- unrealised	<b>159,135</b>	142,114	-	-
Total share of retained profits from associates				
- realised	<b>108,292</b>	97,818	-	-
- unrealised	<b>2,351</b>	1,014	-	-
Total share of retained profits from joint ventures				
- realised	<b>422,747</b>	311,708	-	-
- unrealised	<b>7,836</b>	6,856	-	-
	<b>1,744,836</b>	2,073,483	<b>114,255</b>	203,170
Less: Consolidation adjustments	<b>(192,234)</b>	(176,784)	-	-
Total retained profits	<b>1,552,602</b>	1,896,699	<b>114,255</b>	203,170

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

## SHARE CAPITAL

Authorised capital	:	RM3,517,000,000.00 divided into 7,004,000,000 ordinary shares of RM0.50 each and 1,500,000,000 redeemable convertible preference shares of RM0.01 each
Issued and Paid-up Capital	:	RM2,276,643,176.03 comprising 4,537,436,037 ordinary shares of RM0.50 each and 792,515,753 redeemable convertible preference shares of RM0.01 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	2,843	7.83	100,437	0.00
100 to 1,000	10,393	28.61	5,616,676	0.13
1,001 to 10,000	16,816	46.30	73,417,537	1.62
10,001 to 100,000	5,417	14.91	166,127,984	3.66
100,001 to 226,871,800 (less than 5% of issued shares)	849	2.34	988,867,224	21.79
226,871,801 (5% of issued shares) and above	2	0.01	3,303,306,179	72.80
<b>Total</b>	<b>36,320</b>	<b>100.00</b>	<b>4,537,436,037</b>	<b>100.00</b>

## 30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

As at 31 March 2016

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	302,794,100	6.67
3.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	198,758,237	4.38
4.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	50,865,700	1.12
5.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	29,482,945	0.65
6.	HSBC NOMINEES (ASING) SDN. BHD. BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	23,207,700	0.51
7.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR AIA BHD.	23,161,925	0.51
8.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	22,285,200	0.49
9.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (VCAM EQUITY FD)	20,000,000	0.44
10.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	16,629,103	0.37
11.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	14,626,745	0.32

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

## 30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)

As at 31 March 2016

No.	Name of Shareholder	No. of Shares held	% of Issued shares
12.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT ENTERPRISES FUND	14,373,900	0.32
13.	LIEW SWEE MIO @ LIEW HOI FOO	13,200,000	0.29
14.	AMANAHRAYA TRUSTEES BERHAD PUBLIC SAVINGS FUND	12,771,400	0.28
15.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 12)	12,252,100	0.27
16.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC.	12,045,131	0.27
17.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBAP-SGDIV-ACCL)	11,829,375	0.26
18.	DB (MALAYSIA) NOMINEE (ASING) SDN. BHD. STATE STREET LONDON FUND 33ZX FOR OMNIS PORTFOLIO INVESTMENTS ICVC-OMNIS EMERGING MARKETS EQUITY FUND	10,554,000	0.23
19.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC DIVIDEND FUND	10,376,500	0.23
20.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA INSURANCE BERHAD (LIFE NON-PAR FD)	10,000,000	0.22
21.	HSBC NOMINEES (ASING) SDN. BHD. HSBC BK PLC FOR KUWAIT INVESTMENT OFFICE (KIO)	9,500,000	0.21
22.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR DFA EMERGING MARKET SMALL CAP SERIES	8,585,200	0.19
23.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (AM INV)	8,300,000	0.18
24.	RHB INVESTMENT BANK BERHAD IVT "SW BOOK 1"	8,212,300	0.18
25.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBLDN FOR STICHTING PGGM DEPOSITARY	8,146,700	0.18
26.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC EQUITY FUND	7,639,600	0.17
27.	CARTABAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	7,445,600	0.17
28.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	6,878,155	0.15
29.	DB (MALAYSIA) NOMINEE (ASING) SDN. BHD. BNYM SA/NV FOR NFU MUTUAL GLOBAL DEVELOPING MARKETS FUND	6,000,000	0.13
30.	DB (MALAYSIA) NOMINEE (ASING) SDN. BHD. BNYM SA/NV FOR NFU MUTUAL GLOBAL GROWTH FUND	6,000,000	0.13
<b>Total</b>		<b>3,883,413,395</b>	<b>85.58</b>

