



X

E P A N D I N G
H O R I Z O N S



EXPANDING HORIZONS

It is an exciting and eventful year for UEM Land Holdings Berhad as we enter a new chapter in our evolution. As an enlarged entity, we are now poised to diversify products and expand our geographical reach. Leveraging on this solid foundation, we can delve into new markets and territories and build upon our heritage of strength and quality of services. This will allow us to explore more opportunities for growth and bring our distinct brand to more communities across the region. As we expand our horizons, not just locally or regionally, but even globally, we will continue to provide enhanced value in the diversity of our products and services to propel the company to even greater heights of success.

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→ VISION

TO BE A GLOBAL
COMMUNITY BUILDER

→ MISSION

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

LIVING OUR **VALUES**

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

T EAMWORK

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

I NTEGRITY

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

P ASSION FOR SUCCESS

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

S INCERITY OF INTENT

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



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of the Company will be held at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 14 June 2012 at 10.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon.

AS ORDINARY BUSINESS

2. To re-elect the following Directors, who retire in accordance with Article 85 of the Company's Articles of Association and, being eligible, have offered themselves for re-election:-
 - (i) Dato' Izzaddin Idris **Ordinary Resolution 1**
 - (ii) Sheranjiv Sammanthan **Ordinary Resolution 2**
3. To consider and, if thought fit, to pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:
 - (i) **"THAT** Abdul Kadir Md Kassim, 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 next Annual General Meeting."**Ordinary Resolution 3**
 - (ii) **"THAT** Md Ali Md Dewal, 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 next Annual General Meeting."**Ordinary Resolution 4**
 - (iii) **"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 next Annual General Meeting."**Ordinary Resolution 5**
4. To approve the payment of Directors' fees in respect of the financial year ended 31 December 2011. **Ordinary Resolution 6**
5. To approve the Directors' fees for the financial year ending 31 December 2012 as follows: **Ordinary Resolution 7**
 - (a) Payment of Directors' fees amounting to RM210,000 per annum for the Non-Executive Chairman and RM108,000 per annum for each Non-Executive Director with effect from 1 January 2012 to be paid on a quarterly basis;
 - (b) Payment of 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 with effect from 1 January 2012 to be paid on a quarterly basis; and
 - (c) Payment of 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 with effect from 1 January 2012 to be paid on a quarterly basis.

NOTICE OF ANNUAL GENERAL MEETING

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

Ordinary Resolution 8

AS SPECIAL BUSINESS

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

7. ORDINARY RESOLUTION

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 9

8. ORDINARY RESOLUTION

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

“THAT pursuant to paragraph 10.09 of the 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 Land Holdings Group”) to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of UEM Land Holdings Group to be entered into by UEM Land Holdings 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 Section I of the Circular to Shareholders of the Company dated 23 May 2012 **AND THAT** such approval conferred by the shareholders’ mandate shall continue to be in force until:

Ordinary Resolution 10

- (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.”

NOTICE OF ANNUAL GENERAL MEETING

9. ORDINARY RESOLUTION

PROPOSED NEW MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolution 11

"THAT pursuant to paragraph 10.09 of the 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 Land Holdings Group") to enter into additional recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of UEM Land Holdings Group to be entered into by UEM Land Holdings 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 Section II of the Circular to Shareholders of the Company dated 23 May 2012 **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 Mandate."

10. SPECIAL RESOLUTION

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Special Resolution

"THAT in line with the amendments made to the provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the existing Article 74 of the Company's Articles of Association be renumbered as Article 74(1) and the following new Articles 74(2) and 74(3) be added immediately after Article 74(1) and **THAT** the said Articles shall read as follows:-

Appointment of at least one proxy

- 74(1) Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account but the appointment of proxy pursuant to this Article 74(1) is subject to the limitations as set in Article 79.

NOTICE OF ANNUAL GENERAL MEETING

Appointment of multiple proxies

- 74(2) 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 Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.

Qualification and rights of proxy to speak

- 74(3) (a) A member of the Company entitled to attend and vote at a meeting or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.
- (b) A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting."

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

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Fourth AGM, 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 8 June 2012. Only a depositor whose name appears on the ROD as at 8 June 2012 shall be entitled to attend the said Meeting or appoint a proxy(ies) to attend and vote on his/her behalf.

By Order of the Board

TAN HWEE THIAN (MIA 1904)

WONG LEE LOO (MAICSA 7001219)

Company Secretaries

Kuala Lumpur

23 May 2012

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 and vote in his place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.
2. To be valid, the **original** form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time of holding the Meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
6. A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend 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 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 and vote at the same meeting, such appointments shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

B. EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 9 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 this mandate granted to the Directors at the last AGM held on 16 June 2011 and it will lapse at the conclusion of the 4th AGM to be held on 14 June 2012.
3. The renewal of this 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 AGM.

Ordinary Resolutions 10 and 11 on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

1. For Ordinary Resolutions 10 and 11, further information on the Recurrent Related Party Transactions are set out in the Circular to Shareholders of the Company dated 23 May 2012 which is dispatched together with the Company's Annual Report 2011.
2. The proposed Ordinary Resolutions 10 and 11, 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 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.

Special Resolution on the proposed amendment to the Articles of Association of the Company

The Special Resolution proposed above, if passed, will streamline the Company's Articles of Association to be in line with the latest Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF THE FOURTH ANNUAL GENERAL MEETING**DIRECTORS WHO ARE SEEKING RE-ELECTION AT THE FOURTH ANNUAL GENERAL MEETING OF THE COMPANY**

The details of all the Directors seeking re-election are set out in their respective profiles which appear in the Profile of Directors on pages 52 to 60 of this Annual Report. The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings on pages 235 of this Annual Report.

FINANCIAL CALENDAR

16 FEB 2011

Completion of the Sunrise acquisition

25 FEB 2011

Announcement on the 4th quarter consolidated results for the financial period ended 31 December 2010

13 APR 2011

Announcement of provision of management and maintenance services for Phase 1 of Kota Iskandar to be undertaken by Cahaya Jauhar Sdn Bhd

25 MAY 2011

Announcement on the 1st quarter consolidated results for the financial period ended 31 March 2011

1 JUNE 2011

Disposal of parcel TR-2-1 measuring 3.23 acres in Puteri Harbour to Terminal Perintis Sdn Bhd, a wholly-owned subsidiary of Tiong Nam Logistics Holdings Berhad for the development of hotel, retail and serviced apartment

9 JUNE 2011

Development of two parcels of lands measuring 35.11 acres in Medini Iskandar Malaysia as a retail and mixed development via a joint venture with Iskandar Harta Holdings Sdn Bhd and Nusajaya Lifestyle Sdn Bhd

16 JUNE 2011

UEM Land Holdings held its 3rd Annual General Meeting

26 JUNE 2011

Announcement on the incorporation of Sunrise MS Pte Ltd in Singapore, a wholly-owned subsidiary of UEM Land Holdings

25 AUG 2011

Announcement on the 2nd quarter consolidated results for the financial period ended 30 June 2011

25 OCT 2011

Announcement on the appointment of The Ascott Limited to manage and operate the Somerset Puteri Harbour, a serviced residence in Puteri Harbour, Nusajaya

24 NOV 2011

Announcement on the 3rd quarter consolidated results for the financial period ended 30 September 2011





EEDING

EXPECTATIONS

We continue to maintain an unyielding focus on profitability, concentrating our resources where we can generate the best returns for shareholders.

CHAIRMAN'S STATEMENT

Tan Sri Dr Ahmad Tajuddin Ali
Chairman

Dear Shareholders,

The year 2011 was without doubt challenging within the global context, given deepening economic crises in the United States of America ("US") and the Eurozone, political upheavals in the Middle East and natural adversities that swept across the four corners of the world including the tsunami in Japan which literally brought the country to a standstill and even today, a year later, the after effects are still being felt. Fortunately, Malaysia was by and large spared from the worst of the international economic scenario.

CHAIRMAN'S STATEMENT

Our domestic economy continued to grow, spurred by incentives and investments brought about by the 10th Malaysia Plan and the Economic Transformation Programme, both launched in 2010, as well as the Budget 2012, announced on 7 October 2011 which sees a total of RM232.8 billion allocated for government development plans, including the Kuala Lumpur International Financial District. These, along with other mega projects to improve the country's infrastructure, are proving to be a particular boon to the property sector, increasing investors' confidence and attracting foreign investments.

UEM Land Holdings Berhad ("UEM Land Holdings" or "the Company") had another reason to celebrate in 2011. For us, it was nothing less than a milestone year, marking it as a new era in our journey as a leading developer in the country. In February 2011, UEM Land Holdings successfully completed the acquisition of Sunrise Berhad ("Sunrise"), giving UEM Land Holdings immediate access to developable land bank in prime locations around the Klang Valley like Mont'Kiara, Kuala Lumpur, Kajang and Bukit Jelutong and automatically increasing our presence in the Klang Valley as well as in Vancouver, Canada. Sunrise's specialisation in high-rise residential and integrated commercial development complements well with UEM Land Holdings' expertise in township development, whilst its sustainable financial performance as a result of years of strong earnings gives UEM Land Holdings the edge to become a premier property developer.

We thus began the year as one of the biggest property developers in Malaysia in terms of market capitalisation and I am pleased to add, ended it as one of the most successful. It certainly was an exciting year for us, and I take great pleasure in sharing our financial results with you.

■ FINANCIAL PERFORMANCE

For the financial year 2011, UEM Land Holdings' profit after tax and minority interest ("PATAMI") surged to a record RM301.7 million on the back of revenue which more than tripled to RM1,703.2 million from RM471.1 million in 2010, driven by the increased sales of our properties. We have had the benefit of deriving income from the sale of our high-end residential projects in Kuala Lumpur, such as 28 Mont'Kiara, 11 Mont'Kiara as well as our projects in Nusajaya such as East Ledang and the Southern Industrial and Logistics Clusters ("SiLC"). These projects obviously boosted both our revenue and profit for the year.

Consequently, we surpassed our Headline Key Performance Indicator ("KPI") on revenue growth of 50%. However, we fell short of our second Headline KPI of Return On Equity ("ROE"), achieving an ROE of 8% as opposed to the target of 10%. Although we met our revenue growth target of 50%, our PATAMI of RM301.7 million, while setting a record high for UEM Land Holdings, was still insufficient to attain the ROE of 10%. The enlarged capital base for the financial year 2011 pursuant to the new shares issued including conversion of Redeemable Convertible Preference Shares for the acquisition of Sunrise resulted in a further enlarged share capital base of 4,323.6 million shares as at end 2011, made meeting the ROE target a challenge. This just tells us that we will have to work harder to further increase our PATAMI for the financial year 2012 in order to achieve the 10% targeted ROE.

While our financial performance has been highly commendable, the Board of Directors has decided not to pay out a dividend for the year 2011 as we have ambitious plans for further expansion in 2012, both locally and regionally, and this would require a large amount of working capital. These developments will, however, drive significant shareholders' value moving forward as we continue to add new income streams for the Group.

CHAIRMAN'S STATEMENT

BREAKING OF A NEW DAWN

As mentioned above, the major highlight of 2011 was our Group's expansion following the acquisition of Sunrise. With its expertise in high-rise residential and high-end commercial developments, the acquisition complements perfectly with our own capabilities in township development. As with any acquisition, however, ours came with its share of unique challenges. Fortunately, we had anticipated most of these and put in place various initiatives aimed at creating a united Group, driven by shared values and motivated by common goals.

Teamwork is one of UEM Land Holdings' shared values and this was given particular emphasis during the year to ease the transition of our new members into the extended family. We have approached this acquisition as the merger of two equals and are creating a strategically enhanced new organisation by adopting best practices from both UEM Land Holdings as well as Sunrise. Further enhancing a united workforce, in July we ran a cultural integration programme in Melaka in three separate sessions to cater to over 1,000 staff. A key objective of this was to drive home the message that, despite superficial differences, the corporate values of UEM Land Holdings and Sunrise are essentially very similar. A fully integrated structure to manage our resources, namely our systems, processes and human resources – was subsequently finalised in November 2011.

As a result of these initiatives, our integration is progressing well and we look forward to deriving full benefits from the synergies created.

CLOSE TO TIPPING POINT

While we are very excited by the new developments taking place in our extended family, we continue to hold the Nusajaya development close to our heart, as it has been our flagship project from the very beginning. The Company is fortunate to be part of Iskandar Malaysia, enjoying direct spillover benefits from the various projects undertaken in Iskandar Malaysia especially those developed in Nusajaya like EduCity Iskandar Malaysia ("EduCity") and Medini Iskandar Malaysia ("Medini") as well as the Coastal Highway, a 15km six-lane highway from Danga Bay to Nusajaya. These catalyst projects together with ours, the likes of Puteri Harbour, Kota Iskandar and SiLC will be among the determining factors for UEM Land Holdings to achieve the targeted tipping point for Nusajaya in 2012.

In terms of our residences, we have achieved much in 2011 with significant sales for our East Ledang, Nusa Idaman and Nusa Bayu on top of the new launches like the Imperia in Puteri Harbour and Impiana in East Ledang. As for SiLC, we have been attracting more industrial players to set up their operations there.

During the year, we formed a joint venture with Iskandar Harta Holdings Sdn Bhd, a wholly-owned subsidiary of Iskandar Investment Berhad, to develop a lifestyle retail mall and residences in Medini. The entrance into the LEGOLAND® in Medini is from the retail mall. We also entered into a collaboration with The Ascott Limited via Nusajaya Consolidated Sdn Bhd, our 50:50 joint venture company with United Malayan Land Berhad, for the management and operation of 204 units of waterfront boutique serviced residences known as Somerset Puteri Harbour in Puteri Harbour.

These positive developments, plus the fact that the majority of the catalyst projects in Nusajaya are slated to be completed towards the end of 2012 gives us every reason to believe we will achieve our targeted tipping point in Nusajaya this year.

CORPORATE RESPONSIBILITY

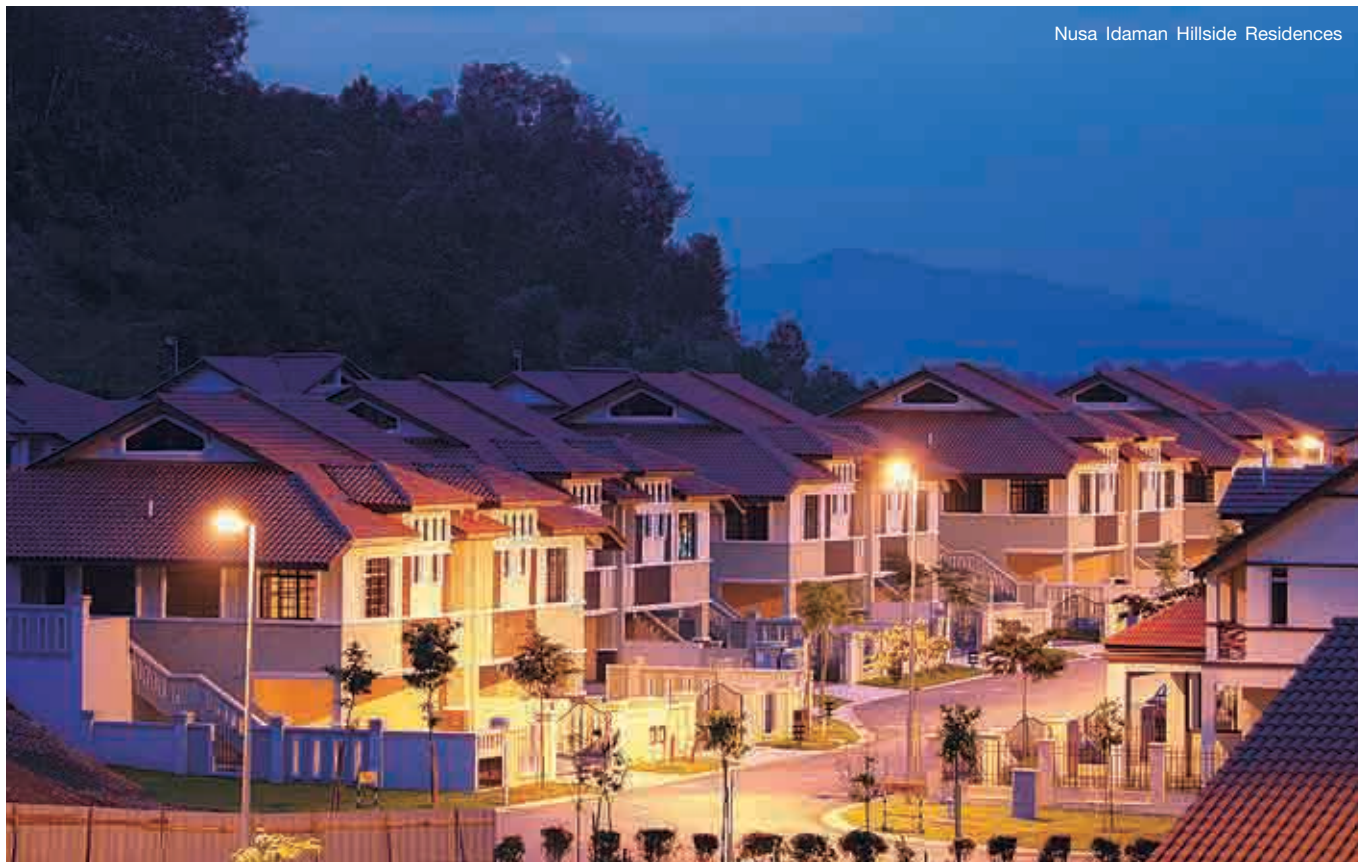
Corporate responsibility at UEM Land Holdings takes into consideration our responsibility to all our stakeholders – from our customers to our shareholders, business associates, employees and the community at large. To all, we are committed to ensuring that we build a sustainable business in order to continue to fulfil our obligations.

CHAIRMAN'S STATEMENT



Laman Firdaus, Bangunan Dato' Jaafar Muhammad, Kota Iskandar

CHAIRMAN'S STATEMENT



Nusa Idaman Hillside Residences

Our customers are highly valued and we take great pride in meeting their needs and expectations. We have in place comprehensive management programmes to ensure superior quality in all aspects of our projects, from the initial planning and preliminary design to building and specifications, right through to the selection of materials and the labour force responsible for workmanship. We also adhere to best-in-class quality benchmarks and standards across all of our developments. Currently, our contractors are required to comply with the Construction Quality Assessment ("CONQUAS") developed by the Building and Construction Authority ("BCA") of Singapore.

While ensuring quality end products, we do not compromise on safety and are working towards Zero Lost Time Injury ("LTI"). We have established a set of standards such as the Occupational Health & Safety-Management Systems and constantly reinforce safe practices among our workforce as well as our contractors via audits and training. Related to safety is the management of risks. UEM Land Holdings has in place a firmly embedded Enterprise-Risk Management ("ERM") system of internal control which forms a vital and integral part of our strategic planning and business operations. To ensure maximum effectiveness of the ERM, we are continuously improving our capability

and coordination to manage risks effectively in areas such as Strategic Planning, Marketing, Compliance and Ethics, Integration Process, Operations Management and Internal Audit.

As a responsible corporate citizen, we have a sense of responsibility towards our local communities. In Nusajaya, we have adopted 17 under-served schools under the Khazanah Nasional Berhad ("Khazanah") initiated PINTAR Programme, where we run a number of initiatives to increase the academic performance of the students in a holistic manner. The annual 'Deck the Trees' charity event organised by Sunrise brought together 400 children from welfare homes including Myanmar

CHAIRMAN'S STATEMENT

refugees in the Klang Valley for an unforgettable afternoon of fun at The Square in Publika late last year. In addition, we regularly donate to various causes that serve the needs of the underprivileged.

Finally, UEM Land Holdings is conscious of our duty to contribute towards a greener and healthier environment for all. As mentioned in last year's annual report, we employ effective methods to minimise pollution and erosion at our project sites. The Nusajaya Green Plan, based on the R.O.S.E concept ("Reduce, Offset, Substitute and Enhance") has become a standard blueprint adopted in all our developments.

■ PROSPECTS

As much as I am pleased with our current results, I believe we can do even better in 2012. Nusajaya as a whole has entered a phase where it is rapidly taking shape as a world-class city, and its well-designed master plan that includes strategic initiatives such as the Nusajaya Intelligent City Management platform, safety and security, Eco-Nusajaya and multi-telecommunication environment is attracting much attention from the local and regional communities especially since winning the Malaysia Property Award 2011 hosted by FIABCI Malaysia for the Master Plan Category. At UEM Land Holdings, we have seen heightened interest in our residential projects such as East Ledang, Nusa Idaman, Horizon Hills and Nusa Bayu and look forward to good take-up rates when we launch new phases of these developments during the year.



East Ledang

CHAIRMAN'S STATEMENT

At the same time, our greatly expanded portfolio of projects, post-Sunrise acquisition, has stamped the UEM Land brand in key locations other than our stronghold of Nusajaya. We now have a firm presence in high-end locations within the Klang Valley which serve not only to increase our revenue potential but also to grow our visibility and brand value. In 2012, we can look forward to no less than 15 project launches including subsequent phases of

launched projects – both in Nusajaya and Klang Valley which will further boost our financial performance for the year.

I have further reason to expect a better financial showing in 2012. In 2011, the Group's primary source of income was, for the first time, property development which accounted for 74% of our total revenue. This is in marked contrast with the past when strategic land sales was our main revenue driver. With heightened



Puteri Harbour

CHAIRMAN'S STATEMENT

focus on property development and disposal of developed lands, Puteri Harbour and SiLC being examples, we are in a position to add greater value to our products and therefore also increase the amount of profit generated. This, of course, will be reflected in our financial performance in 2012 and beyond.

Finally, we are in an excellent position to make further headway both locally and internationally as a property developer of repute as a result of the synergies created from the integration of our systems, processes and human capital with that of Sunrise. We now have a bigger management team of highly experienced and capable individuals who together have the combined skills and talents to realise UEM Land Holdings' vision of becoming a regional player. This is something we will definitely explore in 2012 and I look forward to reporting on our successes in next year's annual report.

■ ACKNOWLEDGEMENTS

On behalf of the Board of Directors of UEM Land Holdings, I would like to convey our appreciation to our various stakeholders – including our shareholders, customers, business associates and partners – for their highly valued contributions to the Company. A special note of thanks goes to the Federal Government, the Johor State Government as well as the

Iskandar Regional Development Authority for their vision and determination to create in Johor, Nusajaya in particular, a world-class destination where living, education, entertainment, environment and business seamlessly converge.

I also speak for the Board of Directors in acknowledging the steadfast contributions of our former colleague, Dato' Ikmal Hijaz Hashim, who spent three years on the Board in the Company. We wish him all the very best in his future endeavours. We would also like to welcome Professor Philip Sutton Cox who joined us as a board member in March this year.

Most importantly, I would like to extend my heartfelt gratitude to the entire team at the Group. To my fellow Directors, thank you for your insights, your wise counsel and support in guiding the Company through our milestone year. As to our management team and employees, 2011 was a crucial year for us as we made the transition to become a premier property developer.

But our success thus far boils down to you, the Shareholders – for your unwavering commitment and dedication to the Company. I thank you for your openness to change and your patience in helping us create a bigger and better organisation, ready to take on the region and the world.

Tan Sri Dr Ahmad Tajuddin Ali
Chairman

2012 OUTLOOK

The heightened concerns over the debt debacle in the European economies dampened the overall outlook of the global economic and financial conditions. In addition, the massive earthquake striking Japan in March 2011 has further exacerbated the worsening global economic conditions with massive disruptions in global supply chains. The International Monetary Fund ("IMF") has slashed its growth forecast for most of the major economies stating that they were "decelerating but not collapsing" and that "most advanced economies avoid falling back into recession while economic activities of emerging economies slowed down." IMF is projecting a world Gross Domestic Product ("GDP") growth of 3.3% for 2012, down from its initial forecast of 4.1% back in September 2011. Forecast for emerging economies includes China at 8.5%, India at 6.9% and Malaysia at less than 5%.

Despite the challenging external environment, the Malaysian economy has been resilient as evidenced by its quarterly growth for the year 2011; 1st Quarter at 5.2%, 2nd Quarter at 4.3%, 3rd Quarter at 5.8% and 4th Quarter at 5.2% with an overall growth of 5.2% for the year 2011. As for 2012, the continued economic slowdown in the United States of America ("US"), Japan and Europe, inflationary pressure due to rising commodity prices, the European debt crisis as well as slower world trade will certainly have an impact on the Malaysian economy. However, due to continued support from the public and private sectors for the domestic economy, Bank Negara Malaysia projected for the economic growth to be between 5-6% for Malaysia in 2012. Private investment growth will continue to be the main driver for the Malaysian economy and is expected to hit RM113 billion in 2012. This will be spurred by in-flows from the implementation of various projects under the Economic Transformation Programme ("ETP") and investments in Iskandar Malaysia.

Malaysia has jumped 11 places to land the number 10 spot on the AT Kearney's 2011 Foreign Direct Investment ("FDI") Confidence Index. This is an indication that the Government and ETP are yielding benefits and a testimony of investors' increasing confidence in the Government's various initiatives to stimulate economic growth. Malaysia has also proven to be one of the top tourist destinations in the world. It is the key destination for Singaporeans to spend their holidays due to its proximity and close bilateral ties. The Government has lent its support in many initiatives which are being promoted to further attract tourist arrivals such as the opening of the Johor Premium Outlet in Johor Bahru which offers massive discounts on branded names such as Armani, Burberry and Coach, the much-anticipated opening of LEGOLAND® Malaysia in Nusajaya in September 2012 and the opening of more theme parks such as the Bukit Gambang Resort City in Pahang and I-City in Selangor which is the "first light scape" tourism-destination in Malaysia.

The interest rates have remained accommodative by the end of 2011 and are expected to continue in 2012. The inflation rate is predicted to remain stable and moderate in 2012, between 3-3.5%. Overnight Policy Rate ("OPR") is expected to remain at 3% and the average Base Lending Rate ("BLR") at 6.5%. The

cost of borrowing for businesses and households is still below pre-crisis levels and remains supportive of the economy.

The local property market is expected to grow at a moderate pace in 2012. The uncertainties associated with the upcoming general election, concerns over property bubble and the Government's stricter measures to curb speculation and rein in consumer debt are among some of the factors contributing to the more 'sedate' outlook for the property market in 2012. Nevertheless, the key initiatives announced by the Government during Budget 2012 unveiled in October 2011 appeared to address some of these concerns and provide the much-needed boost to the property sector.



The revision to the Real Property Gain Tax from 5% to 10% for properties held and disposed within two years will help to stabilise the property prices and keep the property bubble from bursting. The greater Kuala Lumpur Mass Rapid Transit (MRT) project will spur developments along the MRT lines with notable developers unveiling proposed developments of affordable homes in the suburb areas. The RM978 million allocation for projects in the five economic super corridors will assist to accelerate developments in area within those corridors. In addition, the implementation of the Second Rolling Plan (RP2) which will see the implementation of main projects such as Gemas-Johor Bahru double tracking rail project, redevelopment of the Sg Besi Kuala Lumpur air base and Lebuhraya Segamat – Tangkak will create greater accessibility and promote developments in those areas.

2012 is seen as a stable year for the property market despite the gloomy outlook of the global economy and tightening of policies by Bank Negara Malaysia. Property players will focus more on rolling out affordable properties by concentrating on developments which capture all aspects of life such as work, entertainment and living coupled with attractive discounts, rebates and financing schemes.

Sources:

1. Bank Negara Malaysia
2. www.imf.org
3. www.etp.pemandu.gov
4. Jones Lang Wootton The Malaysian Quarterly 4Q2011 Report
5. www.thestar.com.my

CORPORATE PROFILE

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

UEM Land Holdings’ wholly-owned subsidiary UEM Land Berhad (“UEM Land”), is currently undertaking the development of Nusajaya which is located in one of the five flagship zones of Iskandar Malaysia, identified by the Government as one of the key drivers of our nation’s socio economic growth under the Ninth Malaysia Plan.

Nusajaya will be developed into a regional city with diverse signature developments to create and promote economic growth and development in the area. This is further supported by several strategic initiatives to meet various economic activities and market demands.

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

Nusajaya spans a total of 23,875 acres, with UEM Land Holdings owning 10,403 acres which are currently under various stages of development. By 2025, Nusajaya will comprise a range of high quality properties, including Kota Iskandar, the Johor State new administrative centre which houses State and Federal Government offices; the luxurious Puteri Harbour integrated waterfront development; the “green” and “clean” fully managed Southern Industrial and Logistics Clusters (“SiLC”); and Afiat Healthpark, a comprehensive medical park offering world class healthcare facilities and services. Together with a mix of residential and commercial properties, hotels, resorts and many other amenities, Nusajaya will emerge as a vibrant and dynamic destination offering holistic and integrated lifestyle, with immense potential growth for investors.

Besides Nusajaya, UEM Land Holdings has expanded its business to other strong and established growth areas in Malaysia such as Cyberjaya and Bangi and also segmentally by venturing into areas within the property value chain such as Development Management and Property Investment.

One of the Company’s business strategies is to diversify its income stream and geographical location into high growth areas. This process has been initiated with the acquisition of 98 acres of freehold site adjacent to the Central Business District of Cyberjaya at the end of 2008. The development, known as Symphony Hills, is an exclusive residential development and the country’s first Connected Intelligent Community (“CIC”) offering smart-home features and community connectivity through high-speed broadband.

The acquisition of Sunrise Berhad (“Sunrise”) has diversified the Group’s land bank and product portfolios. Sunrise is an award-winning property development company and is renowned for its up-market high-rise residential projects as well as commercial developments largely in the Mont’Kiara enclave. With the acquisition, Sunrise complements the Company’s capabilities in property development and increased its land bank in prime areas of central Kuala Lumpur, Mont’Kiara, Seri Kembangan as well as Vancouver, Canada.

UEM Land Holdings has obtained MS ISO certifications to date including MS ISO 9001: 2000 Quality Management Systems certifications for Development of Condominiums & Commercial Properties, Property & Maintenance Management Services, and Construction Management Services for Buildings & Related Infrastructure Works; ISO 9001:2008 for Quality Management System; OHSAS 18001:2007 for Occupational Health & Safety Management System; and ISO 14001:2004 for Environmental Management System. In addition, many of Group’s projects obtained favourable Construction Quality Assessment System (“CONQUAS”) scores by the Building & Construction Authority (“BCA”) of Singapore for architectural and external works.

More significantly, the enlarged Group now has core competencies in macro township development and high-rise residential as well as commercial, retail and integrated developments; property management and project and construction services. There is also ready access to a larger pool of talent, considerable depth and breadth of skills, expertise and knowledge of the property development. The economies of scale and operational efficiencies are further key attributes of the Group. In addition, as a subsidiary company of UEM Group, the extensive resources of UEM Group are also well within reach.

UEM Land Holdings is thus well positioned to seek and secure new development opportunities and accelerate its business expansion to enhance its financial performance.

CORPORATE INFORMATION

BOARD OF
DIRECTORS**Tan Sri Dr Ahmad Tajuddin Ali***Chairman/Non-Independent
Non-Executive Director***Dato' Wan Abdullah Wan Ibrahim***Managing Director/Chief Executive Officer***Dato' Izzaddin Idris***Non-Independent Non-Executive Director***Abdul Kadir Md Kassim***Non-Independent Non-Executive Director***Md Ali Md Dewal***Senior Independent Non-Executive Director***Oh Kim Sun***Independent Non-Executive Director***Sheranjiv Sammanthan***Non-Independent Non-Executive Director***Datuk Tong Kooi Ong***Non-Independent Non-Executive Director***Professor Philip Sutton Cox***Independent Non-Executive Director***AUDIT COMMITTEE****Oh Kim Sun***Chairman***Abdul Kadir Md Kassim***Member***Md Ali Md Dewal***Member***NOMINATIONS & REMUNERATION
COMMITTEE****Md Ali Md Dewal***Chairman***Dato' Izzaddin Idris***Member***Oh Kim Sun***Member***BOARD TENDER COMMITTEE****Abdul Kadir Md Kassim***Chairman***Dato' Izzaddin Idris***Member***Sheranjiv Sammanthan***Member***ESOS COMMITTEE****Tan Sri Dr Ahmad Tajuddin Ali***Chairman***Dato' Wan Abdullah Wan Ibrahim***Member***Dato' Izzaddin Idris***Member***Md Ali Md Dewal***Member***Oh Kim Sun***Member***Sheranjiv Sammanthan***Member***SECRETARIES****Tan Hwee Thian***MIA 1904***Wong Lee Loo***MAICSA 7001219***AUDITORS**

Ernst & Young
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PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad

PRINCIPAL SOLICITORS

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Fax : 03-7841 8151/52

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Fax : 03-2727 2211

STOCK EXCHANGE

Main Market of Bursa Malaysia
Securities Berhad

GROUP CORPORATE STRUCTURE
As at 31 March 2012



A member of **UEM Group**

UEM Land Berhad	100%
Sunrise Berhad	100%
Nusajaya Development Sdn Bhd	100%
Bandar Nusajaya Development Sdn Bhd	100%
Symphony Hills Sdn Bhd	100%
Cahaya Jauhar Sdn Bhd	60%
Nusajaya Lifestyle Sdn Bhd	55%
Horizon Hills Development Sdn Bhd	50%
Nusajaya Consolidated Sdn Bhd	50%
Sime Darby Sunrise Development Sdn Bhd	50%
Sunrise MCL Land Sdn Bhd	50%
Haute Property Sdn Bhd	40%
Malaysian Bio-XCell Sdn Bhd	40%
Setia Haruman Sdn Bhd	25%

ORGANISATION STRUCTURE

BOARD OF DIRECTORS

MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER

MD's OFFICE

Chief Operating Officer

Development
Teams

Project Directors
Nusajaya
Project Director
Central Region
Project Directors
Sunrise

Project
Support

QASHE
Land
Management,
Estate &
Interim Business
Project Research
& Resource
Landscape
Authority
Liaison

Construction

Construction,
Site, Safety &
Health
Project Quality
Control &
Assessment

Procurement
& Contracts

Procurement
Contracts
Central
Region
Contracts
Southern
Region

Chief Marketing Officer

Sales &
Marketing

Marketing
Sales
Southern Region
Sales
Central Region
Research &
Development

Strategic
Marketing

Institutional
Sales

Community &
Customer
Development

Project
Handover
Events & Loyalty
Program
Community
Services
Customer
Engagement
Auxiliary
Police

Director Business
Development

Special
Projects

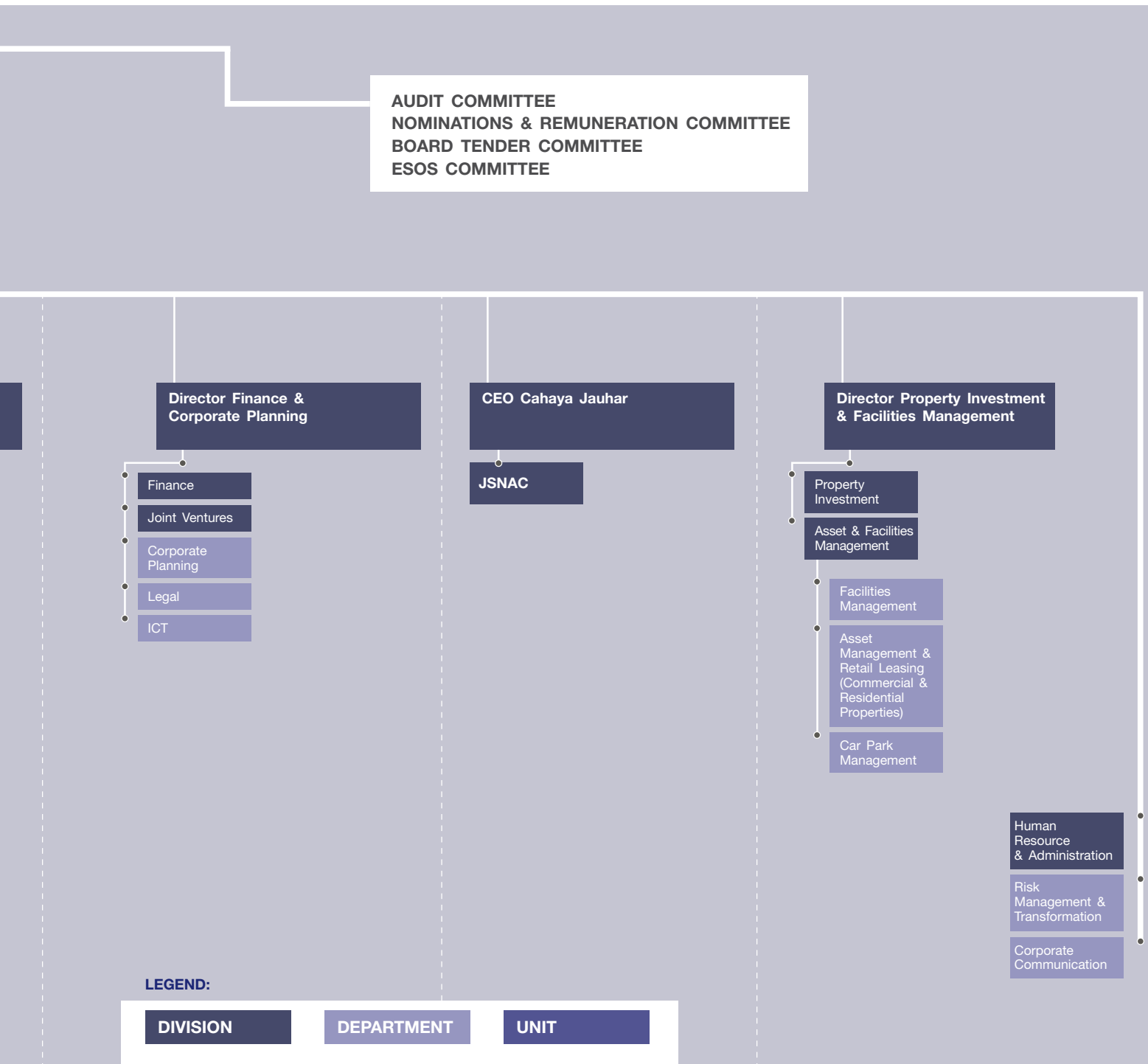
Hospitality,
Corporate
Leasing, Leisure
& Lifestyle

Hospitality &
Corporate
Leasing

Leisure &
Lifestyle
The Ledang

International
Ventures

ORGANISATION STRUCTURE



EVENT HIGHLIGHTS 2011 – CORPORATE EVENTS

26 January

Shareholders Visit to Nusajaya

A total of 48 UEM Land Holdings' shareholders visited Nusajaya's signature developments including Puteri Harbour, Kota Iskandar, Afiat Healthpark, SiLC and several residential projects. The inaugural one-day tour was organised for shareholders to provide them with firsthand in depth knowledge and experience on Nusajaya to strengthen their confidence in the company and to ensure continuous support for the company's initiatives in Nusajaya.



13 April

Facilities Maintenance and Management Services for Phase 1 of Kota Iskandar

Cahaya Jauhar Sdn Bhd, a 60:40 JV Company of UEM Land Holdings' wholly-owned subsidiary, UEM Land Berhad and the State Secretary Johor (Incorporation) ("JSSI") signed a Facilities Maintenance and Management Agreement with the State Government of Johor ("JSG") and JSSI for the provision of Facilities Maintenance and Management Services for Phase 1 of Kota Iskandar.

1 June

Tiong Nam Invests In Puteri Harbour, Nusajaya

Terminal Perintis Sdn Bhd, a wholly-owned subsidiary of Tiong Nam Logistics Holdings Berhad entered into a Sale and Purchase Agreement with UEM Land Berhad, valued at RM30.95 million to purchase a commercial land parcel in Puteri Harbour, Nusajaya measuring approximately 3.23 acres to be developed into a hotel and serviced apartments.



9 June

UEM Land Holdings & IIB Jointly Undertake Mixed-use Development Project

Iskandar Harta Holdings Sdn Bhd, a wholly-owned subsidiary of Iskandar Investment Berhad ("IIB") entered into a Shareholders' Agreement with UEM Land Holdings and Nusajaya Lifestyle Sdn Bhd, to jointly undertake a mixed-use development project in Medini Iskandar Malaysia ("Medini").

EVENT HIGHLIGHTS 2011 – CORPORATE EVENTS



16 June

benchmark for the design, building and operations of an International Smart City. Both companies have a shared vision to create a vibrant and dynamic Nusajaya that is highly secure, sustainable and efficient with an enriching digital lifestyle for the community.

15 & 22 September

UEM Group Hari Raya Open House

UEM Land Holdings together with other UEM Group companies co-hosted 450 guests, comprising various stakeholder groups including business associates, authority bodies and media members for the Aidilfitri festivities. Themed “Cerianya 1Raya” the celebration was held not only as a networking platform, but also as a gesture of appreciation for the support rendered by stakeholders throughout the year.

UEM Land Holdings also held its Aidilfitri celebration for stakeholders in Johor on 22 September at the Horizon Hills Golf & Country Club.



27 July



15 & 22 September



25 October

16 June

3rd Annual General Meeting

UEM Land Holdings organised its 3rd Annual General Meeting primarily to provide shareholders with a broad overview of the Company’s performance, projects updates and an opportunity to engage in a dialogue session with the Board and Management.

27 July

UEM Land Holdings & IIB Collaborate with Cisco for Smart+Connected Nusajaya

UEM Land Holdings and IIB announced a collaborative effort with Cisco to develop an Information and Communications Technology (“ICT”) and Services Smart City Master Plan to transform Nusajaya into a world class

25 October

The Ascott Limited to Manage Somerset Puteri Harbour

Nusajaya Consolidated Sdn Bhd, a 50:50 joint venture company between UEM Land Berhad and United Malayan Land Berhad (“UM Land”), entered into two agreements with The Ascott Limited (“Ascott”) for Ascott to provide technical advisory services as well as to manage and operate 204 units of service residences known as Somerset Puteri Harbour in Nusajaya.

EVENT HIGHLIGHTS 2011 – CORPORATE EVENTS

8 November

Unveiling of Angkasa Raya

Sunrise unveiled the design of landmark project, Angkasa Raya located in the Kuala Lumpur City Centre (“KLCC”). Designed by the internationally celebrated German Architect, Ole Scheeren, Angkasa Raya promises to be one of Kuala Lumpur’s most prestigious addresses that integrates premium offices, luxury hotel, serviced residences, signature retail, and sky level’s F&B in a 65-storey multifaceted tower sited on 1.59 acres of prime land.



8 November

26 November

2nd UEM Land Holdings Golf Friendly

UEM Land Holdings held a friendly golf tournament at Horizon Hills Golf & Country Club in Nusajaya, Johor which served as a platform to strengthen business networks and working relationships with its external stakeholders. The event gathered a total of 120 members from various state authorities, media representatives as well as contractors, consultants, business associates and senior management personnel of UEM Land Holdings.



26 November

11 December

5th Year Anniversary of Iskandar Malaysia

As the master developer of Nusajaya, the Flagship Zone B of Iskandar Malaysia, UEM Land Holdings participated in the celebration which commemorated the achievements of Iskandar Malaysia in an event that was graced by Prime Minister, YAB Dato' Seri Mohd Najib Tun Abdul Razak. The event was held at Puteri Harbour and



11 December

attended by more than 1,000 people including strategic partners, the ‘rakyat’ and community leaders. The event also saw 12 investment commitments valued at RM1.73 billion, announced from both domestic and foreign investors.

29 December

UEM Land Berhad Disposed Land Parcels to Develop Government Staff Quarters

UEM Land Berhad’s wholly-owned subsidiary, Bandar Nusajaya Development Sdn Bhd signed two Land Purchase Agreements with JSSI for two parcels of land amounting to 98.5 acres for the development of the Johor State Government’s staff quarters.

EVENT HIGHLIGHTS 2011 – MARKETING & STAKEHOLDER ENGAGEMENT



15 January

11 February

Chinese New Year Celebration with Property Purchasers

More than 120 loyal purchasers of Sunrise's properties were feted to a fun-filled evening with good food and live music. Guests were also entertained with games, rainbow calligraphy, an acrobatics show after the traditional tossing of 'Lou Sang' to signify prosperity and unity in an event to commemorate the Lunar new year.



