



A member of **UEM Group**

# MAKING OUR MARK

**ANNUAL REPORT 2012**

**MAKING  
OUR  
MARK**

**ACROSS THE  
REGION**



## Cover Rationale

Few companies have shaped Malaysia's skyline as we have. From transforming Nusajaya in Iskandar Malaysia and creating new communities in the Central Region, UEM Land Holdings Berhad has played an important role in being a catalyst for change in our fast developing nation. Furthermore, we have launched out across the region into Singapore as well as Canada via Quintet, our mixed-use development in Vancouver and are continuing to explore new opportunities beyond Malaysian shores. With the sphere of activities now encompassing the areas of township development, high-rise residential and commercial development, including retail development, we are strongly poised to take our unique Malaysian brand and make our mark even further, across the region and beyond.

## Above :

1	2	3
4	5	
6	7	

1. Teega @Puteri Harbour, Nusajaya
2. 28 Mont'Kiara, Kuala Lumpur
3. Impiana, East Ledang, Nusajaya
4. Kota Iskandar, Nusajaya
5. Puteri Harbour, Nusajaya
6. Symphony Hills, Cyberjaya
7. Noble Park, East Ledang, Nusajaya





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Form of Proxy  
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# VISION

Building communities of the future with you and for you.

# MISSION

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

# 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 Fifth 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 Wednesday, 12 June 2013 at 10.00 a.m. for the purpose of transacting the following businesses:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon.

## AS ORDINARY BUSINESS

2. To approve the payment of a first and final single tier dividend of 3 sen per ordinary share for the financial year ended 31 December 2012.

**Ordinary Resolution 1**

3. To re-elect the following Directors, who retire in accordance with Article 85 of the Company's Articles of Association and, being eligible, have offered themselves for re-election:-

- i) Tan Sri Dr Ahmad Tajuddin Ali
- ii) Oh Kim Sun

**Ordinary Resolution 2**  
**Ordinary Resolution 3**

4. To re-elect the following Directors, who retire in accordance with Article 92 of the Company's Articles of Association and, being eligible, have offered themselves for re-election:

- i) Lim Tian Huat
- ii) Dato' Srikandan Kanaganthiram
- iii) YM Ungku Suseelawati Ungku Omar

**Ordinary Resolution 4**  
**Ordinary Resolution 5**  
**Ordinary Resolution 6**

5. To consider and, if thought fit, to pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:

- i) "THAT Md Ali Md Dewal, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."
- ii) "THAT Professor Philip Sutton Cox, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."

**Ordinary Resolution 7**

**Ordinary Resolution 8**

6. To approve the payment of Directors' fees for the financial year ending 31 December 2013 to be paid on a quarterly basis as follows:

- (a) Directors' fees amounting to RM210,000 per annum for the Non-Executive Chairman and RM108,000 per annum for each Non-Executive Director;
- (b) Directors' fees amounting to RM50,000 per annum for the Non-Executive Audit Committee Chairman and RM30,000 per annum for each Non-Executive Audit Committee member; and
- (c) Directors' fees amounting to RM25,000 per annum for the Non-Executive Committee Chairman and RM15,000 per annum for each Non-Executive Committee member of other Committees.

**Ordinary Resolution 9**

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

**Ordinary Resolution 10**

## AS SPECIAL BUSINESS

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

8. **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 11**9. **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 ("Proposed Renewal of Shareholders' Mandate"), 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 favorable to the related party than those generally available to the public, particulars of which are set out in Item 1A and 1B of Appendix I of the Circular to Shareholders of the Company dated 9 May 2013 **AND THAT** such approval conferred by the shareholders' mandate shall continue to be in force until:

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

whichever is the earlier,

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

**Ordinary Resolution 12**

## NOTICE OF ANNUAL GENERAL MEETING

### 10. ORDINARY RESOLUTION

#### **PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL 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 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 ("Proposed New Shareholders' Mandate"), 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 Item 2A and 2B of Appendix I of the Circular to Shareholders of the Company dated 9 May 2013 **AND THAT** such approval conferred by the mandate shall continue to be in force until:

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

whichever is the earlier,

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

#### **Ordinary Resolution 13**

### 11. SPECIAL RESOLUTION

#### **PROPOSED CHANGE OF NAME**

**"THAT** the name of the Company be changed from **UEM LAND HOLDINGS BERHAD** to **UEM SUNRISE BERHAD** and that all references in the Memorandum and Articles of Association of the Company to the name of UEM LAND HOLDINGS BERHAD, wherever the same may appear, shall be deleted and substituted with UEM SUNRISE BERHAD; **AND THAT** the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this Special Resolution."

#### **Special Resolution 1**

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



## NOTICE OF DIVIDEND PAYMENT

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Fifth Annual General Meeting, the proposed payment of a first and final single tier dividend of 3 sen per ordinary share for the financial year ended 31 December 2012 will be paid to shareholders on 31 July 2013. The entitlement date for the proposed dividend shall be on 2 July 2013.

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

- a) Shares transferred to the depositor's securities account before 4.00 pm on 2 July 2013 in respect of ordinary transfer; and
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend this Fifth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 58 and 59 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 6 June 2013. Only a depositor whose name appears on the ROD as at 6 June 2013 shall be entitled to attend this Fifth Annual General 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 MAY FUN** (MAICSA 7018697)

Company Secretaries

Kuala Lumpur

9 May 2013

### 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. 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.
7. 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.

## NOTICE OF ANNUAL GENERAL MEETING

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

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

### C. EXPLANATORY NOTES ON SPECIAL BUSINESS

#### Ordinary Resolution 11 on the Proposed Authority To Allot Shares Pursuant To Section 132D of the Companies Act, 1965

1. The proposed resolution is a renewal mandate and if passed, will enable the Directors of the Company to issue up to a maximum of 10% of the issued and paid-up share capital of the Company.
2. As at the date of this Notice, no new shares were issued pursuant to the mandate granted to the Directors at the last AGM held on 14 June 2012 and that mandate will lapse at the conclusion of the Fifth AGM to be held on 12 June 2013.
3. The renewal of the mandate is for such purposes as the Directors consider would be in the best interest of the Company, such as issuance of new shares as consideration for investments and/or acquisitions or issuance of new shares to raise fund for investment and/or working capital, and to avoid delay and cost in convening a general meeting to seek approval for such issuance of shares.
4. This authority unless revoked or varied by the Company at a General Meeting will expire at the next AGM.

#### Ordinary Resolutions 12 and 13 on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

1. For Ordinary Resolutions 12 and 13, further information on the Recurrent Related Party Transactions are set out in the Circular to Shareholders of the Company dated 9 May 2013 which is dispatched together with the Company's Annual Report 2012.
2. The proposed Ordinary Resolutions 12 and 13, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the UEM Land Holdings 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 1 on the Proposed Change of Name

The proposed Special Resolution 1, if passed, will facilitate the proposed change of name of the Company from UEM LAND HOLDINGS BERHAD to UEM SUNRISE BERHAD. The proposed name shall take effect upon the issuance of the Certificate of Incorporation on Change of Name of Company (Form 13) by the Companies Commission of Malaysia and all references to UEM LAND HOLDINGS BERHAD in the Memorandum and Articles of Association of the Company, wherever the same may appear, shall be substituted with UEM SUNRISE BERHAD.

## STATEMENT ACCOMPANYING NOTICE OF THE FIFTH ANNUAL GENERAL MEETING

### DIRECTORS WHO ARE SEEKING RE-ELECTION AT THE FIFTH 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 Directors' Profile on pages 60 to 69 of this Annual Report. The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings on page 224 of this Annual Report.

# FINANCIAL CALENDAR FOR 2012

## JANUARY

- 6 Announcement of an Employee Share Option Scheme ("**ESOS**") for eligible employees and executive director(s) of UEM Land Holdings Berhad ("**UEM Land Holdings**") and its subsidiaries.

## FEBRUARY

- 28 Announcement on the :
- Fourth quarter consolidated results for the financial period ended 31 December 2011; and
  - Headline Key Performance Indicator targets for FY2012.

## MARCH

- 7 Shareholders approved the ESOS at the Extraordinary General Meeting.

## APRIL

- 9
- Acquisition of approximately 122.28 acres in Puteri Harbour by Nusajaya Premier Sdn Bhd, a wholly owned subsidiary of UEM Land Holdings.
  - Implementation of the ESOS where options were granted over 151,645,000 new ordinary shares of RM0.50 each in UEM Land Holdings to eligible employees.

## MAY

- 22 Announcement of Notice of Fourth Annual General Meeting ("**AGM**").
- 25 Announcement on the first quarter consolidated results for the financial period ended 31 March 2012.

## JUNE

- 11 Joint venture arrangements with subsidiaries of Desaru Development Corporation Sdn Bhd for a high-end resort residential development surrounding two golf courses measuring approximately 678 acres in Desaru.
- 14 UEM Land Holdings held its Fourth AGM.

## AUGUST

- 29 Announcement on the second quarter consolidated results for the financial period ended 30 June 2012.

## OCTOBER

- 9 Grant of ESOS options over 10,894,800 new ordinary shares of RM0.50 each in UEM Land Holdings to eligible employees.
- 23 Joint venture between UEM Land Berhad ("**UEM Land**") and Ascendas Land (Malaysia) Sdn Bhd, part of the Ascendas Group for the development of an integrated eco-friendly tech park measuring approximately 519 acres in Gerbang Nusajaya.

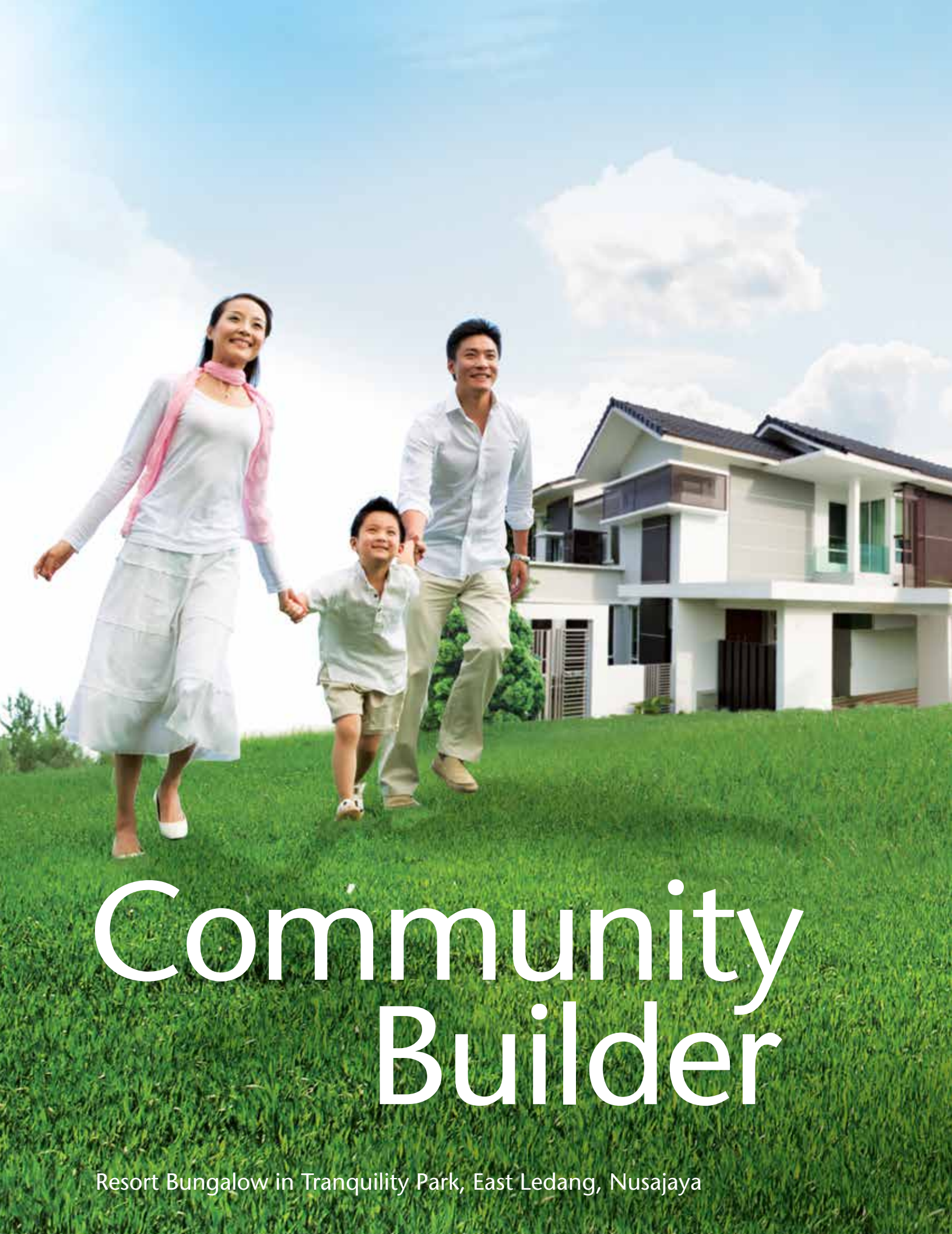
## NOVEMBER

- 28 Announcement on the third quarter consolidated results for the financial period ended 30 September 2012.

## DECEMBER

- 21 Issuance of RM600 million of Islamic Medium Term Notes ("**IMTN**") pursuant to the IMTN Programme and Islamic Commercial Paper ("**ICP**") Programme, a combined aggregate limit of up to RM2.0 billion in nominal value and sub-limit of RM500.0 million in nominal value for the ICP Programme, under the Syariah principle of Murabahah via a Tawaruq arrangement.





# Community Builder

Resort Bungalow in Tranquility Park, East Ledang, Nusajaya





We build more than just homes or buildings. We create sustainable communities in picturesque natural settings which offer exceptional living experiences while delivering outstanding returns, for the enjoyment of future generations.



# CHAIRMAN'S STATEMENT

Tan Sri Dr Ahmad Tajuddin Ali  
Chairman



Dear Shareholders,

It is my pleasure and privilege to present UEM Land Holdings Berhad's ("UEM Land Holdings" or "the Company") Annual Report and Financial Statements for the financial year ended 31 December 2012.

The year 2012 was a rewarding one for UEM Land Holdings. Not only did we exceed our net profit growth target for the year, 2012 also saw the achievement of our long awaited 'Tipping Point' for Nusajaya and the participation of high-profile foreign investors into new catalytic projects in Nusajaya. These investments have generated greater interest and increased demand for our properties, and are testaments to the increasing level of investors' confidence in Nusajaya. Moreover, we made strong strides forward in the Central Region with the introduction of new phases of Arcoris Mont'Kiara and Symphony Hills in Cyberjaya as well as a new commercial block known as Summer VOS in Kuala Lumpur's Golden Triangle. We also made good progress on the construction works for Quintet, our mixed-use development in Vancouver, Canada.

Through the acquisition of Sunrise Berhad ("Sunrise") in 2011, the Company has cemented its position as a fully-fledged developer with expertise in every segment of the property value chain encompassing the areas of township development, high-rise residential and high-end commercial development as well as development management and property investment.

Going forward, we have set our sights on exploring new opportunities in strategic areas that could expand our business while continue delivering robust financial performance and value creation for our shareholders.

## COMMENDABLE FINANCIAL PERFORMANCE

In 2012, UEM Land Holdings delivered a commendable performance, with Sales, Revenue and especially Profit After Tax and Minority Interests ("PATAMI") all showing improvements over the corresponding 2011 numbers.

For 2012, total Sales increased by 12% to RM2,467.7 million compared to RM2,202.3 million recorded in 2011 while Revenue increased by 14% to RM1,939.7 million from RM1,703.2 million. More significantly, our PATAMI advanced by 49% to RM448.4 million in 2012, compared to RM301.7 million in the previous year, primarily due to better product pricing and construction efficiencies. The amalgamation of Sunrise into UEM Land Holdings has been advantageous to us and continues to assimilate smoothly. Aside from the synergies created and benefits derived in the areas of shared systems, processes and human resources, by leveraging on Sunrise's strong portfolio and its earnings, we have enhanced our capabilities and revenue streams as well as solidified the Company's position as a premier property developer. Today, as an enlarged entity, we are able to enjoy economies of scale through securing better terms for materials and services and leveraging on a larger pool of technical expertise. All these factors have contributed to across-the-board margin improvements for our property development projects.

In line with the dividend policy that we have announced last year, the Board is also pleased to propose a first and final single tier dividend of 3.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2012, which would translate to a total payout of RM129.8 million, or approximately 29% of our 2012 PATAMI.

## STRATEGIC DEVELOPMENTS IN 2012

I am pleased to report that we achieved our targeted 'Tipping Point' in Nusajaya in 2012. The year saw several catalytic projects led by UEM Land Holdings and our development partners becoming operational while a flurry of new projects were launched. The year's highlights included the opening of Phase 1 of the Mall of Medini and long-awaited LEGOLAND® Malaysia, the first LEGOLAND® theme park in Asia and the first international theme park in Malaysia. On top of this, the Puteri Harbour Family Theme Park and Marlborough College too opened their doors to the public in 2012.

2012 also saw the launch of Teega @Puteri Harbour, our first urban waterfront high-rise development under the Sunrise brand in Nusajaya. The first two towers of Teega were launched in November 2012 and the third tower in December 2012, all with overwhelming response from both local and foreign purchasers. With an average pricing of RM750 psf for its first two towers, Teega is the most sought after property in Puteri Harbour.

Over the course of the year, the first serviced residence in Puteri Harbour was launched. Comprising 168 units overlooking the waterfront and marina, Somerset Puteri Harbour is being developed in a joint venture with UM Land Berhad and will be managed by The Ascott. The construction of the Port of Puteri Harbour Ferry Terminal was also completed in 2012 with the target of commencing operations in the second quarter of 2013.

I am pleased to report that a new development, Gerbang Nusajaya, began to take shape in 2012. Primed to introduce the next wave of catalyst developments to Nusajaya, this project is envisaged to help create a huge population base and employment opportunities, supported by sustainable regional connectivity and economic collaboration with Singapore. With a land size of 4,500 acres, Gerbang Nusajaya will be developed in five phases over a 25-year span. Its components will include lifestyle and retail parks, campus offices and industrial parks, and residential precincts, amongst others.

We continue to leverage on strategic collaborations to shape Nusajaya and 2012 saw a rise in such activities particularly in relation to Gerbang Nusajaya. In October, we formalised a partnership with the Ascendas Group to develop an integrated eco-friendly tech park with an estimated GDV of RM3.7 billion while another joint venture agreement was signed in December with FASTrack Autosports Pte Ltd for the proposed development of a Motorsports City over 295 acres of land in Gerbang Nusajaya, a project with an estimated GDV of RM3.5 billion. In addition, we also signed a memorandum of understanding with Chinamall Holdings Pte Ltd to facilitate further discussions on the development of a trade and exhibition mall in Gerbang Nusajaya.

During the year, we also entered into agreements with subsidiaries of Desaru Development Corporation Sdn Bhd which would allow us to undertake the proposed development of a high-end residential development over approximately 680 acres of land surrounded by two golf courses in Desaru, Johor.

Several agreements were also entered into to ensure that appropriate infrastructure will be in place to complement the lifestyles of Nusajaya's residents. Our joint venture agreement with Medini Security Services Sdn Bhd, a wholly owned subsidiary of Iskandar Investment Berhad ("IIB"), resulted in the establishment of Nusajaya Five O Sdn Bhd ("NSO"), a full service private security company for Nusajaya.



Dato' Ja'afar Muhammad Building, Kota Iskandar, Nusajaya

A collaborative agreement with IIB, Telekom Malaysia Berhad ("TM"), Centios Co Ltd and CISCO System International BV, aims to provide smart city and smart building infrastructure and services. The agreement also calls for a managed services operating company and a global innovation centre to be established within Nusajaya while a separate collaborative agreement was also entered into with IIB and TM for the provision of ICT infrastructure and telecommunication services for Nusajaya.

### RESPONSIBLE CORPORATE PRACTICES

Being a key property developer and a responsible corporate citizen, we continuously look to balance out our economic ambitions with responsible corporate practices that impact positively upon all our stakeholders – from our customers to our shareholders, business associates, employees and the communities we operate in. To this end, UEM Land Holdings continues to implement effective corporate responsibility initiatives, the details of which are spelt out in the Corporate Responsibility section of this Annual Report.

As always, the Board is committed to upholding and implementing the highest standards of corporate governance and risk management practices. The smooth and effective implementation of these practices will ensure that our businesses grow in a sustainable manner, that our reputation is bolstered, and that shareholder value is continuously strengthened. The finer details of our measures and practices are spelt out in the relevant sections of this Annual Report.

### MOVING FORWARD

As we move forward into 2013, the prospects for global growth remain challenging. The spill-over from the on-going sovereign debt crisis in the Eurozone and the risk of excessive near-term fiscal consolidation in the United States are expected to affect growth in the advanced and emerging economies to varying degrees.

However, despite the expected volatility of the external environment, we are optimistic about our prospects. We envisage that Nusajaya will remain the long-term growth driver for our business. Several new phases of our on-going developments in East Ledang, Nusa Idaman, Puteri Harbour and Nusa Bayu will be introduced in 2013 to meet increased demand. Outside of Nusajaya, we are also planning to launch several other residential developments, particularly developments in Symphony Hills, Cyberjaya; Bangi and the MK22 development in Mont'Kiara.

Furthermore, recent launches such as Arcoris Mont'Kiara, Teega @Puteri Harbour and Verdi eco-dominiums in Symphony Hills are at an early stage of construction. These developments are expected to contribute favourably to the Company's financial performance in 2013. We also look forward to smooth construction progress in relation to Summer Suites and the aforementioned projects in Nusajaya, as well as Quintet in Canada. The Company also plans to identify more land banks in new locations to expand our market presence and to explore other property-related opportunities in 2013.





Horizon Hills, Nusajaya

## ACKNOWLEDGEMENTS

On behalf of the Board of Directors of UEM Land Holdings, I wish to convey our sincere appreciation to our customers, business associates and partners for their support and belief in 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, especially in Nusajaya, a world-class destination where living, education, entertainment, environment and business seamlessly converge.

I also speak for the Board of Directors in acknowledging the contributions of our former colleagues, Abdul Kadir Md Kassim and Datuk Tong Kooi Ong, who resigned from the Board as Non-Independent Non-Executive Directors on 1 September 2012 and 1 January 2013 respectively. We thank them for their invaluable contribution and wish them the very best in their future endeavours. We would also like to extend a warm welcome to Lim Tian Huat who joined us as an Independent Non-Executive Director effective 28 November 2012 as well as Dato' Srikanthan Kanagaintiram and YM Ungku Suseelawati Ungku Omar who recently joined the Board on 19 March 2013, also as Independent Non-Executive Directors. We certainly look forward to their contributions.



Interior view of Schubert superlink terrace, Symphony Hills, Cyberjaya

I would also like to extend my heartfelt gratitude to the entire management team and all employees at UEM Land Holdings. 2012 was a crucial year for us as we evolved to become a premier property developer and we could not have done this without their sacrifice, dedication and commitment to excellence. To my fellow Directors, thank you for your astute insights, your wise counsel and continuous support in guiding the Company through another milestone year.

Our success thus far is also very much owing to you, our esteemed Shareholders. On behalf of the Board, please accept my utmost gratitude for your unwavering commitment and confidence in the Company. I also thank you for your openness to change and your patience in helping us create a bigger and better organisation.

I trust that all our stakeholders will continue to lend us their unreserved support as we move forward to build upon the solid momentum gained and as we continue making our mark on the region and the world.

**Tan Sri Dr Ahmad Tajuddin Ali**

*Chairman*

# MD/CEO'S OPERATIONS REVIEW

The year 2012 was a truly fulfilling one for the team at UEM Land Holdings Berhad ("UEM Land Holdings" or "the Company"). We made commendable strides forward on the operational and financial fronts, and reinforced our position as a full-fledged property developer with a vision of building sustainable communities and townships of the future. With the sphere of activities now encompassing the areas of township development, high-rise residential and commercial development, as well as retail, we are strongly poised to embrace new areas of opportunity in the region. I am pleased to share the details of the Company's 2012 performance with you.

## ROBUST FINANCIAL PERFORMANCE

UEM Land Holding's profit after tax and minority interests ("PATAMI") grew by a stellar 49% to RM448.4 million in 2012, while revenue increased 14% to RM1,939.7 million. These results came on the back of steady progress billings on the Company's on-going direct developments as well as the increase in sales and construction progress contributed by projects in and outside of Nusajaya, namely East Ledang, Nusa Bayu, Nusa Idaman, Symphony Hills, Summer Suites, 28 Mont'Kiara and Quintet in Vancouver, Canada; generating approximately 81% (RM1,576.3 million) of our total revenue in 2012 (2011: 74%; RM1,252.8 million). From an overall perspective, I am also pleased to report that revenue contributions from our operations in Nusajaya have improved encouragingly, accounting for 54% (RM1,038 million) of 2012's revenue (2011: 44%; RM752 million). This is a testament to the growth that we have achieved for Nusajaya as a result of our efforts over the past few years and we are well positioned to continue reaping benefits from this in the immediate to medium term, especially considering that investors' interest in Iskandar Malaysia and Nusajaya is now at an all-time high.

While revenue has grown year-on-year, our focus has been on development and higher value-added activities to build a more sustainable revenue base, hence making us less reliant on land sales. In 2012, revenue from land sales stood at 14% (RM268.6 million) compared to 22% (RM369.2 million) in 2011. Of this amount, more than half comes from developed land sales as we continue to attract investors and development partners to purchase our development ready land parcels in the Southern Industrial and Logistics Clusters ("SiLC"), Puteri Harbour and Afiat Healthpark.

Contributions from property investment activities increased significantly by 82% to RM47.9 million in 2012 (2011: RM26.3 million). Meanwhile, our assets & facilities management and project management businesses registered moderate growth and contributed RM31.9 million (2011: RM18.6 million) and RM8.6 million (2011: RM7 million) in revenue respectively.

Gross profit margin has also increased from 30% to 36% in 2012, partly contributed by improved economies of scale through securing better terms for materials and services in addition to leveraging on a larger pool of technical expertise.

## OPERATIONAL HIGHLIGHTS

### Nusajaya – Tipping Point 2012

Over the past few years, we have consistently talked about our target for Nusajaya to achieve its 'Tipping Point' in 2012 and we believe that, with the role of Iskandar Investment Berhad ("IIB") and our other development partners, we have delivered on this promise as evidenced by significant progress achieved for all the initial catalytic projects identified in Nusajaya's Development Master Plan.

Kota Iskandar has served as the new administrative centre for Johor since April 2009 and has hosted numerous State Government functions and events, including the vastly successful *Karnival Nusajaya* held in September 2012 and the World Islamic Economic Forum Gala Dinner held in December 2012.

Puteri Harbour is now a hive of activity with the opening of the Puteri Harbour Family Theme Park in December 2012. 2012 also saw the physical construction works for both the Traders Hotel and the Port of Puteri Harbour Ferry Terminal being substantially completed while development works have also commenced for the Somerset Puteri Harbour, Imperia apartments & office towers and our latest offering, Teega @Puteri Harbour.

SiLC is today the home to 29 sizable factories, with another 12 factories currently under construction.

The educational and healthcare needs of Nusajaya's residents are also well provided for. On the education front undertaken by IIB, Newcastle University Medicine Malaysia and University of Southampton Malaysia Campus are both operating from



their respective campuses in EduCity Iskandar Malaysia while the Netherlands Maritime Institute of Technology campus is substantially completed, and development works have also commenced for the University of Reading Malaysia campus. Marlborough College Malaysia has also opened its doors in 2012 while the Raffles American School is currently serving students from grades one to eight under the American curriculum from their temporary location in Anjung Neighbourhood Centre. In terms of healthcare, Columbia Asia Hospital in Afiat Healthpark has been in operations since 2010 while the 300-bed Gleneagles Medini Hospital will anchor the Healthcare & Wellness cluster planned for Medini Iskandar Malaysia.

Medini Iskandar Malaysia, helmed by IIB is also progressing rapidly with the major highlight for 2012 being the opening of LEGOLAND® Malaysia, and on a smaller scale, the first phase of our very own Mall of Medini which has added to the retail offerings available in Nusajaya. The Pinewood Iskandar Malaysia Studios is also progressing well and is set to become the new production facility for the production of film entertainment for the Asian region once it opens its doors in 2013.

Tremendous efforts have been put into the conceptualisation of Nusajaya's Development Master Plan, which covers not just the 'hard' or physical infrastructure but also the 'soft' infrastructure as well, such as eco-Nusajaya, Smart+Connected Nusajaya and Safety and Security Master Plan. This has earned Nusajaya the Malaysia Property Award 2011 by FIABCI Malaysia - Master Plan Category. This achievement was further validated in May 2012 when we won the internationally acclaimed FIABCI Prix d'Excellence Awards for Best Master Plan in the world at the awards presentation ceremony in St. Petersburg, Russia – yet another testament that our efforts to transform Nusajaya into a new regional city is on the right track.

To be bestowed this prestigious award at this relatively early stage of development is unparalleled and this further differentiates us from other developers in Iskandar Malaysia. With all these building blocks in place, we believe that a strong foundation has been set for Nusajaya's future growth and that the long awaited 'Tipping Point' has been reached.

### Next Wave of Catalysts

While the first wave of catalysts for Nusajaya is now in place, we will not rest on our laurels but will work to continuously enhance Nusajaya's positioning and the value of our investments in Nusajaya.

As such, 2012 has seen us starting off the next wave of catalysts for Nusajaya. At the forefront of our efforts is Gerbang Nusajaya, an exciting new development, which has garnered immense interest. Spread across 4,500 acres, Gerbang Nusajaya will focus on commerce, trade and eco-industry thus synergistically creating employment, population base and income growth. The components comprise Motorsports City, eco-industry tech park, Asian Trade Centre, integrated mix developments, transportation hubs, campus offices, as well as residential precincts, which will be introduced in five phases over a 25-year period.

We have already kick-started Gerbang Nusajaya with two strategic collaborations in 2012. In October, we inked a joint venture agreement with the Ascendas Group from Singapore to develop an integrated eco-friendly tech park over 519 acres of land with an estimated GDV of RM3.7 billion. The fully landscaped park will focus on delivering a built environment for a wide range of industries such as electronics, pharmaceuticals & medical devices, food processing, precision engineering, fast moving consumer



Gerbang Nusajaya, Nusajaya

## MD/CEO'S OPERATIONS REVIEW

goods, logistics & warehousing and general engineering services. The development is expected to take place in three phases over nine years with the properties to be sold and potentially leased for recurring income. Once fully completed, it is expected to host a business community of over 34,000 people.

In December, we signed another joint venture agreement with FASTrack Autosports Pte Ltd for the development of a Motorsports City over 295 acres of land with an estimated GDV of RM3.5 billion. This development is envisaged to be the model eco-system catering for all things automotive, that comprises 4S (Sales, Services, Spare Parts and Systems) centres, car show rooms, continental and Asian spare parts hub, bonded warehouses as well as retail and alfresco spaces with F&B outlets and an entertainment hub. It will also feature a 4.5 km track and 1.5 km karting track designed by world renowned track designer, Hermann Tilke, who has commissioned more than 65 tracks catering to F1 races, private usage, road-safety training and fully commercial utilisation worldwide.

Rest assured, these two collaborations are just the beginning. We are already in discussions with Chinamall Holdings Pte Ltd to explore the possibility of establishing a trade and exhibition mall that will house and market goods from the People's Republic of China in Gerbang Nusajaya and we are also exploring other possible collaborations that we believe can help accelerate the development and enhance the value of several other development precincts within Gerbang Nusajaya.

We are also continuously working to improve the 'soft' infrastructure for Nusajaya via the roll out of our strategic initiatives.

Safety and security remain a key focus area and in 2012, we collaborated with IIB to form a full-fledged security service company, Nusajaya Five O Sdn Bhd ("N5O") as means to improve the level of security services for our projects in Nusajaya. This initiative is part and parcel of the Nusajaya Safety and Security Master Plan established in 2008. N5O recently received approval from the Royal Malaysian Police to provide 500 auxiliary policemen, which will help provide the sense of security 'omnipresence' for Nusajaya.

In line with our vision for Nusajaya to become a regional investment destination, ensuring the availability of world-class telecommunications and connectivity are important items on our checklist. In December 2012, UEM Land Berhad ("UEM Land") and IIB entered into a collaborative agreement with Telekom Malaysia Berhad ("TM") for the planning, development, operation and maintenance of telecommunications in Nusajaya. The collaboration will see the three parties working together in several key areas, including provisioning of communication infrastructure and services for both residences and property developments in Nusajaya, establishment of data centre, ICT and Business Process Outsourcing ("BPO") service offerings as well as extending TM WiFi

services to cover more sites in Nusajaya. TM will also be establishing a one-stop-centre in Nusajaya to support the telecommunications and ICT requirements of enterprises and businesses in the area.

At the same time, UEM Land and IIB progressed to the next step of developing a smart and connected Nusajaya with the signing of a collaborative agreement with TM, Centios Co Ltd from South Korea and Cisco System International BV to jointly explore the opportunities available for providing smart city and smart building infrastructure & services, including the establishment of a managed services operating company and the potential establishment of a Global Innovation Centre in Nusajaya.

## DEVELOPMENT UPDATES

### Residential Properties in Nusajaya

#### *East Ledang*

East Ledang is a 365-acre, garden themed luxury residential development with a total GDV of RM2.6 billion. Centrally located within Nusajaya, it features 31 beautifully manicured and landscaped esoteric gardens, with its very own lake and wetlands set amongst award-winning link duplexes, twin villas, townhouses and stunning bungalows. East Ledang resort homes are known for their spacious interiors, luscious natural lighting, high ceilings, wide entrances, tall doorways and spatial lanais or internal courtyards.







Teega @Puteri Harbour, Nusajaya

Equipped with the state-of-the-art East Ledang Security Intelligence ("ELSiS"), the secured, guarded, patrolled and monitored community has over the years captured the interests of homebuyers, with slightly more than 50% foreign purchasers. East Ledang has received numerous awards locally and internationally since it was launched in February 2008, the most recent being the International Property Awards Asia Pacific 2012-2013 for Best Architecture Multiple Residence in Asia Pacific as well as Malaysia (5-star rating), for its Phase 7 linked duplexes known as Harmony Park; and The Malaysian Reserve Editors Choice Property Award 2012 in the Township Category.

During the year, several new products were launched including Phase 4A comprising 28 exclusive Grand Pool Villas, Phase 6A1 comprising 54 double storey semi-D homes and Phase 9 comprising 117 units of townhouses.

#### **Teega @Puteri Harbour**

Situated on an ample 10.08 acre freehold land, the 35-storey Teega development encompasses four components - Teega Residences (condominiums), Teega Suites (service apartments), Teega Cabana office units and retail outlets with a total GDV of approximately RM1 billion.

Teega boasts a modern contemporary and holiday-resort like environment with a breath-taking homecoming experience where you can enjoy an optimised view of the private and public marinas and the adjacent linear park. The development, which is subject to the stringent CONQUAS and BCA Green Mark assessments, offers an expansive provision of common facilities such as a 'sky park', lap pool, BBQ area, yoga terrace, floating gym, and leisure lounge with 60,000 sq ft of its footprint reserved for landscape.

As at end December 2012, 1,292 units have been launched and the take-up rate as at 31 March 2013 is an astounding 81%.

#### **Nusa Idaman**

Nusa Idaman is a medium to medium-high cost residential development spanning 251 acres with a total GDV of approximately RM1.1 billion with residential and commercial units, kindergarten, primary school, mosque, community hall, public field, recreational lake, petrol station, landscaped parks and vista points. It is located adjacent to the Nusajaya Regional Open Space and enjoys convenient access to the Linkedua Expressway via the Nusa Idaman Interchange.

In 2012, a total of 400 apartment units were launched under Phase 8C. In addition, Phase 7D1, comprising 42 double storey semi-D homes and Phase 8D comprising 116 double storey terraces and semi-D homes were also released to the market.



Verdi eco-dominiums, Cyberjaya

### ***Nusa Bayu***

Nusa Bayu is a medium-cost mixed development situated on a 258-acre foot print with a total GDV of RM783 million. It was conceptualised to cater to young families and first time homebuyers and planned with essential amenities such as primary and secondary schools, a mosque, a community centre, shopping facilities and recreational facilities that include a 3.7-acre football field, 550-metre jogging path and a 7.5-acre lake.

For 2012, we released 417 units of terrace homes in Phase 3E, 2C and 2B double storey to the market.

### ***Imperia @Puteri Harbour***

Imperia is the first waterfront high-rise development in Puteri Harbour that offers panoramic vistas of the Straits of Johor. Located on a 3.3-acre site, it is a mixed development with a total GDV of RM448.6 million, comprising a 35-storey residential tower with 246 units and a 16-storey office tower with retail lots. Construction of the superstructure for both the residential and office towers started in 2012 and is slated for completion in June 2014.

### ***Affordable Housing***

Nusajaya also has several residential projects to cater for the housing needs of the lower income group. Taman Nusantara, developed by Denia Development Sdn Bhd ("Denia") pursuant to a Development Agreement with Bandar Nusajaya Development Sdn

Bhd, is now a well-established neighbourhood with close to 3,400 units of affordable properties already delivered with full Certificate of Fitness for Occupation with a further 770 units currently under construction. UEM Land Holdings also collaborated with Denia in the development of Nusantara Prima, in providing close to 1,700 affordable homes to the market, out of which 201 units have been gazetted as part of the Government's Perumahan Rakyat 1Malaysia ("PR1MA") initiative.

In addition, to partly fulfil our affordable homes' obligation, the Company had also provided 60 acres of land to the State Government of Johor for the development of Rumah Iskandar Malaysia by the Iskandar Regional Development Authority, which will provide 1,500 units of affordable homes to be rented out to families earning RM3,000 or less.

### **Residential Properties Outside of Nusajaya**

#### ***Symphony Hills, Cyberjaya***

Symphony Hills – Malaysia's first Connected Intelligent Community development is a high-end neighbourhood located on a 98-acre footprint, developed with an underlying focus on creating a community, which promotes neighbourly interaction while maintaining exclusivity and privacy when desired. With a total GDV of RM1.49 billion, Symphony Hills comprises a total of 2,848 residential units of mixed landed and high-rise strata and limited commercial components amidst several parcels with each having a different theme and concept.

Symphony Hills was awarded The Malaysian Reserve Editors Choice Property Award 2012 in the Residential Category. Its clubhouse also received recognition when it was commended in the Commercial Category 7 of the PAM Awards 2012.

At the end of 2012, Symphony Hills launched its first high-rise component known as Verdi eco-dominiums equipped with smart home features, surrounded by greenery of 6-acre landscaped-park and facilities that covers a total of 9.16 acres. To date, a total of 358 landed units comprising cluster homes, superlinks and semi-detached, as well as 400 condominium units have been launched.

#### ***28 Mont'Kiara***

The award-winning 28 Mont'Kiara comprises 460 opulent units with sizes ranging from 2,535 sq ft to 3,000 sq ft, while penthouses range up to 6,465 sq ft, standing tall in 40-storey twin towers. At a GDV of RM1 billion, the Mont'Kiara marvel offers a wide expanse of recreational space the size of two football fields covering 70% of the development's 4.87 acres freehold footprint.

In March 2012, we marked the construction progress in a Topping-Out Ceremony when it reached the pinnacle at 40 storeys high. On 28 November 2012, it obtained the Certificate of Completion and Compliance ("CCC") and at end December 2012, the units were handed over to the purchasers.



### Arcoris Mont'Kiara

Arcoris Mont'Kiara is an award-winning integrated mixed-use development designed by internationally renowned architectural practice Foster+Partners. Located on an ample 6-acre footprint, the 1.5 million sq ft freehold development integrates the quint-components of luxury service residences, business suites, SoHo, 35-storey hotel and boutique retail; a single destination where the vibrancy of urban living and tranquillity of an exclusive abode culminates.

The total GDV of the overall Arcoris Mont'Kiara development is estimated at RM1.037 billion.

### Summer Suites & Summer VOS

Summer Suites & Summer VOS represent two towers with a total of 800 office suites plus retail units on 1.65 acres of prime land at 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 a total GDV of RM431.4 million.

Following the launch of Summer Suites in January 2011, a second 34-storey commercial block named Summer VOS was introduced in 2012 comprising 400 units of premium business suites with sizes ranging 444 sq ft to 866 sq ft. It boasts excellent work-conducive surroundings and innovative business infrastructure, ideally suited for small medium entrepreneurs that would like to own and occupy smaller spaces, but have a presence in the nation's capital. Its avant-garde architecture comes with impressive features and breathtaking double volume grand lobby, individual private balcony, 24-hour security CCTV surveillance service, a pedestrian access system via the main lobby, security patrol within the facility and a host of business and recreational facilities.

### Quintet, Canada

Quintet is a mixed residential and commercial development situated on a 4.8-acre freehold footprint in Minoru Boulevard City, Vancouver, Canada. It comprises five tower blocks and townhouses ranging from 500 sq ft in size for one-bedroom units to 1,500 sq ft penthouses and townhouses with a total GDV of almost RM1 billion. Phase 1 comprising 275 units in Tower A and Tower B including 16 townhouses that were launched in September 2010, is almost fully sold. Phase 2 comprising 412 units was launched in 2012.