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 15

## SUBSTANTIAL SHAREHOLDERS

### As per the Register of Substantial Shareholders

As at 31 March 2016

No.	Name	No. of ordinary 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	307,014,400	6.77	-	-

#### Note:

\* Deemed interested by virtue of being the holding company of UEM Group Berhad

## ANALYSIS OF PREFERENCE SHAREHOLDINGS

As at 31 March 2016

Class of securities : Redeemable convertible preference shares of RM0.01 each  
 Voting Rights : One vote per redeemable convertible preference share held

No.	Name	No. of preference shares	
		No. of preference shares	%
1.	UEM Group Berhad	792,515,753	100.00

## STATEMENT OF DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 31 March 2016

### Directors' Interests In The Securities Of UEM Sunrise Berhad

No.	Name	No. of ordinary shares				No. of options *
		Direct	%	Indirect	%	
1.	Tan Sri Dr. Ir. Ahmad Tajuddin Ali	-	-	-	-	-
2.	Anwar Syahrin Abdul Ajib	100,000	@	-	-	4,000,000 #
3.	Dato' Izzaddin Idris	-	-	-	-	-
4.	Sheranjiv Sammanthan	-	-	-	-	-
5.	Professor Philip Sutton Cox	-	-	-	-	-
6.	Lim Tian Huat	-	-	-	-	-
7.	Dato' Srikandan Kanagaintiram	-	-	-	-	-
8.	Ungku Suseelawati Ungku Omar	-	-	-	-	-
9.	Subimal Sen Gupta	-	-	-	-	-

#### Notes:

@ Less than 0.01%.

\* Options granted under the Employee Share Option Scheme ("ESOS") as approved by the shareholders at the Extraordinary General Meeting held on 7 March 2012.

The ESOS shall be for a term of 7 years commencing 9 April 2012.

# Approved by the shareholders at the Annual General Meeting held on 21 May 2015.

# MATERIAL PROPERTIES OF UEM SUNRISE BERHAD GROUP

AS AT 31 DECEMBER 2015

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 31/12/2015 RM'000	Date of revaluation/ acquisition
Iskandar Puteri (fka Bandar Nusajaya) Iskandar Development Region Johor Darul Takzim	Land held for property development and development in progress	18,164,819	Freehold	-	1,129,813	1995
HSD 64677 PTD 108319 & HSD 64682 PTD 108325 GM 1408, LOT 1033, GM 1410, Lot 1080 Mukim Senai District of Kulai Johor Darul Takzim	Land held for property development	10,116,200	Freehold	-	871,200	6-Oct-15
PTD 2994, 2995, 2999, 3001-4, 3006-15, 3050, 3053 Taman Industri Perintis Mukim of Tanjung Kupang Iskandar Puteri Johor Darul Takzim	Industrial and agriculture land	231,446	Freehold	-	44,827	17-Nov-08
Solaris Dutamas 1 Jalan Dutamas 1 50480 Kuala Lumpur	Building – Retail and Carpark	150,187	Freehold	5	428,924	25-Jul-11*
GM 4733 Lot 149 Seksyen 58 Bandar of Kuala Lumpur Daerah Kuala Lumpur	Land held for property development	6,434	Freehold	-	320,713	4-Jun-11*
Geran 60862 Lot 58688 Mukim Batu Daerah Kuala Lumpur	Land held for property development	60,614	Freehold	-	178,829	14-Jun-11*
Arcoris GM 9305 Lot 80199 Mukim Batu Daerah Kuala Lumpur	Work in progress – Hotel, Retail and Carpark	66,397	Freehold	-	149,720	20-Mar-12
Geran 60863 Lot 58689 Mukim Batu Daerah Kuala Lumpur	Land held for property development	15,307	Freehold	-	49,659	14-Jun-11*
Solaris Mont'Kiara Jalan Solaris 50480 Kuala Lumpur	Building – Carpark	63,302	Freehold	8	48,919	29-Jun-11*

