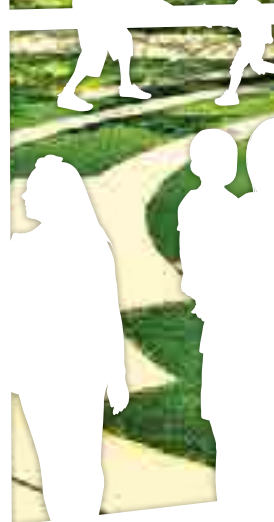
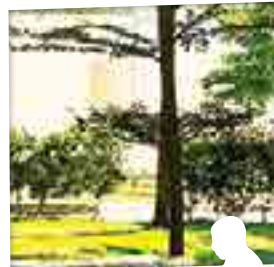
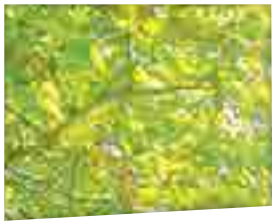




A member of UEM Group

WE BUILD SUSTAINABLE COMMUNITIES



ANNUAL REPORT 2017



WE BUILD SUSTAINABLE COMMUNITIES

UEM Sunrise is a company that values teamwork, mutual respect and open communication. The people within this company are driven by passion and committed to garnering continual knowledge and growth. With the mindset to achieve success, we push boundaries and think creatively, to ensure that each development and community that we build and create are done with meticulous detailing, designed through innovation and purposely constructed with the highest quality made possible.

That is the art of building communities - understanding that a delicate balance of work, life and play are essential lifestyle elements. That design is a reflection of its owners and that being close to nature's beauty is a source of inspiration.





VISION

Building communities of the future
with you and for you.

MISSION

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

VALUES

We are an **Enterprising** entity that embraces **Teamwork, Integrity and Passion** with a focus on **Success**.

The key elements of our Values are :

We are **enterprising and competitive** with a mind-set geared towards creating greater value for our stakeholders.

We practice **teamwork, mutual respect, open communications and empowerment** while embracing diversity and inclusiveness to foster internal and external collaborations.

We hold true to ethical and professional behaviour to set the highest standards of **integrity, honesty and trust**.

We are **passionate, driven, competent and committed** to gain knowledge and improve skill sets to achieve personal growth and exceptional performance.

We **achieve success** by pushing boundaries, thinking creatively resulting with out-of-the-box innovative ideas and solutions.

2017 HIGHLIGHTS



REVENUE FROM PROPERTY DEVELOPMENT

Grew **40%** to
RM **2.25** billion



PROPERTY DEVELOPMENT SALES

RM **1.5** billion
EXCEEDING TARGET OF
RM **1.2** billion



LAUNCHED GDV

RM **2.0** billion
EXCEEDING TARGET OF
RM **1.7** billion



1,580 STUDENTS

benefited from PINTAR school
adoption programme



NEWLY OPENED 343-ACRE SIREH PARK

**Largest
Urban Park**
in JOHOR



PLACEMAKING EVENTS IN ISKANDAR PUTERI

attended by more than
80,000
people



RANKED **TOP 10** PROPERTY DEVELOPER

by The Edge Property
Excellence Awards 2017



COMPLETED **3,158 units**

of high-rise residential
& mixed integrated products

WHAT'S INSIDE...



OVERVIEW

- 01 Vision, Mission & Values
- 02 2017 Highlights
- 04 Notice of Annual General Meeting
- 10 Statement Accompanying Notice of Annual General Meeting
- 11 2017 Financial Calendar
- 12 Investor Relations



ABOUT US

- 18 Corporate Profile
- 20 Corporate Information
- 21 Group Corporate Structure
- 22 Awards & Recognitions 2017
- 24 Event Highlights 2017
- 34 Media Highlights 2017



KEY MESSAGES

- 38 Chairman's Statement
- 42 Management Discussion & Analysis
- 66 2018 Outlook



PERFORMANCE REVIEW

- 70 Five-Year Financial Highlights
- 71 Five-Year Group Performance
- 72 Group Quarterly Performance
- 73 Statement of Value Added & Distribution
- 74 Summarised Group Balance Sheet
- 75 Five-Year Financial Review of the Group
- 76 Employees & Productivity
- 77 Share Price & Volume Traded



SUSTAINABILITY REPORT

- 80 Sustainability Report



LEADERSHIP

- 110 Board of Directors' Profile
- 116 Senior Leadership Profile
- 123 Joint Secretaries



FRAMEWORK OF TRUST

- 126 Corporate Governance Overview Statement
- 139 Additional Compliance Information
- 141 Audit Committee Report
- 146 Statement on Internal Control and Risk Management
- 150 Risk Management Report



FINANCIAL STATEMENTS

- 156 Directors Responsibility Statement
- 157 Financial Statements



OTHER INFORMATION

- 289 Analysis of Shareholdings
- 293 Material Properties of UEM Sunrise Berhad Group
- 294 Recurrent Related Party Transactions
- 298 Corporate Directory

Form of Proxy



Begonia in Serene Heights Bangi, Selangor

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING (“AGM”) OF UEM SUNRISE BERHAD (THE “COMPANY”) WILL BE HELD AT BANQUET HALL, MENARA KORPORAT, PERSADA PLUS, PERSIMPANGAN BERTINGKAT SUBANG, KM15, LEBUHRAYA BARU LEMBAH KLANG, 47301 PETALING JAYA, SELANGOR DARUL EHSAN ON THURSDAY, 31 MAY 2018 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 2017 together with the Reports of the Directors and Auditors thereon. [Please refer to Note B]

AS ORDINARY BUSINESS

2. To approve the payment of a final single tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2017.
3. To re-elect Mr. Lim Tian Huat, who retires by rotation in accordance with Article 85 of the Company's Constitution and, being eligible, has offered himself for re-election.

YBhg. Dato' Srikandan Kanagainthiram retires by rotation as a Director in accordance with Article 85 of the Company's Constitution at the conclusion of this Tenth AGM. [Please refer to Note C]

4. To re-elect the following Directors, who retire in accordance with Article 92 of the Company's Constitution and, being eligible, have offered themselves for re-election :
 - (i) YBhg. Tan Sri Dato' Sri Zamzamzairani Mohd Isa
 - (ii) YBhg. Tan Sri Dr Azmil Khalili Dato' Khalid
 - (iii) YBhg. Datin Teh Ija Mohd Jalil

5. To approve the Directors' fees and the payment thereof to the Directors for the period from 1 January 2018 until the next AGM of the Company, to be payable on a quarterly basis as follows :

Directors' Fees	Non-Executive Chairman		Non-Executive Director/Member	
	Per Quarter (RM)	Per Annum (RM)	Per Quarter (RM)	Per Annum (RM)
Board	52,500	210,000	27,000	108,000
Audit Committee	12,500	50,000	7,500	30,000
Other Board Committees	6,250	25,000	3,750	15,000

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

6. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors based on the following table of benefits and remuneration for the period from 1 June 2018 until the next AGM of the Company :

Description	Directors' Remuneration/Benefits
Allowance will be paid to Directors for the following :	RM1,000 per day
(i) Attending meetings with Government representatives or third parties such as consultants, bankers and advisors on behalf of the Company; or (ii) Visiting project and/or reference sites to advise management and/or the Company.	
Meeting allowance for ad-hoc or temporary Board Committees established for specific purposes.	(i) Chairman of committee - RM2,000 per meeting. (ii) Member of committee - RM1,000 per meeting.
Discount for purchase of property by Directors, which is the same policy applied for employees.	(i) Up to 10% discount will be given once in 5 years for residential property; and (ii) For subsequent purchase of residential property within 5 years' period or any non-residential property purchase, up to 3% discount will be given.

7. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman comprising monthly car allowance of RM3,400, provision of driver and other reimbursables of up to RM111,900 per annum for the period from 1 June 2018 until the next AGM of the Company.
8. To appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.

Ordinary Resolution 7

Ordinary Resolution 8

Ordinary Resolution 9

AS SPECIAL BUSINESS

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

9. **PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("THE ACT")**

"THAT pursuant to Sections 75 and 76 of the Act, 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 AGM and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."

Ordinary Resolution 10

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

"**THAT** pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the shareholders' mandate for the Company and/or its subsidiaries ("UEM Sunrise Group") to enter into recurrent related party transactions of a revenue or trading nature ("Proposed Renewal of Shareholders' Mandate"), which are necessary for the day-to-day operations of UEM Sunrise Group to be entered into by UEM Sunrise Group provided such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Items 1A and 1B of Appendix I set out in Part I of the Circular to Shareholders of the Company dated 30 April 2018 **AND THAT** such approval conferred by the shareholders' mandate shall continue to be in force until :-

- (a) the conclusion of the next 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 that meeting whereby the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) 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 Constitution of the Company, as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

◀ Ordinary Resolution 11

11. PROPOSED ALTERATION OR AMENDMENT OF THE CONSTITUTION OF THE COMPANY ("PROPOSED AMENDMENT")

"**THAT** approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in Part II of the Circular to Shareholders of the Company dated 30 April 2018 with immediate effect.

AND THAT the Directors be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendment with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities."

◀ Special Resolution

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 Tenth AGM, the proposed payment of a final single tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2017 will be paid to shareholders on 27 June 2018. The entitlement date for the proposed dividend shall be on 6 June 2018.

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

- (a) Shares transferred to the depositors' securities account before 4.00 p.m. on 6 June 2018 in respect of transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Tenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with the provisions under Articles 58 and 59 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 23 May 2018. Only a depositor whose name appears on the ROD as at 23 May 2018 shall be entitled to attend this Tenth AGM or appoint a proxy(ies) to attend, speak and vote on his/her behalf.

By Order of the Board

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

Kuala Lumpur
 30 April 2018

A. NOTES :

1. Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend, speak and vote in his/her place. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. All resolutions set out in the Notice of the Meeting are to be voted by poll.
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 24 hours before the time of holding the Meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.
5. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.
7. A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend, speak and vote at a general meeting who shall represent all the shares held by such member. A member holding more than one thousand (1,000) ordinary shares may appoint up to ten (10) proxies to attend, speak and vote at the same meeting and each proxy appointed shall represent a minimum of one thousand (1,000) ordinary shares. Where a member appoints one (1) or more proxies to attend, speak and vote at the same meeting, such appointments shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.

B. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda item 1 and do not require members' approval. Hence, this item is not put forward for voting.

C. RETIREMENT OF DIRECTOR

YBhg. Dato' Srikandan Kanagathiraman who was appointed as a Director of the Company on 19 March 2013 and Senior Independent Director on 25 August 2016 will retire in accordance with Article 85 of the Company's Constitution. He has expressed his intention not to seek re-election. Hence he will retain office until the conclusion of the Tenth AGM.

D. RE-ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board had conducted an annual assessment of independence of the Independent Non-Executive Directors (save for the new Independent Director appointed on 1 March 2018). Based on the criteria for an independent director as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other independence criteria applied by the Company, the Board (save for the interested Independent Directors who abstained on their own assessment) is of the opinion that the Independent Directors consistently provided independent and objective judgement in all Board and Board Committee deliberations and is satisfied with their level of independence.

E. DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEES) PAYABLE TO THE NON-EXECUTIVE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

The proposed Directors' benefits (excluding Directors' fees) comprise the following remuneration and other benefits payable/accorded to the Non-Executive Chairman and Non-Executive Directors :

Description	Directors' Remuneration/ Benefits
Allowance will be paid to Directors for the following :	RM1,000 per day
(i) Attending meetings with Government representatives or third parties such as consultants, bankers and advisors on behalf of the Company; or	
(ii) Visiting project and/or reference sites to advise management and/or the Company.	

E. DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEES) PAYABLE TO THE NON-EXECUTIVE CHAIRMAN AND NON-EXECUTIVE DIRECTORS (cont'd.)

Description	Directors' Remuneration/ Benefits
Meeting allowance for ad-hoc or temporary Board Committees established for specific purposes.	(i) Chairman of committee - RM2,000 per meeting. (ii) Member of committee - RM1,000 per meeting.
Discount for purchase of property by Directors, which is the same policy applied for employees.	(i) Up to 10% discount will be given once in 5 years for residential property; and (ii) For subsequent purchase of residential property within 5 years' period or any non-residential property purchase, up to 3% discount will be given.

F. DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEES) PAYABLE TO THE NON-EXECUTIVE CHAIRMAN

The proposed Directors' benefits (excluding Directors' fees) comprise the following payable to the Non-Executive Chairman for the period from 1 June 2018 until the next AGM of the Company :

No.	Description	Amount (RM)
1.	Car Allowance	3,400 per month
2.	Other reimbursables comprising : - Car-related benefits including maintenance, fuel and other permissible items/claims - Home guard security services	Up to 36,300 per annum 6,300 per month
3.	Provision of Driver	

The above Directors' benefits are given to the Non-Executive Chairman in recognition of the significant role in leadership and oversight including the wide-ranging scope of responsibilities expected of him. It is a unique feature of the Company aimed to attract and retain leadership for the Board.

G. EXPLANATORY NOTES ON SPECIAL BUSINESS**Ordinary Resolution 10 on the Proposed Authority to Allot Shares Pursuant to Sections 75 and 76 of the Act**

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 18 May 2017 and that mandate will lapse at the conclusion of the Tenth AGM to be held on 31 May 2018.
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 Resolution 11 on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

1. The proposed Ordinary Resolution 11, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the UEM Sunrise Group's day-to-day operations ("Recurrent Related Party Transactions"), 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.
2. Further information on the Recurrent Related Party Transactions are set out in Part I of the Circular to Shareholders of the Company dated 30 April 2018 which is dispatched together with the Company's Annual Report 2017.

Special Resolution on the Proposed Amendment

1. The Proposed Amendment to the existing Memorandum & Articles of Association ("Existing Constitution") is to ensure continued compliance and to bring the Existing Constitution of the Company in line with the following laws and regulations :
 - (i) Amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which were issued on 29 November 2017; and
 - (ii) Companies Act 2016 which came into effect on 31 January 2017.
2. The shareholders' approval is sought in accordance with Section 36(1) of the Act for the Company to alter and amend the whole of the Existing Constitution by the replacement thereof with the new Constitution as set out in Part II of the Circular to Shareholders dated 30 April 2018 accompanying the Company's Annual Report 2017.
3. The Proposed Amendment shall take effect once the proposed Special Resolution has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote in person or by proxy at the Tenth AGM to be held on 31 May 2018.

H. PERSONAL DATA PRIVACY

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

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (“AGM”)

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. Details of persons who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the Tenth AGM.

2. A statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The proposed Ordinary Resolution 10 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares were issued pursuant to the said mandate granted to the Directors at the last AGM held on 18 May 2017.

2017 FINANCIAL CALENDAR

START HERE

2017

8 FEB

- Issuance of RM100 million Islamic Commercial Papers ("ICP") with tenure of three (3) months under UEM Sunrise Berhad's ("UEM Sunrise") Sukuk programme established in 2016 ("UEMS' Sukuk Programme").

27 FEB

- Fourth quarter consolidated results for the financial period ended 31 December 2016.

13 MAR

- UEM Sunrise (Canada) Alderbridge Ltd, a wholly owned subsidiary of UEM Sunrise disposed three (3) parcels of land measuring 4.9 acres in Richmond, Canada to Canadian-based South Street Development Group for CAD\$113,000,000.

25 APR

- Announcement on the notice of the 9th Annual General Meeting ("AGM").

26 APR

- Issuance of UEM Sunrise's Annual Report 2016 and circular to shareholders in relation to the UEM Sunrise Group's recurrent related party transactions.

25-26 AUG

- UEM Sunrise participated in Invest Malaysia Kuala Lumpur 2017, an investment conference co-hosted by Bursa Malaysia and CIMB Bank Berhad.

1 AUG

- UEM Sunrise established a Board Risk Committee.

18 MAY

- YBhg Tan Sri Dato' Sri Zamzamairani Mohd Isa is appointed as the new Chairman of UEM Sunrise.

18 MAY

- Professor Philip Sutton Cox retired as Board member of UEM Sunrise.

18 MAY

- YBhg Tan Sri Dr. Ir. Ahmad Tajuddin Ali retired as Chairman of UEM Sunrise.

18 MAY

- UEM Sunrise held its ninth AGM.

17 MAY

- First quarter consolidated results for the financial period ended 31 March 2017.

8 MAY

- Issuance of RM100 million ICP with tenure of three (3) months under UEMS' Sukuk Programme.

8 AUG

- Issuance of RM100 million Islamic Medium Term Notes ("IMTN") with tenure of one (1) year under UEMS' Sukuk Programme.

9 AUG

- UEM Sunrise established a Board Development Committee.

23 AUG

- Second quarter consolidated results for the financial period ended 30 June 2017.

9 OCT

- UEM Land Berhad ("UEML") increased its investment in Sarandra Malaysia Sdn. Bhd., the joint venture company between UEML and ONE15 Marina Holdings Pte Ltd to 2,320,000 ordinary shares.

23 OCT

- Update briefing was held for UEM Sunrise's SUKUK bondholders at UEM Sunrise Showcase gallery in Mont'Kiara.

30 OCT

- Bandar Nusajaya Development Sdn. Bhd. disposed 163.9 acres of land in Iskandar Puteri to Country View Berhad for RM310 million.

20 DEC

- Nusajaya Greens Sdn. Bhd. disposed 29.0 acres of land in Iskandar Puteri to Kimlun Corporation Berhad for RM82.1 million.

13 DEC

- YBhg Tan Sri Dr. Azmil Khalili Dato' Khalid joined UEM Sunrise as Board member.

12 DEC

- Sunrise Alliance Sdn. Bhd. acquired 19.2 acres of land in Taman Equine, Seri Kembangan from Kemaris Residences Sdn. Bhd. for RM109.5 million.

11 DEC

- Issuance of RM600 million IMTNs under UEMS' Sukuk Programme with tenures of three (3), five (5) and seven (7) years maturing on 11 December 2020, 9 December 2022 and 11 December 2024 respectively.

20 NOV

- Third quarter consolidated results for the financial period ended 30 September 2017.

INVESTOR RELATIONS

UEM Sunrise pledges to engage frequently and communicate professionally with its shareholders, the financial and/or investment community and other relevant stakeholders (collectively referred to as the “Stakeholders”) in line with the recommendations of the Malaysian Code on Corporate Governance and other relevant regulatory bodies.

We are committed to deliver credible and reliable material information on the Company to assist the Stakeholders in making informed investment decisions with the following principles in mind :

Criteria	
Consistency	The same information is given to the Stakeholders at the same time.
Clarity	Clear, concise, and easily understood information is distributed to avoid any miscommunication and misunderstanding.
Equal Access	Stakeholders are given the same information through various channels.
Timeliness	Information are released to the Stakeholders immediately after it has been announced to the public unless there are legal constraints or legitimate business reasons to refrain from doing so.
Transparency	Information are presented in a fair manner irrespective of whether or not it is favourable to the Company.

The Company also maintains a direct and open communication to its Stakeholders in order to keep the market informed of all information which may have or could be expected to have a material impact on the value of its securities.

Further information on the Company's Investor Relations and Shareholder Communication Policy can be found at <http://www.uemsunrise.com/investor-relations/>

INVESTOR RELATIONS ENGAGEMENTS & ACTIVITIES

The Company's Investor Relations (“IR”) Unit plays an important role in engaging regular meetings and dialogues with analysts, fund managers as well as shareholders. These meetings and dialogues are usually led by the Chief Financial Officer (“CFO”) and/or IR team and include conferences, physical meetings and site visits to Iskandar Puteri and projects within the Central Region. The main objective of these engagements is to update the Stakeholders of the Company's financial results, business and strategic directions and to address issues or concerns relating to the Company.

Key Engagements	Month	Details
Physical meetings and site visits to Iskandar Puteri, Johor and projects in the Central Region	Throughout FY2017	Meetings and site visits are frequently requested by analysts and fund managers. The IR team arranges and organises these requests accordingly.
Year end and quarterly financial results briefing	February FY 2016, May (1Q 2017), August (2Q 2017), November (3Q 2017)	Financial results briefings are held on a quarterly basis via a closed tele-conferencing immediately after the quarterly financial results are released to Bursa Malaysia. The CFO will take the lead together with the IR and Finance teams.
Investor Conferences	July	Participated in Invest Malaysia Kuala Lumpur 2017 co-organised by Bursa Malaysia and CIMB Bank Berhad at Shangri La Hotel, Kuala Lumpur.
	September	Participated in Credit Suisse Malaysia Property Day organised by Credit Suisse Securities (Malaysia) Sdn. Bhd. at Shangri-La Hotel Kuala Lumpur. The Managing Director/Chief Executive Officer led the presentation to fund managers.

UEM Sunrise's Coverage

The Company receives fair coverage and support from the local and foreign research houses. To-date, 18 analysts from the following research houses provide coverage on UEM Sunrise :

- | | |
|--|---|
| 1. AllianceDBS Research Sdn. Bhd. | 10. JP Morgan Securities (Malaysia) Sdn. Bhd. |
| 2. Am Research Sdn. Bhd. | 11. Kenanga Investment Bank Berhad |
| 3. CIMB Investment Bank Berhad | 12. Macquarie Capital Securities (Malaysia) Sdn. Bhd. |
| 4. BIMB Securities Sdn. Bhd. | 13. Maybank Investment Bank Berhad |
| 5. CLSA Securities Malaysia Sdn. Bhd. | 14. MIDF Amanah Investment Bank Berhad |
| 6. Citigroup Global Markets Singapore Pte Ltd | 15. Nomura Singapore Ltd |
| 7. Credit Suisse Securities (Malaysia) Sdn. Bhd. | 16. Public Investment Bank Berhad |
| 8. Deutsche Securities Asia Limited | 17. RHB Research Institute Sdn. Bhd. |
| 9. Hong Leong Investment Bank Berhad | 18. UOB Kay Hian (Malaysia) Holdings Sdn. Bhd. |

UEM SUNRISE IR PORTAL

As means to also disseminate relevant information on the Company to its Stakeholder and the public, the Company has also embarked on 24-hour IR portal at <http://www.uemsunrise.com/investor-relations/> as a point of reference.

STOCK MARKET PERFORMANCE IN 2017

For the year under review, the Malaysian economy recorded a growth of 5.9% (2016 : 4.2%) largely underpinned by domestic demand and private consumption which continued to be the main driver for the Malaysian economy as evidenced from the 6.2% expansion domestically (2016 : 4.4%), although the expansion was partially offset by the decline in public expenditure.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI" or "Index") opened the year on 3 January at its lowest of 1,635.5 points. The Malaysian market remained resilient in line with the regional market amid optimism over rising Brent Crude oil prices and US President Donald Trump's pro-growth initiatives.

The introduction of the immigration measures by the Trump's administration created apprehension throughout the global markets including Malaysia, dipping the index to 1,671.5 points from its January's highest peak of 1,692.2 points on 26 January. Thereafter, the Index gradually trended upwards from January to March reaching its highest point in the first quarter on 28 March at 1,754.4 points, contributed by strong buying from foreign investors during the period, driven mainly by spill over of positive sentiments from the rally of Wall Street. Inflow of foreign institution funds increased to RM1.8 billion; the highest in almost four years.

From late March to mid-April, the Index further declined to 1,731.0 points. The trend however shifted upwards as the Malaysian Ringgit strengthened, breaching RM4.40 against the US Dollar for the first time since 21 November 2016 reflecting an upwards trend in the Index and peaked at 1,778.5 points on 2 May. The market continued to be supported by foreign inflows, albeit at a slower pace compared to the first quarter while sentiments in the domestic market were supported by the stronger-than expected GDP growth of 5.6% year-on-year in the first quarter of 2017 and an improved Malaysian Ringgit outlook which opened in 2017 at RM4.49 to the US Dollar and strengthened to RM4.26 as at 14 June. This resulted in the Index to peak at 1,792.3 points, the second highest peak for the year under review. The Index descended thereafter as foreign institution funds became sellers, ending their 18-week buying streak.

STOCK MARKET PERFORMANCE IN 2017 (CONT'D.)

Towards the end of the second quarter, sentiments turned cautious amid concerns over stock market overvaluation in the US and a sharp decline in Brent Crude oil prices from USD55.47 on 3 January down to USD44.82 per barrel on 21 June due to signs of rising petroleum output from two of the members of Organisation of Petroleum Exporting Countries ("OPEC") namely Nigeria and Libya, resulting in the Index to move downwards registering 1,763.7 points by 30 June. In subsequent months, the market was mired in range-bound trade following the Eid festival season in July, and remained flattish in August due to concerns over market valuations following FBM KLCI's strong performance in the first half of 2017.

The rising geopolitical tensions in North Korea starting in August which continued towards the end of the third quarter have little impact on the FBM KLCI as the Index remained flattish hovering around 1,777.9 to 1,772.5 points between 9 August to 6 September. The Index however rebounded and hit its highest mark within the month at 1,786.3 on 18 September before dipping to 1,755.6 on 29 September. The decline was mainly attributed by selling activities by foreign investors as a result of cautious investor sentiments driven by external factors, including the heightened geopolitical tensions between the US and North Korea as well as uncertainties surrounding the US monetary policy as the US Federal Reserve signalled another interest rate hike of 25 basis points to be imposed by end of 2017.

The Index dipped further to 1,747.9 points on 31 October despite the rise of Brent Crude Oil prices to USD61.37 per barrel as a result of Saudi Arabia's and Russia's declaration to support the extension of a global deal to cut oil supplies for another nine months.

In November, Brent Crude oil prices continued to increase up to USD64.27 per barrel before falling back to USD61.36 per barrel on 16 November causing the Index to drop to 1,718.1 points. On 17 November, Bank Negara Malaysia announced that the Malaysian Economy grew by 6.2% on a year-on-year basis in the third quarter of 2017. Despite the positive news and the unveiling of the 2018 National Budget on 27 October, the Index remained flattish from 27 October with 1,746.1 points dipping the lowest in November of 1,718.1 points on day 16.

In December, the market started out flat, however rose to a new high on the last market day of 2017. While the domestic equity market declined initially amid uncertainties surrounding policy developments in the US, the Index recovered towards the end of the quarter, supported by the resumption of foreign inflows. Improved investor sentiments were triggered by the upward revisions to Malaysia's growth outlook by the World Bank from 5.2% up to 5.8%. Towards the end of 2017, sentiments in the domestic market were further supported by an increase in global oil prices with Brent Crude oil recorded a year high of USD67.02 per barrel and firmer ringgit of RM4.05 against the US dollar. The FBM KCLI closed at its highest level in 2017 at 1,796.8 points.

Source :

1. Bloomberg
2. BNM Quarterly Bulletins 2017
3. Bursa Malaysia Annual Report 2017
4. Reuters

UEM SUNRISE BERHAD SHARE PRICE PERFORMANCE IN 2017

UEM Sunrise's share price performance for 2017 was generally stable hitting the lowest at RM1.01 on 28 November, and again at RM1.01 on 11 and 12 December. The highest it performed was on 5 April and 19 May, both at RM1.32. It opened on 3 January at RM1.05 and moved upwards in tandem with the Index increasing to its highest marks in the first quarter at RM1.30 on 21 and 23 March due to strong buying from foreign investors during the period.

Between late March to mid-April, on 14 April, the share price further declined to RM1.19 in tandem with the continued decline in the Index. The share price later rebounded in mid-April and trended upwards hitting its highest point throughout the year of RM1.32 on 19 May before hovering between RM1.20 and RM1.31 towards the end of June, in tandem with the Index which continued to be supported by foreign inflows, stronger-than expected GDP growth of 5.6% year-on-year in the first quarter of 2017 and an improved Malaysian Ringgit outlook of RM4.26 against the US dollar which was an improvement considering that the Malaysian Ringgit opened at RM4.49 in early 2017.

The share price remained subdued throughout April to July hovering between RM1.20 to RM1.29 but on 20 July closing at RM1.23, the trend began to descent and fell to RM1.11 on 11 August before it slightly picked up to RM1.12 on 14 August lingering between RM1.12 to RM1.19 before closing at the end of the third quarter at RM1.14 in tandem with the Index which at the time was impacted by selling activities by foreign investors and concerns over North Korea's war threats against the US.

The share price performance continued to be on a downward trend as indicated from its monthly average price performance of RM1.10, RM1.07 and RM1.04 in October, September, and December, respectively. In addition to the threats made by North Korea against the US, the drop in Brent Crude oil prices to USD61.36 per barrel after reaching a high of USD64.27 per barrel also impacted the performance of the Index, and indirectly the share price.

While the Index picked up towards the end of December due to inflows of foreign funds in view of the increase of Brent Crude oil price to USD67.02 per barrel and firmer Malaysian Ringgit of RM4.05 against the US Dollar, the share price did not perform as per the Index and closed at RM1.04 for the year.

Note :

The share prices mentioned above are all the closing prices of the Company's shares on the respective mentioned dates.

Source :

1. Bloomberg
2. BNM Quarterly Bulletins 2017
3. Bursa Malaysia Annual Report 2017



SYMPHONY OF LIFESTYLE DELIGHTS

Lush green spaces, luxurious comfort, cutting-edge connectivity and exhilarating facilities meld together seamlessly to create a living experience like no other at Symphony Hills in Cyberjaya. Each home in this secluded, gated sanctuary is equipped with high-speed fibre-optic infrastructure, while the residents meet and connect at a personal level at the floating resort clubhouse. At **Symphony Hills**, we bring you resort living in an urban setting.



SYMPHONY HILLS



ABOUT US



- 18 Corporate Profile
- 20 Corporate Information
- 21 Group Corporate Structure
- 22 Awards & Recognitions 2017

CORPORATE PROFILE

UEM SUNRISE BERHAD (“UEM SUNRISE” OR THE “COMPANY”) IS A PUBLIC-LISTED COMPANY AND ONE OF MALAYSIA’S LEADING PROPERTY DEVELOPERS. IT IS THE FLAGSHIP COMPANY FOR TOWNSHIP AND PROPERTY DEVELOPMENT BUSINESSES OF UEM GROUP BERHAD (“UEM GROUP”) AND KHAZANAH NASIONAL BERHAD (“KHAZANAH”). UEM GROUP IS WHOLLY-OWNED BY KHAZANAH, THE STRATEGIC INVESTMENT FUND OF THE GOVERNMENT OF MALAYSIA.



Puteri Harbour in Iskandar Puteri, Johor

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

In Malaysia, UEM Sunrise is the master developer of Iskandar Puteri, one of the five flagship zones of Iskandar Malaysia and is currently undertaking the development of the area into a regional city. Upon completion, Iskandar Puteri will become the largest fully integrated urban development in Southeast Asia that will provide significant investment, financial and business opportunities to the economic growth and development of the region.

Gerbang Nusajaya, the second phase development of Iskandar Puteri is a 4,551-acre project which features various catalytic developments including Nusajaya Tech Park, Fastrackcity, and residential development such as Melia Residences. Gerbang Nusajaya will be developed over a period of 25 years and will include components such as lifestyle & retail parks, campus offices & industrial parks as well as residential precincts. The High Speed Rail station connecting Kuala Lumpur and Singapore is also stated to be located in Gerbang Nusajaya. UEM Sunrise will also be developing the surrounding area into Transit Oriented Development sites.



In the Central Region of Malaysia, UEM Sunrise is renowned for its award-winning and up-market high-rise residential, commercial and mixed-use developments largely in the affluent Mont'Kiara international enclave, featuring projects such as 28 Mont'Kiara, Arcoris Mont'Kiara, Residensi22 Mont'Kiara, Residensi Sefina Mont'Kiara, Residensi Solaris Parq and many more. The Company is responsible for introducing the concept of creative retails in Solaris Dutamas, known as Publika.

UEMSunrise is also developing a 448-acre integrated township of Serene Heights in Bangi that offers life simple pleasures within a nature-inspired environment. This is in addition to Symphony Hills, an exclusive residential development in Cyberjaya. Other projects in the Central Region by UEM Sunrise are located in the

Kuala Lumpur City Centre with two joint-ventures in Shah Alam and Seremban.

Internationally, UEM Sunrise's presence extends into Vancouver, Canada via its 4.8-acre completed mixed-use development, Quintet at Minoru Boulevard City. In Melbourne, Australia, its 92-storey Aurora Melbourne Central is the tallest development in the Central Business District, while the inspiring 42-storey Conservatory located on Mackenzie Street boasts panoramic views over the historic UNESCO World Heritage-listed Royal Exhibition Building and Carlton Gardens. UEM Sunrise's latest launch, Mayfair, located on the prestigious St Kilda Road, heralds ultra-luxurious living with an emphasis on bespoke experiences. In Durban, South Africa, the Company has 30-acre of joint venture beachfront mixed development land.

UEM Sunrise is the appointed Project Manager, responsible for development and marketing management of the mega mixed-use developments of Marina One and DUO in Singapore, developed by M+S Pte. Ltd ("M+S"). M+S is a joint venture company owned by Khazanah and Temasek Holdings Pte Ltd.

Please visit our website at www.uemsunrise.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SRI ZAMZAMZAIRANI MOHD ISA

Non-Independent
Non-Executive Chairman

ANWAR SYHRIN ABDUL AJIB

Managing Director/
Chief Executive Officer

DATO' SRIKANDAN KANAGAINTHIRAM

Senior Independent
Non-Executive Director

DATO' IZZADDIN IDRIS

Non-Independent
Non-Executive Director

ZAIDA KHALIDA SHAARI

Non-Independent
Non-Executive Director

LIM TIAN HUAT

Independent
Non-Executive Director

UNGKU SUSEELAWATI UNGKU OMAR

Independent
Non-Executive Director

SUBIMAL SEN GUPTA

Independent
Non-Executive Director

TAN SRI DR AZMIL KHALILI DATO' KHALID

Independent
Non-Executive Director

DATIN TEH IJA MOHD JALIL

Independent
Non-Executive Director

AUDIT COMMITTEE

SUBIMAL SEN GUPTA

Chairman

DATO' SRIKANDAN KANAGAINTHIRAM

Member

LIM TIAN HUAT

Member

NOMINATIONS & REMUNERATION COMMITTEE

UNGKU SUSEELAWATI UNGKU OMAR

Chairperson

LIM TIAN HUAT

Member

ZAIDA KHALIDA SHAARI

Member

BOARD TENDER COMMITTEE

DATO' SRIKANDAN KANAGAINTHIRAM

Chairman

DATO' IZZADDIN IDRIS

Member

LIM TIAN HUAT

Member

BOARD DEVELOPMENT COMMITTEE

DATO' IZZADDIN IDRIS

Chairman

ANWAR SYHRIN ABDUL AJIB

Member

DATO' SRIKANDAN KANAGAINTHIRAM

Member

ZAIDA KHALIDA SHAARI

Member

BOARD RISK COMMITTEE

LIM TIAN HUAT

Chairman

DATO' SRIKANDAN KANAGAINTHIRAM

Member

SUBIMAL SEN GUPTA

Member

ESOS COMMITTEE

ANWAR SYHRIN ABDUL AJIB

Member

DATO' IZZADDIN IDRIS

Member

UNGKU SUSEELAWATI UNGKU OMAR

Member

SECRETARIES

SHARIFAH SHAFIQA SALIM

LS 0008928

LIEW IRENE

MAICSA 7022609

AUDITORS

ERNST & YOUNG

Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
CIMB Bank Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad

STOCK EXCHANGE

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : UEMS
Stock Code : 5148

PRINCIPAL SOLICITORS

Kadir Andri & Partners
Lee Hishammuddin Allen & Gledhill
Raja, Darryl & Loh

REGISTRARS

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

REGISTERED OFFICE

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

GROUP CORPORATE STRUCTURE

AS AT 31 MARCH 2018

SUBSIDIARIES

100%

UEM Land Berhad
Sunrise Berhad
Arcoris Sdn. Bhd.
Aston Star Sdn. Bhd.
Aurora Tower at KLCC Sdn. Bhd.
Bandar Nusajaya Development Sdn. Bhd.
Ibarat Duta Sdn. Bhd.
Laser Tower Sdn. Bhd.
Lembah Suria Sdn. Bhd.
Lucky Bright Star Sdn. Bhd.
Marina Management Sdn. Bhd.
Milik Harta Sdn. Bhd.
New Planet Trading Sdn. Bhd.
Nusajaya Development Sdn. Bhd.
Nusajaya DCS Sdn. Bhd.
Nusajaya Five O Sdn. Bhd.
Nusajaya Greens Sdn. Bhd.
Nusajaya Heights Sdn. Bhd.
Nusajaya Medical Park Sdn. Bhd.
Nusajaya Resort Sdn. Bhd.
Nusajaya Rise Sdn. Bhd.
SCM Property Services Sdn. Bhd.
Solid Performance Sdn. Bhd.
Sunrise Alliance Sdn. Bhd.
Sunrise DCS Sdn. Bhd.
Sunrise Innovations Sdn. Bhd.
Sunrise Mersing Sdn. Bhd.
Sunrise MS Pte. Ltd.
Sun Victory Sdn. Bhd.
Summer Suites Sdn. Bhd.
Sunrise Pioneer Sdn. Bhd.
Symphony Hills Sdn. Bhd.
UEM Sunrise (Australia) Sdn. Bhd.
UEM Sunrise (Canada) Sdn. Bhd.
UEM Sunrise (Land) Pty Ltd
UEM Sunrise (Developments) Pty Ltd
UEM Sunrise Management Services Sdn. Bhd.
UEM Sunrise Properties Sdn. Bhd.

60%

Aura Muhibah Sdn. Bhd.

JOINT VENTURES

80%

Nusajaya Premier Sdn. Bhd.

60%

Cahaya Jauhar Sdn. Bhd.

55%

Nusajaya Lifestyle Sdn. Bhd.

51%

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

50%

Gerbang Leisure Park Sdn. Bhd.
Horizon Hills Development Sdn. Bhd.
Nusajaya Consolidated Sdn. Bhd.
Sime Darby Sunrise Development Sdn. Bhd.
Sunrise MCL Land Sdn. Bhd.

40%

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

30%

FASTrack Iskandar Sdn. Bhd.

ASSOCIATE COMPANIES

40.2%

Durban Point Development Company (Proprietary) Ltd.

40%

Sarandra Malaysia Sdn. Bhd.
Scope Energy Sdn. Bhd.

39%

Inneonusa Sdn. Bhd.

30%

UEM Sunrise Edgenta TMS Sdn. Bhd.

25%

Setia Haruman Sdn. Bhd.

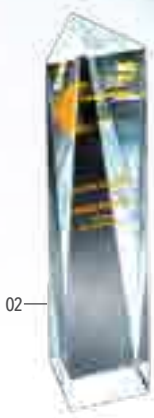
NOTE :

The complete list of subsidiaries, associates and joint ventures and their respective principal activities, country of incorporation and the Group's effective interest are shown in notes 44 to 46 of the financial statements on pages 276 to 288 of this Annual Report.

AWARDS & RECOGNITIONS 2017



01



02



03



04



05

01

StarProperty.my AWARDS 2017

(a) All-Star - Top Ranked Developers Award

Awarded by - Star Media Group Berhad

21 March 2017
Grand Hyatt,
Kuala Lumpur

02

TheEdgeProperty.com BEST MANAGED PROPERTY AWARDS 2017

- (a) UEM Sunrise Berhad - Editor's Choice Award (Exemplary Community Builder)
- (b) Solaris Dutamas - Gold Winner (Mixed Development)
- (c) 28 Mont'Kiara - Gold Winner (Strata Residential)
- (d) Mercu Summer Suites - Silver Winner (Strata Commercial)

Awarded by - TheEdgeProperty.com

3 April 2017
One World Hotel,
Petaling Jaya, Selangor

03

MALAYSIAN LANDSCAPE ARCHITECTURE AWARDS 2016

- (a) Merit Award - Landscape Development Award - Developer & GLC Category

Awarded by - Institute of Landscape Architects Malaysia ("ILAM")

22 April 2017
Majestic Hotel,
Kuala Lumpur

04

BCI ASIA TOP 10 2017 AWARDS

- (a) Top 10 Property Developer Award

Awarded by - BCI Asia

12 May 2017
Hilton, Kuala Lumpur

05

THE ISKANDAR MALAYSIA ACCOLADES ("TIMA") AWARDS 2016/2017

- (a) Gold Award for the 'Most Conducive Workplace' category - Kota Iskandar, Cahaya Jauhar

Awarded by - Iskandar Regional Development Authority & TTIEN Media Group Sdn. Bhd.

15 May 2017
Hotel Jen,
Puteri Harbour,
Iskandar Puteri, Johor



06

**ASIA PACIFIC
PROPERTY AWARD
- RESIDENSI22
MONT'KIARA**

- (a) Residential High-Rise Development Category for Malaysia
- (b) Residential High-Rise Architecture Category for Malaysia
- (c) Best Residential High-Rise Architecture Malaysia

*Awarded by -
The International
Property Awards*

25 & 26 May 2017
Marriott Marquis
Queen's Park,
Bangkok, Thailand

07

**MAJLIS PENGHARGAAN
KERJASAMA AWAM
SWASTA**

- (a) Anugerah Penghargaan Penajaan Kementerian Pendidikan Malaysia

*Awarded by -
Kementerian Pendidikan
Malaysia*

25 October 2017
The Oak Room,
Nexus Bangsar South,
Kuala Lumpur

08

**THE EDGE MALAYSIA
TOP PROPERTY
DEVELOPERS AWARDS
2017**

- (a) Top 10 Developer Award
- (b) The Edge Malaysia Affordable Urban Housing - Bayu Nusantara (Merit Award)

*Awarded by -
The Edge Communication
Sdn. Bhd.*

30 October 2017
Grand Hyatt,
Kuala Lumpur

09

**iPROPERTY
DEVELOPMENT
EXCELLENCE AWARDS
(iDEA) 2017**

- (a) Winner - People's Choice Award
- (b) Highly Acclaimed : -
 - (i) Best Residential High-Rise Development - Residensi Solaris Parq
 - (ii) Best Luxury Landed Development - Estuari Gardens
 - (iii) Best Southern Development - Estuari Gardens
 - (iv) Best Value Development - Melia Residences

*Awarded by -
iProperty.com.my*

16 November 2017
Hilton, Kuala Lumpur

10

**PROPERTY CEO
OF 2017**

*Awarded by -
FIABCI Malaysia*

25 November 2017
One World Hotel,
Petaling Jaya, Selangor

EVENT HIGHLIGHTS 2017



13 JANUARY



STUDY TOUR FOR THEEDGEPROPERTY.COM

UEM Sunrise, in collaboration with Medini Iskandar Malaysia, hosted representatives from TheEdgeProperty.com for a tour in Iskandar Puteri, Johor.