### Expanding our presence

In line with our ambitions to continue to grow the Company, we are pleased to have entered into agreements with subsidiaries of Destination Resorts and Hotels Sdn Bhd ("DRH") for a 680-acre development of residential resorts. This development, of which Desaru Development Corporation Sdn Bhd (subsidiary of DRH) is the master planner and developer, is part of the 3,900-acre Desaru Coast integrated luxury destination that offers premium resorts and hotels, unique leisure attractions and entertainment such as designer golf courses, with prime residential components,



Quintet, Vancouver, Canada

experiential water theme park, full convention facilities, a hospitality, tourism and culinary school and a lively lifestyle hub. To-date, established and highly reputable names such as Aman Country Club and Aman Villas, Sheraton Resort and Datai Desaru have already committed to be a part of this exceptional development.

Our role is to focus on the high-end residential development surrounding the golf courses designed by world golf champions Ernie Els and Vijay Singh, aimed to attract, amongst others, foreign buyers from around the region who wish to own an out-of-country holiday home or expatriates who wish to create a second home for themselves in Malaysia.

The investment in Desaru Coast is in line with UEM Land Holdings' continuous effort in sourcing new land bank and property development opportunities as means of improving and sustaining its long-term earnings and growth. We are thrilled to be chosen as one of DRH's partners in the overall revitalisation plan for Desaru and the opportunity to shape the beautiful coastline of south east Johor.

## EMPLOYEE DEVELOPMENT

Our ability to maintain our competitive edge and take our place on the podium of world-class developers is very much dependent on the capabilities and expertise of our employees who form the backbone of our business. Recognising that talent is scarce, UEM Land Holdings has to look at not only the short term incentives, but also the long term incentives to attract, retain and reward good and critical talent.

## MD/CEO'S OPERATIONS REVIEW

To this end, the Board of Directors in March 2012, has announced a robust 7-year Employee Share Option Scheme ("ESOS") which is performance based, designed to incentivise employees, as a substantial portion of the entitlement is directly linked to each employee's work performance. The upfront grant is divided into five equal option tranches, whereby the scheduled vesting will be staggered on an annual basis, with an annual price escalation factor to align the interest of employees in driving long term shareholders' value enhancement while at the same time allowing them the opportunity to participate in the equity of the Company.

In addition, we continue to focus our efforts in ensuring our employees undergo continuous professional development and that their competencies are enhanced via targeted training. In 2012, our workforce of 1,186 employees underwent a total of 353 training programmes with each employee receiving on average approximately 34.78 hours of training.

The year also saw the HR Division launching the HR Roadmap 2012 – 2015. The HR Roadmap outlines the pathway to our becoming a High Performance Organisation Company ("HIPOC") by 2015. Recognising that our people are vital to every aspect of our business performance, it spells out sound strategies to significantly enhance the value of this critical resource. The roadmap has now been deployed across the entire organisation.

In our efforts to become a HIPOC, we have adapted three key strategies, namely Leadership, Learning and Development as well as People Management, and have embarked upon 12 strategic initiatives. These include Employer Branding,

Rewards and Recognition, Succession Planning, My Culture of Excellence ("COE"), Individual Developer Plan ("IDP")/Career Pathing, Consequence Management, Mentoring, Coaching and Counselling, Employee Engagement, Quality of Work, Life Knowledge Management, HR Quality Awards as well as Sports & Recreation.

## ENTERPRISE RISK MANAGEMENT

As the Company sets its sights on repositioning Nusajaya as a regional city with diverse catalytic developments and on further expanding its footprint beyond Iskandar Malaysia, we are mindful of the new risks and challenges these ventures may bring. As such, we have diligently taken measures to integrate all possible outcomes from existing and new businesses into an Enterprise Risk Management ("ERM") strategy, which is part of our larger Risk Management Framework. In 2012, we continued to fine-tune the framework which covers our risk management policy and lines of responsibility and accountability as well as outlines a structured risk management cycle incorporating the identification, assessment, evaluation, treatment, monitoring and review of business risks.

Our Risk Management Committee ("RMC"), comprising senior management from various functional responsibilities, assists the Board in carrying out its responsibilities in this area. I chair the RMC which meets on a quarterly basis to discuss and deliberate the significant risks identified by the respective departments, projects and subsidiaries as well as the related mitigation plans. We subsequently provide an update on our risk management activities to the Board.

The Company has embedded comprehensive risk identification and mitigation activities within our overall strategic planning, business planning and decision-making activities. Risk management has become an integral part of UEM Land Holdings' corporate culture and we remain committed to ensuring that the lines of communication between the various risk committees and risk owners are continuously kept open. The details of risk management are spelt out in the Enterprise Risk Management section of this Annual Report.





## A RESPONSIBLE DEVELOPER

Here at UEM Land Holdings, we are deeply committed to maintaining a balance between our economic agenda and responsible corporate practices that impact positively upon stakeholders. We take pride in the fact that responsible and sustainable practices are embedded into our total business operations and value chain. In 2012, we continued to implement effective corporate responsibility ("CR") initiatives in the areas of the Marketplace, Workplace, Community and Environment. The details of these CR initiatives are spelt out in the Corporate Responsibility section of this Annual Report.

## OUTLOOK AND PROSPECTS FOR 2013

As we venture forth into a new financial year, we will continue to focus our efforts on implementing and delivering on our on-going projects in the Klang Valley, Canada and most importantly, Nusajaya. With Nusajaya having reached its 'Tipping Point' in 2012, many other vibrant pipeline developments in the area have begun to take off. Among these, Gerbang Nusajaya is a key focus area for us as it marks the beginning of the next wave of catalytic developments for Nusajaya. Our approach of accelerating developments in Gerbang Nusajaya via strategic collaborations such as the joint ventures with Ascendas Group and FASTrack Autosports Pte Ltd are proving to be very effective and we will continue to explore other such opportunities for mutually beneficial collaboration. We also remain committed to exploring new catalyst opportunities within Nusajaya to further enhance its overall value.

Outside of Nusajaya, we have several new projects lined up for 2013. In terms of high-rise projects, the MK22 development will be the latest in our line-up of prestigious offerings in Mont'Kiara while we are also planning to launch two new landed residential developments in Kajang and Bangi. The Bangi mixed residential township project is something that we are really focusing on as it is planned for the medium income group and provides us an opportunity to better serve this market in the Klang Valley.

In order to deliver robust revenue growth, we have set our sights on exploring new domestic opportunities in the Klang Valley, Penang and Sabah, while still exploring the possibility of overseas expansion. Our experience in Canada has given us the impetus to extend our international footprint and we are open to exploring such other opportunities as and when they arise. In all these, we are confident that our strengthened expertise, enlarged offering and good track record will lend us a strong competitive edge and hold us in good stead wherever we go. All in all, we are optimistic about the Company's prospects going forward.

## ACKNOWLEDGEMENTS

UEM Land Holdings made strong strides forward in 2012 and strengthened its position as a full-fledged property player. For this, we must thank all our stakeholders for their confidence in us and for extending us their steadfast support.

I would like to express my gratitude to our valued customers and purchasers for your continued support and patronage. My heartfelt thanks also go out to government agencies and local authorities, business partners, contractors, consultants, financiers and members of the media for their unfailing assistance and cooperation throughout the year.

A special note of thanks to our valued shareholders for your continuous support, invaluable contributions and unwavering confidence in us, that have motivated and inspired us all to endeavour towards meeting the Company's goals and objectives. I look forward to reporting our progress to you.

I also wish to convey my heartfelt gratitude to our Board of Directors for their wise counsel that has always guided us and provided us with much stability and will continue to do so as we explore new areas of opportunity and take on all challenges.

To our family of employees, I would like to express my utmost appreciation for your dedication, consistent hard work and sacrifices, which have certainly stood us in good stead and will take us even further. As a progressive Malaysian property developer, we stand poised to take our unique Malaysian brand and stamp it even further across the region and beyond. We trust all stakeholders will continue to lend us their steadfast support as we set our sights on becoming a true community builder.

**DATO' WAN ABDULLAH WAN IBRAHIM**  
Managing Director/Chief Executive Officer

# 2013 OUTLOOK

Prospects for global growth remain challenging, weighed down by the ongoing sovereign debt crisis in the euro area as well as the slower than expected recovery in the United States ("US"). The spillover from these episodes has affected growth in the advanced and emerging economies to varying degrees, through trade and financial channels.

Despite weak external demand, the Malaysian economy weathered the protracted euro-debt crisis and slowing emerging economies relatively well, thanks to resilient domestic demand, underpinned by the implementation of projects under the Economic Transformation Programme ("ETP"), the Public-Private Partnership ("PPP") programme and various economic corridors. Indeed, the implementation of these economic programmes propelled the Malaysian economy to register a robust growth of 6.4% in the fourth quarter of 2012. For the whole year, the economy expanded 5.6%, surpassing the Government forecast of 4.5% - 5%.

For 2013, the Malaysian economy is expected to sustain its growth momentum. Growth will be supported by improving exports and strong domestic demand on the assumption that global growth will pick up, especially during the second half of 2013. Domestic demand is expected to maintain its strong momentum driven by robust private investment and strong private consumption. Private sector activity will be supported by an accommodative monetary policy in an environment of low inflation coupled with a robust financial sector. Recovery in the external sector, particularly increasing external demand from regional economies and major trading partners will further provide the impetus for a private-led growth.

Given that domestic economic activity is expected to strengthen further in 2013, inflation is estimated to increase moderately, partly mitigated by further capacity expansion in the economy. The key supply side factors that will influence inflation, namely prices of energy and food commodities are expected to ease during the first half of 2013, but are likely to trend up during the second half on the assumption that global growth continues to pick up pace. Hence, for 2013, the average inflation rate is estimated to be between 2% and 3%.

Despite the anticipation of higher inflation in 2013, it will likely remain manageable and is unlikely to pose a threat to the economy. As the higher inflation will likely be driven by cost-push rather than demand-pull factors, it is expected that Bank Negara Malaysia will tolerate slightly higher inflation until the economic recovery becomes more entrenched. Consequently, market consensus is that the overnight policy rate ("OPR") will likely remain unchanged in 2013. This is also consistent with the international environment and in particular, in the US whereby the Federal Reserve has announced its intention to maintain its key policy rate at 0% - 0.25% until mid-2015.

On the physical property market, it is expected that the sector will remain resilient in 2013, supported by population growth trend and higher growth forecast, as well as the influx of liquidity. Key property hotspots will stay vibrant. Penang is expected to see the completion of the second Penang Bridge in September 2013, and mushrooming



Lobby of 28 Mont'Kiara, Kuala Lumpur

industrial parks at Batu Kawan area will translate to higher demand for properties on the mainland. Meanwhile, Iskandar Malaysia would see stronger interest from the Singapore buyers partly due to the recent participation of established Singapore property players, which will act as a strong catalyst to pull in more commercial activities into Iskandar Malaysia. Stronger interest from both local and foreign developers towards Iskandar Malaysia is also expected due to the completion of several catalytic developments. Klang Valley is likely to remain the main market as Kuala Lumpur, being the capital of Malaysia, will continue to attract the city dwellers and hence more local demand focused. High-end properties would also appeal to some foreign investors.

In 2013, property sales are expected to sustain, buoyed by the expectations of a strong domestic economy coupled with favourable demand and supply dynamics. Property demand is well supported by the high level of savings, a young population, declining average household size, low unemployment rates and historically low average lending rates at 4.8% compared to 7.7% over the past 22 years. In addition, foreign buying driven by liquidity will be a key catalyst as regional countries such as Hong Kong and Singapore have recently imposed more measures to tighten their property market further. Therefore, foreigners could look at Malaysia, with its relatively cheaper property prices, for real estate investment opportunities.

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# CORPORATE PROFILE



Public marina at Puteri Harbour, Nusajaya

**UEM Land Holdings Berhad** (“UEM Land Holdings” or “the Company”) is a public company listed on the Main Market 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 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 catalytic 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 currently owning approximately 6,000 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 award winning Puteri Harbour integrated waterfront development; the ‘green’ and ‘clean’ fully managed Southern Industrial and Logistics Clusters (“SILC”); Afiat Healthpark, a comprehensive medical park offering modern, traditional, complementary medicine and wellness; and Gerbang Nusajaya, a 4,551-acre development comprising mixed, commercial

and catalysts projects with activity malls, campus offices, trade centres and residential developments. Together with a mix of residential and commercial properties, hotels, resorts and many other amenities, Nusajaya will emerge as a vibrant and dynamic destination offering holistic and integrated lifestyle, with immense potential growth for investors.

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, 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 Company’s 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.

More significantly, UEM Land Holdings 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**  
Non-Independent Non-Executive Chairman

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

**Dato' Izzaddin Idris**  
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

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

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

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

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

## AUDIT COMMITTEE

**Oh Kim Sun**  
Chairman

**Md Ali Md Dewal**  
Member

**Lim Tian Huat**  
Member

## NOMINATIONS & REMUNERATION COMMITTEE

**Md Ali Md Dewal**  
Chairman

**Dato' Izzaddin Idris**  
Member

**Oh Kim Sun**  
Member

## BOARD TENDER COMMITTEE

**Dato' Izzaddin Idris**  
Chairman

**Sheranjiv Sammanthan**  
Member

**Lim Tian Huat**  
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 May Fun**  
MAICSA 7018697

## PRINCIPAL SOLICITORS

Kadir Andri & Partners  
8th Floor Menara Safuan  
80 Jalan Ampang  
50450 Kuala Lumpur

## REGISTRARS

Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1 A/46  
47301 Petaling Jaya  
Tel: 03-7841 8000  
Fax: 03-7841 8151/52

## AUDITORS

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

## REGISTERED OFFICE

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

## PRINCIPAL BANKERS

CIMB Bank Berhad  
Malayan Banking Berhad

## STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad

# GROUP CORPORATE STRUCTURE

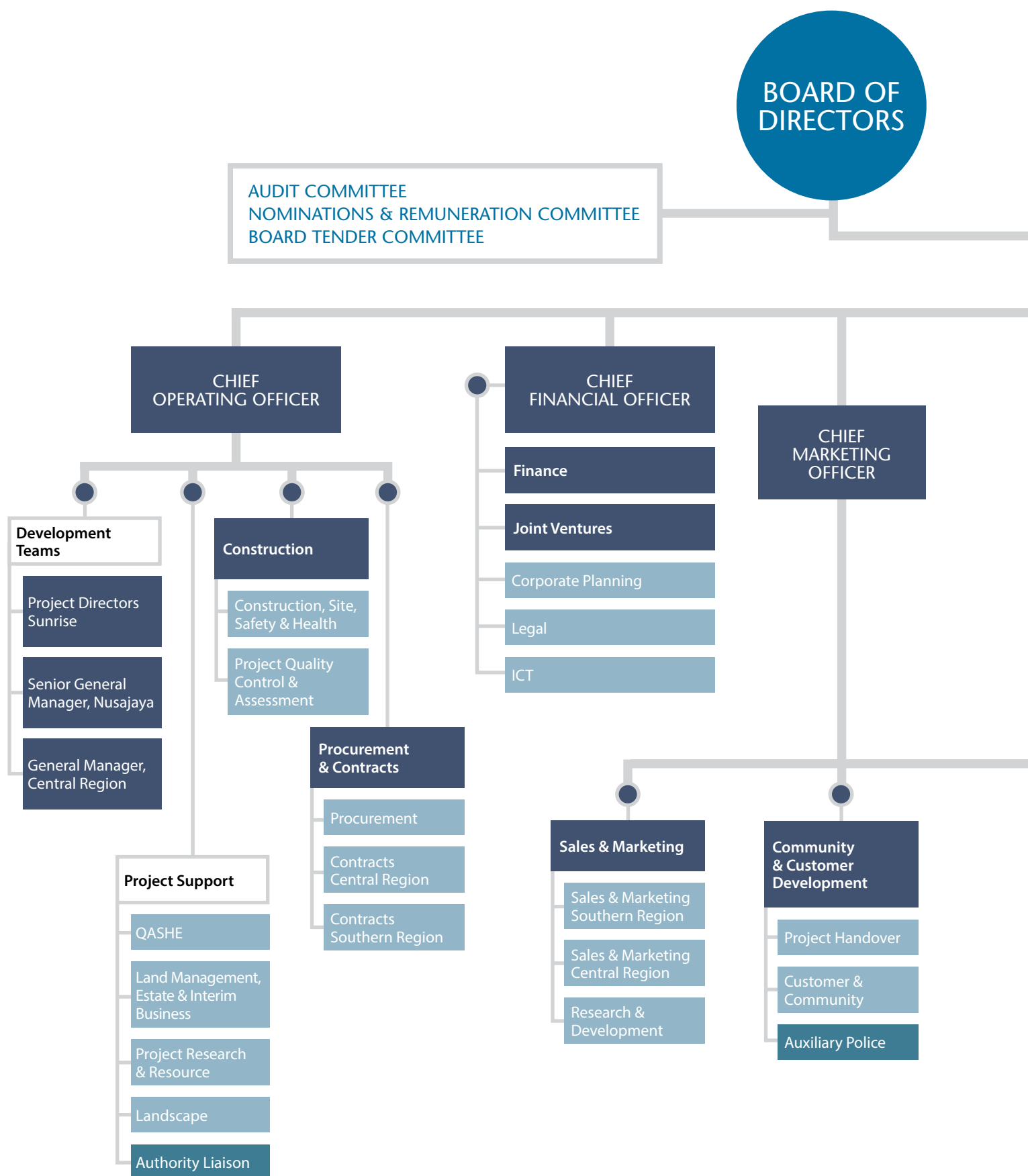
AS AT 29 MARCH 2013



A member of **UEM Group**

UEM Land Berhad	___ 100%
Sunrise Berhad	___ 100%
Bandar Nusajaya Development Sdn Bhd	___ 100%
Nusajaya Development Sdn Bhd	___ 100%
Symphony Hills Sdn Bhd	___ 100%
Aston Star Sdn Bhd	___ 100%
Canada Sunrise Development Corp.	___ 100%
Lucky Bright Star Sdn Bhd	___ 100%
Sun Victory Sdn Bhd	___ 100%
FASTrack Iskandar Sdn Bhd (formerly known as <i>Crimson Carnival Sdn Bhd</i> )	___ 100%
Nusajaya Tech Park Sdn Bhd (formerly known as <i>Suasana Prisma Sdn Bhd</i> )	___ 100%
Cahaya Jauhar Sdn Bhd	___ 60%
Nusajaya Lifestyle Sdn Bhd	___ 55%
Desaru South Course Residences Sdn Bhd	___ 51%
Desaru North Course Residences Sdn Bhd	___ 51%
Desaru South Course Land Sdn Bhd	___ 51%
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





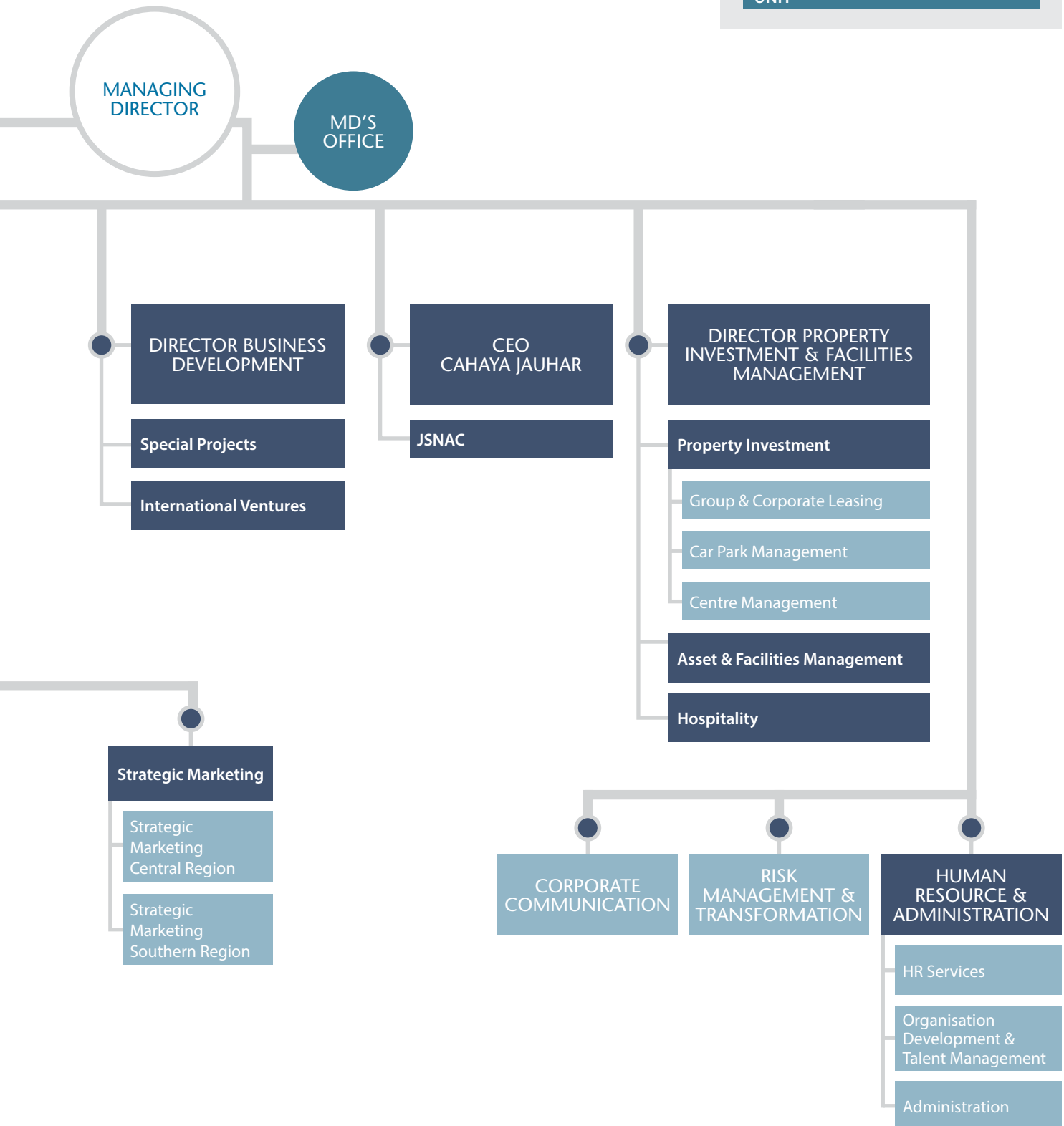
## ORGANISATION STRUCTURE

### LEGEND:

**DIVISION**

**DEPARTMENT**

**UNIT**



# EVENT HIGHLIGHTS 2012

## CORPORATE EVENTS



**10 JANUARY**

### Safety and Security Enhancements in Nusajaya for Greater Livability

UEM Land Holdings Berhad ("UEM Land Holdings" or "the Company") collaborated with Medini Security Services Sdn Bhd, a wholly owned subsidiary of Iskandar Investment Berhad ("IIB") in establishing a full-fledged security service company to provide enhanced security for Nusajaya. The joint-venture company known as Nusajaya Five O Sdn Bhd will implement the safety and security initiatives as well as control the quality of security services throughout Nusajaya.



**7 MARCH**

### Shareholders Approve UEM Land Holdings' ESOS

In an effort to attract, retain and reward employees in line with the challenging growth targets set by the Company, shareholders of UEM Land Holdings approved a seven-year Employee Share Option Scheme ("ESOS") for employees of UEM Land Holdings where a substantial portion of the entitlement is directly linked to employees' performance and achievements. Apart from embracing a high performance culture, the ESOS is aimed at aligning employees' interests to drive long-term shareholders' value enhancement while providing employees with an opportunity to participate in the equity of the Company.



**22 – 23 SEPTEMBER**

### Karnival Nusajaya Celebrates Milestone Achievements

Karnival Nusajaya was held to mark Nusajaya's 'Tipping Point' to celebrate the successful launch and completion of several key signature and catalytic projects in and around the area. Key attractions during the carnival include Eksplorasi Nusajaya featuring the progress of developments in Nusajaya since its inception in 2007, as well as the Career Fair which attracted more than 16,000 visitors who explored 1,600 jobs offered by 29 exhibitors with more than 29,000 resumes received. A total of 70,000 visitors attended this event.



**23 OCTOBER**

### UEM Land Holdings and Ascendas to Jointly Develop an Integrated Tech Park

UEM Land Holdings entered into a joint venture agreement with Asia's leading business space solutions provider, Ascendas Land International Pte Ltd to develop a 519-acre integrated eco-friendly tech park in Gerbang Nusajaya. The official signing of the joint venture agreement was witnessed by Malaysia's Minister of International Trade and Industry, YB Dato' Sri Mustapha Mohamed and Singapore counterpart, Lee Yi Shyan, Senior Minister of State from the Ministry of Trade and Industry and Ministry of National Development.



#### 4 DECEMBER

##### One Stop Centre for China Goods

UEM Land Holdings entered into a Memorandum of Understanding ("MOU") with Chinamall Holdings Pte Ltd for the proposed development of China Mall, a trade and exhibition mall covering 32 acres with approximately 1.4 million sq ft of GFA. The China Mall will be part of the overall Asian Trade Centre envisioned for Gerbang Nusajaya that will cater to an expected number of 3,000 merchants from the People's Republic of China.



#### 4 DECEMBER

##### Smart & Connected Nusajaya Taking Shape

As a next step to develop a smart and connected Nusajaya, supported by Cisco's Smart+Connected™ technologies, UEM Land Holdings and strategic partner, IIB entered into a six-month collaborative agreement with Telekom Malaysia Berhad ("TM"), Centios Co Ltd ("Centios") and Cisco International BV ("Cisco") to jointly explore the opportunities available for providing smart city & smart building infrastructure and services; including the establishment of a managed services operating company ("MSCo") and the potential establishment of a Global Innovation Centre in Nusajaya.

UEM Land Holdings and IIB also entered into a separate collaborative agreement with TM for the planning, development, operation and maintenance of telecommunications infrastructure in Nusajaya.



#### 4 DECEMBER

##### Motorsports City for Motorsports Enthusiasts

FASTTrack Autosports Pte Ltd ("FASTTrack Autosports") and UEM Land Holdings entered into a 70:30 joint venture agreement to jointly develop the proposed 295-acre Motorsports City in Gerbang Nusajaya, envisioned as a one-stop-destination for motorsports enthusiasts in an integrated mixed commercial development with 4S (Sales, Services, Spare Parts and Systems) facilities.



#### 4 – 6 DECEMBER

##### Nusajaya Showcased During the 8th WIEF and Gala Dinner

Nusajaya was showcased during the 8th World Islamic Economic Forum ("8th WIEF") and Gala Dinner to more than 1,500 international delegates and guests. The forum gave UEM Land Holdings a platform to discuss the various investment opportunities available in Nusajaya and Iskandar Malaysia.



## EVENT HIGHLIGHTS 2012 MARKETING INITIATIVES



### 24 FEBRUARY

#### New Commercial Block in Kuala Lumpur's Golden Triangle for SMEs

Summer VOS ("Versatile Office Suites") is the second 34-storey commercial block launched in Kuala Lumpur's Golden Triangle comprising 474 units of premium stratified business suites. It is an extension to the first tower – Summer Suites, which was launched in 2011.



### 29 MARCH

#### UEM Land Launches Property Gallery in Singapore

UEM Land Property Gallery is the first property showcase to be launched beyond Malaysian shores. It is located within one of Singapore's renowned business districts and tourist attractions known as Heritage Place.



### 10 APRIL

#### Property showcase in East Malaysia

Several road shows were held in five cities in East Malaysia – Kuching, Miri, Sibul, Kota Kinabalu and Sandakan to showcase UEM Land Holdings' developments such as Imperia, Impiana, Summer VOS and Symphony Hills.



### 21 APRIL

#### Schumann 2 Superlink Homes Launched in Symphony Hills

A total of 16 super link homes with built up areas ranging from 4,143 sq ft to 4,430 sq ft were released as part of the overall Symphony Hills development in Cyberjaya.



### 31 MAY

#### Property Forum on Investment Opportunities in Shah Alam

Sime Darby Sunrise Development Sdn Bhd, a 50:50 joint venture between Sunrise and Sime Darby Property Berhad organised a Property Forum entitled "Investment Opportunities in Shah Alam". The aim was to create a platform for property industry experts to share their thoughts on the subject matter with the public and media.



### 18 JULY

#### 28 Grand Pool Villas Launched at East Ledang

Phase 4A of the award-winning East Ledang development, known as Noble Park was launched during the third quarter. These exclusive gated and guarded Grand Pool Villas boast a modern design with spacious living rooms that open out to an alfresco style outdoor terrace.



**29 JULY**

### UEM Land Holdings Launches Phase 2C of Nusa Bayu

Phase 2C of Nusa Bayu, comprising 168 units of double-storey terraces was launched in the third quarter and successfully generated an overwhelming response with 92% of total units sold.



**29 JULY**

### Special Preview of Idaman Residences

More than 300 people attended the sales preview of Idaman Residence, the high-rise component of Nusa Idaman spanning 10 acres of freehold land fronting a lake. Nusa Idaman is a mixed development with a footprint of 250 acres in Nusajaya. It boasts a precinct concept, low density, lush parks and recreational spaces.

Within a week of the preview, 71 units of the high-rise development were taken up. The preview was filled with fun games and other family-centric activities.



**14 AUGUST**

### Month-long 'Homes to Heart' Campaign

A month-long property campaign was held in the nation's ICT capital of Cyberjaya to showcase Schubert Parklink terrace homes within UEM Land Holdings' Symphony Hills development, where visitors enjoyed easy ownership privileges. Renowned properties specialists such as Gavin Tee, a respected property guru and Professor Master David Koh, a revered practitioner of Feng Shui were invited to share their investment experiences and Feng Shui knowledge with the public respectively.



**11 – 12 & 15 AUGUST**

### Additional Two Components of Arcoris Mont'Kiara Introduced

During the year, two out of five components of the award-winning integrated mixed use Arcoris Mont'Kiara development were introduced – 366 SoHo units known as Arcoris SoHo and 331 units, 18-storey service residences known as Arcoris Residences.



## EVENT HIGHLIGHTS 2012 MARKETING INITIATIVES



**28 SEPTEMBER**

### Soft Opening of Phase One – Mall of Medini

The soft opening of Phase 1 of Mall of Medini to the general public was held during the third quarter. Drawing inspiration from globally-successful theme parks and lifestyle centres, Mall of Medini envisions of becoming the lifestyle, entertainment and recreational epicentre of Nusajaya.



**22 – 23 SEPTEMBER**

### Symphony Hills Showcase at CPPS

UEM Land Berhad collaborated with other property developers in a pro-active effort to promote the best properties in Cyberjaya. Malaysia's first connected intelligent community, Symphony Hills was showcased during the two-day inaugural Cyberjaya Premier Property Showcase ("CPPS").



**19 OCTOBER**

### Exclusive Preview of Verdi eco-dominiums

An exclusive preview of the new high-rise development in the Symphony Hills enclave known as Verdi eco-dominiums was held during the fourth quarter. Situated on 9.16 acres of freehold land, it boasts an eco-friendly concept within a gated and guarded smart community conceived with convenience, comfort and security in mind.



**7 – 9 NOVEMBER**

### Nusajaya projects showcased at MIPIM Asia 2012

UEM Land featured Nusajaya projects such as Puteri Harbour, Mall of Medini and Gerbang Nusajaya in Kuala Lumpur at the three-day event at the Hong Kong Convention & Exhibition Centre.

One of the main objectives of UEM Land Holdings' participation included raising awareness of Nusajaya as the key driver of Malaysia's foremost economic corridor, Iskandar Malaysia – a huge development comprising a variety of components with massive business opportunities and prospects for investors particularly in seven main areas encompassing education, healthcare, financial services, tourism, residences, logistic and creative.





### 17 – 18 NOVEMBER & 15 – 16 DECEMBER Phase 1 & 2 of Teega @Puteri Harbour Previewed

Two out of four components of Teega @Puteri Harbour, comprising condominium units and service apartments were previewed during the final quarter. Situated on an ample 10.08 acre freehold footprint, with a Gross Floor Area ("GFA") of 2,196,060 sq ft, the mixed-use development boasts a modern contemporary and holiday-resort like environment where residents can enjoy premium views of the private and public marinas as well as the adjacent linear park.



### 12 – 18 NOVEMBER Developers B2B Working Visit to Japan

UEM Land Holdings, together with other participating property developers, participated in a B2B working visit to Japan organised by Malaysian Property Incorporated ("MPI"), the Government's representative for promoting Malaysian real estates. The visit was a timely move into the Japanese market to tap potential companies that are serious to invest in Malaysia.

During the visit, one-on-one meetings were carried out with Japanese property players such as Tokyu Real Estate, Nomura Real Estate, Parco, Kuma Kengo, Mitsui Fudosan, etc. In addition to the meetings, participants also took a site tour to Shimizu Corp, Panahome smart home factory and Toshiba smart grid amongst others.



### 24 NOVEMBER – 8 DECEMBER Year-End Property Road Show

A year-end property road show called UEM Land Tour was held for four consecutive weekends in three locations within Peninsular Malaysia – Nusajaya, Kuala Lumpur and Penang as well as Singapore which showcased properties developed by UEM Land Holdings in the Klang Valley as well as in Nusajaya.



### 12 – 16 DECEMBER Iskandar Johor Open 2012 Tournament

For the fourth consecutive year, UEM Land Holdings was the Platinum Sponsor of the sixth international golf tournament, which drew international golfing stars such as Michael Campbell, Ernie Els, John Daly, Sergio Garcia and Thongchai Jaidee to the Horizon Hill Golf & Country Club, a joint venture development between UEM Land Holdings and Gamuda Berhad.

## EVENT HIGHLIGHTS 2012 STAKEHOLDER ENGAGEMENTS



### 14 JANUARY

#### Chinese New Year Celebration with Residents of Sunrise-Managed Properties

More than 500 residents from Sunrise-managed properties gathered at the Sunrise Fun Zone Community Centre ("Sunrise Fun Zone") to celebrate the Chinese New Year and birthdays of children born in the month of January.

Themed 'Tales of the Legend', the event aimed to introduce the Chinese New Year celebrations to the multi-national community. Several activities were held during the event including cultural shows such as Acrobatic Lion Dance and Thrilling Dragon dance; craft activities such as dough doll workshop, cooking demo and beauty tips; Little Shang Hai contests for children to show off their best Chinese dress; and lucky draws.



### 2 FEBRUARY

#### Contractors, Consultants and Suppliers Appreciation Dinner

Held during the Chinese New Year festival, the annual appreciation dinner was held in the Central Region to celebrate the successes and milestones accomplished and to honour the on-going support by business partners.



### 3 FEBRUARY

#### Chinese New Year Fruits Exotica for 11 Mont'Kiara Customers

In appreciation of our 11 Mont'Kiara customers, as well as to strengthen the relationship between the property management staff and residents, a Chinese New Year Fruits Exotica and appreciation dinner event was held with several activities including Chinese calligraphy and creating colourful dough dolls. In addition, a Lion Dance performance by World Champion, Kun Seng Keng Lion Troupe and 'all you can eat' local fruits station with local favourites such as *durian*, *pulasan* and mangosteen were presented to guests at the event.



### 1 MARCH

#### UEM Land Holdings Triumphs over Johor Media for Third Consecutive Year

As part of a relationship building programme with the Johor media, two separate events were organised during the year with UEM Land Holdings maintaining its place as defending champions – a friendly futsal match between UEM Land Holdings' staff in Nusajaya and members of Johor Media Club, and a friendly bowling tournament with media in Johor.





22 MAY

#### REHDA Youth Hosts Green Tour to 11 Mont'Kiara

11 Mont'Kiara, which possess energy-efficient features, was part of the Green Tour Kuala Lumpur 2 organised by the Real Estate and Housing Developers Association Malaysia Youth Body ("REHDA Youth") to tour and experience 'Green Buildings' in the Klang Valley.



26 MAY

#### UEM Land Holdings Hosts Study Tour of FIABCI Malaysia to Nusajaya

UEM Land Holdings, with the support of IRDA and IIB hosted a study tour on "Green Buildings & Award Winning Projects" for FIABCI (International Real Estate Federation) Malaysia. The 30 FIABCI Malaysia members who attended the tour were briefed on the various signature and catalytic developments in Nusajaya.



JUNE – OCTOBER

#### UEM Land Holdings Sports Extravaganza

For six months, UEM Land Holdings' employees participated in numerous indoor and outdoor sports games, competition and tournaments. The Sports Extravaganza served as an integration platform as sports have always been seen as a common vehicle that binds staff together.



16 – 17 JUNE

#### Sunrise Tennis Slam 2012

The tennis courts at Mont'Kiara Palma were the battle grounds for 31 competitors of the Sunrise Tennis Slam 2012. The competition was intense and fierce as the Sunrise Tennis Slam 2012 received a good participation from Sunrise Mont'Kiara's local as well as multi-national residents hailing from India, Iran, Japan and Korea.

After a competitive two-day event, participants Michael Juhl, Tan Hei Li, Amshad Ashraff, Riho Yuura and James Ling/Leuk Khen Lin emerged as champions in the Men's Singles, Women's Singles, Boy's Singles, Girl's Singles and Men's Doubles categories respectively.



## EVENT HIGHLIGHTS 2012 STAKEHOLDER ENGAGEMENTS



**8 JUNE**

### 'Sunrise Chill-Out Zone' Launched for Mont'Kiara/Dutamas Residents

UEM Land Holdings held the official opening of its newest community facility, 'Sunrise Chill-Out Zone' exclusively for the residents of Sunrise-managed properties located in Mont'Kiara/Dutamas. The facility, which caters to an older audience complements the Sunrise Fun Zone that caters to the interests of children and teenagers.



**2 & 14 AUGUST**

### 'Majlis Berbuka Puasa Bersama Media'

In collaboration with Iskandar Regional Development Authority ("IRDA"), over 80 media representatives from local and international media houses attended an evening of business networking, and were well feted to a sumptuous 'iftar' in Kuala Lumpur. A separate 'Majlis Berbuka Puasa' event was also held on 14 August in Johor Bahru for members of the media.



**3 AUGUST**

### 'Majlis Berbuka Puasa' with Local Authorities & Government Agencies

Aimed at strengthening relationships, UEM Land Holdings organised an 'iftar' event in the Southern region which was well attended by more than 140 officials from Johor local authorities and government agencies, including Pejabat Menteri Besar Johor, Pejabat Setiausaha Kerajaan Negeri Johor and Unit Perancangan Ekonomi Negeri Johor, as well as representatives from the Johor Police and Fire Brigade Department.



**8 AUGUST**

### Publika Shuttle Service to KL Sentral

For residents' convenience and easy connectivity, another community facility was introduced exclusive for residents of Sunrise-managed properties in Mont' Kiara and Dutamas, one need only show their resident card or "I am Publika" card to enjoy free rides. The bus departs from Mont'Kiara at 10:00 am, at two-hourly intervals, and can accommodate up to 30 passengers each trip from Monday to Saturday, except on public holidays. The bus provides six trips per day, and the last bus departs from Mont'Kiara at 8:00 pm.



## 15 AUGUST

### 'Majlis Berbuka Puasa' with UEM Land Holdings' Destination Ambassadors

Approximately 150 pre-packed food and cash vouchers were distributed to Senai Airport taxi drivers who are also the appointed 'Destination Ambassadors' of Nusajaya.



## 8 & 9 SEPTEMBER

### Loyal Customers Exploration Getaway to Nusajaya & Singapore

A two-day one-night exclusive getaway themed 'An Exploration to Southern Gems' was organised in appreciation of 26 loyal customers from our Sunrise-developed properties, where 20 of them were from Kuala Lumpur and the remaining six from Singapore. The exploration getaway saw the customers touring UEM Land Holdings' flagship developments in Nusajaya, as well as Singapore for some recreational and leisure activities.



## 14 – 15 & 19 SEPTEMBER

### Publika Hosts Jazz Festival and Appreciation Dinner to Mark First Anniversary

Publika Shopping Gallery, hosted a two-day jazz festival to mark Publika's first anniversary. The Publika Jazz Festival showcased various genres of jazz music with a good mix of mainstream, soul, acapella, bossa nova and vocal performances. A Tenants' Appreciation Dinner was also held to celebrate the first anniversary with tenants. With over 130 outlets opened, Publika has now made its mark on the affluent Mont' Kiara/Solaris landscape.



## 28 SEPTEMBER

### Mid-Autumn Festival Celebrated with Residents of Sunrise-Managed Properties

The Sunrise Fun Zone was abuzz with fun-filled and interesting activities when the Mid-Autumn Festival and Birthday Bash for children born in the month of September were celebrated amongst the residents of Sunrise-managed properties.

Several activities including mooncake making, *tanglung* making competition and lantern riddle were organised together with a stage performance of Mid-Autumn Myth Drama and Dance. Children with birthdays in the month of September enjoyed a birthday cake cutting session.



