

UEM SUNRISE BERHAD (“UEMS” OR THE “COMPANY”)

- I. PROPOSED SUBSCRIPTION OF 500,001 NEW ORDINARY SHARES BY SUNRISE BERHAD IN MEGA LEGACY (M) SDN BHD (“MLM”); AND**
 - II. PROPOSED ACQUISITION OF 10 PARCELS OF LEASEHOLD LAND OF 99 YEARS, MEASURING A TOTAL OF APPROXIMATELY 72.73 ACRES LOCATED IN MUKIM BATU, DISTRICT OF KUALA LUMPUR (“SAID PARCELS”) BY MLM FROM DATUK BANDAR KUALA LUMPUR (“DATUK BANDAR”)**
- (COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)**
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1. INTRODUCTION

We refer to the announcements dated 13 April 2018 and 12 October 2018 in relation to the Proposals (“Announcements”). Unless otherwise stated, the abbreviations and definitions used herein shall have the same meaning as the Announcements.

The Company wishes to announce that the CP to the SSA are fully satisfied on 2 April 2019. The SSA is now unconditional and the Effective Date is 2 April 2019.

The parties have also agreed to vary the provisions relating to the payment terms of the existing SSA and SPA. On 2 April 2019, SB entered into a supplemental agreement to the SSA (“Supplemental SSA”) with MLE and MLM to revise the Proposed Subscription Price to take into account the additional value of the Said Parcels by RM30,600,000 (“Additional Land Value”). This resulted in the reduction of MLM’s net tangible assets leading to a reduction in the Proposed Subscription Price from RM279,316,275 to RM256,060,275.

On 1 April 2019, MLM entered into a supplemental agreement to the SPA (“Supplemental SPA”) with Datuk Bandar to revise the Said Parcels’ Purchase Price in view of the Additional Land Value (the Supplemental SSA and Supplemental SPA are collectively referred to as “Supplemental Agreements”).

2. DETAILS OF THE SUPPLEMENTAL AGREEMENTS

2.1 Salient terms of the Supplemental SSA

The revised terms under the Supplemental SSA are as follows:

- a. Proposed Subscription Price

Payment	Date of Settlement	Consideration (RM)	% Proposed Subscription Price
First Payment	Paid simultaneously upon execution of the SSA	41,247,762 ¹	16.1
Second Payment	To be paid within twelve (12) months from the date of the SSA or six (6) months from the Effective Date, whichever is later	161,137,833 ²	63.0

Payment	Date of Settlement	Consideration (RM)	% Proposed Subscription Price
Final Payment	To be paid within thirty (30) days from the Effective Date	53,674,680 ³	20.9
Total		256,060,275	100.0

Notes:

1. *Proceeds from the First Payment was utilised for part payment of the Said Parcels' Purchase Price which were paid upon the execution of the SSA and SPA on 13 April 2018.*
2. *Proceeds from the Second Payment shall be utilised to pay the Balance in Cash 1st Payment of the Said Parcels' Purchase Price to Datuk Bandar (refer to paragraph 2.2(c) below).*
3. *Proceeds from the Final Payment shall be utilised to pay MLM's contractors of RM34,697,154, existing shareholders' advances of RM10,000,000 whilst the remaining is earmarked for MLM's working capital and other ancillary cost.*

b. Advances from SB to MLM

The 2nd Advance of RM9,668,270 shall be dealt by MLM as follows:

- i. A total of RM2,013,172 to be paid to Datuk Bandar for the late payment interest payable under the SPA on or before 30 April 2019;
 - ii. In the event if the late payment interest payable to Datuk Bandar under the SPA is less than RM2,013,171, the surplus shall be utilised towards MLM's working capital.
 - iii. The remaining balance of RM7,655,099 from the 2nd Advance shall be advanced to MLM before 31 December 2019 for MLM's working capital.
- c. Settlement of the balance shareholders' advances shall be paid by MLM within twelve (12) months from the Effective Date, subject to the availability of distributable reserves at MLM, any financial covenants and undertakings that are binding or applicable to MLM and adequate cash flow for the operations of MLM.

2.2 Salient terms of the Supplemental SPA

The revised terms under the Supplemental SPA are as follows:

a. Status of the Said Parcels

State Authority's consent to transfer six (6) of the Said Parcels to MLM was obtained on 21 November 2018. They are parcels 1, 2, 5, 6, 8 and 10.

b. Purchase Price

The Purchase Price for the Said Parcels has been revised to RM447,000,000 from RM416,400,000 due to the Additional Land Value.

c. Revised payment terms:

Tranche	Amount (RM)	Payment Milestone	Transfer of Said Parcels	Mode of Payment
First Payment	75,404,426	Paid to Datuk Bandar	1, 2, 5, 6, 8 and 10	Cash
Balance in Cash 1 st Payment	161,137,833	To be paid within three (3) months from the date of MLM's receipt of the first State Authority's consent for the Said Parcels with an automatic extension of nine (9) months at an interest of 8% p.a. until the amount is paid in full		
Balance in Cash 2 nd Payment (Additional Land Value)	30,600,000	To be paid within twelve (12) months from the date of the Supplemental SPA		
Datuk Bandar's Return in Kind (Collectively referred to as the "Balance Purchase Price")	179,857,741	To be paid in kind with completion and handover of the Projects to Datuk Bandar within thirty-six (36) months as per the work schedule under the Development Agreement	3, 7, 9 and 4	In Kind
Total	447,000,000			

There are no other material amendments or variations to the SSA and SPA.

3. DOCUMENT AVAILABLE FOR INSPECTION

The Supplemental Agreements are available for inspection at the Company's registered office at 19-2, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur during normal business hours from Mondays to Fridays (except for public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 2 April 2019.