7 FEBRUARY



SILC PHASE 3 LAUNCHED

Phase 3 of Southern Industrial & Logistics Clusters (SILC) was launched, while we also inked an agreement with Crown Worldwide Group for the sale of more than 180,000 square feet of land in SILC.



7 FEBRUARY



UITM STUDENTS ATTEND BUILDING INFORMATION MODELLING WORKSHOP

In collaboration with Universiti Malaysia Pahang, and with support from UiTM Shah Alam and UiTM Seri Iskandar, Perak, we organised a 14-day Building Information Modelling Workshop in UiTM Shah Alam.



15 FEBRUARY



ACCREDITATION OF SITE SUPERVISORS & WORKERS

Following recent additions to Act 520, CIDB conducted a briefing session for employees to obtain a Certificate of Accreditation.



21 FEBRUARY



RIGHT TO DEVELOP MCOBA LAND

UEM Sunrise inked an agreement with the Malay College Old Boys Association (MCOBA) to undertake a mixed development project on MCOBA land along Jalan Syed Putra in Seputeh, Kuala Lumpur.



2 MARCH



ISO INTERNAL AUDITORS GRADUATION

UEM Sunrise held a graduation ceremony for 42 newly trained ISO Internal Auditors.



20-22 MARCH



MOTIVATIONAL CAMP FOR STUDENTS

UEM Sunrise organised a Motivational Camp for 120 Form Four and Form Five students of four PINTAR schools at Tiram Indah Village, Johor Bahru.



21 MARCH



ALL-STAR TOP RANKED DEVELOPER

UEM Sunrise was honoured as one of the Top Ranked Developers at the StarProperty.my Awards Gala Dinner 2017.



21-22 MARCH



MEDIA VISIT TO ISKANDAR PUTERI

UEM Sunrise hosted a visit to Iskandar Puteri, Johor by members of the media from Utusan Malaysia, Kosmo!, Berita Harian and Sinar Harian.



29 MARCH

ISO AWARENESS

QASHE conducted a series of ISO workshops for UEM Sunrise employees on management, auditing, interpretation and application, and risk-based thinking.



1 APRIL

UEM SUNRISE-ISKANDAR PUTERI NIGHT MARATHON

UEM Sunrise was the platinum sponsor of the inaugural UEM Sunrise-Iskandar Puteri Night Marathon 2017 held at Dataran Mahkota, Kota Iskandar in Iskandar Puteri, Johor.



4 APRIL

STUDY TOUR FOR INTI INTERNATIONAL UNIVERSITY STUDENTS

UEM Sunrise hosted a study tour of 42 Quantity Surveying students from INTI International University to Serene Heights Sales Gallery in Bangi, Selangor.



3 APRIL

UEM SUNRISE WINS FOUR AWARDS AT THEEDGEPROPERTY.COM BEST MANAGED PROPERTY AWARDS 2017

UEM Sunrise won four awards at the inaugural TheEdgeProperty.com Malaysia's Best Managed Property Awards for Mercu Summer Suites, 28 Mont'Kiara, Solaris Dutamas and Editor's Choice Award.



6 APRIL

DOGUS GROUP FROM TURKEY VISIT PUTERI HARBOUR

UEM Sunrise hosted a delegation from Turkey-based Dogus Group, as well as representatives from the Khazanah Turkey Regional Office and Iskandar Investment Berhad at Puteri Harbour in Iskandar Puteri, Johor.



9-14 APRIL

TRADE AND INVESTMENT MISSION TO SOUTH KOREA & JAPAN

UEM Sunrise was invited by the Malaysian Investment Development Authority to join the Ministry of International Trade and Industry's Trade and Investment Mission to Japan and South Korea.



14 & 15 APRIL

EXAMINATION SEMINAR IN SOUTHERN REGION

UEM Sunrise, in collaboration with Berita Harian, organised a PT3 Examination Seminar in SMK Gelang Patah, Johor, for 250 students from four PINTAR secondary schools.



21-23 APRIL

PUBLIKA HOSTS KUALA LUMPUR INTERNATIONAL COMEDY FESTIVAL 2017

14 shows featuring local and international comedy superstars at Black Box and The Bee were attended by more than 3,500 comedy enthusiasts.



22 APRIL ▼
LANDSCAPE AWARD FOR EAST LEDANG

UEM Sunrise received a Merit Award for Linear Park in East Ledang, Iskandar Puteri at the Malaysia Landscape Architecture Awards 2017 Gala Dinner, held at the Majestic Hotel, Kuala Lumpur.



22 & 23 APRIL ▼
EXCLUSIVE HANDOVER FOR TEEGA @PUTERI HARBOUR

An exclusive Key Handover celebration for UEM Sunrise's Trésorians of Diamond and Ruby categories was held at Teega @Puteri Harbour in Iskandar Puteri, Johor.



25 APRIL ▼
ONE-STOP REAL ESTATE MANAGEMENT SERVICES

UEM Sunrise's subsidiary, SCM Property Services Sdn. Bhd., signed a Service Agreement with eight real estate agencies to provide one-stop real estate management services.



26 APRIL ▼
'MAKE YOUR MARK IN MELBOURNE'

Publika organised a 'Make Your Mark in Melbourne' competition at which 10 artists had four days to create masterpieces live at The Square in Publika, KL.



29 APRIL ▼
ISKANDAR PUTERI JAZZ FESTIVAL 2017

UEM Sunrise organised the inaugural Iskandar Puteri Jazz Festival showcasing Southeast Asian talents at Puteri Harbour, attracting more than 5,000 jazz enthusiasts.



3 MAY ▼
CONQUAS & QCLASSIC TRAINING AT ALMĀS

Close to 50 participants attended a training session on CONQUAS and QCLASSIC, organised by QASHE.



12 MAY ▼
BCI ASIA TOP TEN DEVELOPERS AWARDS 2017

UEM Sunrise was honoured as one of the Top 10 Developers at the 13th BCI Asia Awards Ceremony held in Hilton, Kuala Lumpur.



15 MAY ▼
CAHAYA JAUHAR WINS GOLD FOR KOTA ISKANDAR

Cahaya Jauhar Sdn. Bhd. was awarded a Gold Award under the Most Conducive Workplace category for its Kota Iskandar development at the inaugural The Iskandar Malaysia Accolades Awards 2016/2017.



13 MAY

ESTUARI @PUTERI HARBOUR HOSTS DINOSAURS ALIVE!

The animatronic dinosaur-themed educational display featured a variety of dinosaurs from the Cretaceous period.



16 MAY

PRESENTING ARCORIS MONT'KIARA

UEM Sunrise organised a media briefing at its Showcase in Mont'Kiara, Kuala Lumpur to present Arcoris Mont'Kiara, a multi-award winning mixed-use commercial high-rise development.



18 MAY

9th AGM

UEM Sunrise held its 9th Annual General Meeting at Persada PLUS, Petaling Jaya, Selangor.



20-21 MAY

CENTRAL REGION EXAMINATION SEMINAR

UEM Sunrise, in collaboration with Berita Harian, organised a PT3 Phase 1 Examination Seminar at the International University of Malaya - Wales, Kuala Lumpur, for 200 students from SMK Kiaramas.



25 & 26 MAY

RESIDENSI22 MONT'KIARA RECEIVES THREE ASIA PACIFIC PROPERTY AWARDS 2017

Residensi22 Mont'Kiara won in the Residential High-Rise Architecture and Development Malaysia categories, as well as the Five-Star Best Residential High-Rise Architecture Malaysia Award at the Asia Pacific Property Awards 2017.



23 MAY

SERENE HEIGHTS PROGRESS UPDATES FOR MEDIA

Members of the media were briefed on the progress update of the 448-acre mixed-township development at its Sales Gallery in Bangi, Selangor.



6-22 JUNE

SPREADING RAMADAN JOY

UEM Sunrise welcomed the holy month of Ramadan by disbursing zakat (tithes) to deserving stakeholders in the Southern and Central regions via its Ramadan programme.



8 JUNE

MELIA RESIDENCES PHASE 3 LAUNCHED

Melia Residences Phase 3 - comprising 160 terraced homes - was launched in Iskandar Puteri, Johor following the strong demand seen in Phase 1 and Phase 2. Melia Residences is targeted to be fully completed by 2020.



9 JULY



'Zaha Hadid Architects : Reimagining Architecture' Exhibition

'Zaha Hadid Architects : Reimagining Architecture' Exhibition was launched at the White Box in Publika, Kuala Lumpur.



10 JULY



MEDIA LAUNCH OF DAHLIA, SERENE HEIGHTS

A media launch for Dahlia, Serene Heights Bangi, was held at UEM Sunrise Showcase in Mont'Kiara, Kuala Lumpur.



11-12 JULY



QLASSIC ASSESSMENT AT BAYU ANGKASA

UEM Sunrise received a QCLASSIC score of 79% for Bayu Angkasa apartments, Kuala Lumpur.



15-16 JULY



169 STUDENTS PARTICIPATE IN PT3 PHASE 1 EXAMINATION SEMINAR

UEM Sunrise organised a PT3 Phase 1 Examination Seminar in collaboration with Berita Harian at the International University of Malaya - Wales, Kuala Lumpur for 169 secondary students.



21 JULY



LAUNCH OF MAYFAIR IN MELBOURNE

UEM Sunrise launched Mayfair, designed by Zaha Hadid Architects, at White Box in Publika, Kuala Lumpur. Mayfair is UEM Sunrise's third project in Melbourne, Australia.



21-23 JULY



PHASE 1 SPM EXAMINATION SEMINAR

UEM Sunrise, in collaboration with Berita Harian, organised a Phase 1 SPM Examination Seminar for 450 students from participating schools including SMK Gelang Patah, SMK Kompleks Sultan Abu Bakar, SMK Taman Nusa Jaya and SMK Tanjung Adang.



22 JULY



RUN FOR PEACE

The non-competitive run, organised by Soka Gakkai Malaysia Association, was held at Dataran Mahkota, Kota Iskandar in Iskandar Puteri, Johor and attended by 19,000 participants.



22-23 JULY



IP KREATIF 2017 GATHERS OVER 12,000 VISITORS

Iskandar Puteri Kreatif 2017 - showcasing the works of more than 300 creative talent - attracted over 12,000 visitors to the Mall of Medini, Iskandar Puteri, Johor.



27-28 JULY



STUDY TOUR FOR YAYASAN UEM SCHOLARS

UEM Sunrise hosted a tour to its developments in the Southern and Central regions for 33 students sponsored by Yayasan UEM.



5 AUGUST

MAYFAIR & 'ZAHA HADID ARCHITECTS' EXHIBITION GO TO SINGAPORE

UEM Sunrise presented Mayfair along with the 'Zaha Hadid Architects : Reimagining Architecture' Exhibition in Singapore.



5 AUGUST

ISKANDAR SAFE CITY RIDE 2017

Royal Malaysia Police of Johor organised the Iskandar Safe City Ride 2017 at Puteri Harbour, in Iskandar Puteri, Johor with UEM Sunrise as a main sponsor.



10 AUGUST

IOT OPERATION CENTRE FOR EAST LEDANG

UEM Sunrise launched the East Ledang Security Intelligent System in Iskandar Puteri, Johor.



12 AUGUST

INAUGURAL 'SYMPHONY FUN WALK & RUN 2017'

The inaugural 'Symphony Fun Walk & Run 2017' held at Symphony Hills Cyberjaya, Selangor attracted more than 600 participants from Klang Valley communities.



15 AUGUST

'DISCOVER THE PLACES WHERE YOU BELONG'

As part of its placemaking initiative 'Discover the Places Where You Belong', UEM Sunrise launched Road to Russia 2018, the third installation of its home ownership campaign, Signature Selection, at UEM Sunrise Showcase in Mont'Kiara, Kuala Lumpur.



18 AUGUST

ASEAN MARKET INSIGHTS SEMINAR SERIES

UEM Sunrise, in conjunction with Nusajaya Tech Park and Ascendas-Singbridge, hosted the inaugural High-Speed Rail Seminar as part of the ASEAN Market Insights Seminar series in Singapore.



25 & 26 AUGUST

PUBLIKA JAZZ 2017

Publika Jazz 2017 showcased local and international talents in Kuala Lumpur, featuring different genres of jazz from various eras.



6 SEPTEMBER

STUDY TOUR FOR VISITORS FROM OSAKA

The Osaka Chambers of Commerce & Industry and Japan External Trade Organisation were invited to tour Iskandar Puteri, Johor as part of their visit to Iskandar Malaysia.



9 SEPTEMBER

VERDI SUMMER NIGHT PARTY

A pool party was held at Verdi Eco-dominiums, Cyberjaya, Selangor in appreciation of the continuous support and loyalty extended by UEM Sunrise's Trésorians in the Central region.



10 SEPTEMBER ✓
SIXTH SAMA-SAMA BON ODORI FESTIVAL

More than 2,000 visitors thronged the sixth annual Sama-Sama Bon Odori Festival held at The Square in Publika, Kuala Lumpur.



15 SEPTEMBER ✓
VACANT POSSESSION OF BAYU ANGKASA

Bayu Angkasa in Iskandar Puteri, Johor was completed and units were handed over to owners a month ahead of schedule.



22 SEPTEMBER ✓
LAUNCH OF MAYFAIR IN MELBOURNE

UEM Sunrise launched Mayfair in Melbourne, Australia. The event also saw the unveiling of the magnificent Mayfair display suite.



22-23 SEPTEMBER ✓
CHALLENGE ISKANDAR PUTERI 2017

UEM Sunrise was the title sponsor of the second instalment of Challenge Iskandar Puteri 2017, which attracted more than 1,000 triathletes.



28 SEPTEMBER ✓
ARCORIS PLAZA WELCOMES 24 NEW RETAILERS

An innovative digital launch ceremony was organised at Arcoris Plaza, Mont'Kiara, to present 24 new retailers at the multi-award winning mixed-use development in Mont'Kiara, Kuala Lumpur.



1 OCTOBER ✓
KOTA ISKANDAR MOSQUE OPEN DAY

Various activities were organised at the Kota Iskandar Mosque in Iskandar Puteri, Johor to enable visitors from all religions to gain a better understanding of the Islamic faith.



3 & 4 OCTOBER ✓
INVEST ISKANDAR MALAYSIA 2017 SYMPOSIUM

UEM Sunrise participated in the Invest Iskandar Malaysia 2017 Symposium organised by Iskandar Regional Development Authority in Johor.



5 & 6 OCTOBER ✓
THE 20th NATIONAL HOUSING & PROPERTY SUMMIT

UEM Sunrise participated in the 20th National Housing & Property Summit 2017 organised by Asian Strategy & Leadership Institute.



6 & 7 OCTOBER ✓
PHASE 2 SPM EXAMINATION SEMINAR IN THE SOUTHERN REGION

UEM Sunrise organised its Phase 2 SPM Examination Seminar in collaboration with Berita Harian at SMK Gelang Patah, Johor.



6-14 OCTOBER ▼
EKSPLO JOHOR BERKEMAJUAN 2017

The Johor State Government organised an 'Ekspo Johor Berkemajuan 2017' in Kota Iskandar, Johor that included career and education exhibitions and a real estate exposition.



10 OCTOBER ▼
UNVEILING RESIDENSI SOLARIS PARQ IN KUALA LUMPUR

UEM Sunrise organised a media launch for Residensi Solaris Parq at UEM Sunrise Showcase in Mont'Kiara, Kuala Lumpur.



12 OCTOBER ▼
FINALE OF THE INTERNATIONAL LAND USE MASTERPLAN COMPETITION

London-based Atkins, Tokyo-based Nikken Sekkei and Singapore-based Arup competed in a finale at Mercu UEM to find the best masterplan for Gerbang Nusajaya's transit oriented development plot surrounding the Iskandar Puteri High Speed Rail Station.



24 OCTOBER ▼
LUXX NEWHOUSE TO JOIN SILC

UEM Sunrise inked a Sales and Purchase Agreement with Luxx Newhouse for the sale of close to 100,000 square feet of land in Southern Industrial & Logistics Clusters Phase 3.



25 OCTOBER ▼
APPRECIATION AWARD FROM MINISTRY OF EDUCATION

UEM Sunrise was presented with an Appreciation Award at the inaugural Public-Private Partnership Award Ceremony organised by the Ministry of Education in recognition of its contributions to education.



30 OCTOBER ▼
S&P AGREEMENT WITH COUNTRY VIEW

UEM Sunrise signed a Sales and Purchase Agreement with Country View Resources for the sale of 163.9 acres of land in Iskandar Puteri, Johor for RM310 million.



30 OCTOBER ▼
UEM SUNRISE RANKED TOP PROPERTY DEVELOPER

UEM Sunrise was once again ranked a Top 10 Property Developer at The Edge Malaysia's Property Excellence Awards 2017, where it also received a Merit Award for Bayu Nusantara in Iskandar Puteri, Johor.



30 & 31 OCTOBER ▼
COUNCIL ON TALL BUILDINGS AND URBAN HABITAT 2017 INTERNATIONAL CONFERENCE

UEM Sunrise participated in the Council on Tall Buildings and Urban Habitat 2017 International Conference in Sydney, Australia.



3-5 NOVEMBER ▼
'ZAHA HADID ARCHITECTS' EXHIBITION GOES TO MELBOURNE, AUSTRALIA

The 'Zaha Hadid Architects : Reimagining Architecture' Exhibition opened in Melbourne, Australia, presented by UEM Sunrise.



9 NOVEMBER

UEM SUNRISE PROMOTES ITS VERY OWN 'ASAM PEDAS' AT JOM@ANJUNG

UEM Sunrise hosted a delegation of media representatives from Johor to sample the 'Asam Pedas' at Jom@Anjung, Anjung Neighbourhood Centre in Iskandar Puteri, Johor.



9 NOVEMBER

COOD VISITS PINTAR SCHOOL (SOUTHERN)

Dato' Roslan Ibrahim, Chief Operating Officer, Development of UEM Sunrise visited PINTAR adopted school Sekolah Jenis Kebangsaan Cina Ming Terk in Gelang Patah, Johor.



10 NOVEMBER

MD/CEO VISITS PINTAR SCHOOL (CENTRAL)

En. Anwar Syahrin Abdul Ajib, Managing Director/Chief Executive Officer of UEM Sunrise visited PINTAR adopted schools SK Cyberjaya and SK Rinching Hilir in Selangor.



16 NOVEMBER

UEM SUNRISE WINS PEOPLE'S CHOICE AWARD

UEM Sunrise won the People's Choice Award at the iProperty Development Excellence Awards 2017 held in Kuala Lumpur.



17-19 NOVEMBER

SIREH PARK CELEBRATES HARI LANDSKAP NEGERI JOHOR 2017

UEM Sunrise celebrated Hari Landskap Negeri Johor 2017 at SIREH Park in Iskandar Puteri, Johor.



25 NOVEMBER

9th PINTAR KHATAM AL-QURAN CEREMONY

UEM Sunrise organised its 9th PINTAR Al-Quran Programme with a 'Khatam Al-Quran' ceremony held at Black Box, Mall of Medini in Iskandar Puteri, Johor.



25 NOVEMBER

CAHAYA JAUHAR CEO ANNOUNCED AS PROPERTY CEO OF THE YEAR

En. Mohd Auzir Mohd Tahir, Chief Executive Officer of Cahaya Jauhar, was named the Property CEO of the Year at the 25th FIABCI (International Real Estate Federation) Malaysia Property Awards Gala Dinner held in Petaling Jaya, Selangor.



25 & 26 NOVEMBER

ISKARNIVAL KOOL BRINGS EXCITEMENT TO MORE THAN 65,000 VISITORS

ISKARNIVAL KOOL, the sixth instalment of ISKARNIVAL 2017, attracted more than 65,000 visitors at Puteri Harbour in Iskandar Puteri, Johor. ISKARNIVAL KOOL also marked the celebration of Iskandar Puteri's newly-minted City status. UEM Sunrise was represented by En. Anwar Syahrin Abdul Ajib, Managing Director/Chief Executive Officer in the presence of YB Tan Sri Datuk Seri Shahrir Abdul Samad, Johor Bahru Member of Parliament; Tan Sri Dato' Wira Azman Mokhtar, Managing Director of Khazanah; Datuk Ir. Khairil Anwar Ahmad, Iskandar Investment's President/Chief Executive Officer; YB Dr. Zaini Abu Bakar, ADUN of Nusajaya and Dato' Azmir Merican, Managing Director/Chief Executive Officer of UEM Edgenta.



29 NOVEMBER ✔
COASTAL HIGHWAY SOUTHERN LINK IS COMPLETED

Coastal Highway Southern Link, led by Iskandar International Board in collaboration with UEM Sunrise, Sunway Iskandar Development Sdn. Bhd. and Mulpha International Berhad, was opened by YAB Dato' Khaled Nordin, Menteri Besar of Johor.



6 & 7 DECEMBER ✔
SHASSIC ACHIEVEMENT

UEM Sunrise Serene Heights was awarded 4 stars in a SHASSIC Assessment conducted by CIDB.



2 & 3 DECEMBER ✔
ISKARNIVAL AKTIF ATTRACTS 7,000 VISITORS

Tan Sri Dato' Wira Azman Mokhtar, Khazanah MD with En. Anwar Syahrin Abdul Ajib, MD/CEO of UEM Sunrise; Datuk Ir. Khairil Anwar Ahmad, Iskandar Investment's President/CEO and Tn. Hj. Noorazam Osman, CEO of SUKMA Johor at ISKARNIVAL Aktif in Iskandar Puteri, Johor.



7 DECEMBER ✔
SCHOOL HOLIDAY CHEER FOR CHILDREN OF AGATHIANS SHELTER

A UEM Sunrise delegation visited Agathians Shelter, where 40 boys were treated to fun activities. UEM Sunrise also presented RM20,000 to the home.



7 DECEMBER ✔
MEDIA TOUR OF RESIDENSI SOLARIS PARQ SHOW UNITS

UEM Sunrise hosted a media tour of the Residensi Solaris Parq Show Units at UEM Sunrise Showcase in Mont'Kiara, Kuala Lumpur.



9 DECEMBER ✔
SPARTAN RACE ISKANDAR PUTERI 2017

For the first time ever, UEM Sunrise hosted the world's largest obstacle course race - Spartan Race Iskandar Puteri 2017 - at SIREH Park in Iskandar Puteri, Johor.



11 DECEMBER ✔
TOPPING OUT CEREMONY OF ALMÁS SUITES @PUTERI HARBOUR

The topping out ceremony for Almás Suites @Puteri Harbour in Iskandar Puteri, Johor was held two months ahead of schedule.



12 DECEMBER ✔
S&P WITH KEMARIS RESIDENCES

UEM Sunrise inked a Sales and Purchase Agreement with Kemaris Residences Sdn. Bhd. to acquire a 19.24-acre plot of land in Taman Equine, Seri Kembangan, Selangor for RM109.50 million.

MEDIA HIGHLIGHTS 2017



01 NEW STRAITS TIMES (11 Jul 2017)

02 BERITA HARIAN (8 Mar 2017)

03 THE EDGE MALAYSIA (9 October 2017)

04 FOCUS MALAYSIA (PROPERTY) - COVER PAGE (17 Jun 2017)

05 FOCUS MALAYSIA (18 Mar 2017)

06 BERITA HARIAN (13 May 2017)

07 BERITA HARIAN (13 May 2017)

08 SIN CHEW DAILY (24 Jul 2017)

09 SIN CHEW DAILY (30 Sept 2017)



- 10 NEW STRAITS TIMES (3 Jul 2017)
- 11 BERITA HARIAN (10 Oct 2017)
- 12 FOCUS MALAYSIA (13 May 2017)

- 13 THE EDGE MALAYSIA (14 Oct 2017)
- 14 THE EDGE MALAYSIA (C&C) - COVER PAGE (9 Oct 2017)
- 15 TAMIL MALAR (30 Dec 2017)

- 16 BERITA HARIAN (19 Oct 2017)
- 17 BERITA HARIAN (23 Dec 2017)

LAKESIDE LIVING IN THE HEART OF A CITY

Contemporary strata houses dot a beautifully landscaped lakeside setting in Melia Residences, located in the heart of a vibrant new city - Gerbang Nusajaya - with its autosports hub FASTrack Iskandar and high-tech zone, Nusajaya Tech Park. Situated just minutes from Singapore, and with connectivity to be further boosted by the High Speed Rail, Melia Residences offers a vibrant community lifestyle ideal for ambitious young families.





MELIA RESIDENCES



KEY MESSAGES



- 38 Chairman's Statement
- 43 Management Discussion & Analysis
- 66 2018 Outlook

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

When I joined UEM Sunrise Berhad ("UEM Sunrise" or "the Company") as its Chairman in May 2017, it was with an ounce of trepidation. Not because of this Company of yours, which I had studied for some time and found to be fundamentally very strong, but because of the industry. The property industry in Malaysia has been going through a challenging phase over the past few years, which in 2017 was made evident in the significant overhang. However, I believed then, as I do now, that challenges are great catalysts of innovative change. I also believe that the environment would spur a company like UEM Sunrise, which has the right resources and experience, to rise above the fray with innovative strategies. The Company's performance during the year validates my confidence.

**TAN SRI DATO'
SRI ZAMZAMZAIRANI
MOHD ISA**
Chairman



It has been fantastic to see how adept the team has been in anticipating evolving expectations of homebuyers, and then how innovatively and quickly it has been able to meet market requirements. We have been strategic in our launches - holding back certain products while pushing ahead with others. Sensing demand for affordable and mid-market developments, this has been a key focus area. At the same time, accurately identifying consumer sentiment for properties in Mont'Kiara/Dutamas and Melbourne, the team had the confidence to introduce some exciting developments in these locations and is now reaping the rewards.

For the year 2017, despite the industry as a whole being soft, UEM Sunrise pulled together a remarkable set of results - recording our highest revenue of RM2.9 billion, since listing in 2008, almost doubling our profit after tax and non-controlling interests ("PATANCI") from RM147.3 million to RM280.1 million; and exceeding our sales target of RM1.2 billion by 24% nearly hitting RM1.5 billion.

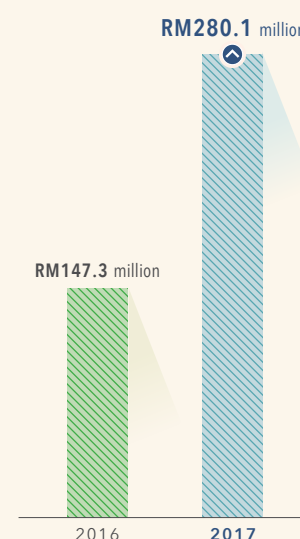
The Board is extremely pleased with management for the way in which it has driven UEM Sunrise to attain such high-level performance. At the same time, we recognise that superior financial performance cannot be sustained without the backing of strong values, corporate ethics, transparency and efficient risk identification as well as mitigation. Our values influence the manner in which we interface with our key stakeholders - namely our customers and potential customers, business partners, shareholders, employees and the community - and this, in turn, determines their opinions of the Company, hence the strength of the UEM Sunrise brand.



REVENUE 2017

RM **2.9** billion

PATANCI



The number of awards and accolades the Company has received over the years, and in 2017 itself, is a strong indication of very positive market perception of UEM Sunrise. We are particularly pleased to be among the Top 10 of The Edge Malaysia Top Property Developers Awards 2017, which to us reflects heightened appreciation of efforts to improve our service delivery. In terms of products, we were proud when Residensi22 Mont'Kiara was recognised in the Residential High-Rise Architecture and Development Malaysia categories, while receiving the Five-Star Best Residential High-Rise Architecture Malaysia award at the Asia Pacific Property Awards 2017 held in Bangkok, Thailand.

However, reputation by its nature is fragile. One of our primary roles on the Board is to protect UEM Sunrise's reputation through corporate transparency and integrity in all our dealings at all times to keep reinforcing the trust that our stakeholders have in us. This, we believe, is critical to our long-term sustainability, and is something we will not compromise on.

We adhere to the highest standards of corporate governance as advocated by regulatory bodies in the countries where we operate, namely Malaysia, Australia and South Africa. To assure compliance while continuing to enhance our value to stakeholders, we keep track of changes in the regulatory environment. Accordingly, we acquainted ourselves with the recently released Malaysian Code on Corporate Governance ("MCCG") 2017 and noted certain gaps that need to be filled in order to meet some of the new requirements.

We fully comply with MCCG's requirement for all companies to have a minimum of 30% representation of women on their Boards. We embrace the idea of board diversity for the value it brings, and are discussing the way forward, with full involvement of our Nominations & Remuneration Committee. We have also recently revised the Company's Board Charter, giving full commitment to discharging our duties and responsibilities in the interest of the Company at all times. As your Chairman, it is my duty to instil good corporate governance practices at the Board and consistently throughout the Company.

CHAIRMAN'S STATEMENT

Further entrenching our sustainability, we are integrating ourselves into local communities. It is with immense pleasure for me to note the way in which UEM Sunrise supports the national agenda. I am especially heartened by our investments in affordable housing which, truly are acts of corporate citizenry.

We have been helping the less affluent segment of Malaysia's population become proud owners of their own homes since the turn of the millennium through the provision of affordable housing in the Southern and Central regions. To-date, we have brought to market more than 7,800 affordable residential units, either apartments or terraced houses, priced from RM150,000 to RM499,000 per unit, mainly in Iskandar Puteri.

We currently have two ongoing affordable housing projects in Iskandar Puteri; Taman Nusantara and Nusantara Prima which are being developed jointly with Denia Development Sdn. Bhd.; and Denai Nusantara, which is being developed by our wholly-owned subsidiary, Nusajaya Heights Sdn. Bhd. We hope to deliver another 1,217 units of affordable properties in 2018 with the completion of Denai Nusantara.

It is with pleasure to share that our completed Bayu Nusantara in Iskandar Puteri won a merit award under The Edge Malaysia Affordable Urban Housing Excellence Award 2017, which recognises outstanding affordable housing projects.

UEM Sunrise is also one of the earliest supporters of the PINTAR school adoption programme, under the umbrella of PINTAR Foundation which was formed by Khazanah Nasional Berhad in 2008. Through the programme, we engage the teachers and motivate the students to inspire better academic outcomes. Over the years, we have adopted a total of 24 schools out of which 10 were graduated after satisfying us that they have benefited sufficiently from the programme.

In a separate programme that started in 2008, Pintar Al-Quran has seen more than 1,000 pre-schoolers complete the Al-Quran recital.



UEM Sunrise was presented with an Appreciation Award by the Education Minister of Malaysia, YB Dato' Seri Mahdzir Khalid at the inaugural Public-Private Partnership Award Ceremony organised by the Ministry of Education Malaysia on 25 October 2017 in recognition of UEM Sunrise's contribution and continuous commitment to education.

Within UEM Sunrise itself, we recognise that our people are our strongest asset, and have been placing increasing emphasis in providing the most conducive environment that enables our employees to realise their potential. There is much focus on employee engagement, as we believe this engenders a feeling of belonging to the Company.

We are also very focused on our employees' continuous professional development to help in their career advancement. Various programmes are organised to equip our people with the skills to ensure UEM Sunrise remains at the cutting-edge of the industry. During the year, we ran a Design Thinking workshop which has introduced a new approach to how we can apply digital technology to our project design and implementation.

Looking into the immediate future, the challenges we currently face are likely to continue. With the full support of our employees, and building on the Company's strong fundamentals, I believe UEM Sunrise has what it takes to continue to grow. While there has been an expansion of some focus to the Central region and our International business, I would like to reaffirm the Company's enduring commitment to the sustainable development of Iskandar Puteri. Indeed the entire Iskandar Puteri region holds a very special place in our hearts because this is where the story of UEM Sunrise began. From all the catalyst developments



We recognise that our people are our strongest asset, and have been placing increasing emphasis in providing the most conducive environment that enables our employees to realise their potential.



and placemaking activities undertaken here, it is evident that we are giving Iskandar Puteri the attention it deserves to become a thriving hub in Malaysia's south.

In the longer term, there are broader issues that need to be managed by the industry. We need to be aware of changing trends in property ownership and prepare ourselves to lead in the provision of homes that meet the requirements of tomorrow's generation and generations to follow. This would set the stage for us to truly realise our vision of 'building communities of the future with you and for you.'

I would like to take this opportunity to thank the various parties who have been instrumental in our ongoing success. A special note of acknowledgement to Tan Sri Dr. Ir. Ahmad Tajuddin Ali, who helmed the Company so ably from 2008, overseeing its journey through various milestones from the time it was listed, through the acquisition of Sunrise Berhad, and subsequently its entry into Australia. He has been a stalwart of the Company, and I feel honoured to carry on with the legacy that he has left.

To my colleagues on the Board, thank you for welcoming me among your ranks. I look forward to many years of working closely with you. I would also like to welcome on board Tan Sri Dr. Azmil Khalili Dato' Khalid and Datin Teh Ija Mohd Jalil who joined us on 13 December 2017 and 1 March 2018 respectively.

To our management and employees, it is truly heart-lifting to see so much passion for what you do, which goes a long way towards growing UEM Sunrise from strength to strength.

A note of appreciation also to our shareholders and customers. Your support is important to us, and we seek to reciprocate by continuing to deliver increasing value to you.

Thank you.

Tan Sri Dato' Sri Zamzamzairani Mohd Isa
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

DEAR SHAREHOLDERS,

The year 2017 was truly gratifying for the team at UEM Sunrise Berhad (“UEM Sunrise” or “the Company”) as it saw the Company perform above expectations. Despite a generally soft property market, we managed to exceed our sales target of RM1.2 billion and achieved our highest revenue since going public in 2008 while almost doubling our profit compared to 2016. It was also a watershed year in terms of branding. With the unveiling of Mayfair, our much-awaited ultra-luxurious residential development in Melbourne, we have elevated the UEM Sunrise brand in the international space, bringing us up to par with the most innovative and stunning developments the world has seen. In the following pages, I am pleased to share details of the Company’s 2017 performance with you.

ANWAR SYAHRIN ABDUL AJIB

Managing Director/
Chief Executive Officer



THE MACRO-ENVIRONMENT

Malaysia’s economy performed well during the year, with gross domestic product (“GDP”) growing by 5.9%, the highest in three years. This was based on strong private consumption, investment and exports. Along with increasing GDP, consumer sentiment also improved, though it still remained below the 100-point threshold. The property sector itself was softer in 2017 than the previous year. The National Property Information Centre (“NAPIC”), saw a 6% decline in residential property transactions in the first nine months of the year. On a positive note, although the market continued to contract, the rate of contraction was decreasing, and the value of transactions had actually increased 3% year-on-year. At the same time, residential property prices are stabilising, with the Malaysian All House Price Index moderating to a 5.1% increase as at the end of the third quarter compared to 9% to 14% annual growth rates between 2011 and 2014.

In Australia, the property market was stable. However, the Australian Government announced several changes to its foreign investment framework in its 2017/2018 Budget, placing a 50% ceiling on foreign ownership of new developments and introducing an annual vacancy charge on new foreign-owned residential property that remains vacant for six months a year or more. It also raised the application fees for foreign purchases of residential properties valued at less than AUD10 million by 10% to fund the establishment of a Critical Infrastructure Centre.



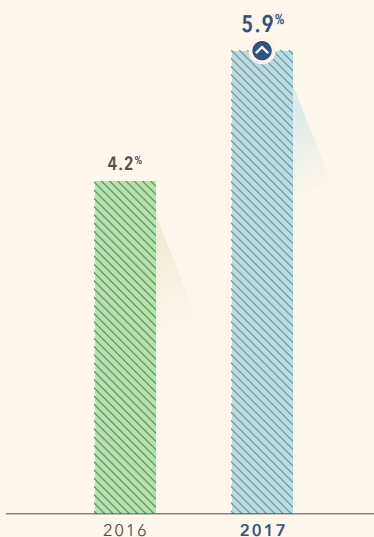
OUR STRATEGY : MEETING MARKET DEMAND

Even in property downturns, there will be niche areas that retain a high level of market interest and demand. This is true of our Mont’Kiara township in Kuala Lumpur which has gained the reputation of being one of the most liveable non-landed residential areas for both locals and expatriates. Leveraging this demand, in October we launched the third instalment of our Solaris development series - Solaris Parq. Located next to UEM Sunrise’s creative retail mall, Publika Shopping Gallery (“Publika”), the overall Solaris Parq development will sit on 19 acres of freehold land within the Mont’Kiara/Dutamas enclave, and will consist of four components, namely Residensi, Galleria, Suites and Offices which are launched in two phases. The entire Solaris Parq development commands a gross development value (“GDV”) of approximately RM2.9 billion and is expected to replicate and complement the successes of Solaris Dutamas and Publika.

Residensi Solaris Parq is the residential component of Solaris Parq. The initial plan was to launch only Tower A of Residensi Solaris Parq, however overwhelming interest in the units despite the up-market price tag of RM1,200 per square foot, prompted us to also offer Tower B. Contributing RM374.6 million in sales for 2017, Residensi Solaris Parq was our star performer during the year. With a GDV of RM759.8 million, it will also offer commercial spaces, a vibrant commercial square and a landscaped two-acre park. Potential buyers were given the opportunity to ‘experience’ the luxurious park-living concept by stepping into a virtual reality booth during the launch period. With built-up from 720 to 2,470 square feet and priced from RM880,000 to RM2.9 million per unit, the take-up for the 576 units in Towers A and B, including bookings to-date stands at approximately 80% and 60% respectively.

The other defining highlight of the year was our launch of Mayfair in September, at Melbourne’s famous St Kilda Road. Targeting mainly local Australians, we felt the time was right to introduce the most exclusive and architecturally spectacular living space in one of the most desired locations in Melbourne. We had delayed the launch of this RM1.1 billion development in 2016, with the intention of adding value to it. This we achieved by engaging one of the world’s most famous architectural firms - Zaha Hadid Architects - to undertake its design, making it the first Zaha Hadid development in the city. The result is more than we could have imagined - bespoke experiences with private lift lobbies, car valet system and custom-designed signature Zaha Hadid pieces. To-date, 40% of the units have been taken up, and approximately 55% of the buyers are Australians and Australian permanent residents.

MALAYSIA’S ECONOMY PERFORMED WELL DURING THE YEAR WITH GDP GROWTH OF :



Mayfair in Melbourne, Australia



Artist impression of Residensi Solaris Parq in Dutamas, Kuala Lumpur

Meanwhile, given the property outlook in Malaysia, we continued to focus on mid-market developments – namely those priced from RM500,000 to RM1.0 million per unit – in both the Southern and Central regions. In early June, we launched 22 units of double-storey terraced houses in Phase 3E of Melia Residences in Gerbang Nusajaya, with built-up from 2,000 to 2,400 square feet and priced from RM700,000 per unit. This was followed by the launch in mid-July of 92 units of double-storey terraced houses in Dahlia, a sub-phase of Serene Heights Bangi, Selangor. The houses, with average built-up of 2,280 square feet, were priced at an average of RM588,000 per unit. Positive buyer response inspired the launch of the remaining 78 units of the same product in November. All three launches are doing reasonably well. Dahlia Phase 1 is 70% sold, while sales of Dahlia Phase 2 and Melia Residences Phase 3 are catching up.

In the Southern region, we have been very encouraged by the pickup in sales of a premium development launched earlier – Estuari Gardens in Puteri Harbour, priced from RM1.4 million per unit – which accounted for the third highest sales figure in terms of value for the year at RM125.5 million. We also

launched the final phase of the Southern Industrial & Logistics Clusters (“SILC”), our industrial park catering to light and medium industries in Iskandar Puteri. SILC Phase 3 features 85 plots of land spanning 196.1 acres with GDV close to RM800 million. Following its launch, we closed two land disposal deals – with Hong Kong-based logistics firm Crown Worldwide Group and Luxx Newhouse Group, a building materials supplier with operations in Singapore, Hong Kong, China and Malaysia. Crown Worldwide Group plans to invest RM37 million in a storage facility with a capacity of over 1.5 million boxes for its Crown Records Management Brand. Luxx Newhouse Group, meanwhile, is looking to invest approximately RM80 million in the next five years in various aspects of furniture production, housing over 200 trained and skilled workers within the 95,000 square feet of land. The sale and purchase agreements were signed in February and October, respectively.

