



UEM SUNRISE BHD

(830144-W)

Incorporated In Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

THE FIGURES HAVE NOT BEEN AUDITED

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
		31/03/2015	31/03/2014	31/03/2015	31/03/2014
		RM'000	RM'000	RM'000	RM'000
1. (a) Revenue		417,445	401,551	417,445	401,551
(b) Cost of sales		(274,189)	(269,421)	(274,189)	(269,421)
(c) Gross profit		143,256	132,130	143,256	132,130
(d) Other income		14,306	10,325	14,306	10,325
(e) Expenses		(95,299)	(77,791)	(95,299)	(77,791)
(f) Finance costs		(12,666)	(11,699)	(12,666)	(11,699)
(g) Share of net results of associates		(3,777)	5,157	(3,777)	5,157
(h) Share of net results of joint ventures		19,204	22,107	19,204	22,107
(i) Profit before income tax		65,024	80,229	65,024	80,229
(j) Income tax	13	(11,904)	(18,714)	(11,904)	(18,714)
(k) Profit for the period		53,120	61,515	53,120	61,515
Attributable to:					
(l) Owners of the Parent		53,137	61,522	53,137	61,522
(m) Non-controlling Interests		(17)	(7)	(17)	(7)
Profit for the period		53,120	61,515	53,120	61,515
2. Earnings per share based in 1 (1) above	25				
(a) Basic earnings per share		1.17 sen	1.36 sen	1.17 sen	1.36 sen
(b) Diluted earnings per share		1.12 sen	1.26 sen	1.12 sen	1.26 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this quarterly announcement.



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I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2015 RM'000	Preceding year corresponding quarter 31/03/2014 RM'000	Three months to 31/03/2015 RM'000	Three months to 31/03/2014 RM'000
Profit for the period	53,120	61,515	53,120	61,515
Other comprehensive expense to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation differences for foreign operations	(16,410)	(13,327)	(16,410)	(13,327)
Share of other comprehensive expense of associate	-	(61)	-	(61)
Total other comprehensive expense for the period, net of tax	(16,410)	(13,388)	(16,410)	(13,388)
Total comprehensive income for the period	36,710	48,127	36,710	48,127
Attributable to:				
Owners of the Parent	36,729	48,134	36,729	48,134
Non-controlling Interests	(19)	(7)	(19)	(7)
Total comprehensive income for the period	36,710	48,127	36,710	48,127

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this quarterly announcement.



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I(C). REMARKS TO CONDENSED CONSOLIDATED INCOME STATEMENT:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	RM'000	RM'000	RM'000	RM'000
Profit before income tax is arrived at after charging/(crediting):				
Interest income	(11,745)	(8,915)	(11,745)	(8,915)
Dividend income	-	(246)	-	(246)
Property, plant and equipment written off	56	-	56	-
Interest expense	12,666	11,699	12,666	11,699
Depreciation and amortization	5,409	5,961	5,409	5,961
Write-back of inventories	(83)	(15)	(83)	(15)

Other than the above, there was no provision for and write-off of receivables and inventories, gain or loss on disposal of quoted and unquoted investments, impairment/(write-back of impairment) of assets, foreign exchange gain or loss, gain or loss on derivatives, exceptional items and reversal of provisions for the costs of restructuring.

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As at end of current quarter 31/03/2015 RM'000	Audited As at preceding financial year end 31/12/2014 RM'000
ASSETS			
1. Non-current assets			
Property, plant and equipment		228,204	218,173
Investment properties		575,066	570,143
Land held for property development		2,627,929	2,631,999
Interests in associates		151,895	149,251
Interests in joint ventures		958,013	928,327
Amount due from a joint venture		63,742	62,536
Long term receivables		59,793	59,105
Goodwill		621,409	621,409
Non-current deposits		3	3
Deferred tax assets		210,489	170,009
		5,496,543	5,410,955
2. Current assets			
Property development costs		1,617,152	1,578,583
Inventories		265,352	176,622
Receivables		2,761,134	2,761,535
Amount due from joint ventures		251,708	240,284
Short term investments		8	202,635
Cash, bank balances and deposits		694,670	739,271
		5,590,024	5,698,930
Total assets		11,086,567	11,109,885