## EVENT HIGHLIGHTS 2012 STAKEHOLDER ENGAGEMENTS



### 19 OCTOBER

#### Inaugural Jamboree Nite for UEM Land staff

Over 1,000 staff from Central and Southern Regions gathered for an employee appreciation programme themed 'We Salute You'. The fun-filled evening witnessed a total of four awards introduced – the 'Golden Ear' Award, 'Silver Tongue' Award, Empowerment Award and People Leadership Award, while 12 trophies and cash vouchers were presented to a group of colleagues who had contributed to the Company in their own special way. The ceremony also witnessed the launch of the Company's new Vision and Mission.



### 20 OCTOBER

#### Halloween Night

Over 300 residents of Sunrise-managed properties turned up for the Halloween Night and Birthday Bash for October-born babies at the Sunrise Fun Zone.

The residents of various nationalities were not only exposed to the Halloween Night but ventured into scary face painting and air brush tattoo activities, as well as took part in Halloween crafts, thrilling Fear Factor games booth and Haunted House.



### 2 NOVEMBER

#### Customer Call Centre Toll Free Number for Residents in Nusajaya

As part of its continuous community development efforts, UEM Land Holdings launched its Customer Call Centre Toll Free number 1800 888 008 in Nusajaya to provide greater accessibility to customers for them to share any concern with regards to their purchased homes and the surrounding vicinity.



### 4 NOVEMBER

#### Golf Challenge 2012

Heavy rain and thunderstorm did not dampen the spirits of 24 residents of Sunrise-managed properties when they participated in the Golf Challenge complete with a 'Stableford Play' (System 36) over 18 holes. Lucky draw prizes of golf clubs sets, golf bags and vouchers were presented during an appreciation dinner held on the same evening.



### 24 NOVEMBER

#### Loyalty Customer Hi-Tea

More than 100 loyal customers were feted with an entertainment themed 'Adam's Eve: An Evening for The Big Boys', held at the Sunrise Showcase in Mont'Kiara. The Hi-tea was a gesture of appreciation for the on-going support of our loyal customers; to strengthen networking between customers and officials of UEM Land Holdings.





#### 4 – 5 DECEMBER

##### Quality, Safety, Health & Environment Campaign 2012

UEM Land Holdings organised its fifth Quality, Safety, Health and Environment Campaign 2012 in collaboration with the Department of Occupational Safety & Health ("DOSH"), Department of Environment ("DOE"), Construction Industry Development Board ("CIDB"), National Institute of Occupational Safety & Health ("NIOSH") and other related agencies. The event sought to promote and inculcate a culture of providing high quality products in a safe and healthy workplace while conserving the environment amongst its employees, consultants, contractors and site workers.

The campaign attracted more than 200 participants including the general public. Competitions ranging from brick-laying, plastering, painting, carpentry, a hazard hunt and QASHE treasure hunt were held as well as an award presentation ceremony for staff and consultants who achieved the QASHE objectives of UEM Land Holdings.



#### 6 & 7 DECEMBER

##### Members of the Media Experience Living in Nusajaya

Over 50 members of various local and international media from Kuala Lumpur, Johor and Singapore were given an insight on Nusajaya's 'Tipping Point' during a two-day one-night Living Nusajaya Media Familiarisation Tour, aimed at showcasing signature and catalytic developments in Nusajaya.



#### 8 DECEMBER

##### Christmas Masquerade @Sunrise Fun Zone

A snowy night filled with Christmas trees, elf and masquerade characters took centre stage at the Sunrise Fun Zone, where over 300 multinational residents of Sunrise-managed properties gathered for a Christmas celebration. Residents created pop cakes and made mask greeting cards, as well as enjoyed a trapeze act and mob dances by Viva Vertical Stage. December-born children also celebrated their birthdays in a birthday cake cutting session.

## EVENT HIGHLIGHTS 2012 CSR INITIATIVES



**9 FEBRUARY**

**Books Sponsorship and Library Upgrade for UEM Land Holdings' PINTAR School**

As part of UEM Land Holdings' inaugural Library Enhancement Project for its adopted PINTAR schools, Sekolah Kebangsaan Nusantara's school library was revamped with a new outlook and equipped with brand new books.



**11 – 12 FEBRUARY, 2 – 25 MARCH & 21 – 22 APRIL**

**Exam Seminars and Workshops for PINTAR Schools' UPSR, PMR and SPM Candidates**

In collaboration with *Berita Harian*, the annual Academic Excellence Programme kicked off with a two-day exam seminar for 250 UPSR candidates from UEM Land Holdings' PINTAR schools, held at the Universiti Teknologi Malaysia, Skudai, Johor. The Programme also incorporated exam seminars and workshop sessions that were conducted in March and April, and which were tailor-made for PMR as well as SPM candidates respectively.



**22 FEBRUARY**

**Exclusive Star NiE and Stuff @School Privileges for UEM Land Holdings' PINTAR Schools**

For the fourth consecutive year, the Company sponsored The Star's Newspaper in Education ("NiE") pullout to 17 of its PINTAR schools in Gelang Patah, Johor. The programme ensures that ongoing English education is practiced in each classroom on a weekly basis.



**4 APRIL**

**Sunrise Community Watch Keeps Neighbourhood Safe**

Sunrise initiated the Community Watch Programme which centred on the Mont'Kiara/Dutamas vicinity, in collaboration with Polis Diraja Malaysia ("PDRM"). The programme's objective is to foster closer ties between the communities and the police to work closely together in preventing crimes from occurring.



**12 APRIL**

**Upgrading of Tapah Road Library**

Perpustakaan Desa Tapah Road was upgraded by UEM Land Holdings. The re-opening of the newly upgraded library was officiated by YB Dato' Haji Samsudin Abu Hassan, Ahli Dewan Undangan Negeri ("ADUN") Ayer Kuning and witnessed by Haji Rosham Abdul Shukor, Deputy Senior Director of the National Library.





14 APRIL

UEM Land Holdings' PINTAR School's High Achievers Rewarded

63 students from UEM Land Holdings' PINTAR schools, who achieved excellent results in UPSR, PMR and SPM examinations for 2011, celebrated their accomplishments in a ceremony where they were rewarded with cash prizes. The best overall student for each examination level received a computer notebook.



26 MAY & 16 JUNE

English Training Programme for UEM Land Holdings' PINTAR Primary School's Teachers

In collaboration with the British Council, a total of 20 primary and secondary school teachers from UEM Land Holdings' adopted PINTAR schools participated in the two-day in-depth training with the aim of providing fresh classroom techniques in teaching English as second language more effectively.



29 JUNE – 1 JULY

Motivational Camp for UEM Land Holdings' Secondary PINTAR Schools' Students

The three-day two-night motivational camp held at Felcra Tebing Tinggi Training Centre, Segamat, Johor was attended by 200 Form Two and Form Four students. They were taught about the importance of education for their future.



26 JULY

Charity Buka Puasa @Publika

A total of 65 underprivileged children between the age of 7 and 16 years old from the Soroptimist International Ampang were grandly ushered to the event with a *kompang* entourage and treated to an extensive spread of authentic *Buka Puasa* delicacies, gifts and *duit raya*. They also participated in a *ketupat* making workshop, games and magic show.



3 AUGUST

'Iftar' held at Symphony Hills, Cyberjaya

50 orphans, students and staff from Rumah Anak-Anak Yatim Al-Insyirah, Sepang and Maahad Tahfiz Kiblah, Sg. Merab joined UEM Land Holdings' team in Symphony Hills, Cyberjaya for an 'iftar' get-together.



## EVENT HIGHLIGHTS 2012

### CSR INITIATIVES



#### 8 AUGUST

##### Southern Region Observes Ramadhan with 'Bubur Lambuk' and Raya Goodies Distributions

In an inaugural collaboration with Kelab Media Johor, the Ramadhan event brought some 80 volunteers together for the preparation and distribution of *Bubur Lambuk* for the communities of Gelang Patah, particularly those from Kampung Pok, Kampung Sungai Melayu, Kampung Tebing Runtuh, Kampung Pulau and Kampung Pendas Laut. In addition, a total of 180 individuals comprising single mothers, orphans, the elderly and the differently abled received Aidilfitri provisions to ease their burdens in preparing for the festive season.



#### 9 AUGUST

##### Hari Raya Contribution to Eligible Employees

The Company contributed more than RM25,000 worth of cash vouchers to approximately 100 eligible employees in the Central and Southern Regions in an effort to provide a helping hand during the Hari Raya festivities.



#### 10 AUGUST

##### Hostel Facility Enhancement, Buka Puasa and Cheque Presentation to Pertubuhan Kebajikan Anak-Anak Yatim Darul Aitam ("BUSARAH")

A cheque amounting to RM25,000 was presented to BUSARAH to upgrade its hostel facility during a Majlis Berbuka Puasa event with the orphans in Temoh, Perak.



#### 19 SEPTEMBER

##### UEM Land Holdings National Day Campaign

In conjunction with the country's 55th Independence Day as well as Malaysia Day, UEM Land Holdings initiated a one month campaign comprising Creative Story Telling and Pantomime Competitions amongst its adopted PINTAR schools to instil the spirits of patriotism while promoting multi-racial integration and unity to the younger generation.



#### 23 OCTOBER

##### Road Safety Awareness Amongst PINTAR Schools Children

In collaboration with Projek Lebuhraya Usahasama Berhad ("PLUS") and Polis Diraja Malaysia ("PDRM"), UEM Land Holdings successfully organised its second road safety programme for 13 of its primary PINTAR schools at Sekolah Kebangsaan Taman Nusa Perintis 1, aimed at inculcating good road safety habits, skills and attitude from an early age.



## 5 NOVEMBER

### Spelling Competition Organised for UEM Land Holdings' PINTAR Schools

For the second year in a row, our Spell-It-Right ("SIR") Spelling Competition proved to be a success. Divided into three stages – the preliminary session, knock out session and best speller session, the competition was developed to help generate a more English proficient community.



## 7 NOVEMBER

### Healthy Hygiene Habits Promoted Amongst UEM Land Holdings' PINTAR Students

An inaugural collaboration with Puteri Specialist Hospital, Johor Bahru saw active participation of 150 Year Five students from 13 adopted PINTAR primary schools around Gelang Patah, where students were given guidance on basic personal hygiene including practical hand-washing techniques and self-care.



## 10 NOVEMBER

### UEM Land Holdings' Fourth Khatam Al-Quran Marked 98 Pre-schoolers Achievements

As part of UEM Land Holdings' own PINTAR Al-Quran Programme, the Company organised the fourth Khatam Al-Quran ceremony to mark the notable achievements of 98 pre-school children from five of its adopted KEMAS kindergartens around Gelang Patah, Johor.



## 28 DECEMBER

### Bringing 'Back to School' Cheer to Orang Asli Community

School uniforms and supply were extended to 50 school children from Kampung Sungai Geroyang and Kampung Sungai Merbau in Tapah under the inaugural 'Back to School' programme to ease the burden of the families preparing for the 2013 school session. The items were handed over in a ceremony that was graced by ADUN of Ayer Kuning, YB Dato' Haji Samsudin Abu Hassan and attended by approximately 100 residents. Also in attendance were local authorities from Majlis Daerah Tapah and Jabatan Kemajuan Orang Asli Daerah Batang Padang.



# MEDIA HIGHLIGHTS

### UEM Land targets record RM3b sales in 2012



UEM Land Holdings CEO, Tan Sri Koo Joojong, said the company is targeting a record RM3 billion in sales for 2012. He noted that the company has a strong pipeline of projects and expects a robust performance throughout the year.

### Sasaran jualan tahun ini hampir dapat dicapai UEM Land sasar RM3 bilion

Jualan tahunan UEM Land Holdings (UEML) hampir dapat dicapai. Tan Sri Koo Joojong, CEO UEM Land, berkata syarikat itu mempunyai projek yang kukuh dan prestasi yang kukuh sepanjang tahun ini.

### UEM Land to launch Nusajaya Gateway this year



UEM Land is set to launch the Nusajaya Gateway development this year. The project is a large-scale residential and commercial development in Nusajaya, Johor, and is expected to be a major landmark in the area.

### UEM Land boosts Nusajaya security



UEM Land has implemented enhanced security measures at its Nusajaya development to ensure the safety and security of its residents and visitors.

### UEM Land beri percuma portal guru.net.my



UEM Land has provided a complimentary access to the guru.net.my portal for its staff and residents, offering a wide range of educational resources and services.

### UEM Land to benefit from S'pore's foreign labour curb

UEM Land is expected to benefit from Singapore's new foreign labour regulations, which may lead to an increased demand for local talent and services.

### Catalytic growth



UEM Land's Nusajaya is set to experience catalytic growth driven by new projects and developments in the area.

### UEM Land set to explore new growth markets



UEM Land is planning to explore new growth markets outside of its current base, focusing on emerging economies and regions with high potential for development.

### UEM Land eyes 40pc profit growth



UEM Land is targeting a 40% increase in profit for the upcoming year, driven by strategic investments and operational efficiencies.

### UEM Land, Ascendas to develop RM3.7b tech park

UEM Land and Ascendas have entered into a joint venture to develop a RM3.7 billion tech park, aimed at attracting high-tech industries and startups.

### UEM Land inks RM4b Nusajaya deals

UEM Land has inked a series of deals worth RM4 billion for the Nusajaya development, including land acquisition and infrastructure projects.

### UEM Land in talks to enter India, Myanmar, Vietnam

UEM Land is in advanced talks to enter the Indian, Myanmar, and Vietnamese markets, seeking opportunities for growth and expansion.

### UEM置地淨利兩倍增長

UEM Land's net profit has doubled year-over-year, reflecting strong performance in its core business segments.

### UEM置地與中企聯手 5.6億依區建中國城

UEM Land has partnered with a Chinese company to develop a 5.6 billion ringgit Chinese city in a strategic location, leveraging local expertise and resources.

### 20 Dikik UEM Land baik pulih perpustakaan

UEM Land has initiated a project to renovate 20 libraries, aiming to improve the quality of public facilities and community services.

### UEM Land bina resort RM5.4b

UEM Land is planning to build a RM5.4 billion resort, offering a luxurious vacation destination with world-class amenities and services.

### UEM Land targets more foreign joint venture deals

UEM Land is targeting more foreign joint venture deals to accelerate its growth and expand its global footprint.

### 整裝進軍東馬 UEM置地淨利增40%

UEM Land is fully prepared to enter the East Malaysia market, with a 40% increase in net profit and a strong strategic plan.

### UEM Land Holdings CEO, Tan Sri Koo Joojong, speaking at a press conference.

Tan Sri Koo Joojong, CEO of UEM Land Holdings, addressed the media during a press conference, discussing the company's performance and future plans.

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### UEM Land targets more foreign joint venture deals

UEM Land is targeting more foreign joint venture deals to accelerate its growth and expand its global footprint.

### UEM Land to showcase properties in Sabah, Sarawak

UEM Land is planning to showcase its properties in Sabah and Sarawak, highlighting the region's potential for development and investment.

### Easy exit for patrons



UEM Land has implemented an easy exit system for its patrons, ensuring a smooth and safe departure from its facilities.

### Making its presence felt



UEM Land is making its presence felt in the Lion City by opening a gallery to attract locals and expatriates, showcasing its commitment to community engagement.

### UEM Land targets more foreign joint venture deals

UEM Land is targeting more foreign joint venture deals to accelerate its growth and expand its global footprint.

### UEM Land to showcase properties in Sabah, Sarawak

UEM Land is planning to showcase its properties in Sabah and Sarawak, highlighting the region's potential for development and investment.





## Safer streets in Mont'Kiara

Developer teams up with cops to enhance area's security

SAFETY AND SECURITY are top priorities for UEM Land's Mont'Kiara project. To ensure the safety of its residents, the developer has teamed up with the local police to enhance the area's security.

The joint effort involves the installation of security cameras and the deployment of police officers to patrol the area. UEM Land also plans to implement a strict access control system for the project.

"We are committed to providing a safe and secure environment for our residents," said a UEM Land representative. "By working closely with the police, we can ensure that Mont'Kiara is a safe and desirable place to live."



## UEM Land bantu kejayaan pelajar

UEM Land Holdings Bhd. (UEM Land) has announced its support for the success of its students. The company has initiated a program to provide financial assistance to students who are facing financial difficulties.

The program is aimed at helping students to complete their education and achieve their dreams. UEM Land will provide financial assistance to students who are currently enrolled in tertiary institutions and who are facing financial difficulties.

"We believe in the power of education and the potential of our students," said a UEM Land representative. "By providing financial assistance, we can help them to overcome their financial challenges and continue their education."



## Accolades for developer

Four members of the UEM Land team have been awarded accolades for their contributions to the company's success. The awards were presented at a ceremony held by the company's management.

The recipients of the awards are: [Name], [Name], [Name], and [Name]. They were recognized for their outstanding performance and dedication to the company's goals.

"We are proud of our team and their achievements," said a UEM Land representative. "These awards are a testament to their hard work and commitment to excellence."



## In a class of its own

Nusajaya has won the Master Plan Category award in the 2012 Urban Master Plan Competition. The award was presented by the Ministry of Housing and Local Government.

Nusajaya's winning master plan was praised for its innovative and sustainable approach to urban development. The plan includes a mix of residential, commercial, and recreational uses, as well as a strong emphasis on green spaces and public transportation.

"We are honored to have won this award," said a UEM Land representative. "It is a testament to the quality and vision of our master plan for Nusajaya."



## Johor geared to 'lead in growth'

ISKANDAR MALAYSIA: RM9.7b in investments so far

THE Iskandar Malaysia economic growth region is expected to lead the way in growth for the country, despite the current global economic turmoil.

Iskandar Malaysia has attracted significant investment from both local and foreign companies. The region is home to a variety of industries, including manufacturing, services, and real estate.

"We are confident that Iskandar Malaysia will continue to grow and lead the way in the country's economic development," said a UEM Land representative.



## The merging labours of UEM-Sunrise

The merger to create a 1,000-strong staff entity has not been without its challenges. UEM Land and Sunrise are working together to ensure a smooth transition and to maximize the benefits of the merger.

The merged entity will combine the strengths of both companies and focus on delivering high-quality services to its customers. The company's management is committed to ensuring that the merger is a success for all involved.

"We are excited about the future of the merged entity and the opportunities it presents," said a UEM Land representative.



## UEML-Khazanah JV for RM5b project

UEML-Khazanah JV has secured a RM5 billion project. The project is a joint venture between UEM Land and Khazanah Nasional Berhad.

The project involves the development of a large-scale infrastructure project in the Iskandar Malaysia region. The JV is committed to delivering a high-quality project that meets the needs of the community.

"We are pleased to have secured this project and to be working with Khazanah Nasional Berhad," said a UEM Land representative.



## UEM Land eyes RM3b in sales for 2012

UEM Land is targeting RM3 billion in sales for 2012. The company's management is confident that it can achieve this target through its strong performance and strategic initiatives.

The company is focused on delivering high-quality products and services to its customers and on expanding its market reach. UEM Land is committed to achieving its sales target and to providing a strong return to its shareholders.

"We are confident that we can achieve our sales target for 2012," said a UEM Land representative.



## Arcoris Mont'Kiara inspired by the Inca

The Arcoris Mont'Kiara project is inspired by the Inca civilization. The project features a mix of modern architecture and traditional Inca-inspired design elements.

The project is located in the Mont'Kiara area and is expected to be completed in 2012. The developer is committed to providing a high-quality project that reflects the rich cultural heritage of the region.

"We are proud to be inspired by the Inca civilization and to incorporate its elements into our project," said a UEM Land representative.



## Cox bringing glocal experience to UEM Land

Cox & Cox has joined UEM Land to bring its glocal experience to the company. Cox & Cox is a global consulting firm with a strong presence in the Asia-Pacific region.

The partnership between Cox & Cox and UEM Land is expected to enhance UEM Land's capabilities and to provide its customers with a high-quality service. The company is committed to delivering innovative solutions to its customers.

"We are excited to be part of the UEM Land team and to bring our glocal experience to the company," said a Cox & Cox representative.



## 100,000 pengunjung banjir Dataran Mahkota

Over 100,000 visitors attended the flood relief event at Dataran Mahkota. The event was organized by UEM Land and its partners to support flood relief efforts in the region.

The event featured a variety of activities, including a flood relief drive, a fundraising event, and a community service project. UEM Land is committed to supporting the community and to making a positive impact in the region.

"We are proud to have organized this event and to have received the support of so many visitors," said a UEM Land representative.



## A CEO who bridges borders

UEM Land's CEO, [Name], is a man who bridges borders. He has a deep understanding of the Asian market and a strong commitment to delivering high-quality services to his customers.

Under his leadership, UEM Land has achieved significant success and has established a strong reputation in the market. The CEO is committed to continuing to lead UEM Land to new heights of success.

"We are proud to have [Name] as our CEO and to the success he has brought to the company," said a UEM Land representative.

# AWARDS & RECOGNITIONS 2012



**FIABCI Prix d'Excellence 2012**  
*Best Master Plan – Nusajaya*

## Global Recognition

### for Nusajaya Master Plan

Nusajaya, one of the five flagship zones of Iskandar Malaysia received global recognition when its Master Plan won the prestigious FIABCI Prix d'Excellence Awards 2012. UEM Land Holdings' Managing Director/Chief Executive Officer, Dato' Wan Abdullah Wan Ibrahim received the award during an awards presentation ceremony in St. Petersburg, Russia. The achievement and accolade from a renowned world body such as FIABCI was timely as it aptly set the stage for Nusajaya to mark its tipping point and realise the vision of becoming Southeast Asia's newest regional city of the future.

Previously in October 2011, Nusajaya was named the Best Master Plan at the FIABCI Malaysia Property Award 2011, while UEM Land Holdings' luxurious 10 Mont'Kiara development was a joint winner in the Residential (High-Rise) Category.

In 2010, one of UEM Land Holdings' signature developments, Kota Iskandar (Phase 1) won the Public Sector Category and in 2009 Puteri Harbour was named Best Master Plan. Both Puteri Harbour and Kota Iskandar went on to receive runner-up trophies at the FIABCI Prix d'Excellence Awards in 2010 and 2011 respectively.

The FIABCI Prix d'Excellence Awards recognise projects that best embody excellence in all real estate disciplines involved in their creation. Winning projects are judged based on a set of criteria which include architecture, development, environmental impact, financials and marketing, and are selected by an international panel of real estate professionals and experts.

## UEM Land Holdings Ranked as The Edge Malaysia's Fifth Top Property Developer

Malaysia's leading business weekly, The Edge Malaysia ranked UEM Land Holdings as the country's Fifth Top Property Developer at The Edge Malaysia Top Property Developers Awards 2012 Presentation Ceremony, graced by Housing and Local Government Minister, YB Dato' Wira Chor Chee Heung in Kuala Lumpur.

UEM Land Holdings was among the property developers listed on the Bursa Malaysia's property sector that made it to The Edge Malaysia Top Property Developers Awards 2012 top 10<sup>th</sup> ranking, based on quantitative and qualitative attributes from Bursa Malaysia and consumers' perspectives respectively. In the previous year, UEM Land Holdings was ranked 13<sup>th</sup> while Sunrise ranked eighth on the list.

In addition, UEM Land Holdings' cluster homes at The Gateway Precinct in Horizon Hills, Nusajaya, via joint development with Gamuda Berhad won The Edge-Property Consultants in the Private Sector ("PEPS") Value Creation Excellence Award 2012 in the residential category. The award recognises developments that have rewarded their purchasers in terms of capital appreciation in an outstanding way.



**The Edge Top Property  
Developers Awards 2012**  
*Ranked Fifth Top Property Developer*





**The Edge Billion Ringgit Club 2012**  
UEM Land Holdings Berhad



**International Property Awards Asia Pacific 2012-2013**  
*Highly Commended High-rise Architecture Malaysia &  
Highly Commended Commercial High-rise Development Malaysia – Angkasa Raya, KLCC*  
*Best Architecture Multiple Residence Asia Pacific &  
Best Architecture Multiple Residence Malaysia – East Ledang, Nusajaya (5 star rating)*  
*Highly Commended Mixed-Used Development Malaysia – Puteri Harbour, Nusajaya*



**Forbes Asia**  
*The Region's Top 200 Small and  
Midsize Companies 2012*  
UEM Land Holdings Berhad



**PAM Awards 2012**  
*Commendation in  
Commercial Category 7*  
Symphony Hills Clubhouse



**The Malaysian Reserve Editors Choice  
Property Award 2012**  
*Best Luxury Residential Development*  
Symphony Hills, Cyberjaya  
*Best Township Developer – East Ledang, Nusajaya*



**Johor Tourism Awards 2012**  
*Anugerah Khas and  
Best Tourism Website for  
Kota Iskandar in the Tourism  
Marketing & Media Category*

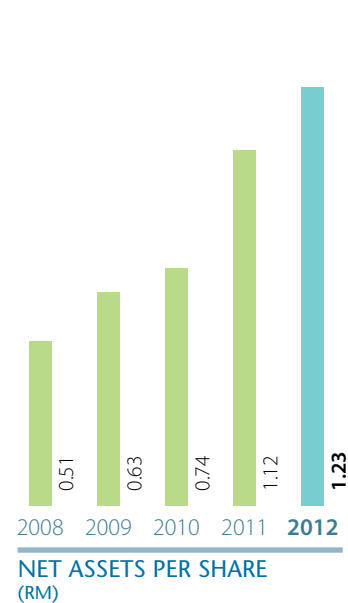
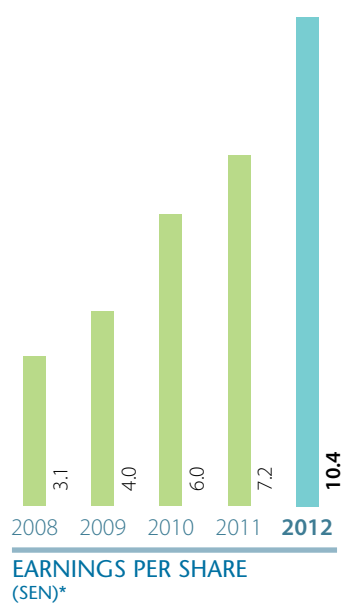
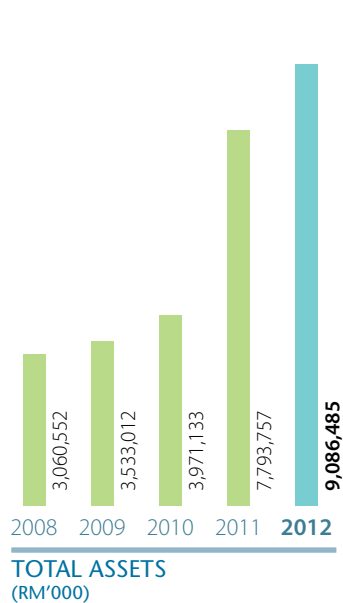
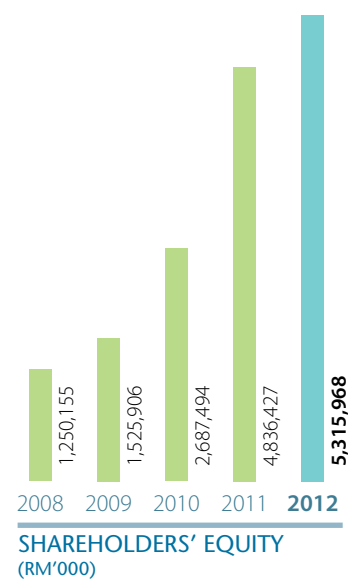
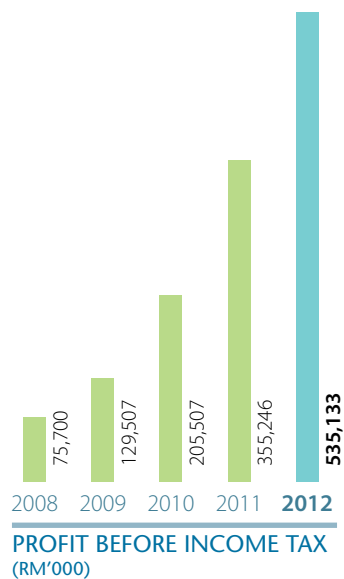
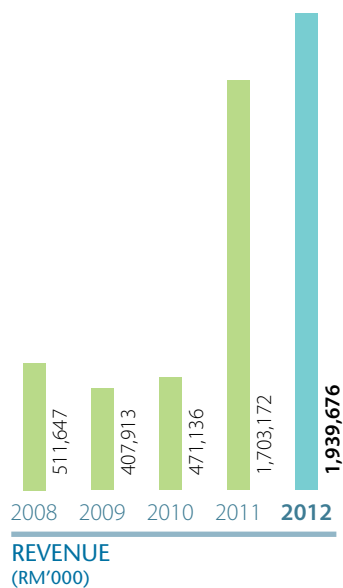


**Malaysia Landscape Architecture Awards 2012**  
*Property Developer Category for Excellent Landscape Planning & Development*  
*Honour Award – Serenity Park, East Ledang (Phase 1)*  
*Honour Award – Puteri Harbour Satellite Clubhouse*  
*Merit Award – Clusters C2S Complex, Kota Iskandar*



# FIVE-YEAR FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER



\* ATTRIBUTE TO OWNERS OF THE PARENT

# FIVE-YEAR GROUP PERFORMANCE

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM' 000	2008	2009 (Restated)	2010	2011	2012
Revenue	511,647	407,913	471,136	1,703,172	<b>1,939,676</b>
Cost of sales	(381,159)	(254,321)	(259,457)	(1,184,516)	<b>(1,232,008)</b>
Operating expenses	(62,307)	(62,812)	(90,574)	(224,547)	<b>(274,492)</b>
Operating profit	68,181	90,780	121,105	294,109	<b>433,176</b>
Other income	2,678	17,689	58,368	70,007	<b>53,995</b>
Finance costs	(6,367)	(7,520)	(8,289)	(51,402)	<b>(41,372)</b>
Share of results of associates and joint ventures	11,208	28,558	34,323	42,532	<b>89,334</b>
<b>Profit before income tax</b>	<b>75,700</b>	<b>129,507</b>	<b>205,507</b>	<b>355,246</b>	<b>535,133</b>
Profit attributable to owners of the parent	74,189	114,622	194,537	301,712	<b>448,358</b>
Shareholders' equity	1,250,155	1,525,906	2,687,494	4,836,427	<b>5,315,968</b>
Earnings per share (sen)	3.1	4.0	6.0	7.2	<b>10.4</b>
Return on equity	6.1%	8.3%	9.2%	8.0%	<b>8.8%</b>

# 2012 GROUP QUARTERLY PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM' 000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2012
Revenue	303,717	510,846	433,380	691,733	<b>1,939,676</b>
Cost of sales	(193,249)	(348,088)	(273,437)	(417,234)	<b>(1,232,008)</b>
Operating expenses	(44,238)	(71,055)	(70,125)	(89,074)	<b>(274,492)</b>
Operating profit	66,230	91,703	89,818	185,425	<b>433,176</b>
Other income	9,429	21,126	9,932	13,508	<b>53,995</b>
Finance costs	(10,136)	(10,314)	(10,247)	(10,675)	<b>(41,372)</b>
Share of results of associates and joint ventures	6,100	27,801	19,936	35,497	<b>89,334</b>
<b>Profit before income tax</b>	<b>71,623</b>	<b>130,316</b>	<b>109,439</b>	<b>223,755</b>	<b>535,133</b>
Profit attributable to owners of the parent	54,171	107,587	85,326	201,274	<b>448,358</b>
Shareholders' equity	4,898,234	5,013,938	5,111,451	5,315,968	<b>5,315,968</b>
Earnings per share (sen)	1.3	2.5	2.0	4.7	<b>10.4</b>
Return on equity*	4.5%	8.7%	6.7%	15.4%	<b>8.8%</b>

\* Annualised and adjusted for non-recurring items.



# FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

AS AT 31 DECEMBER

In RM' 000	2008	2009 (Restated)	2010	2011	2012
<b>TOTAL ASSETS</b>					
Property, plant and equipment and land use rights	12,693	86,188	92,976	673,411	<b>858,478</b>
Land held for property development, development properties and property development costs	2,255,944	2,435,123	2,566,841	3,817,966	<b>3,896,191</b>
Interests in associates, joint ventures and others	40,457	99,343	188,453	642,176	<b>594,206</b>
Inventories	35,905	53,205	42,252	124,494	<b>122,622</b>
Receivables	612,989	639,544	602,081	1,254,038	<b>1,900,535</b>
Goodwill	39,223	39,223	39,223	621,409	<b>621,409</b>
Deferred tax asset	-	-	-	26,705	<b>31,541</b>
Deposits and cash and bank balances	34,823	144,408	439,307	633,558	<b>1,061,503</b>
Others	28,518	35,978	-	-	<b>-</b>
<b>Total assets</b>	<b>3,060,552</b>	<b>3,533,012</b>	<b>3,971,133</b>	<b>7,793,757</b>	<b>9,086,485</b>
<b>TOTAL EQUITY AND LIABILITIES</b>					
Share capital	1,214,088	1,215,637	1,822,681	2,163,358	<b>2,165,558</b>
Share premium	-	153,365	513,124	1,898,306	<b>1,907,488</b>
Merger relief reserves	34,330	34,330	34,330	34,330	<b>34,330</b>
Equity component of redeemable convertible preference shares ("RCPS")	-	-	-	120,521	<b>119,068</b>
Other reserves	47,027	30,662	29,275	30,116	<b>51,370</b>
(Accumulated losses)/retained profits	(45,290)	91,912	288,084	589,796	<b>1,038,154</b>
Shareholders' equity	1,250,155	1,525,906	2,687,494	4,836,427	<b>5,315,968</b>
Non-controlling interest	452,380	453,306	454,456	460,186	<b>501,067</b>
<b>Total equity</b>	<b>1,702,535</b>	<b>1,979,212</b>	<b>3,141,950</b>	<b>5,296,613</b>	<b>5,817,035</b>
Borrowings	599,294	700,120	408,185	1,174,975	<b>1,714,957</b>
Liability component of RCPS	-	-	-	388,414	<b>409,424</b>
Income tax liabilities	145,935	151,507	148,617	280,928	<b>288,315</b>
Payables	577,418	677,858	249,478	515,787	<b>712,587</b>
Provisions and others	35,370	24,315	22,903	137,040	<b>144,167</b>
<b>Total equity and liabilities</b>	<b>3,060,552</b>	<b>3,533,012</b>	<b>3,971,133</b>	<b>7,793,757</b>	<b>9,086,485</b>
Net asset per share attributable to owners of the parent (RM)	0.51	0.63	0.74	1.12	<b>1.23</b>

# STATEMENT OF VALUE ADDED & DISTRIBUTION

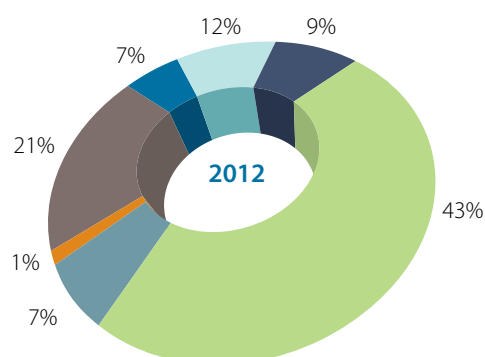
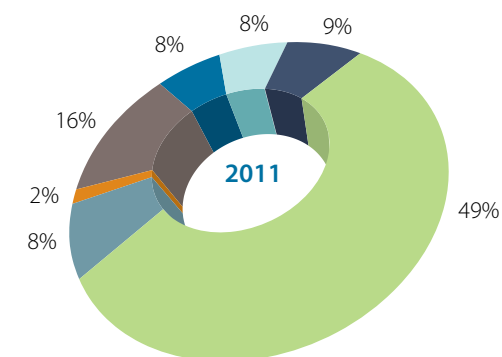
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM' 000	2008	2009 (Restated)	2010	2011	2012	%
<b>VALUE ADDED :</b>						
Revenue	511,647	407,913	471,136	1,703,172	<b>1,939,676</b>	<b>14</b>
Purchase of goods and services	(423,727)	(297,833)	(320,995)	(1,310,467)	<b>(1,366,068)</b>	<b>4</b>
Value added by the Group	87,920	110,080	150,141	392,705	<b>573,608</b>	<b>46</b>
Other income	2,678	17,689	58,368	70,007	<b>53,995</b>	<b>(23)</b>
Share of results of associates and joint ventures	11,208	28,558	34,323	42,532	<b>89,334</b>	<b>110</b>
<b>Total value added available for distribution</b>	<b>101,806</b>	<b>156,327</b>	<b>242,832</b>	<b>505,244</b>	<b>716,937</b>	<b>42</b>
<b>DISTRIBUTION :</b>						
To employees						
- salaries and other staff costs	17,562	16,222	24,152	85,007	<b>120,832</b>	<b>42</b>
To government						
- income tax	631	13,959	9,820	52,304	<b>87,270</b>	<b>67</b>
To provider of capital						
- finance costs	6,367	7,520	8,289	51,402	<b>41,372</b>	<b>(20)</b>
Retained for future reinvestment & growth						
- depreciation & amortisation	2,177	3,078	4,884	13,589	<b>19,600</b>	<b>44</b>
- retained profits	74,189	114,622	194,537	301,712	<b>448,358</b>	<b>49</b>
- minority interest	880	926	1,150	1,230	<b>(495)</b>	<b>(140)</b>
<b>Total distributed</b>	<b>101,806</b>	<b>156,327</b>	<b>242,832</b>	<b>505,244</b>	<b>716,937</b>	<b>42</b>
<b>RECONCILIATION</b>						
Profit for the year	75,069	115,548	195,687	302,942	<b>447,863</b>	<b>48</b>
Add : Depreciation & amortisation	2,177	3,078	4,884	13,589	<b>19,600</b>	<b>44</b>
Finance costs	6,367	7,520	8,289	51,402	<b>41,372</b>	<b>(20)</b>
Staff costs	17,562	16,222	24,152	85,007	<b>120,832</b>	<b>42</b>
Income tax	631	13,959	9,820	52,304	<b>87,270</b>	<b>67</b>
<b>Total value added</b>	<b>101,806</b>	<b>156,327</b>	<b>242,832</b>	<b>505,244</b>	<b>716,937</b>	<b>42</b>

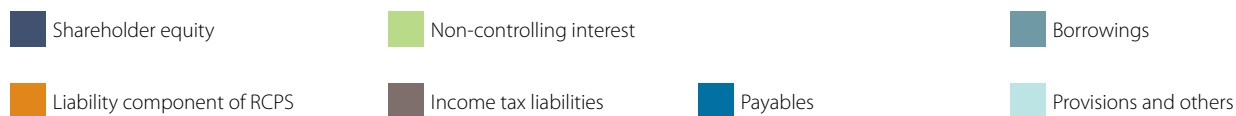
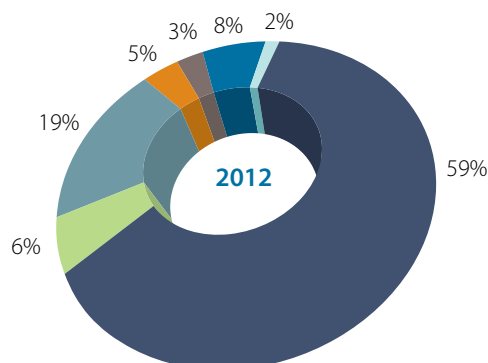
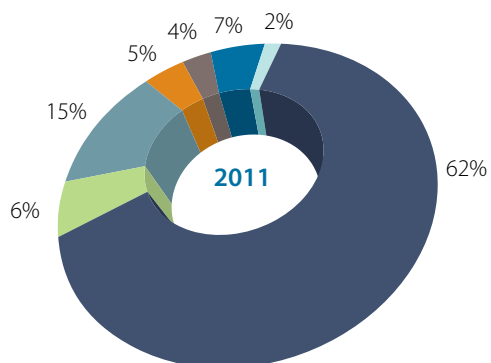
# SUMMARISED GROUP BALANCE SHEET