# MATERIAL PROPERTIES OF UEM SUNRISE BERHAD GROUP

AS AT 31 DECEMBER 2015

<b>Location and address of property</b>	<b>Brief description and existing use</b>	<b>Area (sq meters)</b>	<b>Tenure and year of expiry</b>	<b>Age of building (years)</b>	<b>Net book value as at 31/12/2015 RM'000</b>	<b>Date of revaluation/ acquisition</b>
Summer Suites PN No. 48654, Lot 196 Seksyen 44 Bandar of Kuala Lumpur Daerah Kuala Lumpur	Building – Retail and Carpark	26,605	99 years lease expiring on 22-Jan-2108	1	42,472	20-Mar-12
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	-	93,218	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	-	63,018	14-Jun-11*
PTD 4936-4955 and 7905 Mukim of Batang Padang Daerah Batang Padang Perak Darul Ridzuan	Agriculture land	9,729,923	Leasehold expiring on 18-Aug-2109	-	76,346	19-Aug-10
5333, 5411 No. 3 Road and 7960 Alderbridge Way Richmond British Columbia	Land held for property development	19,847	Freehold	-	223,083	1-Apr-14

\* Revaluation date

## RECURRENT RELATED PARTY TRANSACTIONS

Each year during UEM Sunrise Berhad's ("UEM Sunrise or the Company") Annual General Meeting ("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 the 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 2015 ("FY 2015"):

**(a) UEM Sunrise Group receiving services and/or renting and/or acquiring land and/or land-based property from related parties.**

No.	Company in UEM Sunrise Group	Related Party	Interested major shareholders, directors and persons connected with them	Nature of relationship as at FY 2015	Nature of Transaction	Value (RM)
1.	UEM Sunrise Group	UEM Group Berhad (" <b>UEM Group</b> ") and/or its subsidiaries (" <b>UEMG Group</b> ")	Khazanah Nasional Berhad (" <b>Khazanah</b> "), UEMG, Tan Sri Dr. Ir. Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Receipt of group wide ICT shared services	121,274
					Receipt of internal audit, training and administrative support services	1,461,740
					Renting of office space, meeting rooms and other facilities	1,870,582
					Renting of parking space	46,783
					Receipt of electricity and air-conditioning facilities	314,000
					Receipt of construction and engineering services	0
					Rental of facilities and other services	1,038
					Receipt of ready-mix (cement) supply for projects in Iskandar Puteri	0
<b>Total</b>						<b>3,815,417</b>

## RECURRENT RELATED PARTY TRANSACTIONS

No.	Company in UEM Sunrise Group	Related Party	Interested major shareholders, directors and persons connected with them	Nature of relationship as at FY 2015	Nature of Transaction	Value (RM)
2.	UEM Sunrise Group	UEM Edgenta Berhad ( <b>"UEM Edgenta"</b> ) and/or its subsidiaries	Khazanah, UEM Group, Tan Sri Dr. Ir. Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Edgenta is a 70.68% subsidiary of UEMG. UEM Sunrise is a 66.06% subsidiary of UEM Group	Receipt of consultation and facilities maintenance services  Receipt of office cleaning, pest control services and rental of plotted plants	242,173  47,891
<b>Total</b>						<b>290,064</b>
3.	UEM Sunrise Group	Khazanah and/or its subsidiaries ( <b>"Khazanah Group"</b> )	UEMG Group, Tan Sri Dr. Ir. Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Acquisition of land or land based properties in the ordinary course of business	0
<b>Total</b>						<b>-</b>
4.	UEM Sunrise Group	Cox Architecture Pty Ltd ( <b>"COX"</b> )	Professor Philip Sutton Cox	Professor Philip Sutton Cox is the founding partner of COX and also a Director of UEM Sunrise	Receipt of consulting services	427,424 <sup>1</sup>
<b>Total</b>						<b>427,424</b>
5.	UEM Sunrise Group	Telekom Malaysia Berhad ( <b>"TM"</b> ) and/or its subsidiaries ( <b>"TM Group"</b> )	Khazanah and Sheranjiv Sammanthan	TM is a 28.65% associate company of Khazanah which in turn is our ultimate holding company.	Receipt of UniFi bundling services	548,543
<b>Total</b>						<b>548,543</b>
6.	UEM Sunrise Group	KPK Quantity Surveyor	Dato' Srikandan Kanagaintiram	Dato' Srikandan Kanagaintiram is the Managing Director and a substantial shareholder of KPK and also a Director of UEM Sunrise	Receipt of consulting services	317,792
<b>Total</b>						<b>317,792</b>