11 February



5 – 6 March

5 – 6 March

UEM Land Holdings Showcases at iProperty.com Expo

UEM Land Holdings participated in this property exhibition held at Marina Bay Sands, Singapore to reach out and touch base with the customers from in and around the region. The expo, one of the largest in South East Asia, presented great property investment opportunities to its visitors.



26 March

26 March

Singapore Customer Appreciation Dinner

In appreciation of the support shown by its Singaporean customers, Sunrise organised a dinner event at the Fullerton Bay Hotel. The private affair gathered more than 100 guests who were entertained with live music and delicious food.

15 January

Launch of Summer Suites

The first phase of Summer Suites, comprising over 400 premium business units was launched. Summer Suites combines premier office space, work conducive surroundings and unmatched location with innovative business infrastructure.

9 January & 15 May

East Ledang Launches

The year saw several launches from UEM Land's East Ledang development. In January, the very last link duplexes of Harmony Park were launched while Melody Park, a new collection of bungalows was released to the market in May.

EVENT HIGHLIGHTS 2011 – MARKETING & STAKEHOLDER ENGAGEMENT

1 – 4 April

UEM Land Holdings Participates in Hainan Rendez-Vous Expo

UEM Land Holdings was part of this lifestyle expo which featured some of Asia's finest and most luxurious developments. The expo held in Sanya, China, drew thousands from around the Asian region.



1 – 4 April



4 – 5 June

7 May

New Uniforms for Nusajaya's Brand Ambassadors

This event was part of a series of strategic initiatives carried out by UEM Land Holdings involving taxi drivers who have been appointed as Nusajaya's "Brand Ambassadors" to promote Nusajaya to the local as well as the foreign tourists and visitors. A total of 120 new uniforms distributed to the Senai International Airport taxi drivers.



13 July



17 September

4 – 5 June

Lunch of Quintet Development

Over in Canada, Phase 2 of Quintet, Richmond was well received with 90% of the 306 units taken up in the first weekend in June. The project is now fully sold.

13 July

Futsal Friendly Match with Johor Media

UEM Land Holdings futsal team repeats as winners against Johor Media & Photographer Sports Club team at the 2nd Futsal Friendly match held in Pasir Gudang, Johor. Both teams were highly competitive and demonstrated excellent sportsmanship throughout the tournament.

17 September

Hong Kong Customer Appreciation Dinner

Sunrise hosted more than 70 of its loyal customers from Hong Kong at the Island Shangri-La hotel, Hong Kong as a demonstration of its appreciation for their support to the company over the years.

25 September & 13 November

Sales Previews of Impiana Apartments

UEM Land Holdings organised two sales previews for Impiana Apartments at East Ledang. The preview showcased a total of 244 units situated on premium freehold land.

EVENT HIGHLIGHTS 2011 – MARKETING & STAKEHOLDER ENGAGEMENT



22 October



12 October



16 – 17 November



17 – 20 November



6 – 10 December

22 October

Launch of Arcoris Mont'Kiara

Sunrise successfully sold all 262 units of Arcoris business suites during the launch. Arcoris Mont'Kiara is made up of two parallel blocks of 18 and 35 storeys offering over 330 service residences, more than 270 hotel suites, more than 360 SOHO units and approximately 50 retail units in the central plaza which links the two towers.

12 October

Media Bowling Tournament

A total of 55 participants from several Johor media took part in the inaugural bowling tournament. It aimed at fostering closer ties between UEM Land Holdings and members of the Johor media.

16 – 17 November

Quality, Safety, Health and Environment Campaign

UEM Land Holdings organised a Quality, Safety, Health and Environment Campaign attended by 200 participants in collaboration with several bodies including SIRIM, Department of Occupational Safety and Health as well as Department of Environment. The Company's latest achievement for the campaign was obtaining five recognitions and continuous development programme points from the Department of Occupational Safety and Health, Board of Engineers, Board of Architects, Board of Quality Surveyors and Construction Industry Development Board.

17 – 20 November

UEM Land Holdings Sponsors Iskandar Johor Open 2011

For the 3rd year running, UEM Land Holdings was the Platinum Sponsor of the Iskandar Johor Open 5th golf tournament, which drew several international golfing stars including Padraig Harrington, Colin Montgomerie, Henrik Stenson and Thongchai Jaidee to Horizon Hills Golf & Country Club, a joint venture development between UEM Land Holdings and Gamuda Berhad.

20 November

Launch of Imperia

246 units of the Imperia residential tower in Puteri Harbour were successfully launched and generated good response. The well-appointed units boast luxurious facilities and services with breath-taking views of the Straits of Johor.

6 – 10 December

Langkawi International Maritime and Aerospace ("LIMA") 2011 Exhibition

UEM Land participated as an exhibitor under the UEM Group Pavilion at this international event, which attracted more than 160,000 public and trade visitors. It showcased Puteri Harbour and Imperia as the preferred destination for exceptional waterfront living experience.

EVENT HIGHLIGHTS 2011 – CSR/COMMUNITY ENGAGEMENT

29 January

Pintar Al-Quran Teachers' Training Programme

A total of 22 teachers of Pintar Al-Quran Programme attended the one-day workshop and were introduced to new manuals, modules and methods to enhance their pedagogic skills and knowledge in the teaching and reciting the Holy Quran. The Pintar Al-Quran Programme is carried out under the supervision of the Johor Religious Department ("JAJ").



29 January

23 February

Star-NiE Sponsorship For Its Pintar Schools

UEM Land Holdings has collaborated with the Star to promote the use of the English language via the Star-NiE programme. UEM Land sponsored 33 issues of the Star-NiE supplement, worth RM22,000.00 for its 17 adopted PINTAR schools in Gelang Patah.



23 February

27 February

Super Sunday – Go Green

The event saw more than 300 of its residents and visitors visiting the Nusa Idaman sales gallery to gather information about developments in and around the Nusa Idaman neighbourhood. The event was also organised with a 'green' theme to support the Source Separation Programme initiated by the Iskandar Regional Development Authority ("IRDA") to inculcate environmentally-friendly habits amongst residents and the public.



27 February



21 March

21 March

Nusajaya Hosts the 40th World Forestry Day 2011

Themed "Forest for Community Livelihood", the event, held in Nusajaya saw 1,000 forest trees planted to signify the nation's contribution in protecting and preserving the environment. The World Forest Day, celebrated on 21 March worldwide, was jointly



5 – 6 March & 9 – 10 July

organised by Forestry Department, Peninsular Malaysia ("JPSP"), Johor Forestry Department, Johor Landscape Department and UEM Land Holdings.

5 – 6 March & 9 – 10 July

UPSR Examination Seminars for Year Six Students

Some 500 primary school students took part in the two-day seminars organised at Universiti Teknologi Malaysia ("UTM") collaboratively with Berita Harian's Education Unit. These seminars are

part of the many programmes planned under UEM Land Holdings' Academic Excellence Programme which was first introduced in 2008 and sought to inspire the exam candidates to excel in their studies and subsequently achieve excellent results.



12 – 14 & 15 – 17 March



15 – 19 March



2 – 3 April & 16 – 17 July



9 April

12 – 14 & 15 – 17 March Motivational Camps for PINTAR Schools' Students

It was a challenging yet fun school break for 120 students from 17 of UEM Land Holdings' PINTAR schools who attended two separate motivational camps in Tanjung Piai, Johor, organised by UEM Land Holdings. The camp helped students to stay focused and

most importantly to acknowledge the importance of education for their future. The motivational camps were filled with mental and physical challenges and activities to discipline and instill positive values in participants as well as to expose them to the importance of time management, team work, determination, commitment and perseverance.

15 – 19 March

Microchip Controller Induction Workshop & Familiarisation Trip to Kuala Lumpur

40 inventive and enthusiastic Form Four students from two of UEM Land Holdings' PINTAR schools were presented with the opportunity to undergo the first Microchip Controller Induction Workshop at Universiti Kebangsaan Malaysia ("UKM"). The project, in collaboration with UKM and funded by UEM Group aimed to develop the interest and creativity of students using technology as a platform. The project culminated with a familiarisation trip to the National Planetarium, National Science Centre in Kuala Lumpur and Putrajaya.

2 – 3 April & 16 – 17 July

PMR Examination Seminars for Form Three Students

250 PMR candidates from UEM Land Holdings' PINTAR secondary schools participated in these examination workshops organised in collaboration with Berita Harian at UTM. These exam seminars were part of UEM Land Holdings' ongoing efforts to help raise the academic performance of students in Nusajaya. Conducted by subject expert trainers, students were educated on techniques and strategies of answering examination papers as well as how to avoid common mistakes during the exam.

9 April

High Achievers Award Ceremony

For the 3rd year running, UEM Land Holdings recognised 65 top performing UPSR, PMR and SPM students from its PINTAR schools who achieved exemplary results for their 2010 examinations. The students were rewarded with cash and certificates for their outstanding efforts at an awards ceremony in Gelang Patah, Johor. The ceremony was held with the aim to motivate and inspire the students to pursue education excellence from young.

EVENT HIGHLIGHTS 2011 – CSR/COMMUNITY ENGAGEMENT

16 – 17 April & 15 – 16 October

SPM Examination Seminars for Form Five Students

These two-day seminars were held at UTM for the benefit of 250 Form Five students from UEM Land Holdings' PINTAR schools. Organised in collaboration with Berita Harian, the programmes provided guidance and motivation for its participants to enhance skills and abilities to answer SPM examination questions.



16 – 17 April &
15 – 16 October

23 April

Road Safety Programme

The first Road Safety Programme was organised for 200 Year Five students from 13 UEM Land Holdings' PINTAR schools. The programme was organised in collaboration with PLUS Expressways Bhd ("PEB"), Johor Bahru Road Safety Department ("JKJR") and Johor Bahru Police Traffic Department to educate and train participants with the appropriate knowledge and practical safety prevention measures. This initiative was in support of the government's efforts to inculcate road safety awareness amongst the school children.



23 April



9 May

9 May

NiE Teachers' Workshop

26 English teachers participated in a workshop conducted by the Star for the Newspapers in Education ("NiE") programme. The half-day workshop, sponsored and organised by UEM Land Holdings with the assistance of the Star was aimed at introducing and providing better appreciation and insights on the fresh techniques and new practical approaches in learning and teaching English in schools.



11 May

11 May

2nd ICT Carnival & Semarak Mahkota Pendidikan

In collaboration with the Johor Bahru District Education Department ("JPNJ"), UEM Land Holdings organised the 2nd ICT carnival. The event, which was graced and launched by His Royal Highness the Crown Prince of Johor, Tunku Ismail Idris ibni Sultan Ibrahim Ismail, provided exposure to the students and the community at large on

the latest technologies and the potential contribution of ICT to development and economic prospects. Also, the carnival served as a platform for UEM Land Holdings' PINTAR school students to showcase their ICT projects specifically the Microchip Controller Project's innovative inventions, developed with the assistance of UKM. The day-long ICT carnival was held in conjunction with "Semarak Mahkota Pendidikan", a programme planned by JPNJ.

EVENT HIGHLIGHTS 2011 – CSR/COMMUNITY ENGAGEMENT



14 May



21 May

**28 – 30 May, 31 May – 2 June,
17 – 18 June & 1 – 2 July**

Primary and Secondary English
Teachers' Training Programmes

UEM Land in collaboration with British Council organised the programmes in an effort to develop and inculcate an English-literate generation in Nusajaya. The aim was to enhance teachers' pedagogic and teaching skills as well as boost their confidence in teaching English to students.



28 – 30 May, 31 May – 2 June,
17 – 18 June & 1 – 2 July



16 July

16 July

SEF Fundraising Dinner

The Sunrise Education Foundation ("SEF") raised a total of RM486,529.88 from its inaugural SEF Fundraising Dinner held at Sime Darby Convention Centre. The event was organised to raise funds for the Foundation to provide financial assistance to deserving students from diverse backgrounds in primary, secondary and tertiary educational institutions from across the country.



11 July – 12 September

11 July – 12 September

National Day Campaign

In conjunction with the nation's 54th Independence Day, this new campaign was organised with the theme '1Malaysia' in 17 PINTAR schools in Gelang Patah. Several activities were carried out during the two-month celebration including mural drawing and essay writing contests to cultivate a sense of patriotism amongst students. Winners were awarded with attractive prizes at a prize giving ceremony held on 5 October.

14 May

Mont'Kiara Residents Visit Historic
Melaka

Sunrise organised a road trip for residents of Sunrise-managed properties in the Mont'Kiara enclave to visit several interesting places in Melaka. A total of 35 residents enjoyed a fun-filled day feasting on delicious local cuisine and visiting tourist attractions around the historical city.

21 May

UEM Land Empowers its PINTAR
School Teachers with 'Green' Skills

In collaboration with UKM the workshop was attended by 40 teachers and UEM Land Holdings' volunteers where they were imparted with knowledge on environment conservation and the R.O.S.E. ("Reduce. Offset. Substitute and Enhance") Programme.

EVENT HIGHLIGHTS 2011 – CSR/COMMUNITY ENGAGEMENT

13 August

City Survival Programme For Women

Sunrise organised an exclusive workshop for women residents of its managed-properties in Mont'Kiara and owners of Sunrise properties to provide better understanding in preventing crime and how to react in emergency situations. It was conducted by captain K. Balasupramaniam, a prominent safety activist with more than 15 years of on-field experience dealing with response and emergencies.



13 August

17 August

Majlis Penyediaan Bubur Lambuk & Penyampaian Sumbangan Hari Raya Aidilfitri

More than 80 UEM Land Holdings' staff had volunteered to prepare and distribute over 1,000 packs of 'bubur lambuk' for members of the community in Nusajaya. In a separate event, 180 less fortunate families comprising single mothers, orphans, the disabled and senior citizens from several villages around Gelang Patah were invited to this event and received Hari Raya treats such as 'duit raya' and daily consumables such as rice, flour, sugar, milk and cooking oil. This was part of UEM Land Holdings' efforts to give back to society and spread festive cheer in the community.



17 August



13 September

13 September

UEM Land Holdings and UKM Launch Green School Programme

UEM Land Holdings, in collaboration with UKM organised the Green School Project or 'Projek Sekolah Hijau' aimed at creating and raising awareness of climate change amongst the general public especially the young school children. It also served as a platform to inculcate green habits and promote an eco-friendly society in Nusajaya. It was graced by the Menteri Besar of Johor, Y.A.B. Dato' Haji Abdul Ghani bin Othman.



20 October

20 October

Hygiene Talk

180 Year Three and Year Four students were enlightened on several basic hygiene skills including proper hand-washing techniques, good oral (dental) hygiene and proper self-care at the Columbia Asia Hospital in Nusajaya. Participants took part in activities such as health quizzes, demonstrations and went on a hospital tour visiting the paediatrics, medicine wards and the emergency department.

EVENT HIGHLIGHTS 2011 – CSR/COMMUNITY ENGAGEMENT



9 November



15 November



19 November



10 December

9 November “Spell-It-Right” Competition

100 Year Four and Year Five pupils from 10 UEM Land Holdings’ PINTAR primary schools pitted their spelling skills against each other at the inaugural “Spell-it-Right” competition at Kota Iskandar. The programme was organised in collaboration with the Johor Bahru District Education Department (“PPDJB”). Winners from each category walked away with cash prizes and certificates of participation.

15 November “Tree for Tee”

UEM Land Holdings and professional golfers Thongchai Jaidee and Henrik Stenson participated in the “Tree for Tee” programme in conjunction with the Iskandar Johor Open 2011. The initiative saw Pulai trees planted in Taman Wilayah Nusajaya in an effort to inculcate environmental awareness amongst the Nusajaya community. UEM Land was the platinum sponsor of the Iskandar

Johor Open 2011, one of the fastest growing golf tournaments jointly sanctioned by the Asian Tour and European Tour.

19 November

Majlis Khatam Pintar Al-Quran Programme for Kemas-UEM Land Holdings Kindergartens

83 pre-schoolers of the Kemas-UEM Land Holdings’ Pintar Al-Quran programme were celebrated in a Khatam Al-Quran ceremony upon their completion of reading the Quran. Pintar Al-Quran is a programme to promote greater understanding and a higher level of Al-Quran literacy among the young Muslim children in Nusajaya.

10 December

Deck The Trees

6th in its series, the annual Deck The Trees charity event provided an evening filled with joy and inspiration for over 400 children from welfare homes including Myanmar refugee children in Klang Valley. Since 2006, Sunrise employees have brought Christmas cheer to more than 2,000 underprivileged boys and girls.

MEDIA HIGHLIGHTS



MEDIA HIGHLIGHTS



AWARDS & RECOGNITIONS 2011



1. **2011 Editors' Choice Awards**
Best Property Management Company – Sunrise Berhad
2. **BCI Asia Awards 2011**
Top Ten Property Developer – Sunrise Berhad
3. **International Residential Property Awards 2011 (Commercial)**
Best International Commercial High-Rise Development – Arcoris Mont'Kiara
4. **Asia Pacific Residential Property Awards 2011 (Commercial)**
Best Commercial High-Rise Development in Asia Pacific and Malaysia – Arcoris Mont'Kiara
5. **Asia Pacific Residential Property Awards 2011 (Commercial)**
Best Mixed-use Architecture in Malaysia (Highly Commended) – Arcoris Mont'Kiara
6. **FIABCI Prix d'Excellence Awards 2011**
Public Infrastructure/Amenities Category (Runner Up) – Kota Iskandar (Phase 1)

AWARDS & RECOGNITIONS 2011

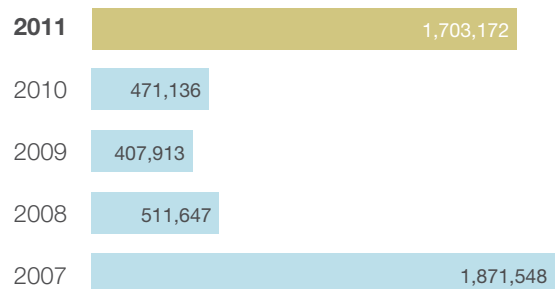


7. **FIABCI Malaysia Property Award 2011**
Residential (High-Rise) Category – 10 Mont'Kiara
8. **FIABCI Malaysia Property Award 2011**
Master Plan Category – Nusajaya
9. **The Edge Malaysia's Top Property Developers Awards**
Top Ten Property Developer – Sunrise Berhad
10. **The Edge Malaysia's Top Property Developers Awards**
Top Fifteen Property Developer – UEM Land Holdings Berhad
11. **Ethical Business Excellence Award 2010/2011**
Big Companies Category – UEM Land Holdings Berhad
12. **23rd International Construction Award 2011**
New Millennium Award – Cahaya Jauhar Sdn Bhd
13. **National Annual Corporate Report Awards (NACRA) 2011**
Certificate of Merit – UEM Land Holdings Berhad

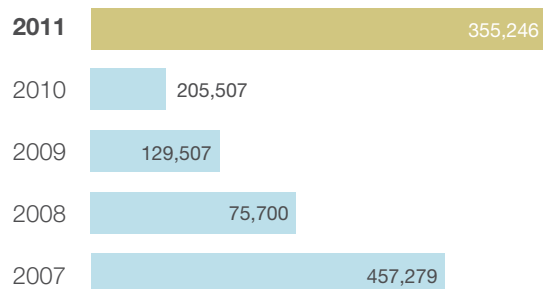
FIVE-YEAR FINANCIAL HIGHLIGHTS

For the financial year ended 31 December

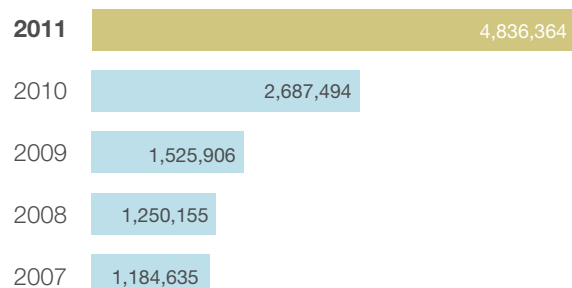
REVENUE (RM'000)



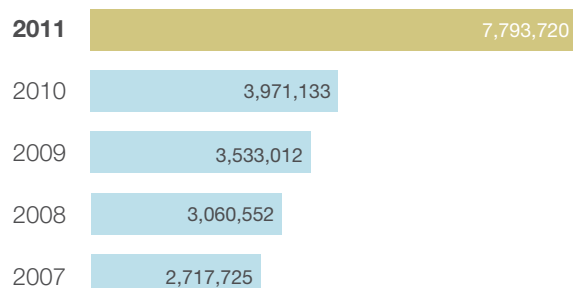
PROFIT BEFORE INCOME TAX (RM'000)



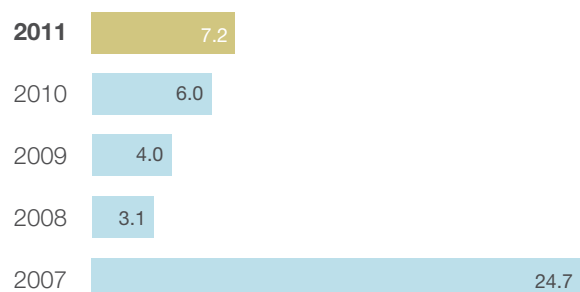
SHAREHOLDERS' EQUITY (RM'000)



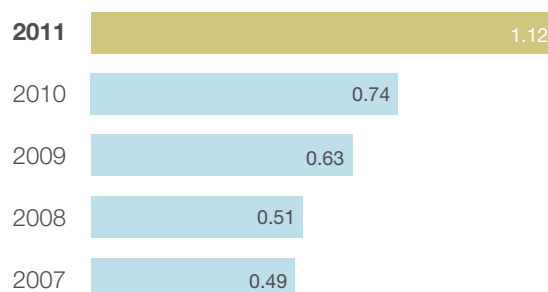
TOTAL ASSETS (RM'000)



EARNINGS PER SHARE (Sen)*



NET ASSETS PER SHARE (RM)



* Attributable to owners of the parent

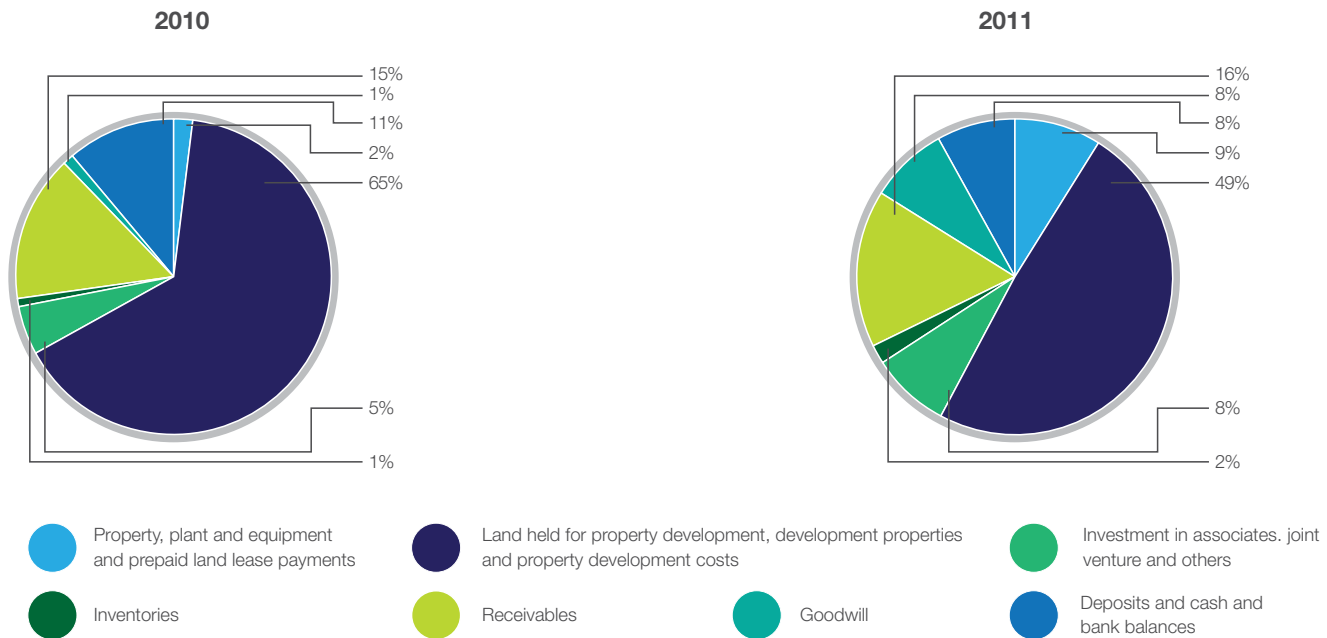
FIVE-YEAR GROUP PERFORMANCE
For the financial year ended 31 December

In RM'000	2007	2008	2009 (Restated)	2010	2011
Revenue	1,871,548	511,647	407,913	471,136	1,703,172
Cost of sales	(1,360,626)	(381,159)	(254,321)	(259,457)	(1,184,516)
Operating expenses	(85,552)	(62,307)	(62,812)	(90,574)	(224,547)
Operating profit	425,370	68,181	90,780	121,105	294,109
Other income	30,634	2,678	17,689	58,368	70,007
Finance costs	(594)	(6,367)	(7,520)	(8,289)	(51,402)
Share of results of associates and joint ventures	1,869	11,208	28,558	34,323	42,532
Profit before income tax	457,279	75,700	129,507	205,507	355,246
Profit attributable to owners of the parent	529,128	74,189	114,622	194,537	301,712
Shareholders' equity	1,184,635	1,250,155	1,525,906	2,687,494	4,836,364
Earnings per share (sen)	24.7	3.1	4.0	6.0	7.2
Return on equity	79.3%	6.1%	8.3%	9.2%	8.0%

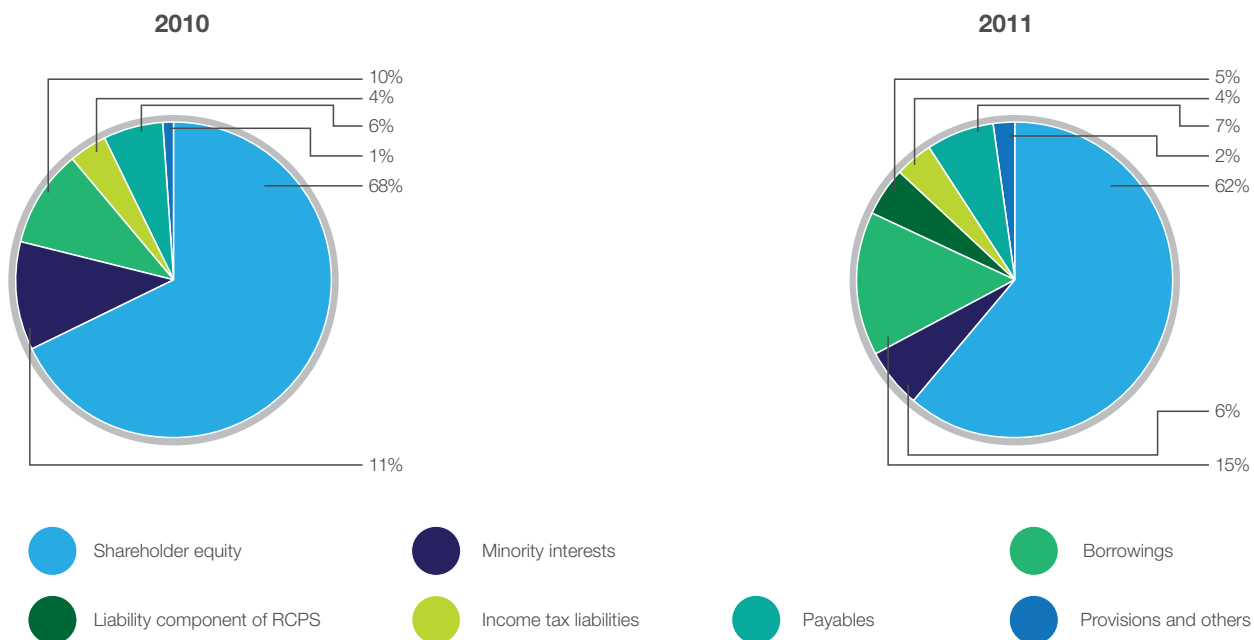
SIMPLIFIED GROUP BALANCE SHEET

For the financial year ended 31 December

TOTAL ASSETS



TOTAL EQUITY AND LIABILITIES



2011 GROUP QUARTERLY PERFORMANCE
For the financial year ended 31 December

In RM'000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2011
Revenue	187,685	509,403	408,282	597,802	1,703,172
Cost of sales	(123,215)	(348,105)	(289,541)	(423,655)	(1,184,516)
Operating expenses	(50,364)	(57,788)	(66,095)	(50,300)	(224,547)
Operating profit	14,106	103,510	52,646	123,847	294,109
Other income	17,862	12,981	13,280	25,884	70,007
Finance costs	(13,360)	(15,069)	(11,273)	(11,700)	(51,402)
Share of results of associates and joint ventures	7,709	4,609	12,777	17,437	42,532
Profit before income tax	26,317	106,031	67,430	155,468	355,246
Profit attributable to owners of the parent	17,606	88,934	54,610	140,562	301,712
Shareholders' equity	3,876,272	4,280,902	4,698,088	4,836,364	4,836,364
Earnings per share (sen)	0.4	2.2	1.3	3.3	7.2
Return on equity*	2.1%	8.7%	4.9%	11.8%	8.0%

* Annualised and adjusted for non-recurring

FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

For the financial year ended 31 December

In RM'000	2007	2008	2009 (Restated)	2010	2011
TOTAL ASSETS					
Property, plant and equipment and land use rights	11,132	12,693	86,188	92,976	673,411
Land held for property development, development properties and property development costs	2,111,653	2,255,944	2,435,123	2,566,841	3,817,966
Interests in associates, joint ventures and others	22,921	40,457	99,343	188,453	642,176
Inventories	34,797	35,905	53,205	42,252	124,494
Receivables	401,485	612,989	639,544	602,081	1,254,001
Goodwill	39,223	39,223	39,223	39,223	621,409
Deferred tax asset	–	–	–	–	26,705
Deposits and cash and bank balances	57,809	34,823	144,408	439,307	633,558
Others	38,705	28,518	35,978	–	–
Total assets	2,717,725	3,060,552	3,533,012	3,971,133	7,793,720
TOTAL EQUITY AND LIABILITIES					
Share capital	1,214,088	1,214,088	1,215,637	1,822,681	2,163,344
Share premium	–	–	153,365	513,124	1,898,249
Merger relief reserves	34,330	34,330	34,330	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	–	–	–	–	120,529
Other reserves	63,132	47,027	30,662	29,275	30,116
(Accumulated losses)/retained profits	(126,915)	(45,290)	91,912	288,084	589,796
Shareholders' equity	1,184,635	1,250,155	1,525,906	2,687,494	4,836,364
Non-controlling interest	451,500	452,380	453,306	454,456	460,186
Total equity	1,636,135	1,702,535	1,979,212	3,141,950	5,296,550
Borrowings	560,289	599,294	700,120	408,185	1,174,975
Liability component of RCPS	–	–	–	–	388,440
Income tax liabilities	156,165	145,935	151,507	148,617	280,928
Payables	330,553	577,418	677,858	249,478	515,787
Provisions and others	34,583	35,370	24,315	22,903	137,040
Total equity and liabilities	2,717,725	3,060,552	3,533,012	3,971,133	7,793,720
Net asset per share attributable to owners of the parent (RM)	0.49	0.51	0.63	0.74	1.12

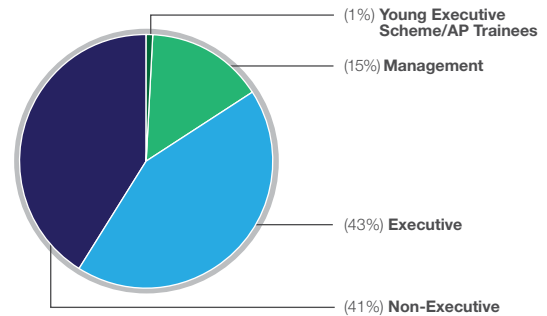
STATEMENT OF VALUE ADDED & DISTRIBUTION
For the financial year ended 31 December

In RM'000	2008	2009 (Restated)	2010	2011
VALUE ADDED:				
Revenue	511,647	407,913	471,136	1,703,172
Purchase of goods and services	(423,727)	(297,833)	(320,995)	(1,310,467)
Value added by the Group	87,920	110,080	150,141	392,705
Other income	2,678	17,689	58,368	70,007
Share of results of associates and joint ventures	11,208	28,558	34,323	42,532
Total value added available for distribution	101,806	156,327	242,832	505,244
DISTRIBUTION:				
To employees				
– salaries and other staff costs	17,562	16,222	24,152	85,007
To government				
– income tax	631	13,959	9,820	52,304
To provider of capital				
– finance costs	6,367	7,520	8,289	51,402
Retained for future reinvestment & growth				
– depreciation & amortisation	2,177	3,078	4,884	13,589
– retained profits	74,189	114,622	194,537	301,712
– minority interest	880	926	1,150	1,230
Total distributed	101,806	156,327	242,832	505,244
RECONCILIATION:				
Profit for the year	75,069	115,548	195,687	302,942
Add: Depreciation & amortisation	2,177	3,078	4,884	13,589
Finance costs	6,367	7,520	8,289	51,402
Staff costs	17,562	16,222	24,152	85,007
Income tax	631	13,959	9,820	52,304
Total value added	101,806	156,327	242,832	505,244

EMPLOYEES & PRODUCTIVITY

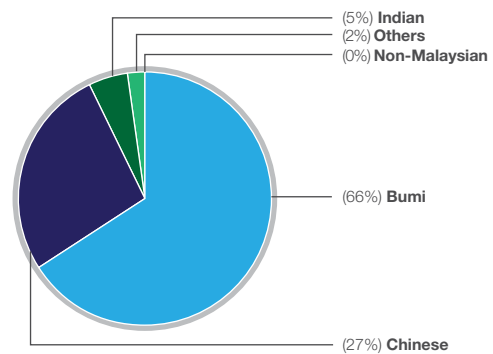
EMPLOYEES BY CLASSIFICATION IN 2011

Management	159
Executive	465
Non-Executive	441
Young Executive Scheme/AP Trainees	16
Total	1,081



EMPLOYEES' ETHNIC COMPOSITION

GRADE	Bumi	Chinese	Indian	Others	Non-M'sian	Total
Management	93	61	3	1	0	159
Executive	263	174	24	5	0	465
Non-Executive	336	60	27	18	0	441
Young Executive Scheme/AP Trainees	16	0	0	0	0	16
TOTAL	708	295	54	24	0	1,081



REVENUE PER EMPLOYEE (RM'000)



REVENUE PER EMPLOYEE COST (RM'000)



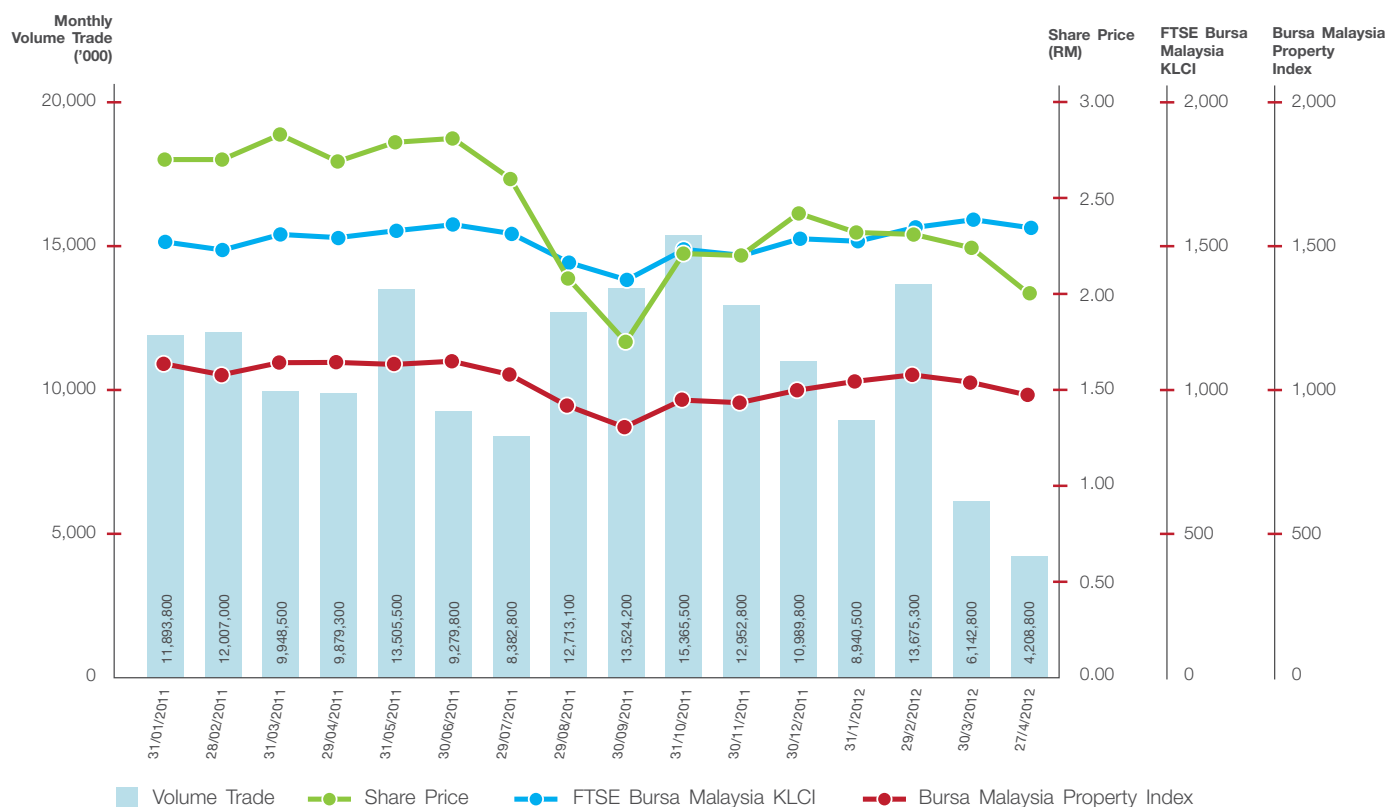
VALUE ADDED & DISTRIBUTION PER EMPLOYEE (RM'000)



VALUE ADDED & DISTRIBUTION PER EMPLOYEE COST (RM'000)



SHARE PRICE & VOLUME TRADED



Date	High (RM)	Low (RM)	Closing (RM)	Average Monthly Volume Traded
31/1/2011	3.40	2.44	2.70	11,893,800
28/2/2011	3.07	2.66	2.70	12,007,000
31/3/2011	2.90	2.58	2.83	9,948,500
29/4/2011	3.01	2.67	2.69	9,879,300
31/5/2011	2.93	2.63	2.79	13,505,500
30/6/2011	2.91	2.73	2.81	9,279,800
29/7/2011	2.83	2.45	2.60	8,382,800
29/8/2011	2.64	2.00	2.08	12,713,100
30/9/2011	2.17	1.54	1.75	13,524,200
31/10/2011	2.29	1.68	2.21	15,365,500
30/11/2011	2.29	2.00	2.20	12,952,800
30/12/2011	2.47	2.10	2.42	10,989,800
31/1/2012	2.46	2.22	2.32	8,940,500
29/2/2012	2.43	2.18	2.31	13,675,300
30/3/2012	2.38	2.21	2.24	6,142,800
27/4/2012	2.27	1.95	2.00	4,208,800

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LEADERSHIP

Looking back at the challenges and successes of the past, our leaders have inspired and worked together with staff from all levels, united as one, in our quest for excellence.

TAN SRI DR AHMAD TAJUDDIN ALI

Aged 63, Malaysian

*Non-Executive Chairman
Chairman of ESOS Committee*

Tan Sri Dr Ahmad Tajuddin Ali was appointed as Chairman of UEM Land Holdings Berhad on 15 September 2008.

Currently, he is also the Chairman of UEM Group Berhad, PLUS Expressways Berhad and Linde Malaysia Holdings Berhad (formerly known as Malaysian Oxygen Berhad). He also sits on the Board of Bangi Golf Berhad and a few other private limited companies.

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

An engineer by training, Tan Sri Dr Tajuddin graduated with First Class Honours in Mechanical Engineering from King's College, University of London in 1973 and obtained his doctorate in Nuclear Engineering from Queen Mary College, University of London in 1977. He was conferred the Honorary Doctor of Science Degree by Universiti Putra Malaysia (UPM) in 2000, the Honorary Doctor of Engineering Degree by

Universiti Tenaga Nasional (UNITEN) in 2008. In 2009, he was conferred the Honorary Doctor of Science Degree by Universiti Malaysia Terengganu (UMT). He is a graduate of the Harvard Business School's Advanced Management Programme.

Tan Sri Dr Tajuddin is a Registered Professional Engineer with the Board of Engineers Malaysia, a Fellow of the Institution of Engineers Malaysia and a Fellow of the Asean Federation of Engineering Organisations (AFEO).

Tan Sri Dr Tajuddin is currently the Chairman of the Energy Commission Malaysia and the President of the Academy of Sciences, Malaysia. He chairs the Malaysian Standards and Accreditation Council and currently, a member of the Governing Council of the International Institute of Applied Systems Analysis (IIASA) Vienna, Austria. Currently, he is also the Joint-Chairman (Industry) of the Malaysian Industry-Government Group for High Technology (MIGHT) and a member of APEC Business Advisory Council (ABAC).

Tan Sri Dr Tajuddin attended all 9 Board meetings held during the financial year.

Leadership

Annual Report 2011 | UEM Land Holdings Berhad

DIRECTORS' PROFILE

Dato' Wan Abdullah Wan Ibrahim was appointed to our Board on 15 September 2008. He joined UEM Land Berhad ("UEM Land") on 1 January 2006 as the Managing Director. Prior to joining UEM Land, he was the Group Chief Executive Officer of United Malayan Land Bhd, a property company listed on Bursa Malaysia. From 1996 to 2004, he was with Kumpulan Guthrie Berhad, where his last position held was the Director of Property Division. In that capacity, he was tasked to lead the property development activities of the group, which covered three listed companies, namely, Kumpulan Guthrie Berhad, Highlands & Lowlands Berhad and Guthrie Ropel Berhad. He was also responsible for the conceptualisation and submission of plans for the Guthrie Corridor Planned Communities that covered an area of 11,650 acres linked and accessed by the Guthrie Corridor Expressway.

Dato' Wan attended all 9 Board meetings held during the financial year.

Prior to this, Dato' Wan spent 10 years with the Emkay Group of companies, which core activity was property development, and has held several positions including Group Executive Director. He holds a general degree in Business Administration (majoring in Accounting) from the Bolton Institute of Technology, United Kingdom.

A portrait of Dato' Wan Abdullah Wan Ibrahim, a middle-aged man with grey hair and glasses, wearing a dark pinstripe suit, a white shirt, and a red tie. He is standing in front of a blurred background that appears to be an industrial or construction site.

DATO' WAN ABDULLAH WAN IBRAHIM

Aged 54, Malaysian

*Managing Director/Chief Executive Officer
Member of ESOS Committee*



DATO' IZZADDIN IDRIS

Aged 49, Malaysian

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

Dato' Izzaddin Idris was appointed to the Board of UEM Land Holdings Berhad on 7 July 2009. He is the Group Managing Director/Chief Executive Officer of UEM Group Berhad. He is also the Non-Executive Deputy Chairman of PLUS Expressways Berhad. Dato' Izzaddin holds a Bachelor of Commerce Degree (First Class Honours in Finance) from University of New South Wales, Australia and is a Fellow of CPA Australia and a member of Malaysian Institute of Accountants (MIA). He has over 20 years of experience in the fields of investment banking, financial and general management and was previously the Chief Financial Officer/Senior Vice President (Group Finance) of Tenaga Nasional Berhad, a position he held from September 2004 to June 2009.

He was formerly a Senior Vice President (Corporate Finance) of Southern Bank Berhad and the Chief Financial Officer of Ranhill Berhad. He also held the position of Chief Operating Officer of Malaysian Resources Corporation Berhad in the late 1990s. After graduating in June 1985, Dato' Izzaddin served the Malaysian International Merchant Bankers Berhad for almost 11 years which included a 3-year secondment in the late 1980s to Barclays de Zoete Wedd Limited, a London-based investment bank and a subsidiary of Barclays Bank PLC then.