OUR STRATEGY : MONETISATION OF ASSETS & REBALANCING OUR PORTFOLIO

Among our plans in the immediate term is to monetise our assets through the divestment of non-strategic lands and non-core assets. In 2017, most of the non-strategic lands disposed were pocket lands in Iskandar Puteri, the exception being 4.9 acres in Richmond, Canada which was disposed to South Street Development Group, a Canadian-based real estate developer in March for a consideration of RM371.4 million. We have decided to exit Canada and realign our focus on Malaysia as well as other potential locations closer to home. 19% of our total revenue for the year was contributed from land divestment, the bulk of which was from the Canadian sale. In addition, we divested our interest in non-core investee companies, namely BIB Insurance Brokers Sdn. Bhd. and Buylateral Group Pte. Ltd.



When we started out, all our landbank was in the Southern region of Malaysia. Over the years, we have diversified our portfolio by acquiring land in Bangi and, through the acquisition of Sunrise Berhad in 2011, we inherited immediate-developable landbank in the Klang Valley. We are now planning to dispose selected pocket lands in the Southern region and utilise the funds to increase our presence in the Central region, where there is still significant demand for the right kind of development in the right location. Preferably, sizeable landbanks with good connectivity, as well as smaller parcels of land that we can transform into niche developments with fast turnarounds.

In October, via Bandar Nusajaya Development Sdn. Bhd., we entered into a sale and purchase agreement with Country View Resources Sdn. Bhd., a wholly-owned subsidiary of Country View Berhad, for the disposal of approximately 164.0 acres of land in Iskandar Puteri for RM310 million. The disposal is expected to be completed in the third quarter of 2018. Moving on, in December, we disposed 29.0 acres of land, also in Iskandar Puteri, to KII Morris Sdn. Bhd., an indirect wholly-owned subsidiary of Kimlun Corporation Berhad, for a consideration of RM82.1 million. This disposal is expected to be completed in the fourth quarter of 2018.

Although our international presence represents less than 1% of our total landbank, we have always been interested in exploring international markets, and our successes in Australia have added to that zeal. We are currently studying a number of options and opportunities at the Management and Board levels and will embark on a new journey overseas once we are satisfied of having the right strategy and products in place.

OUR STRATEGY : INCREASE PRESENCE IN THE CENTRAL REGION

We realise the importance of increasing our presence in the Klang Valley while reducing our reliance on the Southern region. In February, we entered into an agreement with the Malay College Old Boys' Association ("MCOBA") for the rights to develop its 2.7-acre land in Jalan Syed Putra, Seputeh. We will develop two blocks of service apartments together with other supporting facilities and MCOBA's new office building including a banquet hall with a capacity of 1,200 pax. The total initial estimated GDV for the project is more than RM750 million. Planning is currently under way.



The next growth catalyst for Iskandar Puteri is Gerbang Nusajaya. Spanning a net developable area of approximately 2,250 acres after taking into account all committed projects and developments, Gerbang Nusajaya is set to be a hub for economic activity supported by regional connectivity...



We also acquired 19.2 acres of land in Equine Park, Seri Kembangan, Selangor at RM109.5 million from Kemaris Residences Sdn. Bhd. in December. In addition, we have approximately 23.4 acres of pocket lands around the Segambut and Mont'Kiara areas as well as two small parcels measuring less than three acres in Cheras and Seputeh.

OUR STRATEGY : CREATE VIBRANCY IN ISKANDAR PUTERI

The next growth catalyst for Iskandar Puteri is Gerbang Nusajaya. Spanning a net developable area of approximately 2,250 acres after taking into account all committed projects and developments, Gerbang Nusajaya is set to be a hub for economic activity supported by regional connectivity including close links to Singapore via the Tuas checkpoint. We have entered into various alliances with reputable partners to create the critical mass needed for the organic growth of this region. Our partners include the Ascendas-Singbridge Group for the development of Nusajaya Tech Park; Fastrack Autosports Pte. Ltd. of Singapore for Fastrackcity; and Kuala Lumpur Kepong Berhad as well as Mulpha International Berhad for mixed development projects. On our own, we are currently developing our signature mid-market Melia Residences.

Gerbang Nusajaya’s connectivity will be further augmented once the High Speed Rail (HSR) from Bandar Malaysia, Kuala Lumpur to Jurong East, Singapore is completed. To ensure maximum leverage on this, we have been in discussion with MyHSR Corporation Sdn. Bhd. (“MyHSR Corp”) on the rail alignment as well as the location of the final stop in Malaysia. We were very pleased when, in October 2017, our Prime Minister confirmed what we had been hoping for, namely that the last station in Malaysia will be in Gerbang Nusajaya. Subsequently, in early January 2018, we announced the appointment of Atkins, a world-class masterplanner and member of the SNC-Lavalin Group, to develop an International Land Use Masterplan for a Transit Oriented Development (“TOD”) surrounding the HSR station. The TOD is anticipated to provide opportunities for various stakeholders and enhance the economic and social potential of Iskandar Puteri and Iskandar Malaysia as a whole. We are currently working with Atkins to fine-tune the details of this masterplan and hope to unveil the plan to the public before submission to the authorities.



HSR Station Concept Design for Iskandar Puteri, Johor



ISKARNIVAL Kool at Puteri Harbour in Iskandar Puteri, Johor

In addition, we plan to rejuvenate Puteri Harbour and offer visitors and residents a new meaning in waterfront living. Towards this end, we are collaborating with Singapore-based ONE15 Marina Holdings Pte. Ltd. (“ONE15”), which operates the ONE15 Marina Club in Sentosa Cove, Singapore, to expand and upgrade the public marina which was first opened to the public in January 2009. Among others, we plan to add 12 berths for mega yachts adding to the 76 that are currently in the public marina as well as develop a mega yacht marina with facilities for the maintenance, repair and storage of the recreational vessels. The collaboration will also ensure the development of a private clubhouse on the backdrop of the private marina with the capacity to accommodate 220 wet berths for yachts up to 40 meters long.





We also plan to revisit the idea of operating ferry services to Singapore, as stronger links with the island would add vibrancy in Puteri Harbour. The route we have secured to Harbourfront in Singapore, however, is rather lengthy time-wise; and we are trying to work out an alternative that would be faster. The number of passengers using the ferry terminal has increased significantly from 26,900 pax when it first opened in 2013 to 221,773 pax in 2017. The number of passengers increased by 103% from 2016. Most of the passengers travelling to and from Tanjung Balai Karimun and Batam Center, Indonesia to Puteri Harbour today are tourists, particularly medical tourists.

PLACEMAKING

Gerbang Nusajaya and Puteri Harbour are examples of 'catalyst developments' in Iskandar Puteri, namely developments geared to support a vibrant business, living and leisure environment. Together with various other catalyst developments - such as our industrial zones, healthpark, world-class studios and automotive hub - these are bringing in leading industrial names and other corporations, yachting enthusiasts, medical tourists and racing enthusiasts, amongst others - transforming the region into an exciting, dynamic hub with more than just something for everyone.



As we marked the sixth edition of ISKARNIVAL, we were extremely delighted to be celebrating Iskandar Puteri's newly-minted city status gained on 22 November 2017. It was a significant moment for Iskandar Puteri, and it further underlined Johor Bahru's ranking as the third most liveable city in Southeast Asia by consulting firm Mercer.

As the master developer of Iskandar Puteri, we cannot be prouder of this achievement as we, together with our strategic partners, now see our developments come together to become a holistic ecosystem that supports the growth of various communities here.



We have come a long way in our development journey of Iskandar Puteri. In celebrating this significant moment and a monumental milestone of the city, UEM Sunrise, together with Iskandar Investment Berhad and Khazanah Nasional Berhad, presented ISKARNIVAL 2017, to celebrate the successes of Iskandar Puteri as well as its communities and people.



Our objective to infuse Iskandar Puteri with meaningful relationships between people and place is what we mean by placemaking. Taking our placemaking a step higher, we organised numerous activities to increase footfalls in this region - from our landmark ISKARNIVAL, which entered its sixth year in 2017, to the inaugural Iskandar Puteri Jazz Festival, which brought some of the best international especially South East Asian jazz talent to perform in the picturesque waterside Puteri Harbour. Featuring names such as Cuba's Havana Social Club and Australia's Michael Pignéguy & The Awakenings, we were able to draw a crowd of 5,000 jazz enthusiasts to the event.





We have also firmly entrenched Iskandar Puteri on the world's sports map by hosting numerous international events. In 2017, we saw Malaysia's first multi-location running event, the Men's Health and Women's Health Night Run kicked off in Puteri Harbour before winding its way to Penang and Putrajaya. We also hosted the inaugural UEM Sunrise-Iskandar Puteri Night Marathon, Soka Gakkai Malaysia Association's Run For Peace, the Iskandar Safe City (Bicycle) Ride 2017, Challenge Iskandar Puteri 2017 triathlon, and the Spartan Race Iskandar Puteri 2017.

Numerous events were also organised for children, among which the 'Estuari @Puteri Harbour Hosts Dinosaurs Alive!' and 'Halloween Horror Hunt by Puteri Harbour' were definite hits.

We are proud to share that, this year, we also officially opened our green lung "SIREH Park", sprawling across 343 acres, has the distinction of being the largest public park in the country. With facilities for jogging, trekking, mountain biking, boating, kayaking and canoeing, together with various back-to-nature and

educational programmes, it is set to be another magnet for visitors to Iskandar Puteri. In 2017 itself, we hosted the annual Johor State Landscape Day in the park, drawing close to 3,000 visitors.

OUR STRATEGY : CUSTOMER EXPERIENCE

Our Value Proposition

Given competition in the market, we recognise the need to build our brand and differentiate our products. The sophisticated living experience offered to Mayfair residents is the ultimate demonstration of our desire to push boundaries in living spaces. However, this is just the pinnacle of a more general philosophy of always offering superior quality while enabling people to live their dreams. Each UEM Sunrise development is carefully thought out with a specific demographic in mind and designed to provide this target segment with amenities that promotes quality life, with a heightened sense of community living.



Camellia, Serene Heights Bangi, Selangor



Development	Lifestyle/Community Living Features
Arcoris Mont'Kiara	Communal terrace, multi-tiered surveillance, games room, barbeque terrace, sauna, wading pool, tennis court, children's playground & gymnasium.
Residensi22 Mont'Kiara	Lap pool, gymnasium, tennis court, half basketball court, multi-purpose hall cum badminton court, landscaped garden, children's playground, pavilion, meditation lawn, chill-out deck, sky deck & sky lounge.
Bayu Angkasa	Swimming pool, community hall, children's playground, nursery, surau, covered walkways, badminton courts & retail outlets.
Dahlia	25-acre Creekside parkland with 1.3km long waterway, 3.5km cycling & jogging track, themed play zones, and recreational parks including a wellness garden.
Residensi Solaris Parq	Vibrant commercial square nestled around an iconic 2-acre urban park; and a proposed walkway bridge connecting to Publika.

Prior to the design stage of each development, we undertake product test-out sessions and focus group discussions to gather insights from the market, including existing customers, which enable us to keep a pulse on evolving expectations and enhance our product value proposition. These sessions supplement our own efforts to monitor market trends and have positively impacted our new product launches.

Further building our brand, we are establishing UEM Sunrise as a company with a fine aesthetic sensibility through our association with leading personalities from the world of architecture. In 2016, we brought together some of the world's

most creative minds at an architectural symposium in Melbourne themed "Luxury : Allusion.Illusion. Elusion." This year, we organised a 'Zaha Hadid Architects : Reimagining Architecture' exhibition, showcasing Hadid's range of works spanning over 40 years, and took this exhibition on a tour of Kuala Lumpur, Singapore and Melbourne, in conjunction with the launch of Mayfair in these cities.

Through *U Living* magazine, also launched this year, we are taking our lifestyle branding a step higher. Targeted at Trésorians - the exclusive UEM Sunrise privileged cardholders for loyal purchasers - and the general public, *U Living* features articles on lifestyle, home & interior, health & beauty, technology, arts & culture, fashion, F&B, travel and of course our developments.

SERVICE ORIENTED CULTURE

In addition to ensure cutting-edge quality of our products, we are differentiating UEM Sunrise brand by the quality of our customer service. Through a high level of service, we are able to create customer loyalty which, in turn, creates natural brand ambassadors. The endorsement of our customers speaks volumes about our products and service culture, and carries more value than anything we could ourselves say.

Hence, every effort is made to create and maintain strong relationships with our customers - from the time they indicate interest in our property along the entire chain of becoming a homeowner to looking after their well-being once they become residents at our developments.

As part of our value-add services, this year we introduced the One Stop Centre ("OSC") at our newly handed over developments - such as Teega, Bayu Angkasa, Arcoris Mont'Kiara and Residensi22 Mont'Kiara - which alleviates the need for our homebuyers to go to multiple offices and/or places prior to getting the keys to their new units. We are also conducting competency assessments on our front-liners and filling identified gaps in order to further strengthen our customer interface. All such initiatives go towards creating a brand that stands for excellence - excellent products, excellent service and excellent care.

We also introduced attractive schemes to help customers fulfil their desire to own their own homes via the UEM Sunrise **EASY Own Plan**, launched in August 2017, in conjunction with the third instalment of our Signature Selection sales campaign entitled *Road To Russia 2018*.

The **EASY Own Plan** has four main schemes i.e. **EASY Entry** that allows buyers to own selected properties at low down payment; **EASY Plan** consisting of Rent-To-Own scheme and EASY Financing Scheme; **EASY Move** that offers fully furnished homes with hassle-free house-moving services; and **EASY Privileges** that offers buyers loyalty benefits, extended defect liability period and free maintenance fees among others.

We also secured a money lending license from the Ministry of Urban Wellbeing, Housing and Local Government (Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan) in August 2017 allowing us to launch a differential sum loan scheme under the EASY Financing Scheme for selected products. We offer loan coverage of 30% from the total purchase price (provided that the buyers secure a minimum of 60% end financing) with an interest rate of 5.5% per annum and a loan tenure of 36 months. Interest is to be paid monthly while the principal amount is to be paid at the end of the loan tenure.

Under the Rent-To-Own scheme, customers may rent selected properties from us for a period of two years at the market rate with an option to own them by exercising their rights to purchase the property within the rental period. Prices are locked upon signing the rental agreement and any price appreciation within the rental period is for the benefit of the customers.

The sincerity with which we approach our customer service - being there for home owners when they need to rectify defects, and ensuring the work gets done promptly - was a contributing factor to us being ranked among the Top 10 of The Edge Malaysia Top Property Developers Awards once again and to our winning the People's Choice Award at the iProperty Development Excellence Awards 2017.



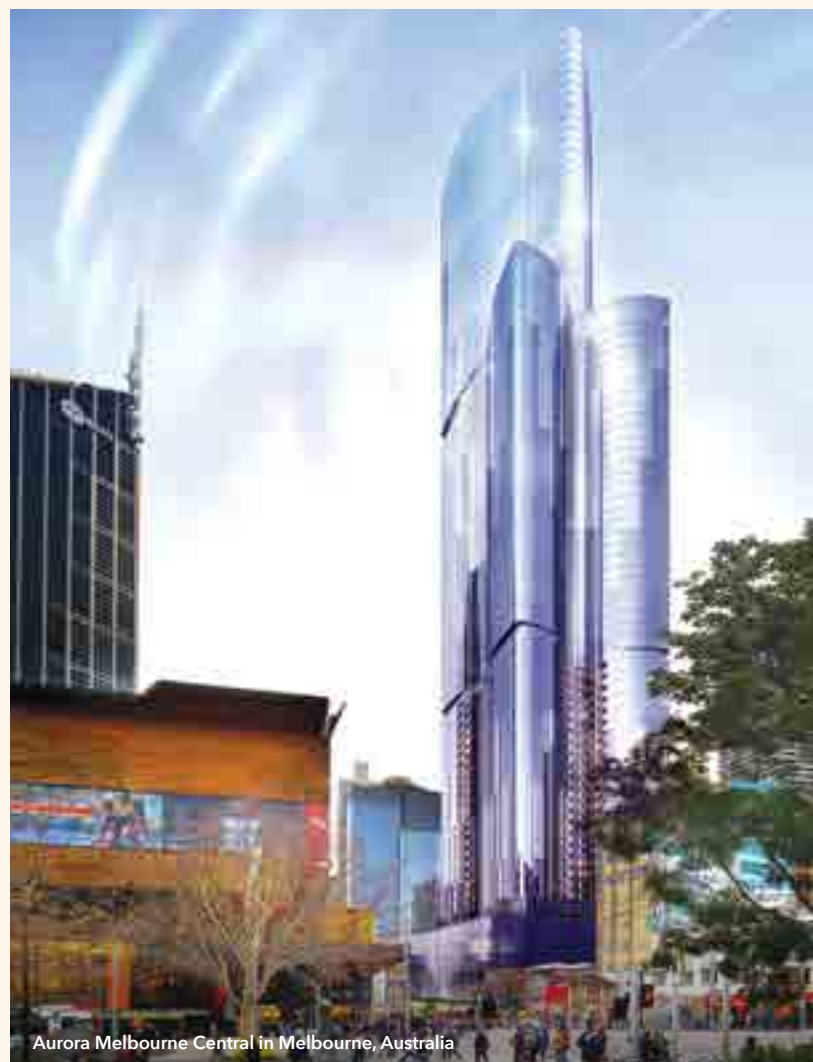
FINANCIAL PERFORMANCE

Indicator	FY2017 (RM mil)	FY2016 (RM mil)
Revenue	2,903.4	1,841.5
Cost of Sales	(2,082.7)	(1,331.0)
Operating Expenses (OPEX)	(392.5)	(360.7)
Operating Profit	428.2	149.7
Other Income	74.6	68.1
Share of Results of Associates & Joint Ventures	27.0	75.8
Profit Before Zakat and Income Tax	438.7	217.7
PATANCI	280.1	147.3
ROE (annualised)	4.0%	2.2%

We are extremely pleased with our financial performance for the year, especially with the 58% increase in revenue from RM1.8 billion in 2016 to RM2.9 billion, the highest since we were listed in 2008. This was driven by property development, which grew approximately 40% from RM1.6 billion to RM2.3 billion and accounted for 77% of our total revenue. The three largest contributors for the year were Aurora Melbourne Central, followed by Residensi22 Mont’Kiara and Conservatory. Not surprisingly, our international projects, mainly from Melbourne, represented 43% of our total property development revenue, followed by the Central and Southern regions at 35% and 22%, respectively. In addition, completion of several ongoing developments in both the Central and Southern regions in 2017 helped enhance our property development revenue to RM2.3 billion.

Our foray into Australia in 2014 was inspired by the desire to cushion the impact of property cooling measures in Malaysia that had been announced. It is very gratifying for us to start seeing the fruits of our endeavours now, after about three years, as we anticipate the first separable parcels comprising levels 1 to 32 at Aurora Melbourne Central to be completed and delivered in the third quarter of 2018. With a GDV of AUD133.0 million, we hope to realise the sales proceeds when we hand over the completed units. Meanwhile, Conservatory, with a GDV of AUD320 million, is 59% completed, and is on track for completion before year end.

Revenue from land disposal represented about 19% of our total revenue, the bulk of which was from the disposal of the land in Richmond, Canada. Excluding the land disposal revenue, the balance revenue of RM2.4 billion was still higher than the total revenue achieved in 2016.



Revenue from facilities management, property investment and other activities remained flat at around RM111.8 million. Unbilled sales as at end 2017 was RM4.8 billion, a slight decrease compared to RM5.1 billion as at end 2016, mainly due to the completion of several developments in both the Southern and Central regions as well as strong construction progress of other ongoing developments, giving us earnings visibility for at least another two years. A large chunk of our current unbilled sales is from our projects in Melbourne, as regulations in Australia require 10% of the purchase price to be paid as deposits while the remaining 90% need only be paid by the buyers upon completion of the development.

Cost of sales increased by 56%, consistent with the increase in revenue largely contributed by our international projects, especially in Australia due to the progress of the developments.



The soft property market, especially in relation to high-rise and premium products in the Southern region, had an impact on our partners, resulting in a 64% reduction in the share of results from our joint ventures and associates. This, however, was slightly compensated by the marginal 10% increase in other income.

Profit after tax and non-controlling interests ("PATANCI") increased by approximately 90% year-on-year to RM280.1 million on the back of the strong revenue growth.

We exceeded our property development sales target of RM1.2 billion, achieving a total of RM1.5 billion, contributed mainly from Residensi Solaris Parq in Dutamas, followed by Mayfair in Melbourne and Estuari Gardens in Puteri Harbour. The Central region contributed 44%, mainly from Residensi Solaris Parq, Serene Heights Bangi and Verdi Eco-dominiums in Symphony Hills, Cyberjaya; while the Southern region contributed 27%, largely from Estuari Gardens, Melia Residences in Gerbang Nusajaya and Almas in Puteri Harbour. The remaining 29% of sales came from our international projects: Mayfair, Conservatory and Aurora Melbourne Central.

We are pleased to note that our inventory monetisation initiatives have also been effective achieving close to RM300 million in terms of sales for our completed properties such as Nusa Idaman and Nusa Bayu in Iskandar Puteri and Verdi Eco-dominiums as well as landed residences in Symphony Hills, Cyberjaya. We aim to clear more inventory in 2018 considering that both Denai Nusantara and Estuari Gardens are expected to be completed towards the end of the first half of the year.

We did not launch any new project in the Southern region save for Phase 3E of Melia Residences, with a modest GDV of RM19.1 million. The launches of Residensi Solaris Parq and Mayfair, however, helped to propel our target launched GDV to RM2.0 billion, surpassing the RM1.7 billion mark. From the total launched GDV, 56% was from Mayfair while 38% was from Residensi Solaris Parq.

In 2017, we completed four projects totalling 3,158 units of high-rise residential and mixed integrated products. These units were handed over progressively, commencing from the completion dates. Details of the completed products are as follows:

No.	Completion Date	Development	No. of Units Completed	No. of Units Handed Over as at 9 April 2018
Central region				
1.	July 2017	Arcoris Mont'Kiara	959	934
2.	October 2017	Residensi22 Mont'Kiara	534	394
Southern region				
3.	March 2017	Teega, Puteri Harbour	1,343	1,228
4.	August 2017	Bayu Angkasa, Taman Nusa Bayu	322	138
			3,158	2,694

Subsequent to the Board's deliberation, we are proposing a final single tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2017. This is a symbolic reward to our valued shareholders who have remained alongside us through soft market conditions and a one-year hiatus of not receiving any dividend.

SOUTHERN REGION

The Southern region, comprising lands in Iskandar Puteri, Desaru, Mersing and Kulai, continues to dominate our project and landbank portfolios. Representing 76% of our total landbank, the available 9,816.9 acres are detailed out as follows :

No.	Details of Land	Acres
1.	Remaining phases of ongoing developments	1,310.0
2.	Land with potential pipeline developments	6,868.2
3.	Remaining land of catalytic developments	700.6
4.	Land with no immediate development plans	938.1
Total		9,816.9

The table includes 100% of our joint venture developments. If we consider only our equity portion of the joint venture developments, the Group effectively holds 7,317.9 acres in the Southern region.

The estimated GDV for the 9,816.9 acres is RM92.4 billion.

During the year, we launched only one new development in Iskandar Puteri, i.e. the subsequent phase of Melia Residences, Phase 3E. Comprising 22 units of double-storey terraced house with a GDV of RM19.1 million which was launched in June.

Other highlights of the year included the topping up ceremony of Almās Suites in Puteri Harbour on 11 December; and the handover of Teega in Puteri Harbour and Bayu Angkasa in Nusa Bayu in March and August, respectively.

In addition to the divestment of several pocket lands in Iskandar Puteri, we also surrendered approximately 36.9 acres of our pocket land to the Johor State Government in the third quarter of the year, part of which has been allocated for the development of a cancer research institute in remembrance of the late Tunku Laksamana Johor.

Details of ongoing property developments :

Project	Description	Acres	Total Units	Total GDV (RM mil)	Launched GDV (RM mil)	Project Launch Date	Take-up to-date* (%)
Nusa Idaman	Mid-market residential development comprising double-storey terraced houses, semi-detached houses, bungalows, high-rise condominiums as well as shop offices	251.0	2,897	1,879.2	945.9	March 2006	98
Horizon Hills - Joint Venture with Gamuda Berhad	Integrated golf themed residential and leisure development with nine themed residential parcels and a 200-acre 18-hole golf course	1,227.0	6,217	7,220.0	4,389.5	March 2007	87
East Ledang	Garden themed luxury residential development featuring 31 gardens and components including link duplexes, twin villas, townhouses, bungalows, high-rise apartments, a clubhouse as well as a retail centre	348.0	2,507	4,273.9	1,844.1	February 2008	91
Nusa Bayu	Residential development catering to first-time home buyers with earlier components mainly landed double-storey terraced houses	258.0	2,927	1,159.9	744.5	October 2010	92

Note : * As at 9 April 2018

Project	Description	Acres	Total Units	Total GDV (RM mil)	Launched GDV (RM mil)	Project Launch Date	Take-up to-date* (%)
Teega [^]	High-rise mixed commercial residential development in Puteri Harbour comprising 3 towers of 35-storey condominiums and serviced apartments each with own Sky Park and dedicated facilities	10.1	1,372	1,347.3	1,347.3	November 2012	94
Emerald Bay - Joint Venture with Bandar Raya Developments Sdn. Bhd.	Premier waterfront residential development in Puteri Harbour comprising canal housing, waterfront villas, low-rise condominiums with beaches, islands and a clubhouse	110.0	1,649	3,515.0	338.0	October 2013	82
Almās	High-rise mixed commercial-residential development in Puteri Harbour comprising 42-storey residential tower, 42-storey residential suites, 28-storey office tower and 5-storey retail/office block	12.2	1,336	1,562.2	577.3	January 2014	88
Estuari Gardens	Premium residential development in Puteri Harbour comprising superlinks, twin villas, villas and low-rise condominiums	394.0	5,399	6,521.5	572.2	August 2015	38
Denai Nusantara	Affordable home development in Iskandar Puteri comprising five 12-storey blocks and a total of 1,109 apartments with three bedrooms each	40.8	1,217	188.5	188.5	January 2016	64
Melia Residences	Landed strata mid-market residential development comprising double-storey terraced houses in Gerbang Nusajaya	73.6	649	508.6	262.8	April 2016	72
Serimbun	Landed strata mid-market residential development comprising double-storey terraced houses near Bukit Indah	23.2	215	139.0	139.0	February 2018	38

Note : * As at 9 April 2018

[^] completed in March 2017

We plan to launch another landed strata mid-market development in Gerbang Nusajaya before the end of 2018. Comprising 200 units of double-storey terraced houses for the first two phases, this new development is a testament of our continued strategy in meeting market requirements.

In addition to these residential developments, UEM Sunrise continues to undertake various catalytic projects in Iskandar Puteri to develop the area into a thriving business, living and leisure destination.

CATALYTIC DEVELOPMENTS

Puteri Harbour, hailed as the jewel of Iskandar Puteri, is our luxurious waterfront tourist hub featuring public and private marinas, world-class hotels, serviced apartments and Riviera-styled restaurants as well as cafes in addition to lifestyle retail outlets.

Most of the waterfront infrastructure, including the public marina, Puteri Harbour International Ferry Terminal and retail outlets, are completed and operational. As mentioned earlier, we will be upgrading the existing marinas and are working to introduce a ferry route to Singapore. There are also plans to develop a convention centre, for which negotiations with a potential partner are ongoing.



The Urban Park, Solaris Parq in Dutamas, Kuala Lumpur

Kota Iskandar is the Johor State Government’s administrative centre, housing the Chief Minister and State Secretary Complex, State Legislative Assembly, Ceremonial Plaza, government offices and a mosque. Given its primary function, a key consideration during its design and planning was to make the administrative centre as conducive as possible for work. That objective has been achieved as demonstrated when the main turnkey developer – Cahaya Jauhar Sdn. Bhd. (“CJSB”), a 60 : 40 joint venture between UEM Land Berhad (“UEML”) and the Johor State Government – was awarded Gold under the Most Conducive Workplace category at the inaugural event of The Iskandar Malaysia Accolades (“TIMA”) 2016/2017.

Currently populated by about 2,250 civil servants, the anticipated number once the development is complete is about 6,000. In preparation for greater influx of state government officials, the Chief Minister and State Secretary Office complex is undergoing expansion works which are expected to be completed by August 2018.

The overall quality of the development was recognised at the 25th FIABCI (International Real Estate Federation) Malaysia Property Awards, where CJSB’s Chief Executive Officer Mohd Auzir Mohd Tahir was named Property CEO of 2017.

This year saw the launch of the third, and final, phase of SILC, our flagship 1,300 acres industrial park for advanced technologies, biotechnology and integrated logistics specifically for light to medium industries. There are 342 completed factories in phases 1 and 2 with one currently under construction. In addition, 251 commercial units have been completed, with one still under construction. Phase 3 comprises 85 plots on 196.1 acres of land, totalling close to RM800 million in GDV. We also signed two sale and purchase agreements for this phase. On 7 February, we signed an agreement with Abitrade Sdn. Bhd., a subsidiary of Crown Worldwide Group, for the sale of 4.1 acres amounting to RM15.9 million. Later, on 24 October, we signed an agreement with Luxx Newhouse Furniture Sdn. Bhd., a subsidiary of Luxx Newhouse Group, for two plots of land totalling 2.2 acres for a consideration of RM13.0 million.



Together with Malaysian Bioeconomy Development Corporation Sdn. Bhd. (formerly Malaysian Biotechnology Corporation Sdn. Bhd.), we are developing Bio-XCell Malaysia, the country's first dedicated biotechnology park. Flagship tenants include Biocon Ltd of India, the largest biotechnology firm in Asia; Verdezynce Inc, from the US; and WH Distripark, a Malaysian logistics company. The year saw the ground-breaking ceremony of Verdezynce's first commercial-scale renewable chemicals manufacturing facility - the VerdePalm plant - on 30 July. Initial production at the plant will focus on dodecanedioic acid ("DDDA"), making it the world's first bio-based plant for DDDA which is used in a variety of corrosion inhibitor applications. The plant is expected to be completed in 12-18 months.

Afiat Healthpark forms the nucleus of health and well-being services in Iskandar Puteri. It currently boasts the Columbia Asia Hospital; and Millesime Hotel, developed by DB Hartanah Sdn. Bhd. as Malaysia's first medi-hotel with 161 disabled-friendly rooms. The 80-bed Columbia Asia Hospital, opened in 2010, is currently undergoing expansion on three acres of land purchased from UEM Sunrise adjacent to the original hospital. The expansion is nearing completion, and we expect to obtain the Certificate of Completion and Compliance in the second quarter of 2018. The multi-disciplinary specialist hospital, which received the Malaysian Society for Quality in Health ("MSQH") accreditation in 2017, currently has an average daily occupancy rate of 80%-100%.

Pinewood Iskandar Malaysia Studios ("Pinewood"), opened in 2014, is a world-class film and television studio facility for the Asia-Pacific region offering film stages, television studios, production accommodation, water tanks and postproduction facilities (provided by Imagica Southeast Asia). It has hosted the filming of various television series and movies including those produced for Netflix, Vincent Zhou's sci-fi thriller *Lost in the Pacific* and many more. In 2017, Pinewood also hosted the *The Voice Asia*. Pinewood is a collaboration between Khazanah Nasional Berhad's subsidiary Iskandar Malaysia Studios Sdn. Bhd. and Pinewood Shepperton Plc of the United Kingdom.

LEGOLAND® Malaysia Resort is home to the first LEGOLAND® in Asia and the first international theme park in Malaysia. In November, it added yet another first to its name by becoming the first LEGOLAND® park in the world to launch the LEGO Virtual Reality ("VR") Roller Coaster - The Great LEGO Race. The ride takes the roller coaster experience to a new dimension by fusing virtual reality technology and roller coaster thrills. Developed in partnership with Samsung it simulates a real-life race featuring a line-up of racers drawn from the ranks of the popular LEGO Minifigure mystery assortments.

Meanwhile, another new attraction is being developed, making LEGOLAND® even more irresistible to the young : SEA LIFE Malaysia. At SEA LIFE, visitors will be able to 'voyage' to the depths of the oceans and discover creatures that inhabit this environment. The entire experience presented by the more than 25 display tanks in 11 habitat zones will be educational, exciting and fun. SEA LIFE will be opened to the public in the fourth quarter of 2018.

EduCity™ is being developed into a fully integrated education hub comprising universities and institutes of higher education, R&D centres, as well as recreational and sports facilities and student accommodation. Spanning close to 300 acres, EduCity™ is currently home to Newcastle University Medicine Malaysia, University of Southampton Malaysia, University of Reading Malaysia, the Netherlands Maritime Institute of Technology, and Multimedia University's Faculty of Cinematic Arts. The Management Development Institute of Singapore ("MDIS") is expected to open its doors in this precinct in mid-2018.

Another Singaporean tertiary education provider, Raffles University Iskandar, has earmarked a sizeable plot in EduCity™ where it will offer design programmes, among others.

Currently with a student population of about 3,400, facilities are being designed to cater for maximum student capacity of 16,000 by 2025. Among the shared recreational facilities are a sports complex featuring a 6,000-seat stadium with a full-size football pitch and IAAF-certified track, and a 488-seat aquatic centre with an eight-lane Olympic-size pool.



Symphony Hills in Cyberjaya, Selangor

GERBANG NUSAJAYA

Gerbang Nusajaya represents the second phase of the Iskandar Puteri development. Sprawling across 4,551 acres, it will feature lifestyle and retail zones, campus offices and industrial parks as well as residential precincts. The entire development will unfold over a 25-year timeframe.

The year saw a number of achievements at Nusajaya Tech Park (“NTP”), an integrated and eco-friendly industrial park being developed jointly with Ascendas-Singbridge Pte Ltd of Singapore via a joint venture company 40% owned by UEM Land Berhad, Nusajaya Tech Park Sdn. Bhd. (“NTPSB”). In April, NTP received a Green Building Index (“GBI”) Silver Certificate. In May, a Certificate of Practical Completion (“CPC”) was issued for Telekom Malaysia’s (“TM”) Data Centre, a purpose-built data centre facility on a 7.9-acre land in NTP. It was officiated by the Menteri Besar of Johor, Datuk Seri Mohamed Khaled Nordin in November. 47 TM employees have moved in to-date. In July, NTPSB signed a sale and purchase agreement with Daiichi Seiko from Japan for the disposal of its Build-To-Suit (“BTS”) factory land measuring 10.9 acres. Daiichi Seiko, a world-leading manufacturer of precision engineering components, plans to develop its largest manufacturing facility in South Asia at NTP to support the expansion of its high-tech automotive sensor business in the region. The ground-breaking ceremony for the event was held on 9 August.

Fastrackcity

Fastrackcity, the ultimate automotive lifestyle hub, is being developed by our joint venture, FASTrack Iskandar Sdn. Bhd. (“FASTrack Iskandar”). Once completed, it will feature a state-of-the-art 4.45km Grade 1 Federation Internationale Automobile and Grade A Federation Internationale de Motocyclisme international circuits. The track will take advantage of the 60m elevation differential of the site to provide a racing experience like no other in Asia.

JV with KLK Land Sdn. Bhd. (“KLK Land”)

In February 2014, we entered into an agreement with KLK Land Sdn. Bhd. (“KLK Land”), the wholly-owned subsidiary of Kuala Lumpur Kepong Berhad through UEM Land Berhad (“UEML”) to jointly develop a total of 3,000 acres of land in Iskandar Malaysia, comprising 500 acres in Gerbang Nusajaya and another 2,500 acres in Kulai. Two joint venture companies were formed to undertake the two developments. Scope Energy Sdn. Bhd., in which KLK Land has 60% equity, is to undertake the development in Gerbang Nusajaya, with KLK Land in the driver’s seat. Meanwhile, Aura Muhibah Sdn. Bhd., in which UEML holds 60% equity, is to develop the Kulai land, with UEML taking the lead.

Both landbanks have been earmarked for mixed-use development. In Gerbang Nusajaya, the plan revolves around an ecology and nature-based concept, with enclaves of low-rise residences supported by other facilities and amenities in a secured environment. In Kulai, the mid-market development will comprise industrial parks as well as



commercial and retail components. Broadway Malyan Asia Pte Ltd has been selected, via competition, to undertake the master planning for the Kulai land and we hope to announce the master planner for the Gerbang Nusajaya land in the first half of 2018. Planning is under way for both developments.

JV with Mulpha International Berhad

Through UEML, we formed a 50:50 joint venture company with Leisure Farm Corporation Sdn. Bhd. (“LFC”), called Gerbang Leisure Park Sdn. Bhd. (“GLP”), to jointly develop 38 parcels of freehold land (36 parcels owned by LFC and two parcels owned by subsidiaries of UEML) with a total land area of about 230 acres located in Gerbang Nusajaya and near the Leisure Farm Resort into two mixed residential and commercial developments. Both developments are expected to take 12 years to complete from the time they are launched. GLP is currently planning the developments and expects to obtain newly approved land use masterplans in 2018.

High Speed Rail and TOD

The Kuala Lumpur-Singapore High Speed Rail (KL-SG HSR), which is expected to be operational in 2026, will have seven stations in Malaysia, with the final station before the track crosses the causeway located in Gerbang Nusajaya. Recognising the potential of this stop, we organised an international Masterplan Competition for a Transit Oriented Development (“TOD”), which was won by London-based project management consultant Atkins, a member of the SNC-Lavalin Group. Since being awarded the project, Atkins has updated its masterplan to incorporate the station design and rail alignment, as unveiled by MyHSR Corp, and is working with local consultants as well as our team to produce a detailed TOD Masterplan. This is expected to be completed and unveiled in the second half of 2018.

CENTRAL REGION

The Central region, comprising land in Kuala Lumpur, Selangor and Negeri Sembilan, represents 5% of our total landbank, an area of 598.0 acres detailed out as follows :

No.	Details of Land	Acres
1.	Remaining phases of ongoing developments	471.1
2.	Land with potential pipeline developments	103.5
3.	Land with no immediate development plans	23.4
Total		598.0

The above includes 100% of our joint venture developments. If we consider only our equity portion of these joint venture developments, the Group effectively holds 481.5 acres in the Central region.

The estimated GDV for the 598.0 acres is RM14.8 billion.

In addition to the lands in the Central region, we also have approximately 2,405 acres in Tapah, Perak. The land currently has no immediate development plans.

During the year, we launched a total of 746 units in the region - 170 landed double-storey terraced homes in Dahlia, Serene Heights Bangi and 576 units of serviced apartments in Towers A and B of Residensi Solaris Parq. Solaris Parq represents our third instalment of the Solaris development series, after Solaris Mont'Kiara and Solaris Dutamas. Located adjacent to Publika shopping mall, the 19-acre mixed development encompasses four components, namely Residensi, Galleria, Suites and Offices.



We also signed an agreement with MCOBA to undertake a mixed development on 2.7 acres of land located along Jalan Syed Putra in Seputeh, Kuala Lumpur, on which the existing MCOBA building stands.

The topping out ceremony for Residensi22 Mont'Kiara was held on 8 February, and the project was completed in October. We also completed Arcoris and Residensi22, in July and October, respectively. To-date, we have handed over 934 units and 394 units in the two projects, respectively.

Updates on ongoing projects in the Central region :

Project	Description	Acres	Total Units	Total GDV (RM mil)	Launched GDV (RM mil)	Project Launch Date	Take-up to-date* (%)
Arcoris Mont'Kiara, Kuala Lumpur [^]	High-rise mixed development comprising 18-storey serviced residences, 35-storey hotel operated by Hyatt Hotels Corporation, SOHO and business units with retail outlets	6.0	1,296	1,257.9	734.5	October 2011	100
Forest Heights, Seremban - JV with MCL Land Ltd of Singapore	Mid-market mixed residential development comprising single and double-storey terraced houses, bungalows, shop offices and retail units	488.0	2,839	2,017.0	413.8	2004	89
Symphony Hills, Cyberjaya	Residential development comprising terraced houses, twin villas, townhouses and condominiums with clubhouse facilities	98.0	1,216	1,262.5	1,105.5	July 2010	71

Note : * As at 9 April 2018

[^] Completed in July 2017

Project	Description	Acres	Total Units	Total GDV (RM mil)	Launched GDV (RM mil)	Project Launch Date	Take-up to-date* (%)
Serene Heights, Bangi	Mid-market residential development comprising landed double-storey terraced & semi-detached houses, bungalows, condominiums and commercials	448.0	4,414	3,435.9	376.8	June 2015	84
Residensi22 Mont'Kiara, Kuala Lumpur [^]	High-rise development comprising four 38-storey residential towers, each with spacious built-up units	6.7	534	971.3	971.3	September 2013	99
Radia Bukit Jelutong, Shah Alam - JV with Sime Darby Property Berhad	Mixed residential-commercial development comprising serviced apartments, retail shops and strata offices	21.0	1,064	2,021.0	759.8	November 2013	46
Sefina Residences Mont'Kiara, Kuala Lumpur	Low-density high-rise development comprising a 35-storey residential tower	3.0	245	307.3	307.3	August 2015	98
Residensi Solaris Parq, Dutamas	Premier high-rise mixed development comprising residential and commercial components in Dutamas, near Mont'Kiara	18.7	2,209	2,943	759.8	October 2017	59

Note : * As at 9 April 2018

[^] Completed in October 2017

We launched our first Federal Territories Affordable Housing Project (RUMAWIP), Kondominium Kiara Kasih, in Segambut on 20 March 2018. Priced at RM300,000 per unit with a GDV of RM217.5 million, we hope that our offer of 719 residential units with built-up of 850 square feet each, will be embraced by the market with excitement. We also plan to launch another high-rise development in Mont'Kiara, code-named MK27, some time in the second half of 2018. Offering 240 units with an estimated GDV of RM249.9 million, the aim is to replicate the success of our Residensi Solaris Parq. In addition, we plan to launch a new phase of Serene Heights Bangi comprising 84 units of landed double-storey terraced houses with an estimated GDV of about RM53.0 million in the second half of 2018.