AS AT 31 DECEMBER

## TOTAL ASSETS



## TOTAL EQUITY AND LIABILITIES

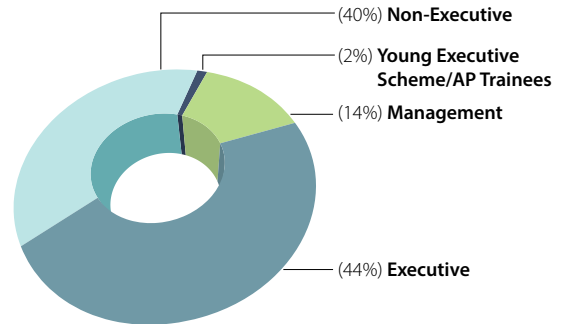




# EMPLOYEES & PRODUCTIVITY

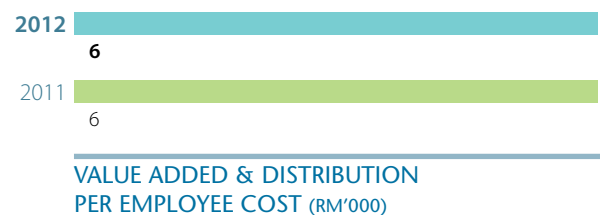
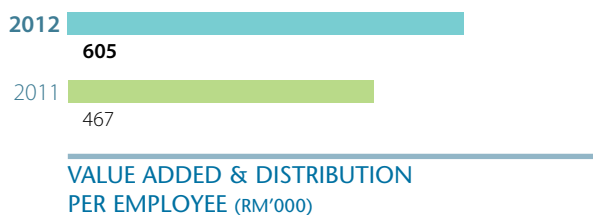
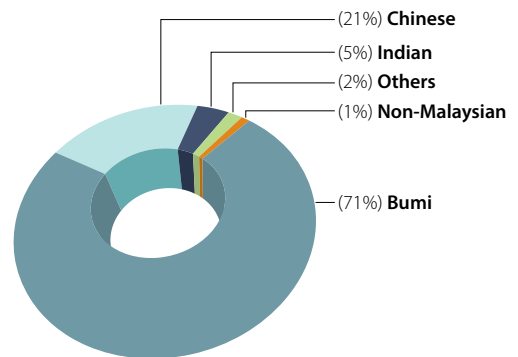
## EMPLOYEES BY CLASSIFICATION IN 2012

Management	169
Executive	525
Non-Executive	475
Young Executive Scheme/AP Trainees	17
<b>TOTAL</b>	<b>1,186</b>

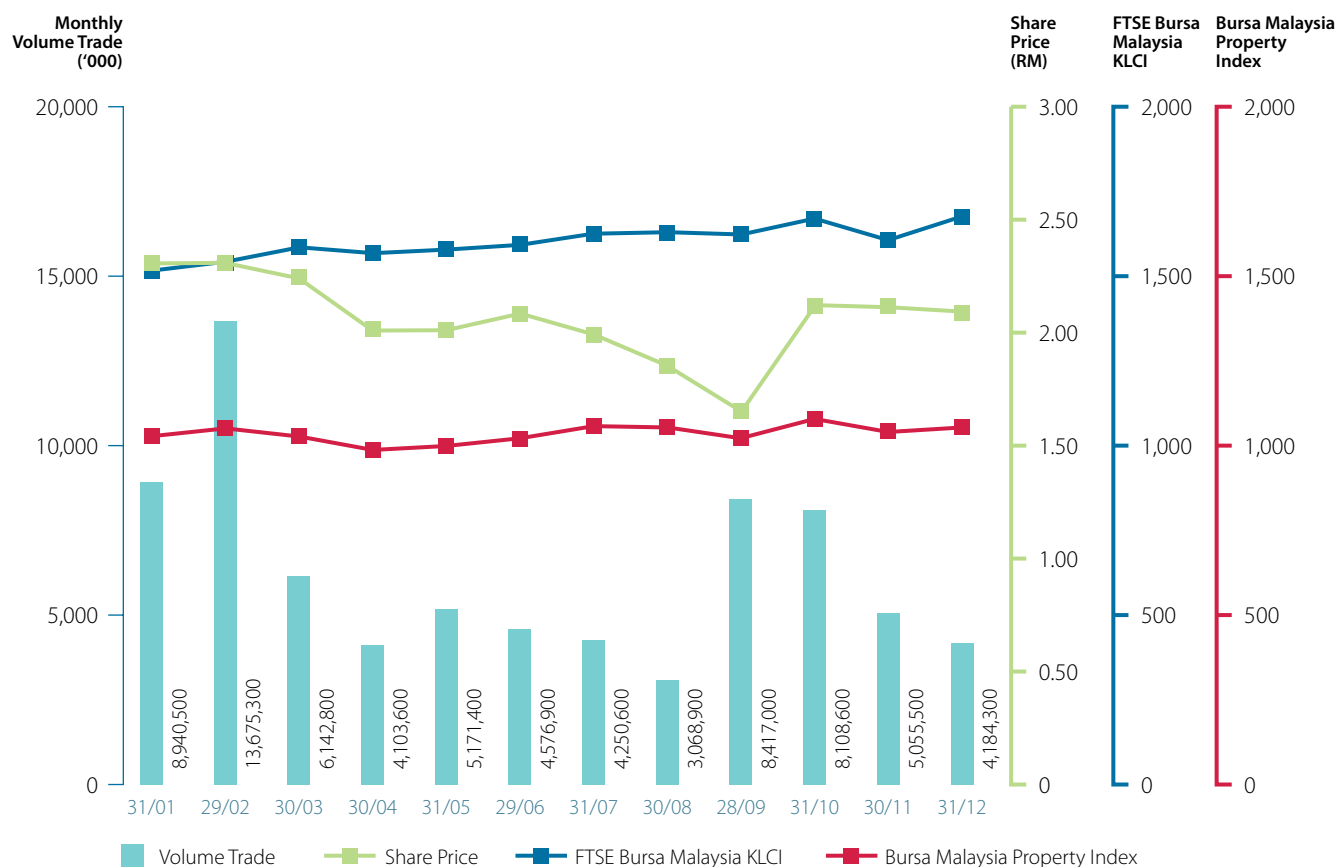


## EMPLOYEES' ETHNIC COMPOSITION

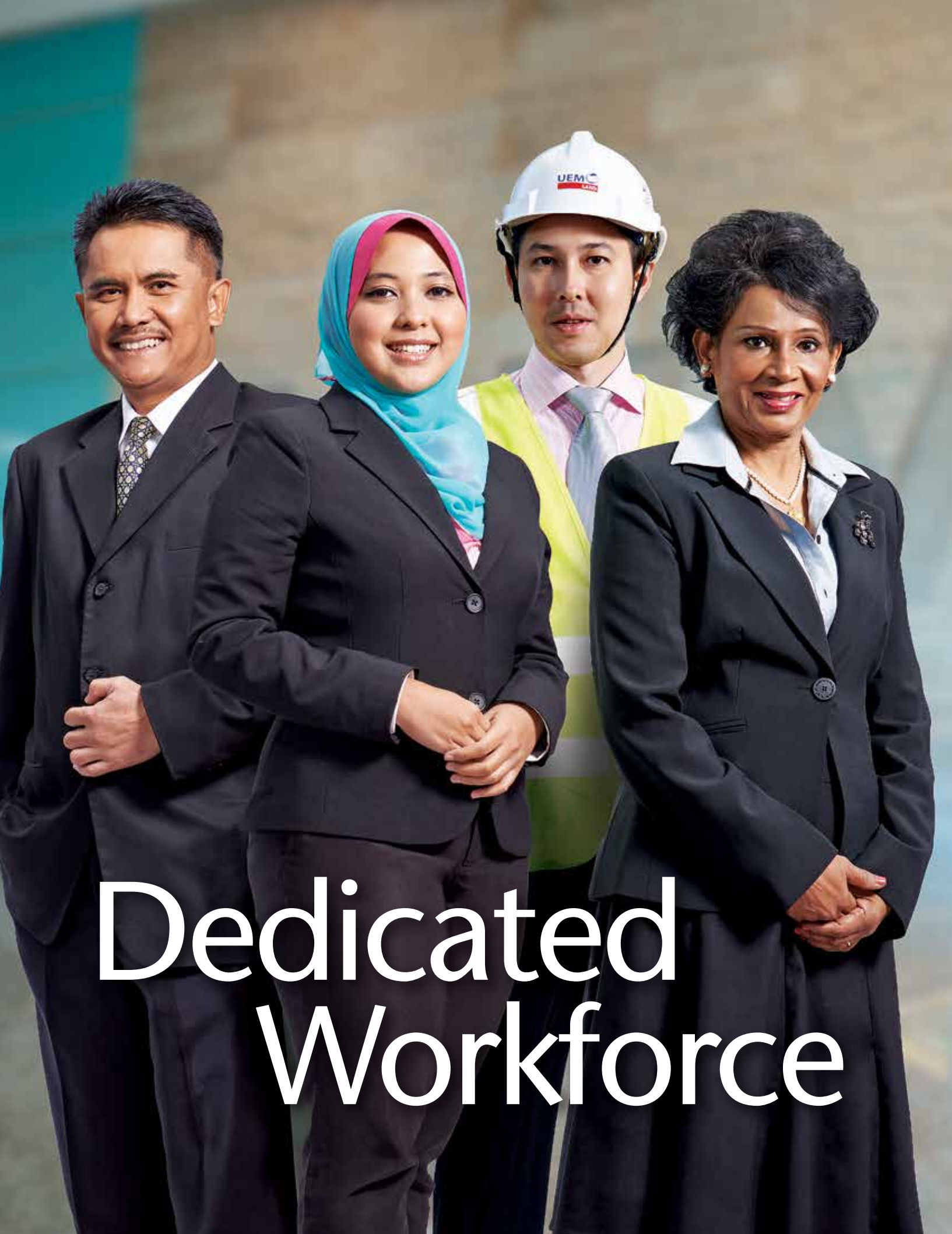
GRADE	RACES					Total
	Bumiputera	Chinese	Indian	Others	Non-M'sian	
Management	104	56	5	1	3	169
Executive	334	155	24	5	7	525
Non-Executive	386	44	26	18	1	475
Young Executive Scheme/AP Trainees	16	1	0	0	0	17
<b>TOTAL</b>	<b>840</b>	<b>256</b>	<b>55</b>	<b>24</b>	<b>11</b>	<b>1,186</b>



# SHARE PRICE & VOLUME TRADED



Month (2012)	High (RM)	Low (RM)	Closing Price On The Last Day Of The Month (RM)	Closing Date	Average Monthly Volume Traded
January	2.46	2.22	2.32	31/01/2012	8,940,500
February	2.43	2.18	2.31	29/02/2012	13,675,300
March	2.38	2.21	2.24	30/03/2012	6,142,800
April	2.27	1.96	2.01	30/04/2012	4,103,600
May	2.15	1.91	2.01	31/05/2012	5,171,400
June	2.09	1.92	2.08	29/06/2012	4,576,900
July	2.16	1.93	1.99	31/07/2012	4,250,600
August	2.01	1.84	1.85	30/08/2012	3,068,900
September	1.91	1.63	1.68	28/09/2012	8,417,000
October	2.18	1.67	2.12	31/10/2012	8,108,600
November	2.30	2.05	2.11	30/11/2012	5,055,500
December	2.18	2.07	2.10	31/12/2012	4,184,300



Dedicated  
Workforce





We pride ourselves on empowering our people to be the best they can be, always challenging them to exceed their potential and rewarding them as means of encouraging further performance.

## DIRECTORS' PROFILE



### TAN SRI DR AHMAD TAJUDDIN ALI

Aged 64, Malaysian

*Non-Independent Non-Executive Chairman*

*Chairman of ESOS Committee*

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

Currently, he is also the Chairman of UEM Group Berhad, PLUS Expressways International Berhad and Linde Malaysia Holdings Berhad. He also sits on the 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 is a Registered Professional Engineer with the Board of Engineers Malaysia, a Fellow of the Institution of Engineers Malaysia and a Fellow of the Asean Federation of

Engineering Organisations (AFEO) and he received the Prominent Player Award from The Construction Industry Development Board Malaysia (CIDB).

Tan Sri Dr Tajuddin was conferred the Honorary Doctor of Science Degree by Universiti Putra Malaysia (UPM) in 2000 and 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).

Tan Sri Dr Tajuddin is currently the Chairman of the Energy Commission Malaysia, the President of the Academy of Sciences Malaysia and 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), a member of APEC Business Advisory Council (ABAC) and an ordinary member on the board of Yayasan Penyelidikan Antartika Sultan Mizan.

**DATO' WAN ABDULLAH WAN IBRAHIM**

Age 55, Malaysian

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

**Dato' Wan Abdullah Wan Ibrahim** was appointed to the Board of UEM Land Holdings Berhad 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 public listed property development company. From 1996 to 2004, he was attached 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 subsidiaries, Highlands & Lowlands Berhad and Guthrie Ropel Berhad. He was also 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 the Emkay Group of Companies, a property development group where he held several positions including Group Executive Director. He holds a general degree in Business Administration (majoring in Accounting) from the University of Bolton, United Kingdom.



## DIRECTORS' PROFILE



### DATO' IZZADDIN IDRIS

Aged 50, Malaysian

*Non-Independent Non-Executive Director*

*Chairman of Board Tender Committee,*

*Member of Nominations & Remuneration Committee and*

*ESOS Committee*

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

He was formerly a Senior Vice President (Corporate Finance) of Southern Bank Berhad and the Chief Financial Officer of Ranhill

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

Dato' Izzaddin currently sits on the Boards of Projek Lebuhraya Usahasama Berhad, PLUS Malaysia Berhad, Cement Industries of Malaysia Berhad, TIME Engineering Berhad, Faber Group Berhad, Opus Group Berhad, UEM Builders Berhad and ACWA Power International, an independent water and power producer based in the Kingdom of Saudi Arabia.

**MD ALI MD DEWAL**

Age 72, 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. 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.



### OH KIM SUN

Age 64, Malaysian

*Independent Non-Executive Director*

*Chairman of Audit Committee,*

*Member of Nominations & Remuneration Committee and*

*ESOS Committee*

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

Oh led a successful management buyout of ICI's Malaysian operations in 1994 and was appointed Group Executive Director of Chemical Company of Malaysia Berhad until 2003. His directorships in other public companies include Golden Land Bhd, Faber Group Berhad, Opus Group Berhad and Nikko Electronics Berhad (in liquidation).



**SHERANJIV SAMMANTHAN**

Age 45, Malaysian

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

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

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

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 Executive 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.



### PROFESSOR PHILIP SUTTON COX

Age 73, Australian

*Independent Non-Executive Director*

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

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

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

published nine books on the history of Australia's towns and buildings. He is a fellow of The 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 Cox's firm has business relationship with other local companies, namely, Sime Darby Berhad, Malaysian Resources Corporation Berhad, PETRONAS, Suria KLCC Sdn Bhd, etc.

**LIM TIAN HUAT**

Age 58, Malaysian

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

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

Lim is a practising Chartered Accountant with his own firm, Lim Tian Huat & Co. He is also the Managing Director of Andersen Corporate Restructuring Sdn Bhd.

Lim co-authored the book entitled "The Law and Practice of Corporate Receivership in Malaysia and Singapore". He was appointed as Commissioner to the United Nations Compensation Commission for a period of five years from 1998 to 2002. Lim was also appointed by the Domestic Trade Minister to be a member of the Corporate Law Reform Committee (CLRC) under the purview of the Companies Commission of Malaysia.

Lim sits on the Board of Malaysia Building Society Berhad and Opus Group Bhd.



## DIRECTORS' PROFILE



### DATO' SRIKANDAN KANAGANTHIRAM

Age 62, Malaysian

*Independent Non-Executive Director*

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

Dato' Srikanthan is a well recognised consultant in construction cost and contract management in the Construction Industry in Malaysia and the region.

He has over 35 years' experience in construction cost and contract management of many large and prestigious projects. His vast experience includes various commercial and residential projects, universities, hospitals, convention and civic centers, airports and sports facilities.

The most recent projects of which he undertook as Director-in-Charge include The KVMRT project, The Pinewood Studios Iskandar, Menara Petronas 3, 'The Intermark' Mixed Commercial Development, Prince Court Medical Centre, The KLCC Exhibition

and Convention Centre and Traders Hotel, Universiti Teknologi Petronas at Tronoh, Perak, Palace of Justice at Putrajaya and AIMST University, Kedah.

He is presently the Chairman of Davis Langdon KPK Pan Asia and Managing Director of KPK Quantity Surveyors (Semenanjung) Sdn Bhd.

His professional contributions include representation in various committees of the RISM, The CIDB Malaysia, the AIQS and SIRIM Berhad.

He serves on the Board of Quantity Surveyors Malaysia (BQSM) and is Chairman of the Ethics Committee.

He serves as Council Member of the Malaysia Singapore Business Council (MSBC). He is also an accredited mediator with the Construction Industry Development Board Malaysia (CIDB).


**YM UNGKU SUSEELAWATI UNGKU OMAR**

Age 55, Malaysian

*Independent Non-Executive Director*

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

YM Ungku Suseelawati is the Executive Director & Regional Head, Retail, South East Asia of DTZ Debenham Tie Leung (Malaysia) Sdn Bhd ("DTZ"). She was one of the three Malaysian founding shareholders of DTZ in partnership with an international property advisory group. She was the Country Head of DTZ from inception of the company until September 2012 where her key role was to grow and develop the Malaysian business by building on the strengths and resources of both the local and the international group and to provide seamless cross border services to its global clients. She is now responsible for the retail business both locally and regionally and her role is to provide strategic advice to developers and retailers on positioning, retail concept, planning and leasing and operations of shopping centres.

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

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

*None of the Directors 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.*

## JOINT COMPANY SECRETARIES



### **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 Berhad. He is also the Joint Company Secretary of UEM Group Berhad, PLUS Expressways International Berhad (formerly known as PLUS Expressways Berhad), PLUS Malaysia 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 Institute of Chartered Secretaries and Administrators, United Kingdom 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.

### **Wong May Fun**

*Joint Company Secretary*

Wong May Fun is the Joint Company Secretary of UEM Land Holdings Berhad and some of its subsidiaries. She is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators. She started her career with a local secretarial firm in 1993. Prior to joining UEM Group Management Sdn Bhd in September 2011, she was attached with a few public listed groups involving in banking, shipbuilding, information technology and property development.



# SENIOR MANAGEMENT

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

As expressed in page 61 of the Directors' Profile.



### **Azhar Othman** *Chief Financial Officer*

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

Prior to that, he had spent 19 years in the semiconductor industry with companies like Spansion, On Semiconductors and Motorola in various senior positions in finance, eight of which was in a corporate office in Phoenix, Arizona, USA. He has extensive and diversified experience in statutory financial requirements, financial strategy,

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

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



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

Lum Tuck Ming 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 Berhad ("Sunrise") in 1991 as 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 Berhad effective 1 September 2011.



**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 Berhad. He has been involved in the implementation of a number of major projects within the UEM Group among which includes the North-South Expressway, KL International Airport in Sepang, PUTRA Light Rail Transit, Bukit Jalil National Sports Complex, Malaysia-Singapore Second Crossing Bridge and Expressway, Tanjong Tokong Land Reclamation,

Noi Bai Industrial Zone Development in Hanoi, Vietnam and Point Waterfront Development in Durban, South Africa to name a few. Whilst at Bandar Nusajaya Development Sdn Bhd, he was responsible for revisiting the Development Masterplan for Nusajaya resulting in the identification of the various catalyst developments.

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



**Siti Mariam Mohd Desa**  
*Chief Marketing Officer*

Siti Mariam Mohd Desa holds a Bachelor of Architecture (Hons) degree from University of New South Wales in Sydney, Australia and is a registered architect with Lembaga Arkitek Malaysia (L.A.M) a corporate member of Pertubuhan Arkitek Malaysia (P.A.M). Prior to joining UEM Land Holdings Berhad, 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 investment in Malaysia and the Asia Pacific Zone. Prior to that, she had spent 14 years in Island & Peninsular Berhad where she held several key positions, her last post was Chief Operating Officer for I&P Properties and was tasked with managing development in Kuala Lumpur, Negeri Sembilan and Penang.

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

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



**Mohd Zakir Omar**  
*Director, Business Development*

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, and 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 interest 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 Berhad in 2003 and has held

various positions in the Business Development, Corporate Planning and Finance before assuming his current position in 2012.



**Aminah Abdullah**  
*General Manager, Human Resource and Administration*

Aminah Abdullah joined UEM Land Holdings Berhad on 20 December 2010. She is a Human Resource practitioner for more than 27 years in various industries ranging from publishing, manufacturing and property development. Prior to joining the Company, she was involved in training and HR consultancy works.

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 Master in Business Administration from University of Preston, United States.

Responsible for many start up projects in her previous companies, she had undertaken works successfully not only in HR but also public relations, customer service and quality assurance. Besides being a registered trainer with Pembangunan Sumber Manusia Berhad, she is also one of the Vice Presidents for Malaysian Association of Learning & Development and a Member of Malaysian Institute of Management.



**Mohd Nadzari Hj. Bachek**  
*Senior General Manager, Nusajaya*

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

Currently as Senior General Manager at Nusajaya, Mohd Nadzari is responsible for township development within Nusajaya including the Puteri Harbour waterfront development projects, Afiat Healthpark, Master Infrastructure Planning, the Nusajaya Regional Open Space (ROS), Ledang Heights, East Ledang, Nusa Idaman, Nusa Bayu, Southern Industrial & Logistic Clusters (SiLC), Bio-XCell Biotechnology Park, Affordable Homes R10 and R11, Government Housing development and public parks.

Mohd Nadzari graduated in 1988 from the University of Tennessee at Knoxville, with a professional degree of Bachelor of Architecture. After graduation, he worked at Danco Inc., which is an established construction company in East Tennessee. He was involved in planning, design and implementation of a variety of residential, commercial and industrial property development projects, including historic preservation projects and recreational resorts. He subsequently joined Design Innovation Architects, Inc., Knoxville in 1994 where he was involved in projects of diverse complexity in Tennessee that include planning, design and contract administration of various property development projects.

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

Prior to joining UEM Land, he served at MTD Capital Berhad as General Manager of several of its subsidiary companies.



## SENIOR MANAGEMENT



**Seow Lit Fong**  
*Senior General Manager, Construction Division*

Seow Lit Fong is the Senior General Manager, Construction Division of UEM Land Holdings Berhad after having joined its subsidiary, Sunrise Berhad ("Sunrise") in December 1987.

He holds a Diploma in Civil Engineering from the Federal Institute of Technology and has a total of 31 years extensive experience in the construction sector involving in the management of various projects with local main contractors and developers. His vast construction experience has seen him rise from the ranks within Sunrise and UEM Land Berhad ("UEM Land") where in his 25 years of employment with the Company, he has successfully completed projects primarily in the Mont'Kiara high end developments from 1992 till the present. He has also previously held the position of Tender Committee Chairperson in Sunrise, responsible for contract procurement and administration.

Seow Lit Fong is also the Director of UEM Land's construction arm, Aston Star Sdn Bhd and is engaged in the construction management of the Company's high end projects.



**Raymond Cheah Ho Chee**  
*Project Director, Development Division*

Raymond Cheah is the Project Director, Development Division of UEM Land Holdings Berhad ("UEM Land Holdings") after having joined its subsidiary, Sunrise Berhad ("Sunrise") in January 2001.

Throughout his career with the Company, he was appointed to five Development Committees – Nusajaya Tech Park (a joint venture with Ascendas of Singapore), Motorsports City, an integrated motorsports hub in Nusajaya (a joint venture with FASTrack Autosports of Singapore), Mall of Medini in Nusajaya (a joint venture with Iskandar Investment Berhad), Forest Heights, a township development in Seremban (a joint venture with MCL Land of Singapore), and Radia, an integrated development in Bukit Jelutong, Shah Alam (a joint venture with Sime Darby Berhad).

He leads the UEM Land Holdings team in the mix developments of Marina One and Duo in Singapore, which are being developed by M+S Pte Ltd. He is also an alternate member of the Development and Marketing Coordinating Group for Afiniti, a mixed development by PIV Sdn Bhd. Both of these projects are joint ventures between Khazanah Nasional Berhad and Temasek Investment of Singapore.

He 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.

Prior to joining Sunrise, he has worked with other Malaysian property development and consultancy companies for six years, where his portfolio included master infrastructure at KLIA and Bandar Puchong Jaya.

He has successfully completed his Master of Business Administration (MBA) (with Distinction) from University of Sunderland, United Kingdom and he also holds a Bachelor of Science (Honours) Degree in Civil Engineering from University of Iowa, United States of America.



**Ang Kee Ping**  
*Project Director, Development Division*

Ang Kee Ping is the Project Director, Development Division of UEM Land Holdings Berhad after having joined its subsidiary, Sunrise Berhad 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 eight-storey shopping complex (Gurney Plaza) and a 352-room business hotel.

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



**Ong Chou Wen**  
*Project Director, Development Division*

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

Prior to joining Sunrise, he worked with Putrajaya Holdings, the property development subsidiary of the PETRONAS Group of Companies for eight years. Over his eight 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 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 Thesis: 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.



**Sazali Salleh**  
*General Manager, Development – Central Region*

Sazali Salleh joined UEM Land Berhad 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 Ngim 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. 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.



We are not just about property development but are dedicated to balancing our economic ambitions with socially responsible initiatives that impact upon communities, as well as the environment.

Schumann Townhouse, Symphony Hills, Cyberjaya





Commitment  
towards  
Sustainability

# CORPORATE RESPONSIBILITY



## OUR COMMITMENT TO RESPONSIBLE CORPORATE PRACTICES

Being a conscientious corporate citizen, UEM Land Holdings Berhad ("UEM Land Holdings" or "the Company") is committed to growing in a profitable and responsible manner. We are accountable to our stakeholders and are deeply committed to maintaining a balance between our economic ambitions and responsible corporate practices. We take pride in the fact that responsible and sustainable practices are embedded within our total business operations and value chain. In 2012, we continued to apply effective corporate responsibility ("CR") initiatives in the areas of the Marketplace, Workplace, Community and Environment.

## OUR COMMITMENT TO GOOD WORKPLACE PRACTICES

At UEM Land Holdings, we believe that a strong company materialises from strong employees. As such, we leverage on first-rate human capital methodologies to reinforce the Company's position as an "employer of first-choice" as well as to attract and retain the best talent in the market.

### Training and Professional Development

As part of our objective in nurturing strong employees, we provide them professional training and development opportunities to hone their skills and keep them ahead of the curve. In 2012, we organised a total of 353 training programmes for our 1,186 employees with each employee undergoing an average of 34.78 hours of training. The year's training modules covered three main areas – Functional, Management Skill/Modulating and Self Ownership, aimed to enhance leadership skills and employee proficiency. These areas related to enhancement of job functions, managerial development, technical knowledge/occupational health and safety, as well as leadership training.

### HR Road Map

We are committed to ensuring that each and every one of our employees is fully equipped with the requisite skills and knowledge so that they attain a level of excellence that will help propel them along their career paths as well support the Company's business objectives. In conjunction with this aim, the Human Resource Division launched the HR Roadmap 2012 – 2015.

The HR Roadmap outlines the pathway to us becoming a High Performance Organisation Company ("HIPOC") by 2015. Recognising that our people are vital to every aspect of our business performance, it spells out sound initiatives to significantly enhance the value of this critical resource. The roadmap has now been deployed across the entire organisation.

In our efforts to become a HIPOC, we have adapted three key strategies, namely Leadership, Learning and Development as well as People Management, and have embarked upon 12 strategic initiatives. These include Employer Branding, Rewards and Recognition, Succession Planning, My Culture of Excellence ("COE"), Individual Developer Plan ("IDP")/Career Pathing, Consequence Management, Mentoring, Coaching and Counselling, Employee Engagement, Quality of Work, Life Knowledge Management, HR Quality Awards as well as Sports & Recreation.

### Employee Benefits

We ensure that our employees are kept satisfied and inspired by ensuring they are rewarded for their performance. In line with our ambition of becoming an employer of first-choice, we offer competitive employee benefits.



### Engagement Activities

Our relationship with our employees is very important to us and we continue to roll out numerous employee engagement activities to strengthen employer-employee relationships and drive employees' performance. Correspondingly, numerous activities were organised in 2012 to promote interaction and unity within the company. Among these activities was the *Pertemuan Kita Series*, a briefing to all staff on topics of interest which included updates on the Performance Management System, job rating and evaluation process, ESOS, HR Roadmap and Sexual Harassment Policy.

During selected festivals, such as the Moon Cake Festival, Ramadhan and Deepavali, employees were treated to festive goodies. Additionally, we also organised several activities for our employees' benefit. These included a Staff Raya event, Sports Extravaganza, the HR Quality Award, the UEM Land Jamboree Nite held at Sunway Lagoon, the UEM Group Family Day, an Excursion Day at Kidzania for employees' children and a staff potluck event, to name a few.

### Health and Safety Initiatives

At UEM Land Holdings, we stress the importance of a safe work environment at all our development sites for the well-being of both our employees and our contractors. In compliance with national and international criteria for health and environmental practices we have produced our own Safety, Health and Environmental ("SHE") Policy Manual. The Company's OHSAS 18001 and MS 1722 certifications further underscore our strong commitment to safety measures.

In 2012, a total of 105 induction courses were conducted onsite with 1,618 contractor workers covering Quality, Safety, Health and Environmental requirements at the Company's sites. In addition, 21 various awareness trainings and refresher sessions were carried out among relevant employees, contractors and consultants ranging from Safety, Health and Environmental Management Systems to processes and procedures, Safety & Health Legal Compliances and Environmental Legal Compliances, including Waste Management.

In 2012, we recorded 1,925,040 hours of No Loss-Time Injury, which was significantly lower than the count in 2011 due to a fatal injury in Cyberjaya on 24 June 2012 and an order to stop work on the Teega Project for three days. The circumstances that led to these incidents have been cleared and as a safety measure, all site workers have undergone refresher courses.

With safety being one of the highest priorities here at UEM Land Holdings, frequent site assessments such as SHE monitoring and assessment and awareness activities are continuously being undertaken. The upgrading of preventive measures, the inclusion of guidance notes as well as the implementation of tried and tested safety precautions are some of the other measures we undertake to ensure employee safety.

## OUR COMMITMENT TO EFFECTIVE MARKETPLACE PRACTICES

As a property development company, marketing is a crucial aspect of our business. As part of our commitment to delighting our customers, we are constantly exploring new ways to elevate customer satisfaction levels and to enhance our appeal. We emphasise excellence in every new development that we introduce to the market today. Even as we delight customers and offer them the opportunity for strong returns, we are ensuring our long-term growth.

### Dedicated to Excellence

In line with our desire to deliver properties of the highest quality to our customers and in tandem with our efforts to respect our environment, we have designed and developed new properties that exceed market standards. The Imperia condominium in Puteri Harbour and 28 Mont'Kiara are two state-of-the-art properties that reflect our commitment to excellence. These environmental-friendly condominiums, which have been awarded the Green Building Index Provisional Gold Rating Certification and the Gold Rating certification respectively, boast naturally ventilated common areas, energy saving electrical systems, as well as fittings and furnishing that have been produced with at least 30% recycled components.



## CORPORATE RESPONSIBILITY

More recently, we added the Verdi eco-dominiums at Symphony Hills, Cyberjaya to our portfolio of innovative offerings. The eco-friendly high-rise condominium, offers state-of-the-art home features, unique designs and lush greenery within a gated and guarded smart community. With the added feature of being part of the country's first Connected Intelligent Community ("CIC"), each unit of Verdi eco-dominiums comes furnished with smart home qualities which demonstrate UEM Land Holdings' dedication to detail and to enchanting customers.

### TNS Survey

In the latest TNS customer satisfaction survey, the Company recorded a rise in customer satisfaction levels from the previous year. The increase in satisfaction levels came from the Central Region and SiLC Nusajaya developments quarters, which saw customers' satisfaction improving considerably as a result of a shift to a more efficient management of resources and improvement in customer service. There are plans to execute a similar approach in the Southern Region's residential developments and various improvements programme have been outlined. Our corporate reputation suffered a slight decline in the Southern Region sector. Resolutions are being drawn up to improve the situation so that more enduring and satisfactory customer relationships can be established.

### Marketplace Initiatives

We implemented various marketplace initiatives in 2012 to establish and strengthen ties with our stakeholders as well as to enhance our market reputation. The following initiatives provide an overview of some of 2012's marketplace activities:



### Property Investment Forum

The year saw Sunrise Berhad ("Sunrise") and Sime Darby Property Berhad co-organising a forum entitled, "Investment Opportunities in Shah Alam". This event created a platform for property industry experts to share their thoughts on the subject with the public and the media.

### Karnival Nusajaya

To commemorate the launch and completion of several significant and strategic projects in Nusajaya and its surrounding territories, *Karnival Nusajaya* was organised. A celebration on a large scale, the carnival consisted of many attractions which included Eksplorasi Nusajaya, a showcase featuring the progress made by developments in Nusajaya since its inception in 2007. The carnival's Career Fair event attracted more than 16,000 visitors who dropped in to explore some 1,600 jobs offered by 29 exhibitors. This activity also attracted more than 29,000 resumes.

### Property Road Show

Towards the end of 2012, we successfully organised a property road show called the UEM Land Tour. The road show, which displayed properties developed by UEM Land Holdings in the Klang Valley as well as Nusajaya, carried on for four weekends in a row and was held in Nusajaya, Kuala Lumpur, Penang and Singapore.

### 8<sup>th</sup> WIEF and Gala Dinner

Nusajaya's reputation was strengthened when it was recognised during the Eighth World Islamic Economic Forum ("8<sup>th</sup> WIEF") and Gala Dinner. The event showcased Nusajaya on an international platform to over 1,500 delegates and guests. The platform also provided an avenue for UEM Land Holdings to discuss the various investment opportunities available in Nusajaya and Iskandar Malaysia.

### Iskandar Johor Open Tournament

UEM Land Holdings was the Platinum Sponsor of the sixth Iskandar Johor Open Tournament for the fourth year in a row. In 2012, this internationally renowned golf tournament attracted regional and international golfers such as Michael Campbell, Ernie Els, John Daly, Sergio Garcia and Thongchai Jaidee.

### Nusajaya Customer Hotline

To ensure our customers in Nusajaya reap the full rewards of living a 'Nusajaya lifestyle', we established a customer hotline to respond to customer queries regarding all UEM Land Holdings-related properties in the area.

### Quality Initiatives

We continue to undertake several Continuous Improvement ("CI") activities. To date, we have rolled out our Quality Environment Management System ("5S") which aims to increase productivity and quality within our organisation. On top of this, Six Sigma Implementation Activities and Circles ("ICC" / "QCC") initiatives

are being undertaken. Through periodic quality assessments such as the Quality Assessment Systems in Construction ("QLASSIC") and the Construction Quality Assessment System ("CONQUAS"), we are benchmarking our quality and workmanship on an international basis as well as fortifying our competitive edge and strengthening our reputation.

## OUR COMMITMENT TO ENRICHING COMMUNITIES

Community activities play a huge part in our CR undertakings and today UEM Land Holdings is enriching the many communities we serve through impactful education-related activities. Recognising the need for education, especially in rural and semi-urban areas, we have reached out to offer a helping hand to communities through various education-related activities and other various forms of social aid.

### EDUCATION: CREATING EQUALITY

As part of our corporate social responsibility efforts, we provide the necessary support to our PINTAR students and the communities located within our areas of operation or land reserves to further enhance the education pedagogy as well as learning process. To this end, we run programmes such as Exam Clinic, Academic Excellence Programme, Green School Campaign, Motivational Camp, English Programme, Road Safety and Health Talk.

#### PINTAR-related Initiatives

Our educational initiatives are based on the PINTAR ("Promoting Intelligence, Nurturing Talent and Advocating Responsibility") programme which was established by Khazanah Nasional Berhad ("Khazanah") in 2006. Having adopted 17 schools under the programme, we have designed a functional and stimulating programme that aims to strengthen and inspire students to reach new heights of excellence.

In line with our goal to 'promote intelligence, nurture talent and to advocate responsibility' we are constantly upgrading our programmes and introducing new courses as we believe in offering the best to our students. The year 2012 saw us building upon the good momentum gained from successful programmes in 2011. The following are the highlights of 2012's activities:

#### Library Enhancement Project

The month of February 2012 saw us kick-starting 2012's CR activities with an overhaul of Sekolah Kebangsaan Nusantara's library and the introduction of our new Library Enhancement Project. The programme, which will be applied throughout our adopted PINTAR schools, will see PINTAR school libraries undergoing refurbishing and receiving new materials.



#### Seminars and Workshops

During the months of February, March and April, workshops were conducted for the benefit of PINTAR students who were sitting for their UPSR, PMR and SPM exams later on in the year. In co-operation with *Berita Harian* and under the Academic Excellence Programme, the annual clinic began with a two-day exam seminar catering to 250 UPSR candidates from UEM Land Holdings' PINTAR schools, held at the Universiti Teknologi Malaysia, Skudai, Johor. The months of March and April saw the rollout of seminars and workshops that were developed specifically for PMR and SPM candidates.

#### Exclusive Star NiE and Stuff @School Privileges

In our efforts to strengthen our PINTAR students' understanding of the English language, UEM Land Holdings sponsored The Star's Newspaper in Education ("NiE") pull-out for all of our 17 adopted schools for the fourth year in a row.

#### English Training Programme

Another English Language Initiative saw 20 teachers, from both our primary and secondary PINTAR schools being selected to participate in a two-day training session. The training course, which took place in collaboration with the British Council, was delivered with the objective of offering English teachers new and more effective teaching techniques.



### **UEM Land Holdings National Day Campaign**

UEM Land Holdings began a one month campaign in conjunction with the country's 55<sup>th</sup> Independence Day as well as Malaysia Day. Comprising creative story-telling and pantomime competitions among our PINTAR schools, the programme focused on inspiring patriotism and encouraging multi-racial integration and unity among the younger generation.

### **Road Safety Awareness**

Working together with Projek Lebuhraya Usahasama Berhad ("PLUS") and Polis Diraja Malaysia ("PDRM"), we coordinated our second road safety programme for 13 of our PINTAR primary schools. Held at Sekolah Kebangsaan Taman Nusa Perintis, the event aimed to instil good road safety habits, skills and attitudes in our primary students.

### **SIR Spelling Competition**

For the second year in a row, our Spell-It-Right ("SIR") Spelling Competition proved to be a success. Divided into three stages – the preliminary session, knock out session and best speller session, the competition was developed to help create a more English proficient community.

### **High Achievers Awards Ceremony**

Following through from the previous year's successes, we held an awards ceremony for 63 students from our PINTAR programme who had achieved excellent results in the 2011 UPSR, PMR and SPM examinations. Since 2009, the ceremony under the "Academic Excellence Programme" has been organised to highlight students' dedication to giving of their best. Through this event, the contributions of teachers, schools, educational professionals and parents in the lives of the students have been recognised.

UEM Land Holdings' PINTAR schools saw an increased improvement in overall results with UPSR results rising by 2.13% and PMR results leaping to 30.7% (from 26% in 2010). Two students from SMK Gelang Patah scored 11As and 10As respectively in the SPM examination. The UPSR, PMR and SPM high achievers were each rewarded with cash prizes, while the best overall students for all examination levels received a laptop computer each.

The 63 high achievers were presented with cash rewards and certificates in a prize-giving ceremony at the Theatre Hall, Bangunan Dato' Jaafar Muhammad in Kota Iskandar, Nusajaya, Johor. The ceremony was attended by Johor State Education Department Director, Mohd Nor A. Ghani, parents of the high performing students, the schools' principals and teachers, representatives of the Johor State Education Department, Johor Bahru District Education Department as well as UEM Land Holdings representatives.

### **Hygiene Talk**

UEM Land Holdings organised a Hygiene Talk Programme at Puteri Specialist Hospital for our PINTAR primary students as part of our corporate social responsibility initiatives. A partnership with Puteri Specialist Hospital, the programme saw active participation by 150 Year Five students of our 13 adopted PINTAR primary schools from around Gelang Patah. Divided into three two-hour sessions with 50 students per session, the one day event stressed the importance of basic hygiene skills which ranged from proper hand-washing techniques to personal hygiene. Filled with numerous educational activities and demonstrations, each session ended with a tour around the hospital including the paediatric and emergency wards.

### **Pintar Al-Quran Programme**

November 2012 marked the fourth successive Khatam Al-Quran ceremony in which the achievements of 98 pre-school children were celebrated. The children from our five adopted KEMAS kindergartens in Gelang Patah concluded the Pintar Al-Quran Reading Programme during the ceremony at the Theatre Hall, Bangunan Dato' Jaafar Muhammad, Kota Iskandar, Nusajaya.

Supervised by the Johor Religious Department and fully funded by UEM Land Holdings, the programme has benefitted 892 pre-schoolers since its establishment in 2008.



### Motivational Camp

Riding on the success of 2011's motivational camps, our second motivational camp served to inspire and equip our PINTAR secondary students once again. This time, the camp focused on the importance of education and on cultivating students' individual strengths. The three-day and two-night motivational camp held at the Felcra Tebing Tinggi Training Centre, Segamat, Johor was attended by 200 PINTAR students from Form Two and Form Four.

## OTHER COMMUNITY EVENTS

Besides our CSR programmes in support of education and learning, UEM Land Holdings also aims to assist the community through other forms of outreach. The year 2012 saw various programmes being continued and some new initiatives being introduced to ensure the well-being of the community.

### Sunrise Community Watch

Sunrise, in collaboration with Polis Diraja Malaysia ("PDRM"), initiated the Community Watch Programme which centred on the Mont'Kiara/Dutamas vicinity. The programme's objective is to foster closer ties between the communities and PDRM and work closely together to prevent crimes from occurring.

### Upgrading of Tapah Road Library

Perpustakaan Desa Tapah Road was upgraded by UEM Land Holdings. The re-opening of the newly upgraded library was officiated by YB Dato' Haji Samsudin Abu Hassan, Ahli Dewan Undangan Negeri ("ADUN") Ayer Kuning and witnessed by Haji Rosham Abdul Shukor, Deputy Senior Director of the National Library.