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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Note	Unaudited As at end of current quarter 31/03/2015 RM'000	Audited As at preceding financial year end 31/12/2014 RM'000
EQUITY AND LIABILITIES			
3. Equity attributable to Owners of the Parent			
Share capital		2,268,718	2,268,718
Reserves			
Share premium		2,044,955	2,044,955
Merger relief reserve		34,330	34,330
Other reserves		75,801	88,130
Retained profits		1,949,836	1,896,699
		6,373,640	6,332,832
4. Non-controlling Interests		485,734	485,753
Total equity		6,859,374	6,818,585
5. Non-current liabilities			
Borrowings		1,942,288	2,119,666
Payables		78,640	71,047
Deferred income		113,965	113,955
Provision		436,432	436,432
Deferred tax liabilities		203,781	204,041
		2,775,106	2,945,141
6. Current liabilities			
Provisions		356,176	373,072
Payables		603,021	584,748
Amount due to a joint venture		111	111
Borrowings		473,481	238,423
Tax payable		19,298	149,805
		1,452,087	1,346,159
Total liabilities		4,227,193	4,291,300
Total equity and liabilities		11,086,567	11,109,885
7. Net assets per share attributable to Owners of the Parent		RM 1.40	RM1.40

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this quarterly announcement.



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months to 31/03/2015 RM'000	Unaudited Three months to 31/03/2014 RM'000
Operating Activities		
Cash receipts from customers	403,859	494,077
Receipts from related parties	791	238
Cash payments to contractors	(375,919)	(365,328)
Cash payments for land and development related costs	(465)	(99,880)
Cash payments to employees and for expenses	(102,988)	(78,002)
Cash used in operations	(74,722)	(48,895)
Net income taxes paid	(191,230)	(64,153)
Interest received	3,787	6,997
Net cash used in operating activities	(262,165)	(106,051)
Investing Activities		
Proceeds from disposal of		
- property, plant and equipment	-	41
- short term investments	203,050	79,777
Repayment from a joint venture	6,050	-
Purchase of property, plant and equipment	(1,972)	(2,098)
Subscription of shares by non-controlling shareholder in a subsidiary	-	35,300
Investment in an associate	(5,850)	(35,300)
Investment in land held for property development	(11,374)	(16,974)
Investment in short term investments	-	(201,000)
Net cash generated from/(used in) investing activities	189,904	(140,254)



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Unaudited Three months to 31/03/2015 RM'000	Unaudited Three months to 31/03/2014 RM'000
Financing Activities		
Drawdown of borrowings	65,243	54,990
Proceeds from employee share option scheme ("ESOS")	-	2
Repayment from joint ventures and associates	-	708
Advance to a joint venture	(1,450)	(40,611)
Repayment of borrowings	(23,935)	(33,418)
Interest paid	(8,679)	(8,151)
Net cash generated from/(used in) financing activities	31,179	(26,480)
Effects of exchange rate changes	(3,278)	1,152
Net change in Cash and Cash Equivalents	(44,360)	(271,633)
Cash and Cash Equivalents as at beginning of financial period	739,030	1,362,108
Cash and Cash Equivalents as at end of financial period	694,670	1,090,475
	Unaudited As at 31/03/2015 RM'000	Unaudited As at 31/03/2014 RM'000

(a) Cash and Cash Equivalents comprise the following amounts:

Current cash, bank balances and deposits		
Unrestricted	257,887	743,454
Restricted	436,783	349,258
	694,670	1,092,712
Bank overdrafts (included in short term borrowings)	-	(2,237)
Cash and cash equivalents	694,670	1,090,475

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this quarterly announcement.