INTERNATIONAL DEVELOPMENTS

We currently have ongoing projects in Melbourne and are in the design stage of the development of 30.7 acres of land in Durban, South Africa. During the year, we exited from Canada with the sale of our remaining landbank in Richmond, Vancouver.

Construction of Aurora Melbourne Central, our inaugural project in Melbourne's Central Business District ("CBD") in La Trobe Street is 60% completed to-date and we are on target to hand over the first separable parcels levels 1 to 32 of the residences in the third

quarter of 2018. We had fully sold the residential apartments and office suites as at end December.

We are also making good progress with Conservatory, which is 59% completed to-date, and expect to hand over the entire 42-storey residential tower in the second half of 2018. To-date the take-up for Conservatory stands at 92%. Conservatory is located on Mackenzie Street, also in Melbourne's CBD.

Mayfair by Zaha Hadid was launched in Melbourne in September 2017 following media launches in Kuala Lumpur and Singapore in July and August, respectively. The spectacular 19-storey residential building on Melbourne's premium boulevard, St Kilda Road, comprises retail outlets and serviced apartments on the ground floor, and 18 storeys of apartment units with unrestricted views of the Shrine of Remembrance/Royal Botanic Gardens and Albert Park. The entire development comprises 158 residences of one to five bedrooms, ranging from 750 to 6,000 square feet in terms of built-up at prices starting from RM2.4 million. The penthouses, branded as the Zaha Signature Suites, are priced up to RM43 million. We target to commence site works in the second quarter of 2018 and to complete the project in the second quarter of 2021. Mayfair, which carries a GDV of approximately RM1.1 billion, has achieved a take-up of approximately 40% to-date, with about 55% sold to local Australian buyers.



Project	Description	Acres	Total Units	Total GDV (RM mil)	Launched GDV (RM mil)	Project Launch Date	Take-up to-date* (%)
Aurora Melbourne Central, Melbourne CBD	Premier integrated high-rise development comprising 92-storey residential tower, serviced apartments/hotel, retail and office space on La Trobe Street	0.8	959	2,390.4	2,390.4	October 2014	100
Conservatory, Melbourne CBD	Premier 42-storey residential tower on Mackenzie Street	0.5	446	990.6	990.6	September 2015	92
Mayfair, St Kilda Road	Ultra-luxurious residences comprising a 19-storey tower along St Kilda road, near Melbourne CBD	0.4	158	1,132.6	1,132.6	September 2017	40

Note : * As at 9 April 2018

In view of the completion of Aurora Melbourne Central and Conservatory before year end, in February 2018, we entered into a joint venture agreement with Focused Facilities Management Pty. Ltd. ("FFM"), an Australian-based company providing facility management services including building management, concierge, security and cleaning services to provide the services for Aurora Melbourne Central and Conservatory. FFM has more than 12 years experiences in the field and has been providing such services to Melbourne's finest premium residential and commercial developments.

For our land in Durban, we are proposing a mixed-use development comprising retail outlets, serviced apartments/hotel, condominiums and offices. Phase 1, occupying about 9.6 acres with an estimated GDV of RM1.6 billion, will include retail and office spaces as well as serviced apartments/hotel.

AFFORDABLE HOUSING

As a socially responsible developer, UEM Sunrise fully supports the Government's agenda for all Malaysians to be able to afford their own homes. Accordingly, we have embarked on various affordable housing projects in the Southern as well as Central regions.

Taman Nusantara & Nusantara Prima

Our first affordable developments – Taman Nusantara and Nusantara Prima – are being undertaken with Denia Development Sdn. Bhd. on 650 acres of land in Iskandar Puteri. To-date, we have developed 3,984 residential units and shop offices in Taman Nusantara; and 201 units of PR1MA houses in Nusantara Prima.

During the year, 185 units of double-storey terraced houses in Taman Nusantara were completed, and are awaiting Certificates of Completion and Compliance (“CCC”), while 802 units of PR1MA houses in Prima Nusantara are under construction with targeted completion in June 2018. All the units in Taman Nusantara, priced between RM199,000-RM306,371, have been sold out while 96% of those in Prima Nusantara are taken up.

Perumahan Iskandar Malaysia (“PRISMA”)

We have allocated 60 acres of land to Iskandar Regional Development Authority (“IRDA”) to develop the PRISMA affordable housing scheme in Iskandar Puteri. This comprises 34 blocks of three to four-storey apartments. A total of 1,500 apartments, ranging in built-up from 900 to 1,200 square feet, are already completed, and have been rented out to households with total incomes of less than RM3,000 per month.

Bayu Nusantara

We completed 351 landed units under Phase 1 of Bayu Nusantara in 2016, comprising :

- 80 units with built-up of 850 square feet priced at RM80,000 per unit;
- 241 units with built-up of 1,000 square feet priced at RM150,000 per unit; and
- 30 units of 1,200 square feet shop lots priced at RM200,000 per unit.



Bayu Angkasa in Iskandar Puteri, Johor

We were honoured to have received a Merit under The Edge Malaysia Affordable Urban Housing Excellence Awards 2017 for Bayu Nusantara. The award, which recognises outstanding affordable housing developments, bears testimony to our efforts to provide homes to the public at large. Bayu Nusantara has a take-up rate of 95% to-date.

Denai Nusantara

We are developing five 12-storey blocks with a total of 1,109 units of three-bedroom apartments in Denai Nusantara, Gerbang Nusajaya. Each apartment has a built-up of 1,000 square feet and is priced at RM150,000 per unit. The project includes 108 single-storey shoplots, each with a built-up of 1,200 square feet and priced at RM200,000. The entire development carries a GDV of RM188.5 million. To-date, a total of 1,015 certificates have been issued of the 1,217 units, which have a take-up of 64%. We plan to deliver the units to buyers in June 2018.

Laman Nusantara

Within Gerbang Nusajaya, we have allocated 164.8 acres towards the development of 4,752 units of affordable houses, known as Laman Nusantara. Phase 1A, comprising 780 units of Perumahan Komuniti Johor (“PKJ”) B, sized 850 square feet, will be made available to eligible owners at RM80,000 per unit. The development will include a mosque, primary schools, religious schools, a multipurpose hall and neighbourhood community centre. Occupying 11.3 acres, this phase carries an estimated GDV of RM62.4 million. We submitted the building plan for Laman Nusantara on 1 March 2018.



In the Central region, we are developing three types of Rumah Selangorku homes in Serene Heights Bangi. A total of 810 units, sized 700 to 900 square feet and priced from RM42,000-RM180,000 per unit, are set to be launched in 2019. We are also developing 719 apartment units in Kondominium Kiara Kasih, Segambut, which has been launched in the first quarter of 2018.

DEVELOPING OUR PEOPLE



In a competitive marketplace, we believe in differentiating ourselves not only in terms of our products and service - which we recognise to be crucial - but also our people who, ultimately, determine our ability to innovate and respond effectively to the changing landscape. Accordingly, we place much importance on the continuous development of our employees and have various programmes targeted at enhancing their capabilities and competencies.

Our Talent Management and Learning & Development Department is responsible for identifying the skills that

we as an organisation need to achieve our corporate goals, and for developing programmes to ensure our people are equipped with the identified skills.

During the year 2017, we organised a workshop on Design Thinking and applied the digital technology that draws upon logic, imagination and intuition in three different projects, namely : to 'Reimagine the Urban Living Experience in A World Where Work Life Integration Becoming A Norm'; 'Redesign The After Sales Service Experience'; and 'Redesign The Mall Customer Engagement Experience'. We also organised Office 365 Clinics to equip our people with the skills to fully leverage the digital tools they have at their fingertips with Office software; and helped 10 project management executives attain the Project Management Professionals ("PMP") certification.

CORPORATE SOCIAL RESPONSIBILITY

UEM Sunrise plays a significant role in the communities where we operate, and make a continuous effort to give back to society for the simple reason that we believe it is the right thing to do. We have been an active member of PINTAR Foundation since 2008 and currently have 14 schools under an adoption programme in the Central and Southern regions, where we run various initiatives guided by PINTAR's four core modules : Motivational and Team Building Programme; Educational Support Programme, Capability and Capacity Building; and Reducing Vulnerabilities and Social Issues. This is in line with our two-pronged Corporate Social Responsibility strategy focusing on Educational Enhancement and Community Engagement. You will find more on this in our Sustainability Report on pages 78 - 105.





OUTLOOK

The outlook for the property sector looks mixed. On a positive note, Malaysia's economy is picking up with an expected GDP of 5.4% in 2018, prompting an uplift in consumer sentiment. On the downside, the Government has since 1 November 2017, imposed an indefinite freeze on the development of retail and commercial units as well as residential properties priced above RM1 million, to help clear the property overhang. This is compounded by Bank Negara Malaysia's increase in the overnight policy rate to 3.25%, which has seen banks raise their commercial and lending rates affecting monthly housing loan repayments and loan tenure.

Despite the challenges, we are positive of our outlook. Indeed, the year has started well for UEM Sunrise, based on our sensitive reading of the market and ability to adapt our offerings to meet pockets of demand.

In early February, we launched Serimbun, commanding a GDV of RM139.3 million. While surrounded by lush greenery, the 23.2-acre development featuring 215 residential units with sizes ranging from 1,993 to 2,117 square feet offers great connectivity with easy access to the Coastal Highway via the Second Link Expressway. Not wanting to miss out on the opportunity of a great property value proposition, more than 1,000 Malaysians turned up for the launch. Many were queuing from as early as 1.00 a.m.

In addition to Serimbun, Kondominium Kiara Kasih was also recently launched on 20 March 2018. The development commands a total GDV of RM217.5 million for 719 units of 850 square feet apartments. On the day of the launching which was graced by YB Datuk Seri Utama Tengku Adnan Tengku Mansor, the Minister of Federal Territories, a balloting session took place for all registrants of the development. More than 1,000 guests turned up for the launch of the development as well as to witness the balloting session.

Other than Serimbun and Kondominium Kiara Kasih, we have lined up five more launches for the year inclusive of another mid-market landed property development, called Iris (Phases 1 and 3), in the Southern region; another phase of Serene Heights Bangi and MK 27 in Mont'Kiara. Collectively, these planned launches carry a GDV of RM1 billion.

As these launches indicate, our strategy is to focus on more mid-high market developments, and high end sought-after addresses such as Mont'Kiara where our reputation and robust market demand provide the right recipe for success. Capitalising on selective demand in the Klang Valley, we will also continue to build our landbank in the Central region, especially in areas with great accessibility.

At the same time, we will push ahead with the various catalytic projects in Iskandar Puteri. Besides adding to Puteri Harbour's allure as a stunning waterfront destination, we are making good

progress on the TOD adjacent to the Iskandar Puteri HSR station in Gerbang Nusajaya. Following the appointment of Atkins to develop the masterplan, we are confident of capitalising on the potential that this station brings to create greater economic and social value to Iskandar Puteri and Iskandar Malaysia as a whole.

Financially, we will further strengthen our cash flow from the sale of newly-launched properties and completed inventories, as well as through our asset monetisation strategy. Proceeds from the three land disposals in 2017 are expected to be received in the third and fourth quarters of 2018. Added to this, we will be able to monetise Aurora Melbourne Central and Conservatory in Melbourne, which together boast an estimated GDV of AUD1.3 billion, following the completion of the first separable parcels of Aurora Melbourne Central in the third quarter of 2018 and that of Conservatory in the second half of the year.

Above all, we will not forget that it is people whom we serve. Our intention to ensure great customer experience will continue to drive excellence along UEM Sunrise's entire value chain, from our product development to marketing, sales and branding. Guided by a clear vision of happy communities, we will intensify our efforts to design products that satisfy customers' needs and desires, help them purchase their dream homes with financing schemes, and delight them with developments that care for their holistic well-being while being sustainable.

To our Board of Directors, I would like to say thank you for your guidance which has always provided us with the stability and strength to explore new areas of growth. To all our

employees, I would like to express my sincere appreciation of all the hard work you have put in which has played a significant role in our success today. With your continuous support, I am confident that we will be able to scale to even greater heights and achieve even better results in the coming years.

Before signing off on this Management Discussion and Analysis I would like to take the opportunity to welcome three new Board members, Tan Sri Dato Sri Zamzamairani Mohd Isa, who was appointed Chairman as of 18 May 2017; Tan Sri Dr. Azmil Khalili Dato' Khalid who joined us on 13 December 2017; and Datin Teh Ija Mohd Jalil, who came on Board on 1 March 2018.

Tan Sri Zamzamairani has had an illustrious career at Telekom Malaysia Berhad, retiring after helping the company as its Group CEO for nine years; while Tan Sri Dr. Azmil was the President and Chief Executive Officer of MTD ACPI Engineering Berhad, amongst many other positions and Datin Teh Ija served the Securities Commission Malaysia for 17 years, including as its Executive Director. All three bring with them extensive knowledge of their respective industries, which will add immensely to the Board's overall perspective, lending it even greater strength in guiding UEM Sunrise towards the attainment of our corporate vision.

Anwar Syahrin Abdul Ajib

Managing Director/Chief Executive Officer



“

Despite the challenges, we are positive of our outlook. Indeed, the year has started well for UEM Sunrise, based on our sensitive reading of the market and ability to adapt our offerings to meet pockets of demand.

”

2018 OUTLOOK



Puteri Harbour in Iskandar Puteri, Johor

Boost in global trade, pickup in investment particularly among advanced economies, improved manufacturing output in Asia, and in general accommodative policies catalysed the largest synchronised global growth upsurge in 2017 since 2010, at an estimated 3.7%¹. The cyclical upswing since mid-2016 and stronger momentum in 2017 is expected to continue in 2018 with global growth projected to edge up to 3.9%¹; mostly stemming from expected favourable global financial conditions, improved sentiment, and the anticipated impact of U.S. tax policy changes. Although near-term growth could surprise on the upside, the global outlook is still subject to risks, including the possibility of financial stress, increased protectionism and rising geopolitical tensions.²

In the U.S., the tax reform and associated fiscal stimulus, coupled with higher projected external demand are expected to stimulate U.S. growth, with 2018 growth forecast raised to 2.8%³, from 2.3% in 2017. The tax reform is also expected to induce higher domestic demand that in turn, increases imports; where U.S. trading partners, especially Canada and Mexico are predicted to benefit from the demand spillovers. Meanwhile, growth in the world's second largest economy, China, rose modestly to 6.9% in 2017, driven by stronger exports as well as continued fiscal support and effects of reforms. China's growth forecast sees it decelerating slightly to 6.5%⁴ in 2018, as its economic

rebalancing from exports and investments towards consumption continues, coupled with the Government's efforts to curb credit growth which are increasingly showing signs of working.

As opposed to China's projected slowdown, growth forecasts for a number of the Euro area economies such as Germany, Italy and the Netherlands have been revised up, reflecting the increasing momentum in domestic and external demands. Emerging and developing Asia is expected to grow at around the same pace as in 2017 and will continue to account for over half of the world's growth. Likewise, emerging and developing Europe's 2018 outlook is optimistic, owing to favourable external environment, easy financial conditions and higher export demand from the Euro area.

Zooming in on the homefront, Malaysia's GDP growth in 2017 accelerated to 5.9%, driven by resilient domestic demand and reinforced by steady external demand.

A positive outlook remains for 2018, albeit slower momentum growth to 5.4%⁵. The key propeller of growth in 2017 is private consumption, supported by improved labour market conditions, stable income growth, improved consumer sentiment and continuity of income support measures, which, given similar conditions, is expected to remain the main driver of GDP growth in 2018.



The income tax rates reduction for employees in the lower income brackets and provision of special assistance to current and former public servants announced in the 2018 budget are also projected to spur private consumption. In contrast, public investment is anticipated to shrink in 2018, reflecting lower capital expenditure by public entities.

As price pressures emerging from global cost factors subside, headline inflation rate in Malaysia is projected to decline; although global crude oil prices are expected to increase marginally in 2018, its impact on retail fuel prices and domestic inflation thereon should be comparatively moderate. Nonetheless, uncertainties in the external environment may pose downside risks to the nation's economy; with weaker-than-projected growth by Malaysia's primary trading partners (including China), or renewed decline in global commodity prices and export demand if cyclical factors recede are potential threats to the economy. On the contrary, a stronger-than-expected pick up in the advanced and emerging market economies could enhance demand for Malaysia's exports.

2018 is anticipated to be yet another challenging year for the property market, with a general sentiment of moderation in the market decline and a possible slight upside in certain sectors. Amongst the headwinds expected in 2018 are property oversupply, high level of household debt, rising cost of living, slow income growth and policy uncertainty associated with the general election.

In the residential segment particularly, as with 2017, the middle and mid-upper income product segments are anticipated to be the focal point of many, especially along rail transportation routes as well as in established fringe locations. House prices are projected to grow, albeit at a moderate rate, with the exception of the super luxury market in certain locations which is experiencing downward pressure from the lack of demand. Although the government's freeze on approvals for shopping complexes, offices, serviced apartments and luxury condominiums priced above RM1 million aims to provide a breather to the

oversupplied market, it is generating uncertainties with regards to its implementation. On a positive note, the 50% tax exemption on monthly rental income up to RM2,000 announced in Budget 2018 is anticipated to improve demand for investment properties within this rental category.

The retail industry is forecast to remain challenging in the short term, although its mid to longer term outlook remains positive. The biggest concern is the large incoming retail stock and the increasing pressures on occupancy rates of shopping centres, especially in the Klang Valley.

Meanwhile, the Australian economy enjoyed a record 26th straight year of growth in 2017 and that trend is set to follow through into 2018 with a GDP growth forecast of 2.7%⁶ in 2018 from 2.3%⁶ in 2017. The optimism is largely driven by improving global outlook, decreased deflationary pressures, improving business confidence and conditions, as well as comparatively higher terms of trade from higher commodity prices. The property segment however, will continue to cool off, as growth in house prices moderates, household debt levels and mortgage rates continue to rise, and tighter investor borrowing conditions are imposed. Nevertheless, first-time home buyers are expected to make a comeback, as investors take a step back. Meanwhile, eye-watering stamp duty taxes on property transfers act as a deterrence to upgraders who wish to upgrade to better homes. As UEM Sunrise caters to a niche market in the affluent areas of Melbourne, the demand fluctuations across the country is not expected to severely impact our projects.

¹ Based on International Monetary Fund's World Economic Outlook Update in January 2018.

² World Bank Group's Global Economic Prospects in January 2018.

³ Based on Bloomberg's weighted average of 74 research contributors.

⁴ Based on Bloomberg's weighted average of 63 research contributors.

⁵ Based on Bloomberg's weighted average of 34 research contributors.

⁶ Based on Bloomberg's weighted average of 40 research contributors.

Other Sources :

World Bank Group, Bloomberg, Central Bank of Malaysia (Bank Negara Malaysia), Australian Trade and Investment Commission (Austrade)



THE LATEST ADDRESS FOR LUXURIOUS LIVING

The convenience of ready-to-live apartments is presented in the resort-styled residential enclave of **East Ledang**. Residents of the 488 units in the relatively high-rise Impiana, each with stunning vistas, enjoy comprehensive recreational facilities including a tropical podium, Olympic-sized swimming pool, floating glass gymnasium, yoga deck and two sky lounges. Neighbouring Ujana and Seri Medini, this address is within easy reach of the Mall of Medini, medical facilities and EduCity™ in Iskandar Puteri.



IMPIANA



PERFORMANCE REVIEW



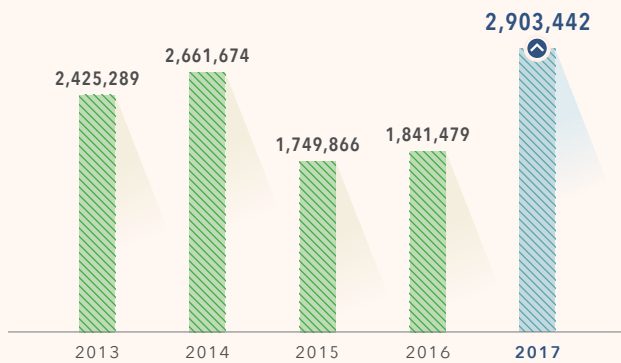
70	Five-Year Financial Highlights
71	Five-Year Group Performance
72	Group Quarterly Performance
73	Statement of Value Added & Distribution
74	Summarised Group Balance Sheet
75	Five-Year Financial Review of the Group
76	Employees & Productivity
77	Share Price & Volume Traded

FIVE-YEAR FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

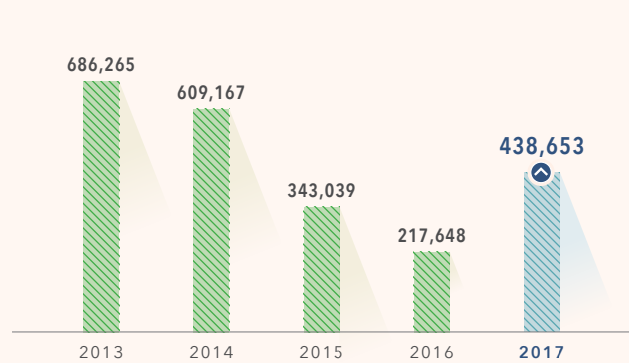
REVENUE

(RM'000)



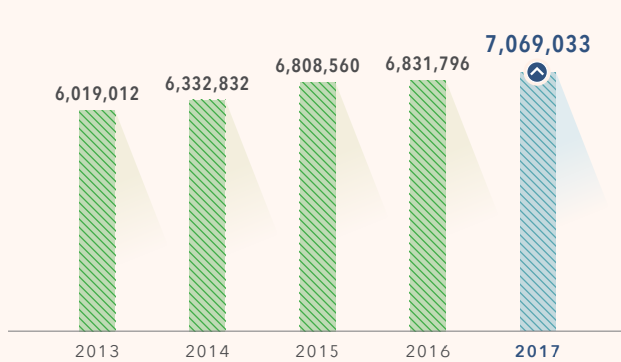
PROFIT BEFORE ZAKAT AND INCOME TAX

(RM'000)



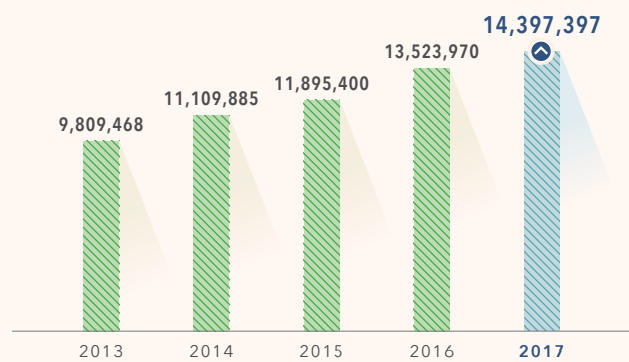
SHAREHOLDERS' EQUITY

(RM'000)



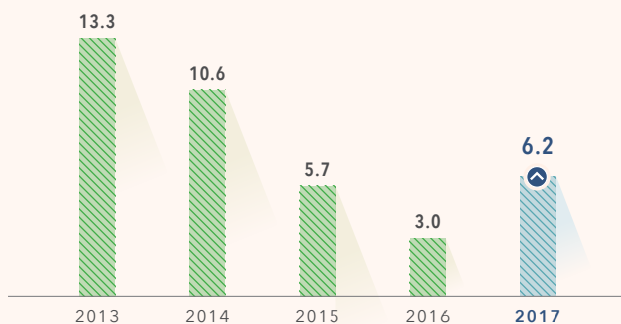
TOTAL ASSETS

(RM'000)



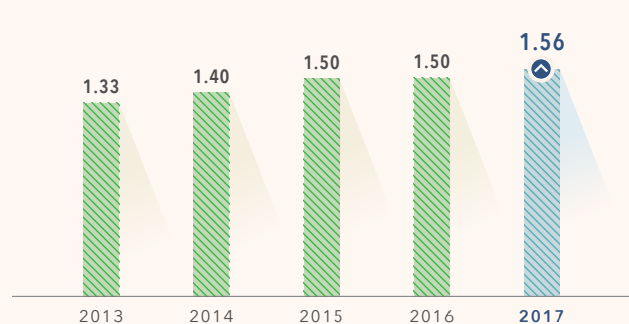
EARNINGS PER SHARE*

(SEN)



NET ASSETS PER SHARE*

(RM)



* Attributable to owners of the parent

FIVE-YEAR GROUP PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM'000	2013	2014	2015	2016	2017
Revenue	2,425,289	2,661,674	1,749,866	1,841,479	2,903,442
Cost of sales	(1,497,165)	(1,859,575)	(1,224,705)	(1,330,998)	(2,082,730)
Operating expenses	(388,812)	(340,365)	(349,688)	(360,739)	(392,502)
Operating profit	539,312	461,734	175,473	149,742	428,210
Other income	48,775	58,814	117,604	68,118	74,579
Finance costs	(29,386)	(45,852)	(73,868)	(75,992)	(91,146)
Share of net results of associates and joint ventures	127,564	134,471	123,830	75,780	27,010
Profit before income tax and zakat	686,265	609,167	343,039	217,648	438,653
Profit attributable to owners of the parent	579,141	479,927	257,212	147,302	280,085
Shareholders' equity	6,019,012	6,332,832	6,808,560	6,831,796	7,069,033
Earnings per share (sen)	13.3	10.6	5.7	3.0	6.2
Return on equity	10.2%	7.8%	3.9%	2.2%	4.0%

GROUP QUARTERLY PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

In RM'000	First Quarter 31/03/2017	Second Quarter 30/06/2017	Third Quarter 30/09/2017	Fourth Quarter 31/12/2017	Year Ended 31/12/2017
Revenue	541,763	897,795	715,766	748,118	2,903,442
Cost of sales	(372,624)	(673,325)	(503,116)	(533,665)	(2,082,730)
Operating expenses	(82,212)	(77,222)	(86,468)	(146,600)	(392,502)
Operating profit	86,927	147,248	126,182	67,853	428,210
Other income	14,044	10,359	18,142	32,034	74,579
Finance costs	(22,754)	(24,189)	(24,542)	(19,661)	(91,146)
Share of net results of associates and joint ventures	11,519	5,924	7,327	2,240	27,010
Profit before income tax and zakat	89,736	139,342	127,109	82,466	438,653
Profit attributable to owners of the parent	61,270	94,554	86,602	37,659	280,085
Shareholders' equity	6,913,955	6,992,637	7,101,756	7,069,033	7,069,033
Earnings per share (sen)	1.4	2.1	1.9	0.8	6.2
Return on equity*	3.6%	5.5%	5.0%	2.2%	4.0%

* annualised

STATEMENT OF VALUE ADDED & DISTRIBUTION

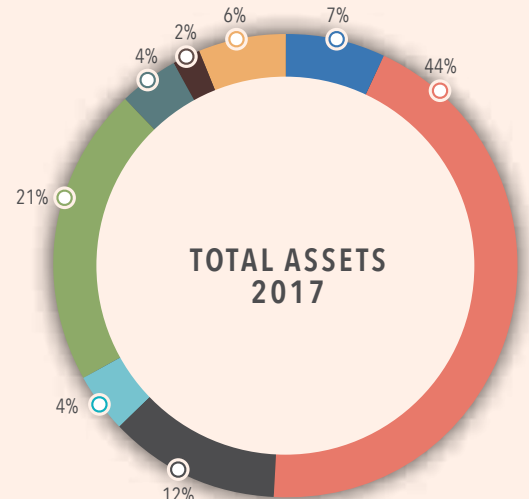
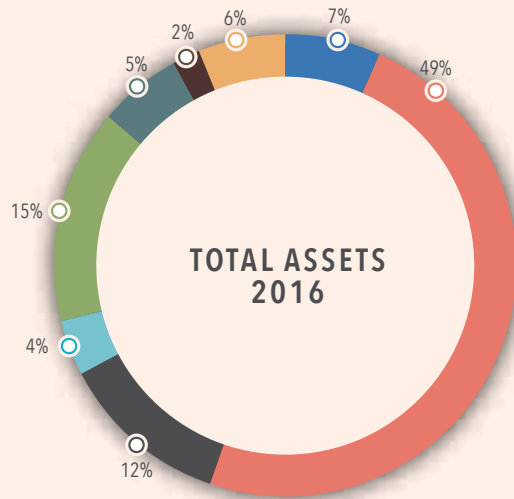
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In RM'000	2013	2014	2015	2016	2017
VALUE ADDED:					
Revenue	2,425,289	2,661,674	1,749,866	1,841,479	2,903,442
Purchase of goods and services	(1,731,124)	(2,034,358)	(1,446,971)	(1,548,765)	(2,303,573)
Value added by the Group	694,165	627,316	302,895	292,714	599,869
Other income	48,775	58,814	117,604	68,118	74,579
Share of results of associates and joint ventures	127,564	134,471	123,830	75,780	27,010
Total value added available for distribution	870,504	820,601	544,329	436,612	701,458
DISTRIBUTION:					
To employees					
- salaries and other staff costs	134,653	144,940	97,814	116,572	146,432
To government					
- income tax and zakat	107,156	129,391	86,049	69,309	157,045
To provider of capital					
- dividend	132,952	181,497	136,123	-	-
- finance cost	29,386	45,852	73,868	75,992	91,146
Retained for future reinvestment and growth					
- depreciation and amortisation	20,200	20,642	29,608	26,400	25,227
- retained profits	446,189	298,430	121,089	147,302	280,085
- minority interest	(32)	(151)	(222)	1,037	1,523
Total distributed	870,504	820,601	544,329	436,612	701,458
RECONCILIATION:					
Profit for the year	579,109	479,776	256,990	148,339	281,608
Depreciation and amortisation	20,200	20,642	29,608	26,400	25,227
Finance costs	29,386	45,852	73,868	75,992	91,146
Staff cost	134,653	144,940	97,814	116,572	146,432
Income tax and zakat	107,156	129,391	86,049	69,309	157,045
Total value added	870,504	820,601	544,329	436,612	701,458

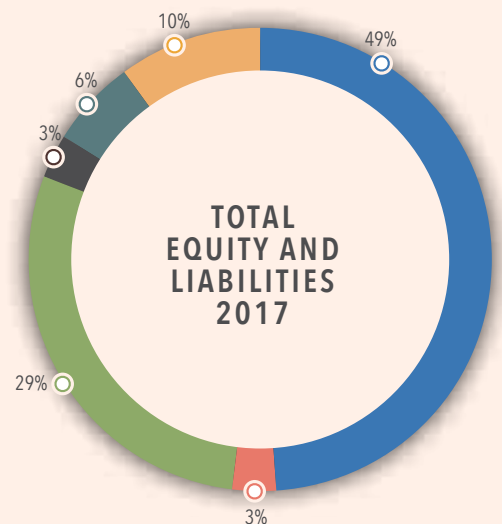
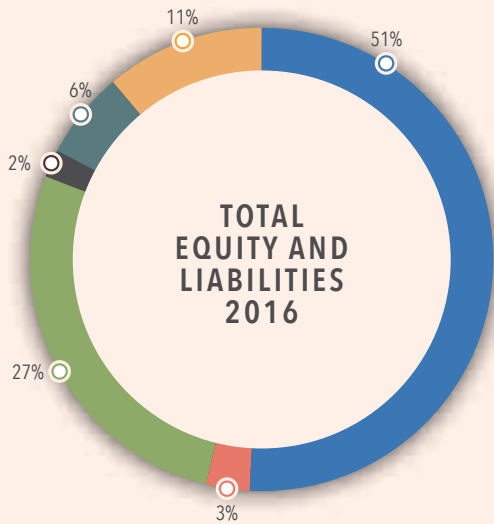
SUMMARISED GROUP BALANCE SHEET

AS AT 31 DECEMBER

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



- Retained profits
- Non-controlling interests
- Borrowings
- Income tax liabilities
- Payables
- Provisions and others

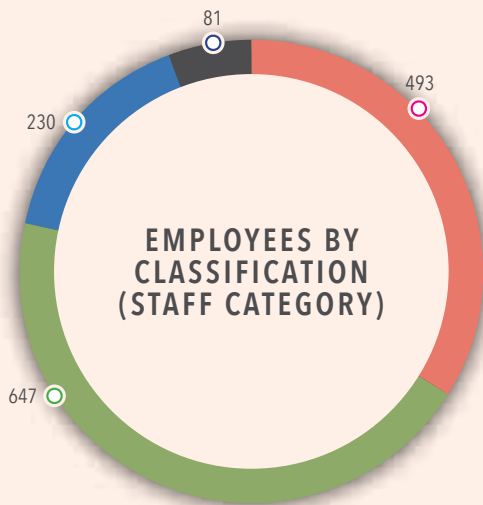


FIVE-YEAR FINANCIAL REVIEW OF THE GROUP

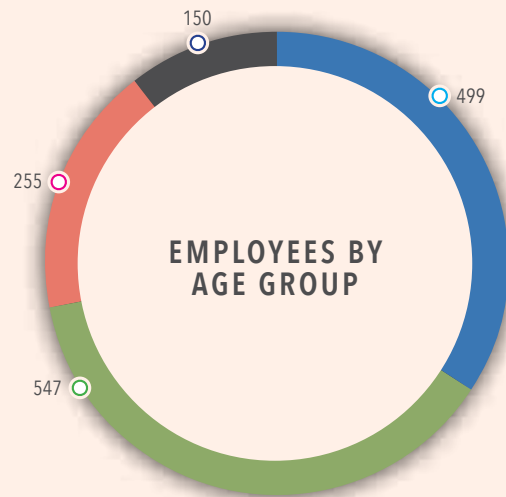
AS AT 31 DECEMBER

In RM'000	2013	2014	2015	2016	2017
TOTAL ASSETS					
Property, plant and equipment and investment properties	745,570	788,316	875,042	947,561	1,026,806
Land held for property development and property development costs	3,918,776	4,210,582	5,550,909	6,654,936	6,321,850
Interests in associates, joint ventures and others	846,090	1,280,213	1,631,616	1,572,152	1,678,559
Inventories	105,856	176,622	403,099	585,244	609,690
Receivables	2,073,780	3,123,460	1,586,681	2,087,925	3,038,170
Goodwill	621,409	621,409	621,409	621,409	621,409
Deferred tax assets	134,461	170,009	221,044	254,971	292,909
Deposits, cash and bank balances	1,363,526	739,274	1,005,600	788,542	808,004
Asset held for sale	-	-	-	11,230	-
Total assets	9,809,468	11,109,885	11,895,400	13,523,970	14,397,397
TOTAL EQUITY AND LIABILITIES					
Share capital	2,268,718	2,268,718	2,276,643	2,276,643	5,110,276
Share premium	2,044,953	2,044,955	2,829,546	2,829,546	-
Merger relief reserves	34,330	34,330	34,330	34,330	34,330
Other reserves	72,742	88,130	115,439	152,020	101,179
Retained profits	1,598,269	1,896,699	1,552,602	1,539,257	1,823,248
Non-controlling interests	450,604	485,753	360,345	361,556	363,127
Total equity	6,469,616	6,818,585	7,168,905	7,193,352	7,432,160
Borrowings	1,940,049	2,358,089	2,750,570	3,714,673	4,219,742
Income tax liabilities	324,632	353,846	223,904	253,467	361,033
Payables	624,353	655,906	772,205	880,744	952,118
Provisions and others	450,818	923,459	979,816	1,481,734	1,432,344
Total equity and liabilities	9,809,468	11,109,885	11,895,400	13,523,970	14,397,397
Net asset per share attributable to owners of the parent (RM)	1.33	1.40	1.50	1.50	1.56

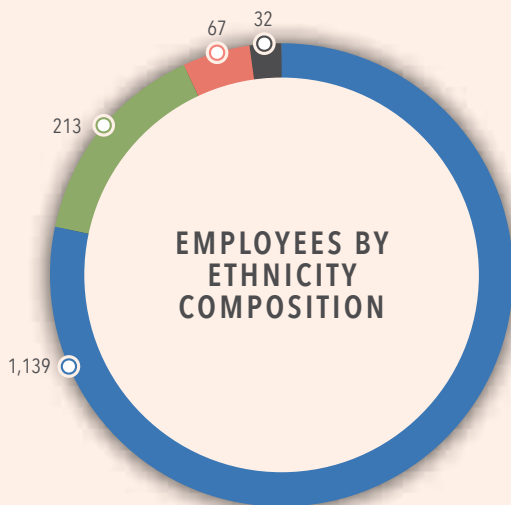
EMPLOYEES & PRODUCTIVITY



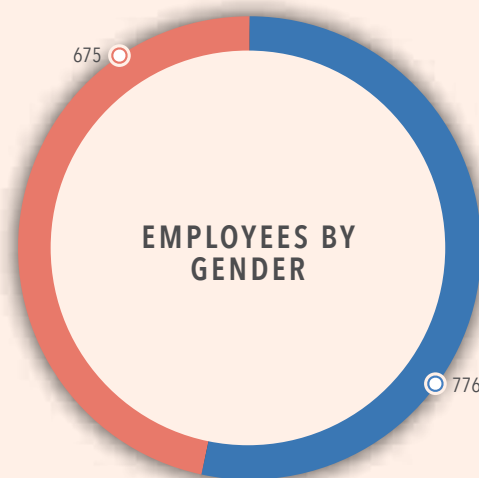
- Managerial (UE5/UP2 above)
- Executive (UE1-UE4/UP1)
- Non-Executive (UN1-UN5/UNT4)
- SL1M/YES



- 20-30
- 31-40
- 41-50
- 51 & Above



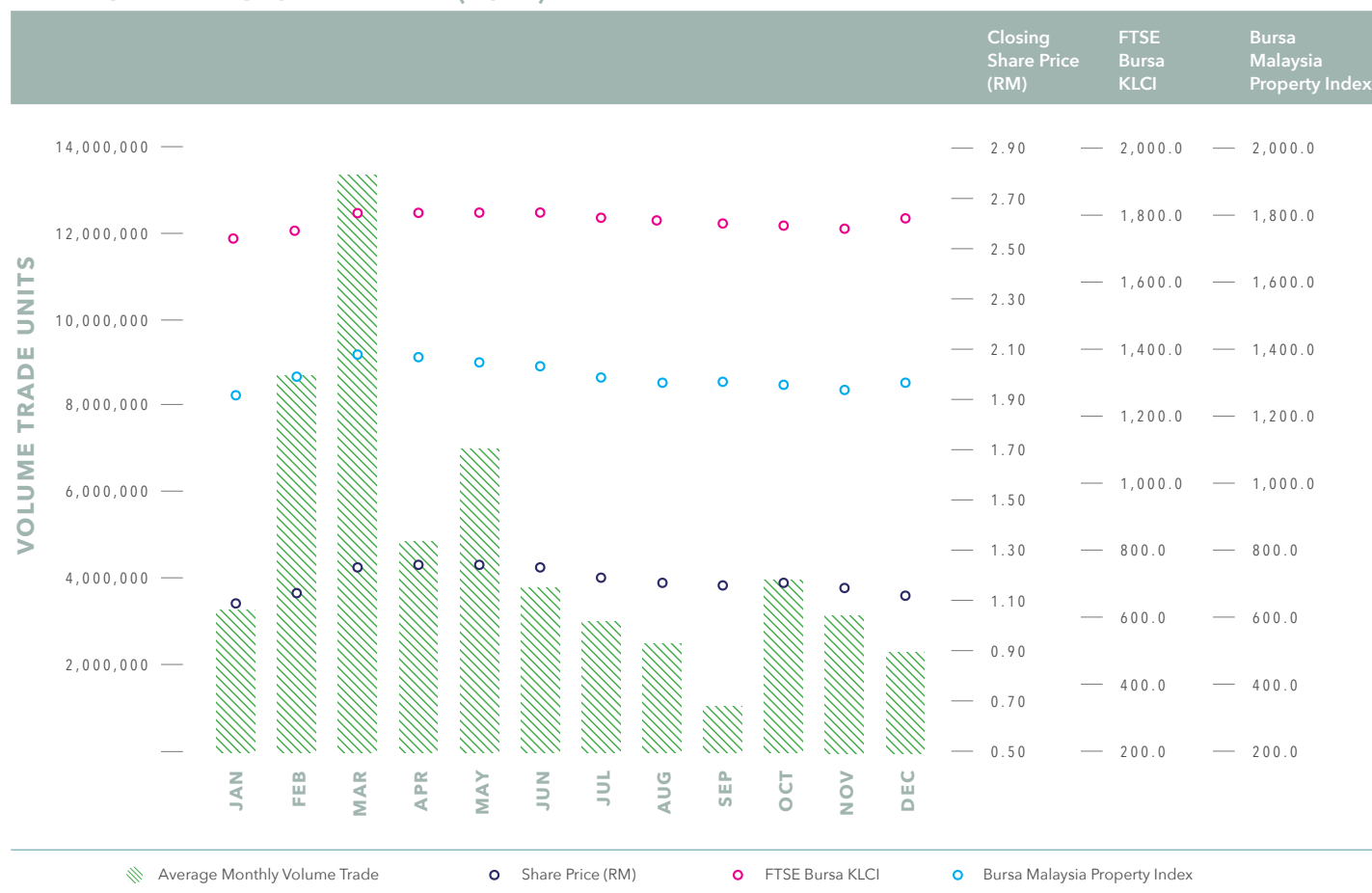
- Malay
- Chinese
- Indian
- Others



- Male
- Female

SHARE PRICE & VOLUME TRADED

UEM SUNRISE SHARES PRICE MOVEMENT AND MONTHLY VOLUME TRADED (2017)



Month	Highest Share Price for the Month (RM)	Lowest Share Price for the Month (RM)	Average Monthly Volume Trade	¹ Closing Share Price (RM)	¹ FTSE Bursa KLCI	¹ Bursa Malaysia Property Index	KLCI Avg
Jan'17	1.12	1.05	3,448,165	1.10	1,672	1,171	1,669
Feb'17	1.18	1.09	8,280,539	1.14	1,694	1,226	1,699
Mar'17	1.30	1.13	13,170,239	1.27	1,740	1,304	1,733
Apr'17	1.32	1.19	5,132,842	1.24	1,768	1,312	1,747
May'17	1.32	1.21	6,924,629	1.26	1,766	1,302	1,771
Jun'17	1.31	1.20	3,757,405	1.20	1,764	1,299	1,781
Jul'17	1.24	1.15	2,914,381	1.15	1,760	1,257	1,761
Aug'17	1.19	1.11	2,664,700	1.15	1,773	1,241	1,773
Sep'17	1.21	1.12	1,180,083	1.14	1,756	1,250	1,775
Oct'17	1.12	1.09	3,521,733	1.11	1,748	1,239	1,751
Nov'17	1.12	1.01	2,908,641	1.05	1,718	1,217	1,730
Dec'17	1.10	1.01	2,339,963	1.04	1,797	1,227	1,745

¹ Data is at the end of each respective month

A child is flying a colorful kite in a field of tall grass. In the background, there is a large, intricate wooden structure made of many thin, vertical poles, resembling a traditional windmill or a large-scale art installation. The scene is bright and sunny, with green foliage visible behind the structure.