## RECURRENT RELATED PARTY TRANSACTIONS

### (b) UEM Sunrise Group 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	Nature of relationship as at FY 2015	Nature of Transaction	Value (RM)
1.	UEM Sunrise Group	UEMG Group	Khazanah, UEMG, Tan Sri Dr. Ir. Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Provision for tenancy of land for batching plant, stockyard and casting yard	209,088
<b>Total</b>						<b>209,088</b>
2.	UEM Sunrise Group	Khazanah Group	UEMG Group, Tan Sri Dr. Ir. Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Sheranjiv Sammanthan	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Provision of development and management services  Disposal of land or land based properties in the ordinary course of business	13,308,475  -
<b>Total</b>						<b>13,308,475</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	n/a	Sale of land and/or land based properties by UEM Sunrise Group	18,186,899
<b>Total</b>						<b>18,186,899</b>
4.	edotco Malaysia Sdn. Bhd.	Axiata Group Berhad	Khazanah and Sheranjiv Sammanthan	edotco is an indirect wholly-owned subsidiary of Axiata Group Berhad, a 38.23% associate company of Khazanah, which in turn is our ultimate holding company	Provision of land tenancy for mobile network infrastructure	13,250
<b>Total</b>						<b>13,250</b>

## RECURRENT RELATED PARTY TRANSACTIONS

No.	Company in UEM Sunrise Group	Related Party	Interested major shareholders, directors and persons connected with them	Nature of relationship as at FY 2015	Nature of Transaction	Value (RM)
5.	Southern Marina Development Sdn. Bhd.	Khazanah Group	Khazanah and Sheranjiv Sammanthan	Southern Marina is a 30.00% associate company of Tanjung Bidara Ventures Sdn. Bhd., which in turn is a wholly-owned subsidiary of Khazanah	Provision of land tenancy for show gallery/site-office	117,024
<b>Total</b>						<b>117,024</b>

**Note :**

<sup>1</sup> Professor Philip Sutton Cox resigned as Director of COX effective from 17 July 2015 and ceased to have any financial interest in COX. As such, COX ceased to be a related party to UEM Sunrise Group thereof. The transacted value disclosed is for transactions occurred prior to the resignation.

# CORPORATE DIRECTORY

## CORPORATE HEADQUARTERS

UEM Sunrise Berhad  
Level U2, Block C5  
Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur, Malaysia

Telephone : +603 2718 7788  
Customer Care : 1800-888-008 (within Malaysia only)  
Facsimile : +603-6207 9330

E-mail : **Corporate Communication**  
corpcomm@uemsunrise.uemnet.com

**Customer Care**  
customer.care@uemsunrise.uemnet.com

**Investor Relations**  
ir@uemsunrise.uemnet.com

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

## BUSINESS OFFICES, SALES & MARKETING OPERATIONS

### NUSAJAYA CENTRE

No. 8, Persiaran Ledang Heights  
79250 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 277 3700  
Facsimile : +607 277 3701  
Website : [www.nusajayacity.com](http://www.nusajayacity.com)

### PUTERI HARBOUR MARINA

Satellite Clubhouse  
Lot PTD 141090  
79000 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 530 2122  
Facsimile : +607 530 2125 (Marina Office)  
: +607 530 2126 (Project Office)  
E-mail : [puteriharbour@uemsunrise.uemnet.com](mailto:puteriharbour@uemsunrise.uemnet.com)  
Website : [www.puteriharbourmarina.com](http://www.puteriharbourmarina.com)