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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to Owners of the Parent →					Non-controlling Interests #	Total Equity	
	← Non-distributable →		Distributable					
	Share Capital RM'000	Share Premium RM'000	Merger Relief Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000			Total RM'000
Three months to 31 March 2015 (Unaudited)								
At 1 January 2015	2,268,718	2,044,955	34,330	88,130	1,896,699	6,332,832	485,753	6,818,585
Total comprehensive income for the period	-	-	-	(16,408)	53,137	36,729	(19)	36,710
Share options granted under ESOS	-	-	-	4,079	-	4,079	-	4,079
At 31 March 2015	<u>2,268,718</u>	<u>2,044,955</u>	<u>34,330</u>	<u>75,801</u>	<u>1,949,836</u>	<u>6,373,640</u>	<u>485,734</u>	<u>6,859,374</u>

Included in the non-controlling interests is the Redeemable Convertible Preference Share of a subsidiary amounting to RM450 million, which is held by the immediate holding company, UEM Group Berhad



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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CONT'D)

	← Attributable to Owners of the Parent →					Non-controlling Interests #	Total Equity	
	← Non-distributable →		Distributable					
	Share Capital RM'000	Share Premium RM'000	Merger Relief Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000			Total RM'000
Three months to 31 March 2014 (Unaudited)								
At 1 January 2014	2,268,718	2,044,953	34,330	72,742	1,598,269	6,019,012	450,604	6,469,616
Total comprehensive income for the period	-	-	-	(13,388)	61,522	48,134	(7)	48,127
Subscription of shares by non-controlling shareholder in a subsidiary	-	-	-	-	-	-	35,300	35,300
ESOS								
- issuance of new shares	*	2	-	-	-	2	-	2
- share option granted	-	-	-	4,761	-	4,761	-	4,761
At 31 March 2014	<u>2,268,718</u>	<u>2,044,955</u>	<u>34,330</u>	<u>64,115</u>	<u>1,659,791</u>	<u>6,071,909</u>	<u>485,897</u>	<u>6,557,806</u>

* The amount for issuance of new shares is RM500.

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

The Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this quarterly announcement.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The notes to the condensed consolidated interim financial statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), except for the adoption of the following amendment to Financial Reporting Standards (“FRSs”) which are mandatory for annual financial periods beginning on or after 1 July 2014, as disclosed below:

	Effective for the financial period beginning on or after
Amendments to FRS 119 : Defined Benefit Plans (Employee Contributions)	1 July 2014
Amendments to FRSs 'Annual Improvements to FRSs 2010-2012 Cycle'	1 July 2014
Amendments to FRSs 'Annual Improvements to FRSs 2011-2013 Cycle'	1 July 2014

The adoption of the above amendment to FRSs does not have any significant impact to the Group.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework has been applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2017.

The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group is required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017.

In presenting its first MFRS financial statements, the Group is required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The financial statements could be different if prepared under the MFRS Framework.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

2. Audit report in respect of the 2014 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2014 was not qualified.

3. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

6. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 31 March 2015.

7. Dividend

On 21 May 2015, the shareholders of the Company approved the payment of a first and final single tier dividend of 3.0 sen on 4,537,436,037 ordinary share of RM0.50 each, amounting to RM136,123,081 for the financial year ended 31 December 2014 at the Annual General Meeting of the Company. The book closure and payment dates in respect of the dividend are 29 May 2015 and 22 June 2015 respectively.

The Directors do not recommend the payment of any interim dividend for the current period ended 31 March 2015 (2014 : Nil).

8. Operating Segments

There was no disclosure and presentation of segment information as the Group's activities are mainly involved in property development and related activities.

9. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 March 2015 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2015 that have not been reflected in the condensed financial statements.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operation as at the date of this announcement since the preceding year ended 31 December 2014 except the following:

On 13 January 2015, UEM Land Berhad, a wholly owned subsidiary of the Company, subscribed for 5,850,000 ordinary shares of RM1.00 each for a cash consideration of RM5,850,000 in Inneonusa Sdn. Bhd. ("INNEO"), resulting in INNEO became a 39% owned associate of the Group.

11. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2014 except as disclosed below:

Income tax assessment

On 3 October 2011, Bandar Nusajaya Development Sdn. Bhd. ("BND"), an indirect subsidiary of the Company, received a notice of additional assessment from Inland Revenue Board ("IRB") for additional tax and penalty of RM50.9 million and RM22.9 million respectively in respect of the year of assessment 2006.

On 4 September 2012, the Kuala Lumpur High Court had allowed BND's judicial review application to quash and set aside the additional tax assessment. The High Court ruled in favour of BND and declared that the IRB had no legal basis to raise the additional assessment. Following the decision by the High Court, the IRB had filed an appeal to the Court of Appeal against the decision made.

The Court of Appeal, having heard and considered the submissions by both parties on 19 and 20 May 2014, unanimously decided that there are no merits in the appeal by the IRB and thus agreed with the decision of the High Court which ruled in favour of BND. The IRB had on 18 June 2014 filed an application for leave to the Federal Court to appeal against the decision of the Court of Appeal.

On 26 January 2015, the Federal Court heard the oral submission of both parties in respect of the IRB's application for leave and unanimously decided to allow the IRB's application. Subsequently, the Federal Court has called for case management on 30 April 2015 and the Court Registrar instructed the IRB to enclose the grounds of judgment, together with the Court of Appeal's sealed order as part of the IRB's record of appeal. The Court Registrar has further fixed a case management on 14 July 2015. Upon conclusion of the case management, the Federal Court will set a date for hearing on the merit of the case with respect to the interpretation of Section 22(2)(a) of the Income Tax Act, 1967.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

12. Capital commitments

There are no material capital commitments in relation to the Group's Capital Expenditure except as disclosed below:

	RM'Mil
Approved and contracted for	53.8
Approved but not contracted for	359.5
Total	413.3

13. Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year	Preceding year	Three	Three
	quarter	corresponding	months	months
	to	quarter	to	to
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	RM'000	RM'000	RM'000	RM'000
Malaysian & foreign income tax				
- Current tax	(18,403)	(13,057)	(18,403)	(13,057)
- Over/(under) provision in prior years	265	(1,715)	265	(1,715)
Deferred tax	6,234	(3,942)	6,234	(3,942)
Tax expense for the period	(11,904)	(18,714)	(11,904)	(18,714)

There is no significant variance between the Group's effective tax rate (excluding share of net results of associates and joint ventures) and the statutory tax rate.

14. Status of corporate proposals announced but not completed as at the date of this announcement

All corporate proposals announced are completed as at the date of this announcement except for the following:

- a) A development agreement and a supplemental development agreement dated 19 December 2007 and 4 November 2010, respectively, between UEM Land, Bandar Nusajaya Development Sdn Bhd ("BND") and Haute Property Sdn Bhd ("HPSB") for the development of a high end residential enclave over 111 acres held under H.S.(D) 453895, PTD 154910, Mukim Pulai, Daerah Johor Bahru, Johor Darul Ta'zim. The development of the residential enclave is currently on-going.

- b) A Facilities Maintenance and Management Agreement dated 13 April 2011 between Cahaya Jauhar Sdn Bhd, a 60% owned joint venture of UEM Land and State Secretary Johor (Incorporated) for the provision of management and maintenance services for Phase 1 of Kota Iskandar ("FMMA"). The FMMA covers a period of 30 years with a review every 3 years.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

14. Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)

- c) On 11 June 2012, the Company entered into 3 Shareholders' and Shares Subscription Agreements with wholly-owned subsidiaries of Desaru Development Holdings One Sdn Bhd (a subsidiary of Desaru Development Corporation Sdn Bhd) ("DDC Cos") (collectively referred to as the "SSAs") to establish the shareholding structure of 3 separate Development Companies ("Dev Cos") and to regulate the relationship amongst the Company and the DDC Cos for the development of land parcels to be acquired by the Dev Cos with an aggregate gross area of approximately 678.70 acres ("Desaru Lands").