Dato' Izzaddin currently sits on the Boards of Projek Lebuhraya Utara-Selatan Berhad, Projek Lebuhraya Usahasama Berhad, PLUS Malaysia Berhad, Cement Industries of Malaysia Berhad, TIME Engineering Berhad, Faber Group Berhad, Opus Group Berhad, and UEM Builders Berhad and has served on the Boards of Proton Holdings Berhad and Kumpulan Wang Persaraan (Diperbadankan).

Dato' Izzaddin attended 8 out of the 9 Board meetings held during the financial year.

DIRECTORS' PROFILE

Abdul Kadir Md Kassim was appointed to our Board on 15 September 2008. He is the Managing Partner of Messrs Kadir, Andri & Partners. He is currently the Chairman of Time dotCom Berhad, UEM Builders Berhad and Cement Industries of Malaysia Berhad. He sits on the Board of UEM Group Berhad.

Kadir serves as Chairman of Exchange Committee of Labuan International Financial Exchange Inc, as Chairman of Federation of Investment Managers Malaysia and is a member of the Investment Panel of Tabung Haji and of the Corporate Debt Restructuring Committee. He is also a member of the Board of Directors of Danajamin Nasional Berhad.

Kadir served in the Malaysian Administrative and Diplomatic Service and in the Judicial and Legal Service between 1966 and 1973, holding various positions. Abdul Kadir holds a Bachelor of Laws (Honours) degree from the University of Singapore.

Abdul Kadir attended 8 out of the 9 Board meetings held during the financial year.

A portrait of Abdul Kadir Md Kassim, an elderly man with a mustache and glasses, wearing a dark suit and a patterned tie. He is standing in front of a blurred background that appears to be an industrial or construction site with scaffolding and structures.

ABDUL KADIR MD KASSIM

Aged 71, Malaysian

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



MD ALI MD DEWAL

Aged 71, Malaysian

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

Md Ali Md Dewal was appointed to the Board of UEM Land Holdings Berhad on 15 September 2008, following the Restructuring Exercise of UEM World Berhad, in which he was a member of the Board since 2003. In addition, he sits on the board of Valuecap Sdn Bhd and several other private limited companies. He holds a Master of Business Administration Degree from Tulane University, New Orleans, USA.

Md Ali attended all 9 Board meetings held during the financial year.

DIRECTORS' PROFILE

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

of ICI's Malaysian operations in 1994 and was appointed Group Executive Director of Chemical Company of Malaysia Berhad until 2003. His directorships in other public companies include Golden Land Bhd, Faber Group Berhad and Nikko Electronics Berhad.

Oh Kim Sun attended 8 out of the 9 Board meetings held during the financial year.

OH KIM SUN

Aged 63, Malaysian

*Independent Non-Executive Director
Chairman of Audit Committee, Member of Nominations &
Remuneration Committee and ESOS Committee*



SHERANJIV SAMMANTHAN

Aged 44, Malaysian

Non-Independent Non-Executive Director

Member of Board Tender Committee and ESOS Committee



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

Sheranjiv attended 8 out of the 9 Board meetings held during the financial year.

He is presently an Executive Director in the Managing Director's Office of Khazanah Nasional Berhad ("Khazanah").

Sheranjiv joined PriceWaterhouseCoopers ("PwC") Birmingham, England and qualified as a Chartered Accountant in 1996. He moved to PwC London before returning to PwC Malaysia in 2003, joining as Director in the Advisory Services practice in Kuala Lumpur. He was made a Partner of PwC in July 2006. During his 18 years in PwC he led a wide variety of audit, financial advisory and management consulting assignments across various industries and geographies.

Prior to joining Khazanah, Sheranjiv led PwC's Risk and Governance practice encompassing its businesses and people across the South East Asian Peninsula Region covering Malaysia, Thailand, Vietnam, Laos and Cambodia.

DIRECTORS' PROFILE

Datuk Tong Kooi Ong was appointed to our Board on 25 February 2011.

He holds a Bachelor of Arts in Business Administration and a Master of Arts in Economics and Finance from Simon Fraser University, Canada. In 2002, he was bestowed his Doctor of Laws (Honoris Causa) from the same university.

Datuk Tong is the Chairman of The Edge Communications Sdn Bhd, publisher of *The Edge*, Malaysia's award winning and best selling business and investment weekly newspaper. Other titles in its stable are *The Edge Financial Daily*, a standalone daily business paper that complements the weekly edition and *Personal Money*, a monthly personal finance magazine.

In the region, his media interests are represented by The Edge Publishing Pte Ltd, which publishes *The Edge Singapore*, a business and investment weekly newspaper.

He is also the Chairman of the Board and Chairman of the Executive Committee of Taiga Building Products Limited, listed on the Toronto Stock Exchange, with annual sales of over C\$1.0 billion.

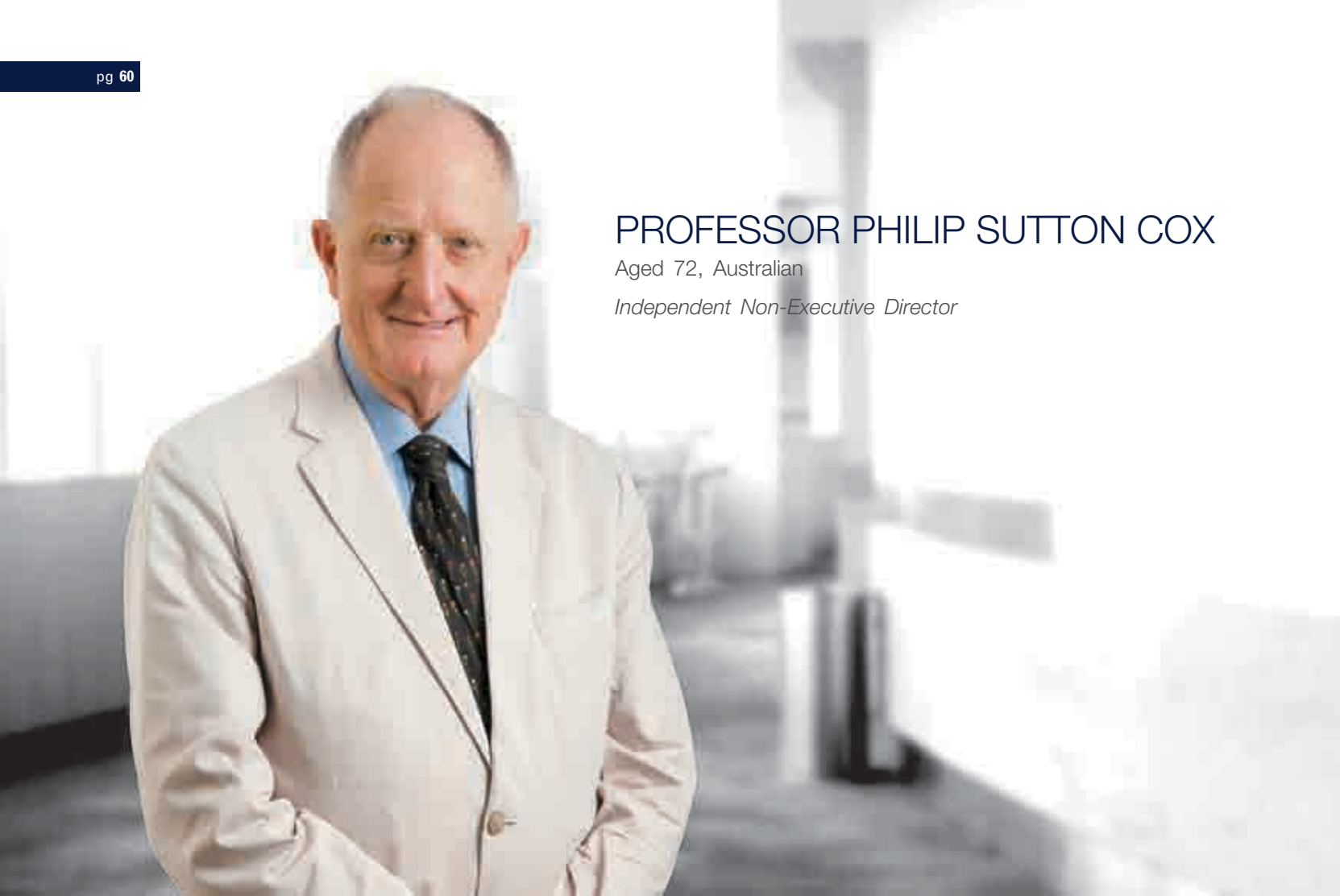
Datuk Tong attended 7 out of the 9 Board meetings held during the financial year.



DATUK TONG KOOI ONG

Aged 53, Malaysian

Non-Independent Non-Executive Director



PROFESSOR PHILIP SUTTON COX

Aged 72, Australian

Independent Non-Executive Director

Professor Philip Cox, was appointed to our Board on 8 March 2012. He is the founding partner of Cox Architecture Pty Ltd. He commenced practice with Ian McKay in 1963 and formed his own firm, Philip Cox and Associates in 1964. The firm has grown to become Cox Architecture with 400 personnel.

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

He has received numerous awards in recognition of his contribution to architecture, including the RAIA Gold Medal in 1984, Life Fellowship to the RAIA in 1987 and Honorary Fellowship of the American Institute of Architects in the same year. In 1988 he was awarded the Order of Australia for services to architecture. In 1993 he received the inaugural award for Sport and Architecture from the International Olympic Committee, and was elected a Fellow of the Royal College of Humanities. Philip 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 is responsible for the concept design of most of the firm's projects and reviews all the designs produced by the practice. He visits all branches on a regular basis and is responsible for the design management of the firm. He is presently active in major overseas projects in the Middle East, Singapore, China, Malaysia and India.

Professor Cox's professional experiences in Malaysia include, among others, Kuala Lumpur Convention Centre Project and Traders Hotel.

He has worked with the UEM Group previously on the Master Planning of the Second Crossing and the earlier proposals for Iskandar.

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

Notes:

1. **Family Relationship with Director and/or Major Shareholder**

None of the Directors has any family relationship with any Director and/or major shareholder of UEM Land Holdings Berhad.

2. **Conflict of Interest**

None of the Directors has any conflict of interest with UEM Land Holdings Berhad and its Group.

3. **Conviction for Offences**

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

Leadership

Annual Report 2011 | UEM Land Holdings Berhad

JOINT COMPANY SECRETARIES**MR TAN HWEE THIAN***Joint Company Secretary*

Tan Hwee Thian is the Director, Secretarial of UEM Group Management Sdn Bhd and the Joint Company Secretary of UEM Land Holdings. He is also the Joint Company Secretary of UEM Group Berhad, PLUS Expressways Berhad and other companies in the UEM Group. He is a Fellow of the Association of Chartered Certified Accountants, United Kingdom, a member of The Malaysian Institute of Chartered Secretaries and Administrators and a member of the Malaysian Institute of Accountants (MIA). He started his career with a public accounting firm and had also worked in a group of companies with diverse business interests spanning insurance, property development and management services. His work experience involved company secretarial, administration, share registration, auditing and accounting.

MS WONG LEE LOO*Joint Company Secretary*

Wong Lee Loo is the Joint Company Secretary of UEM Group Berhad, UEM Land Holdings, and their subsidiaries. She is a Fellow of the Malaysian Institute of Chartered Secretaries and Administrators. She also holds a Bachelor of Law degree with Honours from University of London, United Kingdom and Certificate of Legal Practice. She joined the Legal and Secretarial Division of UEM Group in 1991 as Secretarial Assistant and has served in various positions in the said Division. Presently, she is the Deputy General Manager, Secretarial as well as the Joint Company Secretary of UEM Group Management Sdn Bhd.



SENIOR MANAGEMENT



DATO' WAN ABDULLAH WAN IBRAHIM

Managing Director/Chief Executive Officer

Dato' Wan Abdullah Wan Ibrahim joined UEM Land Holdings on 1 January 2006 as the Company's Managing Director/Chief Executive Officer. Prior to joining UEM Land Holdings, he was the Group Chief Executive Officer of public-listed property development company, United Malayan Land Berhad.

From 1996 to 2004, he worked with then Kumpulan Guthrie Berhad, where he last held the position of Director of Property Division. In that capacity, he was tasked to lead the property development activities of the group, as well as for subsidiaries, Highlands & Lowlands Berhad and Guthrie Ropel Berhad. He was one of the key members responsible for the conceptualisation and submission of plans for the Guthrie Corridor Planned Communities which covered an area of 11,650 acres linked and accessed by the Guthrie Corridor Expressway. Prior to this, Dato' Wan Abdullah spent 10 years with Emkay Group of companies, a property development group where he held several positions including Group Executive Director.

Dato' Wan Abdullah was appointed to UEM Land Holdings Board on 15 September 2008 and was part of the team who saw the successful listing of the Company on Bursa Malaysia Securities Berhad on 18 November 2008. He holds a general degree in Business Administration (majoring in Accounting) from the University of Bolton, United Kingdom.

SENIOR MANAGEMENT

**MOHD AUZIR MOHD TAHIR**

Chief Executive Officer, Cahaya Jauhar Sdn Bhd

Mohd Auzir Mohd Tahir joined the UEM Group in August 1988 as a Civil Engineer, rising to his current position in Cahaya Jauhar Sdn Bhd in January 2005. Cahaya Jauhar Sdn Bhd is a joint venture with the State Government of Johor for the development and facilities management of Kota Iskandar, the new state administrative centre in Nusajaya.

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

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

**MR. LUM TUCK MING**

Chief Operating Officer

Lum Tuck Ming holds a Bachelor of Science (Hons) degree in Civil Engineering from Leeds University, United Kingdom. He has been a Corporate Member of the Institute of Engineers, Malaysia since 1984 and is also a Professional Engineer registered with the Board of Engineers, Malaysia. He first joined Sunrise in 1991 as a Project Manager. He was promoted to General Manager, Project & Technical Services in 2000. Subsequent to that, in 2003, he became the Chief Operating Officer and in 2005, the Executive Director & Chief Operating Officer of Sunrise. Prior to joining the Sunrise Group, he worked with several leading engineering consultant companies for 12 years.

He was promoted to his current position as the Chief Operating Officer of UEM Land Holdings effective 1 September 2011.

SENIOR MANAGEMENT



MOHD ZAKIR OMAR

Director, Finance and Corporate Planning

Mohd Zakir Omar is a Fellow Member of the Association of Chartered Certified Accountants and a Chartered Accountant with the Malaysian Institute of Accountants since 1998. He also holds a BA (Hons) Combined Studies, Accounting and Law from DeMontfort University, Leicester, England where he graduated in 1993.

He started his career in 1994 with Deloitte Touche Tohmatsu, an international accounting firm in the audit and management consultancy division. He left Deloitte in 1997 to join Business Focus Group, a private investment holding company with diversified business interests ranging from shipbuilding, oil & gas, plantations and property development as an Accountant and subsequently as the Head of Finance until he left in 2000. He joined UEM Group in 2000 and was attached to Faber Group Berhad as Manager, Business Development. He was subsequently transferred to UEM Land Holdings in 2003 and has held various positions in the Business Development, Corporate Planning and Finance before being promoted to his current position in 2008.



AMINAH ABDULLAH

General Manager, Human Resource and Administration

Aminah Abdullah joined UEM Land Holdings on 20 December 2010. She is a Human Resource practitioner for more than 25 years in various industries ranging from publishing, manufacturing and property development.

A graduate of the University of Singapore, she went on to pursue a Graduate Diploma in Personnel Management when she was with the Singapore Civil Service before moving on with FEP International Sdn Bhd, KIG Glass Industrial Bhd and United Malayan Land Bhd. Aminah also holds a Masters in Business Administration from University of Preston, United States.

SENIOR MANAGEMENT

**SITI MARIAM MOHD DESA***Chief Marketing Officer*

Siti Mariam Mohd Desa joined UEM Land Holdings on 1 March 2012. Prior to joining UEM Land, she was the Group Director, Property, Asset & Construction of DRB-HICOM Berhad. She had also previously held the position of Director, Real Estate Advisory in Kuwait Finance House (M) Berhad where she was an advisor for the bank's real estate investments in Malaysia and the Asia Pacific Zone. Prior to that she had spent 14 years in Island & Peninsular Berhad where she held several key positions. In 2003, she was promoted to the post of Chief Operating Officer for I&P Properties and was tasked with managing developments in Kuala Lumpur, Negeri Sembilan and Penang.

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

A graduate with a Bachelor of Architecture (Hons) from the University of New South Wales in Sydney, Australia in 1987, she carries with her more than 20 years of experience in property development, real estate investment and professional architectural practice. She is a registered architect with Lembaga Akitek Malaysia and a corporate member of Pertubuhan Akitek Malaysia.

**ANG KEE PING***Project Director, Development Division*

Ang Kee Ping is the Project Director, Development Division of UEM Land Holdings after having joined its subsidiary, Sunrise in May 2004.

He holds a Bachelor of Science degree in Housing, Building & Planning from University of Science Malaysia. Prior to joining Sunrise Group, he had gained more than 13 years experience in property development and project management of residential and commercial development especially from the RM1.0 billion Gurney Park Mixed Development at Persiaran Gurney, Penang which comprises a two-block of 40-storey high-end condominium, a 38-storey super condominium, an 8-storey shopping complex (Gurney Plaza) and a 352-room business hotel.

Throughout his eight years' of employment in Sunrise, he has completed multiple projects which include the fully integrated RM1.4 billion self-sustainable Solaris Dutamas Mixed Development comprising a Retail Mall, Corporate Office, Office suites, Shop Office and Designer Suites and the state-of-the-art environmental friendly thermal storage district cooling system.

SENIOR MANAGEMENT



SAZALI SALLEH

General Manager, Development – Central Region

Sazali Salleh joined UEM Land Holdings on 13 February 2012. He holds a Bachelor's Degree with Honours in Architecture from University of Technology MARA where he graduated in 1985. He began his career at Ngiam Partnership Architect and has worked with several property developers including Arab Malaysian Development Berhad and most recently with Southkey Properties Sendirian Berhad, a subsidiary of Selia Group. He brings with him a wealth of experience and knowledge in various aspects of property development.

Throughout his employment in property development, he has been responsible for the planning and implementation and that includes financial management and monitoring of large scale developments. He has been instrumental in developing and completing luxurious projects notably the Sri Duta Condominium project in Jalan Duta, Kuala Lumpur, the Seban Cove waterfront development in Johor Bahru and the recently launched Kota Southkey, a multi-billion ringgit commercial and residential development in Johor Bahru. He has also undertaken and completed complex construction projects such as the Genesis Tower in Kuala Lumpur which adopted the top down construction method on a fast tracking programme.



ONG CHOU WEN

Project Director, Development Division

Ong Chou Wen is the Project Director, Development Division of UEM Land Holdings after having joined its subsidiary, Sunrise in December 2006.

Prior to joining Sunrise, he worked with Putrajaya Holdings, the property development subsidiary of the PETRONAS Group Of Companies for 8 years. Over his 8 years with Putrajaya Holdings, he had performed the portfolio of a Project Architect, Design Manager, Technical & Operation Manager and Project Manager in different technical departments. This has widely exposed him to various aspects of the projects, technically from design development until Defect Liability Period ("DLP"), contractually from tender preparation until final account, and financially from feasibility until closure of project's account (P&L declaration). His 16 years of experience in the property industry include his practical training in the United Kingdom (UK) during his study, Design/Project Architect in BEP Arkitek after returning to Malaysia and Chief Resident Architect for a Developer in Hong Kong, Tem Fatt Hing Fung.

Ong Chou Wen received a Bachelor (Hons) Degree in Architecture and a Diploma/MA in Architecture (Master Theses: Evolutionary Conquest of Concrete Highrise) with Commendation in Design & Thesis from the University of Sheffield, United Kingdom. He was also the Award Winner for the Gradus Prize in Architectural Detailing in 1996 and Kenneth Murta Award in Tropical Architecture in 1996 during his educational years in the UK. He is a registered graduate member of Pertubuhan Arkitek Malaysia and Lembaga Arkitek Malaysia.

SENIOR MANAGEMENT

**MOHD AZMIL ABD SHUKOR***Senior General Manager, Nusajaya*

Mohd Azmil Abd Shukor joined UEM Land Holdings on 1 February 2010. Prior to that, he served as the Deputy Director Technical & Operation of a property development company in the Kingdom of Bahrain. Mohd Azmil graduated from the University of East London, United Kingdom ("UK") with a Bachelor of Science (Hons) in Architecture in 1989.

In 1992, he graduated from the University of Nottingham, United Kingdom with a Bachelor of Architecture (Hons). Apart from having worked in Malaysia and Bahrain, he had also worked in the UK, Singapore, the United Arab Emirates and Azerbaijan.

Currently, Mohd. Azmil is responsible for development projects in Nusajaya encompassing township infrastructure, residential and commercial projects as well as other components including, ferry terminal, convention centre and also public parks and open spaces.

**RAYMOND CHEAH HO CHEE***Project Director – Development Division*

Raymond Cheah Ho Chee is the Project Director, Development Division of UEM Land Holdings after having joined its subsidiary, Sunrise in January 2001.

Throughout his career with the company, he was appointed to three Development Committees – Forest Heights in Seremban, Nusajaya Lifestyle Sdn Bhd and a mixed development in Bukit Jelutong.

He is responsible for the developments in Marina South and Ophir-Rochor, which are being developed by M+S Pte Ltd and was also elected as an alternate member of the Development Marketing Coordinating Group for the Medini Urban Wellness development, a strategic joint-investment between Khazanah Nasional Berhad and Temasek Holdings Pte Ltd.

He represented the Company as the Chief Evaluator for FIABCI's Malaysia Property Award 2010 – Masterplan Category, and prior to that in 2009, was an Evaluator for the High-Rise Residential Category.

Raymond Cheah graduated from the University of Iowa, United States of America ("US") in 1995 with a Bachelor of Science (Hons) Degree in Civil Engineering. He has successfully completed his Master of Business Administration (Distinction) from the University of Sunderland, UK in December 2010. He is a Graduate Member of the Institute of Engineers, Malaysia and American Society of Civil Engineering since 1995.

MD/CEO'S OPERATIONS REVIEW



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

In last year's annual report, I had indicated how UEM Land Holdings Berhad ("UEM Land Holdings") had entered a new phase in our journey as a property developer, following the acquisition of Sunrise. In 2011, we have seen the exciting results of this strategic move. The year has been a whirlwind of activity – with a number of project launches not only in Nusajaya, our stronghold within the Iskandar Malaysia development in Johor, but also in Kuala Lumpur and across the globe, in Canada.

MD/CEO'S OPERATIONS REVIEW

This acquisition was preceded by months of analysis and deliberation that convinced us that the complementary skills and expertise of the two companies would create amazing synergies. Our results proved we were justified in our thinking. With Sunrise in our fold, UEM Land Holdings has been able to achieve three principal goals that had been guiding us since launching our five-year Strategic Plan in 2010, namely land bank diversification, sustainable financial performance and product diversification.

It gives me great pleasure to be able to share with you details of these achievements, and our other successes, for the year.

■ FINANCIAL PERFORMANCE

Our financial results for the year ended 31 December 2011 improved significantly compared to the preceding year, which was to be expected given our acquisition of Sunrise. Our revenue increased 261.5% from RM471.1 million in 2010 to RM1,703.2 million, driven by an increase in sales of developed property (Direct Development), which contributed to 74% of our total revenue as compared to 34% in 2010.

The major contributors for our direct development revenue were 28 Mont'Kiara and 11 Mont'Kiara, two high-rise residential projects in Kuala Lumpur as well as our projects in Nusajaya such as East Ledang, Nusa Idaman and Nusa Bayu.

At the same time, the contribution of land sales to total revenue dropped from 61% in 2010 to 21% in 2011. We derived RM262.1 million from Developed Land Sales, namely Southern Industrial and Logistics Clusters ("SiLC") and Puteri Harbour; and RM107.1 million from Strategic Land Sales, mainly the disposal of land to the Johor State Government ("JSG") for the development of its staff housing, and the disposal of land to Horizon Hills Development Sdn Bhd, our

50:50 joint venture company with Gamuda Berhad ("Gamuda"), for the development of Horizon Hills in Nusajaya.

We also earned RM23.3 million from our Turnkey Development, from some additional work done for Kota Iskandar Phase 1; and RM26.4 million in rental income and car park fees under Property Investment. Meanwhile, we achieved RM31.6 million in revenue from Assets and Facilities Management, and Project Management activities which covers provision of facilities and project management services for projects such as the Family Indoor Theme Park and Traders Hotel in Puteri Harbour, Somerset Puteri Harbour and facilities management for Kota Iskandar Phase 1.

On the back of this revenue, we achieved a profit before tax of RM355.2 million as compared to RM205.5 million in 2010, while our profit after tax, amortisation and minority interests ("PATAMI") grew by 55.1% from RM194.5 million in 2010 to RM301.7 million.

Sales from two of our high-rise residential projects in Kuala Lumpur (28 Mont'Kiara and 11 Mont'Kiara), SiLC and East Ledang in Nusajaya, as well as Quintet, a mixed development in Canada, represented our main contributors during the financial year. Total sales for the year amounted to RM2.2 billion, while our unbilled sales as at 31 December 2011 stood at RM1.85 billion, which will underpin our performance over the next few financial years.

But what makes these results particularly pleasing is that, even when compared to a pro forma consolidated revenue for the enlarged Group of RM1.09 billion in 2010, our revenue increased by 55.5%. This meant that we surpassed our Headline Key Performance Indicators ("KPI") of revenue growth of 50% by 5.5 percentage points. On the other hand, we fell 2 percentage points short of our second Headline KPI of a 10% return on equity ("ROE"), achieving 8% instead.

MD/CEO'S OPERATIONS REVIEW

Quintet, Canada



HIGHLIGHTS OF THE YEAR

There were several highlights in the year 2011, however the most noteworthy has to be the completion of UEM Land Holdings' acquisition of Sunrise on 16 February 2011. This boosted our earnings from the first quarter itself right through till the end of the year. Most significantly, it has given us an immediate presence outside of Nusajaya due to Sunrise's numerous high-rise and high-end developments in key locations in the Klang Valley as well as its mixed development, Quintet in Vancouver, Canada.

As a result of this acquisition, we were also able to create waves with the unveiling on 9 November 2011 of the futuristic-looking Angkasa Raya, which is set to become the next architectural icon in the heart of Kuala Lumpur. Designed by award-winning German architect Ole Scheeren, Angkasa Raya will comprise premium office spaces, over 280 serviced residences, a luxury hotel with more than 200 five-star suites, three sky levels as well as a multitude of signature retail spaces. We expect it to be completed and opened in 2016.

With Angkasa Raya, we are set to stamp the UEM Land brand among the world's most prominent towers.

We are also pleased to be involved in the development of two land parcels measuring 35 acres in Medini Iskandar Malaysia ("Medini") for the retail mall project. We signed an agreement to this effect with Iskandar Harta Holdings Sdn Bhd ("IHH") and Nusajaya Lifestyle Sdn Bhd ("NLSB") on 9 June 2011. This development, which fronts LEGOLAND® Malaysia, the first LEGOLAND® theme park in Asia, will be undertaken by NLSB, a 55:45 joint venture between UEM Land Holdings and IHH, and its first phase is targeted for completion in September 2012, in line with the targeted completion and opening of LEGOLAND® Malaysia. This particular development exemplifies two key strategies we have adopted in Nusajaya to make it 'come alive' – namely integrating our developments with other catalyst projects and partnering with other developers and strategic partners to ensure the highest level of professionalism and quality in our products.

MD/CEO'S OPERATIONS REVIEW



MD/CEO'S OPERATIONS REVIEW

Imperia



Summer Suites



Given a generally buoyant property market, we were able to launch several phases of projects both in Nusajaya and outside of Nusajaya. We introduced our very first high-rise residential product in Puteri Harbour, namely the 246-unit Imperia; as well as new phases of previously launched projects, including the Impiana in East Ledang, Nusa Bayu and Nusa Idaman. Outside of Nusajaya, we launched Phase 1 of Summer Suites comprising over 400 premium business suites in Kuala Lumpur; Phase 2 of Quintet, a mixed residential and commercial development in Vancouver, Canada; and the first phase of Arcoris Mont'Kiara ("Arcoris"), comprising 262

units of business suites in Mont'Kiara. These were among the projects that contributed to our sales performance in 2011.

During the year, our subsidiary, Cahaya Jauhar Sdn Bhd ("CJSB") a 60:40 joint venture between UEM Land Berhad (a wholly owned subsidiary of UEM Land Holdings) and the State Secretary Johor (Incorporation) ("JSSI") entered into an agreement with JSSI to manage and maintain Phase 1 of Kota Iskandar. Property management is an area we would like to explore further, hence this is another significant milestone for us.

MD/CEO'S OPERATIONS REVIEW

■ SMOOTH INTEGRATION

While mergers and acquisitions present companies with great potential for further growth, they have to be managed well in order for the benefits to materialise. Acknowledging this, immediately after acquiring Sunrise, the Company formed a three-member Integration Committee – comprising Dato' Izzaddin Idris, Datuk Tong Kooi Ong and I – to ensure that all integration issues are adequately and comprehensively addressed.

UEM Land Holdings and Sunrise have different sets of capabilities and expertise, which can either add to or detract from our individual strengths. To promote the positives, we studied and streamlined the organisational structures,

reporting lines and manpower requirements of both companies. We also held a series of Townhall sessions at which staff of both UEM Land Holdings and Sunrise were fully apprised of what the acquisition means and were given the opportunity to air any questions or concerns they had concerning the move.

We then organised a three-tiered integration programme, each targeting different levels within the organisation from the Senior Management team all the way down, and this programme was successfully completed in November 2011. I believe we have made a positive start in the process of integration and feel confident of being able to see greater synergies and teamwork from our enlarged family moving forward.

■ DEVELOPMENT UPDATES

Over and above the product launches, various ongoing projects continued to be developed where our focus has been on innovation, catering to the lifestyles and needs of the different target markets. This is clearly reflected in the different value propositions we offer in our various developments.



MD/CEO'S OPERATIONS REVIEW



IN

NUSAJAYA

Our overall vision for Nusajaya is for it to become Asia's new regional city offering world-class facilities for living, working and playing. We made further progress in developing Nusajaya as a Smart+Connected Community by signing a Consultancy Agreement with Cisco, together with Iskandar Investment Berhad ("IIB") to develop an Information and Communications Technology ("ICT") and Services Smart City master plan for the entire development.

We also signed a Technical Advisory Agreement and Serviced Residence Management Agreement via Nusajaya Consolidated Sdn Bhd ("NCSB"), a 50:50 joint venture between UEM Land Berhad and United Malayan Land Bhd ("UM Land"), with Ascott Limited ("Ascott"), a member of CapitaLand, the largest global serviced residence owner operator in Asia-Pacific, Europe and the Gulf, on 25 October 2011 for Ascott

to provide technical advisory services as well as manage and operate 204 units of serviced residences at the twin block five-storey Somerset Puteri Harbour.

We are very proud of the way in which Nusajaya is unfolding and were honoured to receive the prestigious Malaysia Property Award 2011 by FIABCI Malaysia – Master Plan Category for this 'World in One City'. Nusajaya will be representing the nation in the internationally renowned FIABCI Prix d'Excellence Awards, regarded as the epitome property awards which recognise projects that best embody excellence in all the real estate disciplines involved in its creation. Awarded by an international panel comprising top real estate professionals and experts, the FIABCI Prix d'Excellence rewards overall merit and not just aesthetics, functionality or size.

MD/CEO'S OPERATIONS REVIEW



Kota Iskandar

Kota Iskandar, the administrative centre of the JSG, is being developed by CJSB. Phase 1 of this development – comprising the State Legislative Assembly Building, Chief Minister and State Secretary Office Complex as well as three state government office buildings – was completed in April 2009, following which 2,200 state government staff have been based here. The number will further increase when the Federal Government departments currently located in Johor Bahru are relocated to Kota Iskandar. Development of Phase 2 – including a mosque and government staff housing – has yet to commence, pending agreement on an implementation model. On 29 December 2011, we signed two Land Purchase Agreements

with JSSI for the disposal of two parcels of land totalling 98.5 acres for RM84.2 million for the development of the staff quarters.

Upon overall completion, Kota Iskandar will house 76 State and Federal Government departments to be populated by about 6,000 civil servants.

Meanwhile, JSG has approved the official names of the Phase 1 components, as follows:

- a. State Legislative Assembly Building – Bangunan Sultan Ismail;
- b. Chief Minister and State Secretary Office Complex – Bangunan Dato' Jaafar Muhammad; and

- c. Three office buildings – Bangunan Dato' Muhammad Salleh Perang, Bangunan Dato' Muhammad Ibrahim Munsyi and Bangunan Dato' Abdul Rahman Andak.

Kota Iskandar continued to make us proud by gaining international recognition. On 9 May 2011, CJSB received the 23rd International Construction Award 2011 in Paris, France. Kota Iskandar was also a Runner-up in the FIABCI Prix d'Excellence Award 2011 for Public Infrastructure/Amenities, a first in this category for Malaysia following the award it won for the Public Sector Category of FIABCI Malaysian in 2010. The award-giving ceremony was held on 19 May 2011 in Paphos, Cyprus.

MD/CEO'S OPERATIONS REVIEW

Puteri Harbour

Puteri Harbour is a prestigious and award-winning waterfront development spanning over 688 acres with a 13.5km coastline that offers comprehensive and integrated lifestyle property products. The Inner Lagoon, 76-berth Public Marina and Satellite Clubhouse have been in operation since 15 January 2009.

The main infrastructure for the commercial area in the south of Puteri Harbour has been completed, while work is on-going on the infrastructure for commercial and residential developments in the north with the former expected to be completed by end 2012.

On 1 June 2011, about 3.23 acres fronting the Private Marina was disposed to Terminal Perintis Sdn Bhd ("TPSB"), a subsidiary of Tiong Nam Logistics Holdings Berhad, for RM30.95 million, at RM220 per square foot, which sets a new price benchmark for our developed lands in Puteri Harbour. TPSB will be developing a hotel and serviced apartment on this parcel which fits well with the expected growth in demand for accommodation facilities in Nusajaya post tipping point.

Already, three superstructures are being built in front of the Public Marina. These include Traders Hotel and the Family Indoor Theme Park both belonging to Themed Attractions and Resorts Sdn Bhd ("TAR"), a subsidiary of Khazanah, which are targeted for completion by end of 2012. The third project – the

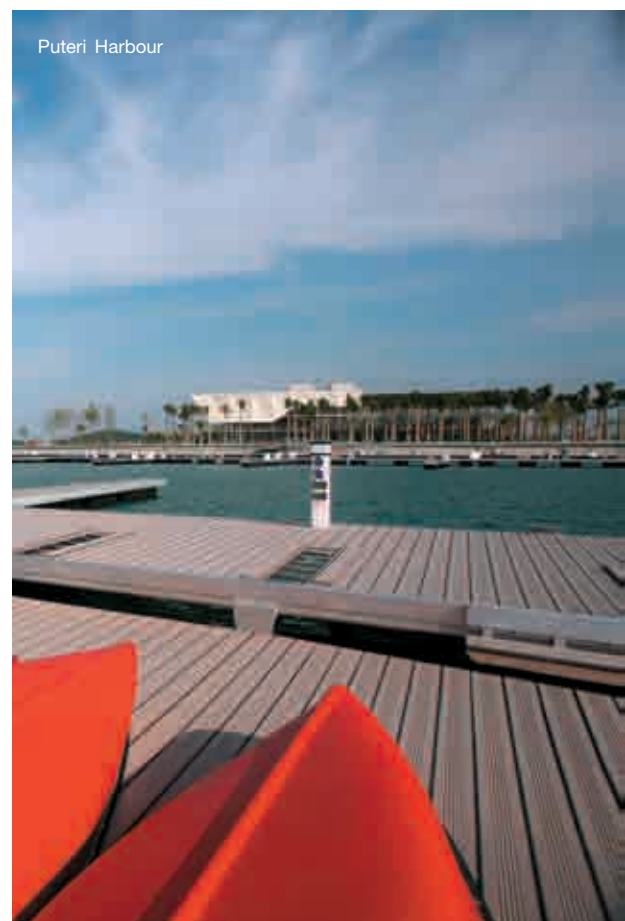
Somerset Puteri Harbour serviced apartments – developed by NCSB and managed by Ascott, was launched to the general public in mid-February 2012.

In the Commercial South Precinct, in September 2011, we launched a 35-storey residential tower comprising 246 units called Imperia, a residential-commercial mixed development on 3.3 acres that also includes a 16-storey office tower and retail lots. The launch of Imperia has set a new price benchmark for any property to be launched in Puteri Harbour.

We hope to launch our CS-2 project, a 10-acre mixed development of condominiums, offices, serviced apartments and a retail mall, in 2012. We are also developing a Customs, Immigration and Quarantine Complex ("CIQ") plus a ferry terminal at the entrance of the Mega Yacht Marina. The earthworks for the CIQ has commenced in March 2012.

SiLC

SiLC is Nusajaya's flagship industrial development project spanning approximately 1,300 acres and focusing on advanced technology, health and nutrition, logistics and biotechnology. As at end March 2012, a total of 550 acres in Phases 1, 2A and 2B had been sold with a total cumulative sales value of RM624.2 million. Earthworks have recently commenced on the remaining portion of SiLC, namely Phase 3, with a net area of about 200 acres. Phase 3 is targeted to be launched in 2013.



MD/CEO'S OPERATIONS REVIEW

Southern Industrial and Logistics Clusters (SiLC)

**Bio-XCell**

On 17 September 2009, UEM Land Holdings signed a joint venture agreement with the Malaysian Biotechnology Corporation Sdn Bhd to develop Malaysia's first Biotech park – Bio-XCell – on approximately 67 acres of Phase 2B in SiLC. Among the key components planned within Bio-XCell are an anchor tenant scheme, shell factories, central utilities and shared R&D facilities.

Construction of the Central Hub (or Package 1), comprising a three-storey administration block, two-storey Quality Control Analytical Lab ("QCAL") block of labs, a single-storey auditorium with a 180-pax capacity and two guard houses, commenced in January 2011 and are expected to be completed by end May 2012. Package 2, comprising four standard shells, one TNB sub-station and a refuse house, is expected to be completed by end August 2012.

To date, four international biotechnology-based companies have committed to

investing more than RM1.2 billion in Bio-XCell, namely Biocon Ltd and Strides Arcolab Ltd of India, US-based Glycos Biotechnology Inc and Metabolic Explorer SA, from France.

Afiat Healthpark

Afiat Healthpark is a healthcare destination catering to three distinctive areas of well-being – modern medicine, traditional & complementary medicine, and wellness. It is centred around the private 82-bed Columbia Asia Hospital, which opened in July 2010. For easy access, the KM19.1 Interchange opened to the public on 1 April 2010.

OTHER CATALYST DEVELOPMENTS

IIB, owned by Khazanah, the Employees Provident Fund ("EPF") and Kumpulan Prasarana Rakyat Johor Sdn Bhd ("KPRJ"), is currently developing Medini and EduCity Iskandar Malaysia ("EduCity") – two major catalyst developments within Nusajaya.

Medini is a 2,008-acre international mixed-use development located between Kota Iskandar and East Ledang, comprising developments such as LEGOLAND® Malaysia, a retail mall, 1 Medini residential apartments, Urban Wellness and Resort Wellness (a joint venture between Khazanah and Temasek Holdings) and Gleneagles Medini, to name some.

EduCity is a fully integrated best-in-class education hub comprising world-class universities, industry-centric R&D clusters, colleges, international schools and amenities. In September 2011, the Newcastle University Medicine Malaysia opened its campus in EduCity. The Netherlands Maritime Institute of Technology commenced classes from its city campus at the Johor Bahru city centre in May 2011 and will move to its EduCity campus by end 2012. Raffles University of Iskandar will commence classes at its temporary campus at the Johor Bahru city centre in May 2012. Other institutions slated to be opened in 2012 include the University of

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Southampton Malaysia Campus (Engineering Faculty), Trust Schools (Khazanah's initiative), International Student Village and Stadium and Sports Complex. Marlborough College Malaysia, although not located in EduCity but a few kilometres north-east from EduCity is targeted to be opened in August 2012.

RESIDENTIAL PROPERTIES IN NUSAJAYA

East Ledang

The award-winning East Ledang is a 275-acre high-end resort styled residential development featuring link duplexes, twin villas and bungalows amid 31 themed gardens, with a total Gross Development Value ("GDV") of RM2.3 billion. In line with our emphasis on providing a safe and secure living environment, the residential precinct of East Ledang is equipped with a comprehensive East Ledang Security Intelligence System. Within the development, 90 acres have also been dedicated to international and private schools and commercial components. East Ledang was launched in February 2008 and as at end March 2012, 1,160 units have been brought to the market with a total GDV of RM988 million. The second quarter of 2012 will see the launch of the latest series of bungalows in this development.

Nusa Idaman

Nusa Idaman is a mid-market mixed residential development spanning 251 acres with a total GDV of RM790 million. Since its debut in the market in March 2006, 1,443 units have been launched, with a total GDV as at end March 2012 of RM521 million. The semi-D homes, shop offices and apartments are to be launched by end 2012.

Horizon Hills

Horizon Hills is an award-winning golf-themed integrated residential and leisure development that is being developed by Horizon Hills Development Sdn Bhd, a 50:50 joint venture between UEM Land Berhad and Gamuda, comprising 13 precincts over 1,200 acres with a total GDV of RM4 billion. Since its market entry in March 2007, 1,739 units have been launched, with a GDV as at end March 2012 of RM1.1 billion.

Nusa Bayu

This mixed development offers affordable homes catering to young families and first-time homebuyers across 260 acres on the northern tip of Nusajaya. It has a total GDV of RM619 million, of which 673 units with a GDV of RM176 million have been launched as at end March 2012. We target to launch more double storey terrace houses here in the second quarter of 2012.

Imperia, Puteri Harbour

Imperia is a mixed development comprising a 35-storey residential tower and a 16-storey office tower and retail lots on 3.3 acres of Puteri Harbour. In November 2011, 246 luxurious units with a total GDV of RM317.4 million were launched.

Somerset Puteri Harbour

Somerset Puteri Harbour is a serviced apartment being developed through a joint venture with UM Land, and managed by Ascott. The serviced apartment was recently launched to the public in mid-February 2012.



RESIDENTIAL

PROPERTIES OUTSIDE OF NUSAJAYA

Symphony Hills, Cyberjaya

Symphony Hills is a high-end gated community scheme spread across 98 acres in the Cyberjaya Flagship Zone with a total GDV of RM1.03 billion. The development boasts a smart security system comprising a guardhouse, perimeter fencing, patrolling guards, CCTV and an emergency response unit. UEM Land Holdings is partnering with Mesiniaga Berhad and Cisco Malaysia to develop Symphony Hills as Malaysia's first Connected Intelligent Community. Since August 2010, 288 units with a total GDV of RM573 million were released to the market. We are targeting to launch the first condominium in Symphony Hills by end 2012.

28 Mont'Kiara

This 40-storey twin towers consists of 460 luxurious units with fitted kitchen cabinets and other facilities including an Olympic-sized pool, gym and jacuzzi. This award-winning development located in Mont'Kiara, Kuala Lumpur carries an expected total GDV of RM853.4 million and is expected to be completed at the end of 2012.

Symphony Hills



28 Mont'Kiara



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11 Mont'Kiara

The 43-storey and 5-tower award-winning development houses 339 luxurious condominium units, with only 2 units per floor and expansive provision of common facilities such as elevated lap pool, whirl pool, jacuzzi, sky lounges and gymnasium located in Mont'Kiara, Kuala Lumpur. It is the first residential development in Malaysia to receive the Building and Construction Authority ("BCA") Singapore's Green Mark Certification for achievements in energy and water efficiency, indoor environment quality, innovation and site/project management.

Summer Suites

Summer Suites comprises two towers with a total of 877 office suites plus retail units on 1.65 acres of prime land on Jalan Sultan Ismail, Kuala Lumpur. The strata development offers a total of 550,000 sq ft office units and 20,000 sq ft retail units, with an expected total GDV of RM450 million. In January 2011, 403 units were launched under Phase 1 with a GDV of RM196 million. We target to launch Phase 2 (office suites) in the second quarter of 2012.