### KOTA ISKANDAR

Visitor Information Centre  
Pusat Pentadbiran Kerajaan Negeri Johor  
Kota Iskandar  
79000 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 290 9080  
Facsimile : +607 290 9081/+607 237 4100  
E-mail : [enquiries@kotaiskandar.com](mailto:enquiries@kotaiskandar.com)  
Website : [www.kotaiskandar.com](http://www.kotaiskandar.com)

### HORIZON HILLS GOLF & COUNTRY CLUB

No. 1, Jalan Eka, Horizon Hills  
79100 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 232 3166  
Facsimile : +607 232 3919  
E-mail : [general@hhgcc.com.my](mailto:general@hhgcc.com.my)  
Website : [www.hhgcc.com.my](http://www.hhgcc.com.my)

### NUSA BAYU SALES GALLERY

No. 1, Lingkaran Bayu, Nusa Bayu  
79250 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 509 6711  
Website : [www.nusabayu.com](http://www.nusabayu.com)

### NUSA IDAMAN SALES GALLERY

Jalan Idaman 1, Nusa Idaman  
79100 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 232 6191/6187  
Website : [www.nusaidaman.com](http://www.nusaidaman.com)

### MALL OF MEDINI

No. 4, Lebuhraya Medini Utara  
Medini Iskandar Malaysia  
79200 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 509 9493  
E-mail : [enquiries@kotaiskandar.com](mailto:enquiries@kotaiskandar.com)  
Website : [www.facebook.com/MediniMall](http://www.facebook.com/MediniMall)

### ANJUNG MANAGEMENT OFFICE

Lot 25, Ground Floor  
Anjung Neighbourhood Centre  
No. 5 Persiaran Ledang Heights  
79250 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 510 3137

### LEDANG URBAN RETREAT

No. 2, Jalan Bendahara  
79250 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 510 2020

### CAHAYA JAUHAR SDN. BHD.

27 & 29, Jalan Indah 15/3  
Bukit Indah  
79100 Iskandar Puteri  
Johor Darul Ta'zim, Malaysia  
Telephone : +607 235 0800  
Facsimile : +607 235 0809  
E-mail : [enquiries@cahayajauhar.com](mailto:enquiries@cahayajauhar.com)  
Website : [www.cahayajauhar.com](http://www.cahayajauhar.com)

# CORPORATE DIRECTORY

## **SYMPHONY HILLS SDN. BHD.**

Clubhouse Symphony Hills  
Persiaran Simfoni, Cyber 9  
63000 Cyberjaya, Selangor Darul Ehsan, Malaysia  
Telephone : +603 8312 7800  
Facsimile : +603 8318 3446  
E-mail : symphonyhills@uemsunrise.uemnet.com  
Website : www.symphonyhills.com.my

## **SERENE HEIGHTS SALES GALLERY/ SERENE HEIGHTS PROJECT OFFICE**

Persiaran Serene, Serene Heights  
43500 Semenyih, Selangor Darul Ehsan, Malaysia  
Telephone : +603 8723 2461/1687 (Sales Gallery)  
: +603 8723 1420/1931/2196 (Project Office)  
Facsimile : +603 8723 1597 (Sales Gallery)  
: +603 8723 1528 (Project Office)  
Website : www.sereneheights.com.my

## **RADIA BUKIT JELUTONG SALES GALLERY**

No.2A (Lot 64406), Persiaran Tebar Layar  
Seksyen U8, Bukit Jelutong  
40150 Shah Alam, Selangor Darul Ehsan, Malaysia  
Telephone : +603 7859 9801/6207 9471  
Website : www.radia.com.my

## **SUNRISE MCL LAND SDN. BHD.**

23 & 24G, Jalan Forest Heights 8  
70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia  
Telephone : +606 761 8133/8120  
Fax : +606 761 0339  
E-mail : marketing@sunrisemcl.com.my  
Website : www.sunrisemcl.com.my

## **UEM SUNRISE SHOWCASE**

21 Jalan Kiara, Mont'Kiara  
50480 Kuala Lumpur, Malaysia  
Telephone : +603-6207 9471/6201 0657  
Facsimile : +603-6201 0625