The Desaru Lands will be developed into a high-end residential resort development surrounding two golf courses in Desaru, Johor Darul Ta'zim and a beach club to cater to the residents of the high-end residential resort development.

The issued and paid-up capital of the Dev Cos will be held by the Company and the respective DDC Cos in the proportion of 51% and 49%, respectively.

Concurrent with the execution of the SSAs, the respective Dev Cos had entered into 3 separate Sale and Purchase Agreements (collectively referred to as the "SPAs") with the respective DDC Cos for the proposed acquisitions of the Desaru Lands for a total consideration of RM485.3 million.

The SSAs and the SPAs are not subject to any condition precedents. On 18 June 2012, 10% of the purchase consideration for each of the Desaru Lands was paid by the Dev Cos to the relevant DDC Cos. The balance 90% will be paid on a staggered basis up until 11 December 2017 as per the payment schedule in the SPAs.

- d) On 23 October 2012, UEM Land entered into a Master Agreement ("MA") with Ascendas Land (Malaysia) Sdn Bhd ("Ascendas") to undertake the development of an integrated tech park over approximately 519 acres of land in Gerbang Nusajaya ("Lands"), Nusajaya, Johor Darul Ta'zim ("Proposed Development") broken down as follows:

(i) Phase 1 Lands measuring approximately 205 acres and further broken down into two plots identified as Plot A with an estimated area of 120 acres ("Plot A") and Plot B with an estimated area of 85 acres ("Plot B") (collectively "Phase 1 Lands") to be held by Company A;

(ii) Phase 2 Lands measuring approximately 166 acres to be held by Company B ("Phase 2 Lands");
and

(iii) Phase 3 Lands measuring approximately 148 acres to be held by Company C ("Phase 3 Lands").

UEM Land and Ascendas shall enter into Subscription Agreements ("SA") to regulate their initial share subscription into Company A, Company B and Company C (all of which are special purpose companies that have been or are to be established by UEM Land and are to be collectively referred to as the "Companies") and Shareholders' Agreement ("SHA") to govern the parties' relationship as shareholders of the Companies. The equity ratio of the parties in the companies shall be 60% : 40% (Ascendas : UEM Land) unless otherwise agreed.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

14. Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)

d) (cont'd)

Pursuant to the MA, UEM Land also agrees to:

- (i) Cause the transfer of Plot A to Company A; and
- (ii) Grant to Ascendas the options to:
 - Agree to Company A completing the purchase of Plot B; and
 - Purchase the Phase 2 Lands and Phase 3 Lands via Company B and Company C respectively.

The options are exercisable within nine (9) years from the date of the MA. The options shall automatically lapse if not exercised within the option period. The transactions are subject to various regulatory approvals and conditions precedent, including but not limited to the approval for the transfer of the lands into the companies, the planning approvals and the approval for the conversion of the lands for industrial use.

The sale of Plot A land was completed in the financial year ended 31 December 2013.

As at 14 May 2015, the matters pertaining to the purchase of Plot B land, Phase 2 Lands and Phase 3 Lands are still outstanding.

- e) On 7 February 2014, UEM Land and KLK Land Sdn Bhd ("KLKL"), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad ("KLK") entered into 2 separate shareholders' agreements ("SHA") to give effect to the Proposed Joint Development of the following:
- (i) proposed development of various parcels of freehold land measuring an aggregate of approximately 2,500 acres situated in Mukim Senai, District of Kulai Jaya, State of Johor ("Fraser Land"), into a proposed mixed residential, commercial and industrial development ("Proposed Fraser Land Development"); and
 - (ii) proposed development of various parcels of freehold land measuring an aggregate of approximately 500 acres situated in Mukim Tanjung Kupang, District of Johor Bahru, State of Johor ("Gerbang Land"), into a proposed mixed development ("Proposed Gerbang Land Development").