Arcoris Mont'Kiara

Located on a prime 6 acres in Mont'Kiara, Kuala Lumpur, Arcoris is designed by London-based award winning architectural practice, Foster+Partners. This new landmark of Mont'Kiara is made up of two terracing towers integrating an 18-storey tower of serviced residences and a 35-storey tower comprising a hotel, SOHO units and business suites. There is also retail space occupying the central plaza linking the two towers which complement

the Arcoris experience. Its total GDV is estimated at RM940 million. We launched 262 units of business suites with a GDV of RM128 million in October 2011. We target to launch the SOHO units in the second quarter of 2012, and the serviced residences in the fourth quarter of the year.

Arcoris was named the Best International Commercial High Rise Development 2011 at the International Residential Property Awards.

Quintet, Canada

Quintet represents a mixed residential and commercial development in Minoru Boulevard City, Vancouver, Canada. It consists of five towers and homes ranging in size from 500 sq ft one-bedroom units to 1,500 sq ft penthouses and townhomes with a total GDV of almost RM1 billion. Phase 1 was launched in September 2010, followed by Phase 2 in June 2011. A total of 704 units have been launched as at end January 2012 with a GDV of RM972 million.

EMPLOYEE DEVELOPMENT

UEM Land Holdings places much emphasis on the continuous professional development of our employees, as they form the core of the Group's capabilities and determine our ability to take our place on the podium of world-class developers. Since the acquisition of Sunrise, our workforce has more than doubled, from 435 staff to 1,081 staff as at December 2011. While this necessarily increases our collective knowledge and expertise, we have not let up on further fine-tuning our employees' competencies via targeted training.



11 Mont'Kiara



The Culture of Excellence (“COE”) programme which started in 2009, focusing on delivering excellence in customer service amongst staff in front line divisions (Sales, Marketing and Customer Services specifically in Nusajaya) were completed albeit some changes were made to enhance the delivery. The last batch graduated in November 2011.

■ ENTERPRISE-RISK MANAGEMENT

After more than 15 years of focusing projects in Nusajaya, UEM Land Holdings finally marks an important milestone in realising its vision and mission by making our presence beyond Nusajaya. Not only that, we have also expanded our business from simple beginnings in pure township development to now covering high-rise luxury villas, lifestyle offices, condominiums and serviced apartments via the acquisition of Sunrise. This strategic decision has

included consideration of the risks involved. This is an example of how we use a formal risk management process as part of our corporate decision-making process as to ensure the business decision made is in-line with our Group’s strategy to continue to grow and strengthen its presence regionally and globally.

We have formally established a well-defined Enterprise-Risk Management (“ERM”) Framework which focuses on integral part of the Group corporate governance structure and one of the key management tools. We believe that over the long term, implementing formal risk management processes consistently as stipulated in the ERM Framework will achieve better performance against objectives and help to gain a competitive advantage. In a nutshell our ERM Framework provides clear guidelines on the following:

- a. The Risk Management Policy;
- b. The Key Objectives of Risk Management;

- c. The Risk Management Guiding Principles;
- d. The Group’s Risk; and
- e. The Roles of the Board, the Management, the Risk Management Committee (“RMC”), the Risk Owners and the Risk Management Secretariat.

Risk Management & Transformation Department provides the main support to the RMC, chaired by myself and comprises senior management staff 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 RMC is also responsible for the following activities:

- a. Agreeing on the procedures and reporting formats of the risk management processes;
- b. Reviewing the adequacy and effectiveness of the Risk Management Framework;

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- c. Ensuring that the Board and Management receive adequate and appropriate information for decision-making and review purposes;
- d. Communicating and providing a reference point for dissemination and feedback on the Group's risk management policies and procedures;
- e. Commissioning, where required, special task force to investigate, develop or report on special aspects of the risk management processes of the Group; and
- f. Presenting reports on risk management to the Audit Committee and the Board.

■ RESPONSIBLE DEVELOPMENT

As a responsible developer, UEM Land Holdings is committed to ensuring that we cause minimal impact on the environment surrounding our developments. Within Nusajaya, we continue to champion the R.O.S.E based on the concept of Reducing the demand on natural resources; Offsetting our environmental footprint by augmenting environmental services elsewhere; Substituting high energy consumption goods, services and processes with more efficient alternatives; and Enhancing environmental services and functions within Nusajaya.

Furthermore, we continued our proactive efforts in providing sustainable products which provided a confidence boost when Imperia condominium in

Puteri Harbour, following a stringent design assessment was awarded the Green Building Index Provisional Gold Rating Certification.

Within the Nusajaya community, we further reinforced the idea of 'smart and caring living' where we introduced a Composting Programme at some of the schools we have adopted in Nusajaya under PINTAR. We installed five compost bins at three schools, where the UKM climate change team conducted special workshops with the teachers and volunteers on how to manage organic waste in an eco-friendly manner.

In Mont'Kiara, we aim to attain a Singapore Green Mark Gold Rating for 28 Mont'Kiara, which currently has a provisional Gold Rating with a score of 76.55 points. The condominium has been designed to be environment-friendly, its architecture allowing for natural ventilation in common areas while energy-efficient electrical systems and appliances are used wherever possible. Fittings and furnishings meanwhile, are using eco-labelled

materials or other materials categorised with a minimum of 30% recycled content.

■ PROSPECTS

While the year 2011 has been a resounding success for the Group, we are only at the beginning of our new journey as an expanded organisation and I believe the best is yet to come. With Sunrise, we have acquired the full set of skills required by any property developer of repute, which will enable us to chart faster growth towards achieving our vision of becoming a global community builder.

In the immediate term, our focus is very much to execute, deliver and realise our ongoing projects in Klang Valley, Canada and particularly Nusajaya as it approaches its "Tipping Point". Besides identifying new catalyst projects to further enhance value of Nusajaya, we are especially excited with the potential of "Gerbang Nusajaya" (formerly identified as "Nusajaya West"), which represents a large portion of our



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undeveloped lands in Nusajaya. We target to share more details on this project towards the later part of 2012.

Notwithstanding our domestic focus, in line with our long term ambition to expand and become a true regional property player, we feel that the time is now right for us to lay the ground works for potential expansion outside Malaysia.

UEM Land Holdings also recently ventured south across the causeway through its appointment to jointly manage the development and marketing of the Ophir-Rochor project with CapitaLand and the Marina South project together with Mapletree. These developments, by our subsidiary Sunrise M+S Pte Ltd, which is a 60:40 joint venture between Khazanah and Temasek Holdings Pte Ltd in Singapore, have a combined GDV of S\$11 billion (RM27 billion).

There are also exciting opportunities in the region, especially in countries such as India, where other companies within the UEM Group as well as Khazanah have already made their presence. We are also looking at Myanmar, which is opening its door to foreign investment, and Vietnam, which is rapidly industrialising and liberalising. We are currently talking to potential partners in these countries and sending teams to explore opportunities for us to take our expertise and support these nations in their development agendas.

At the same time, we are confident of being able to secure more land banks from the Federal Government of Malaysia and the various state authorities, to be developed either on

our own or in joint ventures with them. Two years ago, these authorities may have had reservations about what we could offer as we were known principally as a township developer. Today, the Group's strengthened profile and skill set lend us a formidable competitive edge for major national projects.

Given our enhanced fundamentals, we are ambitious of performing even better in 2012 than we did in 2011, and intend to pursue an aggressive growth trajectory in line with our position as one of Malaysia's leading property companies. Hence we are re-setting our Headline KPIs for revenue growth at 50%, and ROE at 10%. In addition, we have set ourselves the target of a 40% increase in PATAMI.

We are confident of achieving RM3 billion in sales in 2012, barring any unforeseen crisis either locally or in the international scene. We expect Nusajaya to reach tipping point during the year, as we have been predicting, given that most of the developments that had been targeted for completion in 2012 are either completed or close to completion. And once this happens, many other pipeline projects in this vibrant city will automatically take off.

A number of our own projects will be ready for the market in 2012. In the second quarter, we plan to launch CS-2 in Puteri Harbour in Nusajaya, as well as the hotel and office units of Angkasa Raya, Kuala Lumpur. These will be followed, in the 3rd quarter, by the launch of phase 1 of a 34-acre residential development in Kajang; while the last quarter will see the debut of our MK22 apartments in Mont'Kiara.

As at end 2012, the total estimated GDV for projects we intend to launch is RM4.5 billion. This will be released in

phases to ensure a continuous product pipeline. Hence it is going to be another busy year in 2012, and the years to follow.

■ ACKNOWLEDGEMENTS

UEM Land Holdings has made a huge transition from being a township developer to an award-winning property developer of a range of innovative products in Malaysia and abroad. For this, we are grateful to all our stakeholders who have shown great confidence in us and continued to support us through our exciting transformation journey.

To our Board of Directors, I would like to say thank you for your judicious guidance which has always provided us with the stability and strength to explore new areas of growth. To our expanded family of employees, I would like to express my sincere appreciation for your willingness to embrace change and to take this transformation in your stride. The process of integrating two diverse cultures is always challenging but you have shown it can be done with grace, in true Malaysian style. Fortified as we stand today, we can now take our unique Malaysian brand and stamp it across the region and beyond as we make steady progress in our quest – as always – to be a global community builder.

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





ENDING

A HAND

As a socially responsible corporate citizen, we care more than just the bottom line and we are conscious of our duty to give back to the community.

CORPORATE RESPONSIBILITY



UEM Land Holdings Berhad ("UEM Land Holdings") believes that it is our duty to uphold the highest principles of integrity in dealing with our stakeholders and contribute to enhance livability.

We are committed to provide a safe and conducive work environment for our employees to ensure optimum performance levels while simultaneously encouraging personal and career growth through professional training and development.

As a property developer with a vision to be a global community builder, we place great emphasis on delivering quality products and service excellence that meet the needs of the different markets that we serve.

Realising the importance of environmental sustainability, we are motivated to preserve the inherent value of our natural resources given the urgency of climate change issues.

We also believe in uplifting the local communities where we have a presence in through our various corporate responsibility ("CR") activities to build strong and wholesome communities.

In playing our role as a responsible corporate citizen, our CR initiatives are broadly categorised in four pillars:

- (a) Workplace
- (b) Marketplace
- (c) Community
- (d) Environment

CORPORATE RESPONSIBILITY

WORKPLACE

We strongly believe that we are only as good as our employees, hence we strive to attract the best talents by establishing the Group as a 'first-choice employer' through first-class human resource practices. We then retain our talents by offering them attractive performance-based remuneration and empowering them via active engagement as well as through professional training and development.

Employee Benefits

In keeping with our aim to be a 'first-choice employer', we offer employment benefits that are above and beyond local mandatory requirements, including expense-paid healthcare for employees' and their dependents as well as dental treatment.

Training & Professional Development

UEM Land Holdings places priority on developing our employees' capabilities and skills to support their career goals while enhancing the Group's performance and level of professionalism. In 2011, our employees received an average of 37.65 hours of training each, at a total cost to the Group of RM1,979,129.00.

Individual training needs were pre-determined by UEM Group Berhad's ("UEM Group") Learning Centre ("ULC") and prioritised according to the dual goals of building a leadership pipeline and generally upgrading all employees' competencies. Training modules were categorised under four main objectives:

enhancement of job functions (70%), managerial development (17.6%), technical knowledge/occupational health and safety (9.9%) and leadership training (2.5%).

In 2011, there was also added focus on work culture orientation to help newcomers from Sunrise to integrate with UEM Land Holdings' employees. In addition, ULC also introduced new modules on green building technology, low carbon initiatives and enterprises as well as evolving developments in the building and construction industry.

Safety at Work

As a responsible corporate citizen, UEM Land Holdings places top priority on maintaining a safe work environment at all our development sites for our employees as well as contractors. We have a Health, Safety and Environmental ("HSE") Policy Manual, which complies with national and international standards on health and environment practices. Our high safety standards are reflected in the Group's OSHAS 18001 and MS 1722 certifications.

It is mandatory for all our employees in the Quality Assurance, Safety, Health and Environment ("QASHE") Department to attend training and refresher drills on high-rise work safety, waste management, environmental laws, management systems and fire safety. A total of 95 induction courses were held at various project sites. Most of these were conducted in Johor, attended by a total of 2,520 workers.

We also carried out a fire drill in Anjung, Nusajaya, on 21 July 2011 to test our Emergency Response Plan ("ERP") procedures and gauge our staff's capabilities to manage a crisis.

UEM Land Berhad ("UEM Land") recorded 2,724,680 man-hours of no Loss-Time Injury ("LTI") in 2011, which is lower than our achievement in 2010 due to an accident at the Ujana worksite involving a contract worker. Subsequently, all site workers were given a refresher course on work requirements and procedures as a preventive measure.

At Sunrise, a total of 33 in-house induction courses were held at various project sites in 2011 involving 1,042 participants. Following two incidents at the 28 Mont'Kiara project site, all workers involved were briefed on proper standard operating procedures and the site supervisors have been authorised to issue stop orders if these are not adhered to.

We will continue to closely measure and monitor occupational safety parameters as we ensure our work practices are safety-compliant. With continuous site assessments and improvements to preventive actions, supplemented with guidance notes and industry best practices, we are confident of an enhanced performance to safeguard the well-being of our employees and contractors.

CORPORATE RESPONSIBILITY

MARKETPLACE

UEM Land Holdings is thoroughly committed to building properties that are highly desired and with the potential of increasing in value, as well as landmarks and townships of significance within the Iskandar Malaysia region and beyond. In order to ensure a high level of customer satisfaction and to maintain strong relationships with the people around us, we place great emphasis on listening to our customers and being receptive to their demands and needs in the real estate realm.

Building on the Customer Relationship Management ("CRM") system that was first established in 2008, both UEM Land Holdings and Sunrise continued to engage in our annual Customer Satisfaction Survey programmes to gauge our performance in terms of service delivery. These surveys primarily assessed the level and quality of customer service extended by our sales teams. A total of 168 residents and owners participated in the UEM Land Holdings survey which recorded a one percentage point increase in overall customer satisfaction from the previous year's results, from 69% to 70%.

Evaluations on marketing communications, customer enquiry follow-up, sales information, payment processes and completion phases continued to show improvement in 2011, surpassing similar comparisons as tabulated in the 2010 survey.

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

The Customer Service survey covered a broad spectrum of its developments, namely: 10 Mont'Kiara, 11 Mont'Kiara, 28 Mont'Kiara, Solaris Mont'Kiara, Solaris Dutamas, Mont'Kiara Aman, Mont'Kiara Astana, Mont'Kiara Banyan, Mont'Kiara Bayu, Mont'Kiara Damai, Mont'Kiara Palma, Mont'Kiara Pines, Mont'Kiara Sophia, Kiara Designer Suites and Laman Suria. From this survey, it achieved an overall score of 67%.

COMMUNITY

There is much scope for corporate organisations to contribute to the community, especially in rural or semi-urban areas where there are still pockets of society that have not fully benefitted from the country's economic progress. Within these communities, we focus primarily on promoting a high standard of education in schools while also providing aid or social relief in other forms.

EDUCATION: A SOCIAL EQUALISER

We believe that education holds the key to empowering underprivileged communities, thus contributing to equitable development that is required for the country to achieve its vision 2020. Hence much of our community efforts are targeted at improving the level of education in rural areas where schools have traditionally lagged behind compared to their urban counterparts.

PINTAR Programme

Our education initiatives fall under the PINTAR ("Promoting Intelligence, Nurturing Talent and Advocating Responsibility") Programme, spearheaded by Khazanah Nasional Berhad ("Khazanah"). The UEM Land Holdings CSR-Education programme aims to promote better educational outcomes and inspire an interest in knowledge acquisition among school children while providing them with a conducive learning environment.



CORPORATE RESPONSIBILITY



We have adopted 17 schools in Gelang Patah, Johor under the PINTAR Programme – 13 are primary schools and four are secondary schools. Throughout the year, we developed various programmes based on PINTAR's key principles for our adopted PINTAR schools which included the Academic Excellence Programme, ICT Knowledge and Appreciation Programme, Microchip Controller Project, English Programme and the Green School project.

To intensify initiatives and promote the holistic development of our PINTAR schools' students – academically, psychologically and ethically, we have introduced several new sustainable school programmes under the Advocating Responsibility pillar such as Road Safety Programme, the National Day Campaign and the Hygiene Talk Programme. We also added a few new programmes under the Promoting Intelligence pillar, such as the Spell-it-Right Programme and the Learning Centre Project in 2011. We are pleased to deliberate on our significant CSR-education achievements in 2011:

Academic Excellence Programme

We introduced this programme back in 2008 with to help raise the academic performance of the students in our PINTAR schools within Nusajaya. Adopting a similar approach as previous years, UEM Land Holdings continued its strategic partnership with Berita Harian to organise two cycles of examination seminars for all examination levels – UPSR, PMR and SPM for our PINTAR students.

Over the years, the programme has proved to be effective as students achieved significant progress in academic performance. In 2011, UEM Land Holdings PINTAR schools' students recorded a commendable improvement with an increase of 2.3% and 30.7% in the overall UPSR and PMR results respectively. Similarly, SPM results showed a slight improvement with two candidates obtaining 11A's and 10A's compared to only one in 2010.

We also organised two motivational camps for primary and secondary school students from all 17 of our adopted schools on 12-14 March 2011 and 15-17 March 2011, respectively. A total of 120 students from Year Six, Form Two and Form Four attended the motivational camps. Through these camps, students were given an avenue to help them identify and unleash their potential via fun-filled activities incorporating mental and physical challenges designed to instil discipline, enhance concentration, develop positive-thinking and cultivate good teamwork.

ICT Knowledge and Appreciation Programme

UEM Land Holdings embarked on the ICT Knowledge and Appreciation programme in 2008. Under this programme, we conducted ICT training workshops and Carnival for our PINTAR school students to promote usage of IT and the internet as a learning medium. Separate training sessions were also organised for teachers to improve the ICT proficiency to subsequently empower their students.

On 11 May 2011, the 2nd ICT Carnival was organised by UEM Land Holdings in collaboration with the Johor Bahru District Education Department ("PPDJB") and the Johor State Education Department ("JPNJ"). The carnival which was held in conjunction with '*Semarak Mahkota Pendidikan*', one of the programmes planned by JPNJ to build closer rapport between the Johor Palace and the students, by making His Royal Highness the Crown Prince of Johor, Tunku Ismail Idris ibni Sultan Ibrahim Ismail as an icon to all the students in Johor. Additionally, His Royal Highness the Crown Prince of Johor is also the patron of the students' programmes. The carnival, held at SMK Taman Nusa Jaya, saw the participation of more than 3,000 students and teachers from more than thirty schools around Johor Bahru.

CORPORATE RESPONSIBILITY



Microchip Controller

The second batch of 40 Form Four students from two participating UEM Land Holdings PINTAR secondary schools – SMK Taman Nusa Jaya and SMK Kompleks Sultan Abu Bakar started their induction course on 15 & 16 March 2011. They were given practical sessions before advancing to hands-on learning sessions on IT programmes called Traffic Light Control System, Water Level Control System and Line Tracking Robot. In total, five workshops were organised at the Za'ba College, Universiti Kebangsaan Malaysia ("UKM"), Bangi, where students managed to complete eight ingenious prototypes; *Automatic Garbage Basket*, *Green "OXO"*, *Intelligent Sprinkler*, *i-shower*, *i-pcf* ("personal fan"), *Intelligent Toilet*, *Smart Fan* and *i-trolley*.

English Language Programme

The PINTAR Programme includes activities tailored for the teachers, and for the second consecutive year, an English language training programme was organised for English-option teachers. The programme has benefitted more than 100 teachers from UEM Land Holdings' 17 PINTAR schools around the Gelang Patah district.

The programme was categorised into two broad sections; primary and secondary and conducted in two phases. During the three-day training, teachers were introduced to various techniques and approaches to help them engage more effectively with their students while boosting their self-confidence in teaching the language. The training, conducted by a subject expert from the British Council, also exposed the participants to new methods of teaching complex language as well as trained teachers to be able to spot and correct common mistakes made by students.

In 2011, our PINTAR schools students continued to enjoy free weekly Newspaper-in-Education ("NiE") pull-outs when we renewed our strategic partnership with The Star Publications Malaysia Berhad. A total of 33 issues of The Star-NiE pullout, spread over a period of 11 months, starting from January to November 2011 were distributed to students from 17 UEM Land Holdings PINTAR schools. We believe that the newspaper is one of the best mediums for students to be exposed to current issues which cultivates their analytical and critical thinking while inculcating reading habits.

We also introduced a spelling bee programme, which we felt would be a fun way to increase the English proficiency of the primary school pupils in our adopted schools. On 9 November 2011, we organised our first Spell-it-Right contest in collaboration with the PPDJB. The contest registered 100 contestants of Year 5 and Year 6 pupils from 12 of our PINTAR primary schools. Cash prizes were offered to the contest winners. Given its success, this contest will form part of our annual activities for our PINTAR schools.

Green School Project

Following the success and the positive response of its pilot programme in 2010 organised in three of UEM Land Holdings' PINTAR primary schools, we have expanded the Climate Change module, the first module developed with the assistance of UKM to all our PINTAR primary schools.

To make the programme more encompassing and fluid in nature, we further extended the Green School initiative by adding a composting element as the second module to

CORPORATE RESPONSIBILITY

educate the young school children on the advantages of responsible and eco-friendly solid waste disposal. We have placed two to three compost bins at five of our primary schools, namely SK Taman Nusa Perintis 1, SK Nusantara, SK Tiram Duku, SK Kompleks Sultan Abu Bakar and SK Kg Pulai environmental awareness.

In collaboration with UKM, we organised a one-day Green Workshop for 40 teachers and volunteers of our PINTAR schools at SK Taman Nusa Perintis 1 on 21 May 2011. The programme equipped participants with the necessary knowledge and skills on environmental conservation to be shared with their students and the surrounding communities. Among the activities carried out were a briefing on R.O.S.E. ("Reduce, Offset, Substitute and Enhance") Programme, Green Log Book, eco-craft making, climate change video presentation and composting demonstration.

The underlying objective of the Green School Project is to champion the concept of 'smart and caring living', in line with the key tenets of the Nusajaya Green Plan.

New Sustainable Educational Endeavours

Health & Hygiene Programme

We initiated the Health & Hygiene programme under PINTAR Advocating Responsibility tenet in 2011. The two-hour programme emphasised on the importance of basic personal hygiene knowledge such as proper hand-washing and bathing information as well as dental care. 180 Year Three and Year Four pupils from 13 UEM Land PINTAR primary schools participated in the Health & Hygiene programme held at the Columbia Asia Hospital on 20 October 2011.

Road Safety Programme

The inaugural road and safety awareness programme was held on 23 April 2011 at SK Kompleks Sultan Abu Bakar, Gelang Patah for all students from our PINTAR schools. This programme was organised in cooperation with PLUS Expressways Bhd ("PEB"), the Johor Bahru Road Safety Department ("JKJR") and the Johor Bahru Traffic Police Department. Students were educated on safe travelling tips, traffic rules and regulations, while learning how to identify potential dangers and traffic hazards.

PLUS also took the opportunity to introduce the Malaysians Unite for Road Safety ("MUFORS") campaign to the participants. MUFORS is a PLUS-initiated project that has been set up as a channel for the community to voice their concerns and thoughts on road safety in Malaysia. Other activities included traffic games, a road safety colouring contest and quizzes where winners were rewarded with attractive prizes.

This programme complements the government's efforts to reduce the number of road accidents in the country.

The National Day Campaign Programme

As a responsible corporate citizen, UEM Land Holdings introduced its National Day Campaign Programme at all its 17 PINTAR schools in 2011. The programme is part of our strategic initiatives to support the Government's efforts to instill the spirit of patriotism, promoting multi-racial integration and unity amongst the younger generation especially with the school students.

We started off the programme with simple yet educational activities such as drawing and essay writing competition and mural drawing contest to introduce the programme. Winners from each category won attractive cash prizes. Based on the overwhelming response received from all parties involved, the programme will form part of our annual activities for our PINTAR schools.



CORPORATE RESPONSIBILITY



The Learning Centre Project (Library Enhancement Programme)

In 2011, UEM Land Holdings embarked on a special programme known as the Learning Centre Enhancement Project based on perceptive understanding that the school library plays a significant role in promoting education excellence.

The programme was established to enable its PINTAR schools' students and teachers to have easy access to knowledge via books. Under this programme, UEM Land Holdings contributed reading materials and library equipment such as book trolleys, stools, wallpaper, carpets, banners and posters. Each year, one PINTAR school will be selected to receive UEM Land' Holdings contribution.

The Pintar Al-Quran programme

First implemented in 2008, the Pintar Al-Quran programme is fully-sponsored by UEM Land Holdings and is provided without charges to pre-school students. On 19 November 2011, 83 pre-schoolers successfully completed

reading the Al-Quran and were celebrated in a Majlis Khatam Al-Quran held at the Sultan Iskandar Hall, Universiti Teknologi Malaysia ("UTM").

UEM Land Holdings also works together with Jabatan Agama Johor ("JAJ") for this programme. JAJ provides assistance to assess and recommend the professional teaching workforce of this programme to UEM Land. All teaching and learning materials as well as techniques are developed and approved by JAJ.

OTHER COMMUNITY EVENTS

In conjunction with the Holy month of Ramadhan, UEM Land Holdings continued its Ramadhan tradition by preparing a Ramadhan delicacy – 'bubur lambuk' on 17 August 2011. UEM Land Holdings' staff volunteered to prepare and distributed the 'bubur lambuk' to the local communities including passing motorists.

In a separate event later in the evening, 180 less fortunate community members comprising single mothers, orphans, the disabled as well as senior citizens from several villages around Gelang Patah were exclusively invited to a 'Majlis Penyampaian Sumbangan Aidilfitri' to receive their 'duit raya' and Raya goodies to help ease their burden during the Hari Raya celebrations.

In 2011, we hosted 600 guests at a Raya Open House themed 'Salam Merdeka Raya' at the Horizon Hills Golf & Country Club, Nusajaya on 22 September. The guests were entertained by guest artists such as Aishah, Abon and Elya while a ghazal performance provided a soothing tone for the afternoon as guests enjoyed authentic and traditional Malay delicacies.



CORPORATE RESPONSIBILITY

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

PROTECTING THE ENVIRONMENT

As a reputable and responsible property developer, UEM Land Holdings seeks to address and manage environmental issues at every stage throughout the

lifecycle of our developments – from the design of our projects to their construction, renovation and eventual deconstruction. We recognise that every effort spent to preserve our natural resources will leave a lasting impact on our projects, their eventual inhabitants and the local communities surrounding them.

Where possible, we work to integrate the natural environment into the overall design of our projects to add value to our properties. Stringent performance monitoring practices are then carried out at each site to ensure air, noise and water pollution comply with regulatory requirements and environmental standards as well as meeting our own Environmental Management Plans (“EMPs”).

OUR CORPORATE RESPONSIBILITY COMMITMENT

Our corporate responsibility initiatives help us to balance our financial performance with our social and environmental obligations. In the process of fulfilling these obligations, we also establish a firm reputation for the Group as a reliable, responsive and forward-looking organisation. This is important as we look to a wider market for our property development expertise. We are therefore deeply committed to CR and will continue to enhance our processes and systems even as we grow, to ensure our sustainability and the sustainability of the communities that we support.



CORPORATE GOVERNANCE STATEMENT

UEM Land Holdings Berhad recognises the importance of good corporate governance and the Board is committed to ensure that good corporate governance is practised throughout the Group with the ultimate objective of protecting and enhancing shareholders' value and the financial performance of the Company and of the Group.

As required under the Bursa Malaysia Listing Requirements ("Listing Requirements") this Corporate Governance Statement reports on how the Malaysian Code of Corporate Governance ("the Code") and Listing Requirements are applied by the Company and sets out the Company's formal report on compliance with the best practices of the Code and Listing Requirements throughout the financial year ended 31 December 2011.

1. BOARD OF DIRECTORS

1.1 The Board Composition

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 2 or more than 15.

As at 31 December 2011, the Board consists of 9 Members comprising the Managing Director/Chief Executive Officer, 5 Non-Independent Non-Executive Directors and 3 Independent Non-Executive Directors. The 3 Independent Non-Executive Directors meet the criteria of independence as prescribed in the Listing Requirements and the Board confirmed that there had been no transactions, relationship or arrangements that would have impaired the independence or any judgment made by the Board.

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

YBhg Dato' Ikmal Hijaz Hashim, an Independent Non-Executive Director resigned on 17 February 2012 and was replaced by Professor Philip Sutton Cox, an Independent Non-Executive Director who was appointed on 8 March 2012. The composition of the Board members remained at 9 comprising the Managing Director/Chief Executive Officer, 5 Non-Independent Non-Executive Directors and 3 Independent Non-Executive Directors.

1.2 Duties and Responsibilities of the Board

The Board leads and provides stewardship to the Group's strategic direction and operations to maximise shareholders' value. It regularly meets to perform its principal responsibilities, amongst others, as follows:-

- Reviewing and adopting a strategic plan 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 investors relations programme or shareholder communications policy for the Group; and
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference.

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.2 Duties and Responsibilities of the Board (continued)

The Managing Director/Chief Executive Officer is responsible for implementing the policies and decisions of the Board, overseeing the operations and managing the development and implementation of the Company's business and corporate strategies.

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

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

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

1.3 Conflict of Interest

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

1.4 Dealings in securities of the Company

Directors and employees of the Group who are in possession of price-sensitive information regarding the Company which are not publicly available, and who deal in the securities of the Company are required to notify the Company within a specific timeframe as prescribed by the Listing Requirements.

1.5 Board Meetings and Supply of Information

The Board is expected to meet at least 7 times for the next financial year, 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.

The Board meetings are chaired by the Non-Executive Chairman, whose role is clearly separated from the role of the Managing Director/Chief Executive Officer. The Non-Executive Chairman leads the Board effectively and encourages contribution from all members to ensure a balance of power and authority.

Prior to the Board meetings, the Board is furnished with an agenda and a set of Board papers in advance of each Board meeting for the Directors to study and evaluate the matters to be discussed. The Board papers contain both quantitative and qualitative information thereby enabling informed decisions to be made. This is to 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. The papers are presented in a manner which is concise and includes comprehensive management reports, minutes of meetings, proposal papers and supporting documents. In addition, presentations to the Board and Board Committees are prepared and delivered in a manner which ensures a clear and adequate presentation of the subject matter.

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.5 Board Meetings and Supply of Information (continued)

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.

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

For the financial year ended 31 December 2011, the Board held 9 meetings and the details of the attendance are as follows:-

Directors	Number of Board Meetings Attended	Percentage of Attendance (%)
1. Tan Sri Dr Ahmad Tajuddin Ali	9/9	100
2. Dato' Wan Abdullah Wan Ibrahim	9/9	100
3. Dato' Izzaddin Idris	8/9	89
4. Abdul Kadir Md Kassim	8/9	89
5. Md Ali Md Dewal	9/9	100
6. Oh Kim Sun	8/9	89
7. Dato' Ikmal Hijaz Hashim*	8/9	89
8. Sheranjiv Sammanthan	8/9	89
9. Datuk Tong Kooi Ong	7/9	78

* Resigned on 17 February 2012

1.6 Re-election of Directors

Under the provisions of the Company's Articles of Association, all Directors, including the Managing Director, shall retire from office at least once in every 3 years but shall be eligible for re-election. At the first annual general meeting and in every year thereafter one-third (1/3) of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest to one-third (1/3), shall retire from office at each Annual General Meeting ("AGM"). All retiring Directors can offer themselves for re-election.

The Company's Articles of Association also provides for Directors who are appointed by the Board during the financial 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 Annual General Meeting of the Company and subject to approval being obtained from the shareholders, may be re-appointed to hold office until the next Annual General Meeting in accordance with Section 129(6) of the Companies Act, 1965.

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.6 Re-election of Directors (continued)

To assist the shareholders in their decision, sufficient information such as personal profile and attendance of meetings for the Directors standing for re-election are disclosed in the Directors' Profile on pages 52 and 60 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 235 of this Annual Report.

1.7 Training and Development of Directors

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

All Directors appointed to the Board, apart from attending the Mandatory Accreditation Programme accredited by Bursa Malaysia Securities Berhad, 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.

Members of the Board had also been invited to participate in forums and/or seminars in their capacity as a speaker, moderator or panelists in areas of their expertise. Some of the trainings/conferences/seminars and/or workshop in which members of the Board had participated as at 31 December 2011, are as follows:-

No.	Directors	List of Training/Conference/Seminar/Workshop Attended
1.	Tan Sri Dr Ahmad Tajuddin Ali	<p>Dialogue Session with Business Councils: Presentation on the Economic Transformation Programme (ETP) by YB Senator Dato' Sri Idris Jala – MITI</p> <p>Majlis Perasmian Seminar Kesedaran Awam Berkaitan Medan Elektromagnet (EMF). YBhg Tan Sri Dr Ahmad Tajuddin Ali, Pengerusi Suruhanjaya Tenaga memberi ucapan aluan – Suruhanjaya Tenaga</p> <p>Khazanah Global Lecture by H.E. Mary Robinson, The Former President of Ireland – Khazanah</p> <p>1st ABAC Meeting – ABAC</p> <p>Global Innovation through Science and Technology (GIST):</p> <p>Dinner Talk by Ambassador Paul Jones – US Ambassador to Malaysia; Prof Dato' Sri Dr Syed Arabi Idid – Rector, International Islamic University Malaysia (IIUM) & Dr Eric J. Novotny – Senior Vice President, CRDF Global – Academy of Sciences Malaysia</p> <p>Global Innovation through Science and Technology (GIST) – Academy of Sciences Malaysia</p> <p>Federation of Public Listed Companies Bhd (FPLC): YBhg Tan Sri Dr Ahmad Tajuddin Ali as a Speaker on Alternative Energy – FPLC</p> <p>Public Consultation Forum on Malaysian Standard for Halal Pharmaceutical – Department of Standard Malaysia</p>

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.7 Training and Development of Directors (continued)

No.	Directors	List of Training/Conference/Seminar/Workshop Attended
1.	Tan Sri Dr Ahmad Tajuddin Ali (continued)	<p>New Frontiers on Science Diplomacy by Sir Peter Michael Williams from The Royal Society, United Kingdom – Academy of Sciences Malaysia</p> <p>MITI: Gas Curtailment Workshop – Suruhanjaya Tenaga</p> <p>Breakfast Talk with Rugby Legend Mr Sean Fitzpatrick on “Sporting Excellence to Invigorate Business Thinking” – MINDA</p> <p>Closed door dialogue on “Nuclear Energy in Perspective” – ISIS</p> <p>Luncheon Dialogue by Mr Azim Premji – Business Opportunities In Malaysia – Khazanah Nasional Berhad</p> <p>The 22nd Pacific Science Congress – Academy of Sciences Malaysia</p> <p>GLC Open Day 2011: Tan Sri Dr Ahmad Tajuddin Ali as a Panelist for the Forum on “The Public Interest: GLCs, Media and The People” – Khazanah Nasional Berhad</p> <p>OSK Energy Day: Presentation by YBhg Tan Sri Dr Ahmad Tajuddin Ali on Current Developments in the Energy Sector – OSK Research</p> <p>Energy Forum: Opening & Welcoming Remarks by Tan Sri Dr Ahmad Tajuddin Ali – Suruhanjaya Tenaga & Malaysia Gas Agency</p> <p>Directors' Retreat – UEM Land Holdings Berhad</p> <p>Public Lecture by Rita Colwell, Science Envoy for US President: Promoting Science Diplomacy through Scientific Collaboration – Academy of Sciences Malaysia & MIGHT</p> <p>Prominent Malaysian Series on Keeping Sports Clean and Fair – The Medical Input by YBhg Tan Sri Dato' Dr M. Jegathesan – Academy of Sciences Malaysia</p> <p>International Greentech & Eco Products (IGEM) Exhibition & Conference Malaysia: IGEM Ministerial Roundtable Dialogue by YB Dato' Sri Peter Chin Fah Kui, Minister of Energy, Green Technology and Water Malaysia (KeTTHA) – KeTTHA</p> <p>Smart Grid Workshop – Suruhanjaya Tenaga:</p> <p>(1) “Smart Grid Technology, Benefits, Development of Smart Grid in ASEAN and other countries” by Mr Anand Menon, Vice President – Head of Energy & Technology, Energy ASEAN, SIEMENS</p> <p>(2) “Components of a Smart Grid, TNB Smart Grid Strategies, TNB Demonstration Project, timeline” by En Mohd Yusof Rakom, Senior General Manager – Transmission Planning & Development, TNB</p> <p>Perasmian Conference on Non-Ionising Radiation by YBhg Tan Sri Dr Ahmad Tajuddin Ali, Pengerusi Suruhanjaya Tenaga – Agensi Nuklear Malaysia</p>

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.7 Training and Development of Directors (continued)

No.	Directors	List of Training/Conference/Seminar/Workshop Attended
1.	Tan Sri Dr Ahmad Tajuddin Ali (continued)	<p>Science and Technology in Society Forum 8th General Meeting: STS Forum – Academy of Sciences Malaysia</p> <p>Roundtable Dialogue on "Public Private Collaboration in R&D" with Professor Sir John Beddington, UK Government Chief Scientific Adviser – MIGHT/GSIAC</p> <p>International Regulatory Forum – Suruhanjaya Tenaga:</p> <ol style="list-style-type: none"> (1) YBhg Tan Sri Dr Ahmad Tajuddin Ali, Pengerusi Suruhanjaya Tenaga, merasmikan bagi pihak YB Menteri KeTTHA serta membaca teks ucapan YB Menteri (2) Industry Structure and Reform by the Chairperson, YBhg Datuk Ir Dr Abdul Rahim Hj Hashim (3) YBhg Tan Sri Dr Ahmad Tajuddin Ali chaired the Energy Regulators Network Session <p>Talk by Professor Dr Pak Sum Low on "Climate Change: What is it all about and what are the implications for Malaysia?" – Academy of Sciences Malaysia/IKLIM</p> <p>APEC YES (Young Entrepreneurs' Summit) 2011: Unlocking Economic Value through Innovation from Industry Perspective – APEC</p> <p>UEM Group Directors' Gathering 2011:</p> <ul style="list-style-type: none"> • Managing Global, Regional Operations – Lessons Learnt; • Malaysia's Distinctive Corporate Governance Strategy; • Talk conducted by Group Chief Executive Officer of AirAsia Berhad; • How To Build A Strong Brand Name. <p>UEM Group Chairmen's Forum 2011.</p> <p>MIGHT: Smart Communities Workshop – MIGHT</p> <p>APEC CEO Summit – ABAC</p> <p>Open Science Meeting: Rise to the Water Challenge – Indonesia Academy of Science</p> <p>Academies of Asean Countries: Dialogue session – Indonesia Academy of Sciences</p>
2.	Dato' Wan Abdullah Wan Ibrahim	<p>Directors' Retreat – UEM Land Holdings Berhad</p> <p>CLSA ASEAN Forum 2011 – CLSA Malaysia</p> <p>Khazanah Annual Review 2011 Dinner Briefing – Khazanah Nasional Berhad</p> <p>14th ASEAN Investment Conference, Credit Suisse (AIC)</p>

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.7 Training and Development of Directors (continued)

No.	Directors	List of Training/Conference/Seminar/Workshop Attended
2.	Dato' Wan Abdullah Wan Ibrahim (continued)	<p>Real Estate Investment World Asia Conference 2011 – Terrapinn Pte Ltd</p> <p>Forbes Global CEO's Conference 2011 (At the Crossroads) – Forbes Asia</p> <p>CIMB Asean Conference 2011 – CIMB Investment Bank Berhad</p> <p>Property Investment Seminar – Investment Tips from the Best Property Investment Guru in Malaysia – UEM Property Investment Club</p> <p>UEM Group Directors' Gathering 2011:</p> <ul style="list-style-type: none"> Managing Global, Regional Operations – Lessons Learnt; Malaysia's Distinctive Corporate Governance Strategy; Talk conducted by Group Chief Executive Officer of AirAsia Berhad; How To Build A Strong Brand Name. <p>UEM Group Chairmen's Forum 2011</p>
3.	Dato' Izzaddin Idris	<p>MINDA Luncheon Talk with Dr. Stephen Young: "It's People Who Create Value, Not Money" – MINDA</p> <p>UEM Business Development Workshop</p> <p>Public Private Partnership Workshop Series 1 – Malaysian PPP Framework: Defining Roles, Processes and Expectations within the context of the Public Private Partnership Unit (3PU) Malaysia – Asia Executive Programs in collaboration with Public Private Unit under Prime Minister's Department and Commonwealth Secretariat</p> <p>PIARC International Seminar 2011 – Ministry of Works, Malaysia</p> <p>UEM Group Treasury Knowledge Seminar – UEM Group Berhad</p> <p>Directors' Retreat – UEM Land Holdings Berhad</p> <p>Khazanah Megatrends Forum – Khazanah Nasional Berhad</p> <p>Faber Group Berhad Directors & Management Retreat</p> <p>UEM Group Directors' Gathering 2011:</p> <ul style="list-style-type: none"> Managing Global, Regional Operations – Lessons Learnt; Malaysia's Distinctive Corporate Governance Strategy; Talk conducted by Group Chief Executive Officer of AirAsia Berhad; How To Build A Strong Brand Name. <p>UEM Group Chairmen's Forum 2011</p>

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.7 Training and Development of Directors (continued)

No.	Directors	List of Training/Conference/Seminar/Workshop Attended
4.	Abdul Kadir Md Kassim	<p>Directors' Retreat – UEM Land Holdings Berhad</p> <p>Director's Forum 2011</p> <p>"Innovation & People: Making It Happen" – MINDA</p> <p>UEM Group Directors' Gathering 2011:</p> <ul style="list-style-type: none"> Managing Global, Regional Operations – Lessons Learnt; Malaysia's Distinctive Corporate Governance Strategy; Talk conducted by Group Chief Executive Officer of AirAsia Berhad; How To Build A Strong Brand Name <p>UEM Group Chairmen's Forum 2011.</p>
5.	Md Ali Md Dewal	<p>Directors' Retreat – UEM Land Holdings Berhad</p> <p>UEM Group Directors' Gathering 2011:</p> <ul style="list-style-type: none"> Managing Global, Regional Operations – Lessons Learnt; Malaysia's Distinctive Corporate Governance Strategy; Talk conducted by Group Chief Executive Officer of AirAsia Berhad; How To Build A Strong Brand Name <p>Making Corporate Boards More Effective – Harvard Business School, Boston, Massachusetts, U.S.A.</p>
6.	Oh Kim Sun	<p>Market Outlook Seminar – Credit Suisse Seminar</p> <p>Governance Programme for Directors.</p> <p>First session titled, "Assessing the Risk and Control Environment" at Bursa Malaysia – Bursa Securities Malaysia Berhad/Faber Group Berhad</p> <p>Launch of Corporate Integrity Pledge at Bursa Malaysia</p> <p>Directors' Training Workshop: Meeting Bursa's Financial Reporting Timelines</p> <p>The Board's Responsibility for Corporate Culture – Selected Governance Concerns and Tools for Addressing Corporate Culture and Board Performance</p> <p>79th IFA Annual Conference in Montreal, Canada</p> <p>Faber Group Berhad Directors & Management Retreat</p> <p>Directors' Retreat – UEM Land Holdings Berhad</p> <p>IFA Crossroads Asia-Pacific Conference 2011- IFA (International Fertilizer Industry Association) Conference</p> <p>Minda Luncheon Talk</p> <p>Title: Board Composition and Diversity: Strategies, Lessons and Looking Forward.</p>

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.7 Training and Development of Directors (continued)

No.	Directors	List of Training/Conference/Seminar/Workshop Attended
6.	Oh Kim Sun (continued)	<p>Seminar title: Competition Act and What it Means to CCM – Malaysia Airlines/Chemical Company of Malaysia.</p> <p>UEM Group Directors' Gathering 2011:</p> <ul style="list-style-type: none"> Managing Global, Regional Operations – Lessons Learnt; Malaysia's Distinctive Corporate Governance Strategy; Talk conducted by Group Chief Executive Officer of AirAsia Berhad; How To Build A Strong Brand Name.
7.	Sheranjiv Sammanthan	<p>Year End Strategic Retreat 2011 – Khazanah Nasional Berhad</p> <p>UEM Group Directors' Gathering 2011 & Chairmen's Forum 2011 – UEM Group Berhad</p> <p>Khazanah Megatrends Forum 2011 – Khazanah Nasional Berhad</p> <p>Mid-Year Retreat 2011 – Khazanah Nasional Berhad</p> <p>Directors' Retreat – UEM Land Holdings Berhad</p> <p>LBS Asia Business Forum 2011 London – London Business School (LBS)</p> <p>Asian Investment Conference 2011 – Credit Suisse</p> <p>Khazanah Global Lectures Forum 2011 – Khazanah Nasional Berhad</p> <p>Talk on Competition Law – Khazanah Nasional Berhad</p>
8.	Datuk Tong Kooi Ong	<p>Directors' Retreat – UEM Land Holdings Berhad</p> <p>UEM Group Directors' Gathering 2011:</p> <ul style="list-style-type: none"> Managing Global, Regional Operations – Lessons Learnt; Malaysia's Distinctive Corporate Governance Strategy; Talk conducted by Group Chief Executive Officer of AirAsia Berhad; Speaker for "How To Build A Strong Brand Name".