## **UEM SUNRISE PROPERTY SHOWCASE @PUBLIKA**

Lot 20, Level G2  
Solaris Dutamas  
No 1, Jalan Dutamas 1  
50480 Kuala Lumpur, Malaysia  
Telephone : +603 6207 9471/6201 0657  
Facsimile : +603 6201 0625

## **PUBLIKA SHOPPING GALLERY**

Lot 8 & 8A, Level G1  
Solaris Dutamas  
No 1, Jalan Dutamas 1  
50480 Kuala Lumpur, Malaysia  
Telephone : +603 2718 7788  
Facsimile : +603 2714 2111  
E-mail : promo.publika@uemsunrise.uemnet.com  
Website : www.facebook.com/PublikaGallery

## **mapKL**

Level G2-01, Block A5, Solaris Dutamas  
No 1, Jalan Dutamas 1  
50480 Kuala Lumpur, Malaysia  
Telephone : +603 6207 9732  
Facsimile : +603 6207 9729

## **UEM SUNRISE PROPERTY GALLERY**

21 Tan Quee Lan Street, #01-03A  
Heritage Place, Singapore 188108  
Telephone : +65 6835 7652  
Facsimile : +65 6835 7653

## **M+S PTE. LTD.**

3 Anson Road  
#18-01 Springleaf Tower  
Singapore 079909  
Telephone : +65 6329 1288  
Facsimile : +65 6329 1299  
E-mail : enquiries@ms-developments.com  
Website : www.duosingapore.com/  
www.marinaone.com.sg

## **CANADA SUNRISE DEVELOPMENT CORP**

London Plaza 890-5951  
No 3 Road Richmond  
B.C. Canada  
Telephone : +1604 247 1911  
Email : info@quintetrichmond.com  
Website : www.quintetrichmond.com

## **UEM SUNRISE DURBAN SALES OFFICE**

RocPoint House  
15 Timeball Boulevard  
Point Waterfront  
4001 Durban, South Africa  
Telephone : +27 31 332 7679  
Facsimile : +27 31 332 6766  
E-mail : admin@durbanpoint.co.za

# FORM OF PROXY



A member of UEM Group

I/We \_\_\_\_\_ NRIC/Company No. \_\_\_\_\_

of \_\_\_\_\_

being a member of UEM Sunrise Berhad ("the Company") hereby appoint \_\_\_\_\_

of \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

and/or failing him/her, \_\_\_\_\_ 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 Eighth 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 Monday, 23 May 2016 at 10.00 a.m., or at any adjournment thereof.

*(Please indicate with a "X" or "V" 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 1.6 sen per ordinary share for the financial year ended 31 December 2015.	1		
To re-elect Lim Tian Huat who is retiring pursuant to Article 85 of the Company's Articles of Association.	2		
To re-elect Dato' Srikandan Kanagainthiram who is retiring pursuant to Article 85 of the Company's Articles of Association.	3		
To re-elect Ungku Suseelawati Ungku Omar who is retiring pursuant to Article 85 of the Company's Articles of Association.	4		
To re-elect Subimal Sen Gupta who is retiring pursuant to Article 92 of the Company's Articles of Association.	5		
To re-elect Zaida Khalida Shaari who is retiring pursuant to Article 92 of the Company's Articles of Association.	6		
To re-appoint Professor Philip Sutton Cox who is retiring pursuant to Section 129(6) of the Companies Act, 1965.	7		
To approve the payment of Directors' fees for the financial year ending 31 December 2016 on a quarterly basis.	8		
To re-appoint Messrs Ernst & Young as Auditors and to authorise Directors to fix their remuneration.	9		
To empower Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares.	10		
To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	11		
To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.	12		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

No. of shares		
CDS Account No.		
Telephone No.		
Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %

\_\_\_\_\_

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 PUJ 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.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 April 2016.

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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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A member of **UEM Group**

**UEM Sunrise Berhad (830144-W)**

Level U2, Block C5  
Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur, Malaysia

Tel: +603 2718 7788 Fax: +603 6207 9330

Email: [corpcomm@uemsunrise.uemnet.com](mailto:corpcomm@uemsunrise.uemnet.com)

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