The Proposed Fraser Land Development will be undertaken by Aura Muhibah Sdn Bhd ("AMSB"), a company which UEM Land hold 60% of the interest and the remaining 40% is held by KLKL while the Proposed Gerbang Land Development will be undertaken by Scope Energy Sdn Bhd ("SESB"), a company which UEM Land hold 40% of the interest and the remaining 60% is held by KLKL.

Concurrent with the execution of the SHAs, AMSB and SESB entered into 2 separate sale and purchase agreements ("SPA") for the acquisition of the Lands which will form part of the Proposed Development.

- (i) AMSB entered into a sale and purchase agreement with KLK to acquire the Fraser Land, free from encumbrances, for a purchase consideration of RM871.2 million; and
- (ii) SESB entered into a sale and purchase agreement with Nusajaya Rise Sdn Bhd, Finwares Sdn Bhd and Symphony Hills Sdn Bhd, all of which are wholly-owned subsidiaries of UEM Land to acquire the Gerbang Land, free from encumbrances, for a purchase consideration of RM871.2 million.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

14. Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)

e) (cont'd)

On 29 December 2014, the SPA entered by SESB has become unconditional upon fulfillment of its conditions precedent.

As at 14 May 2015, the conditions precedent of the SPA entered by AMSB is still outstanding.

f) On 1 July 2014, UEM Land, entered into a Joint Venture and Shareholders Agreement with Intelsec Sdn. Bhd, a wholly-owned subsidiary of Telekom Malaysia Berhad and Iskandar Innovations Sdn. Bhd., a wholly-owned subsidiary of Iskandar Investment Berhad for the collaboration in a joint venture company which will carry on the business of a managed services operating company to provide smart building services and smart city services. The agreed proportion of the shareholding are 51% by Intelsec Sdn. Bhd., 39% by UEM Land and the remaining 10% by Iskandar Innovations Sdn. Bhd.

On 13 January 2015, UEM Land subscribed for 5,850,000 ordinary shares of RM1.00 each for a cash consideration of RM5,850,000 in Inneonusa Sdn. Bhd. ("INNEO"), resulting in INNEO became a 39% owned associate of the Group as disclosed in Note 10.

15. Borrowings and debt securities

Details of Group borrowings and debt securities as at 31 March 2015 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Domestic						
- Loan from immediate holding company	-	-	-	75,486	-	75,486
- Islamic Medium Term Notes	-	1,819,547	1,819,547	-	100,000	100,000
- Term loan	119,741	-	119,741	31,406	50,000	81,406
- Revolving credits	3,000	-	3,000	7,000	102,250	109,250
Foreign						
- Term loan (denominated in Canada Dollar)	-	-	-	107,339	-	107,339
TOTAL	122,741	1,819,547	1,942,288	221,231	252,250	473,481

16. Derivatives

There are no derivatives as at the date of this announcement.

17. Fair value hierarchy

There were no transfers between any levels of the fair value hierarchy took place during the current period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

18. Breakdown of realised and unrealised profits or losses

	As at end of current quarter 31/03/2015	As at preceding financial year end 31/12/2014
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	1,532,109	1,513,973
- Unrealised	151,421	142,114
	1,683,530	1,656,087
Total share of retained profits from associates:		
- Realised	92,373	97,818
- Unrealised	2,682	1,014
Total share of retained profits from joint ventures:		
- Realised	330,492	311,708
- Unrealised	7,276	6,856
	2,116,353	2,073,483
Less : Consolidation adjustments	(166,517)	(176,784)
Total group retained profits as per consolidated statement of financial position	1,949,836	1,896,699

19. Material litigation

Since the preceding financial year ended 31 December 2014, there is no change in material litigation as at the date of this announcement except as disclosed below:

- a) Decision by the Court of Appeal in favour of BND in respect of additional assessment by IRB for additional tax and penalty, as disclosed in Note 11; and
- b) Rakyat Holdings Sdn. Bhd. ("Rakyat Holdings") against Aurora Tower @KLCC Sdn. Bhd. ("Aurora Tower") under Writ of Summons and Statement of Claim in High Court Suit No. 22 NCVC-297-04/2013.