### Back to School Cheer for Orang Asli Community

50 school children from Kampung Sungai Geroyang and Kampung Sungai Merbau in Tapah were provided with school uniforms and supplies under the Company's inaugural 'Back to School' programme. The programme sought to lighten the strain families faced in preparing for the beginning of the school year. The ADUN of Ayer Kuning, YB Dato' Haji Samsudin Abu Hassan, as well as approximately 100 residents and the local authorities from Majlis Daerah Tapah and Jabatan Kemajuan Orang Asli Daerah Batang Padang, attended the ceremony.

### Ramadhan and Hari Raya Cheer @Publika

The Charity Buka Puasa @Publika event saw 65 disadvantaged children aged between 7 to 16 years, under the patronage of Soroptimist International Ampang, being treated to various goodies and fun activities. Greeted at the entrance to the event by a *kompang* ensemble, the children indulged in an expansive spread of authentic *buka puasa* fare, gifts and *duit raya* as well as a *ketupat* making workshop, games and a magic show.

### Iftar with Local Community Surrounding Nusajaya

Corresponding with the month of Ramadhan and with Nusa Bayu's Phase 2C development launch, we conducted an iftar for 40 orphans and six teachers from Sekolah Agama Kenangan Morni Pok and Sekolah Agama Desa Paya Mengkuang together with employees of UEM Land Holdings.

### Ramadhan in the Southern Region

Our first collaboration with Kelab Media Johor saw about 80 volunteers gathering to assist in the preparation and distribution of *bubur lambuk* to the communities of Gelang Patah. *Duit raya* and *raya* goodies were also distributed to 180 individuals comprising single mothers, orphans, the elderly and differently abled from Kampung Pok, Kampung Sungai Melayu, Kampung Tebing Runtuh, Kampung Pulau and Kampung Pendas Laut.



### OUR COMMITMENT TO SAFEGUARDING THE ENVIRONMENT

In our role as a conscientious property developer, we strive to ensure that environmental-friendly procedures are implemented and pursued in every feature of our Company, especially in our development process. In our Company, the natural environment is taken into consideration and incorporated into each facet of design where possible. Regular performance assessments are carried out frequently to ensure that all aspects of construction fall in with regulatory requisites and environmental criteria as well as our own Environmental Management Plans ("EMPs").

From planning to full-scale construction, we endeavour to make the whole process more environmentally friendly, thus decreasing our carbon footprint. In pursuit of this vision, we established a number of programmes in 2012 and are developing numerous new projects that will take place in the near future.

#### **Green Initiatives**

We continue to implement green initiatives within our organisation as well as in the operations we undertake. Early in the year, to commemorate Earth Hour 2012, we embarked on a company-wide paper management awareness initiative that demonstrated how to make the best use of paper for printing purposes. The philosophy behind this campaign is based on the Nusajaya Green Plan that is part of a strategic initiative that upholds the integrated prevention and improvement ideas encapsulated within the R.O.S.E. ("Reduce. Offset. Substitute. Enhance") concept. The annual QSHE Campaign 2012 too featured several environmental friendly activities including 3R activities such as a car boot sale.

The Nusajaya Green Plan launched in December 2009 comprises guidelines and recommendations for the implementation of programmes and initiatives to conserve and improve the environment. It was developed based on the concepts of R.O.S.E and 'Smart and Caring Living'. The R.O.S.E Programme serves to conserve our environment through the maximised use of a minimal amount of our resources while delivering products of the same high quality. We also undertook activities to provide sustainable products. Our latter programme was rewarded when Imperia condominium in Puteri Harbour, which followed a rigorous design assessment under the initiative, received the Green Building Index Provisional Gold Rating Certification.

We also continue to inculcate green initiatives in our adopted PINTAR schools. A Composting Programme was initiated in our efforts to reinforce the idea of 'Smart and Caring Living'. The installation of the five composite bins at three schools was used as an opportunity by the UKM climate change team to conduct special workshops with the teachers and volunteers on how to manage organic waste in an eco-friendly manner.

Under our tree transplanting programme, we transplanted 97 trees. These trees consisted of 57 trees from the Road B3 project which were transplanted to the Regional Open Space ("ROS") programme, 10 trees within the SiLC area and 30 trees within the Puteri Harbour area.

Other changes that took place under our Green Initiatives were the switch from conventional lights to LED lights (which has proved to be significantly more cost efficient in the long run); the conversion of construction wood debris into a planting medium; the use of a bio-filter at the Linear Park Puteri Harbour; and the installation of sediment filters, sand filters, and bio-filters for the water features at the Symphony Hills Club House.

#### **Future Environmental Plans**

Besides our current programmes, we have a number of others which are in the process of being developed and which will be implemented in the time to come.

One such programme is our Regional Open Space ("ROS") Reforestation Programme. With the Funding Model for the programme's implementation having been identified, the reforestation of ROS is going to be a major environmental improvement initiative.

Our projects include some which will be developed in the near future and some which are already on their way to completion. The harvesting of rainwater for irrigation at Block 8 of our Symphony Hills Development is one such project; the venture is currently underway with construction taking place. Another project is the installation of sediment, sand and bio-filters for all water features. The installation of filters, which will reduce the usage of chemicals, is currently taking place with phase one having been completed. Also, the employment of a retention pond as a recreational pond at Bangi Land Development will commence soon, while the use of composite materials in place of natural materials in development will begin to take place in the construction of units this year.

# CORPORATE GOVERNANCE STATEMENT

UEM Land Holdings Berhad recognises the importance of good corporate governance and the Board is committed to ensuring 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), this Corporate Governance Statement reports on how the Company has applied the Principles and the extent of compliance with the recommendations of good corporate governance as set out in the Malaysian Code of Corporate Governance 2012 ("MCCG 2012") issued by the Securities Commission and sets out the Company's formal report on compliance with the recommendations of the MCCG 2012 and Listing Requirements throughout the financial year ended 31 December 2012.

## 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 two or more than 15.

As at 31 December 2012, the Board consists of nine Members comprising the Managing Director/Chief Executive Officer, four Non-Independent Non-Executive Directors and four Independent Non-Executive Directors. The composition of the Board was well balanced, representing both the majority and minority shareholders' interest and complied with the Listing Requirements where at least two Directors or one-third of the Board, whichever is the higher, must comprise Independent Directors. The four Independent Non-Executive Directors met the criteria of independence as prescribed in the Listing Requirements and the Board confirmed that there had been no transactions, relationship or arrangements that would have impaired the independence or any judgment made by the Board.

Abdul Kadir Md Kassim and Datuk Tong Kooi Ong resigned on 1 September 2012 and 1 January 2013 respectively, and with the appointment of Dato' Srikanthan Kanagaintiram and YM Ungku Suseelawati Ungku Omar on 19 March 2013 as Independent Non-Executive Directors, the composition of the Board is now 10 comprising the Managing Director/Chief Executive Officer, three Non-Independent Non-Executive Directors and six Independent Non-Executive Directors.

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

### 1.2 Duties and Responsibilities of the Board

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

- Reviewing and adopting strategic plans for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, reviewing the compensation and retention or replacement of senior management;
- Developing and implementing an investor relations programme or shareholder communication policy for the Group; 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.



### 1. BOARD OF DIRECTORS (cont'd.)

#### 1.2 *Duties and Responsibilities of the Board (cont'd.)*

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 Oh Kim Sun who is the Chairman of the Audit Committee.

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

#### 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 deliberating and voting in relation to these transactions.

#### 1.4 *Dealings in Securities of the Company*

Directors must not deal in the listed securities of the Company as long as they are in possession of price-sensitive information relating to such listed securities.

Directors and employees of the Group who are not in possession of price-sensitive information mentioned above can deal in the securities of the Company provided that the procedures set out in the Listing Requirements are adhered to.

#### 1.5 *Board Charter*

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

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

The Board Charter is available for reference at the Company's website at [www.uemland.com](http://www.uemland.com)

#### 1.6 *Board Meetings and Supply of Information*

The Board is expected to meet at least six 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.

## 1. BOARD OF DIRECTORS (cont'd.)

### 1.6 Board Meetings and Supply of Information (cont'd.)

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 include 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.

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 Directors are assured of full and timely access to all relevant information. The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company's expense.

During the financial year ended 31 December 2012, the Board met 13 times and the details of the attendance are as follows:-

Directors	Number of Board Meetings Attended	Percentage of Attendance (%)
Tan Sri Dr Ahmad Tajuddin Ali	13/13	100
Dato' Wan Abdullah Wan Ibrahim	13/13	100
Dato' Izzaddin Idris	13/13	100
Md Ali Md Dewal	12/13	92
Oh Kim Sun	12/13	92
Sheranjiv Sammanthan	13/13	100
Datuk Tong Kooi Ong (Resigned w.e.f. 1 January 2013)	8/13	62
Professor Philip Sutton Cox (Appointed w.e.f. 14 June 2012)	7/8*	88
Lim Tian Huat (Appointed w.e.f. 28 November 2012)	1/1*	100
Abdul Kadir Md Kassim (Resigned w.e.f. 1 September 2012)	8/8	100

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

## CORPORATE GOVERNANCE STATEMENT

### 1. BOARD OF DIRECTORS (cont'd.)

#### 1.7 Re-election of Directors

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

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

To assist the shareholders in their decision, sufficient information such as personal profile and attendance of meetings for the Directors standing for re-election are disclosed in the Directors' Profile on pages 60 and 69 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 224 of this Annual Report.

#### 1.8 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 the capacity as a speaker, moderator or panelists in areas of their expertise. Some of the trainings/conferences/seminars and/or workshop in which members of the Board had participated as at 31 December 2012, are as follows:-

No.	Directors	List of Training/Conference/ Seminar/Workshop Attended
1.	Tan Sri Dr Ahmad Tajuddin Ali	<p>The Unknown Universe by Professor Datuk Dr Mazlan Othman, Director – Office for Outer Space Affairs &amp; Deputy Director-General, United Nations Office at Vienna, Vienna International Centre – Academy of Sciences Malaysia.</p> <p>MyPower: Governance Workshop – MyPower Cooperation.</p> <p>Intellectual Discourse with Professor Yua LongPing (Mahathir Science Award Winner 2011) on "Development of Hybrid Rice for Food Security in the World" – Mahathir Science Award Foundation &amp; Academy of Sciences Malaysia.</p> <p>Joint Seminar on Science Education – Hassan II Academy of Science &amp; Technology Morocco, Ministry of National Education, Higher Education, Executive Training &amp; Scientific Research Morocco and ASM.</p> <p>Dialogue Session with Sir Peter Gluckman, Science Advisor to New Zealand Government. Topic: STI Through Sustainable Development to National Wealth Creation – MOSTI.</p>



## 1. BOARD OF DIRECTORS (cont'd.)

No.	Directors	List of Training/Conference/ Seminar/Workshop Attended
1.	Tan Sri Dr Ahmad Tajuddin Ali (Cont'd)	<p>National Energy Security Conference 2012. Welcoming remarks by Tan Sri Dr Ahmad Tajuddin Ali, Chairman of the Energy Commission – Energy Commission.</p> <p>Ninth ASEAN Leadership Forum – ASLI.</p> <p>ICSU Signing Ceremony &amp; Science Forum : Cutting Edge Science and The Future of Mankind. Welcoming remarks by Tan Sri Dr Ahmad Tajuddin Ali, President of the Academy of Sciences, Malaysia – Academy Sciences Malaysia.</p> <p>EU-Asia Biomass Best Practices &amp; Business Partnering Conference 2012. Welcoming remarks by Tan Sri Dr Ahmad Tajuddin Ali, Joint Chairman (Industry) MIGHT – MIGHT.</p> <p>Ditchley Roundtable – Universiti Teknologi Malaysia.</p> <p>Academy of Sciences Malaysia International Conference (ASMIC) 2012 – Academy of Sciences Malaysia.</p> <p>Workshop on Emerging Technology – Academy of Sciences Malaysia.</p> <p>Pembentang Ucapan Utama dalam Forum Pendidikan Matematik Sains 2012 Universiti Malaya bertajuk “Cabaran Pendidikan Sains dan Teknologi Masa Ini Dari Perspektif Industrie” – Universiti Malaya.</p> <p>Fourth National Energy Forum – The Malaysia Gas Association/Energy Commission/ The Energy Council Malaysia.</p> <p>Khazanah Megatrends Forum 2012: Talk/ Interactive Session with Professor Nigel Osborne – Khazanah Nasional Berhad.</p> <p>UEM Group Berhad's Directors' Gathering 2012: Business Integrity; Managing Talent For The future; The Elephant Trap of Doing Business Overseas.</p> <p>Cambodian-Malaysia Chemical Conference – Institut Kimia Malaysia.</p> <p>Malaysia Electricity Supply Industry (MESI) Workshop – My Power Corporation/ Energy Commission.</p> <p>BCG Leaders' Forum: Make Talent, Not War : Building Talent Internally by Jean-Michael Caye, Sr Partner &amp; BCG Fellow – The Boston Consulting Group (BCG).</p> <p>Malaysian Industry-Government Group for High Technology (MIGHT)/Global Science and Innovation Advisory Council (GSIAC): Iskandar Malaysia Sustainable Summit – MIGHT/GSIAC.</p>

## CORPORATE GOVERNANCE STATEMENT

### 1. BOARD OF DIRECTORS (cont'd.)

No.	Directors	List of Training/Conference/ Seminar/Workshop Attended
2.	Dato' Wan Abdullah Wan Ibrahim	Global Special Economic Zones Summit – KWG Group Sdn Bhd.  UEM Group Berhad – Directors' Gathering 2012: Business Integrity; Managing Talent For The future; The Elephant Trap of Doing Business Overseas.
3.	Dato' Izzaddin Idris	Sixth IFRS Regional Policy Forum (as speaker).  MIDF Luncheon Talk.  Speaker at UUM Professional Talk.  PPP Seminar & Exhibition.  UEM Builders Berhad – Directors & Management Retreat.  Time Engineering Berhad – Board of Directors' Workshop.  National Tax Conference by Lembaga Hasil Dalam Negeri.  MINDA Luncheon Talk.  Khazanah Megatrends Forum 2012 (as speaker on second day of the Forum).  UEM Group Berhad – Directors' Gathering 2012: Business Integrity; Managing Talent For The future; The Elephant Trap of Doing Business Overseas.  Cement Industries of Malaysia Berhad – Directors & Management Retreat.
4.	Md Ali Md Dewal	UEM Group Berhad – Directors' Gathering 2012: Business Integrity; Managing Talent For The future; The Elephant Trap of Doing Business Overseas.  Conference at Harvard Business School, Boston 2012.
5.	Oh Kim Sun	Goldman Sachs Global Macro Conference – Asia Pacific 2012 – Goldman Sachs (Singapore) Pte.  Workshop of the Board Effectiveness Assessment Exercise – Faber Group Berhad.  MINDA Breakfast Talk: "Corporate Sustainability – Why it is necessary in building a competitive edge in today's global market" – Malaysian Directors Academy (MINDA).  Brand Strategy Discussion – UEM Land Holdings Berhad.  Directors and Management Retreat – Faber Group Berhad.  Blue Ocean Strategy Workshop – UCSI Blue Ocean Strategy Regional Centre.

## 1. BOARD OF DIRECTORS (cont'd.)

No.	Directors	List of Training/Conference/ Seminar/Workshop Attended
6.	Sheranjiv Sammanthan	<p>Khazanah Knowledge Event: China At A Crossroad – Khazanah Nasional Berhad.</p> <p>15<sup>th</sup> Asian Investment Conference (AIC) 2012 – Credit Suisse, Hong Kong</p> <p>Mid-Year Retreat 2012: “Execution and Value Creation” by Prof. Nabil El-Hage of Harvard Business School – Khazanah Nasional Berhad.</p> <p>Invest Malaysia 2012 – Securities Commission Malaysia.</p> <p>Talk on “Building Champions” by David Michael, Snr Partner and Global Leader: Global Advantage Practice – The Boston Consulting Group.</p> <p>Talk on “Innovation For Growth” by Jeffrey Immelt, Chairman/CEO of GE – Khazanah Nasional Berhad.</p> <p>Luncheon Talk on Building A Winning Team – “How Cruyff Changed The Games” by Johan Cruyff – MINDA.</p> <p>BCG Malaysia Leaders Forum 2012: “Make Talent... Not War” – The Boston Consulting Group.</p> <p>Third Asia Pacific Regional Forum Conference – IBA Asia Pacific – Panelist.</p>
7.	Professor Philip Sutton Cox	<p>Mandatory Accreditation Programme for Directors of Public Listed Companies – Bursatra Sdn Bhd.</p> <p>UEM Group Berhad – Directors’ Gathering 2012: Business Integrity; Managing Talent For The future; The Elephant Trap of Doing Business Overseas.</p>
8.	Lim Tian Huat	<p>MIA International Accountants Conference (Innovative Society: Sustaining Business Success) – Malaysian Institute of Accountants.</p> <p>UEM Group Berhad – Directors’ Gathering 2012: Business Integrity; Managing Talent For The future; The Elephant Trap of Doing Business Overseas.</p> <p>Khazanah Megatrends Forum 2012.</p>
9.	Datuk Tong Kooi Ong (Resigned w.e.f. 1 January 2013)	<p>GES Business Leaders Summit 2012 (as a panelist for session on Global Financial and Economic Landscape) – Global Enterpolis @Singapore.</p>

**1.9 Board Effectiveness Assessment**

The Board conducts an evaluation of its activities and performance as prescribed in the Green Book on Enhancing Board Effectiveness. 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.



### 1. BOARD OF DIRECTORS (cont'd.)

#### 1.10 Company Secretaries

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

- a) Organising Board and Committee meetings and preparing the minutes thereof;
- b) Preparing meeting agendas in consultation with the Chairman and the Managing Director/Chief Executive Officer;
- c) Compiling and circulating Board meeting folders;
- d) Advising the Board on procedural and regulatory requirements;
- e) Supporting the Board on adherence to Board policies and procedures;
- f) Providing a point of references for dealings between the Board and the Management;
- g) Communicating with regulatory bodies and the Stock Exchange;
- h) Attending to all statutory and other filings

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

#### 1.11 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 its 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.

The Management Committees are:-

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

The composition of the Board Committees and their roles and responsibilities are as follows:-

##### o **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 all Independent Non-Executive Directors as follows:-

- 1. Oh Kim Sun (Chairman/Independent Non-Executive Director)
- 2. Md Ali Md Dewal (Member/Senior Independent Non-Executive Director)
- 3. Lim Tian Huat (Member/Independent Non-Executive Director) [Appointed w.e.f. 28 November 2012]

The terms of reference of the Audit Committee together with its report are presented on pages 100 to 105 of this Annual Report.

## 1. BOARD OF DIRECTORS (cont'd.)

### 1.11 Board and Management Committees (cont'd.)

#### o 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 (Member/Non-Independent Non-Executive Director)
3. Oh Kim Sun (Member/Independent Non-Executive Director)

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

- Assists the Board in reviewing the performance of the Senior Management and the other Directors annually;
- Recommends to the Board the appointment of individual Directors;
- With respect to the nomination of new candidates for Board membership, recommending to the Board the criteria, qualifications, and experience deemed appropriate for the particular vacancy to be filled;
- Reviews and recommends to the Board annual increments and ex-gratia payments for Executive Directors;
- Designs and implements an evaluation procedure for Executive Directors;
- If instructed by the Board, reviews 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.

#### o Board Tender Committee

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

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

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

- Approves the List of Tenderers (Projects/Non-Projects) of more than RM200 million, in line with the Group's Discretionary Authority Limits ("DAL") requirements;
- Approves the award of all budgeted Contracts/Sub-Contracts (projects) of up to RM100 million per transaction and all unbudgeted Contracts/Sub-Contracts (projects) of up to RM20 million per transaction in line with the Group's DAL requirements;
- Approves the finalization of project accounts (per contract) within the approved contract terms and approved variation orders of up to RM100 million, in line with the Group's DAL requirements;
- Approves the award of variation order/claims to contractors/sub-contractors (cumulative amount per contract) of up to RM20 million or not more than 10% of contract sum, whichever is the lower, in line with the Group's DAL requirements; and
- Approves the termination of contracts with contractors/sub-contractors of up to RM50 million, in line with the Group's DAL requirements.

## CORPORATE GOVERNANCE STATEMENT

### 1. BOARD OF DIRECTORS (cont'd.)

#### 1.11 Board and Management Committees (cont'd.)

##### o ESOS Committee

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

1. Tan Sri Dr Ahmad Tajuddin (Non-Independent Non-Executive 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 is to administer the implementation of the Employee Share Option Scheme in accordance with the objectives and regulations set out in the By-Laws, make rules and regulations or impose such terms and conditions in such manner as it deems fit and with such powers and duties as are conferred upon it by the Board of Directors.

As at 31 December 2012, ESOS options over 169,599,800 new ordinary shares of RM0.50 each in the Company were granted to the employees of UEM Land Holdings and its subsidiaries (including the Managing Director/Chief Executive Officer) as follows:

Category of employees	No. of ESOS options granted in FYE 31 Dec 2012	Percentage granted in FYE 31 Dec 2012 of total available*	No. of ESOS options vested	No of ESOS options exercised	No of ESOS options lapsed	No. of ESOS options outstanding
Managing Director/Chief Executive Officer	10,000,000	3.08	600,000	0	0	10,000,000
Senior Management	33,500,000	10.32	2,010,000	0	0	33,500,000
Other employees	126,099,800	31.98	9,103,900	0	22,297,600	103,802,200
<b>TOTAL</b>	<b>169,599,800</b>		<b>11,713,900</b>	<b>0</b>	<b>22,297,600</b>	<b>147,302,200</b>

\* As at 31 December 2012 the issued & paid-up ordinary share capital of the Company was 4,328,019,973 ordinary shares of RM0.50 each. In accordance with the ESOS scheme, the maximum amount of shares to be offered for subscription and allotment upon the exercise of the ESOS Options shall not be more than 7.5% of the issued & paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS scheme. On 7 March 2012, the shareholders of the Company had approved at the Company's Extraordinary General Meeting, a maximum grant of ESOS options over 10,000,000 new ordinary shares of RM0.50 each in the Company to our Managing Director/Chief Executive Officer, representing 3.08% of the current total amount available.



## 2. DIRECTORS' REMUNERATION

- 2.1 The Company pays its Non-Executive Directors annual fees that are approved annually by the shareholders.
- 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 The details of the Directors' remuneration for the financial year ended 31 December 2012, are as below:-

Name of Director	Salary	Fees	Other benefits & emoluments	Benefit in kind	Total
	RM ('000)				
Tan Sri Dr Ahmad Tajuddin Ali	-	231	-	-	231
Dato' Wan Abdullah Wan Ibrahim	1,702	-	-	106	1,808*
Dato' Izzaddin Idris <sup>+</sup>	-	151	-	-	151
Md Ali Md Dewal	-	176	-	-	176
Oh Kim Sun	-	186	-	-	186
Sheranjiv Sammanthan <sup>+</sup>	-	132	-	-	132
Professor Philip Sutton Cox <sup>^</sup>	-	59	-	-	59
Lim Tian Huat <sup>^^</sup>	-	13	-	-	13
Datuk Tong Kooi Ong <sup>@</sup>	-	108	-	-	108
Abdul Kadir Md Kassim <sup>&amp;</sup>	-	109	-	-	109
Dato' Ikmal Hijaz Hashim <sup>**</sup>	-	20	-	-	20
<b>TOTAL</b>	<b>1,702</b>	<b>1,185</b>	<b>0</b>	<b>106</b>	<b>2,993</b>

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

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

<sup>^</sup> Appointed w.e.f. 14 June 2012

<sup>^^</sup> Appointed w.e.f. 28 November 2012

<sup>@</sup> Resigned w.e.f. 1 January 2013

<sup>&</sup> Resigned w.e.f. 1 September 2012

<sup>\*\*</sup> Resigned w.e.f. 17 February 2012

## CORPORATE GOVERNANCE STATEMENT

### 2. DIRECTORS' REMUNERATION

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

	Executive RM'000	Number of Directors	Non-Executive RM'000
RM50,000 and below	-		2
RM50,001 to RM100,000	-		1
RM100,001 – RM150,000	-		3
RM150,001 – RM200,000	-		3
RM200,001 – RM250,000	-		1
RM1,800,000 – RM1,850,000	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;
- Various disclosures and announcements to Bursa Securities including quarterly results;
- Press releases and announcements to Bursa Securities and to the media;
- Dialogues and presentations at general meetings to provide overview and clear rationale with regard to the proposals tabled for approval by shareholders; and
- Online investor relations on the Company's website at [www.uemland.com](http://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 better understanding and evaluation of issues involved.

## 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 three Independent Non-Executive Directors. The primary responsibilities of the Audit Committee are set out on pages 100 to 105 of this 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 are 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 2012 can be found from pages 120 to 219 of this Annual Report.

### 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 106 to 110 of this Annual Report.

### 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 2012 are set out on pages 228 to 230 of this Annual Report.

### 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 2012, the Audit Committee met up twice with the external auditors in the absence of the Executive Director and Management.



## CORPORATE GOVERNANCE STATEMENT

### 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 2012, 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 on pages 120 to 124 and the Financial Statements from pages 128 to 219 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 MCCG 2012 has been applied. The Board considers and is satisfied that the Company has fulfilled its obligation under the MCCG 2012, the Listing Requirements and all applicable laws and regulations throughout the financial year ended 31 December 2012.

This Statement is made in accordance with the Board of Directors' approval dated 20 February 2013.

# ADDITIONAL COMPLIANCE INFORMATION

- IN ACCORDANCE WITH APPENDIX 9C OF THE LISTING REQUIREMENTS

## UTILISATION OF PROCEEDS

There was no capital raising exercise carried out by the Company for the financial year ended 31 December 2012.

## SHARE BUY-BACKS

There was no share buy-backs during the financial year ended 31 December 2012.

## OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

On 7 March 2012, the shareholders of the Company approved the establishment of an Employee Share Option Scheme for Eligible Employees and Executive Director(s) of the Company and its subsidiaries ("ESOS"). The ESOS shall be in force for a period of seven years from 9 April 2012, the implementation date of the ESOS.

As at the end of the financial year, the Company has outstanding ESOS options over 147,302,200 new ordinary shares of RM0.50 each in the Company.

The Company has not issued convertible securities during the financial year ended 31 December 2012.

## AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company has not sponsored any ADR or GDR programme during the financial year ended 31 December 2012.

## 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 RM212,000 was paid to Ernst & Young, the external auditors of the Company in respect of the reporting accountant fee for the issuance of the Islamic Medium Term Notes.

## VARIATION IN RESULTS

The interim financial report previously announced for the Fourth Quarter 2012 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 2012.

## 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 12 June 2013.

# 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 members of the Board, all of whom are Independent Non-Executive Directors. The Company has complied with Paragraph 15.10 of the Bursa Malaysia Securities Berhad ("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 (MICPA)
Md Ali Md Dewal	Member	Senior Independent Non-Executive Director	Master of Business Administration Degree
Lim Tian Huat <sup>^</sup>	Member	Independent Non-Executive Director	Member of Malaysian Institute of Accountants (MIA) and MICPA; Fellow of the Association of Chartered Certified Accountants (ACCA)

<sup>^</sup> Appointed w.e.f. 28 November 2012

## 3. MEETINGS

Seven meetings were held during the financial year ended 31 December 2012 and details of the attendance of the members at the Audit Committee meetings are as follows:-

Name	No. of meetings attended
1. Oh Kim Sun	7/7
2. Md Ali Md Dewal	7/7
3. Lim Tian Huat	1/1*
4. Abdul Kadir Md Kassim**	5/5

\* Reflects the number of meetings held after his appointment on 28 November 2012.

\*\* Resigned w.e.f. 1 September 2012



### 3. MEETINGS (cont'd.)

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

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

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

The Audit Committee met up with the external auditors twice during the financial year without the presence of 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 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 three months.

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

#### 4.2 Secretary of the Audit Committee

The Company Secretaries of the Company and/or their representatives 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, reduces the risk of unreliable financial reporting, protects the Company's assets from misappropriation and encourages legal and regulatory compliance.
- ii. Assists the Board of Directors in identifying the principal risks in the achievement of the Company's objectives and ensures the implementation of appropriate systems to manage these risks.

### 4. COMPOSITION AND TERMS OF REFERENCE (cont'd.)

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

- iii. Recommends to the Board the appointment and annual reappointment of the external auditors and their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of the audit.

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

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

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

- iv. Reviews with the external auditors, before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved.
- v. Reviews with external auditors, their audit report.
- vi. Reviews the quarterly interim results and annual financial statements of the Company and the Group prior to approval by the Board, focusing particularly on:
  - a. Any changes in accounting policies and practices.
  - b. Significant adjustments arising from the audit.
  - c. The going concern assumption.
  - d. Compliance with accounting standards and other legal requirements.
- vii. Discusses problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss in the absence of the management where necessary.
- viii. Reviews the external auditors' management letter and management's responses.
- ix. Reviews with the external auditors the draft statement to be made by the Board with regard to the state of internal control of the Company and its Group, and reports the results thereof to the Board.

#### 4. COMPOSITION AND TERMS OF REFERENCE (cont'd.)

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

- 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.
- 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.

## AUDIT COMMITTEE REPORT

### 4. COMPOSITION AND TERMS OF REFERENCE (cont'd.)

#### 4.5 Audit Committee meetings

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

### 5. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

The Audit Committee held seven meetings during the financial year ended 31 December 2012. 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.



## 5. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (cont'd.)

- 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 2012 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 highlighted changes to the Group's risk profile to the Board of Directors.
- ix. Verified the allocations of the ESOS options and confirmed the allocations are made in compliance with the criteria set by the ESOS Committee.
- x. In addition, the Chairman of the Audit Committee had, from time to time, met with the External Auditors without the presence of other Audit Committee members or management.

## 6. INTERNAL AUDIT FUNCTION

- i. 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 2012, the costs incurred for the audit function (including reimbursable expenses) was RM360,135.
- ii. It is the responsibility of Internal Audit of UEMGM 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 RISK MANAGEMENT AND INTERNAL CONTROL

Set out below is the Board of Directors' ("the Board") Statement on Risk Management and Internal Control for UEM Land Holdings Berhad and its group of companies ("the Group"), made in compliance with Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by an industry led Task Force.

## BOARD'S RESPONSIBILITIES

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

Generally, the Group's system of risk management and 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 risk management and internal control is designed to mitigate rather than eliminate the risks. Therefore, the system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

## ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management (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. ERM includes the methods and processes used to manage key business risks and seize opportunities related to the achievement of its objectives. Hence, the Group has established ERM Framework to continuously mitigate the key business risks. The implementation of ERM Framework is to provide assurance to the Board and stakeholders that the risks faced by the Group are adequately and effectively managed and the shareholders' investments and the Group's assets are safeguarded. The effectiveness of the Group's ERM Framework is reviewed on a regular basis and, where necessary, improved, both at management and Board levels.

The Board is assisted by the Risk Management Committee (RMC) in ensuring that the implementation of the approved ERM Framework has in place an on-going process for identifying, evaluating, assessing, monitoring and managing key business risks that may affect the achievement of the Group's business objectives. The processes which have been instituted throughout the Group are updated and reviewed from time to time to respond to the changes in the business environment throughout the financial year under review. The appropriate mitigation plans that are sound and sufficient to mitigate the key risk areas which have been identified and assessed by the risk owners have been identified and implemented to safeguard shareholders' investment and the Group's assets.

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

## CONTROL STRUCTURE & MONITORING ACTIVITIES

Apart from risk management activities, other key elements of the 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 Tender Committee

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

### 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.

### 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 undertake on behalf of the Group.

The Board has also approved significant financial and operating policies, which are drawn up to comply with laws and regulations where applicable, to guide the behaviour of 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### CONTROL STRUCTURE & MONITORING ACTIVITIES (cont'd.)

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.

#### **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 support system for managing 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.



**CONTROL STRUCTURE & MONITORING ACTIVITIES (cont'd.)****Internal Audit**

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

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

**Government-Linked Companies Transformation Program**

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

In line with this objective, the Group has implemented/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 minimized. The foundation of the business continuity management are the standards, program development, and supporting policies, manuals, procedures, and guidelines needed to ensure the Group to continue without stoppage, irrespective of the adverse circumstances or events such as natural disasters, technological failures or human error.

**Joint Ventures and Associates**

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### BOARD'S COMMITMENT

The Board recognises that the Group operates in a dynamic business environment in which the risk management and internal control system must be responsive in order to be able to support its business objectives. To this end, the Board remains committed towards maintaining a sound system of risk management and 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 it has received the assurance from the Managing Director/Chief Executive Officer and the Chief Financial Officer that the Company's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control system of the Company and 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.

# ENTERPRISE RISK MANAGEMENT REPORT

## ENTERPRISE RISK MANAGEMENT (ERM)

The Group is not only focusing on repositioning Nusajaya as a regional city with diverse catalyst developments but also expanding into other areas outside Iskandar Malaysia. The opportunities and other benefits that this development brings also carry with them new risks and challenges. Being aware and alert to this scenario, the Group has diligently taken measures to integrate all possible consequences of the existing and new businesses into its risk management system, even as it carries on beefing up the system to handle both actual and anticipated events that will affect the Group as a whole.

To address and manage these risks the Group has embraced upon ERM strategy. A Risk Management Framework which 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 has been established and to assist the Board in carrying out its responsibilities, a Risk Management Committee ("RMC"), comprising the top management and senior management from various functional responsibilities was set up. The Managing Director / Chief Executive Officer is the Chairman of the RMC. The RMC meets on a quarterly basis to discuss and deliberate on the significant risks identified by the respective departments, projects and subsidiaries, mitigation plans and subsequently provides an update to the Board of Directors ("the Board").

Risk identification and mitigation activities are embedded in the overall strategic planning, business planning and decision-making processes. As such, the comprehensive system is able to assist the Group to address strategic and operational risks by helping it to identify and take the best course of preventive and corrective actions. Preventive measures are taken to prevent certain events from happening, while corrective measures are designed to mitigate the effect of unavoidable events on the Company. Both preventive and corrective steps that are initiated and undertaken by the Company's risk management apparatus follow all planned methods for handling identified risks, and are always formulated to embody the best treatment for the risks, while minimising costs and keeping the Company's overall objectives and stakeholders' interests at the forefront. Lines of communication between the various committees and risk owners are always kept open, and this fact together with other efforts already mentioned, has made risk management an integral part of the Company's corporate culture, and not merely a way of fulfilling its Corporate Governance obligation.

### ERM 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 overall Risk Management policy of the Group
- The Key objective 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 Risk which are unacceptable to the Group and should be avoided and
- The roles of the Board, the Management, the Risk Management Committee, the Risk Owners and the Risk Management Secretariat.

### ERM Policy

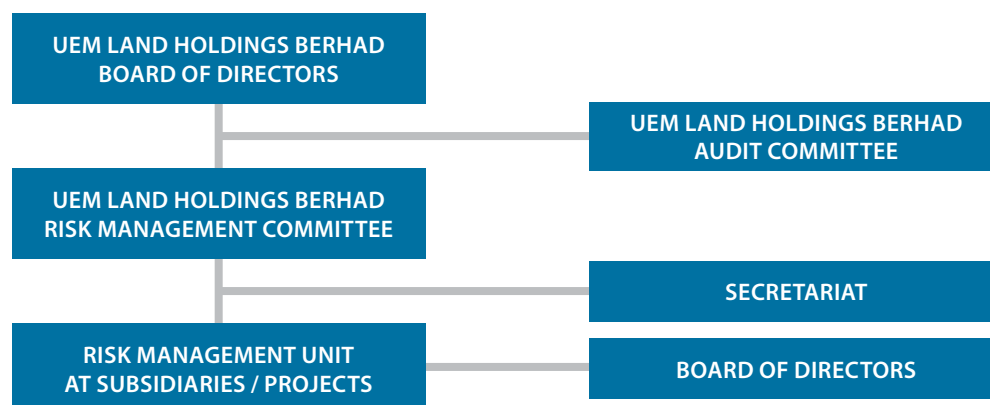
The objective of the Risk Management Policy of the Group is to put in place an adequate and effective process of managing risks that will enable the Group to achieve its business objectives and provide reasonable assurance to the Board and other stakeholders on the adequacy of risk management as part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

## ENTERPRISE RISK MANAGEMENT REPORT

### ENTERPRISE RISK MANAGEMENT (ERM) (cont'd.)

#### ERM Structure

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



#### Role of the Board of Directors

The Board approves the Group's risk management objectives and policy, acceptable risk appetite and provides stewardship by reviewing and acknowledging the principal risks identified by the RMC and ensuring the implementation of an appropriate system to manage these risks. The Board also reviews the Group's risk management framework, processes, responsibilities and assessing whether they provide reasonable assurance that risks are managed within tolerable ranges and reviews adequacy and integrity of the 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 periodic reports on risk management, i.e. any business risks that have impacted or likely to impact the Group and its achievement of its objectives and strategies to the Audit Committee and the Board.



## ENTERPRISE RISK MANAGEMENT (ERM) (cont'd.)

### Role of the Risk Management Unit

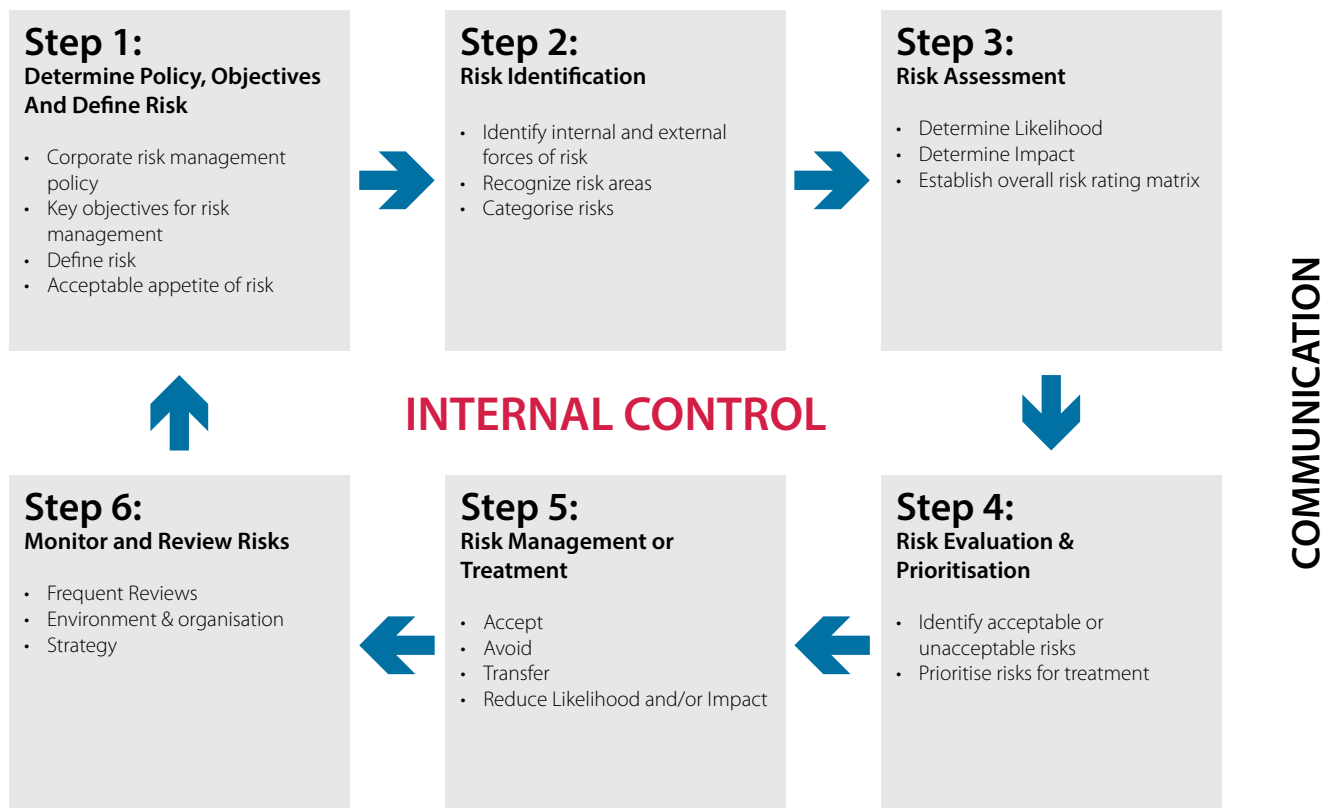
The Risk Management Unit ("RMU") is chaired by the Head of Subsidiaries/Project Director of the respective operating units or projects. Its members include all the Heads of Division and Heads of Department. The RMU's key role is to review the validity of the identified risks and where action plans have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

### ERM Process

The Group's ERM processes involve establishing the context of risk in relation to the Group and generally cover 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 ERM 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 duties and responsibilities as may from time to time be assigned or designated to them.
- (ii) All employees are expected at all times to promote and advance the interests of the Company and shall not do anything to bring disrepute to the Company.
- (iii) All employees shall obey, comply with and observe rules, regulations, procedures, practices, orders, directives and policies of the Company, whether expressed or implied in law or by custom and practice.