MALAYSIA'S OWN RIVIERA

The world's yachting community has a new destination to congregate at - **Puteri Harbour**. The luxurious waterfront development in Iskandar Puteri has been designed to present a Riviera experience complete with marinas, a yachting club and al fresco cafes and restaurants along a marina-facing boulevard. Puteri Harbour is fast becoming one of Malaysia's renowned destinations for international sporting and entertainment events, presenting a unique holiday destination for people from all walks of life.



PUTERI HARBOUR



SUSTAINABILITY REPORT



78 Sustainability Report

SUSTAINABILITY REPORT

ABOUT OUR REPORTING

UEM Sunrise Berhad's ("UEM Sunrise") annual sustainability statement is a summary of the Group's operating performance. The scope and criteria used when preparing this statement are summarised below.



SCOPE OF REPORT

1 January to 31 December 2017



REPORTING CYCLE

Annually



COVERAGE

UEM Sunrise and its subsidiaries as included in the Group's consolidated financial statements. A subsidiary is a company in which UEM Sunrise holds a majority stake or has direct managerial control. References to 'the Company' and 'we' refer to UEM Sunrise and/or its affiliates and subsidiaries.



REFERENCES AND GUIDELINES

Principal Guideline :

Global Reporting Initiative ("GRI") Standards

Additional Guideline :

Bursa Malaysia's Corporate Social Responsibility ("CSR") Framework



MATERIALITY AND RELEVANCE OF INFORMATION DISCLOSED

UEM Sunrise engaged an external consultant to conduct a detailed materiality study with representatives from all stakeholder groups and its Board of Directors. This study helped identify the most important aspects of sustainability for stakeholders and the Group.



FEEDBACK

This sustainability report is available to all stakeholders in hard copy on request and can be downloaded from our corporate website www.uemsunrise.com. For further information and comments please contact :

Corporate Communication Department
UEM Sunrise Berhad,
Level U2, Block C5,
Solaris Dutamas,
No.1, Jalan Dutamas 1,
50480 Kuala Lumpur,
Malaysia.

Tel : +603 2718 7788
Fax : +603 6207 9033
Email : corpcomm@uemsunrise.uemnet.com

SUSTAINABILITY AT UEM SUNRISE

We are designing a better tomorrow, today. As a leading property developer in Malaysia, UEM Sunrise continues to lead the way by designing healthy, vibrant communities with a greater value and positive impact.

Sustainable development is central to our business philosophy and company culture. We have reinforced our commitment to sustainable development by formalising our sustainability focus areas. This approach allows us to identify and manage the full spectrum of our economic, environmental and social impact, and integrate sustainable development into every facet of our business.

UEM Sunrise's Sustainability Focus Areas



PLACES

We continue to transform the places in which we invest to create value while retaining their character, supporting our communities and enhancing people's lives



PEOPLE

Our employees are our most valuable asset and their contributions are critical to our success



SOCIO-ENVIRONMENTAL PERFORMANCE

We take great care in developing high-quality developments while improving our social and environmental performance



ECONOMIC PERFORMANCE

We deliver sustainable economic performance that is underpinned by good corporate governance and high ethical standards

SUSTAINABILITY GOVERNANCE

UEM Sunrise approaches sustainability by integrating it into its DNA. Our commitment to sustainability is top-down; the Board sets the tone and is responsible for the overall business conduct. The Board works with management to consider specific issues from strategy through to safety, environment and reputation. The executive team is accountable for UEM Sunrise's overall business including its sustainability performance. This team comprises the group chief executive, heads of businesses and certain functions such as safety and operational risk and human resources.

Our Managing Director/Chief Executive Officer and his immediate appointees maintain the procedures stipulated in our Sustainability Policy and ensure they are implemented in a reasonable timeframe.

SUSTAINABILITY POLICY

UEM Sunrise commits itself to achieving this balance by :

- Providing a healthy, safe, conducive and empowering workplace;
- Being an environmentally responsible leader and partner in our communities;
- Conserving natural resources by optimising re-use and recycling wherever possible;
- Ensuring the efficient and responsible use of water and energy;
- Utilising operational processes that do not adversely affect the environment;
- Conducting rigorous audits, evaluations, and self-assessments of the implementation of this policy;
- Working with our stakeholders to enhance awareness, and incorporate, practice and promote sound environmental practices, using our resources to provide leadership, guidance and motivation where necessary; and
- Taking steps to continually develop and provide environmentally supportive performance and advances including embedding sustainability into our decision making, planning and investment processes to provide sustainable value increase to our shareholders.

UEM Sunrise Sustainability Commitment



GOVERNANCE

Sustainability begins with board oversight and commitment and includes management systems and processes that integrate sustainability into day-to-day decision making.



ECONOMIC

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



ENVIRONMENT

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



SOCIAL

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

GOVERNANCE

GOVERNANCE STAKEHOLDER ENGAGEMENT FRAMEWORK

Stakeholder engagement is crucial from a sustainability perspective. It supports our understanding of emerging risks and opportunities while facilitating the mitigation of these risks and the realisation of opportunities. Throughout the course of any given year, we communicate with our stakeholders through various channels.

Stakeholder Groups	Areas of Interest	Methods of Communication
 Customers	<ul style="list-style-type: none"> Community activities and programmes Company and development updates Project launches Customer engagements 	<ul style="list-style-type: none"> U Living magazine Company website Events and engagement sessions Social media Call centre Customer satisfaction survey Emails
 Shareholders & Investors	<ul style="list-style-type: none"> Return on Investment Financial performance Branding Company strategy and updates 	<ul style="list-style-type: none"> Investor Relations and conferences Annual Reports and Sustainability Reports Shareholder updates Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM") One-to-one or group meetings Site visits
 Analysts/ Media	<ul style="list-style-type: none"> Ongoing and future projects 	<ul style="list-style-type: none"> Media releases Media conferences Media interviews Social media Analysts briefings
 Industry Peers	<ul style="list-style-type: none"> Ongoing and future projects UEM Sunrise's involvement in society 	<ul style="list-style-type: none"> Corporate website Events, seminars and engagement sessions U Living
 Value Chain Partners	<ul style="list-style-type: none"> Fair procurement Sustainable partnerships with UEM Sunrise 	<ul style="list-style-type: none"> Training and briefing Events and engagement sessions
 Community and the Public	<ul style="list-style-type: none"> Societal contributions Socio-environmental impact from operations 	<ul style="list-style-type: none"> U Living Community programmes Social media Website Call centre
 Employees	<ul style="list-style-type: none"> Career development opportunities Benefits and remuneration 	<ul style="list-style-type: none"> Employee satisfaction survey Employee engagement activities Regular meetings Internal newsletter Titans portal
 Government/Regulatory Authorities	<ul style="list-style-type: none"> Compliance Supporting government Initiatives 	<ul style="list-style-type: none"> Formal meetings Performance reports

STAKEHOLDER GROUPS CONSULTED FOR THE MATERIALITY SURVEY

 Shareholders


 Fund Managers

 Employees

 Local Communities


 Suppliers

 Partners


 Federal and State Governments

 Media

 Financiers

 Customers and Clients

 Ministries and Agencies

 Non-governmental Organisations ("NGOs")

PRIORITISING MATERIAL ASPECTS

We conducted a materiality study to identify critical economic, environmental and social issues that may significantly affect the Company’s business performance or substantively influence the assessments and decisions of stakeholders.

THE METHODOLOGY

UEM Sunrise’s Stakeholders Materiality Survey was conducted throughout the last quarter of 2017. The survey was performed by an external consultant to maintain impartiality and secure the anonymity of the respondents.

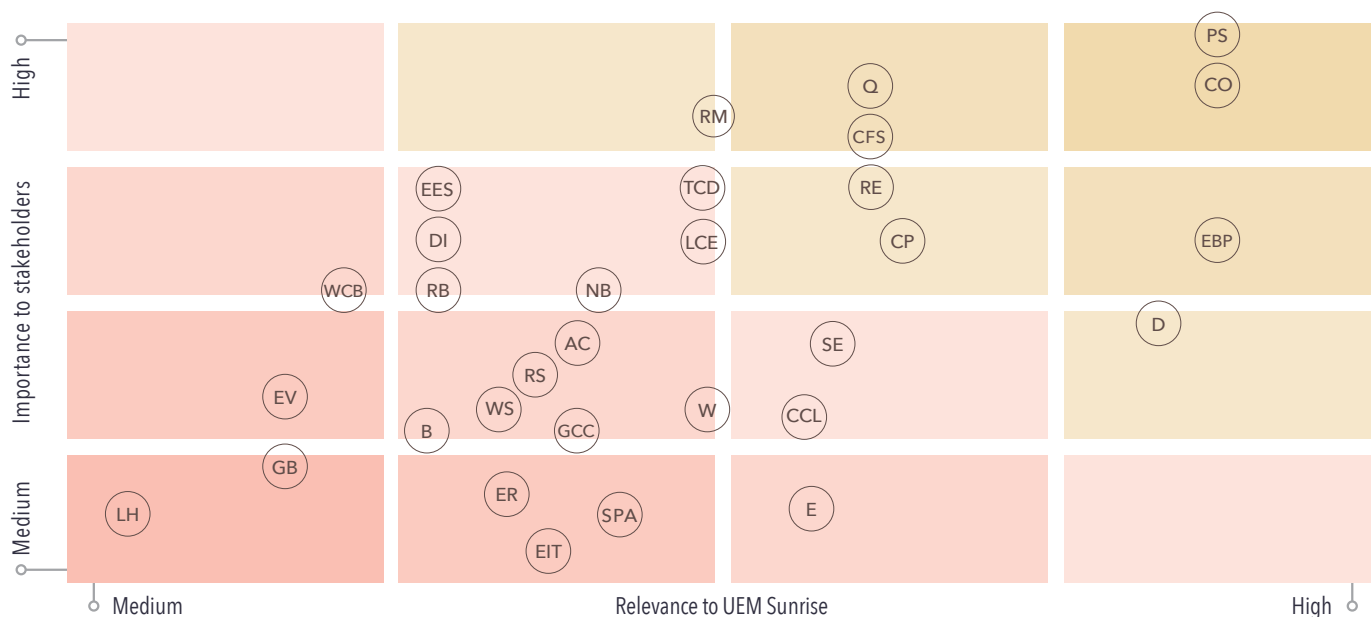
The survey responses were used to ascertain the views of stakeholders. Respondents were asked to rate the importance they placed on 32 economic, environmental and social aspects on a scale of ‘very unimportant (1)’ to ‘very important (5)’.

As each stakeholder group was not equally represented, a separate average score was calculated for each area within each stakeholder group before obtaining a total average. This approach ensured that each stakeholder group was represented equally.

The same survey was completed by representatives from the Board. These responses were used to represent the views of UEM Sunrise.

Our nature of business has remained unchanged since last year. Senior management reviewed the materiality matrix and considers it relevant.

The Result



- | | | |
|--|---------------------------------|---|
| Q - Quality | SE - Stakeholder engagement | RS - Responsible sourcing |
| PS - Public safety | D - Discrimination | LH - Local hiring |
| RM - Responsible marketing | RB - Remuneration and benefits | WS - Waste |
| CFS - Customer feedback/satisfaction | NB - Nation building | W - Water |
| CO - Corruption OSH | CCL - Child & compulsory labour | B - Biodiversity |
| EES - Employee engagement & satisfaction | EV - Employee volunteerism | GCC - GHG emissions & climate change |
| TCD - Training and career development | WCB - Wider community benefit | ER - Employer/employee relations |
| RE - Recruiting/retaining employees | AC - Anti-competition | SPA - Sustainable procurement & supplier assessment |
| CP - Customer privacy | E - Energy | EIT - Environmental impact from transportation |
| EBP - Economic & business performance | GB - Green building | |
| DI - Diversity & inclusivity | | |
| LCE - Local community engagement | | |

 **ECONOMIC**

CREATIVE PLACEMAKER IN BUILDING THE ECONOMY

Malaysia’s property and construction industry continues to advance the country’s economic and social development. We will continue focusing on achieving a good financial performance which allows us to invest in our long-term sustainable development goals and build communities of the future.

Placemaking

“Places” is the strategic pillar that represents the heart of our sustainability strategy. Effective placemaking underscores our approach to transforming spaces into vibrant and authentic destinations. We balance the aesthetic, functional, ecological and cultural impacts of the design and construction of our properties. We also aim to achieve long-term placemaking to maintain and manage our assets while improving the lives of the people who live, work and visit there.

What Placemaking Means to UEM Sunrise	How UEM Sunrise Delivers it	Key Impact
Master Planning	<ul style="list-style-type: none"> Stakeholder engagement 	<ul style="list-style-type: none"> Smart and sustainable city development
Supporting communities and local revitalisation	<ul style="list-style-type: none"> Community engagement Social integration Visual perception 	<ul style="list-style-type: none"> Heritage preservation and enhancement Community investment
Supporting local economy	<ul style="list-style-type: none"> Local jobs and commerce 	<ul style="list-style-type: none"> Local visitors
Liveability	<ul style="list-style-type: none"> Visitor and occupant safety Quality public spaces 	<ul style="list-style-type: none"> Health and well-being
Connectivity	<ul style="list-style-type: none"> Public transport accessibility Accessibility to international transport hubs 	<ul style="list-style-type: none"> Virtual connectivity Cycleability and walkability Connectivity to points of interest

PLACEMAKING INITIATIVES IN ISKANDAR PUTERI

Iskandar Puteri Jazz Festival 2017



Puteri Harbour was the official venue for the inaugural Iskandar Puteri Jazz Festival 2017 (“IPJF”) on 29 April 2017. IPJF showcased Southeast Asia’s Jazz talents to international audiences including music lovers and renowned Jazz celebrities in the region. Admission to this event was free.

The Inaugural UEM Sunrise-Iskandar Puteri Night Marathon 2017



The UEM Sunrise-Iskandar Puteri Night Marathon was organised by Intan Jauhar Sdn. Bhd. and supported by the Johor State Government. It was aligned with our long-term efforts of incorporating sports and healthy living into the blueprint of Iskandar Puteri. As the main sponsor of this inaugural event, we strengthened our relationship with stakeholders and cemented our position as master developer in Iskandar Puteri.

The run was held on 1 April 2017 at Dataran Mahkota, Kota Iskandar in Iskandar Puteri, Johor. It received an overwhelming response from over 7,500 runners with close to 700 participants attending from the international community. Four different race categories were offered to both men and women : 42km, 21km, 10km and 5km.

Challenge Iskandar Puteri 2017



Puteri Harbour in Iskandar Puteri, Johor has once again hosted Challenge Iskandar Puteri from 22 to 23 September 2017. This was the 6th race in the global challenge series of full and half triathlon races. UEM Sunrise was the title sponsor with more than 1,800 people supporting the event. The three categories held were the '5km Fun Run', the 'Challenge Iskandar Puteri Kids' race and the main 'Challenge Iskandar Puteri 2017' race.

REEBOK Spartan Race Iskandar Puteri 2017



UEM Sunrise was the main partner of Reebok Spartan Race Iskandar Puteri 2017, which was held on 9 December 2017. The race consisted of two events namely the Reebok Spartan Sprint (a 5km sprint with more than 20 obstacles) and the Reebok Spartan Beast (a 20km race with more than 30 obstacles).

ISKARNIVAL 2017



ISKARNIVAL2017 once again took place at Iskandar Puteri, Johor. The 6th ISKARNIVAL 2017 presented two agendas – ISKARNIVAL Kool on 25 and 26 November 2017 and ISKARNIVAL Aktif on 2 and 3 December 2017. The two weekends, which were filled with arts, culture and sports, have attracted more than 72,000 visitors.

Kuala Lumpur International Comedy Festival (“KLICFEST”) 2017



We were proud to be the venue host for KLICFEST 2017 from 21 to 23 April 2017 at Black Box, Publika. The KLICFEST showcased 14 comedy shows featuring local and international superstars including Harith Iskander and Nabil Ahmad from Malaysia, Fakkah Fuzz from Singapore, Paul Ogata from America and Johnny Daley from Jamaica. The event attracted more than 3,500 comedy enthusiasts.

Symphony Fun Walk & Run 2017



The inaugural Symphony Fun Walk & Run 2017 was held on 12 August 2017 at Symphony Hills, Cyberjaya. The event received an overwhelming response with more than 600 participants taking part. Runners from the United Kingdom, India, Indonesia and the Philippines supported the event.

Iskandar Safe City Ride 2017



The Iskandar Safe City Ride 2017 was held at Puteri Harbour, Iskandar Puteri, Johor on 5 August 2017. UEM Sunrise was the main sponsor of the event, which was organised by the Royal Malaysia Police. Admission was free and the event featured two cycling routes : a 6km Family Ride and 39km Power Ride. More than 1,000 cyclists took part in this event.

Publika Jazz Festival



Publika Jazz Festival 2017 was held on 25 and 26 August 2017 at Publika, Solaris Dutamas, Kuala Lumpur. The annual celebration for music lovers showcased local and international talents and featured different genres of jazz from all eras. More than 8,000 people attended this event.

Mid-Autumn Festival with Publika



Publika Mid-Autumn Festival 2017 was held from 30 September to 1 October 2017 at the Square, Publika. Activities included a DIY Mooncake and Lantern, story-telling game, lion dance and Chinese drum performance, lantern parade and oldies classic jazz performance.

Publika Comic Play 2017



Publika Comic Play 2017 was held from 14 to 19 November 2017. It displayed a variety of cosplay components for artists, performers, art galleries, fan clubs and the cosplay community. Other activities included art exhibitions, a mini collector's library, a movie screening, a cosplay costume contest, stage performances and a bazaar.

6th Sama-Sama Bon Odori Festival 2017



The 6th Sama-Sama Bon Odori Festival 2017 was held at The Square, Publika on 10 September 2017. More than 2,000 visitors were exposed to both Malaysian and Japanese cultures. The event was held in conjunction with Malaysia and Japan's 60 years of diplomatic relations.

Welcoming the New Year with Us



UEM Sunrise held two amazing New Year Countdown celebrations at Puteri Harbour in Iskandar Puteri, Johor and Publika in Solaris Dutamas, Kuala Lumpur. The Johor crowd was entertained with special appearances from Steve Thornton & Afroasia, Fazz and Kaya. Kuala Lumpur was presented with DJ Xes Xes Loveseat, Rozz and Back2Basixx.



UEM Sunrise Invited Customers to Visualise its Commitment to Quality International Lifestyle Developments Through the 'Zaha Hadid Architects' Exhibition Series

On 9 July 2017, UEM Sunrise officiated its partnership with Zaha Hadid Architects in the 'Zaha Hadid Architects : Reimagining Architecture' Exhibition at the Kuala Lumpur Architecture Festival 2017. Opening in Publika, this exhibition series is the first of its kind in Southeast Asia. It was later premiered in Singapore and Melbourne and recorded over 13,000 attendees in the three countries. The exhibition showcased a range of the late Zaha Hadid's works, spanning 40 years in which she became an industry pioneer who redefined architectural design and the first woman to receive the prestigious Pritzker Architecture Prize.

Locals gained insight into the works of the late Dame Zaha Hadid for the first time ever. Visitors witnessed the workings of an architecture and design maestro who is driven to deliver quality developments. As part of our corporate social responsibility, we hope that through this exhibition, visitors will gain a deeper understanding of architecture and design, and discern the ways in which our projects become more innovative, resolved and polished from a formal and technological standpoint with each new design.

As we work to deliver quality developments, we also want to create sustainable communities through initiatives such as this exhibition series which will bring the design, architecture and cultural communities together. We hope that the series will go a long way to enrich the communities in Kuala Lumpur, Singapore and Melbourne with a deeper understanding of Zaha Hadid's works, and stimulate a wider conversation on good design and architecture.

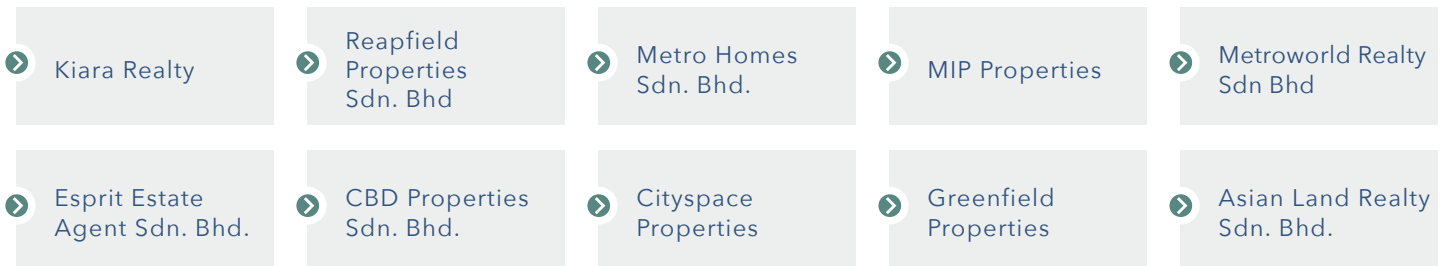
Zaha Hadid Architects : Reimagining Architecture is one of our landmark initiatives. Not only will visitors of the exhibition gain a deeper understanding of Zaha Hadid's legacy, the exhibition series is also a tribute to all our customers and partners in the various markets who have supported the expansion of our geographical footprint over the years.



One-stop Real Estate Management

UEM Sunrise signed a service agreement with 10 preferred real estate agencies through its wholly-owned subsidiary, SCM Property Services Sdn. Bhd ("SCM"). This agreement is for the provision of value-added, one-stop real estate management services to both existing and potential customers as well as residents and owners of SCM-managed properties.

SCM's Synergistic Collaboration with Preferred Real Estate Agencies



SCM will provide a systematic and complete range of professional services in its capacity as a provider of property and facilities management which includes building management, maintenance, security, insurance management, renovation management, capital improvements and customer service.



Connectivity Shapes Our Township

Connectivity and accessibility are the most important attributes of a liveable city. A good transportation system is vital as it directly affects residents' mobility and national economic growth.

On 18 August 2017, UEM Sunrise together with Nusajaya Tech Park, a 40 : 60 joint venture with Ascendas-Singbridge, hosted the inaugural High-Speed Rail ("HSR") Seminar as part of the ASEAN Market Insights Seminar series. The seminar drew more than 150 attendees at the Singapore Business Federation.





During a panel discussion, '**Capturing Potential Business Opportunities with High-Speed Rail**', we highlighted our focus on unlocking the development potential of Iskandar Puteri. Various industrial, commercial and residential projects will set a strong foundation to support an overall thriving transit-oriented development in the region via Gerbang Nusajaya.



Providing an Assortment of Local Opportunities

Our business presence benefits communities in many ways and local development is integral to being a sustainable company. UEM Sunrise is an international lifestyle developer with core competencies in the areas of macro township development; high-rise residential, commercial, retail and integrated developments; as well as property management and project and construction services. We unlock potential economic growth through our township and property development business.

UEM Sunrise’s Operations Benefit the Local Community

-  Provide local people with clear long-term benefits wherever they are based
-  Boost revenue
-  Develop local infrastructure
-  Provide employment

We also prioritise and fast-track infrastructure implementation plans while accelerating connectivity and access in these townships. These conditions correlate with economic development and create the necessary conditions for the spontaneous growth of a nation.

Embracing innovation and technology, UEM Sunrise strives to be the role model for economically, socially and environmentally sustainable developers. With modern infrastructure and a cutting-edge architectural masterplan, we continue to drive economic growth and transform Malaysia into an exciting centre of economic development in the region.

Opening up Horizons for Today’s Youth

UEM Sunrise welcomes educational visits as the visual impact of our property sites inspires enthusiasm, interest and learning. Various study tours were hosted throughout the year to provide these young talents with industrial exposure. Tour visitors were invited to projects such as East Ledang, Mall of Medini, Estuari Gardens and Puteri Harbour. Central region visitors toured Symphony Hills and Verdi Eco-dominium, a high-rise development featuring modern smart living within a resort setting and recreational ambience. The educational visits hosted during the year are presented below.

Educational Visits Hosted in 2017

Visitors	Date	No. of Participants
Yayasan UEM	27 and 28 July 2017	33 scholars
INTI International University	4 April 2017	42 Quantity Surveying Students
National University of Singapore	19 February 2018	35 Students from the Department of Real Estate



UEM Sunrise also collaborated with UMP Holdings Sdn. Bhd. (“UMPH”), a subsidiary of Universiti Malaysia Pahang, with support from Universiti Institut Teknologi MARA (“UiTM”) Shah Alam and UiTM Seri Iskandar, Perak to host a 14-day Building Information Modelling (“BIM”) Workshop.

Twenty-seven students from the Faculty of Architectural Planning & Surveying (“FSPU”) attended the workshop from 26 January to 8 February in UiTM Shah Alam. The students underwent an intensive BIM course that included live 3D modelling and coordinating a simulation of UEM Sunrise’s Solaris 3 Plot A project. The University students were introduced to BIM software in order for them to embrace new technology that will increase their marketability once they enter the job market.

BIM is the future of the construction and built-environment industry which promotes effective project modelling, designing, estimations, scheduling, construction simulation and facilities management.



Affordable Homes

UEM Sunrise has extensive experience in building upmarket properties. However, we are also committed to constructing homes for the low to medium-income group in Malaysia, aligning ourselves with the country’s agenda to increase affordable housing.

Our commitment to building quality yet conducive affordable homes for the comfort and benefit of the *rakyat* has paid off. Our freehold, affordable housing project, Bayu Nusantara in Iskandar Malaysia, Johor, won a merit award under The Edge Malaysia Affordable Urban Housing Excellence Award 2017, which recognises outstanding affordable housing projects.

Bayu Nusantara is part of the 258-acre Nusa Bayu, which sits at the intersection of Pontian Link and the Malaysia-Singapore Second Link. The 19.88-acre development consists of 351 affordable landed properties and 241 two-storey terraced homes under Rumah Mampu Milik Johor (RMMJ), 80 two-storey terraced homes under Perumahan Komuniti Johor Type B and 30 one-storey shop lots.

In 2017, construction also commenced on another affordable homes project – Denai Nusantara. Located in Iskandar Puteri, Johor, Denai Nusantara comprises five 12-storey residential towers and single-storey landed shops. It is a project under the Rumah Mampu Milik Johor (“RMMJ”) that targets local community members with a low and middle monthly household income of RM8,000 and below.

Denai Nusantara is strategically located adjacent to the new transportation hub, which will be operational soon. It is just five minutes from the 210-hectare industrial park, Nusajaya Tech Park in Gerbang Nusajaya. The development comes with affordable maintenance, quality workmanship, lifestyle recreation and amenities as well as communal facilities such as a multi-purpose hall, *surau*, *tadika*, management office and recreational park with jogging tracks.

Moving forward, we are expanding our commitment to providing affordable housing through our collaboration with the Kementerian Wilayah Persekutuan in our first affordable RUMAWIP project. Kondominium Kiara Kasih is a well-planned residential development with a lively ambience and facilities for the *rakyat* to enjoy community living and be part of connected and well-organised living. The project was launched in March 2018.

Supply Chain Sustainability

Sustainability is integral to our procurement processes and supplier engagement. Sustainability questions are incorporated into bids and performance indicators. We will continue to :

- Improve processes and engage with suppliers to identify and manage risks
- Increase productivity and efficiency within the supply chain.

We are committed to supporting business opportunities and capacity building for local suppliers across operations and throughout our supply chain. Our Code of Business Ethics communicates these positions to internal stakeholders and suppliers.

Our suppliers expectations include areas on integrity; labour and human rights; health, safety and environment; and supplier inclusion. Clear expectations and standards in our contracts ensure sustainability considerations are included in total cost of ownership evaluations, quality audits and our ongoing discussions with suppliers on performance indicators and continuous improvement.

Contractors must ensure that their work does not directly or indirectly pollute or contaminate the environment. The requirements imposed by relevant authorities must be adhered to, particularly the Environmental Quality Act 1974 and Environmental Impact Assessment.

We engage with suppliers and contractors on sustainable development issues through our quarterly business reviews, supplier relationship management, supplier sustainability forum and supplier audits.

We are committed to boosting the local economy through employment. Our ‘Instruction to Tenderer’ stipulates that all tenderers must be 100% Malaysian owned except for tenderers for the Company’s projects located out of Malaysia. We also encourage participation from *Bumiputera* contractors and subcontractors.

Environmental and Social Requirement for UEM Sunrise’s Suppliers, Contractors and Subcontractors

Compensation packages must comply with :

- The Worker’s Compensation (Foreign Workers Compensation Scheme) (Insurance) Order 1996; and/or
- The Social Security Insurance; and/or
- Employer’s Liability Insurance; and/or
- Any other insurance with statutory limits as requested by Malaysian laws.

Fair remuneration must be provided

- That at least covers their living wage

Valid permits to work

- Must be issued before permanent or temporary workers can work in accordance with Malaysian immigration and Labour laws

Overtime

- Must be paid to workers

Workers must not be exposed to hazards or risks

- When carrying out work in addition to being supervised by our safety personnel on site

Workers must not degrade the environment

- From potential pollution as far as is practicable and mitigate the potential impacts on the environment

Reduce the impact of their operations

- Measured through emissions released, biodiversity impacts, waste disposed of, pollution and other environmental issues resulting from their operations

Share UEM Sunrise’s commitment to the environment

- UEM Sunrise wants suppliers who conduct business in a similar way. Suppliers must work to reduce their consumption of resources including raw materials, energy and water throughout all aspects of the project



ENVIRONMENT

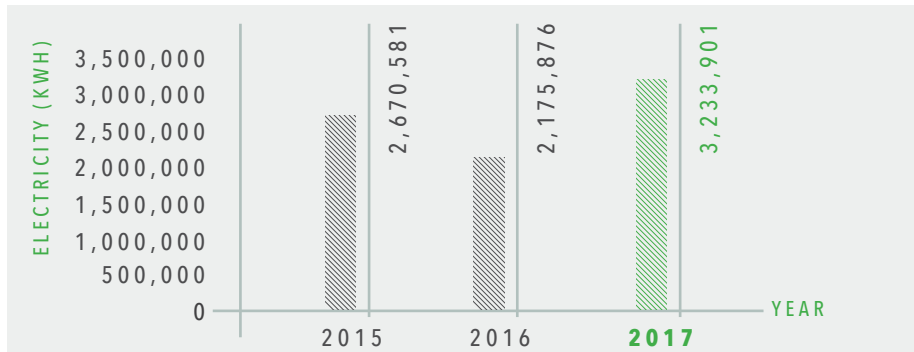
Green Place-led Developments

We always take great care to develop environmentally-sound buildings that are built using an integrated design approach. Sustainable measures are incorporated throughout a building's lifecycle, from planning and design to operation and maintenance. We are committed to reducing climate impact and optimising resource efficiency throughout our operations.

Energy Conservation and Efficiency

Energy management plays a central role in our Environmental Management System. All energy consumption is recorded and evaluated annually. Goals and measures are derived from these results.

Indirect Energy Consumption

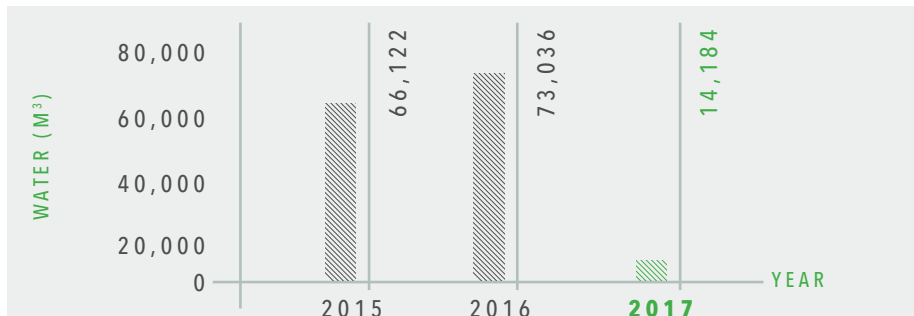


Water Management

Water is integral to maintaining the quality of our natural and built environment. Protecting our water and natural environments through better water management is crucial in adapting to changing demography, resource use and climatic regimes.

Over the past years, we have implemented smart irrigation and efficient landscaping practices at our existing buildings and new developments. The least efficient fixtures are prioritised in order to maximise our conservation efforts. Improvements implemented include smart controllers, low flow sprinkler heads and infrastructural improvements. We also harvest rainwater for use in our irrigation systems with developments such as Estuari Gardens in Iskandar Puteri using rainwater for landscaping. In 2017, our water consumption reduced significantly as the ownership of several water meters was transferred to tenants in some of our buildings.

Water Consumption



Waste and Recycling

Our management strategy is to monitor our waste stream and volume, provide recycling options and encourage tenants to support our efforts. We continue to work with contractors to minimise waste by accessing waste data across more properties. Working with tenants helps us address the pressures of reusing and recycling waste while promoting a healthy environment and communities.

Our Waste Management Strategy



DESIGN PHASE

- We incorporate waste collection and separation facilities in our properties as stipulated in our Safety, Health and Environment Policy.



DURING CONSTRUCTION WORK

- We encourage contractors to operate a waste management plan. We are committed to gradually reducing the waste produced during construction such as through off-site pre-fabrication). Where possible, we specify end-of-life recycling for building components, which is particularly relevant for our development activities. Our contractors are required to disclose their waste management results.



DURING THE OPERATION PHASE

- Our waste is largely generated by tenants' activities. Waste management efforts focus on waste segregation, management and disposal as well as engagement with tenants. Beyond legal requirements, we aim to progressively improve each property's waste recycling rate. Over the past years, we have significantly reduced the amount of waste sent to landfill.



Flora and Fauna Conservation

The SIREH Park in Iskandar Puteri was opened to the public in November 2017. This 343-acre urban park is the largest in Johor. It promotes the aesthetics of the planted areas and encourages outdoor activities via three major thrusts, namely recreational, educational and scientific initiatives.

At SIREH Park, UEM Sunrise aims to preserve as much as possible the existing vegetation, minimise slope cutting and maintain all existing water bodies. The park is developed according to the six guiding principles i.e. sustainable, world-class, natural heritage park, fun and enjoyment, for all age groups and abilities and promote greater understanding and appreciation of the natural environment.

Featuring Johor Landscape Day at SIREH Park

UEM Sunrise celebrated Hari Landskap Negeri Johor from 17 to 19 November 2017 at SIREH Park. Organised by Jabatan Landskap Negeri Johor, this annual programme evaluates various categories of landscaping scenery around Johor such as residential, villages, commercial, institutional and individual premises. A competition between 16 gardens created by 16 local authorities was the highlight of this event. These gardens are permanently showcased to the public at SIREH Park.

Featuring Spartan Race Iskandar Puteri

UEM Sunrise successfully hosted the Spartan Race Iskandar Puteri, the world's largest obstacle course race. The race was held at SIREH Park, on 9 December 2017 in partnership with Spartan Race. More than 6,000 participants from all over the world including Malaysia, Singapore, China, Indonesia, the Philippines and the United States took part in one of three available categories : Ultra Beast (40km and over 60 obstacles), Beast (20km and over 30 obstacles) and Sprint (5km and over 20 obstacles).

SIREH Park is a perfect venue for outdoor activities such as jogging, trekking, mountain biking, boating, kayaking and canoeing.

Flora and Fauna Conservation at Project Sites

Our operations may adversely affect the surroundings if not managed properly during construction. Excavations and earthworks impact our existing landscape, soil and geology through the creation of new landforms, erosion, removal and alteration of soil, and the removal of rock.

Initiatives to Minimise Impact on Flora and Fauna



Keep use of chemical pesticides to a minimum at our developments



Choose plants that attract birds and other small fauna



Transplant all trees to a new development before earthworks commence



We work closely with the state government and local authorities including Jabatan Landskap Negeri Johor, FRIM, MARDI, Jabatan Mineral dan Geosains, Jabatan Pertanian, Jabatan Perhutanan and Jabatan Perhilitan in conserving the natural habitat, replanting, reforestation and botanical planting

Climate Change and Emissions Management

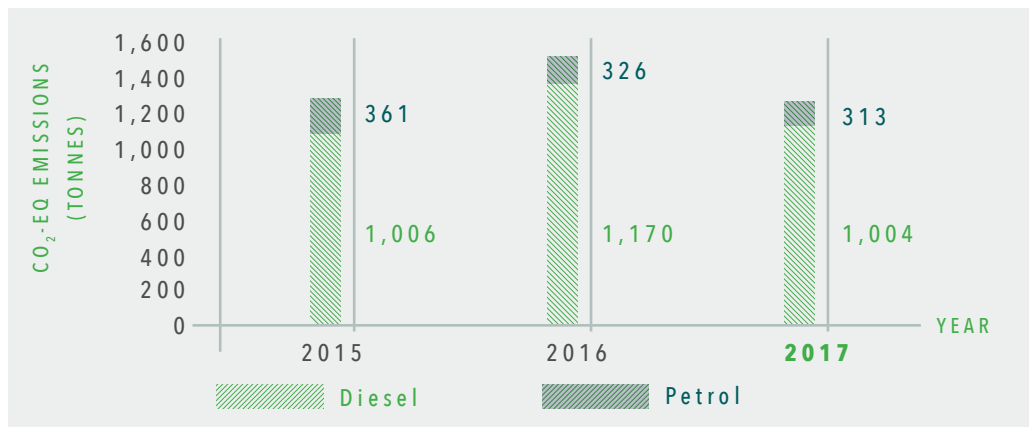
Carbon dioxide emissions are a major contributor to global climate change. If left unchecked, large-scale climate change will have serious economic, social and environmental consequences for our business and the communities in which we operate.

UEM Sunrise continues to monitor and report its greenhouse gas ("GHG") emissions. We monitor Scope 1, 2 and 3 GHG emissions in accordance with the Greenhouse Gas Protocol.

Scope 1

We report GHG emissions from all machinery and company-owned vehicles. The volume of CO₂ emissions from the consumption of fuel is derived from the emission factor published by the IPCC Guidelines for National GHG Inventories.

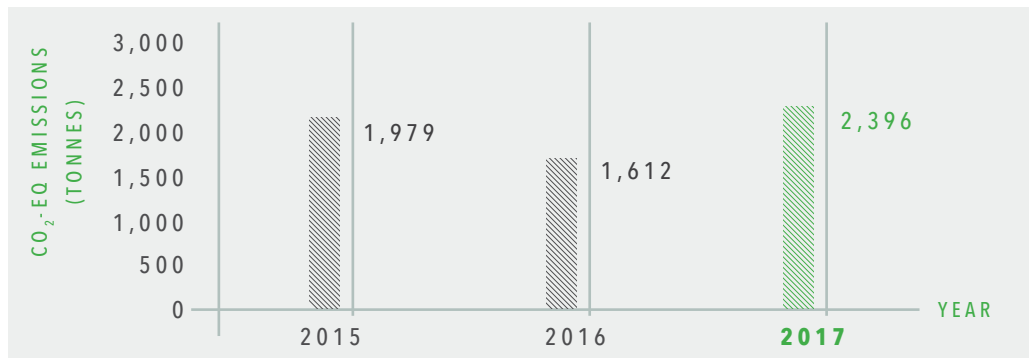
CO₂ Emissions from Machinery and Company-owned Vehicles



Scope 2

We calculated emissions resulting from electricity consumption. The volume of CO₂ emissions from the use of electricity was derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.