1.8 Board Effectiveness Assessment

The Board conducts an evaluation of its activities and performance as prescribed in the Green Book on Enhancing Board Effectiveness launched by the Putrajaya Committee on GLC High Performance. The Board evaluates the overall Board's performance against criteria that the Board determines are important to its success. These include the Board's composition, communication, effectiveness and responsibilities. Questionnaires are sent to Directors to obtain their feedback, views and suggestions to improve the performance of the Board and its Board Committees and the results are presented to the Nominations & Remuneration Committee and thereafter to the Board for evaluation and consideration.

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.9 Company Secretaries

The Company Secretaries provide support to the Chairman and the Board members of the Company to ensure the effective functioning of the Board and guidance to the Board on their responsibilities under the relevant laws and other legal requirements to which they are subject to and how those responsibilities should be discharged. The Company Secretaries organise and attend Board and Board Committee meetings and ensure that accurate and proper record of deliberation of issues discussed, decisions and conclusions are taken. The Company Secretaries record, prepare and circulate the minutes of the meetings of the Board and Board Committees and ensure that the minutes are properly kept at the registered office of the Company and produced for inspection, if required. The Company Secretaries advise the Board with respect to policies and procedures applicable to the Board and Board Committees and the rights and responsibilities of the Directors. In addition, the Company Secretaries also update the Board regularly on amendments to the Listing Requirements, practice and guidance notes and circulars from Bursa Securities. All Directors have access to the advice and services of the Company Secretaries.

1.10 Board and Management Committees

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

The Board Committees are:-

- (a) Audit Committee;
- (b) Nominations & Remuneration Committee;
- (c) Board Tender Committee; and
- (d) ESOS Committee (formed on 28 February 2012)

The Management Committees are:-

- (a) Development Committee;
- (b) Management Planning Committee; and
- (c) Management Tender Committee;

The composition of the Board Committees, the attendances of the members at the Board Committees meetings held in 2011 and their roles and responsibilities are as follows:-

- **Audit Committee**

The Audit Committee assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group.

The members of the Audit Committee consist of Non-Executive Directors with a majority of them being Independent Directors as follows:-

1. Oh Kim Sun (*Chairman/Independent Non-Executive Director*)
2. Md Ali Md Dewal (*Senior Independent Non-Executive Director*)
3. Abdul Kadir Md Kassim (*Non-Independent Non-Executive Director*)

The terms of reference of the Audit Committee together with its report are presented on pages 111 to 115 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.10 Board and Management Committees (continued)

• Nominations & Remuneration Committee

The Nominations & Remuneration Committee is made up exclusively of Non-Executive Directors with a majority of them being Independent Directors. The members are as follows:-

1. Md Ali Md Dewal (*Chairman/Senior Independent Non-Executive Director*)
2. Dato' Izzaddin Idris (*Non-Independent Non-Executive Director*)
3. Oh Kim Sun (*Independent Non-Executive Director*)

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

- Assist the Board in reviewing the performance of the Senior Management and the other Directors annually;
- Recommend to the Board the appointment of individual Directors;
- With respect to the nomination of new candidates for Board membership, to recommend to the Board the criteria, qualifications and experience deemed appropriate for the particular vacancy to be filled;
- Review and recommend to the Board annual increments and ex-gratia payments for Executive Directors;
- Design and implement an evaluation procedure for Executive Directors;
- If instructed by the Board, review the proposals for the remuneration package of each member of the Company's committees; and
- In discharging its duties, the Committee shall at all time be mindful of the provisions of the Malaysian Code on Corporate Governance and all applicable laws, regulations and guidelines.

For the financial year ended 31 December 2011, the Nominations & Remuneration Committee held 5 meetings and the details of the attendance are as follows:

Members	Attendance at meetings
Md Ali Md Dewal – <i>Chairman</i>	5/5
Dato' Izzaddin Idris – <i>Member</i>	3/5
Oh Kim Sun – <i>Member</i>	5/5

• Board Tender Committee

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

1. Abdul Kadir Md Kassim (*Chairman/Non-Independent Non-Executive Director*)
2. Dato' Izzaddin Idris (*Non-Independent Non-Executive Director*)
3. Sheranjiv Sammanthan (*Non-Independent Non-Executive Director*) (Appointed on 30 March 2012)

The functions and responsibilities of the Board Tender Committee include, among others, the following:

- approve the List of Tenderers for Projects/Construction contracts of more than RM20 million per transaction, in line with the Group's Discretionary Authority Limits ("DAL") requirements;
- recommend to the Board for award of all budgeted Projects/Construction contracts of more than RM50 million per transaction, in line with the Group's DAL requirements;
- recommend to the Board for award of all unbudgeted Projects/Construction contracts of more than RM20 million per transaction, in line with the Group's DAL requirements;

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (CONTINUED)

1.10 Board and Management Committees (continued)

• Board Tender Committee (continued)

- approve and award of all budgeted Projects/Construction contracts of more than RM20 million and up to RM50 million per transaction, in line with the Group's DAL requirements;
- approve and award of all unbudgeted Projects/Construction contracts up to RM20 million per transaction, in line with the Group's DAL requirements;
- approve the provisional variation orders or variation orders (including cumulative variation orders) of more than 10% of the original contract value, in line with the Group's DAL requirements;
- report to the Board the approved variation orders, in line with the Group's DAL requirements;
- approve the finalisation of contract of more than RM20 million and up to RM50 million per transaction, in line with the Group's DAL requirements; and
- recommend to the Board on the finalisation of contract of more than RM50 million per transaction, in line with the Group's DAL requirements.

For the financial year ended 31 December 2011, 4 meetings were held and the details of the attendance are as follows:-

Members	Attendance at meetings
Abdul Kadir Md Kassim – <i>Chairman</i>	4/4
Dato' Izzaddin Idris – <i>Member</i>	4/4
Dato' Ikmal Hijaz Hashim* – <i>Member</i>	4/4

* Resigned on 17 February 2012

• ESOS Committee

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

1. Tan Sri Dr Ahmad Tajuddin Ali (Chairman)
2. Md Ali Md Dewal (Member/Senior Independent Non-Executive Director)
3. Dato' Izzaddin Idris (Member/Non-Independent Non-Executive Director)
4. Dato' Wan Abdullah Wan Ibrahim (Member/Managing Director/Chief Executive Officer)
5. Oh Kim Sun (Member/Independent Non-Executive Director)
6. Sheranjiv Sammanthan (Member/Non-Independent Non-Executive Director)

The functions of the ESOS Committee are to administer and implement the Employee Share Option Scheme in accordance with the objectives and regulations set out in the By-Laws and 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 of Directors.

CORPORATE GOVERNANCE STATEMENT

2. DIRECTORS' REMUNERATION

- 2.1 The Company pays its Non-Executive Directors annual fees that are approved annually by the shareholders. In addition, non-executive members of the Board and Board Committees are paid a meeting allowance for each meeting they attended or participated through teleconferencing.
- 2.2 In evaluating the Managing Director/Chief Executive Officer'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.
- 2.3 The Company's policy on Directors' remuneration is to attract and retain Directors of high calibre needed to run the Group successfully. The Managing Director/Chief Executive Officer is being paid by a subsidiary and in line with the Company's general remuneration policy for its senior management. His remuneration is structured so as to link rewards to corporate and individual performance. He is not paid any Directors' fees and meeting allowances for the Board and Board Committee meetings that he attends.
- 2.4 For Non-Executive Directors, the amount of remuneration varies with the level of responsibilities undertaken by the individual Non-Executive Director. The fees payable to each of the Non-Executive Director are determined by the Board as approved by the shareholders of the Company. All Non-Executive Directors are paid fixed annual fees as members of the Board and certain Board Committees. In addition to fixed annual fees, all Non-Executive Directors are paid meeting attendance allowances for Board and Committee meetings attended.
- 2.5 The details of the Directors' remuneration for the financial year ended 31 December 2011, are as below:-

Name of Director	Salary	Fees	Other benefits & emoluments	Benefit in kind	Total
RM'000					
Tan Sri Dr Ahmad Tajuddin Ali		120	9		129
Dato' Wan Abdullah Wan Ibrahim	1,220			105	1,325*
Dato' Izzaddin Idris ⁺		40	11		51
Abdul Kadir Md Kassim		84	15		99
Md Ali Md Dewal		84	16		100
Oh Kim Sun		102	16		118
Dato' Ikmal Hijaz Hashim ^{**}		84	13		97
Sheranjiv Sammanthan ⁺		40	8		48
Datuk Tong Kooi Ong [^]		63	7		70
TOTAL	1,220	617	95	105	2,037

* This amount is inclusive of salary, bonus and EPF (employer's contribution) paid by a subsidiary

+ Fees and meeting allowances for nominees of Khazanah Nasional Berhad and UEM Group Berhad on the Board of UEM Land Holdings are payable/paid directly to the respective companies.

** Resigned on 17 February 2012

^ Appointed on 25 February 2011

CORPORATE GOVERNANCE STATEMENT

2. DIRECTORS' REMUNERATION (CONTINUED)

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

	Number of Directors	
	Executive RM'000	Non-Executive RM'000
RM50,000 and below	–	1
RM50,001 – RM100,000		5
RM100,001 – RM150,000		2
RM1,300,000 – RM1,350,000	1	

3. SHAREHOLDERS

3.1 Dialogue between the Company and investors

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

- Annual Report;
- the 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 UEM Land Holdings' website at www.uemland.com.

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.

3.2 Annual General Meeting ("AGM")

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 Managing Director/Chief Executive Officer 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 full understanding and evaluation of issues involved.

CORPORATE GOVERNANCE STATEMENT

4. ACCOUNTABILITY AND AUDIT

4.1 *Primary Responsibilities of the Audit Committee*

The financial reporting and internal control system of the Group is overseen by the Audit Committee, which comprises 2 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director. The primary responsibilities of the Audit Committee are set out on pages 111 to 115 of the Annual Report.

4.2 *Financial Reporting*

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

The quarterly financial results and audited financial statements were reviewed by the Audit Committee and approved by the Board before being released to Bursa Securities. The details of the Company and the Group's financial statements for the financial year ended 31 December 2011 can be found from pages 130 to 227.

4.3 *Internal Control and Risk Management*

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

The Board acknowledges that while the internal control system is devised to cater for particular needs of the Group as well as risk management, such controls by their nature can only provide reasonable assurance against material misstatements or loss. A statement on the state of internal control in the Group is set out on pages 116 to 120.

4.4 *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 2011 are set out in pages 240 to 242 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

4. ACCOUNTABILITY AND AUDIT (CONTINUED)

4.5 Relationship with 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 after the audit in respect of the accounting records, financial accounts or systems of control.

It is a policy of the Audit Committee to meet up with the external auditors at least twice a year without the presence of the Executive Director and the Management to discuss on audit findings, audit plan and the Company's financial statements. In 2011, the Audit Committee met up twice with the external auditors in the absence of Management.

5. 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 2011, the Group has used appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent. The Directors also consider that all applicable Financial Reporting Standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

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 understandable assessment of the Company's position and prospects in the Directors' Report at pages 130 to 133 and the Financial Statements from pages 137 to 227 of this Annual Report.

6. COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement on Corporate Governance. The Board considers that the Statement on Corporate Governance provides the information necessary to enable shareholders to evaluate how the Code has been applied. The Board considers and is satisfied that the Company has fulfilled its obligation under the Code, the Listing Requirements and all applicable laws and regulations throughout the financial year ended 31 December 2011.

This Statement is made in accordance with the Board of Directors' approval dated 30 March 2012.

ADDITIONAL COMPLIANCE INFORMATION

– In accordance with Appendix 9C of the Listing Requirements

UTILISATION OF PROCEEDS

There were no proceeds raised by the Company from corporate proposals during the financial year ended 31 December 2011.

SHARE BUY-BACKS

There were no share buy-backs during the financial year ended 31 December 2011.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

Apart from the issuance of 837,093,777 Redeemable Convertible Preference Shares of RM0.01 each, the Company has not issued any options or warrants in respect of the financial year ended 31 December 2011.

AMERICAN DEPOSITORY RECEIPT (“ADR”) OR GLOBAL DEPOSITORY RECEIPT (“GDR”)

The Company has not sponsored any ADR or GDR programme for the financial year ended 31 December 2011.

SANCTIONS AND/OR PENALTIES

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

NON-AUDIT FEES

During the financial year under review, non-audit fees of RM301,170 was paid to Ernst & Young, the external auditors of the Company, for review of purchase price allocation in respect of the acquisition of Sunrise Berhad and the quarterly results.

VARIATION IN RESULTS

The interim financial report previously announced for the 4th Quarter 2011 financial period was based on audited results and therefore there is no material variance to report on.

PROFIT GUARANTEE

The Company did not issue any profit guarantee for the financial year ended 31 December 2011.

MATERIAL CONTRACTS

Other than those disclosed in the financial statements, there were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries involving Directors and major shareholders' interests.

REVALUATION POLICY

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

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

The Company proposes to seek the approval of its shareholders for the renewal of shareholders' mandate for Recurrent Related Party Transactions and the proposed new shareholders' mandate for additional Recurrent Related Party Transactions of a revenue and trading nature which is in the ordinary course of business at the Annual General Meeting of the Company to be held on 14 June 2012.

AUDIT COMMITTEE REPORT

1. FORMATION

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

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

2. COMPOSITION

The Audit Committee consists of three (3) members of the Board, two (2) of whom are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director. The Company has complied with Paragraph 15.10 of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements, which requires the majority of the Audit Committee to be Independent Directors.

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

Name	Designation	Directorship	Qualification
Oh Kim Sun	Chairman	Independent Non-Executive Director	Member of the Malaysian Institute of Certified Public Accountants
Md Ali Md Dewal	Member	Senior Independent Non-Executive Director	Master of Business Administration Degree
Abdul Kadir Md Kassim	Member	Non-Independent Non-Executive Director	Bachelor of Laws Degree

3. MEETINGS

7 meetings were held during the financial year ended 31 December 2011 and details of the attendance of the members at the Audit Committee meetings were as follows:-

Name of Audit Committee member	No. of meetings attended
1. Oh Kim Sun	7/7
2. Md Ali Md Dewal	7/7
3. Abdul Kadir Md Kassim	7/7
4. Dato' Ikmal Hijaz Hashim*	6/7

* Resigned on 17 February 2012

The Managing Director/Chief Executive Officer, certain senior management and representatives from the internal and external auditors attended the meetings upon invitation.

Detailed internal audit reports, together with Management's responses are circulated to the Audit Committee members and the Managing Director/Chief Executive Officer, and significant issues are discussed at the Audit Committee meetings.

AUDIT COMMITTEE REPORT

3. MEETINGS (CONTINUED)

Upon conclusion of each meeting, the Audit Committee Chairman will report 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 year without the presence of management.

4. COMPOSITION AND TERMS OF REFERENCE

4.1 Composition of the Audit Committee

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

- i. The Committee must comprise at least three (3) Directors.
- ii. All members of the Committee must be Non-Executive Directors, a majority of whom must be Independent Directors.
- iii. All members of the Committee must be financially literate and at least one member of the Committee must be a member of an accounting association or body.
- iv. No alternate Director shall be appointed as a member of the Committee.
- v. In the event of any vacancy in the Committee, the Board must fill the vacancy within 3 months.

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

4.2 Secretary of the Audit Committee

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

4.3 Duties and Responsibilities of the Audit Committee

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

- i. Oversees the Company's internal control structure to assure operational effectiveness and efficiency, reduce the risk of unreliable financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance.
- ii. Assists the Board of Directors in identifying the principal risks in the achievement of the Company's objectives and ensuring the implementation of appropriate systems to manage these risks.
- iii. Recommends 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.
- iv. Reviews with the external auditors, before the audit commence, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved.
- v. Reviews with external auditors, their audit report.

AUDIT COMMITTEE REPORT

4. COMPOSITION AND TERMS OF REFERENCE (CONTINUED)

4.3 Duties and Responsibilities of the Audit Committee (continued)

- vi. Reviews the quarterly interim results and annual financial statements of the Company and the Group prior to approval by the Board, focusing particularly on:
 - Any changes in accounting policies and practices.
 - Significant adjustments arising from the audit.
 - The going concern assumption.
 - Compliance with accounting standards and other legal requirements.
- vii. Discusses problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss in the absence of the management where necessary.
- viii. Reviews the external auditors' management letter and management's responses.
- ix. Reviews with the external auditors the draft statement to be made by the Board with regard to the state of internal control of the Company and its Group, and reports the results thereof to the Board.
- x. Reviews the assistance and co-operation given by the Company and its Group's officers to the external and internal auditors.
- xi. Reviews any letter of resignation from the external auditors and any questions of resignation or dismissal.
- xii. Reviews the adequacy of the scope, functions, competency and resources of the Internal Audit function and ensures that it has appropriate standing within the Company and its subsidiary companies to undertake its activities independently and objectively, including but not limited to the following:
 - Reviewing and approving the Annual Internal Audit Plan and ensuring adequate risk and governance coverage;
 - Reviewing the results of the internal audit process and where necessary ensuring that appropriate actions are taken on the recommendations of the internal auditors;
 - Reviewing the overall performance of the Internal Audit function;
 - Approving any appointment or termination of the party that provides the Internal Audit function; and
 - Taking cognisance of resignations of senior internal audit staff members and providing the resigning staff member an opportunity to submit his/her reasons for resigning.
- xiii. Considers the major findings of internal investigations and management's responses.
- xiv. Reviews any related party transactions and conflict of interest situations that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
- xv. Considers other matters as defined by the Board.

4.4 Powers of the Audit Committee

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

- i. Explicit authority to investigate any matter within its terms of reference.
- ii. The resources that are required to perform its duties.
- iii. Full, free and unrestricted access to any information, records, properties and personnel of the Company and of any other company within its Group.
- iv. Direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.

AUDIT COMMITTEE REPORT

4. COMPOSITION AND TERMS OF REFERENCE (CONTINUED)

4.4 Powers of the Audit Committee (Continued)

- v. Obtain independent professional or other advice and to invite outsiders with relevant experience to attend the Committee's meetings (if required) and to brief the Committee.
- vi. Convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

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

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

4.5 Audit Committee meetings

- i. The Audit Committee will meet at least four (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 resolution shall be forwarded or otherwise delivered to the Secretaries of the Audit Committee without delay and shall be recorded by him 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 Managing Director/Chief Executive Officer and/or other appropriate officer may be invited to attend 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 auditors, the Audit Committee Chairman shall also convene a meeting of the Audit Committee to consider any matter the auditor(s) believes 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 2011

The Audit Committee held 7 meetings during the financial year ended 31 December 2011. The internal and external auditors, the Managing Director/Chief Executive Officer and members of the senior management attended most of the meetings and the following matters, inter-alia, were covered during the Audit Committee meetings:

- i. Reviewed the adequacy and relevance of the scope, functions, resources, risk based internal audit plan and results of the internal audits and ensured corrective actions were taken in addressing the risk issues reported by the Internal Auditors.
- ii. Reviewed with the External Auditors, the audit plan of the Company and of the Group for the year (inclusive of risk and audit approach, system evaluation, audit fees, issues raised and management responses) prior to the commencement of the annual audit.
- iii. Reviewed with the External Auditors without the presence of management staff and the executive board member, the extent of assistance rendered by management and issues and reservations arising from audits.
- iv. Reviewed the quarterly results and financial statements for the financial year ended 31 December 2011 with management and the External Auditors for recommendation to the Board of Directors for approval and release to Bursa Securities.
- v. Reviewed all recurrent related party transactions entered into by the Company and the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- vi. Reviewed and recommended to the Board the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.
- vii. Reviewed and recommended to the Board the Company's funding requirement and the funding proposals to be secured by the Company.
- viii. Reviewed the Risk Management Committee's periodic reports as well as highlight changes to the Group's risk profile to the Board of Directors.
- ix. In addition, the Chairman of the Audit Committee had, from time to time, met with the External Auditors without the presence of other Audit Committee members or management.

6. INTERNAL AUDIT FUNCTION

- 6.1 The Company outsources its internal audit function to UEM Group Management Sdn Bhd ("UEMGM"), which has adequate resources and appropriate standing to undertake its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of risk management, internal control and governance systems. UEMGM reports directly to the Audit Committee. As at 31 December 2011, the costs incurred for the audit function (including reimbursable expenses) was RM107,435.
- 6.2 It is the responsibility of Internal Audit 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.

STATEMENT ON INTERNAL CONTROL

Set out below is the Board of Directors' ("the Board") Statement on Internal Control for UEM Land Holdings Berhad and its group of companies ("the Group"), made in compliance with Paragraph 15.26 of the Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Internal Control: Guidance for Directors of Public Listed Companies issued by The Institute of Internal Auditors Malaysia.

BOARD'S RESPONSIBILITIES

The Board recognises the importance of a sound internal control system and risk management practices in order to achieve good corporate governance. The Board acknowledges that the Board is ultimately responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework, as well as reviewing its adequacy and integrity. The system covers controls relating to financial, operational, risk management, management information systems and compliance with applicable laws, regulations, rules, directives and guidelines.

Generally, the Group's system of internal control is designed to manage the risks to which the Group is exposed to while pursuing its business objectives. The Group's system of internal control is designed to mitigate rather than eliminate the risks. Therefore, the system of internal control can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

ENTERPRISE-RISK MANAGEMENT ("ERM")

ERM in the Group is a comprehensive risk management framework developed since 2005 for the effective management of business risks in order for the Group to achieve its objectives. ERM is firmly embedded in the Group's system of internal control as it is regarded by the Board to be a vital and integral part of the Group's strategic planning and business operations.

The ERM provides a framework for risk management, which typically involves defining policy and objectives, lines of responsibilities and accountabilities, identifying particular events or circumstances relevant to the Group's objectives, assessing them in terms of likelihood and magnitude of impact, evaluating them, determining a response strategy, and monitoring progress of key risks faced by the Group. By identifying and proactively addressing risks and opportunities, the Group protects and creates value for its stakeholders, including shareholders, employees, customers, regulators, society and community.

As provided for in the Group's ERM framework, the Risk Management Committee ("RMC") meets every quarter to review and update the risk register, review the impact and likelihood of all risks identified, and to follow up and monitor status of action plans put in place to address these risks. The results of the risk management review sessions are reported to the Audit Committee and the Board. A representative from the internal audit team attends all RMC meetings to provide an independent assessment of the adequacy and reliability of the risk management processes and compliance with risk policy and objectives. In line with the Group's focus to expand its business activities, the RMC had undertaken a more detailed approach towards assessing risks relating to doing business locally and overseas.

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. The Managing Director/Chief Executive Officer is the Chairman of the RMC. The RMC is tasked to establish, implement, maintain and improve the implementation and effectiveness of methodology for the ERM system for the Group. The RMC deliberates and determines the Group's major risks to be escalated for the attention of the Audit Committee and the Board. The Risk Management Secretariat is entrusted with the responsibility of ensuring that an appropriate risk management framework exists within the Group and is effectively implemented to manage the key risks of the Group via coordinating and compiling the risk profiles generated by subsidiaries, associates and projects for the purpose of deliberation at Group level and communicate policies and limits established by the RMC to the respective risk management units at subsidiary and associate level. The Secretariat is also responsible for providing reasonable assurance to the RMC that the risks faced by the Group are effectively managed.

STATEMENT ON INTERNAL CONTROL

CONTROL STRUCTURE & MONITORING ACTIVITIES

Apart from risk management activities, other key elements of the control structure of the Group are:

Board Committees

To promote corporate governance and transparency, Board Committees were set up by the Board. 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 Development Committee*
- Board Tender Committee
- ESOS Committee (formed on 28 February 2012)

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 approve or make recommendations for the Board's decisions.

** On 25 February 2011, following the successful completion of the acquisition of Sunrise Berhad, the Board Development Committee was dissolved and reconstituted into a Development Committee with members comprising Directors and key executives of the Company.*

Board Meetings

Regular Board meetings are scheduled. The Chairman in consultation with the Managing Director/Chief Executive Officer decides the agenda items 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 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 against which 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.

STATEMENT ON INTERNAL CONTROL

CONTROL STRUCTURE & MONITORING ACTIVITIES (CONTINUED)

Authority Limits and Approved Policies

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 set of personnel by the Board to approve or carry out transactions in order to enable timely decisions to be taken and at the same time provide a check and balance on the commitments that the management undertakes on behalf of the Group.

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

Quality Management System

The Group has a dedicated team for quality assurance, project monitoring and occupational safety, health and environment (QSHE). The QSHE team monitors the projects in terms of technical findings and defects inspection and ensures that the products constructed and delivered are in accordance with contract specifications and internal guidelines and that the project sites comply with legal and other requirements in terms of occupational safety, health and environment.

The Group's Quality Management Systems was awarded the MS ISO 9001:2000 in November 2000 and this was further upgraded to ISO 9001:2008 certification in March 2010. These certifications promote the adoption of a systematic approach to the development, implementation and improvement of the Group's Quality Management System. This approach emphasises the importance of understanding customers and meeting their various stringent requirements.

The Group was also certified as OHSAS 18001:1999 compliant in November 2007 and this was upgraded to OHSAS 18001:2007 certification in November 2008. This reflected the Group's commitment to safeguard the health and safety of its employees, customers and suppliers.

Striving to achieve even higher standards of environmental management, the Group implemented a comprehensive Environment Management System in January 2009 and has successfully obtained the SIRIM certification for MS ISO 14001:2004 in November 2009.

Insurance on Key Assets

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

Management Information System

Comprehensive Management Information Systems exist throughout the Group. Relevant data is captured, compiled, analysed and reported. These systems enable 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 prescribe the requirements to maintain an adequate level of security for IT systems and information used to support the Group's activities.

STATEMENT ON INTERNAL CONTROL

CONTROL STRUCTURE & MONITORING ACTIVITIES (CONTINUED)

Human Resource System

Manpower planning, selection and recruitment are carried out to ensure that key positions in the Group are filled by staff with the necessary competencies. A computerised Human Resource Management System is maintained to manage employee database and provide a support system for managing the Group's human resource functions.

A standardised Performance Management System is adopted throughout the Group to ensure that the performance management is comprehensive, coherent and clear, and to provide a platform for improving employee performance. At senior management level, a strategic performance management approach via key performance indicators ("KPIs") has been adopted using the "Balanced Scorecard" concept, in line with the Government's guidelines for Government Linked Companies. With this approach, the Corporate KPIs can be cascaded to the Heads of Division, Heads of Departments and their respective staff and create greater visibility and transparency over their respective performance matrix.

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

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

Code of Conduct

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

Internal Audit

The internal audit function for the Group is outsourced to UEM Group Management Sdn Bhd ("UEMGM"), which is adequately resourced and has adequate standing within the Group to carry out its duties.

The main role of UEMGM 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.

STATEMENT ON INTERNAL CONTROL

CONTROL STRUCTURE & MONITORING ACTIVITIES (CONTINUED)

Government-Linked Companies Transformation Program

The Government-Linked Companies ("GLC") Transformation Program initiated by the Putrajaya Committee on GLC High Performance aims to transform GLCs into high performing entities.

In line with this objective, the Group has implemented and/or is implementing the following initiatives:-

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

Business Continuity Management

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

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 internal control system must be responsive in order to be able to support its business objectives. To this end, the Board remains committed towards maintaining a sound system of internal control and believe that a balanced achievement of its business objectives and operational efficiency can be attained.

CONCLUSION

The Board is pleased to report that the state of the Group's internal control system and risk management practices are able to meet the Group's objective to ensure good corporate governance. There was no material control failure or weakness that would have material adverse effect on the results of the Group for the year under review.

This Statement on Internal Control was approved by the Board of Directors on 30 March 2012.

ENTERPRISE-RISK MANAGEMENT REPORT

ENTERPRISE-RISK MANAGEMENT

Enterprise-Risk Management (“ERM”) in UEM Land Holdings Berhad and its group of companies (“the Group”) is a comprehensive risk management framework developed since 2005 for the effective management of business risks in order for the Group to achieve its objectives. The risk management framework covers risk management policy, lines of responsibility and accountability, and includes a structured risk management cycle incorporating the identification, assessment, evaluation, treatment, monitoring and review of business risks.

The Management meets on a quarterly basis to discuss and deliberate on the significant risks identified by the respective departments, projects and subsidiaries, mitigation plans and subsequently provides an update to the Board of Directors (“the Board”).

Enterprise-Risk Management Framework

The ERM provides a framework for risk management, which typically involves defining policy and objectives, lines of responsibilities and accountabilities, identifying particular events or circumstances relevant to the Group’s objectives, assessing them in terms of likelihood and magnitude of impact, evaluating them, determining a response strategy, and monitoring progress of key risks faced by the Group. By identifying and proactively addressing risks and opportunities, the Group protects and creates value for its stakeholders, including shareholders, employees, customers, regulators, society and community. In a nutshell, the Group’s Risk Management Framework provides clear guidelines on the following:

- The Risk Management Policy;
- The Key Objectives of Risk Management;
- The Risk Management Guiding Principles;
- The Group’s Risk; and
- The Roles of the Board, the Management, the Risk Management Committee (“RMC”), the Risk Owners and the Risk Management Secretariat.

Enterprise-Risk Management Policy

The objective of the Risk Management Policy of the Group 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 of the adequacy of risk management as part of the system of internal controls of the Group. 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’s Listing Requirements.

Enterprise-Risk Management Structure

The following diagram outlines the risk management structure that is in place in the Group.



ENTERPRISE-RISK MANAGEMENT REPORT

ENTERPRISE-RISK MANAGEMENT (CONTINUED)

Role of the Board of Directors

The Board approves the Group's risk management objectives and policy, 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 adequacy and integrity of the Group's internal controls and management information systems to ensure compliance with the applicable laws, regulations, rules, directives and guidelines. The Board also considers the nature and extent of risks acceptable to the Group as well as evaluates the risk implications.

Role of the Audit Committee

The Audit Committee's role is to implement and support the oversight function of the Board's role in risk management. It reviews the RMC's periodic reports as well as highlights changes to the Group's risk profile to the Board.

Role of the Risk Management Committee

The RMC is chaired by the Managing Director/Chief Executive Officer. 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 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 progress reports on risk management to the Audit Committee and the Board.

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 where action plans have been identified to mitigate the risks, to ensure that such actions are being implemented.

The RMU is also responsible for the following activities:

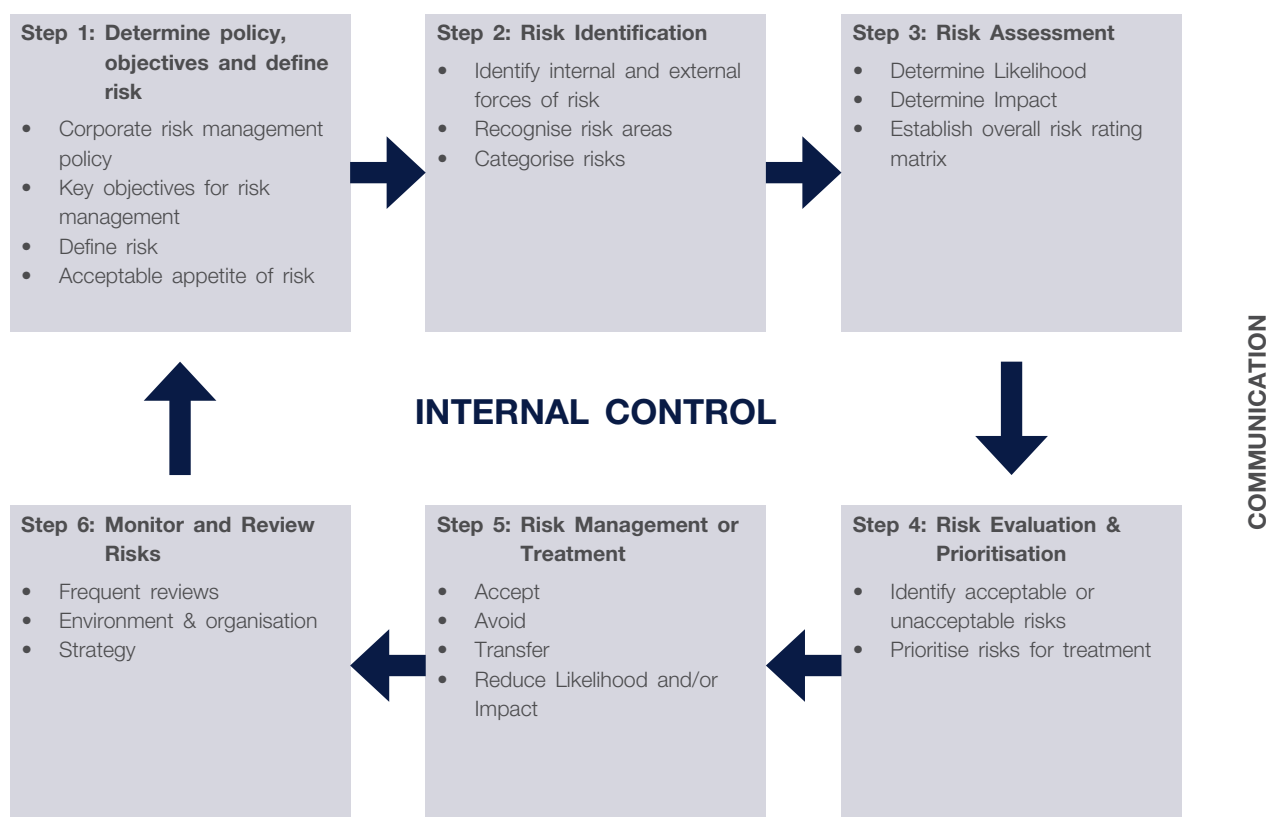
- Agreeing on the procedures and reporting formats of the risk management processes;
- Ensuring the Board/Management receive adequate and appropriate information for decision making and review purposes;
- Communicating and providing a reference point for dissemination and feedback on the Group's risk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

ENTERPRISE-RISK MANAGEMENT REPORT

ENTERPRISE-RISK MANAGEMENT (CONTINUED)

Enterprise-Risk Management Process

The Group's ERM processes involve establishing the context of risk in relation to the Group and thereon risk identification, assessment, evaluation and treatment. Throughout this process, there is continuous monitoring and review, communication and consultation. The process is illustrated as follows:



Conclusion

The Board, working together with the Management, continues to take measures to further strengthen the Group's enterprise-risk management system. The Board is of the opinion that all identified risks are being managed to an acceptable level, and that the ERM is proficient in helping to keep the Group in line with its long term goals and objectives.

CODE OF ETHICS

A COMMITMENT

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

B CONFIDENTIALITY

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

C INSUBORDINATION AND INEFFICIENCY

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

CODE OF ETHICS

D PRESS RELEASES AND PUBLIC STATEMENTS

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

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

E PUBLIC APPEARANCE AS A GUEST SPEAKER OR PANEL MEMBER

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

F PUBLICATIONS

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

G CONFLICT OF INTEREST

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

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

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

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

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

CODE OF ETHICS

H GIFTS OR FAVOURS

It is the policy of the Company that no employee or any member of his immediate family will accept any form of gifts or favours from contractors, suppliers, clients/customers, or any other party having business dealings with the Company. However, in such circumstances where it is customary to do so, employees shall be permitted to accept such gifts of nominal value or favours provided that such gifts or favours are not extended and/or accepted for the purpose or with the intention of:

- (a) influencing any present or future act or decision by that employee;
- (b) inducing such employee to perform or omit any act in violation of his proper duties and responsibilities;
- (c) inducing such employee to use or direct any other person to use his influence with a government, or any of its representatives, divisions or agencies to affect or influence any act or decision of any such government, representative, division or agency and in any or all of the above cases, for the purposes of expediting, benefiting, prejudicing or affecting in any way whatsoever whether directly or indirectly the business dealings or relationship of the gift giver with the Company.

For the purpose of this section, 'Nominal Value' of a gift shall be defined as the sum of the gift(s) having the aggregate monetary value of not more than Ringgit Two Hundred and Fifty only (RM250). Employees shall report to their respective Head of Department all gifts or favours received which exceed the nominal value.

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

- (i) returned to the donor; or
- (ii) if such return is not possible or impracticable, retained by the Company for distribution to recognised charitable organisations, the Company's Sports and Recreational Club or for general distribution to the Company's employees.

I ENTERTAINMENT

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

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

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

CODE OF ETHICS**J PERSONAL SOLICITATION**

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

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

K GRAFT AND INVITATION TO GRAFT

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

L MARRIAGE AND TRANSFER

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

M RELATIVES

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



Diversity is our strength. With the skills and resources that we have, we will explore the enormous opportunities the future holds.

LORING

POTENTIAL

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DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

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

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

RESULTS

	Group	Company
	RM'000	RM'000
Profit/(loss) net of tax	302,942	(26,645)
Attributable to:		
Owners of the parent	301,712	(26,645)
Non-controlling interests	1,230	—
	302,942	(26,645)

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

No dividend has been paid since the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS' REPORT

DIRECTORS

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

Tan Sri Dr. Ahmad Tajuddin Ali
 Dato' Wan Abdullah Wan Ibrahim
 Dato' Mohd Izzaddin Idris
 Abdul Kadir Md. Kassim
 Md. Ali Md. Dewal
 Oh Kim Sun
 Sheranjiv Sammanthan
 Datuk Tong Kooi Ong
 Dato' Ikmal Hijaz Hashim (resigned on 17 February 2012)

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 35 to the financial statements.

DIRECTORS' INTERESTS

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

Number of redeemable convertible preference shares of RM0.01 each

	At date of appointment	During the year		At 31.12.2011
		Bought	Sold	
The Company				
Direct interest				
Datuk Tong Kooi Ong	3,037,798	—	—	3,037,798

Number of ordinary shares of RM0.25 each

	At 1.1.2011	During the year		At 31.12.2011
		Bought	Sold	
Related company – Plus Expressway Berhad				
Direct interest				
Abdul Kadir Md. Kassim	40,000	—	(40,000)	—

DIRECTORS' REPORT

ISSUE OF SHARES

During the financial year, the Company:

- (a) increased its issued and paid up ordinary share capital by way of the issuance of:
 - (i) 261,877,362 ordinary shares of RM0.50 each as part settlement of the purchase consideration for the acquisition of Sunrise Berhad as disclosed in Note 13;
 - (ii) 419,476,430 ordinary shares of RM0.50 each arising from the conversion of RCPS (which was issued as part settlement of the purchase consideration for the acquisition of Sunrise Berhad as disclosed in Note 13).
- (b) issued 837,093,777 RCPS as part settlement of the acquisition of a subsidiary. The terms of the RCPS are disclosed in Note 27.

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

OTHER STATUTORY INFORMATION

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

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

(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 40 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 February 2012.

Tan Sri Dr Ahmad Tajuddin Ali
Chairman

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

STATEMENT BY DIRECTORS

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

We, Tan Sri Dr Ahmad Tajuddin Ali and Dato' Wan Abdullah Wan Ibrahim, being two of the directors of UEM Land Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 137 to 227 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 2011 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 45 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 February 2012.

Tan Sri Dr Ahmad Tajuddin Ali

Dato' Wan Abdullah Wan Ibrahim

STATUTORY DECLARATION

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

I, Mohd Zakir Omar, being the officer primarily responsible for the financial management of UEM Land Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 137 to 227 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 Mohd Zakir Omar
at Kuala Lumpur in the Federal Territory
on 28 February 2012.

Mohd Zakir Omar

Before me,

Tengku Fariddudin bin Tengku Sulaiman (No. W533)

Commissioner for Oaths

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
to the members of UEM Land Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of UEM Land Holdings Berhad, which comprise the statements of financial position as at 31 December 2011 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 137 to 227.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are 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 judgement, 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 have been properly 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 2011 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

INDEPENDENT AUDITORS' REPORT

to the members of UEM Land Holdings Berhad (cont'd.)
(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 42 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 material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

The supplementary information set out in Note 45 on page 227 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Ernst & Young

AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
28 February 2012

Abdul Rauf Rashid

No. 2305/05/12(J)
Chartered Accountant

INCOME STATEMENTS

For the financial year ended 31 December 2011

		Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	3	1,703,172	471,136	—	64,352
Cost of sales	4	(1,184,516)	(259,457)	—	—
Gross profit		518,656	211,679	—	64,352
Gain on disposal of an associate		—	25,559	—	—
Other income		70,007	32,809	2,618	700
Selling and distribution expenses		(54,981)	(24,835)	—	—
Other expenses		(169,566)	(65,739)	(8,031)	(3,086)
Operating profit/(loss)	5	364,116	179,473	(5,413)	61,966
Finance costs	6	(51,402)	(8,289)	(28,304)	—
Share of results of associates		26,639	22,455	—	—
Share of results of joint ventures		15,893	11,868	—	—
Profit/(loss) before income tax		355,246	205,507	(33,717)	61,966
Income tax expense	7	(52,304)	(9,820)	7,072	(16,088)
Profit/(loss) for the year		302,942	195,687	(26,645)	45,878
Attributable to:					
Owners of the parent		301,712	194,537	(26,645)	45,878
Non-controlling interests		1,230	1,150	—	—
		302,942	195,687	(26,645)	45,878
Earnings per share attributable to owners of the parent (sen):					
Basic, for profit for the year	8	7.2	6.0		
Diluted, for profit for the year	8	5.9	5.1		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2011

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit/(loss) for the year	302,942	195,687	(26,645)	45,878
Other comprehensive income for the year, net of tax				
– Foreign currency translation differences of foreign operations	7,051	(1,425)	—	—
– Loss on fair value changes	(208)	—	—	—
– Share of other comprehensive income of associates	(6,002)	38	—	—
Total comprehensive income/(expense) for the year	303,783	194,300	(26,645)	45,878
Total comprehensive income/(expense) attributable to:				
Owners of the parent	302,553	193,150	(26,645)	45,878
Non-controlling interests	1,230	1,150	—	—
	303,783	194,300	(26,645)	45,878

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2011

		Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Assets					
Non-current assets					
Property, plant and equipment	9	162,334	62,037	—	—
Investment properties	10	511,077	30,615	—	—
Land use rights	11	—	324	—	—
Land held for property development	12	2,751,590	1,797,695	—	—
Investment in subsidiaries	13	—	—	2,970,454	1,254,153
Interests in associates	14	104,746	87,063	—	—
Interests in joint ventures	15	265,240	101,383	43,054	35,564
Amount due from a joint venture	15	29,696	—	—	—
Other investments	16	—	—	—	—
Long term receivables	22	204,380	68,766	—	—
Goodwill	17	621,409	39,223	—	—
Non-current deposits	18	1,418	1,418	—	—
Deferred tax asset	19	26,705	—	—	—
		4,678,595	2,188,524	3,013,508	1,289,717
Current assets					
Property development costs	20	1,066,376	769,146	—	—
Inventories	21	124,494	42,252	—	—
Receivables	22	1,015,836	456,933	48,363	48,290
Amount due from subsidiaries	23	—	—	1,448,000	1,225,356
Amount due from joint ventures	15	3,228	75,484	—	—
Amount due from associates	14	898	898	—	—
Short term investments	24	272,190	7	272,176	—
Short term deposits	18	416,457	341,240	—	—
Cash and bank balances	18	215,683	96,649	111	49
		3,115,162	1,782,609	1,768,650	1,273,695
Total assets		7,793,757	3,971,133	4,782,158	2,563,412

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2011 (cont'd.)

		Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	25	2,163,358	1,822,681	2,163,358	1,822,681
Share premium	25	1,898,306	513,124	1,898,306	513,124
Merger relief reserve	25	34,330	34,330	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	27	120,521	—	120,521	—
Other reserves	26	30,116	29,275	—	—
Retained profits	26	589,796	288,084	16,205	42,850
		4,836,427	2,687,494	4,232,720	2,412,985
Non-controlling interests	28	460,186	454,456	—	—
Total equity		5,296,613	3,141,950	4,232,720	2,412,985
Non-current liabilities					
Borrowings	29	1,123,291	408,185	152,928	150,000
Long term payable	30	—	24,407	—	—
Liability component of RCPS	27	388,414	—	388,414	—
Deferred tax liabilities	19	260,654	136,727	7,242	—
		1,772,359	569,319	548,584	150,000
Current liabilities					
Provisions	31	137,040	22,903	—	—
Payables	32	515,787	155,669	854	427
Borrowings	29	51,684	—	—	—
Amount due to immediate holding company	33	—	69,402	—	—
Tax payable		20,274	11,890	—	—
		724,785	259,864	854	427
Total liabilities		2,497,144	829,183	549,438	150,427
Total equity and liabilities		7,793,757	3,971,133	4,782,158	2,563,412

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2011

<----- Attributable to owners of the parent ----->									
<----- Non-distributable -----> Distributable									
Group	Share capital RM'000	Share premium RM'000	Merger relief reserve RM'000	Equity component of RCPS RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests (Note 28) RM'000	Total equity RM'000
At 1 January 2011	1,822,681	513,124	34,330	—	29,275	288,084	2,687,494	454,456	3,141,950
Total comprehensive income for the year	—	—	—	—	841	301,712	302,553	1,230	303,783
Shares issued for acquisition of a subsidiary (Note 25)	130,939	548,941	—	—	—	—	679,880	—	679,880
Issuance of RCPS for acquisition of a subsidiary, net of tax (Note 27)	—	—	—	241,715	—	—	241,715	—	241,715
Conversion of RCPS to ordinary shares, net of tax	209,738	836,241	—	(121,194)	—	—	924,785	—	924,785
Acquisition of a subsidiary	—	—	—	—	—	—	—	4,500	4,500
At 31 December 2011	2,163,358	1,898,306	34,330	120,521	30,116	589,796	4,836,427	460,186	5,296,613

<----- Attributable to owners of the parent ----->								
<----- Non-distributable -----> Distributable								
Group	Share capital RM'000	Share premium RM'000	Merger relief reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests (Note 28) RM'000	Total equity RM'000
At 1 January 2010	1,215,637	153,365	34,330	30,662	93,547	1,527,541	453,306	1,980,847
Total comprehensive income for the year	—	—	—	(1,387)	194,537	193,150	1,150	194,300
Rights issue of ordinary shares (Note 25)	607,044	359,759	—	—	—	966,803	—	966,803
At 31 December 2010	1,822,681	513,124	34,330	29,275	288,084	2,687,494	454,456	3,141,950

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2011 (cont'd.)

Company	Non-distributable			Distributable		Total equity RM'000
	Share capital RM'000	Share premium RM'000	Merger relief reserve RM'000	Equity component of RCPS RM'000	Retained profits/ (accumulated losses) RM'000	
At 1 January 2011	1,822,681	513,124	34,330	—	42,850	2,412,985
Total comprehensive expense for the year	—	—	—	—	(26,645)	(26,645)
Shares issued for acquisition of a subsidiary (Note 25)	130,939	548,941	—	—	—	679,880
Issuance of RCPS for acquisition of a subsidiary, net of tax (Note 27)	—	—	—	241,715	—	241,715
Conversion of RCPS to ordinary shares, net of tax	209,738	836,241	—	(121,194)	—	924,785
At 31 December 2011	2,163,358	1,898,306	34,330	120,521	16,205	4,232,720
At 1 January 2010	1,215,637	153,365	34,330	—	(3,028)	1,400,304
Total comprehensive income for the year	—	—	—	—	45,878	45,878
Rights issue of ordinary shares (Note 25)	607,044	359,759	—	—	—	966,803
At 31 December 2010	1,822,681	513,124	34,330	—	42,850	2,412,985

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
For the financial year ended 31 December 2011

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash flows from operating activities				
Cash receipts from customers	1,425,777	454,101	—	—
Receipts from other related parties	420	420	—	—
Receipts from joint ventures	5,777	14,878	—	—
Cash payments to suppliers	(246,593)	(76,803)	—	—
Cash payments to contractors	(644,475)	(266,338)	—	—
Cash payments for land and development related costs	(34,457)	(38,034)	—	—
Cash payments to other related parties	(29,412)	(109,575)	—	—
Cash payment to joint venture	—	(1,000)	—	—
Cash payment to immediate holding company	(184)	(5,024)	—	—
Cash payments to associate	—	(363)	—	—
Cash payments to employees and for expenses	(280,133)	(90,339)	(181)	(7,726)
Cash generated from/(used in) operations	196,720	(118,077)	(181)	(7,726)
Net income tax paid	(47,522)	(7,509)	(38)	—
Interest received	32,370	6,084	442	700
Net cash generated from/(used in) operating activities	181,568	(119,502)	223	(7,026)
Cash flows from investing activities				
Dividend received from associates	6,450	3,700	—	—
Proceeds from disposals of:				
– property, plant and equipment	3,994	—	—	—
– investment property	4,827	—	—	—
– short term investments	1,670	—	—	—
– associate	—	33,407	—	—
Acquisition of a subsidiary, net of cash and cash equivalents acquired (Note 13(a))	163,952	—	—	—
Disposal of a subsidiary, net of cash and cash equivalents disposed (Note 13(b))	6,258	—	—	—
Cash receipts from liquidator for liquidation of an associate	—	2,407	—	—
Purchase of property, plant and equipment	(38,009)	(7,595)	—	—
Advance to joint venture	(600)	(9,426)	—	—
Advance to associate	(29)	—	—	—
Investment in land held for property development	(295,225)	(22,695)	—	—
Investment in short term investments	(270,000)	—	(270,000)	—
Investment in joint venture entity	(7,490)	(13)	(7,490)	—
Net cash used in investing activities	(424,202)	(215)	(277,490)	—

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2011 (cont'd.)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash flows from financing activities				
Drawdown of term and bridging loans	26,786	—	—	—
Drawdown of islamic term financing	—	150,000	—	150,000
Drawdown of islamic medium term notes	100,000	—	—	—
Drawdown of revolving credit	75,500	—	—	—
Rights issue of ordinary shares	—	338,292	—	971,271
Proceeds from conversion of RCPS	545,047	—	545,047	—
Advances to a subsidiary	—	—	(267,718)	(1,114,196)
Advances to a joint venture	(1,400)	—	—	—
Repayment of term and bridging loan	(16,242)	(59,062)	—	—
Repayment of revolving credit	(169,500)	—	—	—
Repayment to immediate holding company	(83,182)	(6,647)	—	—
Repayment of hire purchase	(53)	—	—	—
Interest paid	(47,833)	—	—	—
Cash payment of bond issuance expenses	—	(865)	—	—
Net cash generated from financing activities	429,123	421,718	277,329	7,075
Net increase in cash and cash equivalents	186,489	302,001	62	49
Effects of foreign exchange rate changes	5,620	4	—	—
Cash and cash equivalents at beginning of year	437,889	135,884	49	—
Cash and cash equivalents at end of year (Note 18)	629,998	437,889	111	49

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Bursa Malaysia Securities Berhad. The registered office of the Company is located at 19-2 Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur and the principal place of business is at 16-1 Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are property development, turnkey development, construction, land trading, property investment, project procurement and management and investment holding. There have been no significant changes in the nature of the principal activities during the financial year.

The immediate and ultimate holding companies are UEM Group Berhad ("UEM") and Khazanah Nasional Berhad ("Khazanah") respectively, both of which are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 February 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise disclosed in the summary of significant accounting policies below, and comply with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

2.2 Summary of significant accounting policies

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated 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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

(ii) Basis of consolidation

Pursuant to the restructuring in the previous financial year, the Company was introduced as a new parent company. The introduction of the Company constitutes a Group reconstruction and has been accounted for using merger accounting principles as the combination of the companies meet the relevant criteria for merger, thus depicting the combination of those entities as if they have been in the combination for the current and previous financial years.

Business combinations involving entities under common control are accounted for by applying the merger accounting method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The income statement reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

For other subsidiaries, they are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

(iii) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the year in which the investment is acquired.

The financial statements of the associates are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated 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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

(iv) Joint ventures

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting similar to accounting for investments in associates as described in Note 2.2(a)(iii).

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entity.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in joint ventures are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Goodwill

Goodwill acquired in a business combination is capitalised as an asset and is initially measured at cost. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(c) Property, plant and equipment and depreciation (cont'd.)

Freehold land and building under construction are not depreciated. Depreciation of other property, plant and equipment is provided on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Commercial Complex/Freehold building	1.3% – 2%
Renovation	5% – 10%
Floating pontoons	10%
Site equipment	20%
Motor vehicles	20% – 25%
Others	10% – 50%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

(d) Investment properties

Investment properties comprise completed properties and properties under construction which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, completed investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses while investment properties under construction are stated at cost less any accumulated impairment losses.

Depreciation of the completed investment properties is provided for at 2% 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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(f) Land held for property development and property development costs

Land held for property development consists of land where no development activity has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified within non-current assets and is stated at cost less impairment losses. Cost consists of land and development expenditure which include borrowing costs relating to the financing of the development. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(n).

Profit on sale of land held for property development is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group.

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs are stated at cost. Cost consists of land and development expenditure. Development expenditure includes borrowing costs relating to the financing of the development.

Profit on sale of property development costs is recognised when the outcome of the contract can be reasonably estimated using the percentage of completion method to the extent of total sales value of units sold. The percentage of completion is based on total cost incurred to date over total estimated cost of the project. Provision is made for all foreseeable losses on property development costs.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within payables.

(g) Turnkey development contracts

Where the outcome of turnkey development contracts can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the outcome of turnkey development contracts cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on turnkey development contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(i) 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.

(j) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(j) Income 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 to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(k) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(k) Employee benefits (cont'd.)

(ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

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 revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

(i) Property development

(a) Sale of developed land

Sale of developed land is recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group.

(b) Turnkey development contracts

Revenue from turnkey development contracts are accounted for using the percentage of completion method as described in Note 2.2(g) above.

(c) 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.

(d) Sale of completed development properties

Sale of completed development properties is recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group.

(ii) Strategic land sale

Contracts for strategic land sale are recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group.

(iii) Property investment

Rental and leasing income are accounted for over the period of tenancy and lease term.

(iv) Assets and facilities management

Assets and facilities management income are derived from managing the Johor State New Administrative Centre, residential, commercial and retail properties. These incomes are recognised as when such services are rendered.

(v) Project management

Provision of consultancy, advisory and technical services in relation to property development activities.

(vi) Harvesting income

Harvesting income is recognised on an accrual basis. Where recoverability is uncertain, harvesting income will be recognised on a receipt basis.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

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 assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(o) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, available-for-sale investments and loans and receivables.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are categorised as financial assets at fair value through profit or loss. Financial assets are held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in income statement.

Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to income statement for the year.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

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.)

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(p) Impairment of financial assets (cont'd.)

(i) Trade and other receivables and other financial assets carried at amortised costs (cont'd.)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(q) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities. The Group and the Company classify all its financial liabilities as other financial liabilities.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(r) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, 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 initially recognised less cumulative amortisation.

(s) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares and MCRPS are equity instruments.

Ordinary shares and MCRPS are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Terms of the MCRPS are as disclosed in Note 25. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(t) Redeemable convertible preference shares ("RCPS")

The redeemable convertible preference shares are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for equivalent preference shares. The difference between the proceeds of issue of the RCPS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for equivalent RCPS to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying value of the RCPS.

(u) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(v) Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

(w) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred.

Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.3 Changes in accounting policies

On 1 January 2011, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

	Effective for the financial period beginning on or after
FRS 1: <i>First-time Adoption of Financial Reporting Standards</i>	1 July 2010
FRS 3: <i>Business Combinations (revised)</i>	1 July 2010
FRS 127: <i>Consolidated and Separate Financial Statements (revised)</i>	1 July 2010
Amendments to FRS 2: <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 5: <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 138: <i>Intangible Assets</i>	1 July 2010
Amendments to IC Interpretation 9: <i>Reassessment of Embedded Derivatives</i>	1 July 2010
IC Interpretation 12: <i>Service Concession Arrangements</i>	1 July 2010
IC Interpretation 16: <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17: <i>Distributions of Non-cash Assets to Owners</i>	1 July 2010
Amendments to FRS 132 <i>Financial Instrument: Presentation – Classification of Rights Issues</i>	1 March 2010
Improvements to FRS 2010	1 January 2011

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Changes in accounting policies (cont'd.)

	Effective for the financial period beginning on or after
Amendments to FRS 1: <i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters</i>	1 January 2011
Amendments to FRS 2: <i>Share based Payment – Group Cash settled Share based Payment Transactions</i>	1 January 2011
Amendments to FRS 7: <i>Improving Disclosures about Financial Instruments</i>	1 January 2011
IC Interpretation 4: <i>Determining Whether An Arrangement contains a Lease</i>	1 January 2011
IC Interpretation 18: <i>Transfers of Assets from Customers</i>	1 January 2011

The adoption of the above standards and interpretations does not have any significant impact to the financial statements of the Group and of the Company, except as discussed below:

(a) FRS 127: Consolidated and Separate Financial Statements

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent attributable, directly or and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are 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 Group rephrased its minority interests as non-controlling interests and remeasured the non-controlling interests prospectively in accordance with the transitional provisions of the revised FRS 127.

The adoption of the revised FRS 127 does not have any impact on the Group's consolidated financial statements.

(b) Revised FRS 3: Business Combination

The revised FRS 3 introduces a number of changes in the accounting for business combinations, loss of control and transactions with non-controlling interests occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The adoption of the revised FRS 3 is applied to acquisitions that happen on or after 1 July 2010.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Changes in accounting policies (cont'd.)

(c) Amendments to FRS 7: Improving Disclosures about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required.

Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 38. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 34(c).

2.4 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

	Effective for the financial period beginning on or after
Amendments to IC Interpretation 14: <i>Prepayments of a Minimum Funding Requirement</i>	1 July 2011
IC Interpretation 19: <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2011
FRS 124 : <i>Related Party Disclosures (revised)</i>	1 January 2012
Amendments to FRS 1: <i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>	1 January 2012
Amendments to FRS 7: <i>Disclosures – Transfers of Financial Assets</i>	1 January 2012
Amendments to FRS 112: <i>Deferred tax – Recovery of Underlying Assets</i>	1 January 2012
Amendments to FRS 101: <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
FRS 9: <i>Financial Instruments</i>	1 January 2013
FRS 10: <i>Consolidated Financial Statements</i>	1 January 2013
FRS 11: <i>Joint Arrangements</i>	1 January 2013
FRS 12: <i>Disclosures of Interest in Other Entities</i>	1 January 2013
FRS 13: <i>Fair Value Measurements</i>	1 January 2013
FRS 119 ₂₀₁₁ : <i>Employee Benefits</i>	1 January 2013
FRS 127 ₂₀₁₁ : <i>Separate Financial Statements</i>	1 January 2013
FRS 128 ₂₀₁₁ : <i>Investment in Associates and Joint Ventures</i>	1 January 2013
IC Interpretation 20: <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Standards issued but not yet effective (cont'd.)

The directors expect that the adoption of the above standards and interpretation will have no material impact on the financial statements in the period of initial application.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition 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 2013. 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 profits.

The Group is in the process of assessing the financial effects of the differences between the accounting standards under Financial Reporting Standards and under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

2.5 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.

(a) Key sources of estimation uncertainty

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2011 was RM621,409,000 (2010: RM39,223,000). Further details on goodwill are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Critical judgements and accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(ii) Property development costs and turnkey development contracts

The Group recognises property development and turnkey development contracts 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 and turnkey development contracts. 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 and turnkey development contracts are disclosed in Note 20 and Note 22(iii) respectively.

(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 36(c), Bandar Nusajaya Development Sdn. Bhd. ("BND") received an additional assessment from the Inland Revenue Board ("IRB") for additional tax payable and tax penalty in respect of year of assessment 2006 totaling to RM73.8 million.

(iv) Provision for free maintenance

Provision for free maintenance are made for the estimated liability on property maintenance costs incurred for the first one to two years after delivery of vacant possession to the property buyers. The provision is made based on past experiences and estimated trends of maintenance costs incurred by the Group in providing similar maintenance services.

The carrying amount of the Group's provision for free maintenance is RM10,662,000.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

3. REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Property development:				
– Sale of developed land	262,122	171,474	—	—
– Turnkey development contracts [Note 22 (iii)]	23,296	3,634	—	—
– Sale of development properties	1,252,646	162,392	—	—
	1,538,064	337,500	—	—
Strategic land sale #	107,129	116,723	—	—
Property investment	26,282	716	—	—
Assets and facilities management	22,510	11,181	—	—
Project management	3,161	—	—	—
Harvesting, land leasing and other income	6,026	5,016	—	—
Dividend income				
– a subsidiary	—	—	—	64,352
	1,703,172	471,136	—	64,352

In 2010, RM77.6 million was attributable to additional compensation from Johor State Government and Tenaga Nasional Berhad for compulsory acquisition of land in prior years.

4. COST OF SALES

	Group	
	2011 RM'000	2010 RM'000
Property development costs:		
– Sale of developed land	187,766	103,174
– Turnkey development contracts [Note 22 (iii)]	19,177	2,006
– Sale of development properties	913,005	119,936
	1,119,948	225,116
Strategic land sale	54,685	26,834
Assets and facilities management	8,093	5,769
Harvesting, land leasing and other costs	1,790	1,738
	1,184,516	259,457

NOTES TO THE FINANCIAL STATEMENTS

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5. OPERATING PROFIT/(LOSS)

(a) The following amounts have been included in arriving at operating profit/(loss):

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Impairment loss				
– receivables (Note 22(vii))	1,147	2,956	—	—
Bad debts written off				
– due from joint ventures	—	27	—	—
– others	277	5	—	—
Rental expenses of				
– land and building	10,883	1,713	—	—
– equipment	505	354	—	—
Auditors' remuneration				
– statutory audit	793	259	55	50
– others	277	232	277	113
Depreciation of property, plant and equipment (Note 9)	9,128	4,860	—	—
Depreciation of investment properties (Note 10)	4,441	—	—	—
Amortisation of land use rights (Note 11)	20	24	—	—
Property, plant and equipment written off	275	—	—	—
Directors' remuneration (Note (i))	2,918	1,436	2,037	1,436
Staff costs (Note (ii))	85,007	24,152	—	—
Write back of allowance for impairment				
– others	(1,396)	(11,777)	—	—
Lease rental received from a subsidiary of Khazanah:				
– Menara Burj Sdn. Bhd.	(420)	(420)	—	—
Net gain on fair value changes in fair value through profit or loss investment	(199)	—	(199)	—
Dividend income from investment in unit trust	(1,976)	—	(1,976)	—
Interest income				
– deposits with licensed banks	(23,574)	(6,084)	(442)	(700)
– trade receivables	(14,956)	(3,763)	—	—
– joint venture	(4,950)	(142)	—	—
Gain on disposal of:				
– property, plant and equipment	(2,778)	—	—	—
– subsidiary	(4,197)	(3)	—	—
– associate	—	(25,559)	—	—
– investment property	(10,592)	—	—	—
– investments	(207)	—	—	—

NOTES TO THE FINANCIAL STATEMENTS

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5. OPERATING PROFIT/(LOSS) (CONT'D.)

(a) The following amounts have been included in arriving at operating profit/(loss): (cont'd.)

(i) Directors' remuneration

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Executive:				
Salary and other emoluments	1,220	861	1,220	861
Benefits-in-kind	105	104	105	104
	1,325	965	1,325	965
Non-executive:				
Fees	617	377	617	377
Other emoluments	976	94	95	94
	1,593	471	712	471
	2,918	1,436	2,037	1,436
Analysis of total directors' remuneration excluding benefits-in-kind:				
– executive	1,220	861	1,220	861
– non-executive	1,593	471	712	471
Total directors' remuneration excluding benefits-in-kind	2,813	1,332	1,932	1,332

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2011	2010
Executive director:		
RM950,000 – RM1,000,000	—	1
RM1,300,000 – RM1,350,000	1	—
Non-executive directors:		
RM50,000 and below	1	2
RM50,001 – RM100,000	4	5
RM100,001 – RM150,000	3	1

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

5. OPERATING PROFIT/(LOSS) (CONT'D.)

(a) The following amounts have been included in arriving at operating profit/(loss): (cont'd.)

(ii) Staff costs

	Group	
	2011 RM'000	2010 RM'000
Wages and salaries	51,825	20,320
Statutory contribution to EPF and social security costs	9,836	3,409
Staff benefits and welfare	27,502	4,990
Training and others	1,979	1,688
	91,142	30,407
Capitalised to:		
Land held for property development (Note 12)	(2,603)	(2,067)
Property development costs (Note 20)	(3,532)	(4,186)
	85,007	24,154

6. FINANCE COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Finance costs incurred and accrued during the year on:				
– term loan	20,012	1,768	—	—
– bridging loan	157	—	—	—
– bank overdraft	772	265	—	—
– revolving credit	8,876	—	—	—
– Islamic term financing	14,178	—	—	—
– Islamic Medium Term Notes (“IMTN”)	9,078	—	—	—
– hire purchase	15	—	—	—
– loan from immediate holding company	17,182	19,897	—	—
– late payment interest	3,281	—	—	—
– accretion of interest on:				
– liability component of RCPS (Note 27)	28,304	—	28,304	—
– long term payables (Note 30)	553	1,082	—	—
	102,408	23,012	28,304	—
Capitalised in:				
– land held for property development (Note 12)	(10,992)	—	—	—
– property development costs (Note 20)	(39,819)	(14,723)	—	—
– amount due from customers on turnkey contracts (Note 22(iii))	(195)	—	—	—
	(51,006)	(14,723)	—	—
	51,402	8,289	28,304	—

NOTES TO THE FINANCIAL STATEMENTS

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7. INCOME TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysian income tax:				
Current year	97,018	23,803	—	16,088
(Over)/under provision in prior years	(4,832)	(398)	4	—
	92,186	23,405	4	16,088
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	(30,589)	(8,925)	(7,076)	—
Over provision of deferred tax in prior year	(9,293)	(4,660)	—	—
	(39,882)	(13,585)	(7,076)	—
Total income tax expense	52,304	9,820	(7,072)	16,088

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit/(loss) before income tax 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit/(loss) before tax	355,246	205,507	(33,717)	61,966
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	88,812	51,377	(8,429)	15,492
Income not subject to tax	(10,043)	(11,847)	(544)	—
Expenses not deductible for tax purposes	12,806	5,429	1,729	596
Utilisation of previously unrecognised tax losses	(15,891)	(22,498)	—	—
Deferred tax assets not recognised during the year	1,378	998	168	—
Tax effect on share of associates' and joint ventures' results	(10,633)	(8,581)	—	—
(Over)/under provision in prior years	(4,832)	(398)	4	—
Overprovision of deferred tax in prior years	(9,293)	(4,660)	—	—
Tax expense for the year	52,304	9,820	(7,072)	16,088

NOTES TO THE FINANCIAL STATEMENTS

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8. 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	
	2011	2010
Profit for the year attributable to owners of the parent (RM'000)	301,712	194,537
Weighted average number of ordinary shares in issue ('000)	4,169,922	3,249,766
Basic earnings per share (sen)	7.2	6.0

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares.

		Group	
	Note	2011	2010
Profit for the year attributable to owners of the parent (RM'000)		301,712	194,537
Profit for the year of subsidiaries attributable to non-controlling interests arising from dilutive impact of unconverted BND RCPS (RM'000)	(i)	(26,067)	(25,297)
Profit for the year attributable to owners of the parent including assumed conversion (RM'000)		275,645	169,240
Weighted average number of ordinary shares in issue ('000)	(ii)	4,672,449	3,319,862
Diluted earnings per share (sen)		5.9	5.1

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 28) which are convertible into 21.76% (2010: 21.76%) of BND's enlarge share capital as at 31 December 2011.
- (ii) Incorporates effects arising from the full conversion of RM154.9 million MCRPS (as disclosed in Note 25) which are convertible into 85,117,584 ordinary shares in the Company and full conversion of the balance unconverted RCPS using the non cash conversion mode (as disclosed in Note 27).

NOTES TO THE FINANCIAL STATEMENTS

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9. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Freehold building RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Others RM'000	Total RM'000
At 31 December 2011							
Net carrying amount at 1 January 2011	2,974	40,121	—	8,911	1,648	8,383	62,037
Exchange differences	—	—	—	—	—	33	33
Acquisition of subsidiary (Note 13(a)(i))	6,681	23,589	1,606	—	460	52,665	85,001
Reclassification	—	367	49,372	—	—	(49,739)	—
Additions	26,666	1,344	415	124	2,065	7,395	38,009
Disposal	—	(1,019)	—	—	(141)	(56)	(1,216)
Disposal of subsidiary (Note 13(b))	—	—	—	—	(5)	(200)	(205)
Write-off	—	(20)	—	—	—	(255)	(275)
Transfer to property development cost (Note 20)	—	(11,922)	—	—	—	—	(11,922)
Depreciation charge (Note 5(a))	—	(1,024)	(2,244)	(1,011)	(1,109)	(3,740)	(9,128)
Net carrying amount at 31 December 2011	36,321	51,436	49,149	8,024	2,918	14,486	162,334
Cost	36,321	53,999	55,736	10,118	7,102	38,357	201,633
Accumulated depreciation	—	(2,562)	(6,587)	(2,094)	(4,184)	(23,872)	(39,299)
Net carrying amount	36,321	51,437	49,149	8,024	2,918	14,485	162,334

Group	Freehold land RM'000	Freehold building RM'000	Building under construction RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Others RM'000	Total RM'000
At 31 December 2010							
Net carrying amount at 1 January 2010	2,974	19,022	15,810	9,911	1,788	7,463	56,968
Currency translation differences	—	—	—	—	—	(10)	(10)
Additions	—	3,801	—	—	360	3,434	7,595
Reclassification	—	15,810	(15,810)	—	—	—	—
Transfer from receivables	—	2,344	—	—	—	—	2,344
Depreciation charge (Note 5(a))	—	(856)	—	(1,000)	(500)	(2,504)	(4,860)
Net carrying amount at 31 December 2010	2,974	40,121	—	8,911	1,648	8,383	62,037
Cost	2,974	41,371	—	9,994	4,394	20,874	79,607
Accumulated depreciation	—	(1,250)	—	(1,083)	(2,746)	(12,491)	(17,570)
Net carrying amount	2,974	40,121	—	8,911	1,648	8,383	62,037

Included in property, plant and equipment of the Group and of the Company are assets acquired under hire-purchase arrangement with net book value of RM109,877 (2010: Nil).

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10. INVESTMENT PROPERTIES

	Group	
	2011 RM'000	2010 RM'000
Cost		
At 1 January	30,615	28,848
Acquisition of a subsidiary (Note 13(a)(i))	438,883	—
Addition	3,228	1,767
Disposal	(4,593)	—
Transfer from property development cost (Note 20)	47,200	—
At 31 December	515,333	30,615
Accumulated depreciation		
At 1 January	—	—
Depreciation charge (Note 5(a))	(4,441)	—
Disposal	185	—
At 31 December	(4,256)	—
Net carrying amount	511,077	30,615
Fair value of investment properties	538,642	48,000

On 3 August 2007, UEMLB, as the developer and Nusajaya Rise Sdn. Bhd. as the lessor, signed a lease agreement with Menara Burj Sdn. Bhd. ("MBSB") to lease a commercial property to MBSB for a period of four years, commencing on 1 November 2008. Under the lease agreement, MBSB is granted the option to purchase the commercial property at a price amounting to RM12,500,000. The carrying amount of investment property which is leased to MBSB amounted to as follows:

	Group	
	2011 RM'000	2010 RM'000
Freehold land	1,344	1,344
Building	9,173	9,173
	10,517	10,517

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– 31 December 2011

11. LAND USE RIGHTS

	Group	
	2011 RM'000	2010 RM'000
Long term leasehold land		
At 1 January	324	372
Exchange differences	81	(24)
Amortisation for the year (Note 5(a))	(20)	(24)
Disposal of a subsidiary (Note 13(b))	(385)	—
At 31 December	—	324

12. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2011 RM'000	2010 RM'000
Freehold land		
Cost		
At 1 January	1,797,695	1,840,256
Acquisition of subsidiary (Note 13(a)(i))	861,354	—
Addition	308,950	24,762
Settlement of long term receivables	—	76,000
Transfer to property development costs (Note 20)	(216,409)	(143,323)
At 31 December	2,751,590	1,797,695

The Group originally have 23,875 acres of freehold land zoned for residential, commercial and industrial development known as Nusajaya that is spearheaded by a subsidiary, UEMLB. Nusajaya is located in the southern tip of Johor adjacent to the Malaysia-Singapore Second Crossing and is accessible to major expressways, airports and ports. As a master township developer, its development activities include, inter-alia, reviewing the development masterplan 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.

In a move to diversify ULHB Group's development portfolio and revenue sources beyond Nusajaya and to achieve its long term growth strategy, the Group has acquired land in Bangi as well as the acquisition of Sunrise Berhad Group during the current financial year.

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12. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)

In addition to its own property development where the related land costs and development expenditure are classified as property development costs in Note 20, UEMLB also disposed of parcels of land to established developers to further accelerate the development of the Nusajaya township. The balance of unsold land bank after reduction of public areas, electricity distribution sub-stations and others and after current year's addition is approximately 10,885 acres (2010: 10,403 acres) of which approximately 724 acres (2010: 794 acres) are classified under property development costs which comprises parcels of land where active development activities have commenced as at the end of financial year.

Land titles of the above land bank of approximately:

- (a) 410 acres (2010: 474 acres) are subject to a third party charge as security for borrowings taken by a joint venture company.
- (b) 400 acres (2010: 685 acres) have been charged as security for the islamic term financing taken by the Company, as detailed in Note 29(a).
- (c) 1,584 acres (2010: 1,584 acres) have been deposited with the immediate holding company as security for a shareholder loan taken by a subsidiary, as detailed in Note 29(b).
- (d) 272 acres have been charged as security for the term and bridging loans together with bank guarantees facilities taken by the Company and its subsidiary, as detailed in Note 29(c).
- (e) 108 acres have been charged as security for the term loans and revolving credit facilities taken by certain subsidiaries, as detailed in Note 29(d).

Included in the addition to the land held for property development of the Group during the financial year are as follows:

	Group	
	2011 RM'000	2010 RM'000
Interest capitalised (Note 6)	10,992	—
Staff costs (Note 5(a)(iii))	2,603	2,067

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12. 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:

Development Agreement between Horizon Hills Development Sdn. Bhd. (“Horizon Hills”) and Nusajaya Greens Sdn. Bhd. (“Greens”)

On 16 June 2005, Greens entered into a Development Agreement with Horizon Hills, a 50:50 joint venture company between the UEMLB and Gamuda Berhad, for a proposed mixed development of 1,027 acres (“Mixed Development Land”) and an integrated golf course development of 200 acres (“Golf Course Land”) of land in Mukim Pulau, Daerah Johor Bahru, Negeri Johor Darul Takzim for a total purchase consideration of RM391.39 million to be completed over a period of 15 years based on an agreed series of “Put and Call Option” arrangements between both parties.

The Development Agreement became unconditional on 5 September 2005 upon completion of all conditions precedent.

As at the reporting date, Horizon Hills has exercised option to purchase the following:

Financial Year	Mixed Development Land Acres	Golf Course Land Acres	Total Acres
2005	200.00	40.00	240.00
2006	106.00	20.00	126.00
2007	67.22	140.00	207.22
2008	64.39	—	64.39
2009	61.66	—	61.66
2010*	59.55	(5.34)	54.21
2011	63.75	—	63.75
	622.57	194.66	817.23

* The negative acreage for Golf Course Land was due to variance between a survey of actual land acreage in 2010 and the total acreage exercised.

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13. INVESTMENT IN SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
Unquoted shares, at cost		
At 1 January	1,254,153	1,254,153
Acquisition of subsidiaries	1,716,301	—
At 31 December	2,970,454	1,254,153

Details of the subsidiaries are disclosed in Note 42.

(a) Acquisition of subsidiaries

(i) Acquisition of Sunrise Berhad

On 4 November 2010, CIMB Investment Bank Berhad, on behalf of the Company, served a notice of conditional take-over offer on the Board of Directors of Sunrise Berhad ("Sunrise") to notify of the Company's intention to acquire all the ordinary share of RM1.00 each in Sunrise (excluding treasury shares) not already owned by the Company ("Offer Shares"), at an offer price of RM2.80 per Offer Share to be satisfied in either of the following manner at the election of the holder of Offer Shares ("Holder"):

- through the issuance of ordinary shares of RM0.50 each in the Company ("ULHB Shares") at an issue price of RM2.10 ("Consideration Shares"), where the Holders will receive approximately 1.33 Consideration Shares for every 1 Offer Share surrendered ("Share Alternative"); or
- through the issuance of RCPS of RM0.01 each in the Company at an issue price of RM1.00 ("Consideration RCPS"), where the Holders will receive 2.8 Consideration RCPS for every 1 Offer Share surrendered ("RCPS Alternative").

(referred to as the "Offer")

Aside from the anticipated economies of scale and operational efficiencies arising from the business combination, the Sunrise group is expected to add the following to the Group:

- Land bank and product diversification;
- Improved financial performance; and
- Expertise, track record and brand equity.

NOTES TO THE FINANCIAL STATEMENTS

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13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries (cont'd.)

(i) Acquisition of Sunrise Berhad (cont'd.)

The carrying amounts of assets acquired and liabilities assumed from the acquisition date are as follows:

	Note	Fair values recognised on acquisition RM'000	Acquiree's carrying amounts RM'000
Assets			
Property, plant and equipment	9	85,001	85,001
Investment properties	10	438,883	345,951
Land held for property development	12	861,354	741,611
Interests in associates		3,455	3,455
Interests in joint ventures		94,034	94,034
Deferred tax assets		15,495	15,495
Property development costs	20	355,407	355,407
Inventories		57,478	57,478
Trade and sundry receivables		289,829	289,829
Financial assets available for sale		1,679	1,679
Cash, bank balances and deposits		163,952	163,952
Total Assets		2,366,567	2,153,892
Liabilities			
Borrowings (including bank overdraft)		741,807	741,807
Provision	31	56,697	56,697
Trade and sundry payables		320,283	320,283
Deferred tax liabilities		138,281	—
Provision for taxation		7,293	7,293
Total Liabilities		1,264,361	1,126,080
Total net assets		1,102,206	1,027,812
Add: Goodwill on acquisition of Sunrise (Note 17)		582,186	
Purchase consideration		1,684,392	
Less: Consideration settled by debts and equity securities		(1,684,392)	
Consideration settled in cash		—	
Cash and cash equivalents of subsidiary acquired		163,952	
Net cash inflow on acquisition		163,952	

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries (cont'd.)

(i) Acquisition of Sunrise Berhad (cont'd.)

The fair value of the total consideration transferred and each major class of consideration are as follows:

	Fair Value RM'000
Ordinary shares	679,880
RCPS (Note 27)	1,004,512
	1,684,392

The fair value of the new ordinary shares and RCPS issued were determined based on the market price on the date of issuance and the Variant of Lattice Tree Method respectively.

The acquisition of Sunrise was completed on 6 January 2011. If the acquisition was completed on 1 January 2011, the revenue and profit for the Group would be the same as the financial results for the 6-day period is negligible.

- (ii) On 17 June 2011, Sunrise MS Pte. Ltd. ("Sunrise MS") was incorporated in the Republic of Singapore under the Companies Act, (Cap. 50). Sunrise MS is owned by Sunrise, which in turn is a wholly owned subsidiary of the Company.
- (iii) On 22 June 2011, the Company subscribed for 5,500,000 ordinary shares of RM1.00 per share in Nusajaya Lifestyle Sdn Bhd ("NLSB"), a newly incorporated company, for a total cash consideration of RM5,500,000. Pursuant to the completion of the acquisition, NLSB became a 55% owned subsidiary of the Company.

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13. INVESTMENT IN SUBSIDIARIES (CONT'D.)**(b) Disposal of a subsidiary**

During the year, P.T Hardja Setia was disposed at IDR18,000,000,000 (equivalent to RM6,257,763).

The value of the assets and liabilities disposed are as follows:

	Note	RM'000
Property, plant and equipment	9	205
Land use rights	11	385
Receivables		1,471
Net assets disposed		2,061
Less: total disposal proceeds		(6,258)
Gain on disposal of subsidiary to the Group		(4,197)
Disposal proceeds settled by:		
Cash consideration		6,258
Cash inflow arising on disposal:		
Cash consideration		6,258
Less: cash and cash equivalents of subsidiary disposed		—
Cash inflow on disposal, net cash and cash equivalents disposed		6,258

(c) Struck-off of subsidiaries

The following inactive subsidiaries of the Company, which are held through the Company's wholly-owned subsidiary, UEMLB, have been struck off from the Schedule of the Registrar pursuant to Section 308 (4) of the Companies Act, 1965 as follows:

- On 16 June 2011, Grand Influx Sdn. Bhd.,
- On 23 August 2011, Renong College Berhad.

The above do not have a material impact to the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

14. INTERESTS IN ASSOCIATES

	Group	
	2011 RM'000	2010 RM'000
In Malaysia:		
Unquoted shares at cost	48,327	48,583
Outside Malaysia:		
Unquoted shares at cost	45,614	45,614
Share of post-acquisition reserves	28,048	7,861
Exchange differences	(17,090)	(11,088)
	104,899	90,970
Amount due from associate (non-trade)	3,754	—
	108,653	90,970
Accumulated impairment losses	(3,907)	(3,907)
	104,746	87,063
Amount due from associates (trade) – current	898	898

Amount due from associates are unsecured, interest free and repayable on demand. The Group views the non-trade amount due from associate as part of the Group's investment in that associate.

Details of associates are disclosed in Note 43.

- (i) The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2011 RM'000	2010 RM'000
Results		
Revenue	941,312	839,797
Profit for the year	113,206	89,769
Assets and liabilities		
Current assets	1,676,523	1,614,038
Non-current assets	1,925,380	1,936,456
Current liabilities	(273,496)	(366,505)
Non-current liabilities	(2,977,960)	(2,944,536)
Net assets	350,447	239,453

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15. INTERESTS IN JOINT VENTURES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unquoted shares, at cost	129,968	123,940	43,054	35,564
Amount due from joint ventures (Note i)	145,244	—	—	—
Share of post-acquisition reserves	(9,972)	(22,557)	—	—
	265,240	101,383	43,054	35,564
Amount due from joint ventures (Note ii)				
– Non-current	29,696	—	—	—
– Current	3,228	75,484	—	—
	32,924	75,484	—	—

(i) Amounts due from these joint ventures are unsecured, interest free and repayable on demand. The Group views the non-trade amounts due from joint ventures as part of the Group's investment in joint ventures.

(ii) Amounts due from these joint ventures are unsecured, interest free and repayable on demand except for RM27,266,000 (2010: RM1,000,000) which bears an average interest of 6.8% (2010:7.3%) per annum.

(iii) The Group's aggregate share of the revenue, expenses, assets and liabilities of the joint ventures are as follows:

	2011 RM'000	2010 RM'000
Revenue	126,163	86,486
Other income	3,486	2,527
Expenses, including finance costs	(113,756)	(77,145)
	15,893	11,868
Current assets	251,560	214,017
Non-current assets	333,731	178,700
Current liabilities	(345,008)	(192,258)
Non-current liabilities	(120,287)	(99,076)
Net assets	119,996	101,383

NOTES TO THE FINANCIAL STATEMENTS

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15. INTERESTS IN JOINT VENTURES (CONT'D.)

During the financial year, the Company subscribed to additional 7,490,000 ordinary shares of RM1.00 per share in Malaysian Bio-XCell Sdn. Bhd. satisfied by cash of RM7,490,000.

There are no contingent liabilities and capital commitments in relation to the Group's interest in joint ventures, except as disclosed in Note 36(d).

Details of the joint venture entities are disclosed in Note 44.

16. OTHER INVESTMENTS

	Group	
	2011 RM'000	2010 RM'000
Available-for-sale investments		
At cost:		
Unquoted shares in Malaysia	22,525	22,525
Less: Accumulated impairment losses	(22,525)	(22,525)
	—	—

17. GOODWILL

	Group	
	2011 RM'000	2010 RM'000
At 1 January	39,223	39,223
Acquisition of a subsidiary (Note 13(a)(i))	582,186	—
At 31 December	621,409	39,223

The recoverable amounts of the CGU have been determined based on value in use calculations using cash flow projections from financial budgets approved by the management covering a five-year period. The management has applied a pre-tax discount rate of 12% and forecasted growth rate of 5% to the cash flow projections.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

17. GOODWILL (CONT'D.)

The calculations of value in use for the CGU are most sensitive to the following assumptions:

Budgeted gross margins – Gross margins are based on historical trend of gross margins for the CGU.

Pre-tax discount rates – Discount rates reflect the weighted average cost of capital of the Company assessed using the current borrowing costs and operating performance.

There remains a risk that, due to unforeseen changes in the economy in which the CGU operates and/or global economic conditions, the gross margins for property development may be adversely affected.

18. CASH, BANK BALANCES AND DEPOSITS

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks					
– Short term deposits		416,457	341,240	—	—
– Non-current deposits	(i)	1,418	1,418	—	—
		417,875	342,658	—	—
Cash and bank balances	(ii)	215,683	96,649	111	49
		633,558	439,307	111	49
Bank overdraft	29	(2,142)	—	—	—
Non-current deposits		(1,418)	(1,418)	—	—
Cash and cash equivalents		629,998	437,889	111	49

(i) Deposits pledged as security

The non-current deposits represent deposits pledged as security for bank guarantee facilities and bank facilities granted to subsidiaries.

(ii) Cash and bank balances

Included in cash and bank balances of the Group is an amount of RM194,331,000 (2010: RM43,525,000) held in Housing Development Accounts as required by Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

The average interest rates and maturity of deposits of the Group were 3.06% (2010: 2.42%) and 73 days (2010: 91 days) respectively.

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19. DEFERRED TAX LIABILITIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	136,727	150,312	—	—
Acquisition of a subsidiary	122,786	—	—	—
Recognised directly in equity (Note 27)	24,766	—	24,766	—
Recognised in income statement (Note 7)	(39,882)	(13,585)	(7,076)	—
Reversal arising from conversion of RCPS recognised directly in equity	(10,448)	—	(10,448)	—
At 31 December	233,949	136,727	7,242	—
Presented as follows:				
Deferred tax assets	(26,705)	—	—	—
Deferred tax liabilities	260,654	136,727	7,242	—
	233,949	136,727	7,242	—

The deferred tax liability arising at the Company level is due to issuance of RCPS as disclosed in Note 27.

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Revaluation of land and building RM'000	Interest capitalised RM'000	RCPS RM'000	Others RM'000	Total RM'000
At 1 January 2011	50,042	182,709	—	2,165	234,916
Acquisition of a subsidiary	138,281	—	—	1,490	139,771
Recognised directly in equity	—	—	24,766	—	24,766
Recognised in the income statement	(19,183)	(13,113)	—	39	(32,257)
Reversal arising from conversion of RCPS recognised through equity	—	—	(10,448)	—	(10,448)
At 31 December 2011	169,140	169,596	14,318	3,694	356,748
At 1 January 2010	62,172	192,601	—	2,165	256,938
Recognised in the income statement	(12,130)	(9,892)	—	—	(22,022)
At 31 December 2010	50,042	182,709	—	2,165	234,916

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

19. DEFERRED TAX LIABILITIES (CONT'D.)

Deferred tax assets of the Group:

	Provisions RM'000	Tax losses and capital allowances RM'000	Total RM'000
At 1 January 2011	(2,006)	(96,183)	(98,189)
Acquisition of a subsidiary	(16,596)	(389)	(16,985)
Recognised in the income statement	(3,358)	(4,267)	(7,625)
At 31 December 2011	(21,960)	(100,839)	(122,799)
At 1 January 2010	(3,118)	(103,508)	(106,626)
Recognised in the income statement	1,112	7,325	8,437
At 31 December 2010	(2,006)	(96,183)	(98,189)

Deferred tax assets are not recognised in respect of the following items:

	Group	
	2011 RM'000	2010 RM'000
Unused tax losses	334,608	393,779
Others	5,418	4,298
	340,026	398,077

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 these subsidiaries against which the Group can utilise the benefits.