## B. CONFIDENTIALITY

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

## C. INSUBORDINATION AND INEFFICIENCY

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

#### D. PRESS RELEASES AND PUBLIC STATEMENTS

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

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

#### E. PUBLIC APPEARANCE AS A GUEST SPEAKER OR PANEL MEMBER

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

#### F. PUBLICATIONS

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

#### G. CONFLICT OF INTEREST

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

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

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

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

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

## 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:

- (i) influencing any present or future act or decision by that employee.
- (ii) inducing such employee to perform or omit any act in violation of his proper duties and responsibilities.
- (iii) 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 Heads 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 HR 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.



## J. PERSONAL SOLICITATION

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

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

## K. GRAFT AND INVITATION TO GRAFT

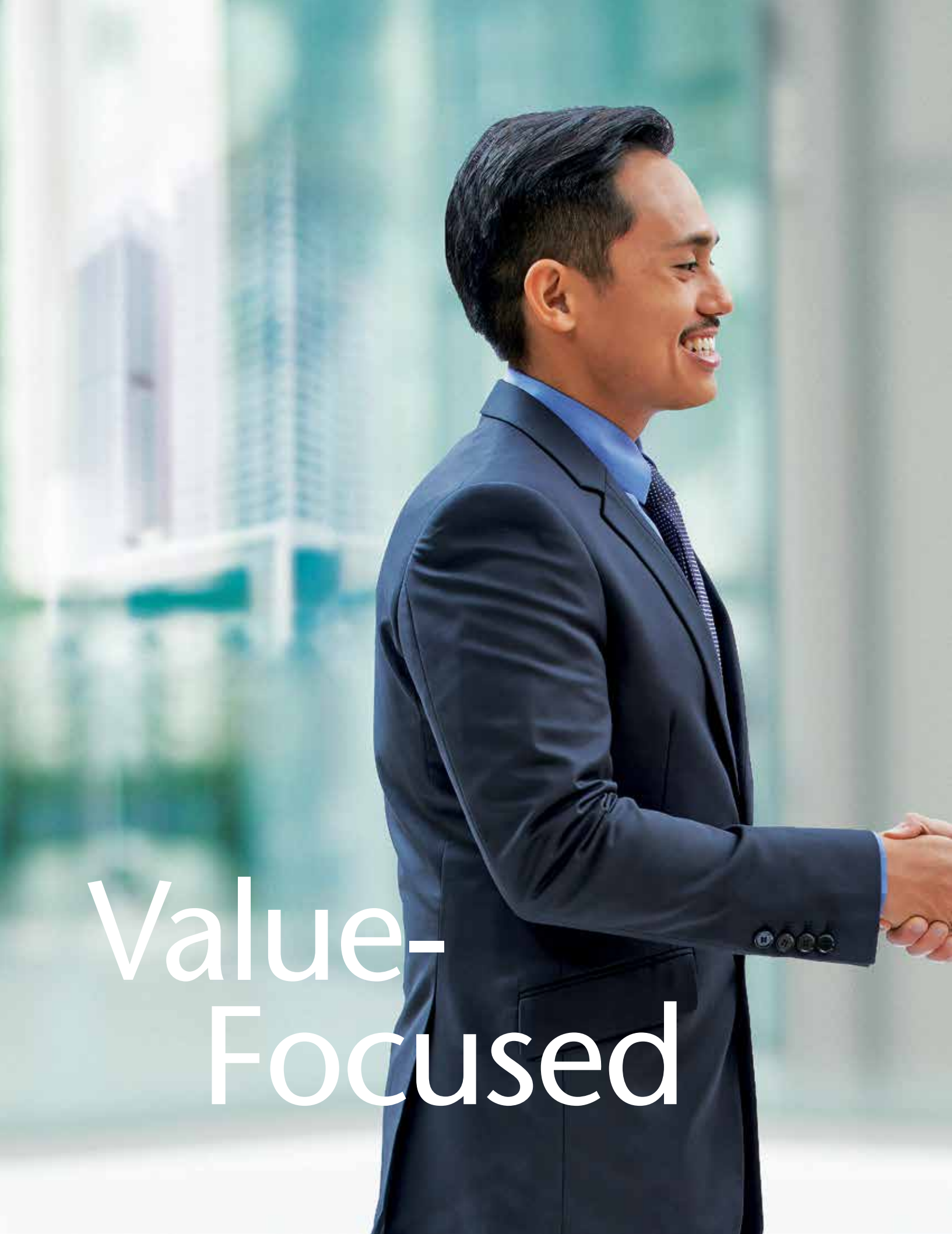
An employee shall not in any manner or form offer on behalf of the Company or receive an offer of graft or a bribe for his own benefit, or the benefit of his relatives or spouse.

## L. MARRIAGE AND TRANSFER

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

## M. RELATIVES

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



Value-  
Focused



## FINANCIAL STATEMENTS

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Our attention to detail, dedication to service excellence and commitment to high quality products and services are what distinguishes us from others and provide us an added advantage in a highly competitive playing field.

# DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

## 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

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit net of tax 128,895	447,863	
Attributable to:		
Owners of the parent	448,358	128,895
Non-controlling interests	(495)	-
	447,863	128,895

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

At the forthcoming Annual General Meeting, a first and final single tier dividend of 3.0 sen, in respect of the financial year ended 31 December 2012 on 4,328,018,000 ordinary shares amounting to a dividend payable of RM129,840,540 will be proposed for shareholders' approval. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2013.



## DIRECTORS

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

Tan Sri Dr Ahmad Tajuddin Ali	
Dato' Wan Abdullah Wan Ibrahim	
Dato' Mohd Izzaddin Idris	
Md. Ali Md. Dewal	
Oh Kim Sun	
Sheranjiv Sammanthan	
Professor Philip Sutton Cox	(appointed on 14 June 2012)
Lim Tian Huat	(appointed on 28 November 2012)
Abdul Kadir Md. Kassim	(resigned on 1 September 2012)
Datuk Tong Kooi Ong	(resigned on 1 January 2013)

## DIRECTORS' BENEFITS

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

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

## DIRECTORS' INTERESTS

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

	Number of redeemable convertible preference shares of RM0.01 each		
	At 1.1.2012	During the year Acquired      Sold	At 31.12.2012
<b>The Company</b>			
<b>Direct interest</b>			
Datuk Tong Kooi Ong	3,037,798	-	3,037,798

## DIRECTORS' REPORT

### DIRECTORS' INTERESTS (CONT'D.)

#### Employee share option scheme ("ESOS")

	As at 1.1.2012	Number of ordinary shares of RM0.50 each of the Company under the option pursuant to the ESOS During the year		As at 31.12.2012
		Granted	Exercised	
<b>The Company</b>				
<b>Direct interest</b>				
Dato' Wan Abdullah Wan Ibrahim	-	10,000,000	-	10,000,000

### ISSUE OF SHARES

During the financial year, the Company increased its issued and paid up ordinary share capital by way of the issuance of 4,400,814 ordinary shares of RM0.50 each arising from the conversion of redeemable convertible preference shares ("RCPS") (which was issued as part settlement of the purchase consideration for the acquisition of Sunrise Berhad in 2011).

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

### EMPLOYEE SHARE OPTION SCHEME

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

As at end of the financial year, the Company has an outstanding 147,302,200 options over ordinary shares of RM0.50 each of the Company under the ESOS.

The salient features and other terms of the ESOS are disclosed in Note 29 to the financial statements.

Details of the share options as at 31 December 2012 are as follows:

Grant date	Exercise price RM	Number of ordinary shares of RM0.50 each of the Company under the option pursuant to the ESOS
23 April 2012	2.23	29,460,440
9 April 2013	2.41	29,460,440
9 April 2014	2.60	29,460,440
9 April 2015	2.81	29,460,440
9 April 2016	3.03	29,460,440
		147,302,200

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

The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 3,000,000 ordinary shares of RM0.50 each. The names of the holders granted share options to subscribe for 3,000,000 or more ordinary shares of RM0.50 each during the financial year are as follows:

Name	As at 1.1.2012	Number of ordinary shares of RM0.50 each of the Company under the option pursuant to the ESOS		As at 31.12.2012
		Granted	Exercised	
Lum Tuck Ming	-	6,500,000	-	6,500,000
Mohd Auzir Bin Mohd Tahir	-	4,500,000	-	4,500,000
Mohd Zakir Bin Omar	-	4,500,000	-	4,500,000
Ang Kee Ping	-	3,000,000	-	3,000,000
Cheah Ho Chee	-	3,000,000	-	3,000,000
Mohd Azmil Bin Abd Shukor	-	3,000,000	-	3,000,000
Ong Chou Wen	-	3,000,000	-	3,000,000
Seow Lit Fong	-	3,000,000	-	3,000,000
Siew Chee Seng	-	3,000,000	-	3,000,000

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

## OTHER STATUTORY INFORMATION

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

## DIRECTORS' REPORT

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

(e) At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

### SIGNIFICANT AND SUBSEQUENT EVENTS

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

### AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 February 2013.

**Tan Sri Dr Ahmad Tajuddin Ali**  
Chairman

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



# 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 128 to 218 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 2012 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 46 on page 219 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 21 February 2013.

**Tan Sri Dr Ahmad Tajuddin Ali**

**Dato' Wan Abdullah Wan Ibrahim**

# STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Azhar Othman, being the officer primarily responsible for the financial management of UEM Land Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 128 to 219 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed Azhar Othman  
at Kuala Lumpur in the Federal Territory  
on 21 February 2013.

**Azhar Othman**

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 2012 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 128 to 218.

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

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

### *OPINION*

In our opinion, the financial statements 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 2012 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 (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 43 to the financial statements being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

## OTHER MATTERS

The supplementary information set out in Note 46 on page 219 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

21 February 2013

### Abdul Rauf Rashid

No. 2305/05/14(J)

Chartered Accountant

# INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	3	1,939,676	1,703,172	145,146	-
Cost of sales	4	(1,232,008)	(1,184,516)	-	-
Gross profit		707,668	518,656	145,146	-
Gain on disposal of an associate		11,222	-	-	-
Other income		42,773	70,007	22,322	2,618
Selling and distribution expenses		(42,674)	(54,981)	-	-
Other expenses		(231,818)	(169,566)	(4,548)	(8,031)
Operating profit/(loss)	5	487,171	364,116	162,920	(5,413)
Finance costs	6	(41,372)	(51,402)	(40,473)	(28,304)
Share of results of associates		25,848	26,639	-	-
Share of results of joint ventures		63,486	15,893	-	-
Profit/(loss) before income tax		535,133	355,246	122,447	(33,717)
Income tax expense	7	(87,270)	(52,304)	6,448	7,072
<b>Profit/(loss) for the year</b>		<b>447,863</b>	<b>302,942</b>	<b>128,895</b>	<b>(26,645)</b>
Attributable to:					
Owners of the parent		448,358	301,712	128,895	(26,645)
Non-controlling interests		(495)	1,230	-	-
		<b>447,863</b>	<b>302,942</b>	<b>128,895</b>	<b>(26,645)</b>
Earnings per share attributable to owners of the parent (sen):					
Basic, for profit for the year	8	10.4	7.2		
Diluted, for profit for the year	8	8.5	5.9		

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



# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the year	447,863	302,942	128,895	(26,645)
Other comprehensive income for the year, net of tax				
- Foreign currency translation differences of foreign operations	(1,495)	7,051	-	-
- Loss on fair value changes	(3)	(208)	-	-
- Share of other comprehensive income of associates	(47)	(6,002)	-	-
Total comprehensive income/(expense) for the year	446,318	303,783	128,895	(26,645)
Total comprehensive income/ (expense) attributable to:				
Owners of the parent	446,813	302,553	128,895	(26,645)
Non-controlling interests	(495)	1,230	-	-
	446,318	303,783	128,895	(26,645)

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

		Group		Company	
	Note	2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	184,141	162,334	-	-
Investment properties	10	674,337	511,077	-	-
Land use rights	11	-	-	-	-
Land held for property development	12	2,942,084	2,751,590	-	-
Investment in subsidiaries	13	-	-	3,021,257	2,970,454
Interests in associates	14	117,294	104,746	-	-
Interests in joint ventures	15	332,007	265,240	51,923	43,054
Amount due from a joint venture	15	33,901	29,696	-	-
Other investments	16	-	-	-	-
Long term receivables	22	64,375	204,380	-	-
Goodwill	17	621,409	621,409	-	-
Non-current deposits	18	1,418	1,418	-	-
Deferred tax asset	19	31,541	26,705	-	-
		5,002,507	4,678,595	3,073,180	3,013,508
<b>Current assets</b>					
Property development costs	20	954,107	1,066,376	-	-
Inventories	21	122,622	124,494	-	-
Receivables	22	1,791,635	1,015,836	138,585	48,363
Amount due from subsidiaries	23	-	-	2,025,024	1,448,000
Amount due from joint ventures	15	9,726	3,228	-	-
Amount due from associates	14	898	898	-	-
Short term investments	24	144,905	272,190	144,900	272,176
Short term deposits	18	538,714	416,457	-	-
Cash and bank balances	18	521,371	215,683	412	111
		4,083,978	3,115,162	2,308,921	1,768,650
<b>Total assets</b>		<b>9,086,485</b>	<b>7,793,757</b>	<b>5,382,101</b>	<b>4,782,158</b>

STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012 (CONT'D.)

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	25	2,165,558	2,163,358	2,165,558	2,163,358
Share premium	25	1,907,488	1,898,306	1,907,488	1,898,306
Merger relief reserves	25	34,330	34,330	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	27	119,068	120,521	119,068	120,521
Other reserves	26	51,370	30,116	-	-
Retained profits	26	1,038,154	589,796	145,100	16,205
		5,315,968	4,836,427	4,371,544	4,232,720
Non-controlling interests	30	501,067	460,186	-	-
<b>Total equity</b>		<b>5,817,035</b>	<b>5,296,613</b>	<b>4,371,544</b>	<b>4,232,720</b>
<b>Non-current liabilities</b>					
Borrowings	31	1,489,985	1,123,291	600,000	152,928
Long term payable	32	-	-	-	-
Liability component of RCPS	27	-	388,414	-	388,414
Deferred tax liabilities	19	249,993	260,654	729	7,242
		1,739,978	1,772,359	600,729	548,584
<b>Current liabilities</b>					
Provisions	33	144,167	137,040	-	-
Payables	34	712,587	515,787	404	854
Borrowings	31	224,972	51,684	-	-
Liability component of RCPS	27	409,424	-	409,424	-
Tax payable		38,322	20,274	-	-
		1,529,472	724,785	409,828	854
<b>Total liabilities</b>		<b>3,269,450</b>	<b>2,497,144</b>	<b>1,010,557</b>	<b>549,438</b>
<b>Total equity and liabilities</b>		<b>9,086,485</b>	<b>7,793,757</b>	<b>5,382,101</b>	<b>4,782,158</b>

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

Group	Attributable to owners of the parent								Total equity RM'000
	Non-distributable				Distributable				
	Share capital (Note 25)	Share premium (Note 25)	Merger relief reserves (Note 25)	Equity component of RCPS (Note 27)	Other reserves (Note 26)	Retained profits (Note 26)	Total	Non-controlling interests (Note 30)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2012	2,163,358	1,898,306	34,330	120,521	30,116	589,796	4,836,427	460,186	5,296,613
Total comprehensive income for the year	-	-	-	-	(1,545)	448,358	446,813	(495)	446,318
Share options granted under Employee Share Option Scheme (Note 26)	-	-	-	-	22,799	-	22,799	-	22,799
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	12,337	12,337
Issuance of shares by subsidiaries to non-controlling shareholders through capitalisation of advances	-	-	-	-	-	-	-	29,039	29,039
Conversion of RCPS to ordinary shares, net of tax (Note 25)	2,200	9,182	-	(1,453)	-	-	9,929	-	9,929
At 31 December 2012	2,165,558	1,907,488	34,330	119,068	51,370	1,038,154	5,315,968	501,067	5,817,035



STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D.)

Group	Attributable to owners of the parent								Total equity RM'000
	Non-distributable				Distributable				
	Share capital (Note 25)	Share premium (Note 25)	Merger relief reserves (Note 25)	Equity component of RCPS (Note 27)	Other reserves (Note 26)	Retained profits (Note 26)	Total	Non-controlling interests (Note 30)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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 (Note 25)	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

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

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D.)

	← Non-distributable →			Distributable →		
	Share capital RM'000	Share premium RM'000	Merger relief reserves RM'000	Equity component of RCPS RM'000	Retained profits RM'000	Total equity RM'000
<b>Company</b>						
<b>At 1 January 2012</b>	2,163,358	1,898,306	34,330	120,521	16,205	4,232,720
Total comprehensive income for the year	-	-	-	-	128,895	128,895
Conversion of RCPS to ordinary shares, net of tax (Note 25)	2,200	9,182	-	(1,453)	-	9,929
<b>At 31 December 2012</b>	<b>2,165,558</b>	<b>1,907,488</b>	<b>34,330</b>	<b>119,068</b>	<b>145,100</b>	<b>4,371,544</b>
<b>Company</b>						
<b>At 1 January 2011</b>	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 (Note 25)	209,738	836,241	-	(121,194)	-	924,785
<b>At 31 December 2011</b>	<b>2,163,358</b>	<b>1,898,306</b>	<b>34,330</b>	<b>120,521</b>	<b>16,205</b>	<b>4,232,720</b>

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b>				
Cash receipts from customers	1,459,849	1,434,703	-	-
Cash receipts from immediate holding company	100	-	-	-
Receipts from other related parties	443	420	-	-
Receipts from joint ventures	593	5,777	-	-
Receipts from associate	3,750	-	-	-
Cash payments to suppliers	(322,015)	(246,593)	-	-
Cash payments to contractors	(780,037)	(644,475)	-	-
Cash payments for land and development related costs	(37,938)	(34,457)	-	-
Cash payments to other related parties	(7,897)	(29,412)	-	-
Cash payment to joint venture	(5,335)	-	-	-
Cash payment to immediate holding company	(699)	(184)	-	-
Cash payments to employees and for expenses	(251,513)	(280,133)	(27)	(181)
Cash generated from/(used in) operations	59,301	205,646	(27)	(181)
Net income tax paid	(83,113)	(47,522)	-	(38)
Interest received	11,538	23,574	239	442
Net cash (used in)/generated from operating activities	(12,274)	181,698	212	223
<b>Cash flows from investing activities</b>				
Dividend received from associates	6,601	6,450	-	-
Proceeds from disposals of:				
- property, plant and equipment	93	3,994	-	-
- investment property	10,500	4,827	-	-
- short term investments	134,586	1,670	134,586	-
- associate	10,678	-	-	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	163,952	-	-
Subscription of shares in subsidiaries	-	-	(1,323)	-
Disposal of a subsidiary, net of cash and cash equivalents disposed	-	6,258	-	-
Cash receipts from liquidator for liquidation of an associate	39	-	-	-
Refund of deposits arising from cancellation of sales for property, plant and equipment	(327)	-	-	-
Purchase of property, plant and equipment	(18,808)	(38,009)	-	-
Advances to joint venture	(4,000)	(600)	-	-
Advances to associate	-	(29)	-	-
Investment in land held for property development	(173,740)	(295,355)	-	-
Investment in short term investments	-	(270,000)	-	(270,000)
Investment in a joint venture	(8,869)	(7,490)	(8,869)	(7,490)
Net cash (used in)/generated from investing activities	(43,247)	(424,332)	124,394	(277,490)

STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D.)

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from financing activities</b>				
Drawdown of term and bridging loans	211,341	26,786	-	-
Drawdown of Islamic Medium Term Notes	600,000	100,000	600,000	-
Drawdown of revolving credit	30,500	75,500	-	-
Proceeds from issuance of shares	12,337	-	-	-
Proceeds from conversion of RCPS	5,120	545,047	5,120	545,047
Advances to subsidiaries	-	-	(573,475)	(267,718)
Advances to a joint venture	(5,900)	(1,400)	-	-
Repayment of term and bridging loan	(57,598)	(16,242)	-	-
Repayment of revolving credit	(93,000)	(169,500)	-	-
Repayment of Islamic Term Financing	(150,000)	-	(150,000)	-
Repayment to immediate holding company	(15,838)	(83,182)	-	-
Repayment of hire purchase	(42)	(53)	-	-
Interest paid	(51,005)	(47,833)	(5,950)	-
Cash payment of credit facility commitment fees	(2,924)	-	-	-
Net cash generated from/(used in) financing activities	482,991	429,123	(124,305)	277,329
<b>Net increase in cash and cash equivalents</b>	427,470	186,489	301	62
Effects of foreign exchange rate changes	(355)	5,620	-	-
Cash and cash equivalents at beginning of year	629,998	437,889	111	49
<b>Cash and cash equivalents at end of year (Note 18)</b>	<b>1,057,113</b>	<b>629,998</b>	<b>412</b>	<b>111</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2012

## 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 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.

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 21 February 2013.

## 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.

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

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

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

##### (ii) Basis of consolidation

Pursuant to the restructuring in 2008, the Company was introduced as a new parent company. The introduction of the Company constitutes a Group reconstruction and has been accounted for using merger accounting principles as the combination of the companies meet the relevant criteria for merger, thus depicting the combination of those entities as if they have been in the combination for the current and previous financial years.

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

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

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

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

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

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

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

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

##### (iii) 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.

## 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.



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

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

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

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

Freehold building	1.3% - 2%
Plant and machinery	20%
Floating pontoons	10%
Motor vehicles	20% - 25%
Others	5% - 50%

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

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

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

#### (d) Investment properties

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

Depreciation of the completed investment properties is provided for at 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.

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

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

#### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, demand and short-term deposits, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, reduced by bank overdrafts that form an integral part of the Group's cash management.

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

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

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

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

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

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

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

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.

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

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

#### (g) Turnkey development contracts (cont'd.)

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.

#### (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.

## 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 liabilities are recognised for all temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

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.



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

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

#### (k) Employee benefits

##### (i) Short term benefits

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

##### (ii) Defined contribution plans

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

##### (iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

#### (l) Foreign currencies

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

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

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

#### (l) Foreign currencies (cont'd.)

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.

#### (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.

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

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

#### (m) Revenue recognition (cont'd.)

##### (i) Property development (cont'd.)

##### (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.

##### (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.

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

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

#### (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.

#### (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.

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

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

#### (o) Financial assets (cont'd.)

##### (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.

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

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



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

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

#### (o) Financial assets (cont'd.)

##### (iii) Available-for-sale investments (cont'd.)

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

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

#### (p) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

##### (i) Trade and other receivables and other financial assets carried at amortised costs

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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

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

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

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

##### (ii) Unquoted equity securities at cost

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

#### (q) Financial liabilities

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

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

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

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

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

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

#### (r) Share capital and share issuance expenses

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

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

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.

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

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

#### (s) Redeemable convertible preference shares ("RCPS")

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

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

#### (t) Contingencies

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

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

#### (u) 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.

#### (v) Borrowing costs

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

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

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

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

### 2.3 Changes in accounting policies

On 1 January 2012, 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 2012.

	Effective for the financial period beginning on or after
<i>Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement</i>	1 July 2011
<i>IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2011
<i>FRS 124 : Related Party Disclosures (revised)</i>	1 January 2012
<i>Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>	1 January 2012
<i>Amendments to FRS 7: Disclosures - Transfers of Financial Assets</i>	1 January 2012
<i>Amendments to FRS 112: Deferred tax - Recovery of Underlying Assets</i>	1 January 2012

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.

### 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
FRS 101 Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosures of interest in Other Entities	1 January 2013
FRS 13 Fair Value Measurements	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associates and Joint Ventures	1 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs(2012))	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2012

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

### 2.4 Standards issued but not yet effective (cont'd.)

Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs(2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs(2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs(2012))	1 January 2013
Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs(2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interest in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12, and FRS 127: Investment Entities	1 January 2014
FRS 9: Financial Instruments	1 January 2015

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

#### FRS 10 Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

The Group is in the process of making an assessment of the impact of this standard.

#### FRS 11 Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.



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

### 2.4 Standards issued but not yet effective (cont'd.)

#### FRS 11 Joint Arrangements (cont'd.)

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The Group is in the process of making an assessment of the impact of this standard.

FRS 11 will be applied in accordance with the relevant transitional provisions set out in FRS 11. The initial investment as at 1 January 2012 for the purposes of applying the equity method will be measured as the aggregate of the carrying amounts of the assets and liabilities.

#### FRS 12 Disclosures of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

#### FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

#### FRS 128 Investments in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

#### FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

The application of this new standard has no impact on the Group's financial position and performance.

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

### 2.4 Standards issued but not yet effective (cont'd.)

#### **FRS 119 Employee Benefits**

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach" as permitted under the previous version of FRS 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to FRS 119 require retrospective application with certain exceptions. The directors anticipate that the application of the amendments to FRS 119 may have impact on amounts reported in respect of the Group's defined benefit plans. The application of this new standard has no impact on the Group's financial position and performance.

#### **Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)**

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

#### **FRS 9 Financial Instruments: Classification and Measurement**

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

### 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 2012 was RM621,409,000 (2011: RM621,409,000). Further details on goodwill are disclosed in Note 17.

## 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 37(c), Bandar Nusajaya Development Sdn. Bhd. ("BND") received an additional assessment from the Inland Revenue Board ("IRB") for additional tax payable and tax penalty in respect of year of assessment 2006 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 RM2,762,000 (2011 : RM10,662,000).

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3. REVENUE

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Property development:				
- Sale of developed land	167,643	262,122	-	-
- Turnkey development contracts [Note 22 (iii)]	4,767	23,296	-	-
- Sale of development properties	1,576,246	1,252,646	-	-
	1,748,656	1,538,064	-	-
Strategic land sale #	100,964	107,129	-	-
Property investment	47,845	26,282	-	-
Assets and facilities management	27,158	22,510	-	-
Project management	8,632	3,161	-	-
Harvesting, land leasing and other income	6,421	6,026	-	-
Dividend income				
- a subsidiary	-	-	145,146	-
	1,939,676	1,703,172	145,146	-

# Includes RM26.0 million (2011: Nil) that was received from Tenaga Nasional Berhad as compensation for compulsory acquisition of land.

4. COST OF SALES

	Group	
	2012	2011
	RM'000	RM'000
Property development costs:		
- Sale of developed land	101,686	187,766
- Turnkey development contracts [Note 22 (iii)]	1,518	19,177
- Sale of development properties	1,068,819	913,005
	1,172,023	1,119,948
Strategic land sale	48,582	54,685
Assets and facilities management	9,845	8,093
Harvesting, land leasing and other costs	1,558	1,790
	1,232,008	1,184,516

## 5. OPERATING PROFIT/(LOSS)

The following amounts have been included in arriving at operating profit/(loss):

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Impairment loss				
- receivables (Note 22(vii))	-	1,147	-	-
Bad debts written off				
- trade receivable	21	-	-	-
- others	156	277	-	-
Rental expenses of				
- land and building	13,155	10,883	-	-
- equipment	256	505	-	-
Auditors' remuneration				
- statutory audit	688	793	60	55
- others	212	277	-	277
Depreciation of property, plant and equipment (Note 9)	11,536	9,128	-	-
Depreciation of investment properties (Note 10)	8,064	4,441	-	-
Amortisation of land use rights (Note 11)	-	20	-	-
Property, plant and equipment written off (Note 9)	79	275	-	-
Available-for-sale investment written off	7	-	-	-
Directors' remuneration (Note (i))	3,037	2,918	2,992	2,037
Staff costs (Note (ii))	120,832	85,007	-	-
Reversal of sales:				
- property, plant and equipment	2,255	-	-	-
Write back of allowance for impairment				
- others (Note 22(vii))	(3)	(1,396)	-	-
- inventory	(23)	-	-	-
Lease rental received from a subsidiary of Khazanah:				
- Menara Burj Sdn. Bhd.	(350)	(420)	-	-
Profit sharing receivable from related company				
- Faber Union Sdn. Bhd.	(2,928)	-	-	-
Net gain on fair value changes in fair value through profit or loss investment	(2,291)	(199)	(2,291)	(199)
Dividend income from investment in unit trust	(5,018)	(1,976)	(5,018)	(1,976)
Interest income				
- deposits with licensed banks	(11,538)	(23,574)	(239)	(442)
- trade receivables	(8,594)	(14,956)	-	-
- joint ventures	(4,485)	(4,950)	-	-
Gain on disposal of:				
- property, plant and equipment	(29)	(2,778)	-	-
- subsidiaries	(24)	(4,197)	-	-
- associate	(11,222)	-	-	-
- investment property	(1,952)	(10,592)	-	-
- investments	-	(207)	-	-



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5. OPERATING PROFIT/(LOSS) (CONT'D.)

The following amounts have been included in arriving at operating profit/(loss): (cont'd.)

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
(i) Directors' remuneration				
Executive:				
Salary and other emoluments	1,702	1,220	1,702	1,220
Benefits-in-kind	106	105	106	105
	1,808	1,325	1,808	1,325
Non-executive:				
Fees	1,229	617	1,184	617
Other emoluments	-	976	-	95
	1,229	1,593	1,184	712
	3,037	2,918	2,992	2,037
Analysis of total directors' remuneration excluding benefits-in-kind:				
- executive	1,702	1,220	1,702	1,220
- non-executive	1,229	1,593	1,184	712
Total directors' remuneration excluding benefits-in-kind	2,931	2,813	2,886	1,932

The number of directors of the Company whose total remuneration during the financial year falls within the following bands is analysed below:

	Number of directors	
	2012	2011
Executive director:		
RM1,300,001 - RM1,350,000	-	1
RM1,800,001 - RM1,850,000	1	-
Non-executive directors:		
RM50,000 and below	2	1
RM50,001 to RM100,000	1	4
RM100,001 to RM150,000	3	3
RM150,001 to RM200,000	3	-
RM200,001 to RM250,000	1	-

## 5. OPERATING PROFIT/(LOSS) (CONT'D.)

### (ii) Staff costs

	Group	
	2012 RM'000	2011 RM'000
Wages and salaries	61,500	51,825
Statutory contribution to EPF and social security costs	10,317	9,836
Staff benefits and welfare	33,685	27,502
Employee share option scheme	22,799	-
Training and others	2,271	1,979
	130,572	91,142
Capitalised to:		
Land held for property development (Note 12)	(3,087)	(2,603)
Property development costs (Note 20)	(4,294)	(3,532)
Turnkey development contracts (Note 22 (iii))	(2,359)	-
	120,832	85,007

## 6. FINANCE COSTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Finance costs incurred and accrued during the year on:				
- term loan	19,186	20,012	-	-
- bridging loan	1,347	157	-	-
- bank overdraft	919	772	-	-
- revolving credit	3,984	8,876	-	-
- Islamic term financing	14,682	14,178	14,682	-
- Islamic Medium Term Notes ("IMTN")	9,476	9,078	-	-
- hire purchase	2	15	-	-
- loan from immediate holding company	15,838	17,182	-	-
- late payment interest	-	3,281	-	-
- accretion of interest on:				
- liability component of RCPS (Note 27)	25,791	28,304	25,791	28,304
- long term payables (Note 32)	-	553	-	-
	91,225	102,408	40,473	28,304
Capitalised in:				
- land held for property development (Note 12)	(11,627)	(10,992)	-	-
- property development costs (Note 20)	(38,030)	(39,819)	-	-
- turnkey development contracts (Note 22(iii))	(196)	(195)	-	-
	(49,853)	(51,006)	-	-
	41,372	51,402	40,473	28,304

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7. INCOME TAX EXPENSE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Income tax:				
Malaysian income tax	100,337	97,018	-	-
Foreign tax	2,901	-	-	-
(Over)/under provision in prior years	(536)	(4,832)	-	4
	102,702	92,186	-	4
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	(17,384)	(30,589)	(6,448)	(7,076)
Under/(over) provision of deferred tax in prior year	1,952	(9,293)	-	-
	(15,432)	(39,882)	(6,448)	(7,076)
Total income tax expense	87,270	52,304	(6,448)	(7,072)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit/(loss) before tax	535,133	355,246	122,447	(33,717)
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	133,783	88,812	30,612	(8,429)
Effect of different tax rates in other countries	(7,050)	(2,244)	-	-
Income not subject to tax	(15,640)	(7,799)	(38,114)	(544)
Expenses not deductible for tax purposes	9,041	12,806	1,054	1,729
Utilisation of previously unrecognised tax losses	(14,758)	(15,891)	-	-
Deferred tax assets not recognised during the year	2,811	1,378	-	168
Tax effect on share of associates' and joint ventures' results	(22,333)	(10,633)	-	-
(Over)/under provision in prior years	(536)	(4,832)	-	4
Under/(over) provision of deferred tax in prior year	1,952	(9,293)	-	-
Tax expense for the year	87,270	52,304	(6,448)	(7,072)

## 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	
	2012	2011
Profit for the year attributable to owners of the parent (RM'000)	448,358	301,712
Weighted average number of ordinary shares in issue ('000)	4,327,086	4,169,922
Basic earnings per share (sen)	10.4	7.2

### (b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares.

	Note	Group	
		2012	2011
Profit for the year attributable to owners of the parent (RM'000)		448,358	301,712
Profit for the year of subsidiaries attributable to non-controlling interests arising from dilutive impact of unconverted BND RCPS (RM'000)	(i)	(37,058)	(26,067)
Profit for the year attributable to owners of the parent including assumed conversion (RM'000)		411,300	275,645
Weighted average number of ordinary shares in issue ('000)	(ii)	4,824,548	4,672,449
Diluted earnings per share (sen)		8.5	5.9

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 30) which are convertible into 21.76% (2011: 21.76%) of BND's enlarged share capital as at 31 December 2012.
- (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).

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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
<b>At 31 December 2012</b>							
Net carrying amount							
at 1 January 2012	36,321	51,436	49,149	8,024	2,918	14,486	162,334
Reclassification	-	(114)	81	-	-	33	-
Additions	2,500	6,017	1,905	-	964	7,422	18,808
Disposal	-	-	-	-	-	(64)	(64)
Reversal of sales	-	1,019	-	-	-	-	1,019
Write-off	-	(1)	-	-	-	(78)	(79)
Transfer from property development cost (Note 20)	-	13,659	-	-	-	-	13,659
Depreciation charge (Note 5)	-	(1,153)	(3,483)	(1,013)	(1,226)	(4,661)	(11,536)
Net carrying amount at 31 December 2012	38,821	70,863	47,652	7,011	2,656	17,138	184,141
Cost	38,821	74,663	57,722	10,118	8,029	45,265	234,618
Accumulated depreciation	-	(3,800)	(10,070)	(3,107)	(5,373)	(28,127)	(50,477)
Net carrying amount	38,821	70,863	47,652	7,011	2,656	17,138	184,141

Group

	Freehold land RM'000	Freehold building RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Others RM'000	Total RM'000
<b>At 31 December 2011</b>							
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	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	-	-	-	-	(5)	(200)	(205)
Write-off	-	(20)	-	-	-	(255)	(275)
Transfer to property development cost (Note 20)	-	(11,922)	-	-	-	-	(11,922)
Depreciation charge (Note 5)	-	(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	-	(2,563)	(6,587)	(2,094)	(4,184)	(23,871)	(39,299)
Net carrying amount	36,321	51,436	49,149	8,024	2,918	14,486	162,334



## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

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 RM68,620 (2011: RM109,877).

## 10. INVESTMENT PROPERTIES

	Group	
	2012 RM'000	2011 RM'000
<b>Cost</b>		
At 1 January	515,333	30,615
Acquisition of a subsidiary	-	438,883
Addition	145,352	3,228
Disposal	(10,904)	(4,593)
Transfer from other receivable (Note 22 (iv))	10,000	-
Transfer from property development cost (Note 20)	26,520	47,200
At 31 December	686,301	515,333
<b>Accumulated depreciation</b>		
At 1 January	(4,256)	-
Depreciation charge (Note 5)	(8,064)	(4,441)
Disposal	356	185
At 31 December	(11,964)	(4,256)
Net carrying amount	674,337	511,077
Fair value of investment properties	690,978	538,642

On 3 August 2007, UEM Land Berhad ("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.

During the financial year, the option to purchase the commercial property was exercised by MBSB.

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11. LAND USE RIGHTS

	Group	
	2012 RM'000	2011 RM'000
<b>Long term leasehold land</b>		
At 1 January	-	324
Exchange differences	-	81
Amortisation for the year (Note 5)	-	(20)
Disposal of a subsidiary	-	(385)
At 31 December	-	-

12. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2012 RM'000	2011 RM'000
<b>Freehold land</b>		
<b>Cost</b>		
At 1 January	2,751,590	1,797,695
Acquisition of subsidiary	-	861,354
Addition	188,454	308,950
Transfer from/(to) property development costs (Note 20)	2,040	(216,409)
At 31 December	2,942,084	2,751,590

The Group originally has 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.

The Group's balance of unsold land bank after reduction of public areas, electricity distribution sub-stations and others and after current year's addition is approximately 10,646 acres (2011: 10,885 acres) of which approximately 589 acres (2011: 724 acres) are classified under property development costs which comprises parcels of land where active development activities have commenced as at the end of financial year.

Land titles for the above land bank of approximately:

- (a) 317 acres (2011: 410 acres) are subject to a third party charge as security for borrowings taken by a joint venture company.
- (b) 1,584 acres (2011: 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 31(b).

## 12. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)

Land titles for the above land bank of approximately: (cont'd.)

- (c) 272 acres (2011: 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 31(c).
- (d) 111 acres (2011: 108 acres) have been charged as security for the term loans, credit agreement and revolving credit facilities taken by certain subsidiaries, as detailed in Note 31(d).

Included in the addition to the land held for property development of the Group during the financial year are as follows:

	Group	
	2012 RM'000	2011 RM'000
Interest capitalised (Note 6)	11,627	10,992
Staff costs (Note 5 (ii))	3,087	2,603

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
2012	92.54	-	92.54
	715.11	194.66	909.77

\* 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	
	2012	2011
	RM'000	RM'000
Unquoted shares, at cost		
At 1 January	2,970,454	1,254,153
Acquisition of subsidiaries	1,561	1,716,301
Subscription of additional capital in an existing subsidiary	49,242	-
At 31 December	3,021,257	2,970,454

Details of the subsidiaries are disclosed in Note 43.

**(a) Acquisition of subsidiaries**

- (i) On 21 March 2012, the Company acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Nusajaya Five O Sdn. Bhd. ("NFOSB"), a newly incorporated company, for a total cash consideration of RM2.00. Pursuant to the completion of the acquisition, NFOSB became a wholly owned subsidiary of the Company.

On 28 March 2012, NFOSB increased its issued and paid-up share capital to 300,000 ordinary shares of RM1.00 each. Following the increase in share capital, the Company subscribed for an additional 239,998 ordinary shares of RM1.00 each, resulting in the Company's equity interest in NFOSB being reduced from 100% to 80%.

- (ii) On 30 March 2012, the Company subscribed for 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Nusajaya Premier Sdn. Bhd. ("NPSB"), a newly incorporated company, for a total cash consideration of RM2.00. Pursuant to the completion of the acquisition, NPSB became a wholly owned subsidiary of the Company.
- (iii) On 20 July 2012, the Company acquired 1 ordinary share of RM1.00 each, representing 51% of the equity interest in Desaru South Course Residences Sdn. Bhd. ("DSCR"), Desaru North Course Residences Sdn. Bhd. ("DNCR") and Desaru South Course Land Sdn. Bhd. ("DSCL"). Subsequently on 30 July 2012, the Company subscribed additional ordinary shares in the aforesaid companies as follow:
- DSCR - 509,999 ordinary shares
  - DNCR - 509,999 ordinary shares
  - DSCL - 50,999 ordinary shares
- (iv) On 22 October 2012, UEM Land, a wholly owned subsidiary of the Company acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Suasana Prisma Sdn. Bhd. ("SPSB"), for a total cash consideration of RM2.00 resulting in SPSB becoming a wholly owned subsidiary of the Company.
- (v) On 3 December 2012, UEM Land, a wholly owned subsidiary of the Company acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Crimson Carnival Sdn. Bhd. ("CCSB"), for a total cash consideration of RM2.00 resulting in CCSB becoming a wholly owned subsidiary of the Company.

The acquisition of subsidiaries do not have a material impact to the financial statements of the Group.

### 13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

#### (b) Subscription of additional capital in an existing subsidiary

During the year, the Company subscribed for additional 49,242,000 redeemable preference shares of RM1.00 each in Nusajaya Lifestyle Sdn. Bhd. satisfied by conversion of intercompany loan of RM49,242,000.

#### (c) Members' voluntary liquidation

On 16 March 2012, the following wholly owned inactive subsidiaries of the Company, which were held through UEMLB and BND, were dissolved via the Members' Voluntary Liquidation upon the expiration of three (3) months after the lodging of the Return by the liquidator relating to the final meeting (Form 49) with the Registrar and the Official Receiver on 16 December 2011 pursuant to Section 272 (5) of the Companies Act, 1965.