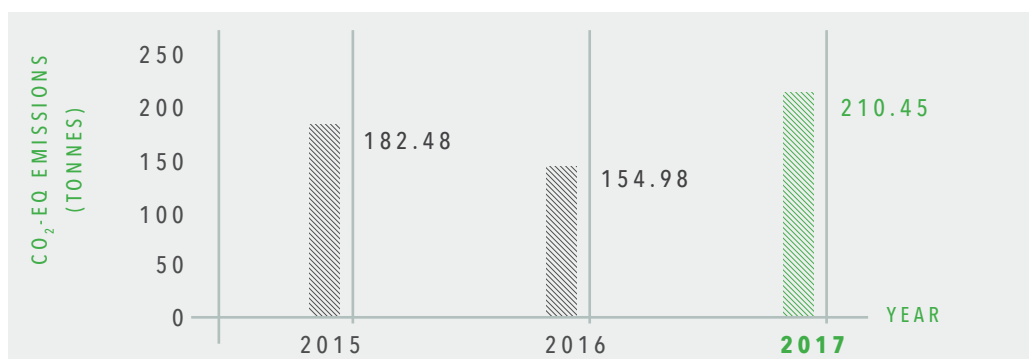
CO₂ Emissions from Purchased Electricity



Scope 3

Air travel GHG emissions were calculated point to point including the number of employees on board and distance travelled. Separate calculations were performed for business and economy class flights. We perform this exercise using conversion tools published by the WRI Greenhouse Gas Protocol.

CO₂ Emissions from Air Travel



 **SOCIAL**

CREATIVE COMMUNITIES AND ART-BASED PLACEMAKING

OUR PEOPLE

We create an environment where our employees are healthier, happier and more productive. Investing in our employees and providing rewarding career paths helps us develop a diverse and industry-leading team.

Attractive Remuneration

UEM Sunrise provides employees with competitive salaries. Compensation programmes are designed to recognise and reward employees for their accomplishments and the value that they bring to the Company.

We offer all entitlements stipulated by the labour law such as the Employees Provident Fund (“EPF”) contributions and Employees’ Social Security (“SOCSO”). We comply with local statutory regulations and systems related to retirement to safeguard the retirement rights of our employees.

UEM Sunrise’s Attractive Remuneration Packages

 Professional Association Membership	 Corporate Club Membership	 Loans	 Children Excellence Award
 Special Leave	 Hospitalisation Benefits	 Other Medical Benefits	 Car Loan Interest Subsidy

UEM Sunrise pays 15% EPF contributions to employees who have served more than two years. This is above the statutory rate of 12%.

Our remuneration system, containing fixed and variable elements, gives us a competitive edge in the market. Our attractive remuneration packages comprise short and long-term components such as basic salary, benefits, short-term variable bonuses/incentives as well as the long-term incentive of the Employee Share Option Scheme (“ESOS”).

Performance Management

Our Performance Management System (“PMS”) recognises and measures the performance of employees. This tool helps both employees and their managers monitor employees’ performance more effectively.

The PMS has evolved into an electronic format. Employees can create scorecards, set Key Performance Indicators (KPIs), track performance progress and review their performance throughout the Performance Appraisal cycle. The in-house electronic version of the PMS is known as ACE.

Three Phases of the PMS Cycle

1. KPI PLANNING

The KPI planning stage is typically performed from the beginning to the middle of the Financial Year. The appraisee and appraiser agree on a performance plan. Agreed KPIs include focus areas, KPI objectives, weightage and measurement that are aligned with the overall business objectives.

2. PERFORMANCE MONITORING

The Performance Monitoring phase requires both appraiser and appraisee to jointly monitor the performance progress throughout the appraisal period. The mid-year review is typically held in June and July. However, the appraiser and appraisee are encouraged to conduct performance tracking and feedback on an on-going basis.

3. PERFORMANCE APPRAISAL

The Performance Appraisal phase compares the actual and planned results and identifies future improvements. Typically, this phase is performed in November and December.



Level	2015	2016	2017
Managerial (UE5 & Above)	15%	15%	15%
Exec (UE1-UE4)	53%	50%	49%
Non-exec	32%	35%	36%

We encourage employees to engage in regular performance discussions with their line managers. Constructive and forward-looking feedback can be obtained during these discussions and development interventions may be devised to help employees achieve their performance goals.

Employee Engagement

We value teamwork and an open culture. Employees are encouraged to engage with one another and the wider community through interdepartmental activities and volunteerism.

Employee Engagement Platforms



Publications

- Newsletters, the titans (intranet), press releases and annual reports



Informal engagement sessions

- Townhall session with the Managing Director/Chief Executive Officer, management dialogue, HOD engagement sessions, forum, knowledge sharing sessions and teh tarik sessions



Sports and Outdoor Activities

- Staff sports events including bowling, hiking and a treasure hunt



Celebrations

- Family day, birthdays, annual dinner, awards night, festive celebrations

UEM Sunrise partnered with Aon Hewitt to gauge employee feedback in November 2017. 10,828 employees responded to the survey, achieving a response rate of 94%. Our engagement score of 65%, which was consistent with the previous years, was within the 'moderate zone'.

High Flyers Session with Managing Director and Board Members of UEM Sunrise

The High Flyers Session with UEM Sunrise talents is a 'Get To Know You' initiative led by the Talent Management Department of the UEM Sunrise Human Resource Organisational Development Division. A total of six sessions were held in the Central and Southern regions.

High Flyers Session Speakers

	<p>EN. ANWAR SYAHRIN ABDUL AJIB Managing Director/ Chief Executive Officer</p>		<p>PN. ZAIDA KHALIDA SHAARI Non-Independent Non-Executive Director</p>
	<p>YM UNGKU SUSEELAWATI UNGKU OMAR Independent Non-Executive Director</p>		<p>MR. LIM TIAN HUAT Independent Non-Executive Director</p>

During the sessions, our talents exchanged stories and ideas with the Senior Management Team, who also shared inspirational advice with our fellow talents in their career development and leadership capabilities.



Occupational Health and Safety

Strong and dedicated safety leadership and sound dynamic management systems are essential components of our effort to achieve 'zero harm' and a safe and sustainable work environment.

An effective safety culture within UEM Sunrise involves commitment, accountability and continuous reinforcement from all levels of management including the UEM Sunrise Board of Directors. The Board reviews our Health, Safety and Environmental performance through the monthly performance report.



Values

Safety is a shared responsibility and it always comes first.



Policy

Our Health and Safety Policy sets out our overarching commitments in relation to health and safety. The policy applies to all employees, contractors and all operations under UEM Sunrise's control.



Target Zero

Target Zero is a strategic framework which starts with the philosophy that all incidents are preventable.



Management System

Our Health, Safety and Environmental Management System forms the framework by which we manage our HSE risks across the business.



Accreditation and Certification of Construction Site Supervisor and Skilled Workers Briefing by CIDB Malaysia

CIDB ACT 520 (33A) made it compulsory for all construction site supervisors and workers proficient in skills listed in the Third Schedule of the Act to register and obtain a certificate of accreditation for their skills.

On 15 February 2017, QASHE organised the briefing by CIDB roadshow for our contractors, site supervisors and project management team. The roadshow updated the participants on the current industry requirements in line with the new requirements.

QASHE Infographic Awareness

QASHE publish infographic awareness each month which highlights current practices, activities, achievements and other relevant HSE updates.

SHASSIC Training

QASHE organised SHASSIC training in November 2017 to instil the importance of implementing SHASSIC and its benefits to the organisation. The briefing was attended by consultants, contractors, site supervisors and the project management team.

SHASSIC Assessment by CIDB Highlights



Safety Indicator	2015	2016	2017
Total recordable injury frequency rate	4.1	0.15	0
Absenteeism rate (headcount)	3	2	0
Absenteeism rate (days)	15	30	0
Lost Time Injury frequency (No. of cases)	3	2	0
Fatal accident rate (No. of cases)	1	0	0
Occupational diseases rate	0	0	0
Lost day rate	0	0	0
Number and percentage of workers undergoing health surveillance	0	0	0

Knowledge Management

Our greatest assets are our employees and their unique knowledge and skills. We provide development opportunities through many programmes to foster their personal and professional growth. Continuously investing in developing employees' professional, technical and leadership skills helps us improve our capabilities.



UEM Sunrise Reimagining Homes in 21st Century Workshop

The UEM Sunrise’s Design Thinking Workshop aimed to improve our ability and capacity to meet the challenges of V3.0 including the Digital Transformation.

Design Thinking is a methodology used by designers to solve complex problems and find desirable solutions for clients. It draws upon logic, imagination intuition and systemic reasoning. It explores possibilities of what could be and creates desired outcomes that benefit the end user – the customer.

Our Design Thinking Workshop commenced in July 2017. The three teams put in great effort and designed product prototypes for the company with three identified projects.

- 

Development Project : Reimagine the Urban Living Experience in a World Where Work Life Integration is Becoming a Norm
- 

Customer Experience : Redesign the After Sales Service Experience
- 

Retail and Asset Project : Redesign the Mall Customer Engagement Experience

Knowledge Sharing Series

The Knowledge Sharing Series is an open session conducted by employees. Employees who had previously attended value-added training imparted their first-hand knowledge to other employees. Several sessions were held throughout the year. These sessions developed a knowledge continuity culture within the organisation through the sharing and exchange of information for the betterment of the organisation’s vision and mission.

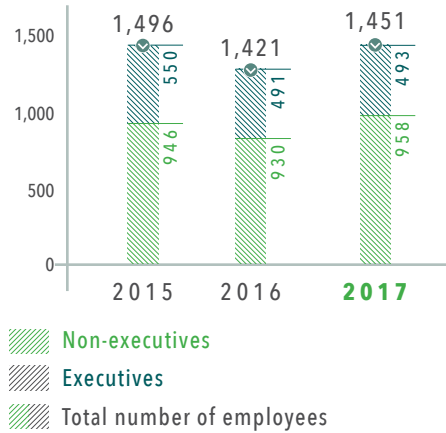
Project Management Professionals (PMP) Certifications

PMP certification is the global gold standard for project management professionals and the most recognised in the industry. Ten employees who took part in the programme in 2017 have completed and passed their examinations.



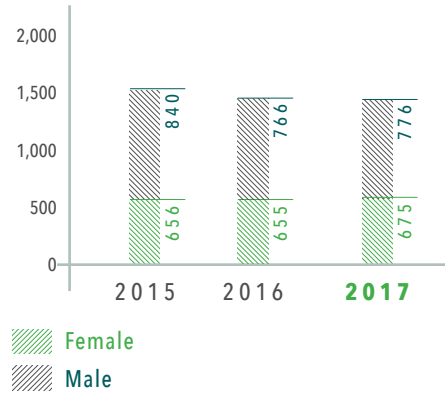
Workforce by Employment Type

No. of Employees



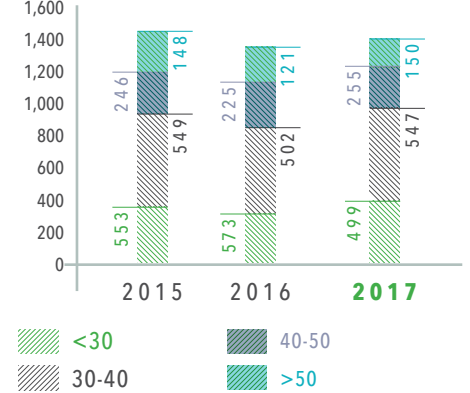
Workforce by Gender

No. of Employees



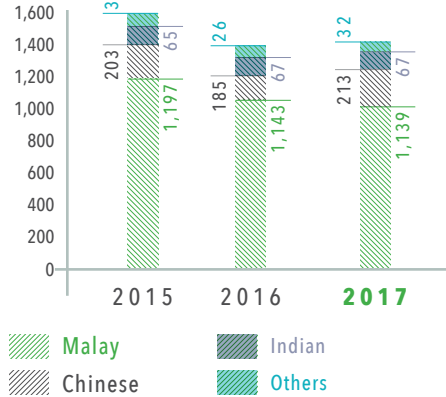
Breakdown by Age Group

No. of Employees



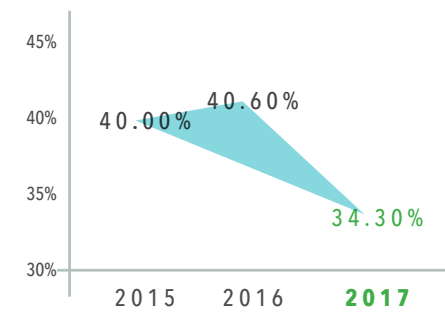
Breakdown by Race

No. of Employees



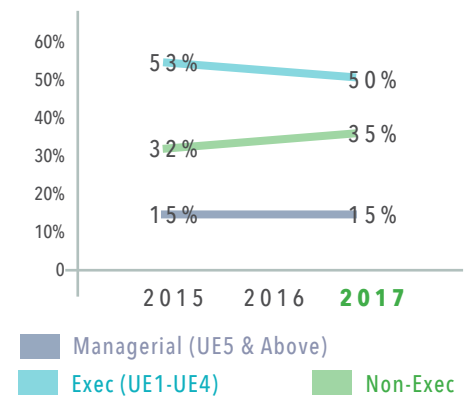
Percentage of Women in Management

No. of Employees



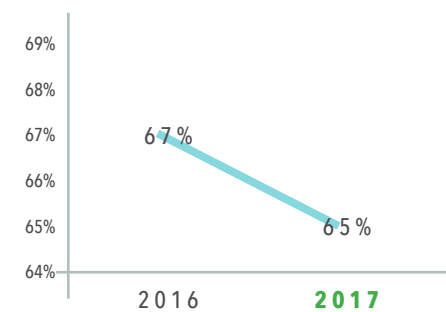
Employees that have been Formally Appraised

No. of Employees



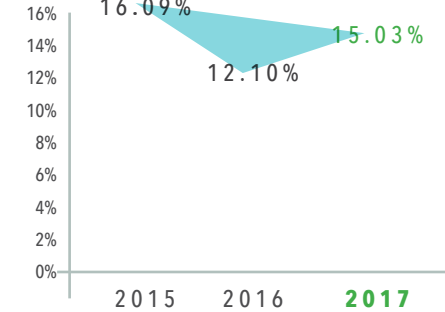
Employee Engagement Index (EEI)

Employee Engagement Index (EEI)



Employee Turnover

Employee Turnover (%)



Empowering Our Female Leaders

The Women in Leadership ICAEW Programme challenges our female leaders to reach their full leadership potential. The six-month programme consists of action learning experiences and coaching sessions with a strong emphasis on personal development. It seeks to refine and craft an individual's leadership style.

Participants also had an opportunity to network with inspiring female leaders from various working backgrounds. The participants were groomed to become role models for other women in UEM Sunrise.



OUR SOCIETY

**Education and Human Capital
UEM Sunrise PINTAR School Adoption Programme**

The PINTAR School Adoption Programme was initiated by Khazanah Nasional Berhad, the investment holding arm of the Government of Malaysia, in December 2008. Led by PINTAR Foundation, it was designed to help students achieve academic excellence in order to inspire the young generation to become responsible.

Currently, UEM Sunrise has 14 adopted schools in the Central and Southern regions after graduating 10 schools last year. UEM Sunrise has implemented programmes that have been guided by PINTAR’s four core modules : Motivational and Team Building Programme; Educational Support Programme; Capability and Capacity Building; and Reducing Vulnerabilities and Social Issues.

Programmes organised included the Examination Seminars (PT3 and SPM), Students’ Motivational Camp and a Workshop on UPSR answering techniques for teachers in a new format. We developed these programmes to contribute to the holistic development of the students – academically, psychologically and socially.

Motivational Camp for our PINTAR Students

Since its inception in 2011, the Motivational Camp has been known to be one of the most anticipated events organised for UEM Sunrise’s PINTAR Adopted Schools programme.

2017 marked the 7th year of UEM Sunrise in hosting this Motivational Camp. The camp, which was held at Tiram Indah Village, Johor Bahru, was attended by 120 Form Four and Form Five students from SMK Gelang Patah, SMK Kompleks Sultan Abu Bakar, SMK Tanjung Adang and SMK Taman Nusa Jaya. The three-day two-night annual camp was filled with continuous mental and physical challenges which included indoor and outdoor activities to help these students unleash their full potential and train them to stay focused.

Examination Seminars for Our PINTAR Adopted Schools’ Students

In 2017, we collaborated with Berita Harian in organising Examination Seminars for our PINTAR Schools in the Central and Southern regions. The two-day programme had benefited 450 students. These seminars were held to raise students’ academic performance and help them to achieve desired results.

The PT3 Examination Seminar focuses on four subjects namely Mathematics, English, Bahasa Malaysia and Science while the SPM Examination Seminar focuses on Mathematics, English, Bahasa Malaysia and History.



Central Region

School	Number of Students	Programme
SMK Kiaramas	200	PT3 Examination Seminar Phase 1
SMK Kiaramas & SMK Seri Hartamas	169	PT3 Examination Seminar Phase 2
SMK Kiaramas & SMK Seri Hartamas	200	SPM Examination Seminar Phase 1
SMK Kiaramas	200	SPM Examination Seminar Phase 2

Southern Region

School	Number of Students	Programme
SMK Gelang Patah, SMK Kompleks Sultan Abu Bakar, SMK Tanjung Adang & SMK Taman Nusa Jaya	250	PT3 Examination Seminar Phase 1
SMK Gelang Patah, SMK Kompleks Sultan Abu Bakar, SMK Tanjung Adang & SMK Taman Nusa Jaya	250	PT3 Examination Seminar Phase 2
SMK Gelang Patah, SMK Kompleks Sultan Abu Bakar, SMK Tanjung Adang & SMK Taman Nusa Jaya	250	SPM Examination Seminar Phase 1
SMK Gelang Patah, SMK Kompleks Sultan Abu Bakar, SMK Tanjung Adang & SMK Taman Nusa Jaya	250	SPM Examination Seminar Phase 2
SMK Gelang Patah, SMK Kompleks Sultan Abu Bakar, SMK Tanjung Adang & SMK Taman Nusa Jaya	120	Motivational Camp 2017

UEM SUNRISE PINTAR SCHOOLS

Central Region

1. Sekolah Rendah Agama Batu 3, Bangi
2. Sekolah Kebangsaan Bangi
3. Sekolah Kebangsaan Cyberjaya
4. Sekolah Kebangsaan Rinching Hilir
5. Sekolah Menengah Kebangsaan Sri Hartamas
6. Sekolah Menengah Kebangsaan Kiaramas

Southern Region

1. Sekolah Jenis Kebangsaan (Tamil) Gelang Patah
2. Sekolah Kebangsaan Ladang Pendas
3. Sekolah Jenis Kebangsaan (Cina) Ming Terk
4. Sekolah Kebangsaan Tanjung Adang
5. Sekolah Menengah Kebangsaan Gelang Patah
6. Sekolah Menengah Kebangsaan Kompleks Sultan Abu Bakar
7. Sekolah Menengah Kebangsaan Taman Nusa Jaya
8. Sekolah Menengah Kebangsaan Tanjung Adang



UEM Sunrise was presented with an Appreciation Award by the Education Minister of Malaysia, YB Dato' Seri Mahdzir Khalid. The award recognises our contribution and continuous commitment to education through our PINTAR School Adoption Programme.



Approximately 22,000 students and teachers benefited from UEM Sunrise's PINTAR Adopted School programmes since their inception in 2008.

UEM Sunrise's management team including En Anwar Syahrin Abdul Ajib, Managing Director/Chief Executive Officer and YBhg. Dato' Roslan Ibrahim, Chief Operating Officer, Development visited the adopted schools. They interacted with the students and teachers to understand their diverse learning needs.

Remedial Classes for UEM Sunrise's Primary Schools 2017

UEM Sunrise organised Remedial Classes for UEM Sunrise's PINTAR Primary Schools in the Central and Southern regions from April to August 2017. The four-month tuition-like programme has benefited close to 500 students from five schools : Sekolah Kebangsaan Cyberjaya, Sekolah Kebangsaan Bangi and Sekolah Kebangsaan Rinching Hilir in the Central Region and Sekolah Kebangsaan Ladang Pendas and Sekolah Kebangsaan Tanjong Adang in the Southern Region.

The Remedial Classes programme replaced the Berita Harian Examination Seminars Phases 1 and 2 for UPSR. It was initiated to help students excel in their academic performance and acts as an engagement platform for teachers and students.

'Remedial Classes' is one of the core programmes that have been implemented by UEM Group since 2015. That was first adopted by UEM Sunrise in 2017.



Pintar Al-Quran

UEM Sunrise organised the 9th Pintar Al-Quran Programme with the 'Khatam Al-Quran' ceremony on 25 November 2017 at Black Box, Mall of Medini, Iskandar Puteri, Johor. This initiative aims to increase the literacy of young people in Al-Quran.

The ceremony was held to celebrate the remarkable achievement of 165 pre-schoolers from UEM Sunrise's seven adopted KEMAS kindergartens in the Gelang Patah area. More than 2,600 pre-schoolers have benefited from the programme to-date.

The ceremony was officiated by YB Dr. Haji Zaini Haji Abu Bakar, Iskandar Puteri State Assemblymen who was accompanied by YBhg. Dato' Roslan Ibrahim, Chief Operating Officer, Development of UEM Sunrise. More than 300 guests attended including parents and representatives from KEMAS and Jabatan Agama Islam Negeri Johor ("JAINJ").

COMMUNITY DEVELOPMENT School Holiday Cheer to Agathians Shelter

On 7 December 2017, we visited the Agathians Shelter to treat 40 boys, aged between four and 19 years, to school holiday joy. The children were entertained by Labu the Clown followed by several fun activities such as a Balloon Blowing Competition, Balloon Popping and Tissue Paper Mummy. UEM Sunrise also presented a cheque for RM20,000.00 to assist in the children's education.



Celebrating Ramadan

We welcomed the holy month of Ramadan by continuing with the tradition of spreading joy through the Ramadan Programme 2017. Zakat or tithes were disbursed to the various deserving stakeholders residing within our area of operations in the Southern and Central regions.

A total of RM600,420.00 was presented to three of eight Asnaf categories namely Asnaf Fakir, Asnaf Miskin and Asnaf Fisabilillah involving 1,096 recipients.

<p>➤ 9 JUNE</p>	<ul style="list-style-type: none"> • Pertubuhan Kebajikan Amal Rukaiyah in Bangi, Selangor 	
<p>➤ 13 JUNE</p>	<ul style="list-style-type: none"> • Asnaf students from UEM Sunrise PINTAR Schools in Southern Region • Asnaf Fakir and Asnaf Miskin from the villages in Gelang Patah, Johor 	
<p>➤ 14 JUNE</p>	<ul style="list-style-type: none"> • Asnaf students from Sekolah Kebangsaan Cyberjaya, in Cyberjaya, Selangor • Asnaf students from Sekolah Kebangsaan Bangi in Bangi Selangor 	<ul style="list-style-type: none"> • Pusat Jagaan Mahmudah Malaysia in Bangi, Selangor • Masjid Kariah Batu 3 in Bangi, Selangor • Asnaf students from Sekolah Rendah Agama Batu 3 in Bangi, Selangor
<p>➤ 15 JUNE</p>	<ul style="list-style-type: none"> • 20 children from Pertubuhan Nur Kasih Bestari, Segambut, Kuala Lumpur 'shopped' for 'Baju Raya' at Publika Seloka Raya Bazaar • Asnaf students from Sekolah Menengah Kebangsaan Kiaramas in Kuala Lumpur 	
<p>➤ 16 JUNE</p>	<ul style="list-style-type: none"> • Masjid Seri Timah in Kajang, Selangor 	
<p>➤ 19 JUNE</p>	<ul style="list-style-type: none"> • Maahad Tahfiz Al-Quran Wal Qiraat Addin in Air Kuning, Tapah, Perak • Pertubuhan Anak-Anak Yatim Darul Aitam ("BUSARAH") in Tapah, Perak • Masjid Jamek Tapah Road in Tapah, Perak 	
<p>➤ 22 JUNE</p>	<ul style="list-style-type: none"> • Pusat Dalam Komuniti ("PDK") in Gelang Patah, Johor • Sekolah Kebangsaan Ladang Pendas in Gelang Patah, Johor • Maahad Tahfiz Az-Zahra Kampung Ladang in Gelang Patah, Johor 	

PEOPLE'S Rights

UEM Sunrise recognises its corporate responsibility to respect human rights and the importance of demonstrating that it is taking the necessary steps to fulfil this social obligation.

We do this by striving to operate responsibly along the entire value chain; by safeguarding the rights of our own employees and those of workers who build for us.

Our activities have the potential to impact human rights. We are committed to preventing, mitigating and managing potential negative effects while striving to promote human rights. We also improve human dignity and living conditions through job creation and local procurement while investing in community capacity building, infrastructure and economic development programmes.

UEM Sunrise Stand on Human Rights

Elimination of child, forced and compulsory labour

Zero tolerance to discrimination in the workplace

Freedom of association and collective bargaining

We encourage our suppliers and contractors to treat their employees, and to interact with communities, in a manner that respect human rights.

When planning projects, we consider human rights issues such as security, labour rights, workforce welfare, community health and safety, water use, air quality and the potential impact on the livelihoods of local communities.

OUR SUSTAINABLE OPERATIONS

Customer Focus

Customers are important to UEM Sunrise because they eventually serve as ambassadors of our brand. We believe in establishing a close rapport with homeowners of our properties and have various enjoyable or meaningful engagement mechanisms. We are committed to ensuring the best possible living environment for our customers.

Customer Satisfaction

Our customers' opinions are important to us. We have established a formal mechanism to gather feedback which helps us improve our services and the Company's value proposition. Customers can communicate with us via the Customer Care toll-free hotline at 1 800 888 008, our dedicated customer care email address or SMS.

Allowed Time-frame for Escalating, Responding to and Resolving Complaints

Category	Response	Time Limit	Resolution
Information only	No action required		
During Defect Liability Period ("DLP")	Within 1-5 working days	After 21 working days	Within 30 working days
After DLP	Within 1-7 working days	After 14 working days	Within 30 working days
Vicinity/General	Within 1-5 working days	After 7 working days	Within 14 working days

UEM Sunrise's Customer Satisfaction Survey gauges customer satisfaction levels at all touch points. An independent consultant has been appointed to execute the survey to ensure impartiality.

The survey was conducted online, through mail drop and during focus group discussions. It concentrated on projects that had been launched and handed over in the past two years, in particular.

Customer loyalty is derived from the average score achieved across the following elements.

Training	2015	2016	2017
Corporate Reputation	72%	63%	80%
Product Quality and Offerings	66%	63%	69%
Customer Experience	65%	69%	75%
Overall Satisfaction	69%	65%	75%

Customer Privacy

The Personal Data Protection Act 2010 ("PDPA") was enacted by the Malaysian government in 2010 to protect individuals' personal data in commercial transactions. PDPA came into force on 15 November 2013.

UEM Sunrise issues a PDPA notice to all existing and new customers to obtain their consent before using their data for commercial transactions. The notice informs customers of how UEM Sunrise and its subsidiaries and associate companies collect, store and handle the personal information of individuals in accordance with the PDPA and laws of Malaysia.

Loyalty Programme

Customers are privy to pre-launch previews and discounts on new UEM Sunrise purchases through our Trésor Loyalty Programme. They also receive invitations to exclusive events hosted by the Company.

A range of premium partner merchants have added value to our loyalty programme. These merchants enhance customers' lifestyles by offering special discounts and offerings in the beauty and health, lifestyle, food and beverage and services sectors. Key merchants include Sothys, Payot, Seido Golf, the Jewellerists and GoCar Mobility.

Safeguarding the Interest of Home Buyers

In August 2017, our Learning and Development Department and Legal Department organised a talk on Construction Industry Payment and both the Adjudication Act 2012 (CIPAA) and Guide to Strata Management Act 2013.

Solicitors from Messrs. Raja Darryl & Loh highlighted problems with cash flow in the construction industry. We also invited solicitors from Messrs. Lim Soh & Goonting to share their insights on the sole purpose of the Strata Management Act 2013.

The Strata Management Act 2013 safeguards the rights and interests of house buyers and parcel owners on the proper maintenance and management of the building as well as common property.

Quality First

On 2 March 2017, "Towards ISO Transition 2018" was launched by YBhg Dato' Roslan bin Ibrahim, COO Development. During the launching, 42 internal auditors who had graduated from the internal audit training for integrated management system were presented with their certificates.

This is part of our transition to ISO 9001 : 2015 and ISO 14001 : 2015. These are the two key globally recognised quality and environmental management system standards. These new standards have increased emphasis on risks, improving environmental performance and the environmental aspects of our operations lifecycle.

Sessions to raise awareness of these ISO standards were delivered to top management on 29 March 2017.

CONQUAS/QLASSIC

The QLASSIC is a quality assessment system developed by Construction Industry Development Board ("CIDB"), Malaysia with CONQUAS being from Building Construction Authority ("BCA"), Singapore. QLASSIC and CONQUAS are widely-used quality assessment systems to measure quality levels achieved on completed building projects in Malaysia.

In 2017, UEM Sunrise identified five completed projects to undergo CONQUAS Assessment by BCA Singapore and QLASSIC Assessment by CIDB. The assessments were carried out from 13 February to 27 October 2017.

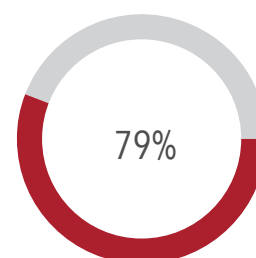
CONQUAS/QLASSIC Assessment Results

QASHE organised a briefing on CONQUAS and QLASSIC on 3 May 2017. Various business partners attended including door and window installers, painters, tilers, mechanical and engineering works contractors and other architectural trades.

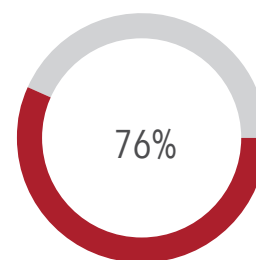
Community Development System Beyond Housing

UEM Sunrise hopes to bring people together from within and around its developments in addition to building quality homes with convenient infrastructure. We want our communities to live and grow in a friendly, safe and healthy environment.

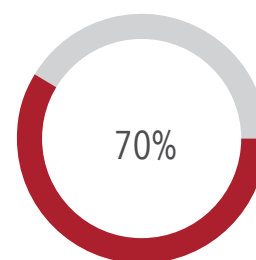
UEM Sunrise continues to bring people together with events throughout the year. We are keen to not only integrate sustainability into our development but also into the daily lives of communities.



- Residensi22 Mont'Kiara
- Bayu Angkasa
- Arcoris Mont'Kiara



- Verdi Eco-dominiums



- Teega Puteri Harbour

WHERE BUSINESS MEETS BOUTIQUE LUXURY

Designed by world-renowned architectural practice Foster + Partners, **Arcoris Mont'Kiara** comprises business suites, SoHos, luxury residences, retail and a boutique hotel within two towers, 18-storey and 35-storey high. The entire development is GBI-certified, while the lobbies, water features and entrances are strategically located to attract positive chi (energy). Facilities include a communal terrace, multi-tiered surveillance system, games room, barbeque terrace, sauna, wading pool, tennis court, children's playground and gymnasium.



ARCORIS MONT'KIARA



LEADERSHIP



110 Board of Directors' Profile

116 Senior Leadership Profile

123 Joint Secretaries

BOARD OF DIRECTORS' PROFILE



1

TAN SRI DATO' SRI ZAMZAMZAIRANI MOHD ISA

Non-Independent
Non-Executive Chairman

Tan Sri Dato' Sri Zamzamzairani Mohd Isa, 57, a Malaysian male, was appointed as Chairman of the Board of UEM Sunrise on 18 May 2017.

He sits on the Board of UEM Group Berhad as a Non-Independent Non-Executive Director. His directorships in other public companies include Malaysia Airlines Berhad, Malaysia Aviation Group Berhad and Pos Malaysia Berhad. He was recently appointed as Chairman of the Board of Hijrah Biru Sdn. Bhd., a wholly-owned subsidiary of Malaysia Aviation Group Berhad. He is also a Director of Universiti Telekom Sdn. Bhd. ("UTSB") and an Adjunct Professor of Multimedia University, which is operated and managed by UTSB.

Tan Sri Dato' Sri Zamzamzairani holds a Bachelor of Science Degree in Communications Engineering from United Kingdom and has completed the Corporate Finance, Strategies for Creating Shareholder Value Programme at Kellogg School of Management, Northwestern University, United States of America. He has also attended the Strategic Leadership Programme at the University of Oxford's Saïd Business School and the IMD CEO Roundtable Session at Lausanne, Switzerland in 2013.

Tan Sri Dato' Sri Zamzamzairani has vast experience in the telecommunications industry which spans more than 30 years, beginning in Telekom Malaysia Berhad ("Telekom Malaysia") where he served for 13 years before assuming key positions in several multinationals such as Global One Communications and Lucent Technologies (Malaysia) Sdn. Bhd., where he was Chief Executive Officer. In 2005, he returned to Telekom Malaysia as Senior Vice President, Group Strategy and Technology and was promoted to Chief Executive Officer, Malaysia Business, before being appointed as the Group Chief Executive Officer and Managing Director in April 2008 until his retirement from Telekom Malaysia on 30 April 2017.

Under his leadership, Telekom Malaysia launched and successfully rolled out the high speed broadband service in 2010, in a historic collaboration with the Government of Malaysia. He was awarded the Business Person of the Year 2015 at the Asian Academy of Management International Conference, organised by Universiti Sains Malaysia in October 2015. He was also named CEO of the Year 2015 at the Minority Shareholder Watchdog Group's Annual Corporate Governance Awards ceremony held in December 2015. He was conferred a special individual award for 'Outstanding Contribution to the Industry' at the 2017 Frost & Sullivan Malaysia Excellence Awards and named the prestigious Telecom CEO of the Year at the 20th Telecom Asia Awards 2017.



2

ANWAR SYAHRIN ABDUL AJIB

Managing Director/
Chief Executive Officer
Member of Board Development
Committee and ESOS Committee

Anwar Syahrin Abdul Ajib, 45, a Malaysian male, was appointed to the Board of UEM Sunrise on 1 September 2014 as Managing Director/Chief Executive Officer.

Anwar holds a Bachelor of Engineering Degree in Mechanical Engineering from Imperial College, London and an MBA from University of Salford, United Kingdom. He is also a qualified chartered accountant and a Fellow of the Institute of Chartered Accountants in England and Wales as well as a member of the Malaysian Institute of Accountants.

Anwar was formerly the Group Chief Financial Officer at MMC Corporation Berhad, a position he assumed from June 2008. Anwar was also appointed Group Head, Ports & Logistics Division in January 2014 at MMC and was previously the Chief Financial Officer of the Port of Tanjung Pelepas from April 2006 to May 2008. He was formerly the co-owner and Managing Director of Business Associates Consulting Sdn. Bhd., a boutique strategy and management consulting firm based in Kuala Lumpur from 2003 to 2006. Prior to that, he was attached to Arthur Andersen and Ernst & Young in Kuala Lumpur, Malaysia and Manchester in the United Kingdom from 1998 to 2002.

Anwar started his career with Shell Malaysia Trading Sdn. Bhd. in 1996 as a transport executive where he gained considerable experience in transport and logistics.

His directorships in other public companies include UEM Land Berhad, Sunrise Berhad, Horizon Hills Resort Berhad and ONE15 Marina Development Berhad.



3

DATO' SRIKANDAN KANAGAINTHIRAM

Senior Independent Non-Executive Director
Chairman of Board Tender Committee
Member of Audit Committee, Board Development
Committee and Board Risk Committee

Dato' Srikandan Kanagaintiram, 67, a Malaysian male, was appointed to the Board of UEM Sunrise on 19 March 2013 and was appointed as the Senior Independent Director on 25 August 2016. He is a past President of The Royal Institution of Surveyors Malaysia ("RISM"), a Fellow of The Australian Institute of Quantity Surveyors ("AIQS"), a Fellow of The Royal Institution of Chartered Surveyors United Kingdom ("RICS") and a Registered Member of The Board of Quantity Surveyors Malaysia ("BQSM").

Dato' Srikandan is a well-recognised consultant in construction cost and contract management in the Construction Industry in Malaysia and the region. He has over 35 years' experience in construction cost and contract management of many large and prestigious projects. His vast experience includes various commercial and residential projects, universities, hospitals, convention and civic centres, airports and sports facilities.

Among the projects of which he undertook as Director-in-Charge include The KVMRT project, The Pinewood Studios Iskandar, Menara Petronas 3, 'The Intermark' Mixed Commercial Development, Prince Court Medical Centre, The KLCC Exhibition and Convention Centre and Traders Hotel, Universiti Teknologi Petronas at Tronoh, Perak, Palace of Justice at Putrajaya and AIMST University, Kedah.

He is presently the Chairman of AECOM Malaysia Sdn. Bhd. and Managing Director of KPK Quantity Surveyors (Semenanjung) Sdn. Bhd.

His professional contributions include President of RISM (2015-2017), representation in various committees of RISM, Construction Industry Development Board Malaysia ("CIDB"), AIQS and SIRIM Berhad. He is an accredited mediator with CIDB. He currently serves on the Board of BQSM and is Chairman of BQSM's Act, Regulation & International Affairs Committee. He also serves as a Council Member of the Malaysia Singapore Business Council.



4

DATO' IZZADDIN IDRIS

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

Dato' Izzaddin, 55, a Malaysian male, was appointed to the Board of UEM Sunrise on 7 July 2009 as a Non-Independent Non-Executive Director.

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

Dato' Izzaddin is currently the Group Managing Director/Chief Executive Officer of UEM Group Berhad ("UEM Group"), the holding company of UEM Sunrise.

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

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

He is also a Non-Independent Non-Executive Director of Axiata Group Berhad, one of the leading telecommunications groups in Asia.

In addition, Dato' Izzaddin is a member of the Board of Trustees of Yayasan UEM, a non-profit foundation that supports the implementation of UEM Group's corporate responsibility initiatives and philanthropic activities, as well as a Director of Yayasan Putra Business School, a non-profit organisation that aims to become a home-grown globally recognised Business School.



5

ZAIDA KHALIDA SHAARI

Non-Independent Non-Executive Director
Member of Nominations & Remuneration Committee and
Board Development Committee

Zaida Khalida Shaari, 50, a Malaysian female, was appointed to the Board of UEM Sunrise on 8 April 2016. She is a barrister-at-law and a member of the Honourable Society of Gray's Inn, London, having graduated with LLB (Hons) from University of Warwick, United Kingdom. She also holds a Master in Business Administration from University of Strathclyde, United Kingdom.

Zaida currently serves as Executive Director, Investments in Khazanah Nasional Berhad ("Khazanah"), the strategic investment fund of the Government of Malaysia. She joined Khazanah in January 2007 as a Senior Vice President of Investments and in April 2009, she was appointed as Director of Investments. Zaida oversees the real estate and education investments of Khazanah. She has been involved in various aspects of the Iskandar development since the commencement of the project.

Zaida began her career in 1991 in legal practice with Messrs Zain & Co. She joined Permodalan Nasional Berhad ("PNB") in 1997 as legal advisor to the corporate finance group and moved on to head the Legal and Compliance Department. In 2006, she was appointed as Company Secretary of PNB.



6

LIM TIAN HUAT

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

Lim Tian Huat, 63, a Malaysian male, was appointed to the Board of UEM Sunrise on 28 November 2012. He is the Founding President of Insolvency Practitioners Association of Malaysia, a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants. He holds a degree in BA Economics (Honours).

Lim is a practising Chartered Accountant with his own firm, Rodgers Reidy & Co. He is also the Managing Director of Rodgers Reidy (Asia) Sdn. Bhd.

Lim co-authored the book entitled "The Law and Practice of Corporate Receivership in Malaysia and Singapore". He was a Commissioner to the United Nations Compensation Commission. Lim was a member of the Corporate Law Reform Committee under the purview of the Companies Commission of Malaysia.

Lim sits on the Boards of Malaysia Building Society Berhad, PLUS Malaysia Berhad and Anglo-Eastern Plantations PLC, a company publicly quoted on the London Stock Exchange.



7

UNGKU SUSEELAWATI UNGKU OMAR

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

Ungku Suseelawati Ungku Omar, 60, a Malaysian female, was appointed to the Board of UEM Sunrise on 19 March 2013. She graduated with a B.Sc Honours in Marketing from the University of Lancaster, United Kingdom.

Ungku Suseelawati is the Executive Director & Regional Head, Retail, South East Asia of Nawawi Tie Leung Group (formerly known as DTZ Nawawi Tie Leung Group). She is one of the three Malaysian founding shareholders of Nawawi Tie Leung Group in partnership with an international property advisory group. She was the Country Head of Nawawi Tie Leung Group from inception of the company until September 2012 where her key role was to grow and develop the Malaysian business by building on the strengths and resources of both the local and the international group and to provide seamless cross border services to its global clients.

She is now responsible for the retail business both locally and regionally and her role is to provide strategic advice to developers and retailers on positioning, retail concept, planning and operations of shopping centres.

Ungku Suseelawati is Vice-Chairman of the Asia Pacific Research Council, International Council of Shopping Centers ("ICSC") and a recipient of its Gold Medallion Award 2015 for Research, being one of the 10 global recipients from North America, Europe, Asia and Latin America who have demonstrated significant commitment and contribution to the ICSC research programmes. She sits on the ICSC Asia-Pacific Advisory Board. She was previously a Director of Suria KLCC Sdn. Bhd. and a Retail Council member of PROSPER Perbadanan Usahawan Nasional Berhad.



8

SUBIMAL SEN GUPTA

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

Subimal Sen Gupta, 70, a Malaysian male, was appointed to the Board of UEM Sunrise on 31 March 2016. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a past President of the Malaysian Institute of Certified Public Accountants.