NOTES TO THE FINANCIAL STATEMENTS

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20. PROPERTY DEVELOPMENT COSTS

	Group	
	2011 RM'000	2010 RM'000
At 1 January		
Freehold land	272,234	197,723
Development costs	958,029	698,302
	1,230,263	896,025
Costs incurred during the year:		
– Freehold land	—	7
– Development costs	885,119	276,504
Acquisition of a subsidiary (Note 13(a)(i))	355,407	—
Transfer from/(to):		
– land held for property development (Note 12)	216,409	143,323
– property, plant and equipment (Note 9)	11,922	—
– investment properties (Note 10)	(47,200)	—
– inventory	(36,059)	—
Reversal of cost arising from completed projects	(704,628)	(85,597)
	680,970	334,237
At 31 December	1,911,233	1,230,262
Costs recognised in income statement		
At 1 January	(461,116)	(301,158)
Recognised in income statement during the year	(1,088,369)	(245,555)
Reversal of cost arising from completed projects	704,628	85,597
At 31 December	(844,857)	(461,116)
Property development costs as at 31 December	1,066,376	769,146
Included in costs incurred during the year are:		
Interest expense (Note 6)	39,819	14,723
Staff costs (Note 5(a)(iii))	3,532	4,186

As at the reporting date, freehold land and related development expenditure of RM206,506,386 (2010: Nil) is pledged as securities for the borrowing facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS

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21. INVENTORIES

	Group	
	2011 RM'000	2010 RM'000
At cost		
Completed properties	91,671	9,411
Consumables	462	480
	92,133	9,891
At net realisable value		
Golf memberships *	32,361	32,361
	124,494	42,252

The cost of inventories recognised as cost of sales during the year amounted to RM13,168,000 (2010: RM6,395,000).

* Under the terms of the Development Agreement dated 16 June 2005 between Horizon Hills Development Sdn Bhd ("HHDSB") and Nusajaya Greens Sdn Bhd ("NGSB"), HHDSB shall settle part of the purchase consideration in the form of rights to club membership (golf and non-golf) which is to be issued by the Horizon Hills Resort Bhd. ("HHRB"), a wholly-owned subsidiary of HHDSB.

22. RECEIVABLES

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables	(i)	661,174	400,981	—	—
Accrued billings in respect of property development costs		341,887	22,507	—	—
Amount due from related parties	(ii)	720	598	—	—
Amount due from customers on construction and turnkey development contracts	(iii)	44,481	20,431	—	—
Other receivables	(iv)	183,051	95,317	48,363	48,290
		1,231,313	539,834	48,363	48,290
Less: Allowance for impairment	(v)	(11,097)	(14,135)	—	—
		1,220,216	525,699	48,363	48,290
Analysed into:					
Non current		204,380	68,766	—	—
Current		1,015,836	456,933	48,363	48,290
		1,220,216	525,699	48,363	48,290

NOTES TO THE FINANCIAL STATEMENTS

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22. RECEIVABLES (CONT'D.)

Included in trade receivables is an amount of RM86,159,000 (2010: 90,375,000) owing from 3 joint venture companies arising from sale of land to these companies in prior years.

- (i) Included under trade receivables are long term receivables of RM51,002,000 (2010: RM48,115,000) which are charged an interest of 6% (2010: Nil) per annum.
- (ii) Related parties refer to those as specified in Note 35.
- (iii) Amount due from customers on turnkey development contracts.

	Group	
	2011 RM'000	2010 RM'000
Costs incurred to date	620,906	577,478
Add: Attributable profit	32,514	28,396
Less: Provision for foreseeable losses	(1,558)	(1,558)
	651,862	604,316
Less: Progress billings	(611,960)	(588,664)
Net amount due from customers	39,902	15,652
Presented as follows:		
Amount due from customers	44,481	20,431
Amount due to customers (Note 32)	(4,579)	(4,779)
	39,902	15,652
Contract revenue recognised as revenue in the year (Note 3)	23,296	3,634
Contract costs recognised as an expense in the year (Note 4)	19,177	2,006
Retention sum receivable on turnkey development contracts	898	898
Included in costs incurred during the year are:		
Interest expense (Note 6)	195	—

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

22. RECEIVABLES (CONT'D.)

(iv) Other receivables

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Projects debtors	6,168	4,725	—	—
Dividend receivable	—	—	48,264	48,264
Sundry debtors and prepayments	19,980	11,479	37	—
Tax recoverable (Note a)	26,559	45,443	62	26
Interest receivable	23	2,653	—	—
Deposits (Note b)	46,135	31,017	—	—
Promissory note (Note c)	84,186	—	—	—
	183,051	95,317	48,363	48,290

- (a) Included in the tax recoverable amount in prior year is an amount paid to the Inland Revenue Board ("IRB") for additional tax payable and tax penalties in respect of years of assessment 2003 and 2004 of UEMLB amounting to RM37.6 million. During the financial year, the full amount of RM37.6 million was refunded to UEMLB by the IRB.
- (b) Included in deposits in the previous financial year is an amount of RM26 million being deposit paid in respect of proposed freehold land acquisition as disclosed in Note 40(a). Included in current year's deposits are:
- (i) an amount of RM7.5 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; and
 - (ii) an amount of RM10 million representing a deposit paid by a subsidiary for the 99-year lease of 35 acres of land held under H. S. (D) 478904, PTD 170657 ("Lot A3A") and H. S. (D) 478905, PTD 170658 ("Lot A3B"), both situated in Mukim of Pulai, Johor Darul Takzim as disclosed in Note 40(c).
- (c) Promissory note is given by the State Secretary Johore (Incorporation) to the Group for the purchase of two parcels of land during the financial year. The salient terms of the promissory note is as follows:
- (i) The promissory note may be utilised against the Group's conversion and land alienation premium liability, quit rent liability, payment in lieu of fulfillment of the low cost housing requirements or bumiputera/foreign quota or any other contribution to social project funds; and
 - (ii) The promissory note – land price may be prepaid in whole or in part at any time without premium or penalty.

NOTES TO THE FINANCIAL STATEMENTS

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22. RECEIVABLES (CONT'D.)

- (v) Allowance for impairment

	Group	
	2011 RM'000	2010 RM'000
Trade receivables	1,147	23
Projects debtors	3,076	3,076
Amount due from related parties	581	581
Sundry debtors	6,293	10,455
	11,097	14,135

- (vi) The Group's normal trade credit terms range from 30 to 90 days (2010: 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	
	2011 RM'000	2010 RM'000
Neither past due nor impaired	554,344	322,596
1 to 30 days past due not impaired	17,507	2,458
31 to 60 days past due not impaired	13,381	2,251
61 to 90 days past due not impaired	10,938	3,260
More than 90 days past due not impaired	46,484	70,393
Impaired	88,310	78,362
	18,520	23
	661,174	400,981
Individually impaired		
Nominal amount	18,520	23
Allowance for impairment	(1,147)	(23)
	17,373	—

NOTES TO THE FINANCIAL STATEMENTS

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22. RECEIVABLES (CONT'D.)

(vii) Ageing analysis (cont'd.)

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired relate to customers with good credit standing and good track record with the Group. Included therein are receivables amounting to RM68.5 million which are pending conditions precedents as deemed stipulated in the sales arrangement to be fulfilled.

Based on past experience, the Board believes that no allowance for impairment is necessary in respect of those balances.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM88,310,000 (2010: RM78,362,000) that are related to customers with good track records with the Group or those with ongoing transactions and/or progressive payments. Based on past experience, the Board believes that no allowance for impairment is necessary.

Receivables that are impaired

The movement in allowance account for receivables are as follows:

	Group	
	2011 RM'000	2010 RM'000
At 1 January	14,135	22,956
Charge for the year (Note 5(a))	1,147	2,956
Reversal of impairment loss	(1,396)	(11,777)
Write-off	(2,789)	—
At 31 December	11,097	14,135

23. AMOUNT DUE FROM SUBSIDIARIES

Amount due from subsidiaries in the current and prior year are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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24. SHORT TERM INVESTMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
In Malaysia:				
Available-for-sale investments				
– Quoted shares	14	7	—	—
Financial assets at fair value through profit or loss				
– Unquoted unit trust #	272,176	—	272,176	—
	272,190	7	272,176	—

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.

25. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE

(i) Share capital

Authorised:

	Number of ordinary shares of RM0.50 each		Amount	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
Ordinary shares				
At 1 January	7,000,000	5,000,000	3,500,000	2,500,000
Created during the year	—	2,000,000	—	1,000,000
At 31 December	7,000,000	7,000,000	3,500,000	3,500,000

	Number of preference shares of RM0.01 each		Amount	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
MCRPS				
At 1 January/31 December	200,000	200,000	2,000	2,000

NOTES TO THE FINANCIAL STATEMENTS

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25. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

(i) Share capital (cont'd.)

Authorised (cont'd.):

	Number of preference shares of RM0.01 each		Amount	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
RCPS				
At 1 January	1,500,000	—	15,000	—
Created during the year	—	1,500,000	—	15,000
At 31 December	1,500,000	1,500,000	15,000	15,000

Issued and fully paid:

	Number of ordinary shares of RM0.50 each		Amount	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
Ordinary shares				
At 1 January	3,642,265	2,428,177	1,821,132	1,214,088
Issued for acquisition of a subsidiary	261,877	—	130,939	—
Conversion of RCPS	419,476	—	209,738	—
Rights issue	—	1,214,088	—	607,044
At 31 December	4,323,618	3,642,265	2,161,809	1,821,132

	Number of preference shares of RM0.01 each		Amount	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
MCRPS				
At 1 January/31 December	154,914	154,914	1,549	1,549
Total share capital (issued and fully paid)			2,163,358	1,822,681

NOTES TO THE FINANCIAL STATEMENTS

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25. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

(ii) Share premium

	Number of ordinary shares		Amount	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
At 1 January	1,214,088	—	359,759	—
Issued for acquisition of a subsidiary	261,877	—	548,941	—
Rights issue	—	1,214,088	—	364,226
Arising from RCPS conversion	419,476	—	844,909	—
Share issue expenses	—	—	(8,668)	(4,467)
At 31 December	1,895,441	1,214,088	1,744,941	359,759

	Number of preference shares of RM0.99 each		Amount	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
MCRPS				
At 1 January/31 December	154,914	154,914	153,365	153,365
Total share premium			1,898,306	513,124

Issue of shares

During the financial year, the Company:

- (a) increased its issued and paid up ordinary share capital by way of the issuance of:
 - (i) 261,877,362 ordinary shares of RM0.50 each as part settlement of the purchase consideration for the acquisition of Sunrise Berhad as disclosed in Note 13;
 - (ii) 419,476,430 ordinary shares of RM0.50 each arising from the conversion of RCPS which was issued as part settlement of the purchase consideration for the acquisition of Sunrise Berhad (as disclosed in Note 13).
- (b) issued 837,093,777 RCPS as part settlement of the acquisition of subsidiary. The terms of the RCPS are as disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

25. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

(ii) Share premium (cont'd.)

Rights issue

In 2010, the Company undertook a renounceable rights issue of 1,214,088,456 new ordinary shares of RM0.50 each at an issue price of RM0.80 per rights share. The new ordinary shares rank pari passu with the existing ordinary shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

Mandatory Convertible Redeemable Preference Shares ("MCRPS")

In 2009, the Company ("the Issuer") issued 28,971,840 MCRPS and 125,942,162 MCRPS to Hartanah Lintasan Kedua Sdn. Bhd. and UEM Group Berhad (as nominee of UEM Construction Sdn. Bhd.) respectively, at an issue price of RM1.00 per MCRPS with a par value of RM0.01 per MCRPS, as full satisfaction of the purchase consideration for various land parcels and 100% equity interest in Finwares Sdn. Bhd..

The salient terms of the MCRPS are as follows:

- (a) The conversion rates of the MCRPS (after adjustments pursuant to the Company's rights issue in 2010) are as follows:
 - (i) one MCRPS of RM1.00 each to be converted at RM1.82 ("Conversion Price") into approximately 0.549 new ordinary share of the Company; or
 - (ii) one MCRPS with cash subscription of RM1.21 per MCRPS to be converted into approximately 1.213 new ordinary shares of the Company;
- (b) The MCRPS matures on 7 January 2014 ("Maturity Date").
- (c) The MCRPS will not be convertible from the Issue Date until the end of the third year from the Issue Date. Commencing after the end of the third year from the Issue Date until the Maturity Date, the MCRPS shall be convertible into ordinary shares of the Issuer at the Conversion Price. All outstanding MCRPS held by MCRPS holders are mandatorily convertible by the Issuer at the Maturity Date.
- (d) The MCRPS shall be redeemable at the option of the Issuer in whole but not in part after the end of year 3 from the Issue Date until the Maturity Date, by serving a 1 month prior written notice to the MCRPS holders. The redemption value shall be equivalent to 8% yield to maturity at redemption date, after taking into account any dividend paid, compounded on a yearly basis, on the MCRPS up to the redemption date.

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– 31 December 2011

25. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

(ii) Share premium (cont'd.)

Mandatory Convertible Redeemable Preference Shares ("MCRPS") (cont'd.)

(e) The MCRPS shall carry no right to vote at any general meeting of the Company except with regard to:

- any proposal to wind-up the Company;
- during the winding-up of the Company;
- any proposal that effects the rights of the MCRPS holders;
- any proposal to reduce the Company's share capital;
- any proposal for the disposal of the whole of the Company's property, business and undertaking; or
- when dividend or part of the dividend on the MCRPS is in arrears for more than 6 months.

(collectively referred to as the "Voting Rights")

(f) Save for the Voting Rights, the MCRPS shall rank equal in all respects amongst all MCRPS and the ordinary shares in the Company.

(g) Any dividends to be paid to the holders of the MCRPS must be decided at the discretion of the directors of the Company, save that dividends on the MCRPS must be paid if dividends are paid on the ordinary shares of the Company.

Dividend per MCRPS payable to MCRPS holders shall be computed as follows:

$$\frac{\text{Dividend per ordinary share payable}}{\text{Conversion price}} \times \text{Issue price}$$

(h) The MCRPS shall be convertible into ordinary shares during the conversion period from 8 January 2012 to 7 January 2014 (both dates inclusive) with the following modes of conversion:

- (i) by tendering 1 MCRPS with cash subscription of RM1.21 per MCRPS for conversion into approximately 1.213 new ordinary shares; or
- (ii) by tendering such amount of MCRPS that are equal to the Conversion Price for conversion into 1 new ordinary share computed as follows:

$$\frac{\text{Issue price} \times \text{No. of MCRPS}}{\text{Conversion price}}$$

(iii) Merger relief reserve

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 during the previous financial year, 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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26. OTHER RESERVES AND RETAINED PROFITS

(a) Other reserves

		Group	
		2011 RM'000	2010 RM'000
(i)	Exchange fluctuation reserves		
	At 1 January	(2,837)	(1,450)
	Foreign currency translation	1,049	(1,387)
At 31 December		(1,788)	(2,837)
(ii)	Merger reserve		
	At 1 January/31 December	32,112	32,112
(iii)	Fair value adjustments reserve		
	At 1 January	—	—
	Loss on fair value changes	(208)	—
At 31 December		(208)	—
Total		30,116	29,275

(b) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2011 under the single tier system.

27. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

In settlement of the acquisition of a subsidiary as disclosed in Note 13, the Company had issued 837,093,777 RCPS of RM0.01 per RCPS at an issue price of RM1.00 per RCPS.

The carrying amount of the equity and liability component of RCPS at the reporting date is as follows:

		2011 RM'000	
		Liability component	Equity component
Initial recognition (Note (i))		738,031	241,715
Conversion of RCPS to ordinary shares		(377,921)	(121,194)
Interest expense recognised in profit or loss (Note 6)		28,304	—
At 31 December		388,414	120,521

NOTES TO THE FINANCIAL STATEMENTS

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27. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (“RCPS”) (CONT’D.)

- (i) The equity and liability component of the RCPS is computed as follows:

	2011 RM'000
Fair value of 837,093,777 RCPS (Note 13)	1,004,512
Equity component	
– Equity component, net of deferred tax	241,715
– Deferred tax liability (Note 19)	24,766
	266,481
Liability component	738,031

The salient terms of the RCPS are as follows:

- (a) Conversion price of RM2.30 per RCPS.
- (b) The RCPS matures on 7 January 2013 (“Maturity Date”).
- (c) The RCPS can be converted at the option of the RCPS holders, into ULHB shares at any point in time after the Issue Date but before the Maturity Date by serving at least one month notice to the Company prior to the Maturity Date with the following modes of conversion:
- by tendering 1 RCPS with cash subscription of RM1.30 per RCPS for 1 ULHB share (Cash conversion); or
 - by tendering such amount of RCPS that are equal to the conversion price for 1 new ULHB share (Non cash conversion) computed as follows:

$$\frac{\text{Issue price} \times \text{No. of RCPS}}{\text{Conversion price}}$$
- (d) The RCPS can be redeemed at the option of the RCPS holders at RM1.00 each on the Maturity date. Any outstanding RCPS which are not redeemed shall be mandatorily converted into ULHB shares using method (c) (ii).
- (e) The RCPS shall carry no right to vote at any general meeting of the Company except with regard to:
- any proposal to wind-up the Company;
 - during the winding-up of the Company;
 - any proposal that effects the rights of the RCPS holders;
 - any proposal to reduce the Company’s share capital; and
 - any proposal for the disposal of the whole of the Company’s property, business and undertaking.
- (f) The RCPS shall rank pari passu amongst themselves but in priority to the holders of other class of shares except MCRPS.

NOTES TO THE FINANCIAL STATEMENTS

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28. NON-CONTROLLING INTERESTS

Included in non-controlling interests is the Redeemable Convertible Preference Shares (“BND RCPS”) held by UEM amounting to RM450 million issued by BND (“the Issuer”). On 28 November 2005, BND issued 450,000,000 new BND RCPS of RM1.00 each at an issue price of RM1.00 per BND RCPS to UEM pursuant to the Subscription Agreement signed between BND and UEM on 9 August 2005. The issuance of the 450,000,000 BND RCPS were treated as part settlement of the outstanding loan of RM800,000,000 previously granted by Khazanah which was transferred to UEM via the Substitution Certificate.

The salient features of the BND RCPS are as follows:

- (a) BND shall have the discretion to decide whether to declare any annual non-cumulative dividend as well as the quantum of such dividend. The dividend declared shall not be more than 4% per annum per RCPS on the Issue Price of the said RCPS.
- (b) The RCPS may be converted at RM16.18 per one ordinary share in BND, at any time after the date of issuance at the option of the holder.
- (c) Any RCPS not converted or redeemed by the expiry of the tenure of 10 years of the RCPS shall be automatically converted to new ordinary shares in BND.
- (d) The RCPS is redeemable at the option of the Issuer at any time after the issue date and during the tenure of the RCPS. On redemption, it will result in an effective yield, on the Issue Price of the RCPS to be redeemed, of 7.5% per annum compounded yearly for the period from the Issuance Date to the Redemption Date.
- (e) After full redemption of the Redemption Price on each RCPS and full payment of dividends if any, the RCPS holder shall not be entitled to participate in the distribution of any surplus assets.

29. BORROWINGS

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Long term borrowings					
Secured					
Islamic term financing	(a)	152,928	150,000	152,928	150,000
Loan from immediate holding company	(b)	261,584	258,185	—	—
Term and bridging loans	(c)	20,316	—	—	—
Term loans	(d)	443,828	—	—	—
Revolving credit	(d)	35,000	—	—	—
Bank overdrafts	(d)	9,635	—	—	—
Unsecured					
IMTN	(e)	200,000	—	—	—
		1,123,291	408,185	152,928	150,000

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29. BORROWINGS (CONT'D.)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short term borrowings					
Secured					
Revolving credit	(d)	7,000	—	—	—
Hire purchase	(f)	42	—	—	—
Unsecured					
Revolving credit	(d)	42,500	—	—	—
Bank overdraft	(g)	2,142	—	—	—
		51,684	—	—	—
Total borrowings		1,174,975	408,185	152,928	150,000

- (a) In the previous financial year, Kumpulan Wang Persaraan (“KWAP”) granted an Islamic Term Financing Facility based on the Syariah Principle of Al-Bai Bithaman Ajil of RM300 million to the Company bearing a profit margin rate between 7.50% to 8.0% per annum.

The Company had the first drawdown of RM150 million in September 2010, and the remaining RM150 million undrawn balance was cancelled due to the variation of terms of the facility in the current financial year.

In line with the variation of facility terms, the securities have been reduced to approximately 400 acres (2010: 685 acres) of freehold land titles in its subsidiaries and 10,576,416 shares in a subsidiary, Bandar Nusajaya Development Sdn Bhd that was previously charged for the facility have been fully discharged.

- (b) The loan from the immediate holding company bears interest of 6.5% (2010: 6.5%) per annum and is secured by land titles of approximately 1,584 acres (2010: 1,584 acres) of freehold land which are deposited with the immediate holding company.
- (c) During the financial year, the subsidiaries of the Company obtained the term and bridging loans together with bank guarantees facilities which are secured by a legal charge over land titles of approximately 272 acres of freehold land and 89,423,584 shares in a subsidiary, Bandar Nusajaya Development Sdn. Bhd.. The term and bridging loans bear an average interest rate of 6.82% per annum.
- (d) The term loans and revolving credits and bank overdraft facilities obtained from various banks, taken by certain subsidiaries, which bear interest rate of 4.50% to 4.57% (2010: 4.30% to 4.33%) per annum, are secured by certain land held for property development and property development cost as disclosed in Note 12 and 20.

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29. BORROWINGS (CONT'D.)

- (e) On 1 September 2005, Sunrise, a wholly-owned subsidiary of the Company, obtained approval from Securities Commission for an Islamic Medium Term Note Programme ("IMTN Programme") with the aggregate nominal value of up to RM150 million. The facility amount was subsequently upsized to RM400 million on 18 December 2007. The tenure of IMTN Programme is up to 10 years from the date of the first issue under the IMTN Programme where the first issuance was made on 25 July 2006.

On 24 July 2009, Sunrise refinanced the first tranche of RM100 million IMTN through a term loan. The second tranche of RM100 million has been repaid on 15 April 2010.

The third and fourth tranche of RM100 million each were issued and will be maturing on 18 February 2013 and 31 January 2014 respectively. The IMTN bears profit at the fixed rate of 4.90% and 4.55% per annum in respect of the third and fourth tranche respectively.

- (f) The interest rate implicit in the hire purchase is 6.51% per annum.

	Group	
	2011 RM'000	2010 RM'000
Minimum lease payments		
Not later than 1 year	44	—
Less: Amounts representing finance charges	(2)	—
Present value of minimum hire purchase payments	42	—

- (g) The bank overdraft taken by Sunrise, a wholly-owned subsidiary of the Company, bears interest at 7.35% per annum.

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30. LONG TERM PAYABLE

Long term payable is in relation to the balance of purchase consideration payable for the acquisition of 98.037 acres in the Cyberjaya Flagship Zone (Phase 2).

Pursuant to the measurement and recognition requirement of FRS 139, the amount due to a related party is measured at fair value which is computed based on estimated future cash flows discounted at the Group's cost of borrowing as follows:

	Group	
	2011 RM'000	2010 RM'000
At 1 January	24,407	24,960
Settlement of long term payable	(12,480)	—
Fair value adjustment arising from adoption of FRS 139	—	(1,635)
Accretion of interest arising from fair value adjustment (Note 6)	553	1,082
Reclassification to current liabilities	(12,480)	—
At 31 December	—	24,407

31. PROVISIONS

	Resettlement costs RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Provision for customer rebate and free maintenance RM'000 (Note c)	Total RM'000
2011				
At 1 January	16,284	6,619	—	22,903
Acquisition of a subsidiary (Note 13(a)(i))	—	12,251	44,446	56,697
Utilised	—	(41,187)	(26,447)	(67,634)
Reversal	(16,284)	(5,670)	—	(21,954)
Addition	—	84,607	62,421	147,028
At 31 December	—	56,620	80,420	137,040
2010				
At 1 January	16,184	8,131	—	24,315
Utilised	—	(4,064)	—	(4,064)
Addition	100	2,552	—	2,652
At 31 December	16,284	6,619	—	22,903

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31. PROVISIONS (CONT'D.)

(a) Resettlement costs

BND undertook to relocate certain settlers in Nusajaya. During the financial year, the provision had been reversed as it is less likely that an outflow of resources embodying economic benefits will be required to settle the obligation.

(b) Provision for construction costs

Provision for construction costs relates to estimated final claims by sub-contractors which have not been finalised.

(c) Provision for customer rebate 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.

32. PAYABLES

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables		183,770	70,369	—	—
Amount due to customers on turnkey development contracts	22(iii)	4,579	4,779	—	—
Excess billings in respect of property development costs		60,079	2,519	—	—
Amount due to related parties	(i)	30,494	32,266	—	—
Accruals for contract claims		29,095	15,874	—	—
Amount due to minority shareholder	(ii)	30,952	—	—	—
Other payables and accruals	(iii)	176,818	29,862	854	427
		515,787	155,669	854	427

The normal trade credit terms granted to the Group range from 30 to 60 days (2010: 30 to 60 days).

- (i) Included under amount due to related parties is an amount of RM12.48 million reclassified from long term payables in relation to the balance of purchase consideration payable for the acquisition of 98.037 acres in the Cyberjaya Flagship Zone (Phase 2).
- (ii) 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, interest-free and is expected to be repaid upon the completion of the development project on the land.

NOTES TO THE FINANCIAL STATEMENTS

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32. PAYABLES (CONT'D.)

(iii) Other payables and accruals

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sundry creditors	25,999	15,989	4	—
Deposits received*	114,239	4,220	—	—
Accruals	15,592	4,599	850	427
Employee benefits	20,988	5,054	—	—
	176,818	29,862	854	427

* Included in deposits of the Group is an amount of RM99.5 million representing deposits placed by purchasers of properties in Canada held by lawyer and will be released only upon the completion of the properties.

33. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

In the previous financial year, the amount due to immediate holding company was unsecured, interest-free and repayable on demand except for an amount of RM67,000,000 which was subjected to interest at the rate of 6.5% per annum.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency and market price risk. The Group's overall risk management strategy seeks to minimise the adverse effects from the unpredictability of economy on the Group's financial performance.

It is the Group's policy not to engage in foreign exchange and/ or derivatives speculation and trading. The Group only undertakes hedging instruments where appropriate and cost efficient. The Group does not have any hedging instruments during the financial year.

To ensure a sound system of internal controls, the Board has established a risk management framework for the Group.

The risk management framework of the Group encompasses effective policies, objectives and clear lines of responsibilities and accountabilities. The framework provides clear guidelines on the following:

- The overall Risk Management policy of the Group
- The key objectives of Risk Management
- The Risk Management Guiding Principles
- The Group's Risk Appetite and how different magnitudes of risk exposures are to be managed and monitored
- The risks which are unacceptable to the Group and to be avoided; and
- The roles of the Board, the Management, the Risk Management Committee (RMC), the Risk Owners and Risk Management Secretariat

NOTES TO THE FINANCIAL STATEMENTS

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

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 22.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statement of financial position. The Group's main financial assets are its receivables. Ageing analysis is disclosed in Note 22.

The total loans and receivables of the Group and of the Company are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Receivables	1,220,216	525,699	48,363	48,290
Amount due from subsidiaries	—	—	1,448,000	1,225,356
Amount due from joint ventures				
– Non-current	174,940	—	—	—
– Current	3,228	75,484	—	—
Amount due from associates	4,652	898	—	—
Deposits in licensed banks				
– Non-current	1,418	1,418	—	—
– Current	416,457	341,240	—	—
Cash and bank balances	215,683	96,649	111	49
	2,036,594	1,041,388	1,496,474	1,273,695

NOTES TO THE FINANCIAL STATEMENTS

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(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.

	Functional currency of Group	
	2011 RM'000	2010 RM'000
South Africa Rand ("ZAR")	33,028	39,275
United States Dollar ("USD")	12,613	12,262
	45,641	51,537

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the USD and SAR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2011 RM'000	2010 RM'000
USD/RM (strengthened 5%)	633	628
ZAR/RM (strengthened 5%)	1,651	2,215

NOTES TO THE FINANCIAL STATEMENTS

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group's objective is to maintain a balance of cost of funding and flexibility through the use of credit facilities, short and long term borrowings. Short-term flexibility is achieved through credit facilities and short-term borrowings. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve the Group's objective.

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade and other payables	401,548	175,856	854	427
Borrowings	1,174,975	408,185	152,928	150,000
Amount due to immediate holding company	—	69,402	—	—
	1,576,523	653,443	153,782	150,427

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts are disclosed as follows:

	2011		
	Within 1 year RM'000	2 to 5 years RM'000	Total RM'000
Group			
Trade and other payables	401,548	—	401,548
Loans and borrowings	51,684	1,261,170	1,312,854
	453,232	1,261,170	1,714,402
Company			
Trade and other payables	854	—	854
Loans and borrowings	—	186,934	186,934
	854	186,934	187,788

NOTES TO THE FINANCIAL STATEMENTS

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and cash flow risk (cont'd.)

2010			
	Within 1 year RM'000	2 to 5 years RM'000	Total RM'000
Group			
Trade and other payables	220,851	24,960	245,811
Loans and borrowings	—	520,978	520,978
	220,851	545,938	766,789
Company			
Trade and other payables	427	—	427
Loans and borrowings	—	195,665	195,665
	427	195,665	196,092

(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		
	2011 %	2010 %
Financial assets		
Floating rate	3.06	2.42
Financial liabilities		
Fixed rate	5.87	7.00

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

34. 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		
	2011 %	2010 %
Financial liabilities		
Islamic term financing	8.00	7.50
Loan from immediate holding company	6.50	6.50
Term and bridging loans	6.82	—
Term loan	4.57	—
Revolving credit	4.50	—
Bank overdraft	5.96	—
IMTN	4.73	—

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 RM1,079,000 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 are minimal as the Group's investment in quoted equity instruments are small compared to its total assets.

NOTES TO THE FINANCIAL STATEMENTS

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35. 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	
	2011 RM'000	2010 RM'000
Interest payable to UEM:		
– Loan from UEM	(17,182)	(19,897)
Training fees paid/payable to subsidiaries of UEM:		
– UEM Group Management Sdn. Bhd.	(1,038)	(385)
– UEM Leadership Centre Sdn. Bhd.	–	(30)
– UEM Academy Sdn Bhd	–	(10)
– UEM	(7)	(79)
Management fees payable to subsidiary of UEM:		
– UEM Group Management Sdn. Bhd.	(194)	(238)
Sale of land to joint ventures:		
– Horizon Hills Development Sdn. Bhd.	20,426	16,487
– Nusajaya Consolidated Sdn. Bhd.	–	24,800
– Malaysian Bio-XCell Sdn. Bhd.	53,315	–
Interest income from joint ventures:		
– Haute Properties Sdn. Bhd.	4,883	–
– Nusajaya Consolidated Sdn. Bhd.	67	142
Management income from joint venture:		
– Nusajaya Consolidated Sdn. Bhd.	738	–
Provision of construction and engineering services payable to subsidiary of UEM:		
– UEM Construction Sdn. Bhd.	(11,582)	(14,090)
Facilities maintenance and management payable to associate of UEM:		
– Faber Facilities Sdn. Bhd.	(6,250)	(3,065)
Management fees received and receivable from a subsidiary of Khazanah:		
– Themed Attractions and Resorts Sdn. Bhd.	1,275	1,275
Lease rental received from a subsidiary of Khazanah:		
– Menara Burj Sdn. Bhd.	420	420
Sale of land to a subsidiary of Khazanah:		
– Medini Iskandar Malaysia Sdn. Bhd.	–	6,530
Professional services rendered by a firm related to a director:		
– Kadir Andri & Partners	(497)	(293)
Sale of property to Dazzling Spirit Sdn Bhd, a company in which a director of a subsidiary and his family are beneficiaries	3,484	–
Sale of property to a director of the Company	5,206	–
Sale of property to a director of a subsidiary	3,253	–

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) (Cont'd.)

	Company	
	2011 RM'000	2010 RM'000
Dividend receivable from a subsidiary	—	64,352

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.

(b) Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Salaries and other emoluments	9,793	5,387	1,932	1,332
Bonus	3,985	581	—	—
Defined contribution plan	2,076	856	—	—
Benefits-in-kind	1,080	1,047	105	104
	16,934	7,871	2,037	1,436
Included in compensation of key management personnel are directors' remuneration (Note 5)	1,325	965	1,325	965

NOTES TO THE FINANCIAL STATEMENTS

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36. CONTINGENT LIABILITIES

		Group	
	Note	2011 RM'000	2010 RM'000
Unsecured			
Litigation, claims and legal suits			
– potential compensation payable to Felcra settlers	(a)	54,000	54,000
– potential compensation payable to the previous land owners	(b)	201,318	201,318
Income tax assessment	(c)	73,837	—
		329,155	255,318

(a) Potential compensation payable to Felcra settlers

A group of thirty eight (38) Felcra settlers (“the Plaintiffs”) had collectively served an originating summons against Felcra Berhad (“Felcra”), District Land Administrator (“DLA”) and the Johor State Government (“State Government”) (collectively the “Defendants”). The Summons pertain to 198 acres of land previously owned by the State Government, developed by Felcra and subsequently alienated to BND, for the development of Bandar 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 matter is now set for mention on 3 April 2012.

BND is not directly involved in these litigations, but by virtue of the Novation Agreement, is responsible for the additional land cost of land alienated to it, which includes the amounts claimed by the Plaintiffs.

(b) Potential compensation payable to the previous land owners

There are a total of fifty (50) cases referred to High Court involving claims against the State Government for additional compensation by the previous landowners of lands acquired for the Second Malaysian Crossing Project.

After hearing the 50 cases, the High Court maintained the amount of compensation awarded by the DLA in 15 cases, and increased the amount of compensation in the remaining 35 cases. The parties involved however, made further appeals to the Court of Appeal for higher compensation. However, the Court of Appeal ordered that all land acquisition appeals to be transferred to the Federal Court.

NOTES TO THE FINANCIAL STATEMENTS

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36. CONTINGENT LIABILITIES (CONT'D.)

(b) Potential compensation payable to the previous land owners (cont'd.)

Of these 50 cases:

- (i) 1 has been heard and dismissed by the Court of Appeal;
- (ii) 4 have been heard and dismissed by the Federal Court;
- (iii) 2 have accepted out-of-court settlements proposed by the Johor State Legal Advisor;
- (iv) 4 have withdrawn the case against DLA; and
- (v) 2 have been heard and granted additional compensation amounting to RM19.5 million by the Federal Court.

The remaining thirty seven (37) cases, which the plaintiffs are seeking compensation with a total amount of RM201.3 million, are pending hearing at the Federal Court.

BND is not directly involved in these litigations but by virtue of the Novation Agreement, is responsible for the additional land cost of land alienated to it, which includes the amounts claimed by the previous landowners.

To date, the hearing for the remaining 37 cases have not been fixed.

(c) Income tax assessment

On 3 October 2011, Bandar Nusajaya Development Sdn. Bhd. ("BND"), a major subsidiary of the Company which was held through its wholly owned subsidiary, UEM Land Berhad, received a notice of additional assessment from the IRB for additional tax and penalty of RM50,921,871 and RM22,914,841 respectively in respect of the year of assessment 2006. BND has commenced the appeal process against the additional assessment and penalty.

Based on the advice received from the Company's advisors, no provision for income tax and tax penalty have been made by the Company in respect of the above amount as the Company believes that the grounds for the appeal are valid.

(d) Third party charge

On 18 May 2007, Horizon Hills entered into the following:

- (i) The issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic Securities of up to RM270 million nominal value by Horizon Hills, comprising:
 - up to 12-year Islamic Bank Guarantee Medium-Term Notes Programme of up to RM200 million nominal value under the principles of Murabahah ("IMTN Programme"); and
 - up to 7-year Islamic Commercial Papers Programme of up to RM70 million nominal value under the principles of Murabahah.
- (ii) A Kafalah (bank guarantee) facility of up to RM205 million to guarantee the nominal value of the IMTN Programme of up to RM200 million and one profit payment in respect of the IMTN Programme of up to RM5 million.

Collectively referred to as "the Facilities"

In this respect, Nusajaya Greens Sdn. Bhd. had provided a third party charge over approximately 1,227 acres of land in favour of the security trustee for the Facilities ("Charge"). 817 acres out of the total of 1,227 acres had been purchased and paid by Horizon Hills. Save and except in the event of a default on the Facilities, the Charge is not expected to have a financial impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

37. CAPITAL COMMITMENTS

	Group	
	2011 RM'000	2010 RM'000
In respect of purchase of property, plant and machinery, investment property and land held for property development:		
Approved and contracted for	3,430	241,156
Approved but not contracted for	4,703	4,708
	8,133	245,864

38. FAIR VALUES

The following are fair value of financial instruments by classes which are not carried at fair value on the face of statement of financial position:

	Carrying amount RM'000	Fair value RM'000
Group		
2011		
Long term receivables	204,380	215,807
Borrowings (non-current portion)	1,123,291	1,123,291
2010		
Long term receivables	68,766	68,766
Long term payables	24,407	24,407
Borrowings (non-current portion)	408,185	408,185
Company		
2011		
Borrowings (non-current portion)	152,928	152,928
2010		
Borrowings (non-current portion)	150,000	150,000

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

38. FAIR VALUES (CONT'D.)

As stipulated in Amendments to FRS 7: *Improving Disclosure about Financial Instruments*, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

- Level 1 – the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (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 as 31 December 2011:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial asset available for sale:				
Short term investment	14	272,176	—	272,190

Determination of fair value

(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

– 31 December 2011

39. 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.

40. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) Bangi land acquisition

UEMLB had on 30 December 2010 entered into a sale and purchase agreement with Inch Kenneth Kajang Rubber Public Limited Company ("IncKen") to acquire a piece of land of 448.61 acres (19,541,452 sq. ft.) for a cash consideration of RM259.9 million or approximately RM13.30 per sq. ft. ("Proposed Acquisition").

The acquisition is subject to approvals to be obtained from the following parties:

- (i) approval of IncKen's shareholders for the Proposed Acquisition at IncKen's EGM to be convened; and
- (ii) approval of the Estate Land Board for the Proposed Acquisition in accordance with Section 214A of the National Land Code, 1965.

Pursuant to the receipt by IncKen of the approval from the Selangor State Land Board ("ELB") for the land acquisition as stated in the ELB certificate dated 10 October 2011, the acquisition has been completed following the payment of the balance of purchase consideration amounting to RM233.9 million due to IncKen on 28 October 2011.

(b) Facilities and Maintenance Agreement

A Facilities and Maintenance Agreement dated 13 April 2011 was entered into between Cahaya Jauhar Sdn. Bhd., a 60:40 joint venture company between UEMLB and the Johor State Government, and State Secretary Johore (Incorporation) ("JSSI") for the provision of management and maintenance services for Phase 1 of Kota Iskandar ("FMMA"). The annual fee under the FMMA for the first year is RM10.47 million and will be increased in the third year to RM15.8 million. The FMMA covers a period of 30 years with a review every 3 years.

(c) Shareholders' Agreement between the Company and Iskandar Harta Holdings Sdn. Bhd. ("IHH")

A Shareholders' Agreement dated 9 June 2011 was entered into between the Company and IHH, a wholly-owned subsidiary of Iskandar Investment Berhad ("IIB") for the development of 2 parcels of land measuring an aggregate of approximately 35 acres held under H. S. (D) 478904, PTD 170657 ("Lot A3A") and H. S. (D) 478905, PTD 170658 ("Lot A3B"), both situated in Mukim of Pulau, Johor Darul Takzim into a mixed development predominantly in the retail segment ("Retail Mall").

The Retail Mall is to be developed by Nusajaya Lifestyle Sdn. Bhd. ("NLSB"), held by the Company and IHH in the proportion of 55% and 45% respectively. On the same date, NLSB had entered into the Agreements to Lease with IHH, being the registered owner of Lot A3A and Lot A3B, for the 99-year lease of Lot A3A and Lot A3B. On 22 June 2011, all the conditions precedent pertaining to the Shareholders' Agreement and the Agreements to Lease have been fulfilled, and the payment for 10% of the Lease Consideration (equivalent to RM10.0 million) has been made by NLSB to IHH in accordance with the term of the Agreements to Lease.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

40. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

(d) Serviced Residence Management and Technical Advisory Agreements

Nusajaya Consolidated Sdn. Bhd. ("NCSB"), a 50:50 joint venture company with United Malayan Land Berhad ("UML"), had on 25 October 2011, entered into a Serviced Residence Management Agreement with Clear Dynamic Sdn. Bhd., a wholly-owned subsidiary of NCSB and Ascott International Management (Malaysia) Sdn. Bhd. ("Ascott Malaysia") for the management and operation of 204 units of waterfront boutique serviced residences known as Somerset Puteri Harbour located at Puteri Harbour, Nusajaya.

NCSB has also on even date entered into a Technical Advisory Agreement with Ascott International Management (2001) Ptd. Ltd (Singapore) ("Ascott Singapore") for the procurement of technical advisory services on project planning and construction of Somerset Puteri Harbour.

41. SEGMENTAL REPORTING

There was no disclosure and presentation of segment information as the Group is mainly involved in property development and related activities.

42. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2011 %	2010 %
Nusajaya Resort Sdn. Bhd.	Proprietor and management of a clubhouse	Malaysia	100	100
Nusajaya Lifestyle Sdn. Bhd.	Property and real estate development, management and property management	Malaysia	55	—
Sunrise Berhad	Property development and investment holding	Malaysia	100	—
UEM Land Berhad	Property development, property investment, project procurement and management, and strategic investment holding	Malaysia	100	100
Subsidiaries of Sunrise Berhad				
Ascot Assets Sdn. Bhd.	Property development	Malaysia	100	—
Aston Star Sdn. Bhd.	Property investment, development and construction	Malaysia	100	—
Aurora Tower at KLCC Sdn. Bhd.	Property development	Malaysia	100	—
Cekap Kawal Sdn. Bhd.	Dormant	Malaysia	100	—

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

42. SUBSIDIARIES (CONT'D.)

			Effective interest	
Name of subsidiaries	Principal activities	Country of incorporation	2011 %	2010 %
Subsidiaries of Sunrise Berhad (cont'd.)				
# Crescent Phase I Ltd.	Investment holding	British Virgin Islands	100	—
# Crescent Phase II Ltd.	Investment holding	British Virgin Islands	100	—
# Global Associates International Ltd.	Investment holding	British Virgin Islands	100	—
Interior Design One Sdn. Bhd.	Dormant	Malaysia	100	—
Ibarat Duta Sdn. Bhd.	Property development	Malaysia	62	—
Laser Tower Sdn. Bhd.	Property development	Malaysia	100	—
Lembah Suria Sdn. Bhd.	Property development	Malaysia	100	—
Lucky Bright Star Sdn. Bhd.	Property investment and development	Malaysia	100	—
Milik Harta Sdn. Bhd.	Property development	Malaysia	100	—
New Planet Trading Sdn. Bhd.	Property investment and development	Malaysia	100	—
Prinsip Eramaju Sdn. Bhd.	Property development	Malaysia	100	—
Saga Centennial Sdn. Bhd.	Dormant	Malaysia	100	—
SCM Property Services Sdn. Bhd.	Property management	Malaysia	100	—
Solid Performance Sdn. Bhd.	Property development	Malaysia	100	—
Summer Suites Sdn. Bhd. (f.k.a Summer Lodge Sdn. Bhd.)	Property development	Malaysia	100	—
Sunrise Alliance Sdn. Bhd.	Property development	Malaysia	100	—

NOTES TO THE FINANCIAL STATEMENTS
– 31 December 2011

42. SUBSIDIARIES (CONT'D.)

			Effective interest	
Name of subsidiaries	Principal activities	Country of incorporation	2011 %	2010 %
Subsidiaries of Sunrise Berhad (cont'd.)				
Sunrise Benchmark Sdn. Bhd.	Property development	Malaysia	100	—
Sunrise Century Sdn. Bhd.	Property development	Malaysia	100	—
Sunrise dotCom Sdn. Bhd.	Dormant	Malaysia	100	—
Sunrise Hospitality and Leisure Sdn. Bhd.	Provision of property related and ancillary services	Malaysia	100	—
Sunrise Incubation Sdn. Bhd.	Dormant	Malaysia	100	—
Sunrise Innovations Sdn. Bhd.	Property development	Malaysia	100	—
# Sunrise International Development Ltd.	Investment holding	Cayman Islands	100	—
Arcoris Sdn. Bhd. (f.k.a. Sunrise Foster At Mont Kiara Sdn. Bhd.)	Property investment and development	Malaysia	100	—
Sunrise Landmark Sdn. Bhd.	Property development	Malaysia	100	—
Sunrise Mersing Sdn. Bhd.	Property development	Malaysia	100	—
Sunrise Millennium Sdn. Bhd.	Dormant	Malaysia	100	—
Sunrise Oscar Sdn. Bhd.	Investment holding	Malaysia	100	—
Sunrise Overseas Corporation Sdn. Bhd.	Investment holding and provision of management services	Malaysia	100	—
Sunrise Paradigm Sdn. Bhd.	Property development	Malaysia	100	—
Sunrise Pioneer Sdn. Bhd.	Property investment	Malaysia	100	—

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

42. SUBSIDIARIES (CONT'D.)

			Effective interest	
Name of subsidiaries	Principal activities	Country of incorporation	2011 %	2010 %
Subsidiaries of Sunrise Berhad (cont'd.)				
Sunrise Project Services Sdn. Bhd.	Dormant	Malaysia	100	—
Sunrise Quality Sdn. Bhd.	Property development	Malaysia	100	—
Sunrise Region Sdn. Bhd.	Property development	Malaysia	100	—
Sunrise REIT Management Sdn. Bhd.	Dormant	Malaysia	100	—
Sunrise Sovereign Sdn. Bhd.	Investment holding	Malaysia	100	—
Sun Victory Sdn. Bhd.	Property investment	Malaysia	100	—
Sunrise MS Pte. Ltd.	Provision of consultancy, advisory and technical services in relation to project development	Republic of Singapore	100	—
Sunrise Overseas (S) Pte. Ltd.	Promotion and management services relating to the Group’s properties in Malaysia	Republic of Singapore	100	—
Subsidiary of Sun Victory Sdn. Bhd.				
Sunrise Assets Sdn. Bhd.	Property investment	Malaysia	100	—
Subsidiary of Sunrise Oscar Sdn. Bhd.				
Sunrise DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	100	—
Subsidiary of Sunrise International Development Ltd.				
# Sunrise Holdings S.à.r.l.	Investment holding	Grand Duchy of Luxembourg	100	—

NOTES TO THE FINANCIAL STATEMENTS
– 31 December 2011

42. SUBSIDIARIES (CONT'D.)

			Effective interest	
Name of subsidiaries	Principal activities	Country of incorporation	2011 %	2010 %
Subsidiary of Sunrise Holdings S.à.r.l.				
* Canada Sunrise Development Corp. <i>(f.k.a. Phileo Development Corp.)</i>	Property investment and development	Canada	100	—
Subsidiary of Canada Sunrise Development Corp.				
* Canada Sunrise Developments (Richmond) Ltd. <i>(f.k.a. Phileo Developments (Richmond) Ltd.)</i>	Property investment and development	Canada	100	—
Subsidiaries of UEM Land Berhad				
Amra Resources Sdn. Bhd.	In members' voluntary liquidation	Malaysia	100	100
Cahaya Jauhar Sdn. Bhd.	Undertake the turnkey design and build contract for the development of the Johor State New Administrative Centre	Malaysia	60	60
Finwares Sdn. Bhd.	Investment holding	Malaysia	100	100
Fleet Group Sdn. Bhd.	Investment holding	Malaysia	100	100
Grand Influx Sdn. Bhd.	Dissolved	Malaysia	—	100
Hatibudi Nominees (Tempatan) Sdn. Bhd.	Investment holding	Malaysia	100	100
Mahisa Sdn. Bhd.	Property development and undertaking construction and turnkey development contracts	Malaysia	100	100
Marak Unggul Sdn. Bhd.	Dormant	Malaysia	50.01	50.01
* Marina Management Sdn. Bhd.	Marina management	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

42. SUBSIDIARIES (CONT'D.)

			Effective interest	
Name of subsidiaries	Principal activities	Country of incorporation	2011 %	2010 %
Subsidiaries of UEM Land Berhad (cont'd.)				
Nusajaya Development Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Hotels Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
* Nusajaya Medical Park Sdn. Bhd.	Construct, manage and/or operate specialised buildings for long term lease	Malaysia	100	100
Nusajaya Business Park Sdn. Bhd.	Dormant	Malaysia	100	100
Projek Usahasama Transit Ringan Automatik Sdn. Bhd.	In creditors' voluntary liquidation	Malaysia	100	100
Renong Nusantara Sdn. Bhd.	Investment holding	Malaysia	100	100
Renong Overseas Corporation Sdn. Bhd.	Provision of reimbursable support services to the Group	Malaysia	100	100
Renong Pacific Sdn. Bhd.	Investment holding	Malaysia	100	100
Renong Ventures Sdn. Bhd.	Investment holding	Malaysia	100	100
UEML-ZRE Reit Managers Sdn. Bhd.	Promoter and manager for diversified real estate investment trust	Malaysia	72	72
Bandar Nusajaya Development Sdn. Bhd.	Investment holding, property development, land trading and an agent for its subsidiaries	Malaysia	100	100
Subsidiaries of Bandar Nusajaya Development Sdn. Bhd.				
Nusajaya Gardens Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Nusajaya Greens Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS
– 31 December 2011

42. SUBSIDIARIES (CONT'D.)

			Effective interest	
Name of subsidiaries	Principal activities	Country of incorporation	2011 %	2010 %
Subsidiaries of Bandar Nusajaya Development Sdn. Bhd. (cont'd.)				
Nusajaya Group Sdn. Bhd.	In members' voluntary liquidation	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
Symphony Hills Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Management Services Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	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
Preferred Resources Sdn. Bhd.	Dormant	Malaysia	70	70
Nusajaya Land Sdn. Bhd.	Property development	Malaysia	100	100
Subsidiary of Cahaya Jauhar Sdn. Bhd.				
CJ Capital Sdn. Bhd.	Special purpose vehicle solely to undertake the issue of Sukuk Murabahah	Malaysia	60	60
Subsidiaries of Fleet Group Sdn. Bhd.				
Cantuman Bahagia Sdn. Bhd.	In members' voluntary liquidation	Malaysia	100	100
Fibroceil Manufacturing (Malaysia) Sdn. Bhd.	Investment holding	Malaysia	100	100
Jaguh Mutiara Sdn. Bhd.	In members' voluntary liquidation	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

42. SUBSIDIARIES (CONT'D.)

			Effective interest	
Name of subsidiaries	Principal activities	Country of incorporation	2011 %	2010 %
Subsidiary of Renong Nusantara Sdn. Bhd.				
P.T. Bias Permata	Investment holding	Indonesia	100	100
Subsidiary of P.T. Bias Permata				
P.T. Hardja Setia	Agriculture, plantation, trading, mining and construction	Indonesia	—	100
Subsidiary of Renong Overseas Corporation Sdn. Bhd.				
* Renong Overseas Corporation (S.A.) (Proprietary) Ltd.	Investment holding	South Africa	100	100
Subsidiaries of Renong Overseas Corporation (S.A.) (Proprietary) Ltd				
* R.O.C Management Services (Proprietary) Ltd.	Representation of holding company in South Africa	South Africa	100	100
* Roc-Union (Proprietary) Ltd.	Investment holding	South Africa	80.4	80.4
Subsidiary of Roc-Union (Proprietary) Ltd				
* Rocpoint (Proprietary) Ltd.	Acquisition and development of land	South Africa	80.4	80.4

Note:

* Subsidiaries not audited by Ernst & Young

The financial statement of these subsidiary companies are audited for consolidation purposes

NOTES TO THE FINANCIAL STATEMENTS
– 31 December 2011

43. ASSOCIATES

			Effective interest	
Name of associates	Principal activities	Country of incorporation	2011 %	2010 %
Associates of UEM Land Berhad				
OptixLab Sdn. Bhd.	Ceased operations	Malaysia	50	50
Probalance Sdn. Bhd.	In members' voluntary liquidation	Malaysia	47.2	47.2
# Setia Haruman Sdn. Bhd.	Property development and sale of land	Malaysia	25	25
# Ekuiti Mahir Sdn. Bhd.	Development and marketing of real estate	Malaysia	25	25
Associate of Sunrise Berhad				
# Perfect Portfolio Sdn. Bhd.	Investment holding	Malaysia	50	—
Associate of Hatibudi Nominees (Tempatan) Sdn. Bhd.				
# BIB Insurance Brokers Sdn. Bhd.	Insurance brokers, insurance consultants, commission agents and investment holding	Malaysia	30	30
Associate of Rocpoint (Proprietary) Ltd.				
# Durban Point Development Company (Proprietary) Ltd.	Property development	South Africa	50	50

Note:

Associates not audited by Ernst & Young

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2011

44. JOINT VENTURES

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2011 %	2010 %
@ Malaysian Bio-XCell Sdn. Bhd.	Development and operation of a biotechnology park	Malaysia	40	40
Joint Ventures of UEM Land Berhad				
Haute Property Sdn. Bhd.	Property development	Malaysia	40	40
Horizon Hills Development Sdn. Bhd.	Property development	Malaysia	50	50
@ Nusajaya Consolidated Sdn. Bhd.	Property development	Malaysia	50	50
Joint Ventures of Sunrise Berhad				
@ Sunrise MCL Land Sdn. Bhd.	Property development	Malaysia	50	—
@ Sime Darby Sunrise Development Sdn. Bhd.	Property development	Malaysia	50	—
Subsidiaries of Horizon Hills Development Sdn. Bhd.				
Horizon Hills Property Services Sdn Bhd	Management and maintenance services	Malaysia	100	100
Horizon Hills Resort Bhd.	Proprietor of a club and management of a golf course	Malaysia	100	100
Subsidiary of Nusajaya Consolidated Sdn. Bhd.				
@ Clear Dynamics Sdn. Bhd.	Property development and related activities	Malaysia	100	—

Note:

@ Joint ventures not audited by Ernst & Young

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– 31 December 2011

45. SUPPLEMENTARY INFORMATION

The breakdown of the retained profits of the Group and of the Company as at 31 December 2011 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total retained profits/(accumulated losses)				
– realised	594,919	(928,111)	16,205	42,850
– unrealised	28,880	68,614	—	—
Total share of retained profits from associates				
– realised	27,948	11,837	—	—
– unrealised	(256)	—	—	—
Total share of retained profits from joint ventures				
– realised	38,152	21,836	—	—
– unrealised	499	13	—	—
Less: Consolidation adjustments	690,142 (100,346)	(825,811) 1,113,895	16,205 —	42,850 —
Total retained profits	589,796	288,084	16,205	42,850

INVESTOR INFORMATION

STOCK MARKET PERFORMANCE IN 2011

Malaysia has earned recognition as an advanced emerging market from the FTSE Group while China has given its seal of approval to Malaysia as an approved investment destination for institutional investors. The Malaysian economy recorded a steady pace of growth of 5.1% in 2011 despite the challenging international economic environment. Domestic demand registered a strong growth in 2011, driven by both household and business spending and higher public sector consumption. Private consumption has also strengthened in 2011, supported by a broad-based growth in income following the overall improvement in labour market conditions and higher commodity prices.

The year 2011 was a rather eventful one for markets everywhere. For Malaysia, strength was derived from its internal economic fundamentals, namely an accommodative monetary policy, resurgence of private investments via the Economic Transformation Programme ("ETP"), strong commodity prices as well as robust domestic consumption. On 8 July 2011, FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") closed at a new record high of 1,594.74 points.

The Malaysian stock market was also shaped by external uncertainties which included the political unrest in the Middle East and North Africa (MENA) region, natural disasters that hit global supply chains, the political bickering and standoff on the US debt ceiling, the downgrade of US credit rating by the Standard & Poor's (S&P), worsening euro debt crisis as well as mounting evidence of slowing growth in many economies. Following this, the FBM KLCI fell to a 14-month intra-day low of 1,310.5 points on 26 September 2011 following a sharp sell-off in global and regional markets.

FBM KLCI closed the year at 1,530.7 whilst recording a gain of 11.8 points or 0.8% compared to end 2010.

Global growth is expected to moderate in 2012 amid increased downside risks, emerging particularly from the advanced economies. Bank Negara Malaysia projected the Malaysian economy to experience a steady pace of growth of 4% – 5% in 2012. Domestic demand is expected to remain resilient and will continue to be the anchor for growth.

Source:

1. *BNM Annual report 2011*
2. *Bursa Malaysia Annual report 2011*
3. *RHB Research Report – 2012 Market Outlook & Strategy*

INVESTOR INFORMATION

UEM LAND HOLDINGS BERHAD SHARE PRICE PERFORMANCE IN 2011

2011 was an exhilarating year for UEM Land Holdings Berhad (“UEM Land Holdings” or the “Company”). The Company’s acquisition of Sunrise Berhad (“Sunrise”), an award-winning property developer renowned for its world class high-rise developments in Malaysia, especially so for its Mont’Kiara products, was completed in February 2011. As evidenced by the market’s response to the Company’s acquisition of Sunrise, the share price hits an all time high of RM3.25 on 13 January 2011.

The Company’s share price had been moving in an upward trend towards the end of 2010 averaging at RM2.40 in December 2010 following the announcement of the Sunrise acquisition in November 2010. It continued to increase, averaging at about RM2.70 to RM2.80 per share in the first half of 2011 enjoying the positive upward trend of the FTSE Bursa Malaysia Kuala Lumpur Composite Index (“FBM KLCI”) which peaked at 1,594.74 points on 8 July 2011 despite a dip in February and March contributed by the political upheaval in Egypt which spread to other Middle Eastern countries as well as the effects of the massive tsunami in Japan.

In the second half of 2011, the Company’s share price dropped from an average of RM2.66 in July 2011 to the lowest of RM1.90 in September and October, in tandem with the decline of the FBM KLCI, the worst being in September where the index dropped to 1,310.5 points as selling pressures heightened due to concerns over the worsening European debt crisis coupled with the US Federal Reserve’s warning of significant downside risks to the economy and credit ratings downgrades on its three major banks.

Despite the external uncertainties, UEM Land Holdings continued to enjoy strong support from foreign investors and shareholders as evidenced by the increasing percentage of foreign shareholding in the Company. By end December 2011, foreign shareholding in UEM Land Holdings had risen to 14.6%, the highest since the Company was listed in November 2008.

UEM Land Holdings’ market capitalisation at the end of December 2011 was RM10.5 billion making it the largest listed property company on Bursa Malaysia. 2011 also saw another milestone for the Company when it was included in the 30-stock benchmark index in FBM KLCI, making UEM Land Holdings the only pure property company listed among the index’s constituents.

UEM Land Holdings will continue to focus on its property development activities both in and outside of Nusajaya, and look at possible geographical expansion to fulfil the objective of further improving its shareholders’ value.

Source:

1. *BNM Annual report 2011*
2. *Bursa Malaysia Annual report 2011*
3. *Internal documents*

ANALYSIS OF SHAREHOLDINGS

As at 27 April 2012

SHARE CAPITAL FOR ORDINARY SHARES

Authorised capital	: RM3,500,000,000.00
Issued and Paid-up Capital	: RM2,163,812,013.00
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	2,778	6.91	103,286	0.00
100 to 1,000	12,249	30.45	6,635,879	0.15
1,001 to 10,000	19,378	48.17	79,479,718	1.84
10,001 to 100,000	4,943	12.29	144,624,376	3.34
100,001 to less than 5% of issued capital	877	2.18	1,287,200,199	29.75
5% and above of issued shares	1	0.00	2,809,580,568	64.92
TOTAL	40,226	100.00	4,327,624,026	100.00

30 LARGEST SHAREHOLDERS AS PER THE REGISTER OF DEPOSITORS

No. Name of Shareholder	No. of Shares held	% of Issued shares
1. UEM Group Berhad	2,809,580,568	64.92
2. Citigroup Nominees (Tempatan) Sdn Bhd – <i>Employees Provident Fund Board</i>	182,018,894	4.21
3. HSBC Nominees (Asing) Sdn Bhd – <i>Exempt An For The Bank of New York Mellon (Mellon Acct)</i>	95,235,923	2.20
4. HSBC Nominees (Asing) Sdn Bhd – <i>Exempt An For JPMorgan Chase Bank, National Association (Norges Bk Lend)</i>	39,823,666	0.92
5. Cartaban Nominees (Asing) Sdn Bhd – <i>Exempt An For State Street Bank & Trust Company (West CLT OD67)</i>	33,144,701	0.77
6. Public Nominees (Tempatan) Sdn Bhd – <i>Pledged Securities Account For Casa Unggul Sdn Bhd (Dua)</i>	31,263,100	0.72
7. HSBC Nominees (Asing) Sdn Bhd – <i>BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund</i>	24,127,000	0.56
8. Citigroup Nominees (Asing) Sdn Bhd – <i>Citibank International PLC As Trustee For Standard Life Pacific Basin Trust (CBLDN)</i>	21,121,600	0.49
9. HSBC Nominees (Asing) Sdn Bhd – <i>Exempt An For JPMorgan Chase Bank, National Association (U.A.E.)</i>	20,459,800	0.47
10. Amanahraya Trustees Berhad – <i>Public Savings Fund</i>	19,276,000	0.45

Other Information

ANALYSIS OF SHAREHOLDINGS

As at 27 April 2012

No. Name of Shareholder	No. of Shares held	% of Issued shares
11. Citigroup Nominees (Asing) Sdn Bhd – CBLDN For Standard Life Assurance Limited	14,457,000	0.33
12. AMSEC Nominees (Tempatan) Sdn Bhd – Phoenixflex Sdn Bhd	14,369,630	0.33
13. Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account For Phoenixflex Sdn Bhd (41405751840C)	13,800,866	0.32
14. AMSEC Nominees (Tempatan) Sdn Bhd – Pledged Securities Account – AmBank (M) Bhd for Phoenixflex Sdn Bhd (CIB039)	12,666,666	0.29
15. Citigroup Nominees (Asing) Sdn Bhd – CBNY For Ivy Strategy New Opportunities Fund	12,644,400	0.29
16. Lembaga Tabung Haji	12,278,300	0.28
17. HSBC Nominees (Asing) Sdn Bhd – TNTC For Saudi Arabian Monetary Agency	11,126,000	0.26
18. HSBC Nominees (Asing) Sdn Bhd – Exempt An For JPMorgan Chase Bank, National Association (BVI)	10,900,000	0.25
19. Citigroup Nominees (Tempatan) Sdn Bhd – Kumpulan Wang Persaraan (DiPerbadankan) (LIBRA)	10,600,000	0.25
20. AMSEC Nominees (Tempatan) Sdn Bhd – AMTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	10,480,133	0.24
21. Cartaban Nominees (Asing) Sdn Bhd – Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	9,522,900	0.22
22. Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (AM INV)	9,300,000	0.22
23. Amanahraya Trustees Berhad – Public Islamic Select Enterprises Fund	8,959,200	0.21
24. Amanahraya Trustees Berhad – Public Islamic Optimal Growth Fund	8,673,500	0.20
25. HSBC Nominees (Asing) Sdn Bhd – BNY Brussels For Invesco Perpetual Asian Growth Fund	8,420,600	0.19
26. Citigroup Nominees (Asing) Sdn Bhd – UBS AG Singapore For Great Challenge Limited	8,351,300	0.19
27. Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (KIB)	7,900,000	0.18
28. HSBC Nominees (Asing) Sdn Bhd – Exempt An For JPMorgan Chase Bank, National Association (U.S.A.)	7,702,802	0.18
29. Citigroup Nominees (Asing) Sdn Bhd – CIP As Trustee For Standard Life Investments Global Absolute Return Strategies Fund (CBLDN)	7,675,400	0.18
30. Mega First Housing Development Sdn Bhd	7,370,000	0.17
TOTAL	3,483,249,949	80.49

ANALYSIS OF SHAREHOLDINGS

As at 27 April 2012

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders, excluding bare trustees, as at 27 April 2012

Name	No. of shares			
	Direct	%	Indirect	%
UEM Group Berhad	2,809,580,568	64.92	–	–
Khazanah Nasional Berhad*			2,809,580,568	64.92
Employees Provident Fund Board	232,084,227	5.36	–	–

Note:

* Deemed interested by virtue of being the holding company of UEM Group Berhad

ANALYSIS OF MANDATORY CONVERTIBLE REDEEMABLE PREFERENCE SHAREHOLDINGS

(As at 27 April 2012)

SHARE CAPITAL OF MANDATORY CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("MCRPS")

Authorised capital	: RM2,000,000.00
Issued and Paid-up capital	: RM1,549,140.02
Class of Securities	: MCRPS of RM0.01 each
Voting Rights	: None

MCRPS HOLDERS

No. Name of Holder	No. of MCRPS held	%
1. UEM Group Berhad	125,942,162	81.30
2. Hartanah Lintasan Kedua Sdn Bhd	28,971,840	18.70
TOTAL	154,914,002	100.00

ANALYSIS OF SHAREHOLDINGS

As at 27 April 2012

ANALYSIS OF REDEEMABLE CONVERTIBLE PREFERENCE SHAREHOLDINGS

(As at 27 April 2012)

SHARE CAPITAL OF REDEEMABLE CONVERTIBLE PREFERENCE SHAREHOLDERS ("RCPS")

Authorised capital	: RM15,000,000.00
Issued and Paid-Up	: RM4,130,064.92
Class of Securities	: RCPS of RM0.01 each
Voting Rights	: None

DISTRIBUTION SCHEDULE FOR RCPS

Size of Holdings	No. of RCPS holders	%	Total RCPS holdings	%
Less than 100	1	0.68	11	0.00
101 to 1,000	3	2.04	1,002	0.00
1,001 to 10,000	28	19.05	189,835	0.05
10,001 to 100,000	55	37.41	2,096,585	0.51
100,001 to less than 5% of issued capital	54	36.74	46,882,096	11.35
5% and above of issued shares	6	4.08	363,836,963	88.09
TOTAL	147	100.00	413,006,492	100.00

RCPS HOLDERS

No. Name of Holder	No. of RCPS held	%
1. Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account For Casa Unggul Sdn Bhd (Dua)	180,939,803	43.81
2. ECM Libra Investment Bank Berhad – IVT-001 For ECM Libra Investment Bank Berhad (Account 1)	50,945,440	12.33
3. HSBC Nominees (Asing) Sdn Bhd – Exempt An For Credit Suisse Securities (Europe) Limited	41,538,280	10.06
4. DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An For Deutsche Bank AG London (Prime Brokerage)	37,236,080	9.02
5. Lim Kim Huat	28,000,000	6.78
6. Cartaban Nominees (Asing) Sdn Bhd – Exempt An For Raffles Nominees (P) Ltd (CIBC SG FR CLNT)	25,177,360	6.09
7. RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities Account For Alya Chew Binti Abdullah (CEB)	5,880,000	1.42
8. DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An For EFG Bank AG (Hongkong)	4,200,000	1.02
9. KAF Trustee Berhad – KAF Fund Management Sdn Bhd for Abu Talib Bin Othman	4,200,000	1.02

ANALYSIS OF SHAREHOLDINGS

As at 27 April 2012

No.	Name of Holder	No. of RCPS held	%
10.	A.A.Anthony Nominees (Tempatan) Sdn Bhd – Pledged Securities Account For Daniel Lim Hwa Yew	3,592,400	0.87
11.	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tong Kooi Ong (Dua)	3,037,798	0.74
12.	KAF Trustee Berhad – KAF Fund Management Sdn Bhd For KAF Seagroatt & Campbell Berhad	2,268,000	0.55
13.	Yam Kong Choy	1,820,000	0.44
14.	Citigroup Nominees (Asing) Sdn Bhd – UBS AG For TLM Asia Opportunities Master Fund Ltd	1,766,000	0.43
15.	Mayban Nominees (Tempatan) Sdn Bhd – Avenue Invest Berhad For Lim Kian Onn (EP0506-210332)	1,467,760	0.36
16.	Citigroup Nominees (Asing) Sdn Bhd – Exempt An For Citibank NA, Singapore (Julius Baer)	1,400,000	0.34
17.	Kwong Moei Jie	1,120,000	0.27
18.	AllianceGroup Nominees (Tempatan) Sdn Bhd – Pledged Securities Account For Yii Hung Due @ Billy Yii (8042139)	1,000,000	0.24
19.	Lum Wykit	980,000	0.24
20.	Koh Be Be	891,654	0.22
21.	Kendrick Tong Kim Xian	821,184	0.20
22.	Cimsec Nominees (Tempatan) Sdn Bhd – CIMB For Ho Whye Choon (PB)	663,600	0.16
23.	Rossana Annizah Binti Ahmad Rashid @ Mohd Rashidi	616,000	0.15
24.	Gan Seng Chong	560,000	0.13
25.	Lim Soh Hong	560,000	0.13
26.	Cimsec Nominees (Tempatan) Sdn Bhd – CIMB For Loke Tan Chung (PB)	504,000	0.12
27.	Tee See Kim	504,000	0.12
28.	Lay Chai Nee	489,216	0.12
29.	Pearl & Hung Holdings Sdn Bhd	476,000	0.11
30.	AllianceGroup Nominees (Tempatan) Sdn Bhd – Pledged Securities Account For Ong Aun Kung (100187)	440,000	0.11
TOTAL		403,094,575	97.60

Other Information

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ANALYSIS OF SHAREHOLDINGS

As at 27 April 2012

STATEMENT OF DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 27 April 2012

DIRECTORS' INTERESTS IN ORDINARY SHARES IN UEM LAND HOLDINGS BERHAD

Name	No. of ordinary shares of RM0.50 each/options			
	Direct	%	Indirect	%
Tan Sri Dr Ahmad Tajuddin Ali	—	—	—	—
Dato' Wan Abdullah Wan Ibrahim	10,000,000*	—	—	—
Dato' Izzaddin Idris	—	—	—	—
Abdul Kadir Md Kassim	—	—	—	—
Md Ali Md Dewal	—	—	—	—
Oh Kim Sun	—	—	—	—
Sheranjiv Sammanthan	—	—	—	—
Datuk Tong Kooi Ong	—	—	—	—
Professor Philip Sutton Cox	—	—	—	—

* Options granted at a price of RM2.23 per ordinary share under the Employee Share Option Scheme ("ESOS") as approved by the shareholders at an Extraordinary General Meeting held on 7 March 2012. These options shall be for a term of 7 years commencing from 9 April 2012.

DIRECTORS' INTERESTS IN MCRPS

None

DIRECTORS' INTERESTS IN RCPS

Name	No. of RCPS of RM0.01 each			
	Direct	%	Indirect	%
Tan Sri Dr Ahmad Tajuddin Ali	—	—	—	—
Dato' Wan Abdullah Wan Ibrahim	—	—	—	—
Dato' Izzaddin Idris	—	—	—	—
Abdul Kadir Md Kassim	—	—	—	—
Md Ali Md Dewal	—	—	—	—
Oh Kim Sun	—	—	—	—
Sheranjiv Sammanthan	—	—	—	—
Datuk Tong Kooi Ong	3,037,798	0.74	—	—
Professor Philip Sutton Cox	—	—	—	—

PROPERTIES OF UEM LAND HOLDINGS GROUP

As at 31 December 2011

Location and address of property	Brief description and existing use	Area (sq metres)	Tenure and year of expiry	Age of buildings (years)	Net book value as at 31/12/2011 RM'000	Date of acquisition/ revaluation
Bandar Nusajaya Iskandar Development Region Johor Darul Takzim	Land held for property development and development-in-progress	30,670,860	Freehold	–	1,461,068	1995
PTD 2987, Taman Industri Perintis Mukim of Tanjung Kupang Nusajaya, Johor Darul Takzim	Agriculture land	1,443,424	Freehold	–	108,768	17-Nov-08
PTD 2994, 2995, 2999, 3001-4, 3006-15, 3050, 3053 Taman Industri Perintis Mukim of Tanjung Kupang Nusajaya, Johor Darul Takzim	Industrial and agriculture land	231,446	Freehold	–	44,827	17-Nov-08
PT 21628, Lot No. 540 Mukim of Semenyih District of Ulu Langat Selangor Darul Ehsan	Land held for property development	1,815,291	Freehold	–	259,901	28-Oct-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	–	76,063	19-Aug-10
GM 224 Lot 690 Kampung Tebing Runtuh Mukim of Pulai, Johor Bahru Johor Darul Takzim	Agriculture land	19,878	Freehold	–	5,300	22-Dec-10
Lot No. 247, Mukim of Pulai Johor Darul Takzim	Agriculture land Title no: GM 237	8,182	Freehold	–	300	1-Sep-04
Part of PTD 72263 Mukim of Pulai, Nusajaya Johor Darul Takzim	Single storey office building	12,224	Freehold	6	4,114	31-Dec-05
PTD 166948 Mukim of Pulai, Nusajaya Johor Darul Takzim	Double storey clubhouse	5,912	Freehold	3	18,357	1-Jan-09
PTD 166968 Mukim of Pulai, Nusajaya Johor Darul Takzim	Double storey commercial building with lower ground floor	18,209	Freehold	3	10,517	1-Jan-09

Other Information

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PROPERTIES OF UEM LAND HOLDINGS GROUP
As at 31 December 2011

Location and address of property	Brief description and existing use	Area (sq metres)	Tenure and year of expiry	Age of buildings (years)	Net book value as at 31/12/2011 RM'000	Date of acquisition/ revaluation
PTD 166969 Mukim of Pulau, Nusajaya Johor Darul Takzim	Single storey commercial building	38,482	Freehold	2	22,303	25-Mar-10
PTD 166975 Mukim of Pulau, Nusajaya Johor Darul Takzim	Double storey clubhouse	27,759	Freehold	2	20,988	7-May-10
GM 1786 Lot 2978 GM 1795 Lot 2979 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	2,306	Freehold	–	496	20-Dec-94
GM 1141 Lot 2912 GM 553 Lot 2913 GM 552 Lot 2914 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	2,498	Freehold	–	152	15-Dec-95
GM 1676 Lot 2357 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	10,238	Freehold	–	8,509	14-Jun-11*
GM 1509 Lot 1887 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	11,793	Freehold	–	4,529	14-Jun-11*
Plaza Mont'Kiara 2, Jalan Kiara, Mont'Kiara 50480 Kuala Lumpur	Office building	2,971	Freehold	12	5,427	Dec-99
GM 110 Lot 1891 GM 111 Lot 1892 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	13,515 11,654	Freehold	–	46,141	14-Jun-11*
GM 1255 Lot 2459 GM 1262 Lot 2460 GM 1784 Lot 2464 GM 1263 Lot 2465 GM 1802 Lot 2480 GM 1154 Lot 2462 GM 1265 Lot 2479 GM 1276 Lot 2481 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	8,599 8,850 10,444 9,736 7,713 9,355 7,713 8,850	Freehold	–	46,108	14-Jun-11*

Other Information

PROPERTIES OF AS AT 31 DECEMBER 2011

As at 31 December 2011

Location and address of property	Brief description and existing use	Area (sq metres)	Tenure and year of expiry	Age of buildings (years)	Net book value as at 31/12/2011 RM'000	Date of acquisition/ revaluation
GM 1720 Lot 2364 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	12,520	Freehold	–	15,936	14-Jun-11*
GM 1744, Lot 2358 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	12,390	Freehold	–	16,044	14-Jun-11*
GM 6207, Lot 2359 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	12,771	Freehold	–	16,256	14-Jun-11*
GM 1675, Lot 2363 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	12,520	Freehold	–	15,936	14-Jun-11*
Geran 60862, Lot 58688 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	60,614	Freehold	–	163,125	14-Jun-11*
Geran 60863, Lot 58689 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	15,308	Freehold	–	42,771	14-Jun-11*
Geran 50603, Lot 58590 Mukim of Batu Daerah Kuala Lumpur	Bungalow lot	664	Freehold	–	2,000	15-Dec-06
GM 6834, Lot 57500 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	18,290	Freehold	–	9,848	14-Jun-11*
GM 4733, Lot 149, Seksyen 58 Bandar of Kuala Lumpur Daerah Kuala Lumpur	Land held for property development	6,434	Freehold	–	223,616	04-Jun-11*
Solaris Mont'Kiara Jalan Solaris 50480 Kuala Lumpur	Building – Carpark	63,302	Freehold	4	52,610	29-Jun-11*
PT 24671 No. 21 Jalan Kiara Mukim of Batu Kuala Lumpur	Building – Show gallery	3,426	Freehold	2	8,148	Jun-09

Other Information

PROPERTIES OF UEM LAND HOLDINGS GROUP
As at 31 December 2011

Location and address of property	Brief description and existing use	Area (sq metres)	Tenure and year of expiry	Age of buildings (years)	Net book value as at 31/12/2011 RM'000	Date of acquisition/ revaluation
Solaris Dutamas 1, Jalan Dutamas 1 50480 Kuala Lumpur	Building – Retail and Carpark	150,187	Freehold	1	420,219	25-Jul-11*
H.S.(D) 28202 PT 17336 H.S.(D) 28642 PT 17776 H.S.(D) 38387 PT 22649 Mukim of Cheras Daerah Ulu Langat Selangor	Land held for property development	9,509	Freehold	–	784	20-Jun-89
Geran, 39962 Lot 13453 Mukim of Cheras Daerah Ulu Langat Selangor	Building – clubhouse	2,635	Freehold	18	–	Apr-93
PN 9988 Lot 1108 Pekan Kajang Daerah Ulu Langat Selangor	Land held for property development	136,205	99 years lease expiring on 22-Oct-2090	–	87,542	14-Jun-11*
PN 9989 Lot 1109 Pekan Kajang Daerah Ulu Langat Selangor	Land held for property development	98,329	99 years lease expiring on 22-Oct-2090	–	62,606	14-Jun-11*
H.S.(D) 27606 Lot PT 24376 Mukim of Kajang Daerah Ulu Langat Selangor	Land held for property development	28,325	99 years lease expiring on 22-Oct-2090	–	18,820	14-Jun-11*
H.S.(D) 02249 PTD 10944 H.S.(D) 02251-02252 PTD 10946-10947 Mukim of Mersing Daerah Endau Mersing Johor Darul Takzim	Land held for property development	1,744,357	Freehold	–	20,292	09-Sep-94
8700 & 8790 Boundary Road Burnaby, BC Canada	Land held for property development	16,376	Freehold	–	26,666	10-Dec-10

* Revaluation date

RECURRENT RELATED PARTY TRANSACTIONS

During UEM Land Holdings Berhad's ("UEM Land Holdings" or the "Company") Annual General Meeting ("AGM") which was held on 16 June 2011, UEM Land Holdings obtained the approval of its shareholders for the mandates for UEM Land Holdings and/or its subsidiaries 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 16 June 2011 until the date of the forthcoming AGM, which is scheduled to be held before 30 June 2012 ("Mandate Period").

The following is the disclosure of the aggregate value of transactions conducted based on the nature of the Recurrent Transactions made, names of related parties involved in each type of transaction made and their relation with the UEM Land Holdings group of companies pursuant to the Shareholders Mandates during the Mandate Period up to 27 April 2012:

A) UEM Land Holdings ("ULHB") and/or its subsidiaries ("ULHB Group") receiving services and/or renting and/or acquiring land and/or land-based property from related parties.

No.	Related Party	Interested major shareholders, directors and persons connected with them	Nature of relationship as at the LPD	Nature of Transaction	Value (RM)
1.	UEM Group Berhad ("UEMG") and/or its subsidiaries ("UEMG Group")	Khazanah Nasional Berhad ("Khazanah"), UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim and Sheranjiv Sammanthan	ULHB is a 65.0% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Receipt of group wide ICT shared services, data/internet leased line and other related ICT services	22,588
				Receipt of internal audit, training and administrative support services	734,618
				Renting of office space at Mercu UEM, KL Sentral	662,214
				Renting of parking space at Mercu UEM, KL Sentral	25,440
				Receipt of electricity and air-conditioning facilities at level 16 and 23A ¹ of Mercu UEM, KL Sentral	60,630
				Receipt of construction and engineering services for projects in Nusajaya and Klang Valley	–
				Receipt of construction and engineering services for Kota Iskandar and related projects	–
				Receipt of assets and facilities management services	–
				Receipt of office cleaning and tea lady services	36,214
				Receipt of project management and engineering consulting services	–
				Receipt of environmental monitoring services and consulting services on sewerage management	–
				Total	1,541,704

RECURRENT RELATED PARTY TRANSACTIONS

No.	Related Party	Interested major shareholders, directors and persons connected with them	Nature of relationship as at the LPD	Nature of Transaction	Value (RM)
2.	Faber Group Berhad and/or its subsidiaries (" Faber Group ")	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim, Sheranjiv Sammanthan, Oh Kim Sun and Dato' Ikmal Hijaz Hashim ²	Faber Group is a 34.3% associate of UEMG. ULHB is a 65.0% subsidiary of UEMG	Receipt of consultation and facilities maintenance services for Nusajaya	2,296,777
				Total	2,296,777
3.	PLUS Expressways Berhad (" PEB ") and/or its subsidiaries	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim and Sheranjiv Sammanthan	On 23 December 2011, PEB was delisted from the Official List of Bursa Malaysia Securities Berhad following the acquisition of its assets by PLUS Malaysia Sdn Bhd (" PMSB "). PMSB is a 51.0% subsidiary of UEMG. ULHB is a 65.0% subsidiary of UEMG ³	Contribution for maintenance of interchanges, rental of helicopter and other facilities	8,282,000
				Total	8,282,000
4.	Kadir Andri & Partners (" KAAP ")	Abdul Kadir Md Kassim	Abdul Kadir Md Kassim is the Managing Partner of KAAP and also the Director for ULHB and UEMG	Receipt of legal advisory services	128,624
				Total	128,624
5.	Khazanah Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim and Sheranjiv Sammanthan	ULHB is a 65.0% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Acquisition of land or land based properties in the ordinary course of business	-
				Total	-

¹ The office space at Level 13A was relocated to Level 23A end of July 2011.

² Dato' Ikmal Hijaz Hashim resigned on 17 February 2012.

³ Subsequent transactions with PMSB and/or its subsidiaries shall be grouped under the UEMG Group Recurrent Transactions, effective from the date of PEB's delisting.

RECURRENT RELATED PARTY TRANSACTIONS

B) ULHB Group providing services and/or renting out and/or disposing land and/or land-based property to related parties.

Item	Related Party	Interested major shareholders, directors and persons connected with them	Nature of relationship as at the LPD	Nature of Transaction	Value (RM)
1.	UEMG Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim and Sheranjiv Sammanthan	ULHB is a 65.0% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Provision for tenancy of land for batching plant/casting yard	32,000
Total					32,000
2.	Khazanah Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim and Sheranjiv Sammanthan	ULHB is a 65.0% subsidiary of UEMG which in turn is a wholly-owned subsidiary of Khazanah	Provision for lease of office building	245,000
				Provision of development management services	318,750
				Disposal of land or land based properties in the ordinary course of business	1,526,850
Total					2,090,600
3.	Directors and/or Major Shareholders of ULHB and Persons Connected with them	Directors and/or Major Shareholders of ULHB Group and Persons Connected with them	n/a	Sale of land and/or land based properties by ULHB Group	4,946,000
Total					4,946,000

FORM OF PROXY



A member of **UEM Group**

I/We _____

of _____

being a member of UEM Land Holdings Berhad ("the Company") hereby appoint _____

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 Fourth Annual General Meeting of the Company to be held at Banquet Hall, Menara Korporat Persada PLUS, Persimpangan Bertingkat Subang, KM 15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 14 June 2012 at 10.00 a.m., or at any adjournment.

(Please indicate with a "X" or "✓" in the boxes provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Resolution	No	For	Against
Ordinary Resolutions:			
To re-elect the following Directors retiring in accordance with Article 85 of the Company's Articles of Association:			
(i) Dato' Izzaddin Idris	1		
(ii) Sheranjiv Sammanthan	2		
To re-appoint Abdul Kadir Md Kassim retiring in accordance with Section 129(6) of the Companies Act, 1965.	3		
To re-appoint Md Ali Md Dewal retiring in accordance with Section 129(6) of the Companies Act, 1965.	4		
To re-appoint Professor Philip Sutton Cox retiring in accordance with Section 129(6) of the Companies Act, 1965.	5		
To approve the payment of Directors' fees in respect of the financial year ended 31 December 2011.	6		
To approve the Directors' fees for the financial year ending 31 December 2012.	7		
To re-appoint Messrs Ernst & Young as Auditors and to authorise Directors to fix their remuneration.	8		
To empower Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares.	9		
To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	10		
To approve the Proposed New Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.	11		
Special Resolution:			
Proposed Amendment to the Articles of Association of the Company.			

Signed this _____ day of _____ 2012.

Signature

(If the shareholder is a corporation, this part should be executed under seal)

No. of shares	
CDS Account No.	
Telephone No.	

NOTES

- Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.
- To be valid, the **original** form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan 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 attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.
- If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
- A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend 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 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 and vote at the same meeting, such appointments shall be invalid unless the member specifies the proportion of the shareholding to be represented by each proxy.

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Stamp

The Share Registrar's Office

Symphony Share Registrars Sdn Bhd (378993-P)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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CORPORATE HEADQUARTERS

UEM Land Holdings Berhad

16-1, Mercu UEM, Jalan Stesen Sentral 5
Kuala Lumpur Sentral, 50470 Kuala Lumpur
Malaysia

Tel : +603-2727 6000
Fax : +603-2727 2011
Email : corpcomm@uemland.uemnet.com
Website : www.uemland.com

**BUSINESS OFFICES AND SALES &
MARKETING OPERATIONS**

Nusajaya Centre

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79250 Nusajaya, Johor Darul Ta'zim, Malaysia

Tel : +607-277 3700
Fax : +607-277 3701
Email : info@uemland.uemnet.com
Website : www.nusajacity.com

Puteri Harbour

Satellite Clubhouse, Lot PTD 141090
79000 Nusajaya, Johor Darul Ta'zim, Malaysia

Tel : +607-530 2122
Fax : +607-530 2125/2126
Email : puteriharbour@uemland.uemnet.com
Website : www.puteriharbour.com.my

Horizon Hills Golf & Country Club

No. 1, Jalan Eka, Horizon Hills
79100 Nusajaya, Johor Darul Ta'zim, Malaysia

Tel : +607-232 3166
Fax : +607-232 3919
Email : general@hhgcc.com.my
Website : www.hhgcc.com.my

Kota Iskandar

Kota Iskandar Visitor Information Centre
Dataran Mahkota
Pusat Pentadbiran Kerajaan Negeri Johor
Kota Iskandar, 79000 Nusajaya
Johor Darul Ta'zim, Malaysia

Tel : +607-290 9080
Fax : +607-290 9081
Email : enquiries@kotaiskandar.com
Website : www.kotaiskandar.com

Cahaya Jauhar Sdn Bhd

27 & 29, Jalan Indah 15/3, Bukit Indah
79100 Nusajaya, Johor Darul Ta'zim, Malaysia

Tel : +607-235 0800
Fax : +607-235 0890

Sunrise Berhad

Level U2, Block C5, Solaris Dutamas
No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia

Tel : +603-2718 7788
Fax : +603-6207 8828
Email : general.enquiries@uemland.uemnet.com
Website : www.sunrisebhd.com

Sunrise Sales Office

Ground Floor, Block A, Plaza Mont'Kiara
2 Jalan Kiara, Mont'Kiara, 50480 Kuala Lumpur, Malaysia

Tel : +603-2718 7777/6201 2288
Fax : +603-6411 8138
Email : marketing.enquiries@uemland.uemnet.com
Website : www.sunrisebhd.com

Sunrise Fun Zone Community Centre

C-01-02B, Aman Walk, Mont'Kiara Aman
Jalan Kiara 2, Mont'Kiara, 50480 Kuala Lumpur, Malaysia

Tel/Fax : +603-6203 3584
Mobile : +6016-201 3292
Email : fun.zone@uemland.uemnet.com

Publika Shopping Gallery

Level UG-01, Block A5, Solaris Dutamas
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Symphony Hills Sdn Bhd

Clubhouse Symphony Hills, Persiaran Simfoni
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Selangor Darul Ehsan, Malaysia

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Fax : +603-8318 3442
Email : symphonyhills@uemland.uemnet.com
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