##### Subsidiaries of UEML

- Amra Resources Sdn. Bhd.
- Cantuman Bahagia Sdn. Bhd.
- Jaguh Mutiara Sdn. Bhd.

##### Subsidiary of BND

- Nusajaya Group Sdn. Bhd.

#### (d) Subsidiary struck-off

Nusajaya Hotels Sdn. Bhd., an inactive subsidiary of the Company, which was held through its wholly owned subsidiary, UEMLB, was struck-off from the Schedule of the Registrar pursuant to Section 308(4) of the Companies Act, 1965 with effect from 7 May 2012.

The above does not have a material impact to the financial statements of the Group.

### 14. INTERESTS IN ASSOCIATES

	Group	
	2012 RM'000	2011 RM'000
In Malaysia:		
Unquoted shares at cost	18,118	48,327
Outside Malaysia:		
Unquoted shares at cost	45,614	45,614
Share of post-acquisition reserves	77,797	28,048
Exchange differences	(20,328)	(17,090)
	121,201	104,899
Amount due from associate (non-trade)	-	3,754
	121,201	108,653
Accumulated impairment losses	(3,907)	(3,907)
-	117,294	104,746
Amount due from associates (trade) - current	898	898

Amount due from associates are unsecured, non-interest bearing and repayable on demand. The Group views the non-trade amount due from associate as part of the Group's investment in that associate.



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14. INTERESTS IN ASSOCIATES (CONT'D.)

Details of associates are disclosed in Note 44.

(i) Disposal of an investment in associate

Perfect Portfolio Sdn. Bhd. ("PPSB"), an associate of the Company, which was held through its wholly owned subsidiary, Sunrise Berhad, was disposed of its entire 50% equity interest via a Share Sale Agreement. The disposal was completed on 18 April 2012 and PPSP ceased as an associate of the Company as at that date.

The group's carrying value of associate disposed is as follows:

	RM'000
Investment at cost	100
Share of post acquisition reserves	(387)
	(287)
Less: Total disposal proceeds	(10,896)
Gain on disposal of associate to the Group	(11,183)

Disposal proceeds settled by:

Cash consideration	10,678
Real Property Gains Tax withheld	218
Total disposal proceeds	10,896

(ii) Members' voluntary liquidation

On 13 June 2012, Probalance Sdn. Bhd., was dissolved via Members' Voluntary Liquidation upon the expiration of three (3) months after the lodging of the return by the liquidator relating to the final meeting (Form 49) with the Registrar and the Official Receiver pursuant to Section 272 (5) of the Company Act, 1965.

The above does not have a material impact to the financial statement of the Group.

#### 14. INTERESTS IN ASSOCIATES (CONT'D.)

(iii) The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2012 RM'000	2011 RM'000
<b>Results</b>		
Revenue	935,975	941,312
Profit for the year	102,670	113,206
<b>Assets and liabilities</b>		
Current assets	2,002,917	1,676,523
Non-current assets	1,418,991	1,925,380
Current liabilities	(344,579)	(273,496)
Non-current liabilities	(2,649,586)	(2,977,960)
Net assets	427,743	350,447

#### 15. INTERESTS IN JOINT VENTURES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unquoted shares, at cost	138,837	129,968	51,923	43,054
Amount due from joint ventures (Note i)	154,611	145,244	-	-
Share of post-acquisition reserves	38,559	(9,972)	-	-
	332,007	265,240	51,923	43,054
Amount due from joint ventures (Note ii)				
- Non-current	33,901	29,696	-	-
- Current	9,726	3,228	-	-
	43,627	32,924	-	-

- (i) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand. The Group views the non-trade amounts due from joint ventures as part of the Group's investment in joint ventures.
- (ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand except for RM33,686,000 (2011: RM27,266,000) which bears an average interest of 6.8% (2011: 6.8%) per annum.

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15. INTERESTS IN JOINT VENTURES (CONT'D.)

(iii) The Group's aggregate share of the revenue, expenses, assets and liabilities of the joint ventures are as follows:

	2012 RM'000	2011 RM'000
Revenue	264,889	126,163
Other income	2,980	3,486
Expenses, including finance costs	(204,383)	(113,756)
	63,486	15,893
Current assets	319,194	251,560
Non-current assets	357,878	333,731
Current liabilities	(295,969)	(345,008)
Non-current liabilities	(203,708)	(120,287)
Net assets	177,395	119,996

During the financial year, the Company subscribed to additional 8,869,000 ordinary shares of RM1.00 per share in Malaysian Bio-XCell Sdn. Bhd. satisfied by cash of RM8,869,000.

The above does not have a material impact to the financial statements of the Group.

There are no contingent liabilities and capital commitments in relation to the Group's interest in joint ventures, except as disclosed in Note 37(d).

Details of the joint venture entities are disclosed in Note 45.

## 16. OTHER INVESTMENTS

	Group	
	2012 RM'000	2011 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	
	2012 RM'000	2011 RM'000
At 1 January	621,409	39,223
Acquisition of a subsidiary	-	582,186
At 31 December	621,409	621,409

The recoverable amounts of the CGU have been determined based on value in use calculations using cash flow projections from financial budgets approved by the management covering a five-year period. The management has applied a pre-tax discount rate of 13.6% and forecasted growth rate of 5% to the cash flow projections.

The calculations of value in use for the CGU are most sensitive to the following assumptions:

Budgeted gross margins - Gross margins are based on historical trend of gross margins for the CGU.

Pre-tax discount rates - Discount rates reflect the weighted average cost of capital of the Company assessed using the current borrowing costs and operating performance.

There remains a risk that, due to unforeseen changes in the economy in which the CGU operates and/or global economic conditions, the gross margins for property development may be adversely affected.

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18. CASH, BANK BALANCES AND DEPOSITS

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deposits with licensed banks					
- Short term deposits		538,714	416,457	-	-
- Non-current deposits	(i)	1,418	1,418	-	-
		540,132	417,875	-	-
Cash and bank balances	(ii)	521,371	215,683	412	111
		1,061,503	633,558	412	111
Bank overdraft	31	(2,972)	(2,142)	-	-
Non-current deposits		(1,418)	(1,418)	-	-
Cash and cash equivalents		1,057,113	629,998	412	111

(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 RM437,722,000 (2011: RM194,331,000) 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 3.14% (2011: 3.06%) and 33 days (2011: 73 days) respectively.



## 19. DEFERRED TAXATION

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1 January	233,949	136,727	7,242	-
Acquisition of a subsidiary	-	122,786	-	-
Recognised directly in equity (Note 27)	-	24,766	-	24,766
Recognised in income statement (Note 7)	(15,432)	(39,882)	(6,448)	(7,076)
Reversal arising from conversion of RCPS recognised directly in equity	(65)	(10,448)	(65)	(10,448)
At 31 December	218,452	233,949	729	7,242
Presented as follows:				
Deferred tax assets	(31,541)	(26,705)	-	-
Deferred tax liabilities	249,993	260,654	729	7,242
	218,452	233,949	729	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 2012	169,140	169,596	14,318	3,694	356,748
Recognised in the income statement	(11,791)	(11,108)	-	1,033	(21,866)
Reversal arising from conversion of RCPS recognised through equity	-	-	(65)	-	(65)
At 31 December 2012	157,349	158,488	14,253	4,727	334,817
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

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19. DEFERRED TAXATION (CONT'D.)

Deferred tax assets of the Group:

	Provisions RM'000	Tax losses and capital allowances RM'000	Total RM'000
At 1 January 2012	(21,960)	(100,839)	(122,799)
Recognised in the income statement	(3,451)	9,885	6,434
At 31 December 2012	(25,411)	(90,954)	(116,365)
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)

Deferred tax liabilities of the Company:

	RCPS	
	2012 RM'000	2011 RM'000
At 1 January	7,242	-
Recognised directly in equity	-	24,766
Reversal arising from conversion of RCPS recognised through equity	(65)	(10,448)
Recognised in the income statement	(6,448)	(7,076)
At 31 December	729	7,242

Deferred tax assets are not recognised in respect of the following items:

	Group	
	2012 RM'000	2011 RM'000
Unused tax losses	321,261	369,116
Others	6,515	6,446
	327,776	375,562

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.

## 20. PROPERTY DEVELOPMENT COSTS

	Group	
	2012 RM'000	2011 RM'000
<b>At 1 January</b>		
Freehold land	413,905	272,234
Development costs	1,497,328	958,029
	1,911,233	1,230,263
Costs incurred during the year:		
- Freehold land	-	-
- Development costs	1,110,954	885,119
Acquisition of a subsidiary	-	355,407
Transfer from/(to):		
- land held for property development (Note 12)	(2,040)	216,409
- property, plant and equipment (Note 9)	(13,659)	11,922
- investment properties (Note 10)	(26,520)	(47,200)
- inventory	(21,565)	(36,059)
Reversal of cost arising from completed projects	(593,012)	(704,628)
	454,158	680,970
At 31 December	2,365,391	1,911,233
Costs recognised in profit or loss		
At 1 January	(844,858)	(461,116)
Recognised in during the year	(1,159,438)	(1,088,369)
Reversal of cost arising from completed projects	593,012	704,628
At 31 December	(1,411,284)	(844,857)
<b>Property development costs as at 31 December</b>	<b>954,107</b>	<b>1,066,376</b>
Included in costs incurred during the year are:		
Interest expense (Note 6)	38,030	39,819
Staff costs (Note 5(a)(ii))	4,294	3,532

As at the reporting date, freehold land and related development expenditure of RM324,536,000 (2011: 206,506,386) are pledged as securities for the borrowing facilities granted to the Group.

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21. INVENTORIES

	Group	
	2012 RM'000	2011 RM'000
<b>At cost</b>		
Completed properties	89,778	91,671
Consumables	610	462
	90,388	92,133
<b>At net realisable value</b>		
Golf memberships *	32,234	32,361
	122,622	124,494

The cost of inventories recognised as cost of sales during the year amounted to RM23,787,000 (2011: RM13,168,000).

- \* 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

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables	(i)	898,267	661,174	-	-
Accrued billings in respect of property development costs		751,033	341,887	-	-
Amount due from related parties	(ii)	3,526	720	-	-
Amount due from customers on construction and turnkey development contracts	(iii)	50,820	44,481	-	-
Other receivables	(iv)	163,458	183,051	138,585	48,363
		1,867,104	1,231,313	138,585	48,363
Less: Allowance for impairment	(v)	(11,094)	(11,097)	-	-
		1,856,010	1,220,216	138,585	48,363
Analysed into:					
Non current		64,375	204,380	-	-
Current		1,791,635	1,015,836	138,585	48,363
		1,856,010	1,220,216	138,585	48,363

Included in trade receivables is an amount of RM73,036,000 (2011: 86,159,000) owing from 3 joint venture entities arising from sale of land to these companies in prior years.

- (i) Included under trade receivables are long term receivables of RM56,557,000 (2011: RM51,002,000) which are charged an interest of 6% (2011: 6%) per annum.
- (ii) Related parties refer to those as specified in Note 36.

## 22. RECEIVABLES (CONT'D.)

(iii) Amount due from customers on turnkey development contracts

	Group	
	2012 RM'000	2011 RM'000
Costs incurred to date	631,708	620,906
Add : Attributable profit	35,778	32,514
Less : Provision for foreseeable losses	-	(1,558)
	667,486	651,862
Less: Progress billings	(616,726)	(611,960)
Net amount due from customers	50,760	39,902
Presented as follows:		
Amount due from customers	50,820	44,481
Amount due to customers (Note 34)	(60)	(4,579)
	50,760	39,902
Contract revenue recognised as revenue in the year (Note 3)	4,767	23,296
Contract costs recognised as an expense in the year (Note 4)	1,518	19,177
Retention sum receivable on turnkey development contracts	898	898
Included in costs incurred during the year are:		
Interest expense (Note 6)	196	195
Staff costs (Note 5 (ii))	2,359	-

(iv) Other receivables

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Projects debtors	3,419	6,168	-	-
Dividend receivable	-	-	138,422	48,264
Sundry debtors and prepayments	32,712	19,980	81	37
Tax recoverable	24,619	26,559	82	62
Interest receivable	22	23	-	-
Deposits (Note a)	18,500	46,135	-	-
Promissory note (Note b)	84,186	84,186	-	-
	163,458	183,051	138,585	48,363



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22. RECEIVABLES (CONT'D.)

(iv) Other receivables (cont'd.)

(a) Included in deposits are:

- (i) an amount of RM7.0 million (2011: 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 RM10.0 million paid in prior year 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, which was reclassified to investment properties during the year as disclosed in Note 10.

(b) Promissory note was given by the State Secretary Johore (Incorporation) to the Group for the purchase of two parcels of land in previous financial year. The salient terms of the promissory note are as follows:

- (i) The promissory note may be utilised against the Group's conversion and land alienation premium liability, quit rent liability, payment in lieu of fulfillment of the low cost housing requirements or bumiputera/ foreign quota or any other contribution to social project funds; and
- (ii) The promissory note - land price may be prepaid in whole or in part at any time without premium or penalty.

(v) Allowance for impairment

	Group	
	2012 RM'000	2011 RM'000
Trade receivables	1,147	1,147
Projects debtors	3,073	3,076
Amount due from related parties	581	581
Sundry debtors	6,293	6,293
	11,094	11,097

(vi) The Group's normal trade credit terms range from 30 to 90 days (2011: 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.

## 22. RECEIVABLES (CONT'D.)

(vii) Ageing analysis

### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2012 RM'000	2011 RM'000
Neither past due nor impaired	558,594	554,344
1 to 30 days past due not impaired	32,761	17,507
31 to 60 days past due not impaired	27,604	13,381
61 to 90 days past due not impaired	14,422	10,938
More than 90 days past due not impaired	245,219	46,484
	320,006	88,310
Impaired	19,667	18,520
	898,267	661,174
<b>Individually impaired</b>		
Nominal amount	19,667	18,520
Allowance for impairment	(1,147)	(1,147)
	18,520	17,373

### 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 RM60.8 million (2011: RM68.5 million) which will be settled upon meeting certain conditions pursuant to those sales agreements.

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 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.

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22. RECEIVABLES (CONT'D.)

(vii) Ageing analysis (cont'd.)

**Receivables that are impaired**

The movement in allowance account for receivables are as follows:

	Group	
	2012 RM'000	2011 RM'000
At 1 January	11,097	14,135
Charge for the year (Note 5)	-	1,147
Reversal of impairment loss (Note 5)	(3)	(1,396)
Write-off	-	(2,789)
At 31 December	11,094	11,097

23. AMOUNT DUE FROM SUBSIDIARIES

Amount due from subsidiaries in the current and prior year are unsecured, non-interest bearing and repayable on demand.

24. SHORT TERM INVESTMENTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
In Malaysia:				
Available-for-sale investments				
- Quoted shares	5	14	-	-
Financial assets at fair value through profit or loss				
- Unquoted unit trust #	144,900	272,176	144,900	272,176
	144,905	272,190	144,900	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	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
<b>Ordinary shares</b>				
At 1 January/31 December	7,000,000	7,000,000	3,500,000	3,500,000

	Number of preference shares of RM0.01 each		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
<b>MCRPS</b>				
At 1 January/31 December	200,000	200,000	2,000	2,000

	Number of preference shares of RM0.01 each		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
<b>RCPS</b>				
At 1 January/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	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
<b>Ordinary shares</b>				
At 1 January	4,323,618	3,642,265	2,161,809	1,821,132
Issued for acquisition of a subsidiary	-	261,877	-	130,939
Conversion of RCPS	4,400	419,476	2,200	209,738
At 31 December	4,328,018	4,323,618	2,164,009	2,161,809

	Number of preference shares of RM0.01 each		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
<b>MCRPS</b>				
At 1 January/31 December	154,914	154,914	1,549	1,549
<b>Total share capital (issued and fully paid)</b>			<b>2,165,558</b>	<b>2,163,358</b>

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25. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

(ii) Share premium

	Number of ordinary shares		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
At 1 January	1,895,441	1,214,088	1,744,941	359,759
Issued for acquisition of a subsidiary	-	261,877	-	548,941
Arising from RCPS conversion	4,400	419,476	9,182	844,909
Share issue expenses	-	-	-	(8,668)
At 31 December	1,899,841	1,895,441	1,754,123	1,744,941

	Number of preference shares of RM0.99 each		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
<b>MCRPS</b>				
At 1 January/31 December	154,914	154,914	153,365	153,365
<b>Total share premium</b>			<b>1,907,488</b>	<b>1,898,306</b>

**Issue of shares**

During the financial year, the Company issued 4,400,814 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 in prior year.

In 2011, 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;
  - (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.
- (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.



## 25. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

### 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.
- (e) The MCRPS shall carry no right to vote at any general meeting of the Company except with regards to:
  - any proposal to wind-up the Company;
  - during the winding-up of the Company;
  - any proposal that effects the rights of the MCRPS holders;
  - any proposal to reduce the Company's share capital;
  - any proposal for the disposal of the whole of the Company's property, business and undertaking; or
  - when dividend or part of the dividend on the MCRPS is in arrears for more than 6 months.(collectively referred to as the "Voting Rights")
- (f) Save for the Voting Rights, the MCRPS shall rank equal in all respects amongst all MCRPS and the ordinary shares in the Company.
- (g) Any dividends to be paid to the holders of the MCRPS must be decided at the discretion of the directors of the Company, save that dividends on the MCRPS must be paid if dividends are paid on the ordinary shares of the Company.

Dividend per MCRPS payable to MCRPS holders shall be computed as follows:

$$\frac{\text{Dividend per ordinary share payable}}{\text{Conversion price}} \times \text{Issue price}$$

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25. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE (CONT'D.)

**Mandatory Convertible Redeemable Preference Shares ("MCRPS") (cont'd.)**

- (h) The MCRPS shall be convertible into ordinary shares during the conversion period from 8 January 2012 to 7 January 2014 (both dates inclusive) with the following modes of conversion:
- (i) by tendering 1 MCRPS with cash subscription of RM1.21 per MCRPS for conversion into approximately 1.213 new ordinary shares; or
  - (ii) by tendering such amount of MCRPS that are equal to the Conversion Price for conversion into 1 new ordinary share computed as follows:

$$\frac{\text{Issue price} \times \text{No. of MCRPS}}{\text{Conversion price}}$$

**(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 in 2008, was not required to be recorded as share premium, but instead is recognised together with the effects of the merger as merger relief reserves.

26. OTHER RESERVES AND RETAINED PROFITS

- (a) Other reserves

	Group	
	2012 RM'000	2011 RM'000
(i) Exchange fluctuation reserves		
At 1 January	(1,788)	(2,837)
Foreign currency translation	(1,542)	1,049
At 31 December	(3,330)	(1,788)
(ii) Merger reserve		
At 1 January/31 December	32,112	32,112
(iii) Fair value adjustments reserve		
At 1 January	(208)	-
Loss on fair value changes	(3)	(208)
At 31 December	(211)	(208)
(iv) Share based payment reserve		
At 1 January	-	-
Employee share option scheme	22,799	-
At 31 December	22,799	-
Total	51,370	30,116

## 26. OTHER RESERVES AND RETAINED PROFITS (CONT'D.)

### (b) Retained profits

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). There is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. The Company has elected to use the single tier system.

The Company may distribute dividends out of its entire retained profits as at 31 December 2012 under the single tier system.

## 27. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

In part settlement of the acquisition of Sunrise Berhad in 2011, the Company had issued 837,093,777 RCPS of RM0.01 per RCPS at an issue price of RM1.00 per RCPS.

The carrying amount of the equity and liability component of RCPS at the reporting date is as follows:

	2012 RM'000		2011 RM'000	
	Liability component	Equity component	Liability component	Equity component
At 1 January/initial recognition (Note (i))	388,414	120,521	738,031	241,715
Conversion of RCPS to ordinary shares	(4,781)	(1,453)	(377,921)	(121,194)
Interest expense recognised in profit or loss (Note 6)	25,791	-	28,304	-
At 31 December	409,424	119,068	388,414	120,521

The RCPS had matured on 7 January 2013 and the Company has redeemed 408,689,383 RCPS of RM1.00 each by cash and the balance of 3,654,179 RCPS were mandatorily converted at 2.3 RCPS to one (1) ordinary share of RM0.50 each.

(i) The equity and liability component of the RCPS on initial recognition is computed as follows:

	RM'000
Fair value of 837,093,777 RCPS	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").

## 27. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D.)

- (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:

- (i) by tendering 1 RCPS with cash subscription of RM1.30 per RCPS for 1 ULHB share (Cash conversion); or
- (ii) 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.

## 28. EMPLOYEE SHARE OPTION RESERVE

Employee share option reserve represents the equity-settled share options granted to employees (Note 29). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the equity-settled share options and is reduced by the expiry or exercise of the share options.

## 29. EMPLOYEE BENEFITS

### Employee share option scheme ("ESOS")

At an Extraordinary General Meeting held on 7 March 2012, the shareholders of the Company approved the implementation of an ESOS which will offer eligible employees and executive director(s) of the Company and its subsidiaries, options to subscribe for new ordinary shares of RM0.50 each in the Company ("ESOS shares").

The salient features of the ESOS are as follows:

- (i) The scheme shall be in force for a period of 7 years from 9 April 2012 being the date of implementation.
- (ii) The total number of ESOS shares which may be offered and issued under the ESOS shall not exceed 7.5% of the issued and paid-up ordinary share capital of the Company at any time during the duration of the ESOS.

## 29. EMPLOYEE BENEFITS (CONT'D.)

### Employee share option scheme ("ESOS") (cont'd.)

- (iii) If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of ESOS shares made available under the ESOS to exceed 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares), no further options shall be offered until the total number of ESOS shares to be made available under the ESOS falls below 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares). Any option granted prior to the adjustments of the Company's issued and paid-up ordinary share capital (excluding treasury shares) shall remain valid and exercisable (if applicable) in accordance with the provisions of the by-laws.
- (iv) Even if the maximum number of ESOS shares stipulated is allocated to Eligible Employees, the actual number of ESOS shares to be issued will be lesser in view of the Company's adoption of Performance Vesting Criteria, whereby only Eligible Employees who are consistently "Excellent" performers for the whole duration of the ESOS would be entitled to the full vesting of their ESOS share allocation.
- (v) The total number of ESOS shares which may be allocated to any one Eligible Employee under the ESOS shall be at the absolute discretion of the Company's Board/ESOS Committee, after taking into consideration, amongst others, the seniority (denoted by employee grade) of the Eligible Employees and such other criteria as the Board/ESOS Committee may deem relevant. Notwithstanding the foregoing, not more than 10% of ESOS shares made available under the ESOS shall be allocated to any Eligible Employee who, either individually or collectively through persons connected with the said Eligible Employee, holds 20% or more of the Company's issued and paid-up share capital (excluding treasury shares).
- (vi) Not more than 30% of the ESOS shares shall be made available to the Company's Executive Director(s) and senior management.
- (vii) Any employee (including Executive Director(s)) of the Group (other than the subsidiaries which are dormant) who fulfils the following as at the Offer Date shall be eligible to participate in the ESOS:
  - a) has attained the age of 18 years;
  - b) has entered into a full-time or fixed-term contract with, and is on the payroll of the Group (other than the subsidiaries which are dormant) and whose service has been confirmed (where applicable);
  - c) has been in continuous employment with the Group (other than with the subsidiaries which are dormant) for a period of at least 1 year prior to and up to the Offer Date, whereby the renewal of any fixed term employment contract(s) would be deemed as continuous employment and take into account of the employment period of the previous expired contract(s);
  - d) is not a non-executive or independent director of the Company; and
  - e) has fulfilled any other eligibility criteria as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion.
- (viii) The Option Price shall be at least the 5-day volume-weighted average market price ("VWAMP") of the Company shares immediately preceeding the Offer Date but shall in no event be lower than a floor price of RM2.10 (subject to any adjustments pursuant to alterations in the Company's share capital).



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29. EMPLOYEE BENEFITS (CONT'D.)

Employee share option scheme ("ESOS") (cont'd.)

Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	2012		2011	
	No. '000	WAEP RM	No. '000	WAEP RM
Outstanding at 1 January	-	-	-	-
- Granted	147,302	2.62	-	-
Outstanding at 31 December	147,302	2.62	-	-
Exercisable at 31 December	11,926	2.62	-	-

The weighted average fair value of options granted during the financial year was RM2.10.

The weighted average share price at the date of exercise of the options exercised during the financial year was RM2.20.

The exercise price for options outstanding at the end of the year was RM2.23. The weighted average of the remaining contractual life for these options is 7 years.

Fair value of share options granted

The fair value of the share options granted under ESOS is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing models for the year ended 31 December 2012:

	Group	
	2012	2011
Dividend yield (%)	2.0%	-
Expected volatility (%)	38.0%	-
Risk-free interest rate (%p.a)	10% to 15%	-
Expected life of option (years)	7	-
Weighted average share price (RM)	2.20	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

### 30. 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.

### 31. BORROWINGS

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Long term borrowings</b>					
<b>Secured</b>					
Islamic term financing	(a)	-	152,928	-	152,928
Loan from immediate holding company	(b)	262,330	261,584	-	-
Term and bridging loans	(c)	46,712	20,316	-	-
Term loans	(d)	329,035	443,828	-	-
Revolving credit	(d)	-	35,000	-	-
Bank overdrafts	(d)	9,769	9,635	-	-
Canadian term loan	(e)	142,139	-	-	-
<b>Unsecured</b>					
IMTN	(f)	700,000	200,000	600,000	-
		1,489,985	1,123,291	600,000	152,928

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31. BORROWINGS (CONT'D.)

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Short term borrowings</b>					
<b>Secured</b>					
Revolving credit	(d)	7,000	7,000	-	-
Term loan	(d)	100,000	-	-	-
Hire purchase	(g)	-	42	-	-
<b>Unsecured</b>					
Revolving credit	(d)	15,000	42,500	-	-
IMTN	(f)	100,000	-	-	-
Bank overdraft	(h)	2,972	2,142	-	-
		224,972	51,684	-	-
<b>Total borrowings</b>		<b>1,714,957</b>	<b>1,174,975</b>	<b>600,000</b>	<b>152,928</b>
Analysed as follows:					
- Government related financial institutions		346,712	373,244	-	152,928
- Other financial institutions		1,368,245	801,731	600,000	-
		<b>1,714,957</b>	<b>1,174,975</b>	<b>600,000</b>	<b>152,928</b>

- (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.

Following the first drawdown of RM150 million in September 2010, the remaining RM150 million undrawn balance was cancelled due to the variation of terms of the facility. The facility is secured by approximately 400 acres (2011: 400 acres) of freehold land titles in its subsidiaries.

During the financial year, the Islamic Term Financing Facility was fully settled.

- (b) The loan from the immediate holding company bears interest at 6.5% (2011: 6.5%) per annum and is secured by land titles of approximately 1,584 acres (2011: 1,584 acres) of freehold land which are deposited with the immediate holding company.
- (c) In the previous financial year, the subsidiaries of the Company obtained the term and bridging loans together with bank guarantees facilities which are secured by a legal charge over land titles of approximately 272 acres (2011 : 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 6.37% (2011: 6.82%) per annum.
- (d) The term loans, revolving credits and bank overdraft facilities obtained from various banks, taken by certain subsidiaries, which bear interest rate of 4.25% to 6.60% (2011 :4.50% to 4.57%) per annum, are secured by certain land held for property development and property development cost as disclosed in Notes 12 and 20.

During the financial year, one of the revolving credit facility amounting to RM35.0 million was fully settled following the completion of the funded project.

### 31. BORROWINGS (CONT'D.)

- (e) On 12 December 2011, the subsidiary of the Company had entered into a Canadian \$201,100,000 credit facility comprising of a Canadian \$190,000,000 construction facility and a Canadian \$11,100,000 letter of credit facility for the purposes of the Quintet Project. The credit facility is secured by:
- (i) a Debenture which is a first fixed charged on the Project Lands, and all personal property and assets related to the Project and Project Lands;
  - (ii) the General Assignment of Rents and Leases;
  - (iii) the General Security Agreement;
  - (iv) the Assignment of Construction Contracts;
  - (v) the Assignment of Purchase Agreements;
  - (vi) the Direction, Equitable Mortgage and Acknowledgement;
  - (vii) the Environmental Indemnity Agreement;
  - (viii) the Cost Overrun and Completion Guarantee Agreement;
  - (ix) a certified copy of the insurance carried by the subsidiary, and the Burnaby lands, respectively, in accordance with the Credit Agreement showing the Administrative Agent and the Lenders as mortgagee and first loss payee with respect to the Quintet Lands and the Burnaby Lands owned by the subsidiary in Canada;
  - (x) the Pledge of Cash Deposit;
  - (xi) the Burnaby Security, which consist of an unlimited guarantee of the indebtedness granted by the Burnaby Owner and a collateral mortgage and assignment of rents in the principal amount of Canadian \$205,000,000 granted by the Burnaby Owner and registered as a first fixed financial charge on the Burnaby Lands;
  - (xii) the L/C Lender's form of indemnity for Letters of Credit, if required by it; and
  - (xiii) any other security determined by the Administrative Agent.

During the financial year, the subsidiary had partially drawdown the credit facility which bore interest rate at 4.25% per annum.

- (f) (i) Sunrise Berhad, a wholly owned subsidiary of the Company initiated its RM150 million Islamic Medium Term Note Programme ("IMTN Programme") on 1 September 2005. The IMTN Programme size was subsequently increased to RM400 million on 18 December 2007. It has a tenure of 10 years from the date of the first issuance, 25 July 2006. The current two tranches of IMTNs issued under the IMTN Programme carry a profit rate of 4.90% and 4.55% per annum and will be maturing on 18 February 2013 and 31 January 2014 respectively.

During the year, Malaysian Rating Corporation Berhad ("MARC") upgraded the rating on Sunrise's RM400 million IMTN Programme from A+ID to AA-ID.

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31. BORROWINGS (CONT'D.)

(f) (cont'd.)

- (ii) During the year, the Company established its Islamic Commercial Paper Programme ("ICP Programme") and Islamic Medium Term Notes Programme ("IMTN Programme") with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. MARC has assigned a rating of MARC-1<sub>IS</sub>/AA-<sub>ID</sub> for the ICP and IMTN Programme respectively.

On 21 December 2012, the Company issued RM600.0 million of IMTNs from its IMTN Programme. It has a five year tenure, carries a profit rate of 4.25% per annum and will mature on 21 December 2017.

- (g) The interest rate implicit in the hire purchase was 6.51% per annum in the previous financial year.

	Group	
	2012 RM'000	2011 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

- (h) The bank overdraft taken by Sunrise, a wholly owned subsidiary of the Company, bears an average interest at 7.48% (2011 : 7.35%) per annum.

32. 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).

	Group	
	2012 RM'000	2011 RM'000
At 1 January	-	24,407
Settlement of long term payable	-	(12,480)
Accretion of interest arising from fair value adjustment (Note 6)	-	553
Reclassification to current liabilities	-	(12,480)
At 31 December	-	-



### 33. PROVISIONS

	Resettlement costs RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Provision for customer rebates and free maintenance RM'000 (Note c)	Total RM'000
<b>2012</b>				
At 1 January	-	56,620	80,420	137,040
Utilised	-	(31,074)	(65,675)	(96,749)
Reversal	-	-	(4,119)	(4,119)
Addition	-	71,749	36,246	107,995
At 31 December	-	97,295	46,872	144,167
<b>2011</b>				
At 1 January	16,284	6,619	-	22,903
Acquisition of a subsidiary	-	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

#### (a) Resettlement costs

BND undertook to relocate certain settlers in Nusajaya. During the previous 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 rebates and free maintenance

Provision for customer rebates refer to cash vouchers given to customers to be utilised against future purchases of development under the Group.

Provision for free maintenance comprises maintenance costs for the benefit of property purchasers.

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34. PAYABLES

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade payables		279,410	183,770	-	-
Amount due to customers on turnkey development contracts	22 (iii)	60	4,579	-	-
Excess billings in respect of property development costs		68,225	60,079	-	-
Amount due to related parties	(i)	27,052	30,494	-	-
Accruals for contract claims		10,280	29,095	-	-
Amount due to minority shareholder	(ii)	30,952	30,952	-	-
Other payables and accruals	(iii)	296,608	176,818	404	854
		712,587	515,787	404	854

The normal trade credit terms granted to the Group range from 30 to 60 days (2011: 30 to 60 days).

- (i) Included under amount due to related parties is an amount of RM12.48 million (2011: RM12.48 million) reclassified from long term payables in prior year which relates 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, non-interest bearing and is expected to be repaid upon the completion of the development project on the land.
- (iii) Other payables and accruals

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sundry creditors*	89,940	25,999	-	4
Deposits received**	167,894	114,239	-	-
Accruals	16,437	15,592	404	850
Employee benefits	22,337	20,988	-	-
	296,608	176,818	404	854

\* Included in sundry creditors of the Group is an amount of RM25.5 million (2011: Nil) representing the balance of the consideration payable for 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 Pulau, Johor Darul Takzim capitalised as investment properties as disclosed in Note 10.

\*\* Included in deposits of the Group is an amount of RM130.0 million (2011: 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.

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency and market price risk. The Group's overall risk management strategy seeks to minimise the adverse effects from the unpredictability of economy on the Group's financial performance.

It is the Group's policy not to engage in foreign exchange and/ or derivatives speculation and trading. The Group only undertakes hedging instruments where appropriate and cost efficient. The Group does not have any hedging instruments during the financial year.

To ensure a sound system of internal controls, the Board has established a risk management framework for the Group.

The risk management framework of the Group encompasses effective policies, objectives and clear lines of responsibilities and accountabilities. The framework provides clear guidelines on the following:

- The overall Risk Management policy of the Group
- The key objectives of Risk Management
- The Risk Management Guiding Principles
- The Group's Risk Appetite and how different magnitudes of risk exposures are to be managed and monitored
- The risks which are unacceptable to the Group and to be avoided; and
- The roles of the Board, the Management, the Risk Management Committee (RMC), the Risk Owners and Risk Management Secretariat

In implementing this framework, a RMC comprising of the senior management from various functional responsibilities was set up to assist the Board of Directors in carrying out its responsibilities. The Group Managing Director/Chief Executive Officer is the Chairman of RMC. The RMC will deliberate on significant risks faced by the Group and reports the results of these to Audit Committee which assist the Board of Directors in deliberating on the identified risks and ensuring the implementation of appropriate systems and controls to manage these risks.

The policies for controlling these risks where applicable are set out below:

#### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Generally, the Group does not require collateral in respect of its financial assets. The Group is not duly exposed to any individual customer or counter party nor does it have any major concentration of credit risk related to any financial instrument except as disclosed in Note 22.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statements of financial position. The Group's main financial assets are its receivables. Ageing analysis is disclosed in Note 22.

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (a) Credit risk (cont'd.)

The total loans and receivables of the Group and of the Company are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Receivables				
- Non-current	64,375	204,380	-	-
- Current	1,791,635	1,015,836	138,585	48,363
Amount due from subsidiaries	-	-	2,025,024	1,448,000
Amount due from joint ventures				
- Non-current	188,512	174,940	-	-
- Current	9,726	3,228	-	-
Amount due from associates	898	4,652	-	-
Deposits in licensed banks				
- Non-current	1,418	1,418	-	-
- Current	538,714	416,457	-	-
Cash and bank balances	521,371	215,683	412	111
	3,116,649	2,036,594	2,164,021	1,496,474

#### (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	
	2012 RM'000	2011 RM'000
South Africa Rand ("ZAR")	30,164	33,028
United States Dollar ("USD")	12,158	12,613
	42,322	45,641

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (b) Foreign currency risk (cont'd.)

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the USD and ZAR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2012 RM'000	2011 RM'000
USD / RM (strengthened 5%)	609	633
ZAR / RM (strengthened 5%)	1,508	1,651

#### (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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade and other payables	712,587	515,787	404	854
Borrowings	1,714,957	1,174,975	600,000	152,928
	2,427,544	1,690,762	600,404	153,782

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts are disclosed as follows:

	Within 1 year RM'000	2012 2 to 5 years RM'000	Total RM'000
<b>Group</b>			
Trade and other payables	712,587	-	712,587
Loans and borrowings	303,317	1,483,182	1,786,499
	1,015,904	1,483,182	2,499,086



### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (c) Liquidity and cash flow risk (cont'd.)

	Within 1 year RM'000	2012 2 to 5 years RM'000	Total RM'000
<b>Company</b>			
Trade and other payables	404	-	404
Loans and borrowings	-	702,000	702,000
	404	702,000	702,404
	Within 1 year RM'000	2011 2 to 5 years RM'000	Total RM'000
<b>Group</b>			
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
<b>Company</b>			
Trade and other payables	854	-	854
Loans and borrowings	-	186,934	186,934
	854	186,934	187,788

#### (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 2012 %	2011 %
<b>Financial assets</b>		
Floating rate	3.14	3.06
<b>Financial liabilities</b>		
Fixed rate	5.38	5.87

### 35. 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	
	2012	2011
	%	%
<b>Financial liabilities</b>		
Islamic term financing	-	8.00
Loan from immediate holding company	6.50	6.50
Term and bridging loans	6.37	6.82
Term loan	4.25	4.57
Credit facility	4.25	-
Revolving credit	4.52	4.50
Bank overdraft	7.18	5.96
IMTN	4.57	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 RM3,766,000 as a result of lower / higher interest expense on borrowings.

#### (e) Market risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate as a result of changes in market prices (other than interest or exchange rates). The Group's exposure to market price risk are minimal as the Group's investment in quoted equity instruments are small compared to its total assets.

### 36. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2012	2011
	RM'000	RM'000
Interest payable to UEM:		
- Loan from UEM	(15,838)	(17,182)
Training fees paid/payable to subsidiaries of UEM:		
- UEM Group Management Sdn. Bhd.	(619)	(1,038)
- UEM	-	(7)
Management fees payable to subsidiary of UEM:		
- UEM Group Management Sdn. Bhd.	(194)	(194)
Sale of land to joint ventures:		
- Horizon Hills Development Sdn. Bhd.	30,763	20,426
- Nusajaya Consolidated Sdn. Bhd.	2,899	-
- Malaysian Bio-XCell Sdn. Bhd.	-	53,315

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36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) (Cont'd.)

	Group	
	2012	2011
	RM'000	RM'000
Interest income from joint ventures:		
- Haute Properties Sdn. Bhd.	4,205	4,883
- Nusajaya Consolidated Sdn. Bhd.	280	67
Management income from joint venture:		
- Nusajaya Consolidated Sdn. Bhd.	590	738
Provision of construction and engineering services payable to subsidiary of UEM:		
- UEM Construction Sdn. Bhd.	(11,356)	(11,582)
Facilities maintenance and management payable to associate of UEM:		
- Faber Facilities Sdn. Bhd.	(2,309)	(6,250)
Management fees received and receivable from a subsidiary of Khazanah:		
- Themed Attractions and Resorts Sdn. Bhd.	956	1,275
Lease rental received from a subsidiary of Khazanah:		
- Menara Burj Sdn. Bhd.	350	420
Profit sharing entitlement on joint development:		
- Faber Union Sdn. Bhd.	2,928	-
Professional services rendered by a firm related to a director:		
- Kadir Andri & Partners	(46)	(497)
Advertising fee payable to a firm related to a director:		
- The Edge Communication Sdn. Bhd.	(148)	(21)
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	14,164	3,253
Sale of property to key management personnel of holding company	2,702	-
Government related financial institution:		
- Interest income	5,530	13,438
- Finance cost	(30,835)	(28,866)

	Company	
	2012	2011
	RM'000	RM'000
Dividend receivable from a subsidiary	145,146	-

Related parties refer to:

- Khazanah Nasional Berhad, the ultimate holding company, its subsidiaries and associates excluding subsidiaries of the Company;
- Directors and key management personnel having authority and representation for planning, directing and controlling the activities of the Company and their close family members;
- Enterprises owned by directors and key management personnel; and
- Enterprises that have a member of key management in common with the Company.

### 36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Salaries and other emoluments	9,364	9,793	2,886	1,932
Bonus	2,635	3,985	-	-
Defined contribution plan	1,691	2,076	-	-
Benefits-in-kind	1,408	1,080	106	105
	15,098	16,934	2,992	2,037
Included in compensation of key management personnel are directors' remuneration (Note 5)	1,808	1,325	1,808	1,325

### 37. CONTINGENT LIABILITIES

	Note	Group 2012 RM'000	2011 RM'000
<b>Unsecured</b>			
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	73,837
		329,155	329,155

### 37. CONTINGENT LIABILITIES (CONT'D.)

(a) Potential compensation payable to Felcra settlers

A group of thirty eight (38) Felcra settlers ("the Plaintiffs") had collectively served an originating summons against Felcra Berhad ("Felcra"), District Land Administrator ("DLA") and the Johor State Government ("State Government") (collectively the "Defendants"). The Summons pertain to 198 acres of land previously owned by the State Government, developed by Felcra and subsequently alienated to 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 Court of Appeal dismissed the appeal on 28 June 2011. The Plaintiffs' appeal to the Federal Court against the decision of the Court of Appeal was allowed on 15 October 2012. The notice of appeal to the Federal Court was filed by the Plaintiffs on 22 October 2012. The Federal Court has fixed 25 April 2013 for hearing.