On 12 April 2013, Aurora Tower, a wholly-owned subsidiary of Sunrise Berhad which in turn is a wholly-owned subsidiary of the Company was served with the Claim filed by Rakyat Holdings. The Claim alleges breach of an agreement dated 14 January 2008 between Rakyat Holdings and Aurora Tower, for the sale of land held under Geran 4733, Lot 149, Seksyen 0058, Bandar Kuala Lumpur ("Land"). The principal relief sought in the Claim is an order for Aurora Tower to re-deliver ownership, title and vacant possession of the Land to Rakyat Holdings and general damages.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

19. Material litigation (cont'd)

- b) Rakyat Holdings Sdn. Bhd. ("Rakyat Holdings") against Aurora Tower @KLCC Sdn. Bhd. ("Aurora Tower") under Writ of Summons and Statement of Claim in High Court Suit No. 22 NCV-297-04/2013. (cont'd)

The trial was held on 7 July 2014 to 10 July 2014. The High Court at Kuala Lumpur had on 28 August 2014 dismissed Rakyat Holdings' Claim against Aurora Tower and awarded costs of RM75,000 to be paid to Aurora Tower. Following this, Rakyat Holdings had filed an appeal to the Court of Appeal against the decision on 29 August 2014 ("Appeal").

On 5 November 2014, the High Court has dismissed the Rakyat Holdings' application for Stay of Execution and further directed that the private caveat entered by Rakyat Holdings to be removed and Aurora Tower is not to dispose of the land pending completion of the Rakyat Holdings' appeal to the Court of Appeal. The Court of Appeal has further fixed the hearing for Rakyat Holdings' appeal on 26 March 2015. As for the private caveat, it has been removed as per land search conducted on 5 January 2015.

The case is now fixed on 18 June 2015 for parties to explore possible amicable settlement.

20. Comparison between the current quarter and the immediate preceding quarter

	Current quarter 31/03/2015 RM'000	Immediate preceding quarter 31/12/2014 RM'000
Revenue	417,445	1,341,350
Profit from operations	62,263	326,585
Finance cost	(12,666)	(16,186)
Share of results of associates and joint ventures	15,427	38,792
Profit before income tax	65,024	349,191

The Group recorded lower revenue in the current quarter as compared to the immediate preceding quarter mainly due to the completed Gerbang land sales in Quarter 4, 2014 to FASTrack Iskandar Sdn. Bhd. and Scope Energy Sdn. Bhd. amounting to RM771 million.

The lower profit before income tax recorded in the current quarter is in line with the lower revenue recognised.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

21. Detailed analysis of the performance for the current quarter

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2015 RM'000	Preceding year corresponding quarter 31/03/2014 RM'000	Three months to 31/03/2015 RM'000	Three months to 31/03/2014 RM'000
Revenue	417,445	401,551	417,445	401,551
Profit from operations	62,263	64,664	62,263	64,664
Finance cost	(12,666)	(11,699)	(12,666)	(11,699)
Share of results of associates and joint ventures	15,427	27,264	15,427	27,264
Profit before income tax	65,024	80,229	65,024	80,229

The Group recorded higher revenue for the current quarter as compared to preceding year corresponding quarter primarily due to higher revenue from construction progress made from Teega and Arcoris projects and the completion of Summer Suites project in the current year quarter.

The lower profit before income tax in the current quarter as compared to the preceding year corresponding quarter mainly due to higher selling cost in the current quarter in relation to Aurora Melbourne Central project in Australia and lower contribution from associates and joint ventures.