Sen Gupta has over 40 years of experience in financial management and has diverse knowledge and experience in finance, accounting and auditing. He has served in various senior positions in large public companies and professional firms. His previous positions included Chief Financial Officer of Iskandar Investment Berhad, in various capacities in Sime Darby Group as Financial Advisor, Group Head of Corporate Assurance and Advisor of Group Corporate Assurance, the Chief Financial Officer of KLCC (Holdings) Berhad and Director/Chief Executive Officer in Malaysian Resources Corporation Berhad.

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



9

TAN SRI DR AZMIL KHALILI DATO' KHALID

Independent Non-Executive Director

Tan Sri Dr Azmil Khalili Dato' Khalid, 57, a Malaysian male, was appointed as an Independent Non-Executive Director of the Board of UEM Sunrise on 13 December 2017.

His directorships in other public companies include Reach Energy Berhad and ANIH Berhad. He is also on the Board of Trustees of Perdana Leadership Foundation.

Tan Sri Dr Azmil Khalid graduated from University of Hertfordshire, Hatfield, England with Bachelor of Science in Civil Engineering. He holds Bachelors of Science in Civil Engineering from Northrop University, Los Angeles, United States of America. He also holds Master of Business Administration from California State University, Dominguez Hills. He was conferred Doctorate of Science (Honorary) from University Hertfordshire, Hatfield, England.

Tan Sri Dr Azmil Khalid was the President and Chief Executive Officer of both The AlloyMtd Group and ANIH Berhad from April 2011 to August 2017. He joined MTD Capital Bhd in 1993 as General Manager of Corporate Planning and held the position of Group Managing Director and Chief Executive Director in March 1996 before assuming the position as Group President and Chief Executive Officer of The MTD Group from April 2005 to April 2011. He was the President and Chief Executive Officer of MTD Capital Bhd's listed subsidiary namely, MTD ACPI Engineering Berhad and was also the Chairman of MTD Walkers PLC, a foreign subsidiary of MTD Capital Bhd listed on the Colombo Stock Exchange in the Republic of Sri Lanka.

Tan Sri Dr Azmil Khalid is the Chairman of the Malaysia-Philippines Business Council.



10

DATIN TEH IJA MOHD JALIL

Independent Non-Executive Director

Datin Teh Ija Mohd Jalil, 65, a Malaysian female, was appointed as an Independent Non-Executive Director of the Board of UEM Sunrise on 1 March 2018.

She has a Bachelor of Arts (Honours) from Universiti Malaya and Master of Business Administration from Southern New Hampshire University, United States of America.

Datin Teh Ija retired from the Securities Commission Malaysia ("SC") in March 2017 where she had served for 17 years in various capacities including as an Executive Director from July 2006 to July 2016 and as Advisor of Special Projects in the Chairman's Office from August 2016 to March 2017. During her service in the SC, she was involved in capital market policies development and regulation, human capital development and training and education.

As a member of the SC Executive Team, she had direct responsibility for enterprise-level subjects including investor education, strategic human capital management, industry capacity-building and SME access to market-based financing.

Datin Teh Ija began her career in the civil service and built her competency in the area of economic policy-making and international trade and finance through her 24 years in the government. She was Lead Negotiator in the World Trade Organisation, Association of Southeast Asian Nations and Asia-Pacific Economic Cooperation for financial services, as well as the Minister of Finance's representative in World Bank and International Monetary Fund meetings.

She is currently a non-executive director of Finance Accreditation Agency Berhad, an affiliate of Bank Negara Malaysia and the SC and was appointed as an inaugural board member of the Institute for Capital Market Research Malaysia, an affiliate of the SC.

Notes :

1. Family relationship with Director and/or Major Shareholder : None of the Directors have any family relationship with any Director and/or major shareholder of UEM Sunrise.
2. Conflict of Interest : None of the Directors have any conflict of interest with UEM Sunrise and its Group.
3. Conviction for Offences (other than Traffic Offences) : None of the Directors have been convicted for offences within the past 5 years and have not been imposed any penalty or public sanction by the relevant regulatory bodies during the financial year 2017.
4. Attendance at Board Meeting : The details of attendance of each Director at Board meetings are set out on pages 128 to 129 of the Annual Report 2017.
5. Interest in Securities in UEM Sunrise : The details of the Directors' interest in the securities of the Company are set out on page 292 of this Annual Report.

SENIOR LEADERSHIP PROFILE



ANWAR SYAHRIN ABDUL AJIB

Managing Director/Chief Executive Officer

As expressed on page 111 of the Board of Directors' Profile.



DATO' ROSLAN IBRAHIM

Chief Operating Officer, Development

Dato' Roslan Ibrahim, 58, a Malaysian male, joined UEM Sunrise on 1 August 2015. He has over 36 years of industry experience which includes a proven track record in managing complex infrastructure projects.

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

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

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

His directorships in public companies include UEM Land Berhad, Sunrise Berhad and ONE15 Marina Development Berhad. He also sits on the Board of several subsidiaries, associate and joint venture companies of UEM Sunrise.



MOHAMED RASTAM SHAHROM

Chief Financial Officer

Mohamed, 46, a Malaysian male, joined UEM Group on 1 August 2016 as the Director, UEM Group Managing Director's Office. Subsequently, he assumed the role of Director, Managing Director/Chief Executive Officer's Office of UEM Sunrise on 1 December 2016 and assumed the position of Chief Financial Officer of UEM Sunrise on 15 June 2017.

He has over 20 years of experience in the field of finance, investment appraisal, fund raising, financial analysis and planning, finance operations, international JVs and statutory reporting. Prior to joining UEM Group, he was the Financial Controller at SapuraKencana Petroleum Berhad (now known as Sapura Energy Berhad), a position, which had him overseeing the Engineering & Construction Division and Drilling Services. During his tenure there, he was instrumental in driving several initiatives, including automation and streamlining the finance operations, cost reduction program, business and asset acquisitions and international project financing.

Prior to that, he was the Senior Vice President of Enterprise Solutions and Vice President, Finance at Celcom Axiata Berhad. He also served as Vice President, Corporate Finance and Advisory, Affin Investment Bank Berhad and Hwang-DBS Investment Bank Berhad as Assistant Vice President where he has worked on multiple IPOs and M&As.

Mohamed holds a BSc (Honours) in Accounting and Finance from University of Wales, Aberystwyth, United Kingdom. He is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants.

His directorships in public companies include UEM Land Berhad, Sunrise Berhad and Horizon Hills Resort Berhad. He also sits on the Board of several subsidiaries, associate and joint venture companies of UEM Sunrise.



ZULFA ASHIDA ZULKIFLI

Chief People Officer

Zulfa Ashida Zulkifli, 48, a Malaysian female, joined UEM Sunrise on 1 March 2018. She has over 20 years of professional experience that spans the full spectrum of Human Resources and Change Management. She has held regional and global roles whilst working in Malaysia, Hong Kong, North America and Europe.

Before joining UEM Sunrise, Zulfa was the Director of Group Human Resources for Bursa Malaysia Berhad. Prior to that, she served AirAsia Berhad as the Group Head of People Department. Zulfa has also held key positions in the Shell Group and the BP Group (British Petroleum).

Zulfa holds an MSc in Organisational Behaviour from the University of London and is currently pursuing her Doctorate in Organisational Leadership.



MOHD AUZIR MOHD TAHIR

Chief Executive Officer, Cahaya Jauhar Sdn. Bhd.

Mohd Auzir Mohd Tahir, 59, a Malaysian male, joined the UEM Group on 1 September 1988 as a Civil Engineer and was later promoted to his current position as Chief Executive Officer in Cahaya Jauhar Sdn. Bhd. ("CJSB") in January 2005. CJSB is a joint venture company between UEM Land Berhad (a wholly owned subsidiary of UEM Sunrise), the State Government of Johor Darul Ta'zim and the State Secretary Johore (Incorporation) for the development and facilities management of Kota Iskandar, the state administrative centre in Iskandar Puteri, which won the FIABCI Malaysia Property Award 2010, FIABCI World Prix d'Excellence 2011 runner-up and the Iskandar Malaysia Accolades Gold Award 2016/2017. He won the FIABCI Malaysia 2017 Property CEO of the Year Award.

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

He has over 35 years of experience and holds a Second Class Upper (Honours) Degree in Civil Engineering from the University of Wales, Cardiff, United Kingdom where he graduated in 1982.



ZADIL HANIEF MOHAMAD ZAIDI

Head, Strategy & Corporate Affairs

Zadil Hanief Mohamad Zaidi, 40, a Malaysian male, joined UEM Sunrise on 5 January 2015 and oversees the Company's strategy transformation, brand and communications functions. In 2015, he also held the role of Acting Chief Marketing Officer. He holds directorships in several subsidiaries within UEM Sunrise Group of Companies.

A former strategy consultant, he joined UEM Sunrise from A.T. Kearney, a global management consulting firm where he served clients in oil & gas and consumer-related industries.

Prior to that, he served as an Associate Director of Performance Management & Delivery Unit ("PEMANDU"), Prime Minister's Department, where he was directly involved in the formulation and management of Government Transformation Programme and Economic Transformation Programme. He has worked closely with senior policy makers in the development and implementation of initiatives across rural development, land transport, home affairs and economic development sectors.

He started his career with Shell and Procter & Gamble - spending almost a decade in various commercial and brand building roles. As a marketing professional, he has designed product launches, executed channel consolidation and managed key accounts on behalf of various global brands.

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



FREDERICK LEE HENG MENG

Head, Procurement & Contracts

Frederick Lee Heng Meng, 50, a Malaysian male, joined UEM Sunrise on 8 September 2011. He brings with him more than 27 years of experience spanned across property, real estate, construction and infrastructure industries, with extensive knowledge in cost estimating, cost planning, cost and contract management, procurement strategies and supply chain management.

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

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

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



AZMY MAHBOT

Head, Business Development and Ventures

Azmy Mahbot, 43, a Malaysian male joined UEM Sunrise on 1 January 2004 and was appointed as the Head of Business Development and Ventures on 1 November 2017. He joined the UEM Group in February 1998 and held several positions within the Group before joining UEM Sunrise.

He has more than 15 years of experience in the field of corporate affairs and finance and was involved in various corporate exercises for the UEM Sunrise Group including the listing of UEM Sunrise (then UEM Land Holdings Berhad) on the main board of Bursa Malaysia in 2008 and the takeover of Sunrise Berhad in 2010.

He holds a Bachelor of Commerce (Accounting/Finance) from the University of Melbourne where he graduated in 1997.

His directorships in public companies include Horizon Hills Resort Berhad and ONE15 Marina Development Berhad. He also sits on the Board of several subsidiaries, associate and joint venture companies of UEM Sunrise.



SHARON TEO LING LING

Head, Commercial, Industrial & B2B

Sharon Teo, 39, a Singaporean female, joined UEM Sunrise on 2 May 2012. She currently heads the Commercial, Industrial and Business-to-Business (B2B) functions. She also serves as Alternate Director on the Board of the joint venture entities of the Company.

Prior to her current role, Sharon pioneered and spearheaded the commercial marketing of Marina One and DUO - two of the largest integrated developments in Singapore totalling a gross 5.4 million square feet with an expected gross development value of over RM33 billion (S\$11 billion) developed by M+S Pte Ltd, a company owned 60:40 by Malaysia's Khazanah Nasional Berhad and Singapore's Temasek Holdings (Private) Limited.

Sharon has more than 18 years of experience in the real estate industry, having previously held positions such as Director with the then London listed DTZ Debenham Tie Leung providing real estate advisory and transaction services to multinational corporations across vast industries. She was also with Ascendas, headquartered in Singapore and was instrumental in championing to the marketing success of the Group's first and largest listed business space and industrial Real Estate Investment Trust (AREIT) portfolio with asset size worth over RM30 billion (S\$10 billion).

Sharon holds a Bachelor of Arts (Honours) majoring in Business Management from Kingston University London and holds a Diploma in Building & Real Estate Management from Singapore.



MAZMEEN MOHAMED RAZALI

Head, Internal Audit

Mazmeen Mohamed Razali, 46, a Malaysian Male, joined UEM Sunrise on 2 April 2018. As Head of Internal Audit, he oversees the overall Internal Audit aspects of UEM Sunrise and ensure that the Internal Audit function is carried out objectively and is independent from the management of the Company and the functions that it audits.

He has over 17 years professional experience that span across the overall spectrum of Audit and Finance functions. Prior to joining UEM Sunrise, he was an Audit Liaison of Petrofac Malaysia Ltd, a position which manage and oversee the audit and compliance of oil and gas upstream activities.

Prior to this, he served Shell Malaysia in downstream and upstream business activities and Development & Infrastructure Bank Malaysia in various Internal Audit, Finance and Special Project functions. He started his career at PricewaterhouseCoopers in 1998 as an External Auditor and lead the team of auditors in providing audit and accounting support, and business advisory services in various industries.

Mazmeen holds a BA (Honours) in Accounting and Finance from The University of Lancaster, United Kingdom. He is a fellow of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Malaysian Institute of Accountants.



HASNIZA MOHAMED

Head, Digital

Hasniza Mohamed, 38, a Malaysian female, joined UEM Sunrise on 2 April 2018 as Head of Digital, reporting to the Managing Director/Chief Executive Officer.

In her role, Hasniza will help lead the digital revolution of the Company, by providing steer in the development of the Company's digital strategy, devising new business model, journey design, digital marketing and customer experience whilst ensuring operational efficiency and overall UEM Group alignment.

In support, she will head a cross-functional team of strategists, creative marketers, technology and data specialists, change agents as well as people developers in executing the Company's digital revolution agenda.

Hasniza has over 11 years of professional experience in digital, customer experience and transformation. Prior to joining us, Hasniza was a General Manager for Group Digital Center of Telekom Malaysia. In that role, she pioneered the digital transformation agenda towards making Telekom Malaysia a digitally-focused Company. She had participated in numerous events as speakers on the subject matter.

Hasniza holds a Masters in Mass Communications from Universiti Teknologi MARA and a Bachelor of Business Administration in Marketing from Universiti Multimedia.



PENNY YAW CHOON YEE

General Manager, MD/CEO's Office

Penny Yaw, 41, a Malaysian female, joined UEM Sunrise on 1 July 2014. She currently heads the Market Research and Analytics team. The team mainly covers the Malaysian property market with ad hoc, secondary coverage of the Australian and South African markets.

With more than 15 years of experience in research, Penny has extensive knowledge in all aspects of equity-research related from her previous attachments with foreign and domestic banks and financial institutions, covering largely public-listed companies in Malaysia focusing on Malaysian property sector for close to a decade.

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

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

Penny holds a Bachelor of Commerce Degree majoring in Accounting and Finance (with Merit) from the University of New South Wales. She is also a Chartered Financial Analyst charterholder. In 2017, she completed the ICAEW Women in Leadership Malaysia, a six-month talent development programme by ICAEW and TalentCorp.



KUTBUDDIN ASGAR ALI

Head, Legal

Kutbuddin, 49, a Malaysian male, joined UEM Sunrise on 1 April 2013. He currently heads the Legal Department of UEM Sunrise. The team provides legal support to internal stakeholders and liaison with external parties with regard to land transactions, corporate proposals, fund raising exercises and resolutions of disputes.

With more than 25 years of experience in the legal field, divided almost equally as a private practitioner and as an in-house legal counsel, Kutbuddin has extensive knowledge in various areas of the law covering aspects of civil litigation, finance, fund management and property. He was also involved in the acquisition of UEM Sunrise's maiden properties in Melbourne and the restructuring of the South Africa operations.

Kutbuddin holds a Masters Degree in Law from University of Malaya and was called to the Malaysian Bar in 1993. He also holds a Company Secretarial Licence from the Companies Commission of Malaysia and had been appointed as Company Secretary to a listed fund as well as various unlisted companies.



ONG CHEE WEI

Head, Operations, International Venture, Australia

Ong Chee Wei, 39, a Malaysian female, joined UEM Sunrise in March 2004 and was appointed as the General Manager, International Ventures, Australia in January 2015. She currently heads the development and operations of all the company's projects in Australia.

In her capacity, she is responsible for the overall development and operations of the company's three active projects in Melbourne namely Aurora Melbourne Central and Conservatory, Melbourne in the Melbourne CBD as well as Mayfair by Zaha Hadid on St Kilda Road, Melbourne with a combined gross development value of approximately RM5 billion.

Prior to her relocation to Australia, she was the Deputy Project Director for the mega mixed-use developments of Marina One and DUO in Singapore, developed by M+S Pte Ltd, a joint venture company by Khazanah Nasional Berhad of Malaysia and Temasek Holdings (Private) Limited of Singapore, with a combined gross development value of over RM30 billion.

In her tenure within UEM Sunrise, she has undertaken and completed various high-rise residential, commercial and mixed-use developments in Malaysia.

She holds a Master of Science (Distinction) in Construction Management and Economics from the University of Greenwich, London, United Kingdom.



MOHAMAD FAIZAL MOHAMAD

Head, Customer Experience

Mohamad Faizal Mohamad, 38, a Malaysian male, joined UEM Sunrise on 1 January 2012 and is currently responsible for the Customer Experience Division. In this capacity, he oversees all the customer relations and customer services portfolio for the company, ranging from Customer Relationship Management, Handover Management and the Tresor Loyalty Programme. He holds directorships in several subsidiaries within UEM Sunrise Group of Companies.

He is also responsible for community building and engagement initiatives to foster better relationship and networking within the community, in the effort to create exciting living environments for our developments.

Prior to joining UEM Sunrise, he served in various capacities within the UEM Group of Companies including UEM Group Berhad, UEM World Berhad and Faber Medi-Serve Sdn. Bhd.

Faizal also served in Lembaga Tabung Haji (The Malaysian Hajj Pilgrims Fund Board) as part of the Putrajaya Committee on Government Link Companies' High Performance Cross Exchange Programme from 2008 to 2009, wherein he was responsible in managing a portfolio of investee companies in the banking, property, manufacturing and services sectors.

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

Notes :

1. Family relationship with Director and/or Major Shareholder : None of the Senior Leadership Team members have any family relationship with any Director and/or major shareholder of UEM Sunrise.
2. Conflict of Interest : None of the Senior Leadership Team members have any conflict of interest with UEM Sunrise and its Group.
3. Conviction for Offences (other than Traffic Offences) : None of the Senior Leadership Team members have been convicted for offences within the past 5 years and have not been imposed any penalty or public sanction by the relevant regulatory bodies during the financial year 2017.



SHARIFAH SHAFIQA SALIM

Joint Company Secretary

Sharifah Shafiqah Salim is Head, UEM Group Secretarial and the Joint Company Secretary of UEM Sunrise. She is also the Joint Company Secretary of UEM Group, PLUS Malaysia Berhad and other subsidiaries of UEM Group of Companies.

Shafiqah is a qualified Advocate and Solicitor of the High Court of Malaya and licenced Company Secretary. She is an Affiliate of the Malaysian Institute of Chartered Secretaries and Administrators.

Shafiqah started her career with the Securities Commission and later held leadership roles in the Legal and Secretarial Departments of Metacorp Berhad and UEM Builders Berhad. Subsequently she joined UEM Group where she continued to serve as Joint Company Secretary for UEM Builders Berhad as well as Opus Group Berhad, both of which were then listed on Bursa Malaysia. She was a General Manager at UEM Group's Legal Department before being appointed to the current position in 2013.



LIEW IRENE

Joint Company Secretary

Liew Irene is the Joint Company Secretary of UEM Sunrise and a number of its subsidiaries. She is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators.

Irene started her secretarial career with an established secretarial firm in 1996. From 2001 until 2004, she was attached to the secretarial division of a large listed financial institution group. Prior to joining UEM Group in 2013, Irene served in a reputable secretarial firm since 2004 providing a wide array of corporate secretarial services to private companies, multi-national companies and public listed groups involved in banking, telecommunications, property development, manufacturing, shipping, healthcare equipment and information technology. In October 2017, she was transferred to UEM Sunrise upon the establishment of the corporate secretarial services department.

A photograph of two women in a social setting. The woman on the left has long dark hair and is wearing a black top with a sheer, polka-dot long-sleeved overlay. She is looking towards the camera with a neutral expression. The woman on the right is wearing glasses and a dark top with a white and yellow floral pattern. She is smiling and looking towards the left. The background is softly blurred, showing warm lighting and what appears to be a white sculpture or architectural element.

COLLISION OF ART, STYLE & TASTE

Publika at Solaris Dutamas has brought a new meaning to the commercial space, melding innovation and creativity with the idea of trade. The mall, adjacent to the highly sought-after Mont'Kiara neighbourhood, caters to the daily requirements of residents while offering a carefully selected range of cutting-edge as well as retro and modern art, antiques and handcraft outlets. Other than hosting the annual Jazz Festival, its open spaces are used for regular theatre performances, environment-themed events and the popular weekend bazaar.



PUBLIKA

Solaris Dutamas



FRAMEWORK OF TRUST



126	Corporate Governance Overview Statement
139	Additional Compliance Information
141	Audit Committee Report
146	Statement on Internal Control and Risk Management
150	Risk Management Report

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD BELIEVES THAT MAINTAINING GOOD CORPORATE GOVERNANCE IS KEY TO DELIVERING STAKEHOLDERS' VALUE.

The Board of Directors ("Board") of UEM Sunrise Berhad ("UEM Sunrise" or the "Company") presents this statement to provide shareholders and investors with an overview of the principal features of the Company and of its subsidiaries' (the "Group") corporate governance framework, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance. The Board believes that maintaining good corporate governance is key to delivering stakeholders' value and takes guidance from the key corporate governance principles as set out in the Malaysian Code on Corporate Governance ("MCCG").

This statement is supported by the Corporate Governance Report, based on a prescribed format as outlined in Paragraph 15.25(2) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements"). The Corporate Governance Report is available on the Company's website, www.uemsunrise.com/investor-relations, as well as via an announcement on Bursa Malaysia Berhad's website.

The Corporate Governance Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year 2017.

Following the release of the new MCCG by the Securities Commission Malaysia in April 2017, the Board was apprised on the highlights of key changes to the MCCG. Subsequently in June 2017, the Company Secretaries apprised the Nominations & Remuneration Committee ("NRC") who subsequently reported to the Board, with the identified areas which required further enhancements to apply the best practices of the MCCG.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

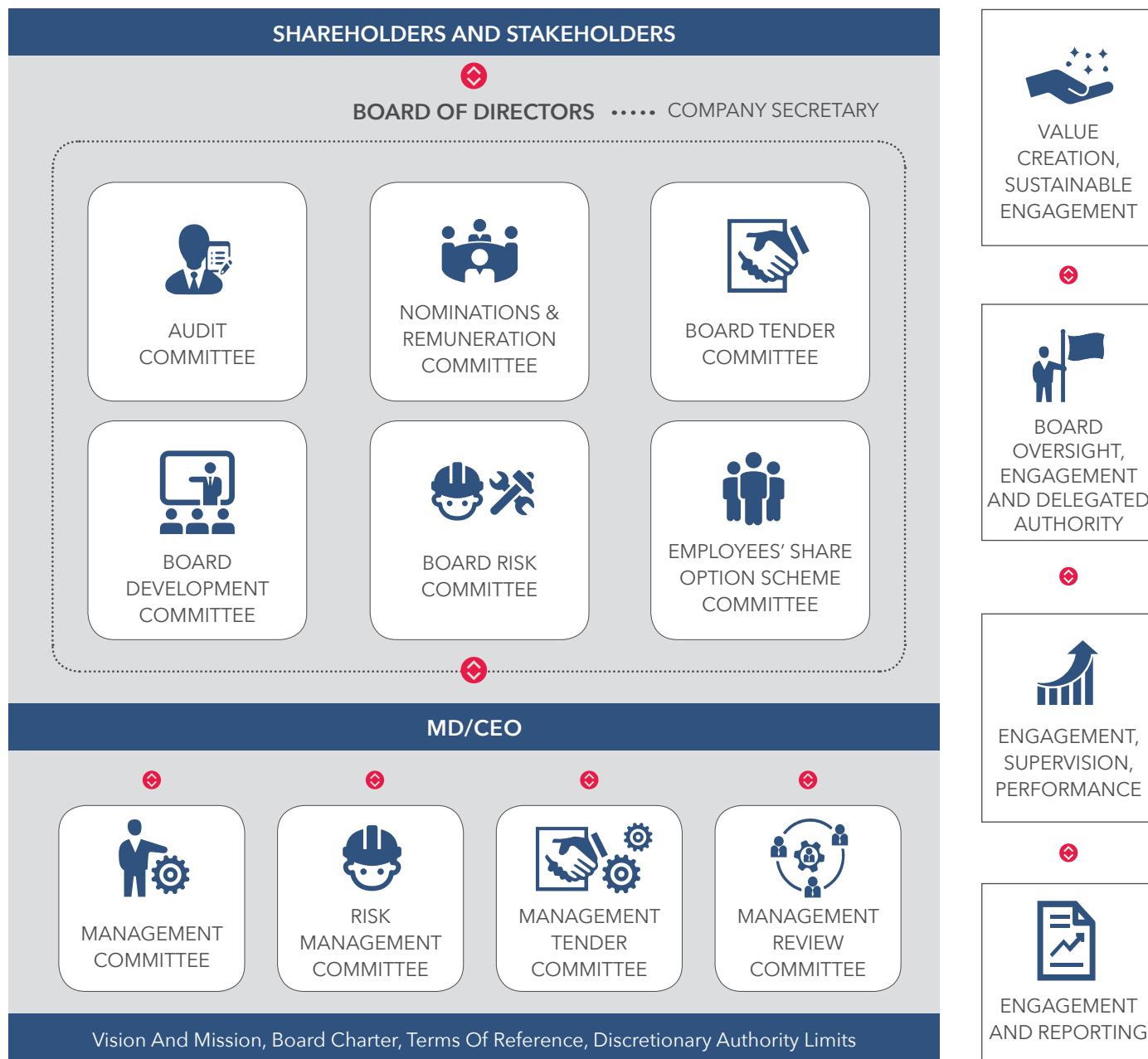
The Board is primarily responsible for the Group's overall strategic plans for business performance, overseeing the proper conduct of business, succession planning of key management, risk management, shareholders' communication, internal control, management information systems and statutory matters. Management is accountable for the execution of expressed policies and attainment of the Group's corporate objectives. The functions of the Board and Management are clearly demarcated to ensure the effectiveness of the Company's business and operations as outlined in the Board Charter.

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

- Reviewing and adopting strategic plans and directions for the Group.
- Prepare the statement in respect of financial statements to give a true and fair view of the state of affairs of 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 Board members, Managing Director/Chief Executive Officer ("MD/CEO") and Senior Management.
- Developing and implementing an investor relations programme or shareholder communication policy for the Group.
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- Formalising and reviewing performance of key sustainability initiatives and recommending improvements, which include environmental, ethical, social and governance aspects of the business.

I. BOARD RESPONSIBILITIES (CONT'D.)

The Corporate Governance Model adopted by the Company to instill best practices within the organisation is depicted below :



The Corporate Governance Model is supported by the Board Charter and the Company's Discretionary Authority Limits ("DAL") which outline high level duties and responsibilities of the Board, matters that are specifically reserved for the Board, as well as those which the Board may delegate to the Board Committees, the MD/CEO and Management. In cultivating good governance practices, the Board also extends the adoption of the DAL to its subsidiaries for which it comprises authority limits delegated by the Board to the Senior Management for daily operations.

The Corporate Governance Model and the DAL are reviewed as and when required, to ensure an optimum structure for efficient and effective decision-making within the Group. In August 2017, the Board approved the amendments to the Terms of Reference of all the Board Committees to align with the practices recommended in the MCCG as well as current practices and provisions in the Listing Requirements.

I. BOARD RESPONSIBILITIES (CONT'D.)

The Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance. The roles and responsibilities of the Chairman and the MD/CEO are clearly separated and distinct to ensure that there is a balance of power and authority which are formally documented in the Board Charter. The Board Charter is a comprehensive reference document for Directors on matters relating to the Board and its processes, as well as the roles and responsibilities of the Board, the individual Directors and the Senior Independent Director.

KEY ROLES ON THE BOARD

Role	Key Responsibilities
Chairman	<ul style="list-style-type: none"> Preside over meetings of Directors and ensure efficient organisation and conduct of the meeting for the smooth functioning of the Board in the interest of good corporate governance.
MD/CEO	<ul style="list-style-type: none"> Develop and execute the Group's strategies in line with the Board's direction; and Oversee the operations and drive the Group's businesses and performance towards achieving its vision and goals.
Senior Independent Director	<ul style="list-style-type: none"> Act as a point of contact for shareholders for any query or concerns relating to the Company which may be deemed inappropriate to be communicated through the normal channels.
Non-Executive Director	<ul style="list-style-type: none"> Monitor and supervise Management's conduct in running the business while bringing their expertise and wisdom to bear on the decision making process.

In December 2017, the Board also reviewed and approved the amendments to the Board Charter and the Code of Conduct for Directors, aligned with the practices recommended in the MCCG as well as current practices. This is to ensure that the standards of corporate governance and corporate behaviour permeate throughout all levels of the Group. The Company also has in place the Whistle Blower Policy which is implemented to enable the exposure and violations or improper conduct or wrongdoing within the Group. Further details pertaining to the Board Charter, Code of Ethics for Directors and Whistle Blower Policy are set out in the Corporate Governance Report, and these documents are available for reference on the Company's website www.uemsunrise.com/investor-relations.

The Board is supported by suitably qualified and competent Company Secretaries who are accountable to the Board. All Directors have full access to the advice and services of the Company Secretaries who ensure that Board procedures are adhered to at all times.

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

During the financial year ended 31 December 2017, the Board met thirteen (13) times consisting of eleven (11) scheduled Board Meetings and two (2) Special Board Meetings. The details of the attendance are as follows :

Directors	Number of Board Meetings Attended/Held	Percentage of Attendance (%)
Tan Sri Dato' Sri Zamzamzairani Mohd Isa (Non-Independent Non-Executive Chairman) (Appointed on 18.05.2017)	9/9 ⁽¹⁾	100
Anwar Syahrin Abdul Ajib (MD/CEO)	13/13	100

I. BOARD RESPONSIBILITIES (CONT'D.)

Directors	Number of Board Meetings Attended/Held	Percentage of Attendance (%)
Dato' Srikandan Kanagainthiram (Senior Independent Non-Executive Director)	13/13	100
Dato' Izzaddin Idris (Non-Independent Non-Executive Director)	12/13	92
Zaida Khalida Shaari (Non-Independent Non-Executive Director)	13/13	100
Lim Tian Huat (Independent Non-Executive Director)	11/13	85
Ungku Suseelawati Ungku Omar (Independent Non-Executive Director)	12/13	92
Subimal Sen Gupta (Independent Non-Executive Director)	13/13	100
Tan Sri Dr Azmil Khalili Dato' Khalid (Independent Non-Executive Director) (Appointed on 13.12.2017)	NA ⁽¹⁾	NA
Tan Sri Dr Ir Ahmad Tajuddin Ali (Non-Independent Non-Executive Chairman) (Retired at the Annual General Meeting ("AGM") held on 18.05.2017)	4/4 ⁽¹⁾	100
Professor Philip Sutton Cox (Independent Non-Executive Director) (Retired at the AGM held on 18.05.2017)	4/4 ⁽¹⁾	100

⁽¹⁾ Reflects the number of Meetings attended and held during his tenure of appointment.

All Directors appointed to the Board, apart from attending the Mandatory Accreditation Programme accredited by Bursa Securities, have also attended other relevant training programmes and seminars organised by the relevant regulatory authorities and professional bodies to further enhance their business acumen and professionalism in discharging their duties to the Group. In addition, some members of the Board have also been invited to participate in forums and/or seminars in the capacity as a speaker, moderator or panelists in areas of their expertise. Below are some of the training/conferences/seminars and/or workshop in which members of the Board had participated during the financial year ended 31 December 2017 :

No.	Directors	Date	List of Training/Conference/Seminar/ Workshop Attended	Organiser/Provider
1.	Tan Sri Dato' Sri Zamzamzairani Mohd Isa	27 & 28 February 2017 3 March 2017	2017 Mobile World Congress Explore your possibilities	GSM Association Persatuan Ekonomi Malaysia/ Malaysia External Trade Development Corporation/ Telekom Malaysia Berhad

I. BOARD RESPONSIBILITIES (CONT'D.)

No.	Directors	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/Provider
2.	Anwar Syahrin Abdul Ajib	16 February 2017	UEM Leadership Team Forum : Driving our Business	UEM Group Berhad ("UEM Group")
		20 February 2017	Kuala Lumpur : Designing the Public Realm by Harvard Graduate School of Design - AECOM Southeast Asia Studio	AECOM
		22 & 23 March 2017	Global Transformation Forum 2017	Global Transformation Forum
		12 April 2017	UEM Group Lectures Series by Mr Peter Bellew, Group CEO Malaysia Airlines	UEM Group
		13 April 2017	9 th Iskandar Malaysia CEO Forum	Khazanah Nasional Berhad ("Khazanah")
		11 July 2017	UEM Group Lecture Series by Datuk Shahril Ridza Ridzuan, CEO of Employees Provident Fund ("EPF")	UEM Group
		3 August 2017	Iskandar Puteri CEO Circle 2017	Khazanah
		16 August 2017	Property Guru's Malaysia Real Estate Summit - Panellist for "Meet the CEO's : Our 10 Year Real Estate Vision"	PropertyGuru
		2 & 3 October 2017	Khazanah Megatrends Forum 2017	Khazanah
		3 October 2017	Invest Iskandar Malaysia 2017 Symposium - Panellist for Plenary Session 1 : "Game Changer & Growth Drivers : Shaping the Next 10 Years"	Iskandar Regional Development Authority
		4 October 2017	Trending Innovation, Disruption and Entrepreneurship ("TIDE") Event	Khazanah
		5 October 2017	ASLI's 20 th National Housing & Property Summit 2017 - Panellist for "The State of the Housing & Property Industry - Where do We Go from Here?"	Asian Strategy & Leadership Institute
		20 November 2017	Malaysia's Future of Work	Talent Corporation Malaysia
		28 & 29 November 2017	MIPI Asia Summit 2017 : The Property Leader's Summit in Asia Pacific	Reed MIDEM
4 December 2017	UEM Group Business Leadership Forum	UEM Group		
3.	Dato' Srikandan Kanagaintiram	1 March 2017	Raising the Bar in Board's Performance & Effectiveness	Bursatra
		8 March 2017	Highlights of the Companies Act 2016 by Suruhanjaya Syarikat Malaysia	UEM Group/Suruhanjaya Syarikat Malaysia
		20 April 2017	RISM's Academy - Senior Members' Masterclass	Royal Institution of Surveyors Malaysia ("RISM")
		18 & 19 May 2017	RISM's 56 th International Surveyors Congress on "Technology and Surveying - The Next Generation"	RISM
		2 & 3 October 2017	Khazanah Megatrends Forum 2017	Khazanah
		10 October 2017	UEM Group's The Exchange 2017 : Driving Performance Together	UEM Group
		11 & 12 October 2017	Quantity Surveying ("QS") International Convention 2017 on "Theme for the Dialogue : Is QS Still Relevant?" (Panel Speaker)	Board of Quantity Surveyors Malaysia/RISM/University of Malaya/Jabatan Kerja Raya

I. BOARD RESPONSIBILITIES (CONT'D.)

No.	Directors	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/Provider
4.	Dato' Izzaddin Idris	15-17 January 2017	Project Enterprise : Culture Change Offsite	UEM Group
		19 January 2017	AXIATA Digital Services Sdn. Bhd. ("ADSSB") Strategy Forum	ADSSB
		16 February 2017	UEM Leadership Team Forum : Driving our Business	UEM Group
		18 February 2017	CIMB Leadership Series (Speaker)	CIMB
		22 February 2017	Group Induction Programme (Speaker)	UEM Group
		23 February 2017	CEO@Faculty Programme for Universiti Kebangsaan Malaysia ("UKM") (Speaker)	UKM
		2 March 2017	SKRINE Conference 2017 (Speaker)	SKRINE
		8 March 2017	Highlights of the Companies Act 2016 by Suruhanjaya Syarikat Malaysia	UEM Group/Suruhanjaya Syarikat Malaysia
		6 April 2017	Emerging Leader Development Programme (Speaker)	Majlis Amanah Rakyat (MARA)
		12 April 2017	UEM Group Lectures Series by Mr Peter Bellew, Group CEO Malaysia Airlines	UEM Group
		13 April 2017	9 th Iskandar Malaysia CEO Forum	Khazanah
		8 May 2017	World Bank Conference - Islamic Finance & Public Private Partnership for Infrastructure Development (Speaker)	Securities Commission Malaysia
		7 July 2017	Business Leadership Forum UEM Group	UEM Group
		11 July 2017	UEM Group Lecture Series by Datuk Shahril Ridza Ridzuan, CEO of Employees Provident Fund ("EPF")	UEM Group
		9 August 2017	GLC Explorace - Excelling in the Digital World	Ministry of International Trade and Industry/UEM Group
		2 & 3 October 2017	Khazanah Megatrends Forum 2017	Khazanah
		4 October 2017	Trending Innovation, Disruption and Entrepreneurship ("TIDE") Event	Khazanah
		9 October 2017	10 th Iskandar Malaysia CEO Forum	Khazanah
		10 October 2017	UEM Group's The Exchange 2017 : Driving Performance Together	UEM Group
		26 October 2017	Group Induction Programme (Speaker)	UEM Group
23 November 2017	FTMS College-ASCENT International Conference (Speaker)	FTMS College		
4 December 2017	UEM Group Business Leadership Forum	UEM Group		
5.	Zaida Khalida Shaari	18 & 19 January 2017	ASIA Public Policy Forum 2017 - Improving Education Access and Quality in Asia	Jeffrey Cheah Institute on Southeast Asia/Harvard Kennedy School, Ash Center for Democratic Governance and Innovation
		10-12 May 2017	World Economic Forum on Asean 2017	World Economic Forum
		5 June 2017	Malaysian Code on Corporate Governance : A New Dimension	Security Industry Development Corporation ("SIDC")

I. BOARD RESPONSIBILITIES (CONT'D.)

No.	Directors	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/Provider
6.	Lim Tian Huat	17 January 2017	Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Training for Board of Directors and Management	Malaysia Building Society Berhad ("MBSB")
		19-22 March 2017	INSOL 2017 Congress	Insol International
		17 August 2017	Rodgers Reidy International Directors' Conference 2017	Rodgers Reidy & Co.
		11 September 2017	Insolvency Conference 2017- Building the Bridge Towards Better Corporate Recovery	Malaysia Institute of Accountants ("MIA")
		13 September 2017	Bursa Risk Management Programme - "I Am Ready to Manage Risks"	MBSB
		2 & 3 October 2017	Khazanah Megatrends Forum 2017	Khazanah
		16 October 2017	A Review of the Three Standards : MFRS9, MFRS15 & MFRS16	MIA
		7 & 8 November 2017	MIA Conference 2017	MIA
7.	Ungku Suseelawati Ungku Omar	17 January 2017	Boards and C-Level Executives : "Balancing Trust and Tension"	Malaysian Institute of Corporate Governance ("MICG")
		8 March 2017	Highlights of the Companies Act 2016 by Suruhanjaya Syarikat Malaysia	UEM Group/Suruhanjaya Syarikat Malaysia
		5-7 April 2017	ICSC Asia Pacific CEO Forum	International Council of Shopping Centers ("ICSC")
		28 July 2017	Women Directors on Boards	Malaysian Directors Academy ("MINDA")
		5 September 2017	Go Digital with Experts	The Star
		2 & 3 October 2017	Khazanah Megatrends Forum 2017	Khazanah
		23-25 October 2017	Moderator for Research Session on Health & Wellness in Retail Industry, ICSC Conference	ICSC
		26 & 27 October 2017	18 th Asia-Pacific Retailers Convention & Exhibition	Malaysia Retailers Association
		5 December 2017	Corporate Governance Breakfast Series : Thought Leadership	Bursa Malaysia Berhad
8.	Subimal Sen Gupta	17 January 2017	Boards & C-Level Executives : Balancing Trust & Constructive Tension	MICG
		1 March 2017	Raising the Bar in Board's Performance & Effectiveness	Bursatra
		8 March 2017	Highlights of the Companies Act 2016 by Suruhanjaya Syarikat Malaysia	UEM Group/Suruhanjaya Syarikat Malaysia
		9 March 2017	6 th Annual National Conference 2017 - Mitigating Risk in Procurement	MICG
		11 May 2017	The New Malaysian Code on Corporate Governance - "How to Walk the Talk?"	MICG
		11 May 2017	Related Party Transactions - Their Implications to the Board of Directors, Audit Committee & Management	MICG

I. BOARD RESPONSIBILITIES (CONT'D.)

No.	Directors	Date	List of Training/Conference/Seminar/ Workshop Attended	Organiser/Provider
8.	Subimal Sen Gupta (cont'd.)	22 May 2017 11 & 12 July 2017 21 & 22 August 2017 2 & 3 October 2017 9 October 2017 21 November 2017 5 December 2017	Malaysian Case Studies on Material Deviations Between Unaudited and Audited Financial Statements Riding the Wave of Regulatory Changes International Directors Summit 2017 Khazanah Megatrends Forum 2017 2017 National Conference - Audit Committee Leadership Track Sustainability Report and Management Discussion & Analysis - What a Director Needs to Know Corporate Governance Breakfast Series : Thought Leadership	Bursatra Federation of Public Listed Companies Bhd MINDA Khazanah The Institute of Internal Auditors Malaysia Bursatra Bursa Malaysia Berhad
9.	Tan Sri Dr Ir Ahmad Tajuddin Ali (retired at the AGM held on 18 May 2017)	13 February 2017 8 March 2017 20 March 2017 23 March 2017 30 March 2017 13 April 2017 14 April 2017 3 & 4 May 2017	Khazanah Annual Review Briefing Highlights of the Companies Act 2016 by Suruhanjaya Syarikat Malaysia Seminar on Indian Rail Land & Stations Redevelopment Business Opportunities 4 th Road Engineering Association of Asia & Australasia ("REAAA") Business Forum. Theme : "Expanding Opportunities for Infrastructure Investment in Developing Countries" Seminar on Standard & Metrology International Construction Week. Day 1 : Welcoming Remarks by Y'Bhg Tan Sri Dr Ir Ahmad Tajuddin Ali, Chairman of CIDB International Construction Week. Day2 : Round Table Discussion on Instilling Safety Culture in Construction Smart Cities NYC '17. Keynote Address by YBhg Tan Sri Dr Ir Ahmad Tajuddin Ali, FASc as a Panel Member for "Leading Cities Into The Future"	Khazanah UEM Group/Suruhanjaya Syarikat Malaysia Kementerian Kerja Raya/ Construction Industry Development Board ("CIDB") Road Engineering Association of Asia and Australasia/CIDB SIRIM QAS International Sdn. Bhd. CIDB CIDB Global Federation of Competitiveness Councils/ Malaysian Industry-Government Group for High Technology ("MIGHT")

II. BOARD COMPOSITION

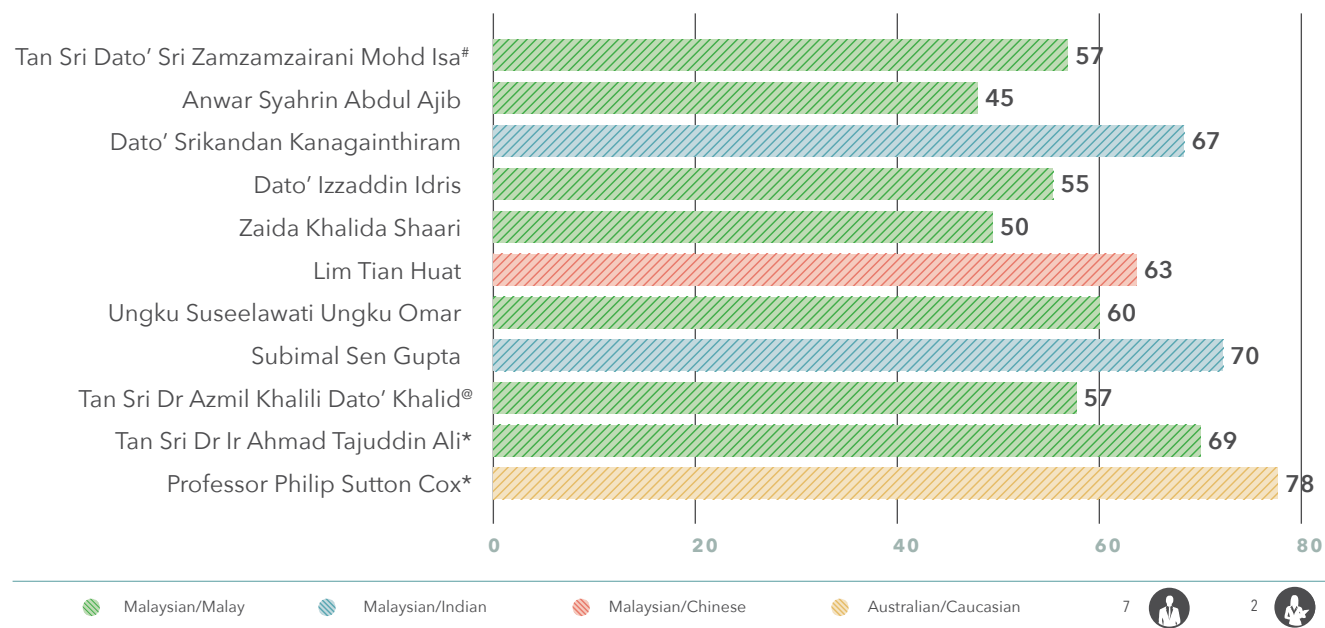
As at the end of the financial year under review, the Board consisted of nine (9) members comprising the Non-Independent Non-Executive Chairman, the MD/CEO, two (2) Non-Independent Non-Executive Directors, a Senior Independent Non-Executive Director and four (4) Independent Non-Executive Directors. The composition of the Board complies with the Listing Requirements where at least two (2) Directors or one-third of the Board, whichever is the higher, must comprise Independent Directors. The Board composition comprises a majority of Independent Non-Executive Directors, who account for more than half of the members to ensure a balance of power and authority within the Board.