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.

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.



### 37. CONTINGENT LIABILITIES (CONT'D.)

(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.

On 4 September 2012, the Kuala Lumpur High Court had ruled in favour of BND and declared that the IRB had no legal basis to raise the additional assessment. Following the decision held by the High Court, IRB has filed in an appeal to the Court of Appeal against the decision.

Based on the advice received from the Company's advisors, no provision for income tax and tax penalty have been made by the Company in respect of the above amount as the Company believes that the grounds for the original assessment are valid.

(d) Third party charge

On 18 May 2007, Horizon Hills entered into the following:

- (i) The issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic Securities of up to RM270 million nominal value by Horizon Hills, comprising:
  - up to 12-year Islamic Bank Guarantee Medium-Term Notes Programme of up to RM200 million nominal value under the principles of Murabahah ("IMTN Programme"); and
  - up to 7-year Islamic Commercial Papers Programme of up to RM70 million nominal value under the principles of Murabahah.
- (ii) A Kafalah (bank guarantee) facility of up to RM205 million to guarantee the nominal value of the IMTN Programme of up to RM200 million and one profit payment in respect of the IMTN Programme of up to RM5 million.

Collectively referred to as "the Facilities"

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"). 910 acres out of the total of 1,227 acres had been purchased and paid by Horizon Hills. Save and except in the event of a default on the Facilities, the Charge is not expected to have a financial impact on the Group.

### 38. CAPITAL COMMITMENTS

	Group	
	2012 RM'000	2011 RM'000
In respect of purchase of property, plant and machinery, investment property and land held for property development:		
Approved and contracted for	1,130	3,430
Approved but not contracted for	4,703	4,703
	5,833	8,133

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39. FAIR VALUES

The following are fair value of financial instruments by classes which are not carried at fair value on the face of statements of financial position:

	Carrying amount RM'000	Fair values RM'000
<b>Group</b>		
<b>2012</b>		
Long term receivables	64,375	65,541
Borrowings (non-current portion)	1,489,985	1,489,985
<b>2011</b>		
Long term receivables	204,380	215,807
Borrowings (non-current portion)	1,123,291	1,123,291
<b>Company</b>		
<b>2012</b>		
Borrowings (non-current portion)	600,000	600,000
<b>2011</b>		
Borrowings (non-current portion)	152,928	152,928

As stipulated in Amendments to FRS 7: Improving Disclosure about Financial Instruments, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

- Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)
- Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

### 39. FAIR VALUES (CONT'D.)

The following table presents the Group's other financial assets and financial liabilities that are measured at fair value as 31 December 2012:

#### As 31 December 2012:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Assets</b>				
Financial asset available for sale:				
Short term investment	5	144,900	-	144,905

#### As 31 December 2011:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Assets</b>				
Financial asset available for sale:				
Short term investment	14	272,176	-	272,190

#### Determination of fair values

##### (a) Borrowings

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

##### (b) Unquoted debt securities and corporate bonds

Fair value is estimated by using a discounted cash flow model based on various assumptions, including current and expected future credit losses, market rates of interest, prepayment rates and assumptions regarding market liquidity.

##### (c) Long term receivables/payables

Fair value of long term receivables/payables are based on discounting expected future cash flows at market incremental lending rate for the receivable/payable.

### 40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and acceptable capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting dividend payment policies.

There are no externally imposed capital requirements.

#### 41. SIGNIFICANT AND SUBSEQUENT EVENTS

##### (a) Disposal of land in Commercial North, Puteri Harbour, Nusajaya

Sale and purchase agreements dated 14 December 2012 and 8 January 2013 between UEM Land Berhad ("UEM Land"), a wholly owned subsidiary of the Company, Bandar Nusajaya Development Sdn. Bhd., a wholly owned subsidiary of UEM Land, and Liberty Bridge Sdn. Bhd. ("LBSB") have been entered into for the disposal by UEM Land of approximately 43.638 acres in Commercial North, Puteri Harbour, Nusajaya to LBSB for a cash consideration of RM400.8 million.

The disposals are subject to approvals to be obtained from the following parties:

- (i) the approval in writing from the Economic Planning Unit of the Prime Minister's Office in respect of the purchase of lands by the LBSB from UEM Land;
- (ii) approval in writing from the State Authority of Johor for the purchase of land by LBSB from UEM Land pursuant to Section 433B of the National Land Code, 1965; and
- (iii) issuance of new land titles by the State Authority of Johor reflecting the conversion of the land use from "Agriculture" to "Building".

##### (b) Master Agreement between the UEM Land and Ascendas Land (Malaysia) Sdn. Bhd. ("Ascendas")

On 23 October 2012, UEM Land, a wholly owned subsidiary of the Company, had entered into a Master Agreement with Ascendas, to undertake the development of an integrated tech park over approximately 519 acres of land in Gerbang Nusajaya, Nusajaya, Johor.

##### (c) Development of a Motorsport City in Gerbang Nusajaya, Nusajaya

On 4 December 2012, UEM Land, a wholly owned subsidiary of the Company, entered into a collaboration with Fastrack Autosports Pte Ltd ("FAPL"), to purchase and jointly develop the development of a Motorsport City over approximately 270 acres of land in Gerbang Nusajaya, Nusajaya through a special purpose company established by UEM Land called Crimson Carnival Sdn Bhd ("CCSB").

The land measuring approximately 270 acres is located within the Gerbang Nusajaya development, held under part of PTD 2380, HS (D) 268611, Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim which is owned by Nusajaya Rise Sdn Bhd ("NRSB"), a wholly owned subsidiary of UEM Land.

The disposal of land by NRSB to CCSB is subject to approval of the following parties:

- (i) the Estate Land Board pursuant to Section 214A of the National Land Code, 1965; and
- (ii) the State Authority for transfer of land.

#### 42. SEGMENTAL REPORTING

There was no disclosure and presentation of segment information as the Group is mainly involved in property development and related activities.

#### 43. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
Nusajaya Resort Sdn. Bhd.	Proprietor and management of a clubhouse	Malaysia	100	100
Sunrise Berhad	Property development and investment holding	Malaysia	100	100
UEM Land Berhad	Property development, property investment, project procurement and management, and strategic investment holding	Malaysia	100	100
Nusajaya Premier Sdn. Bhd.	Property development and investment holding	Malaysia	100	-
Nusajaya Five O Sdn. Bhd.	Provision of security services	Malaysia	80	-
Nusajaya Lifestyle Sdn. Bhd.	Property and real estate development, management and property management	Malaysia	55	55
Desaru North Course Residences Sdn. Bhd.	Property development	Malaysia	51	-
Desaru South Course Land Sdn. Bhd.	Property development	Malaysia	51	-
Desaru South Course Residences Sdn. Bhd.	Property development	Malaysia	51	-
<b>Subsidiaries of Sunrise Berhad</b>				
Arcoris Sdn. Bhd.	Property investment and development	Malaysia	100	100
Ascot Assets Sdn. Bhd.	Property development	Malaysia	100	100
Aston Star Sdn. Bhd.	Property investment, development and construction	Malaysia	100	100
Aurora Tower at KLCC Sdn. Bhd.	Property development	Malaysia	100	100

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43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
Subsidiaries of Sunrise Berhad (cont'd.)				
Cekap Kawal Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
Crescent Phase I Ltd.	Investment holding	British Virgin Islands	100	100
Crescent Phase II Ltd.	Investment holding	British Virgin Islands	100	100
Global Associates International Ltd.	Investment holding	British Virgin Islands	100	100
Interior Design One Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
Laser Tower Sdn. Bhd.	Property development	Malaysia	100	100
Lembah Suria Sdn. Bhd.	Property development	Malaysia	100	100
Lucky Bright Star Sdn. Bhd.	Property investment and development	Malaysia	100	100
Milik Harta Sdn. Bhd.	Property development	Malaysia	100	100
New Planet Trading Sdn. Bhd.	Property investment and development	Malaysia	100	100
Prinsip Eramaju Sdn. Bhd.	Property development	Malaysia	100	100
Saga Centennial Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
SCM Property Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
Solid Performance Sdn. Bhd.	Property development	Malaysia	100	100
Summer Suites Sdn. Bhd.	Property development	Malaysia	100	100



#### 43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
Subsidiaries of Sunrise Berhad (cont'd.)				
Sunrise Alliance Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Benchmark Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Century Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise dotCom Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
Sunrise Hospitality and Leisure Sdn. Bhd.	Provision of ancillary services to property related projects	Malaysia	100	100
Sunrise Incubation Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
Sunrise Innovations Sdn. Bhd.	Property development	Malaysia	100	100
# Sunrise International Development Ltd.	Investment holding	The Cayman Islands	100	100
Sunrise Landmark Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Mersing Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Millennium Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
Sunrise Oscar Sdn. Bhd.	Investment holding	Malaysia	100	100

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43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
Subsidiaries of Sunrise Berhad (cont'd.)				
Sunrise Overseas Corporation Sdn. Bhd.	Investment holding and provision of management services	Malaysia	100	100
Sunrise Paradigm Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Pioneer Sdn. Bhd.	Property investment	Malaysia	100	100
Sunrise Project Services Sdn. Bhd.	Property development or project management for property development project	Malaysia	100	100
Sunrise Quality Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Region Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise REIT Management Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100
Sunrise Sovereign Sdn. Bhd.	Investment holding	Malaysia	100	100
Sun Victory Sdn. Bhd.	Property investment and development	Malaysia	100	100
Sunrise MS Pte. Ltd.	Provision of consultancy, advisory and technical services in relation to project development	Republic of Singapore	100	100
Sunrise Overseas (S) Pte. Ltd	Promotion and management services relating to the Group's properties in Malaysia	Republic of Singapore	100	100
Ibarat Duta Sdn. Bhd.	Property development	Malaysia	62	62
Subsidiary of Sun Victory Sdn. Bhd.				
Sunrise Assets Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	100	100

43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
Subsidiary of Sunrise Oscar Sdn. Bhd.				
Sunrise DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	100	100
Subsidiary of Sunrise International Development Ltd.				
# Sunrise Holdings S.à.r.l.	Investment holding	The Grand Duchy of Luxembourg	100	100
Subsidiary of Sunrise Holdings S.à.r.l.				
* Canada Sunrise Development Corp.	Property investment and development	Canada	100	100
Subsidiary of Canada Sunrise Development Corp.				
* Canada Sunrise Developments (Richmond) Ltd.	Property investment and development	Canada	100	100
* 0757422 B.C. Ltd	Property investment and development	Canada	100	-
Subsidiaries of UEM Land Berhad				
Bandar Nusajaya Development Sdn. Bhd.	Investment holding, property development, land trading and an agent for its subsidiaries	Malaysia	100	100
Finwares Sdn. Bhd.	Investment holding	Malaysia	100	100
Fleet Group Sdn. Bhd.	Investment holding	Malaysia	100	100
Hatibudi Nominees (Tempatan) Sdn. Bhd.	Investment holding	Malaysia	100	100
Mahisa Sdn. Bhd.	Property development and undertaking construction and turnkey development contracts	Malaysia	100	100
* Marina Management Sdn. Bhd.	Marina management	Malaysia	100	100

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43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
Subsidiaries of UEM Land Berhad (cont'd.)				
Nusajaya Business Park Sdn. Bhd.	Dormant	Malaysia	100	100
Nusajaya Development Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Medical Park Sdn. Bhd.	Construct, manage and/or operate specialized buildings for long term lease	Malaysia	100	100
Projek Usahasama Transit Ringan Automatik Sdn. Bhd.	In creditors' voluntary liquidation	Malaysia	100	100
Renong Nusantara Sdn. Bhd.	Investment holding	Malaysia	100	100
Renong Overseas Corporation Sdn. Bhd.	Provision of reimbursable support services to the Group	Malaysia	100	100
Renong Pacific Sdn. Bhd.	Investment holding	Malaysia	100	100
Renong Ventures Sdn. Bhd.	Investment holding	Malaysia	100	100
Fastrack Iskandar Sdn Bhd (fka Crimson Carnival Sdn. Bhd)	General trading and real property holding	Malaysia	100	-
Suasana Prisma Sdn. Bhd.	General trading and real property holding	Malaysia	100	-
UEML-ZRE Reit Managers Sdn. Bhd.	In the process of being struck-off pursuant to section 308 of the Companies Act, 1965	Malaysia	72	72
Cahaya Jauhar Sdn. Bhd.	Undertake the turnkey design and build contract for the development of the Johor State New Administrative Centre and provision of facilities management and management services	Malaysia	60	60
Marak Unggul Sdn. Bhd.	Dormant	Malaysia	50.01	50.01
Amra Resources Sdn. Bhd.	Dissolved	Malaysia	-	100
Nusajaya Hotels Sdn. Bhd.	Struck-off	Malaysia	-	100

43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
Subsidiaries of Bandar Nusajaya Development Sdn. Bhd.				
Nusajaya Gardens Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Nusajaya Greens Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Heights Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Industrial Park Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Land Sdn. Bhd.	Property development	Malaysia	100	100
Nusajaya Rise Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Nusajaya Seaview Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Symphony Hills Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
Preferred Resources Sdn. Bhd.	Dormant	Malaysia	70	70
Nusajaya Group Sdn. Bhd.	Dissolved	Malaysia	-	100
Nusajaya Management Services Sdn. Bhd.	Struck-off	Malaysia	-	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
CJ Bina Maju Sdn. Bhd.	Construction and turnkey development contracts	Malaysia	60	-

NOTES TO THE FINANCIAL STATEMENTS  
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43. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
Subsidiaries of Fleet Group Sdn. Bhd.				
Fibroceil Manufacturing (Malaysia) Sdn. Bhd.	In creditors' voluntary liquidation	Malaysia	100	100
Cantuman Bahagia Sdn. Bhd.	Dissolved	Malaysia	-	100
Jaguh Mutiara Sdn. Bhd.	Dissolved	Malaysia	-	100
Subsidiary of Renong Nusantara Sdn. Bhd.				
P.T. Bias Permata	Investment holding	Indonesia	100	100
Subsidiary of Renong Overseas Corporation Sdn. Bhd.				
* Renong Overseas Corporation (S.A.) (Proprietary) Ltd.	Investment holding	South Africa	100	100
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



#### 44. ASSOCIATES

Name of associates	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
Associates of UEM Land Berhad				
OptixLab Sdn. Bhd.	Ceased operations	Malaysia	50	50
# Ekuiti Mahir Sdn. Bhd.	Development and marketing of real estate	Malaysia	25	25
# Setia Haruman Sdn. Bhd.	Township development, property development, project development and sale of land	Malaysia	25	25
Probalance Sdn. Bhd.	Dissolved	Malaysia	-	47.2
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	40.2	40.2
# Associates not audited by Ernst & Young				

NOTES TO THE FINANCIAL STATEMENTS  
- 31 DECEMBER 2012

45. JOINT VENTURES

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2012 %	2011 %
@ Malaysian Bio-XCell Sdn. Bhd.	Development and operation of a biotechnology park	Malaysia	40	40
<b>Joint Ventures of UEM Land Berhad</b>				
Horizon Hills Development Sdn. Bhd.	Property development	Malaysia	50	50
@ Nusajaya Consolidated Sdn. Bhd.	Property development and related activities	Malaysia	50	50
Haute Property Sdn. Bhd.	Property development and related activities	Malaysia	40	40
<b>Joint Ventures of Sunrise Berhad</b>				
@ Sime Darby Sunrise Development Sdn. Bhd.	Property development	Malaysia	50	50
@ Sunrise MCL Land Sdn. Bhd.	Property development	Malaysia	50	50
<b>Subsidiaries of Horizon Hills Development Sdn. Bhd.</b>				
Horizon Hills Property Services Sdn Bhd	Management and maintenance services	Malaysia	50	50
Horizon Hills Resort Bhd.	Proprietor of a club and management of a golf course	Malaysia	50	50
<b>Subsidiary of Nusajaya Consolidated Sdn. Bhd.</b>				
@ Clear Dynamics Sdn. Bhd.	Property development and related activities	Malaysia	50	50

@ Joint ventures not audited by Ernst & Young

#### 46. SUPPLEMENTARY INFORMATION

The breakdown of the retained profits of the Group and of the Company as at 31 December 2012 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total retained profits				
- realised	1,038,406	594,919	145,100	16,205
- unrealised	47,790	28,880	-	-
Total share of retained profits from associates				
- realised	47,041	27,948	-	-
- unrealised	(132)	(256)	-	-
Total share of retained profits from joint ventures				
- realised	100,802	38,152	-	-
- unrealised	1,670	499	-	-
	1,235,577	690,142	145,100	16,205
Less: Consolidation adjustments	(197,423)	(100,346)	-	-
Total retained profits	1,038,154	589,796	145,100	16,205

# INVESTOR INFORMATION

## STOCK MARKET PERFORMANCE IN 2012

Despite the challenging global economic environment, the Malaysian economy has expanded by 5.6%. Domestic demand continued to expand at the pace of 10.6% whilst the rate of increase for gross fixed capital formation and total consumption is moderated, but it remained strong.

The Malaysian economy in 2012 weathered the protracted euro-debt crisis and slowing emerging economies relatively well from resilient domestic demand, underpinned by the implementation of projects under the Economic Transformation Programme, the Public-Private Partnership programme and various economic corridors.

The euro-debt crisis, health of the global economy and the timing of Malaysian general election have taken turns to affect the market performance in 2012. After a slow but steady climb of 5% in the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") benchmark up to 3 April, the local bourse succumbed to external headwinds as well as rumour of an imminent general election and fell by as much as 4.6% from 3 April to a low of 1,532.46 points on 18 May. As these factors subsided, the local bourse regained ground and surged by 7.9% to a new high on 4 September before a new wave of selling emerged. This was despite concerted effort by major central banks to embark on further quantitative easing. These included European Central Bank launching a conditional bond-buying programme for troubled Eurozone countries, US implementing an open-ended QE3 and Japan adding 11 trillion Yen to its asset-purchasing programme. With all these external factors, the local bourse came under more intense selling pressure and the FBM KLCI benchmark plunged to 1,612.38 points on 24 September, likely due to a renewed speculation of an imminent general election.

Nevertheless, the correction was relatively mild before buying came back, sending the FBM KLCI benchmark to an all-time high of 1,675.69 on 1 November. Since then, the local bourse has been stuck in a correction mode with the FBM KLCI benchmark retracing all the way to break the psychological support level of 1,600 points on 27 November before some bargain-hunting activities came back.

Overall, the performance of the local bourse has been volatile, swinging from one of the worst performers in the first quarter to one of the best performing market in the second quarter, before underperforming most of its regional peers again in the second half of 2012. Despite volatile situations, the FBM KLCI achieved an all-time high, closing the year at 1,688.95 points.

### Source :

1. *BNM Quarterly Bulletin Q4 2012*
2. *Bursa Malaysia Annual Report 2012*
3. *RHB Research Report – 2013 Market Outlook & Strategy*

## UEM LAND HOLDINGS BERHAD SHARE PRICE PERFORMANCE IN 2012

The share price performance for UEM Land Holdings was relatively muted in 2012. From a peak of RM2.46 on 2 January 2012, the share price moved in a downward trend for the first three quarters of 2012, dropping to a low of RM1.63 on 12 September 2012.

In October 2012, the share price rebounded after the Company announced a joint venture with Ascendas Land (Malaysia) Sdn Bhd, part of the Ascendas Group, for the development of an integrated eco-friendly tech park in Gerbang Nusajaya. The market reacted positively to this development, with the share price rising to RM2.15 on 24 October 2012.

UEM Land Holdings' share price remained relatively stable for the remainder of 2012, closing the year at RM2.10 allowing the Company to remain as the largest listed property company on Bursa Malaysia with a market capitalisation of RM9.09 billion as at 31 December 2012.

The Company's shares continued to enjoy strong foreign interest with foreign shareholding in the Company rising to 17.29% by end December 2012 compared to 14.6% a year earlier.

### Source:

1. *Bursa Malaysia Annual Report 2012*
2. *Internal documents*

# ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2013

## SHARE CAPITAL FOR ORDINARY SHARES

Authorised capital	: RM3,500,000,000.00
Issued and Paid-up Capital	: RM2,164,922,863.00
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	2,851	8.59	104,730	-
100 to 1,000	11,297	34.04	5,987,960	0.14
1,001 to 10,000	15,007	45.22	58,084,600	1.34
10,001 to 100,000	3,306	9.96	96,237,195	2.22
100,001 to less than 5% of issued capital	727	2.19	1,359,850,673	31.41
5% and above of issued shares	1	-	2,809,580,568	64.89
<b>Total</b>	<b>33,189</b>	<b>100.00</b>	<b>4,329,845,726</b>	<b>100.00</b>

## 30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

No. Name	No. of shares held	% of issued shares
1. UEM Group Berhad	2,809,580,568	64.89
2. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	198,280,294	4.58
3. HSBC Nominees (Asing) Sdn Bhd - Exempt AN For The Bank of New York Mellon (Mellon Acct)	85,605,021	1.98
4. HSBC Nominees (Asing) Sdn Bhd - TNTC For Saudi Arabian Monetary Agency	54,828,400	1.27
5. Cartaban Nominees (Asing) Sdn Bhd - Exempt AN For State Street Bank & Trust Company (West CLT OD67)	41,820,801	0.97
6. HSBC Nominees (Asing) Sdn Bhd - BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund	28,111,400	0.65
7. Cartaban Nominees (Asing) Sdn Bhd Government Of Singapore Investment Corporation Pte Ltd For Government Of Singapore (C)	27,608,900	0.64
8. HSBC Nominees (Asing) Sdn Bhd - Exempt AN For JPMorgan Chase Bank, National Association (Norges BK Lend)	21,168,266	0.49
9. Citigroup Nominees (Asing) Sdn Bhd - Citibank International PLC as Trustee For Standard Life Pacific Basin Trust (CBLDN)	21,121,600	0.49
10. HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (BVI)	19,314,500	0.45
11. HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (Netherlands)	18,971,459	0.44



## 30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D.)

No.	Name	No. of shares held	% of issued shares
12.	Citigroup Nominees (Asing) Sdn Bhd - CBHK For Kuwait Investment Authority (Fund 208)	17,112,200	0.40
13.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.A.E.)	15,916,500	0.37
14.	HSBC Nominees (Asing) Sdn Bhd - TNTC For Driehaus Emerging Markets Growth Fund	15,556,424	0.36
15.	Citigroup Nominees (Asing) Sdn Bhd - CBLDN For Standard Life Assurance Limited	14,457,000	0.33
16.	Cartaban Nominees (Asing) Sdn Bhd - BBH (LUX) SCA For Fidelity Funds Asean	14,159,800	0.33
17.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)	13,955,502	0.32
18.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for J.P. Morgan Bank Luxembourg S.A.	13,114,788	0.30
19.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN For Morgan Stanley & Co. LLC (Client)	12,812,200	0.30
20.	Citigroup Nominees (Asing) Sdn Bhd - CBLDN For Kuwait Investment Authority	12,291,600	0.28
21.	Phoenixflex Sdn Bhd	11,749,333	0.27
22.	HSBC Nominees (Asing) Sdn Bhd - HSBC BK PLC For Saudi Arabian Monetary Agency	11,013,500	0.25
23.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Phoenixflex Sdn Bhd (41405780115C)	9,900,000	0.23
24.	Amanahraya Trustees Berhad - Public Islamic Sector Select Fund	9,094,700	0.21
25.	Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	8,959,200	0.21
26.	Amanahraya Trustees Berhad - Public Savings Fund	8,921,400	0.21
27.	HSBC Nominees (Asing) Sdn Bhd - BNYM SA/NV For Ivy Asset Strategy New Opportunities Fund	8,720,300	0.20
28.	Cartaban Nominees (Asing) Sdn Bhd - Government Of Singapore Investment Corporation Pte Ltd For Monetary Authority Of Singapore (H)	8,365,200	0.19
29.	Amsec Nominees (Tempatan) Sdn Bhd - AMTrustee Berhad For CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	8,284,133	0.19
30.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN For JPMorgan Chase Bank, National Association (U.K.)	7,851,023	0.18
<b>TOTAL</b>		<b>3,548,646,012</b>	<b>81.98</b>

## ANALYSIS OF SHAREHOLDINGS

### SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders, excluding bare trustees

Name	Direct	No. of shares		%
		%	Indirect	
UEM Group Berhad	2,809,580,568	64.89	-	-
Khazanah Nasional Berhad*	-	-	2,809,580,568	64.89
Employees Provident Fund Board	217,458,894	5.02	-	-

**Note:**

\* Deemed interested by virtue of being the holding company of UEM Group Berhad

### 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

Name	No. of MCRPS held	%
1. UEM Group Berhad	125,942,162	81.30
2. Hartanah Lintasan Kedua Sdn Bhd	28,971,840	18.70
<b>Total</b>	<b>154,914,002</b>	<b>100.00</b>

### STATEMENT OF DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

#### DIRECTORS' INTERESTS IN ORDINARY SHARES IN UEM LAND HOLDINGS BERHAD

Name	Direct	No. of shares		%
		%	Indirect	
Tan Sri Dr Ahmad Tajuddin Ali	-	-	-	-
Dato' Wan Abdullah Wan Ibrahim	-	-	-	-
Dato' Izzaddin Idris	-	-	-	-
Md Ali Md Dewal	-	-	-	-
Oh Kim Sun	-	-	-	-
Sheranjiv Sammanthan	-	-	-	-
Professor Philip Cox	-	-	-	-
Lim Tian Huat	-	-	-	-
Dato' Srikandan Kanagaintiram	-	-	-	-
YM Ungku Suseelawati Ungku Omar	-	-	-	-

# PROPERTIES OF UEM LAND HOLDINGS GROUP

AS AT 31 DECEMBER 2012

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 31/12/2012 RM'000	Date of acquisition/ revaluation
Bandar Nusajaya Iskandar Development Region Johor Darul Takzim	Land held for property development and development-in progress	24,364,066	Freehold	-	1,390,197	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	-	76,074	19-Aug-10
GM 224, Lot 690 Kampung Tebing Runtuh Mukim of Pulau, Johor Bahru Johor Darul Takzim	Agriculture land	19,878	Freehold	-	5,300	22-Dec-10
GM 225, Lot 688 Kampung Tebing Runtuh Mukim of Pulau, Johor Bahru Johor Darul Takzim	Agriculture land	12,787	Freehold	-	3,441	15-Feb-12
GM 226, Lot 689 Kampung Tebing Runtuh Mukim of Pulau, Johor Bahru Johor Darul Takzim	Agriculture land	19,423	Freehold	-	5,227	9-Mar-12
Lot No. 247, Mukim of Pulau Johor Darul Takzim	Agriculture land Title No: GM 237	8,182	Freehold	-	300	1-Sep-04
Part of PTD 72263 Mukim of Pulau, Nusajaya Johor Darul Takzim	Single storey office building	5,340	Freehold	7	4,114	31-Dec-05
PTD 166948 Mukim of Pulau, Nusajaya Johor Darul Takzim	Double storey clubhouse	2,728	Freehold	4	18,357	1-Jan-09
PTD 166969 Mukim of Pulau, Nusajaya Johor Darul Takzim	Single storey commercial building	12,989	Freehold	3	22,303	25-Mar-10
PTD 166975 Mukim of Pulau, Nusajaya Johor Darul Takzim	Double storey clubhouse	4,578	Freehold	3	20,988	7-May-10
PTD170658 Mukim of Pulau, Nusajaya Johor Darul Takzim	Building - Retail	17,565	Freehold	1	155,091	7-Sept-12
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

**PROPERTIES OF UEM LAND HOLDINGS GROUP  
AS AT 31 DECEMBER 2012**

<b>Location and address of property</b>	<b>Brief description and existing use</b>	<b>Area (Sq metres)</b>	<b>Tenure and year of expiry</b>	<b>Age of buildings (years)</b>	<b>Net book value as at 31/12/2012 RM'000</b>	<b>Date of acquisition/ revaluation</b>
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
Part of PTD 182860 Mukim of Pulai Daerah Johor Bahru, Johor	Agriculture land	494,794	Freehold	-	93,212	1-Oct-12
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	-	7,030	14-Jun-11*
Plaza Mont'Kiara 2, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur	Office building	2,971	Freehold	13	5,365	Dec-09
GM 110, Lot 1891 GM 111, Lot 1892 Mukim of Batu Daerah Kuala Lumpur	Land held for property development	13,515 11,654	Freehold	-	52,797	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*
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	-	47,621	14-Jun-11*
Geran 50603, Lot 58590 Mukim of Batu Daerah Kuala Lumpur	Bungalow lot	664	Freehold	-	2,000	15-Dec-06

PROPERTIES OF UEM LAND HOLDINGS GROUP  
AS AT 31 DECEMBER 2012

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 31/12/2012 RM'000	Date of acquisition/ revaluation
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	-	250,205	04-Jun-11*
Solaris Mont'Kiara Jalan Solaris 50480 Kuala Lumpur	Building - Carpark	63,302	Freehold	5	50,621	29-Jun-11*
PT 24671 No. 21, Jalan Kiara Mukim of Batu Kuala Lumpur	Building - Show gallery	3,426	Freehold	3	7,976	Jun-09
Solaris Dutamas 1, Jalan Dutamas 1 50480 Kuala Lumpur	Building - Retail and Carpark	150,187	Freehold	2	442,217	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-11*
Geran 39962, Lot 13453 Mukim of Cheras Daerah Ulu Langat Selangor	Building - Clubhouse	2,635	Freehold	19	-	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
H.S. (D) 458099, PTD 166924 H.S. (D) 458090, PTD 166923 Mukim Pulau District of Johor Bahru	Land held for property development	50,662	Freehold	-	110,672	5-Jun-12

# RECURRENT RELATED PARTY TRANSACTIONS

Each year during UEM Land Holdings Berhad's ("UEM Land Holdings" or the "Company") Annual General Meeting ("AGM"), the Company will obtain the approval of its shareholders for the mandates for UEM Land Holdings and/or its subsidiaries ("ULHB Group") to enter into recurrent related party transactions ("Recurrent Transactions") in their ordinary course of business, with certain related parties in order to comply with paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Shareholders Mandates").

The Shareholders Mandates are for the period from the date of the AGM until the date of the next AGM.

The following is the breakdown of the aggregate value of the Recurrent Transactions that ULHB Group entered into with related parties during the financial year ended 31 December 2012<sup>1</sup> ("FY 2012"):

## A) ULHB Group receiving services and/or renting and/or acquiring land and/or land-based property from related parties.

No	Company in ULHB Group	Related Party	Interested major shareholders, directors and persons connected with them	Nature of Relationship as at 31 December 2012	Nature of Transaction	Value (RM)
1.	ULHB Group	UEM Group Berhad ("UEMG") and/or its subsidiaries ("UEMG Group")	Khazanah Nasional Berhad ("Khazanah"), UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim <sup>2</sup> and Sheranjiv Sammanthan	ULHB is a 64.9% subsidiary of UEMG which in turn is a wholly owned subsidiary of Khazanah	Receipt of group wide ICT shared services and other related ICT services	640,721
					Receipt of internal audit, training and administrative support services	1,228,823
					Renting of office space (Levels 16 and 23A), meeting rooms and other facilities at Mercu UEM, KL Sentral	2,356,816
					Renting of parking space at Mercu UEM, KL Sentral	53,508
					Receipt of electricity and air-conditioning facilities at levels 16 and 23A of Mercu UEM, KL Sentral	146,443
					Receipt of construction and engineering services for projects in Nusajaya and Klang Valley	2,267,772
					Receipt of construction and engineering services for Kota Iskandar and related projects	448,876
					Receipt of assets and facilities management services	516,636
					Receipt of office cleaning and tea lady services	73,398
					Rental of facilities and other services	15,000
					Total	7,747,993



# RECURRENT RELATED PARTY TRANSACTIONS

No	Company in ULHB Group	Related Party	Interested major shareholders, directors and persons connected with them	Nature of Relationship as at 31 December 2012	Nature of Transaction	Value (RM)
2.	ULHB Group	Faber Group Berhad and/or its subsidiaries (" <b>Faber Group</b> ")	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Ikmal Hijaz Hashim <sup>3</sup> , Dato' Izzaddin Idris, Abdul Kadir Md Kassim <sup>2</sup> , Oh Kim Sun and Sheranjiv Sammanthan	Faber Group is a 34.3% associate of UEMG. ULHB is a 64.9% subsidiary of UEMG	Receipt of consultation and facilities maintenance services for Nusajaya	5,207,044
<b>Total</b>						<b>5,207,044</b>
3.	ULHB Group	Messrs. Kadir, Andri & Partners (" <b>KAAP</b> ")	Abdul Kadir Md Kassim <sup>2</sup>	Abdul Kadir Md Kassim is the Managing Partner of KAAP and is a Director of UEMG	Receipt of legal advisory services	463,390
<b>Total</b>						<b>463,390</b>
4.	ULHB Group	Khazanah and/or its subsidiaries (" <b>Khazanah Group</b> ")	UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim <sup>2</sup> and Sheranjiv Sammanthan	ULHB is a 64.9% 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	340,729,620
<b>Total</b>						<b>340,729,620</b>
5.	ULHB Group	The Edge Communications Sdn Bhd	Datuk Tong Kooi Ong	Datuk Tong Kooi Ong is the Executive Chairman of the Edge and was a Director of ULHB from 25 February 2011 until his resignation on 1 January 2013	Receipt of corporate advertisement and branding services	129,829
<b>Total</b>						<b>129,829</b>

## RECURRENT RELATED PARTY TRANSACTIONS

### B) ULHB Group providing services and/or renting and/or disposing land and/or land-based property to related parties

No	Company in ULHB Group	Related Party	Interested major shareholders, directors and persons connected with them	Nature of Relationship as at 31 December 2012	Nature of Transaction	Value (RM)
1.	ULHB Group	UEMG Group	Khazanah, UEMG, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim <sup>2</sup> and Sheranjiv Sammanthan	ULHB is a 64.9% subsidiary of UEMG which in turn is a wholly owned subsidiary of Khazanah	Provision of tenancy of land for batching plant/casting yard	48,000
<b>Total</b>						<b>48,000</b>
2.	ULHB Group	Khazanah Group	UEMG Group, Tan Sri Dr Ahmad Tajuddin Ali, Dato' Izzaddin Idris, Abdul Kadir Md Kassim <sup>2</sup> and Sheranjiv Sammanthan	ULHB is a 64.9% subsidiary of UEMG which in turn is a wholly owned subsidiary of Khazanah	Provision of lease/rental of office space Provision of development management services	350,000 8,562,417
<b>Total</b>						<b>8,912,417</b>
3.	ULHB Group	Directors and/or Major Shareholders of ULHB and Persons Connected with Them	Directors and/or Major Shareholders of ULHB and Persons Connected with Them	n/a	Sale of land and/or land based properties by ULHB Group	11,504,880
<b>Total</b>						<b>11,504,880</b>

#### Notes:-

<sup>1</sup> Covered under the following two (2) Shareholders Mandates:-

- i) Shareholders Mandates obtained on 16 June 2011, which covers Recurrent Transactions from June 2011 till May 2012; and
- ii) Shareholders Mandates obtained on 14 June 2012, which covers Recurrent Transactions from June 2012 till the conclusion of the forthcoming AGM.

<sup>2</sup> Abdul Kadir Md Kassim resigned effective from 1 September 2012. He is deemed interested in the RRPT between ULHB Group and UEMG or ULHB Group and KAAP respectively up to 28 February 2013.

<sup>3</sup> Dato' Ikmal Hijaz Hashim resigned on 17 February 2012.

# 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 and on my/our behalf at the Fifth 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 Wednesday, 12 June 2013 at 10.00 a.m., or at any adjournment thereof.

(Please indicate with a "X" or "✓" in the boxes provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Resolution	No	For	Against
<b>Ordinary Resolutions:</b>			
To approve the payment of a first and final single-tier dividend of 3 sen per ordinary share for the financial year ended 31 December 2012.	1		
To re-elect the following Directors retiring in accordance with Article 85 of the Company's Articles of Association:			
(i) Tan Sri Dr Ahmad Tajuddin	2		
(ii) Oh Kim Sun	3		
To re-elect the following Directors retiring in accordance with Article 92 of the Company's Articles of Association:			
(i) Lim Tian Huat	4		
(ii) Dato' Srikanan Kanagaintiram	5		
(iii) YM Ungku Suseelawati Ungku Omar	6		
To re-appoint Md Ali Md Dewal retiring in accordance with Section 129 of the Companies Act, 1965.	7		
To re-appoint Professor Philip Sutton Cox retiring in accordance with Section 129 of the Companies Act, 1965.	8		
To approve the payment of Directors' fees for the financial year ending 31 December 2013 on a quarterly basis.	9		
To re-appoint Messrs Ernst & Young as Auditors and to authorise Directors to fix their remuneration.	10		
To empower Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares.	11		
To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	12		
To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.	13		
<b>Special Resolution:</b>			
To approve the Proposed change of name of the Company.	1		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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 PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time of holding the Meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.
- If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
- 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.

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Stamp

**The Share Registrar's Office**

Symphony Share Registrars Sdn Bhd (378993-D)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

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# CORPORATE DIRECTORY

## CORPORATE HEADQUARTERS

### UEM Land Holdings Berhad

16-1 Mercu UEM, Jalan Stesen Sentral 5  
Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia  
Telephone : +603 2727 6000  
Facsimile : +603 2727 2011  
Email : corpcomm@uemland.uemnet.com  
Website : www.uemland.com

## BUSINESS OFFICES, SALES & MARKETING OPERATIONS

### Nusajaya Centre

No. 8, Persiaran Ledang Heights  
79250 Nusajaya, Johor Darul Ta'zim, Malaysia  
Telephone : +607 277 3700  
Facsimile : +607 277 3701  
Email : customercare@uemland.uemnet.com  
Website : www.nusajayacity.com

### Puteri Harbour

Satelite Clubhouse, Lot PTD 141090  
79000 Nusajaya, Johor Darul Ta'zim, Malaysia  
Telephone : +607 530 2122  
Facsimile : +607 530 2125 / 2126  
Email : puteriharbour@uemland.uemnet.com  
Website : www.puteriharbour.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  
Telephone : +607 290 9080  
Facsimile : +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  
Telephone : +607 235 0800  
Facsimile : +607 235 0890  
Email : enquiries@cahayajauhar.com  
Website : www.cahayajauhar.com

### Horizon Hills Golf & Country Club

No.1 Jalan Eka, Horizon Hills  
79100 Nusajaya, Johor Darul Ta'zim, Malaysia  
Telephone : +607 232 3166  
Facsimile : +607 232 3919  
Email : general@hhgcc.com.my  
Website : www.hhgcc.com.my

### Sunrise Berhad

Level U2, Block C5, Solaris Dutamas  
No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia  
Telephone : +603 2718 7788  
Facsimile : +603 6207 9330 / 8828  
Email : customer.care@uemland.uemnet.com

### Sunrise Sales Office

A-OG-01, Plaza Mont'Kiara  
No. 2, Jalan Kiara, 50480 Kuala Lumpur, Malaysia  
Telephone : +603 6201 2288 / 2718 7777  
Facsimile : +603 6411 8138

### Sunrise Showcase

Level 3, Sunrise Showcase  
21, Jalan Kiara, Mont'Kiara  
50480 Kuala Lumpur, Malaysia  
Telephone : +603 6201 0657 / 0687  
Facsimile : +603 6201 0625

### Symphony Hills Sdn Bhd

Clubhouse Symphony Hills  
Persiaran Simfoni, Cyber 9, 63000 Cyberjaya  
Selangor Darul Ehsan, Malaysia  
Telephone : +603 8312 7800  
Facsimile : +603 8318 3446  
Email : symphonyhills@uemland.uemnet.com  
Website : www.symphonyhills.com.my

### UEM Land Property Gallery

21 Tan Quee Lan Street, #01 - 03A  
Heritage Place, Singapore 188108  
Telephone : +65 6835 7652  
Facsimile : +65 6835 7653

### Publika Shopping Gallery

Level U2, Block C5, Solaris Dutamas  
No.1 Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia  
Telephone : +603 6207 9426  
Facsimile : +603 6207 9427  
Email : info.publika@uemland.uemnet.com  
Website : www.publika.com.my

### Mall of Medini

No 4, Lebuhraya Medini Utara, Medini Iskandar Malaysia  
79200 Nusajaya, Johor Darul Ta'zim, Malaysia  
Telephone : +607 509 9493  
Email : mallofmedini@uemland.uemnet.com

### mapKL

Sun Victory Sdn Bhd  
Level G2-01, Block A5, Solaris Dutamas  
No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia  
Telephone : +603 6207 9732  
Facsimile : +603 6207 9729  
Email : info@mapkl.org

**NUSAJAYA**  
Malaysia



**SYMPHONY**  
• HILLS •

**UEM Land Holdings Berhad** (830144-W)

16-1, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral

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[www.uemland.com](http://www.uemland.com)