22. Economic profit ("EP") statement

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2015 RM'000	Preceding year corresponding quarter 31/03/2014 RM'000	Three months to 31/03/2015 RM'000	Three months to 31/03/2014 RM'000
<u>Net operating profit after tax</u> <u>("NOPAT") computation:</u>				
Earnings before interest and tax ("EBIT")	47,957	54,339	47,957	54,339
Adjusted tax	(11,989)	(13,585)	(11,989)	(13,585)
NOPAT	35,968	40,754	35,968	40,754
<u>Economic charge computation:</u>				
Average invested capital (Note 1)	7,816,581	7,027,142	7,816,581	7,027,142
Weighted average cost of capital ("WACC") (%) (Note 2)	10.7%	14.1%	10.7%	14.1%
Economic charge	(209,094)	(247,707)	(209,094)	(247,707)
Economic loss	(173,126)	(206,953)	(173,126)	(206,953)



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

22. Economic profit (“EP”) statement (cont'd)

The EP statement is as prescribed under the GLC Transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

The Group recorded lower economic loss in the current quarter as compared to preceding year corresponding quarter mainly due to lower WACC.

Note 1:

Average invested capital consists of average operating working capital, average net property, plant and equipment and average net other operating assets.

Note 2:

WACC is calculated as weighted average cost of debts and equity taking into account the market capitalisation as at end of the period.

23. Prospects for the current financial year

The Malaysian property market remains cautious for the quarter under review and will likely remain so for the rest of the year. However, the Group remains confident that it will be able to sustain its performance in 2015.

The Group has just launched Sefina, a 245 units condominium development in Mont’Kiara. It is on course to launch Serene Heights and Artisan Hills, both landed residential developments south of Kuala Lumpur. In Johor, the Group will be launching landed residential developments in Puteri Harbour, namely Estuari as well as new phases in East Ledang and Nusa Bayu. The final phase of industrial lots in Southern Industrial & Logistics Clusters is on course for launching later this year.

On the international front, Phase 2 of Quintet, our mixed development in Vancouver is expected to be completed by end of the year and Aurora Melbourne Central will commence construction by middle of the year. The Group will be launching its second Melbourne project, Conservatory in the second half of 2015.

These planned launches coupled with the unrecognised revenue from on-going projects (as at 31 March 2015) of RM3.9 billion, will contribute towards the Group's revenue and earnings for the year.

24. Profit forecast

The Group did not issue any profit forecast or profit guarantee in respect of current period.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

25. Earnings per share (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2015 RM'000	Preceding year corresponding quarter 31/03/2014 RM'000	Three months to 31/03/2015 RM'000	Three months to 31/03/2014 RM'000
a) Basic earnings per share				
Profit for the period attributable to Owners of the Parent	53,137	61,522	53,137	61,522
Weighted average number of ordinary shares in issue ('000)	<u>4,537,436</u>	<u>4,537,436</u>	<u>4,537,436</u>	<u>4,537,436</u>
Basic earnings per share	<u>1.17 sen</u>	<u>1.36 sen</u>	<u>1.17 sen</u>	<u>1.36 sen</u>
b) Diluted earnings per share				
Profit for the period attributable to Owners of the Parent	53,137	61,522	53,137	61,522
Profits of subsidiaries attributable to non-controlling interests arising from dilutive impact of convertible securities issued by a subsidiary	<u>(2,187)</u>	<u>(4,146)</u>	<u>(2,187)</u>	<u>(4,146)</u>
Diluted profit attributable to Owners of the Parent	<u>50,950</u>	<u>57,376</u>	<u>50,950</u>	<u>57,376</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,537,436</u>	<u>4,537,436</u>	<u>4,537,436</u>	<u>4,537,436</u>
Diluted earnings per share	<u>1.12 sen</u>	<u>1.26 sen</u>	<u>1.12 sen</u>	<u>1.26 sen</u>

By Order of the Board

SHARIFAH SHAFIQA SALIM (LS No. 0008928)
LIEW IRENE (MAICSA 7022609)
Joint Company Secretaries

Kuala Lumpur
21 May 2015