In 2017, the Board agreed that the Board composition of the Company should be increased to ten (10) members with majority of Independent Directors. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions amongst members of the Board.

The Board is committed to provide fair and equal opportunities and nurturing diversity within the Group and strives for at least 30% of Board to comprise women Directors. The percentage of women Directors on the Board as at 31 December 2017 was 22%. In 2018, the percentage has further increased to 30% with the appointment of Datin Teh Ija Mohd Jalil in March 2018 as an Independent Non-Executive Director.

The charts summarising the age and ethnicity of the Board of the Company as well as Senior Management as at 31 December 2017 are set out below :

BOARD OF DIRECTORS



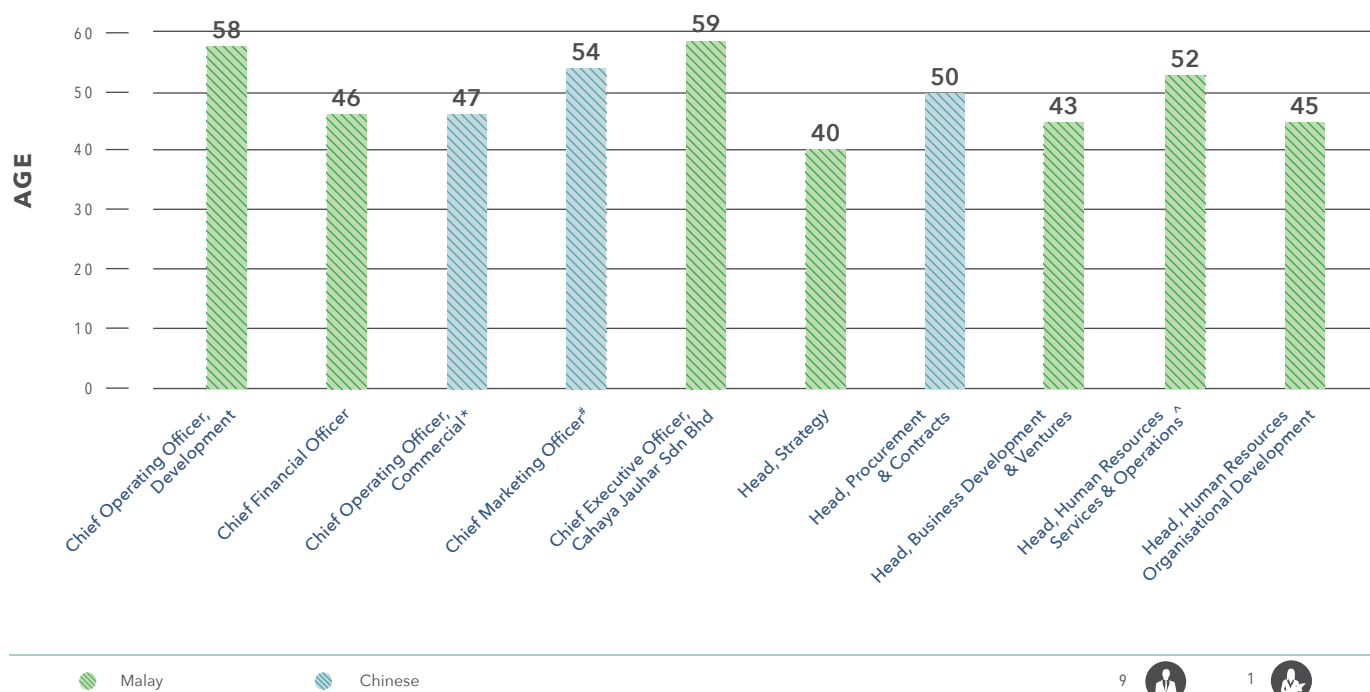
[#] Appointed on 18 May 2017

[@] Appointed on 13 December 2017

^{*} Retired at the AGM held on 18 May 2017

II. BOARD COMPOSITION (CONT'D.)

SENIOR MANAGEMENT



* Completion of employment contract on 28 February 2018

Resigned on 1 March 2018

^ Resigned on 30 March 2018

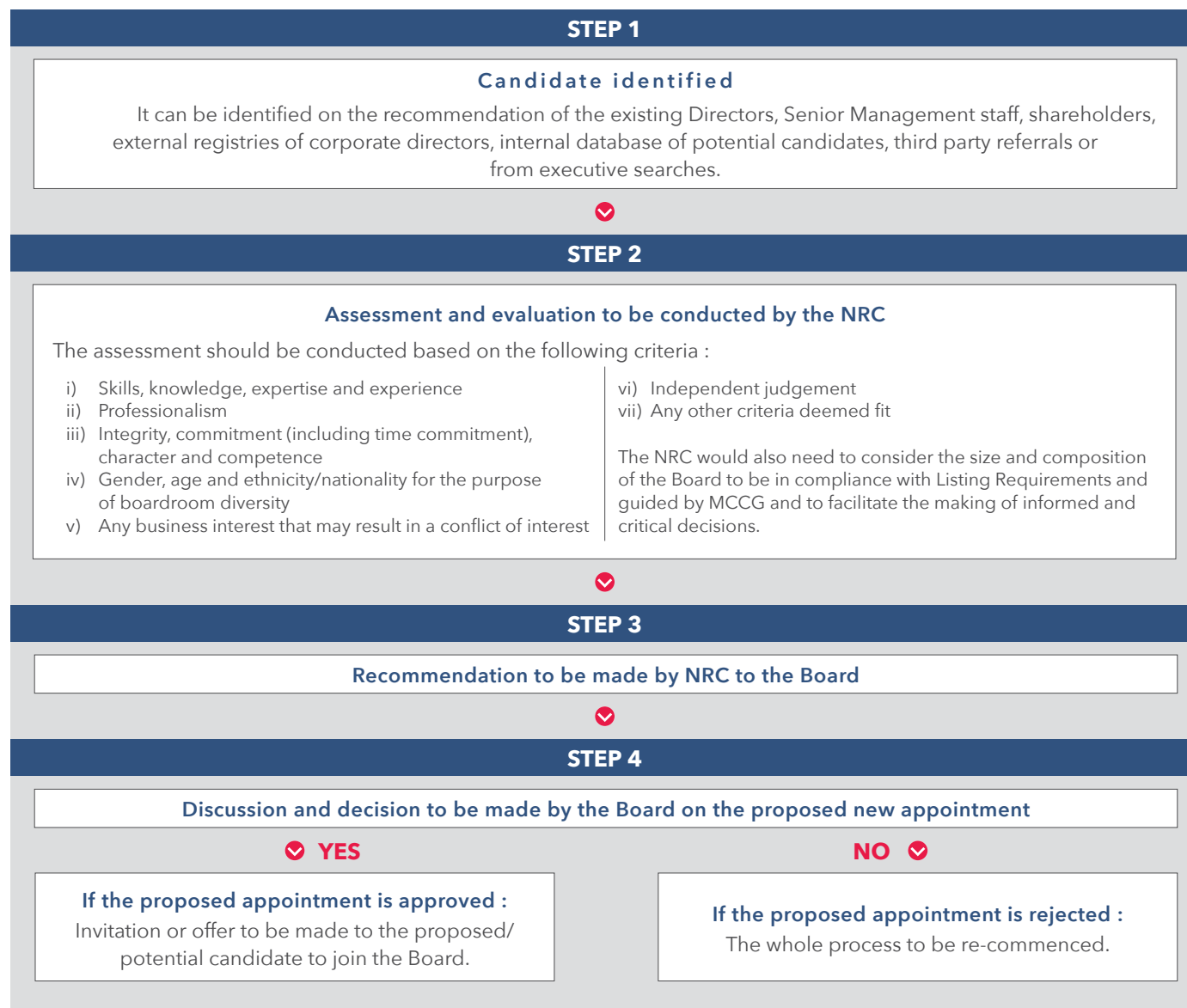
The Board has a policy of not allowing Independent Non-Executive Directors to serve a cumulative term of exceeding nine (9) years. Such Director may continue to serve on the Board provided he/she is re-designated as a Non-Independent Director. The Company shall therefore not retain an independent director for a period of more than nine (9) years.

The Board and the NRC take into account the skills, knowledge, expertise, experience, professionalism, character and integrity, gender, age and ethnicity of the existing Board in seeking potential candidates. A Board Skills Matrix has also been developed and used as reference for the Board refreshment and succession planning to complement one another.

In selecting the possible candidates for Senior Management, the Board and the NRC will consider candidates who demonstrate among others, the key competencies and behaviours required at top management level. In addition to the leadership competencies, candidates should also have the technical capabilities, experience and professional qualifications outlined in the job description of the respective portfolio.

II. BOARD COMPOSITION (CONT'D.)

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



II. BOARD COMPOSITION (CONT'D.)

The Board through the NRC, conducted the annual Board Effectiveness Assessment on the overall effectiveness of the Board, its Committees and the contribution and performance of each Director. In 2017, the preparation of the assessment and the collation of the results were facilitated by the Company Secretary and tabled during the NRC and Board Meetings. The NRC may engage an external consultant to conduct Board Effectiveness Assessment within the next two (2) years' time and a budget would be set aside by the Board for that purpose.

The NRC is made up exclusively of Non-Executive Directors with a majority of them being Independent Directors. The Committee is chaired by an Independent Director.

The activities of the NRC in the discharge of its duties for the financial year under review are provided in the Corporate Governance Report.

III. REMUNERATION

The Company's policy on Directors' remuneration is to attract and retain Directors of high calibre needed to lead the Group successfully. The Board delegated to the NRC the responsibility to review and recommend matters relating to the remuneration of Board and Senior Management.

The Non-Executive Directors' remuneration framework encompasses a fixed fee for Chairman and members of the Board and Board Committees which are tabled to the shareholders for annual approval at the AGM. The MD/CEO is remunerated in line with the Company's general remuneration policy for its Senior Management. The remuneration policy for the Senior Management is in line with the business strategy, objectives, values and long term goals and interests of the Company and guided by the Company's affordability, approved remuneration and reward matrix and comparison against the current market practice in the same industry.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee comprises three (3) members who are Independent Non-Executive Directors. The Audit Committee is chaired by Mr Subimal Sen Gupta, who assumed the chairmanship from the former Chairman, Mr Lim Tian Huat on 1 August 2017 and as a result, Mr Lim Tian Huat was re-designated as a member.

The requirement that a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee is reflected in the revised Audit Committee's Term of Reference approved by the Board on 23 August 2017.

In the annual assessment on the suitability, objectivity and independence of the External Auditors, the Audit Committee is guided by the factors as prescribed under Paragraph 15.21 of the Listing Requirements as well as the Corporate Governance Guide 3rd Edition. The Board received a written assurance by the External Auditors, confirming their independence in providing both audit and non-audit services for the year under review.

Annually, the composition and performance evaluation of the Audit Committee is reviewed by the NRC and reported the result to the Board for its approval.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board fulfills its responsibilities in the risk governance and oversight functions through its Board Risk Committee who reviews the effectiveness of risk management framework and to manage the overall risk exposure to the Group. The Board Risk Committee assesses and monitors the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls are reviewed by the Audit Committee through the work performed internal audit function for the Group.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D.)

Both the Board Risk Committee and Audit Committee comprise wholly of Independent Non-Executive Directors. The Board is satisfied with the performance of the Board Risk Committee and Audit Committee in discharging their duties and responsibilities in accordance with their terms of reference.

The Board concluded that the risk management and internal control system of the Company are generally adequate and effective for the financial year under review. The details on the Company's internal control and risk management framework are set out in the Statement on Internal Control and Risk Management as well as the Risk Management Report of this Annual Report.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Company has been transparent and accountable to its shareholders and investors and recognises the importance of timely dissemination of information to shareholders and other stakeholders. The Board is also committed to ensure that the shareholders and other stakeholders are well informed of major developments of the Group and the information is communicated to them through various channels including Annual Report, disclosures and announcements to Bursa Securities, press release, dialogues and presentations at general meetings and online investor relations on the Company's website at www.uemsunrise.com. The Board also encourages engagements with the shareholders by disseminating crucial information such as strategic matters, future plans and key issues in regards to the Company via technological means.

UEM Sunrise aims to transition into integrated reporting based on the global recognised framework in the near future in stages.

II. CONDUCT OF GENERAL MEETINGS

The AGM of the Company represents the primary platform for two-way interaction between the shareholders, the Board and Management of the Group. In fostering effective participation of and engagement with shareholders at the 9th AGM of the Company held on 18 May 2017 ("AGM 2017"), all the Directors (including the Chairman of Audit Committee, Board Tender Committee and ESOS Committee), save for a Director (Chairperson of NRC) who had conveyed her apologies due to health issues, were present in person to engage directly with the shareholders.

The Board endeavours to comply with the 28 days period for issuing of AGM notice in the future to enable the shareholders to be well informed with the timeframe given and allow them to have ample time in making necessary preparations to attend and participate in person or by corporate representative, proxy or attorney. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the AGM.

At the 2017 AGM, the Chairman explained the procedure to be followed in tabling and approving each of the resolutions, encouraged shareholders to participate at the meeting and explained the poll procedure in regard to the proposed resolutions put to the meeting for voting. The MD/CEO gave a presentation on the Company's financial and operational performance and also shared with the shareholders the Company's responses to questions submitted in advance of the 2017 AGM by the Minority Shareholder Watchdog Group.

The voting at the 2017 AGM was conducted on a poll in accordance with Paragraph 8.29A of the Listing Requirements. The poll results were also announced by UEM Sunrise via BursaLINK on the same day for the benefit of all shareholders. Summary of proceedings which comprised salient excerpts from the minutes of the 2017 AGM were also made available on the Company's website. The Company continues to explore the leveraging of technology, to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at General Meetings of the Company.

This Statement is made in accordance with the resolution of the Board dated 22 March 2018.

ADDITIONAL COMPLIANCE INFORMATION

- IN ACCORDANCE WITH APPENDIX 9C OF THE LISTING REQUIREMENTS

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Pursuant to its Islamic Commercial Paper ("ICP") Programme ("ICP Programme") and Islamic Medium Term Notes ("IMTN") Programme ("IMTN Programme") which have a combined aggregate limit of RM2.0 billion in nominal value and a sub-limit on the ICP Programme of RM500.0 million in nominal value established in 2016, the Company had in 2017 issued the following ICPs and IMTNs respectively :

Date of Issuance	Type	Tenure	Utilisation of Proceeds
8 February 2017	RM100.0 million in nominal value of ICPs under the ICP Programme	The ICPs have a tenure of three (3) months.	The proceeds were utilised to rollover the outstanding ICPs amounting to RM100.0 million which matured on 8 February 2017, which was previously issued on 9 August 2016 under the ICP Programme.
8 May 2017	RM100.0 million in nominal value of ICPs under the ICP Programme	The ICPs have a tenure of three (3) months.	The proceeds were utilised to rollover the outstanding ICPs amounting to RM100.0 million which matured on 8 May 2017, which was previously issued on 8 February 2017 under the ICP Programme.
8 August 2017	RM100.0 million in nominal value of IMTNs under the IMTN Programme	The IMTNs have a tenure of 366 days, which will mature on 9 August 2018.	The proceeds were utilised to redeem the outstanding ICPs amounting to RM100.0 million which matured on 8 August 2017, which was previously issued on 8 May 2017 under the ICP Programme.
11 December 2017	RM600.0 million in nominal value of IMTNs under the IMTN Programme	The IMTNs have tenures of three (3), five (5) and seven (7) years, and will mature on 11 December 2020, 9 December 2022 and 11 December 2024 respectively.	The proceeds were utilised to redeem the outstanding IMTNs amounting to RM600.0 million in nominal value issued under UEM Sunrise's RM2.0 billion IMTN programme established in 2012 ("Maturing IMTNs"). The Maturing IMTNs were issued on 21 December 2012 and matured on 21 December 2017.

MATERIAL CONTRACTS

Other than those disclosed in the financial statements and the recurrent related party transactions section on pages 294 to 297 in the Annual Report, there were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

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 of a revenue and trading nature which are in the ordinary course of business at the Annual General Meeting of the Company to be held on 31 May 2018. Please refer to pages 294 to 297 of this Annual Report on the disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2017 pursuant to the shareholders' mandates approved at the previous Annual General Meeting.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company has one ESOS in existence during the financial year. The ESOS was approved by the shareholders of the Company at the Company's Extraordinary General Meeting held on 7 March 2012. As at 31 December 2017, ESOS options over 282,347,800 new ordinary shares in the Company had been granted to the employees of the Group (including the MD/CEO) as follows :

Category of employees	No. of ESOS options granted as at 31 Dec 2017	Percentage granted as at 31 Dec 2017 of total available*	No. of ESOS options vested	No. of ESOS options exercised	No. of options lapsed	No. of ESOS options outstanding
MD/CEO (Including former MD/CEO)	14,000,000	4.12	7,112,000	2,180,000	6,468,000	5,352,000 [#]
Senior Management	54,691,600	16.07	25,899,400	3,800,000	38,470,200	12,421,400
Other employees	213,656,200	62.78	123,894,900	13,936,100	115,415,250	84,304,850
TOTAL	282,347,800	82.97	156,906,300	19,916,100	160,353,450	102,078,250

* As at 31 December 2017, the issued and paid-up ordinary share capital of the Company comprised 4,537,436,037 ordinary shares. In accordance with the ESOS, the maximum number of shares to be offered for subscription and allotment upon the exercise of the ESOS options shall not be more than 7.5% of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS scheme.

2,444,000 from the total amount of 5,352,000 relates to the outstanding entitlement of the former MD/CEO, the late Dato' Wan Abdullah Wan Ibrahim who passed away in 2014, which shall be exercisable by the beneficiaries of the estate of the late Dato' Wan Abdullah.

The aggregate maximum allocation of the ESOS options applicable to the Directors and Senior Management is 30% and the actual granted to the Directors and Senior Management since the commencement of the ESOS is 24.33%.

1. FORMATION

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

The Audit Committee is committed to its role to assist the Board in reviewing and monitoring the integrity and adequacy of the internal controls, financial and non-financial reporting process, policies and practices of UEM Sunrise Berhad ("the Company") and its subsidiaries ("the Group"). Pursuant to the step-up practice set out in the Malaysian Code on Corporate Governance ("MCCG"), the Company had on 1 August 2017 established a Board Risk Committee to assist the Board in overseeing risk management framework and policies of the Group. Accordingly, the Board Risk Committee took over the risk oversight role previously undertaken by the Audit Committee.

The Terms of Reference ("TOR") of Audit Committee was reviewed and amended during the year under review to align with practices recommended in the MCCG and reflect the delegation of risk oversight responsibility to the Board Risk Committee. The TOR of Audit Committee is available for reference at the Company's website at www.uemsunrise.com/investor-relations.

2. COMPOSITION

During the financial year ended 31 December 2017, the Audit Committee consisted of three members of the Board, all of whom are Independent Non-Executive Directors. The Company has complied with Paragraph 15.09 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements"), which requires all members of the Audit Committee to be Non-Executive Directors with a majority of them being Independent Directors.

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

Name	Designation	Directorship	Qualification
Subimal Sen Gupta*	Chairman	Independent Non-Executive Director	Fellow of the Institute of Chartered Accountants in England and Wales and a past President of Malaysian Institute of Certified Public Accountants ("MICPA").
Dato' Srikandan Kanagainthiram	Member	Senior Independent Non-Executive Director	Past President of the Royal Institution of Surveyors Malaysia, Fellow of the Australian Institute of Quantity Surveyors and Royal Institution of Chartered Surveyors, United Kingdom; Registered Member of the Board of Quantity Surveyors Malaysia.
Lim Tian Huat#	Member	Independent Non-Executive Director	Founding President of Insolvency Practitioners Association of Malaysia, Member of Malaysian Institute of Accountants and MICPA; Fellow of the Association of Chartered Certified Accountants.

* Mr. Subimal Sen Gupta was re-designated from Audit Committee Member to Chairman on 1 August 2017.

Mr. Lim Tian Huat was re-designated from Audit Committee Chairman to member on 1 August 2017.

The training attended by the Audit Committee members during the year under review are set out in the Corporate Governance Overview Statement of this Annual Report.

The Nominations & Remuneration Committee reviewed the term of office and assessed the performance of the Audit Committee and each of its members. The term of office and performance of the Audit Committee and each of its members are reviewed annually pursuant to the Listing Requirements.

The Board also performed an annual assessment to assess the Audit Committee and each of its members' effectiveness in carrying out their duties in accordance with the TOR with the recommendation by the Nominations & Remuneration Committee. The Board is satisfied that the Audit Committee and each of its members have effectively discharged their duties in accordance with the TOR.

3. MEETINGS

Eight (8) meetings were held during the financial year ended 31 December 2017 and details of the attendance of the members at the Audit Committee meetings are as follows :

Name of Audit Committee member	No. of Meetings Attended/Held	Percentage of Attendance (%)
1. Subimal Sen Gupta	8/8	100
2. Dato' Srikandan Kanagainthiram	8/8	100
3. Lim Tian Huat	8/8	100

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

The External Auditors were engaged to conduct limited reviews on the condensed consolidated financial information and report to the Audit Committee on the significant matters identified during such review before the quarterly financial statements were presented to the Audit Committee for review and recommendation for the Board's approval to be released to Bursa Securities.

The External Auditors as well as the Internal Auditors were invited to the first Audit Committee meeting in 2017 to report on the statutory audit in respect of the financial statements for the financial year 2016 as well as on the progress of the audit plan for years 2016 and 2017. Detailed internal audit reports, together with Management's responses were circulated to the Audit Committee members and MD/CEO, and significant issues were discussed at the Audit Committee meetings.

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

The Audit Committee met up with the External Auditors twice during the financial year without the presence of MD/CEO and Management. During these sessions, the Audit Committee sought the External Auditors' advice on key issues affecting the Group as well as obtaining their views on any matters of concern that could impact the issuance of the audited financial statements. The External Auditors provided their insights on how the issues could be addressed and the cooperation with the Management in terms of information sharing and proficiency in financial reporting functions that would facilitate the accuracy of the disclosures.

4. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Key activities undertaken by the Audit Committee include the following matters :

Internal Audit

- i. Reviewed and approved the annual risk-based internal audit plan to ensure adequate scope and comprehensive coverage of the activities of the Company and the Group.
- ii. Reviewed and deliberated on the internal audit reports on the adequacy, effectiveness and efficiency of operational, compliance and governance processes across the Company and its Group. Where appropriate, the Audit Committee advised Management to rectify and improve the control system based on the Internal Audit's recommendations and suggestions for improvements. The reports reviewed and deliberated during the year include operational, ad-hoc and special audits on :
 - Procurement and contracts process
 - Project management
 - Property management
 - Sales and Marketing process
 - Credit control
 - Health, Safety, Security and Environment
 - Human Resources and Administration
 - Whistle blower cases
 - Follow-ups on corrective actions

4. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D.)

Internal Audit (Cont'd.)

- iii. Monitored the implementation of recommendations by Management on outstanding issues to ensure that all key risks and control weaknesses are properly addressed as well as the timeliness of responses received and actions taken.
- iv. Reviewed quarterly progress report on the 2017 annual audit plan.
- v. Reviewed the performance, adequacy, scope, resources and competency of the Internal Auditors and recommended an alternative solution for manpower shortage in Internal Audit function.

External Audit

- i. Reviewed with the External Auditors, the audit plan of the Company and of the Group for the year (inclusive of risk and audit approach, system evaluation, audit fees, issues raised and Management responses) prior to the commencement of the annual audit. The Audit Committee also reviewed and deliberated the key audit matters and areas of emphasis highlighted by the External Auditors including Management's response/actions taken.
- ii. Met twice with the External Auditors on 24 February 2017 and 13 November 2017 without the presence of the executive Board member and Management staff, to enquire the extent of assistance rendered by Management and issues and suggestions arising from audits.
- iii. Considered the appointment of External Auditors and conducted an assessment of their independence, objectivity and cost effectiveness of the audit which covered quality of services provided, sufficiency of experience and resources, audit scope and planning, communication and interaction.

Having taken all appropriate factors into consideration and being satisfied with the suitability, performance, technical competency and audit independence of Messrs Ernst & Young ("EY"), the Audit Committee had recommended to the Board for approval, the appointment of EY as External Auditors of the Group for the financial year ended 31 December 2017.

The Audit Committee also considered the adequacy of experience and resources of the firm and the professional staff assigned to the audit and the level of non-audit services rendered by External Auditors to the Group for the financial year 2017 based on the feedback from Management who had substantial contact with the external audit team throughout the financial year. The Audit Committee being satisfied with the suitability, performance, technical competency and audit independence of EY, had recommended the appointment of EY as External Auditors of the Company for the financial year ending 31 December 2018 and recommended the same for the Board's approval. The appointment of the External Auditors is subject to the shareholders' approval being sought at the forthcoming Tenth Annual General Meeting.

- iv. Subsequent to the end of the financial year, at the Audit Committee's instruction, the Management's impact assessment of adoption of the new MFRS Framework particularly MFRS 9 : Financial Instruments and MFRS 15 : Revenue from Contracts with Customers were shared and discussed by EY together with the Board on 19 January 2018.
- v. Reviewed, monitored and approved the non-audit services provided/to be provided by the External Auditors and/or its affiliates to ensure the provision of non-audit services does not impair their independence or objectivity as the External Auditors of the Group.

Having reviewed and considered the nature and scope of the non-audit services provided by EY and/or its affiliates for the financial year ended 31 December 2017 as well as the written assurance obtained from EY confirming that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, the Audit Committee was satisfied that they were not likely to create any conflict of interest nor impair the independence and objectivity of the External Auditors.

4. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D.)**External Audit (Cont'd.)**

- v. The details of the nature of non-audit services rendered by the External Auditors and/or its affiliates for the financial year ended 31 December 2017 are set out as follows :

	Company Rm'000	%	Group Rm'000	%
Fees paid or payable to EY and its affiliates				
• Audit services	79.0	18	908.5	69
- EY				
• Non-audit services				
- EY*	281.6	82	281.6	31
- Affiliates of EY**	83.7		131.1	
Total	444.3	100	1,321.2	100

Notes :

* The non-audit services fees paid or payable to EY were for the quarterly review of the unaudited consolidated results, MFRS training conducted and MFRS implementation in 2017.

** The non-audit services fees paid or payable to affiliates of EY were for the review of Transfer Pricing documentation, advice on taxation matters and for preparation, review and submission of tax returns.

Financial and Annual Reporting

- i. Reviewed the quarterly and annual financial statements of the Company and of the Group with Management and the External Auditors for recommendation to the Board for approval and release to Bursa Securities.
- ii. Reviewed and recommended the Statement on Risk Management and Internal Control, Audit Committee Report, Risk Management Report and Corporate Governance Statement to the Board for approval.

Related Party Transactions

- i. Reviewed all related party transactions to be entered into by the Company and the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- ii. Reviewed and recommended to the Board the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.
- iii. Reviewed on a quarterly basis the related party transactions entered into by the Group pursuant to the shareholders' mandate on recurrent related party transactions procured at the Annual General Meeting of the Company on 18 May 2017.

Risks and Controls

- i. Reviewed the Risk Management Committee's reports on the Group's major business risks and remedial actions as well as changes to the Group's risk profile, a summary of which was reported to the Board. The risk oversight has since been delegated to the Board Risk Committee formed on 1 August 2017 in line with the step-up practice in the MCCG, to ensure that key risks are adequately and effectively managed.

4. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D.)

Risks and Controls (Cont'd.)

- ii. Reviewed the representation by Senior Management on specific questions posed on :
 - the reasonableness and appropriateness of the financial statements in accordance with applicable approved accounting standards;
 - risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company; and
 - regulatory and legislative requirements are met and complied with by the Company.

Others

- i. The Chairman of the Audit Committee had engaged on a continuous basis with Senior Management, Head of Internal Audit and the External Auditors, in order to keep abreast of matters and issues affecting the Group.
- ii. The Audit Committee had requested and received a written assurance from the MD/CEO and CFO that the risk management and internal control system of the Company are generally adequate and effective in respect of the financial year ended 31 December 2016.

5. INTERNAL AUDIT FUNCTION

- i. The Internal Audit function for the Company is undertaken by its own Internal Audit Department. The head of the Internal Audit Department reports directly to the Audit Committee and administratively to the MD/CEO. Empowered by its Internal Audit Charter, Internal Audit undertakes 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.

The Internal Audit function is also guided by the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors, Inc.

For the financial year ended 31 December 2017, the total cost incurred for the audit function was RM1,089,957.76 as compared to RM832,608.45 in 2016.

- ii. It is the responsibility of Internal Audit team to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating divisions within the Company and its Group, and the extent of compliance with established policies and procedures as well as relevant statutory requirements.
- iii. The Audit Committee reviews on an annual basis the adequacy of the scope, functions, competency, proficiency and resources of the Internal Auditors as well as the quality of the audit reports and their monitoring progress.
- iv. The Internal Audit team practises risk-based approach when preparing the Company's annual internal audit plan.
- v. The Internal Audit team highlighted to the Management and Audit Committee the audit findings including follow-up actions required to be taken by Management. The internal audit reports are sent to the Audit Committee and Management and deliberated at the Audit Committee meetings. During the financial year, the internal audit works covered operational, ad-hoc and special audits on the areas set out in the above section.
- vi. The Internal Audit team also conducted follow-up audits to ensure the corrective actions were tracked and implemented appropriately. In this respect, the Internal Audit team strives to achieve sustainable control processes within the Group and to improve on areas which have weak control.

STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“Main Market LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Board of Directors of Listed Companies is required to include in their annual report, a statement about the state of risk management and internal control of the listed issuer as a group. Accordingly, UEM Sunrise Berhad’s (“UEM Sunrise” or the “Company”) Board of Directors (“Board”) is pleased to provide the following statement that has been prepared which outlines the nature and scope of the internal control and risk management within UEM Sunrise during the financial year under review.

BOARD’S RESPONSIBILITIES

The Board is responsible to ensure that UEM Sunrise and its group of companies’ (the “Group”) corporate objectives are supported by prudent internal control procedures, effective risk management framework and a sound risk strategy that is appropriate to the nature, scale and complexity of its activities. The Board’s overall responsibility for governing the Group and ensuring its long term financial soundness includes determining its business and risk strategies. The Board approves the overall risk strategy, including the risk appetite and oversees its implementation.

In line with the Malaysian Code on Corporate Governance (“MCCG”), the Board acknowledges its responsibility to review the adequacy, integrity and effectiveness of the internal control and risk management system that covers financial, operational, organisational, risk management strategy, governance and compliance with applicable laws, regulations, rules, directives and guidelines.

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

The two committees at the Board level that have primary risk management and internal control oversight responsibilities are :

Board Risk Committee (“BRC”)	Audit Committee (“AC”)
The main responsibility of the BRC is to assist the Board in ensuring a sound, robust Risk Management Framework and its implementation to enhance the Group’s corporate governance practices with focus on risk issues and its mitigations. The BRC assists the Board in identifying, reviewing and assessing the principal risks in the achievement of the Group’s objectives and overseeing the implementation of appropriate systems/processes to manage these risks.	The main responsibility of the AC is to assist the Board in assessing the effectiveness of the Group’s internal control systems and overseeing the financial reporting. The AC also reviews the adequacy and integrity of the Group’s internal control systems and management information systems, including compliance with applicable laws, rules, directives and guidelines through UEM Sunrise’s Internal Audit functions.

RISK MANAGEMENT

The Group has established a Risk Management Framework (“Framework”) that is aligned with ISO 31000 : 2009 and UEM Group Risk Management Framework. The Framework outlines policy and on-going process for identifying, evaluating, managing, monitoring and communicating the risks faced by the Group throughout the period under review.

Through a systematic and integrated process, the Framework stresses on the importance of balancing between risk and reward in making strategic business decisions and ensuring sound corporate governance and compliance with statutory and legal requirements. It serves as a tool in managing both existing and potential risks with the objective of enhancing and protecting key stakeholders’ interests and safeguarding the Group’s reputation.

The Framework also ascertains the risk context in terms of strategic and operational risks. To ensure effective management of the risks, the framework further defined the risks into categories such as industry and market, financial, operations, compliance and people in relation to the Group’s business activities.

The salient facts of the Framework are as follows :

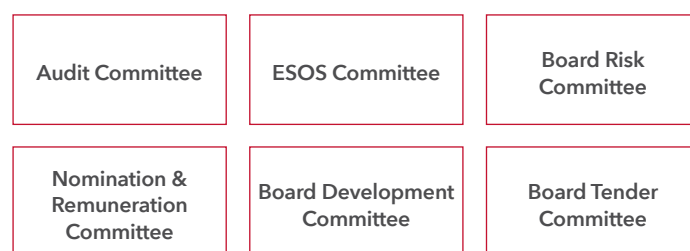
01	The Framework outlines the Group's risk management policy, risk appetite and risk tolerance. It defines the risk governance's roles and responsibilities as well as a systematic risk management process adopted by the Group.
02	The Risk Management Committee ("RMC") and Risk Management Unit ("RMU") are established to uphold risk oversight within the Group. The Management undertakes risk management process to identify, evaluate, monitor and review risk mitigation plans and effectiveness of its implementation.
03	The RMC and RMU convene quarterly meetings to deliberate on the risk register including identification of emerging risks, monitor compliance to the Framework and status of the implementation of risk mitigation plan.
04	The RMC and RMU are assisted by the Risk Management Department which acts as the secretariat and focal point to consolidate all risk matters and risk management activities within the Group.
05	The Risk Management Department is responsible to inculcate risk awareness within the Group.
06	High and significant risks identified at RMU and RMC that require further attention are escalated to the BRC.
07	The BRC reviews and deliberates report from the RMC, endorses the Group Risk Profile and recommends for the Board's acknowledgement. The BRC also assists the Board in evaluating the adequacy and effectiveness of the Framework adopted by the Group.
08	The Board receives, deliberates and acknowledges the BRC's risk review reports. The Board also approves risk management framework, governance structure, sets risk appetite and maintains a sound system of risk management and internal controls.

CONTROL STRUCTURE & MONITORING ACTIVITIES

Apart from risk management activities, the following key internal controls are in place to assure the achievement of the Group's objectives and its operational effectiveness :

Board Committees

In performing its oversight function, the Board is supported by six Board Committees which responsibilities are outlined by specific terms of reference and authority assigned for areas within their scope. The Board Committees formed are :



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 accordingly and the Chairman in consultation with the Managing Director/Chief Executive Officer ("MD/CEO") decides the agenda for the meetings. Board papers are distributed at least three business days prior to the Board meetings and Board members have access to all relevant information. Any urgent business is dealt with and decided only after all the required information is presented and deliberated. This ensures that the Board maintains full and effective supervision over key issues.

Group and Organisational Structure

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

Strategic Plans and Budgets

The Group undertakes a comprehensive strategy review and budgeting process to establish goals and targets whereby performance is monitored on an ongoing basis. The Board participates in the review and approval of the Annual 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. Key variances are highlighted and followed up by the Management.

The quarterly financial results published to shareholders are prepared by the Management and reviewed by the AC prior to recommendation to the Board for approval. This allows Independent and Non-Executive Directors of the Board to give their input and guidance on areas requiring attention.

Authority Limits and Approved Policies

One of the critical elements of corporate governance is establishing clear roles, responsibilities and accountabilities throughout the organisation in a transparent manner. Hence, the Group has instituted and implemented Discretionary Authority Limits ("DAL") which delineate authority limits for financial and non-financial transactions which have been assigned to certain individuals or a set of personnel by the Board to approve or carry out transactions in order to enable timely decisions to be taken and at the same time provide a check and balance on the commitments that the Management undertakes on behalf of the Group.

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

Integrated Management System

The Group has a dedicated team for Quality Assurance, Safety, Health and Environment ("QASHE"). The QASHE team monitors the projects in terms of technical findings and defects inspection to ensure that the products constructed and delivered are in accordance with contract specifications and internal guidelines. The QASHE team is also responsible to ensure that the project sites comply with legal and other requirement in terms of occupational safety, health and environmental management.

The Group's Quality Management Systems was awarded with the MS ISO 9001 : 2000 in November 2000 and this was further upgraded to ISO 9001 : 2008 standards in March 2010. This certification promotes 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 expectations.

The Group was also certified to OHSAS 18001 : 1999 standard in November 2007 and was upgraded to OHSAS 18001 : 2007 standard in November 2008. Certification to MS 1722 : 2011 standards for safety and health was further obtained in January 2011. This reflected the Group's commitment to safeguard the health and safety of its employees, customers and suppliers. Additionally, the Group has also implemented a comprehensive Environment Management System in January 2009 and has successfully obtained the SIRIM certification to MS ISO 14001 : 2004 standard in November 2009.

With the three systems certifications to all three standards in place, the Group has integrated them into an Integrated Management System by 2009.

Insurance on Key Assets

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

Management Information System

Comprehensive Management Information Systems exist throughout the Group. Relevant data is captured, compiled, analysed and reported. These systems enable the Management to make decisions in an accurate and timely manner towards meeting the 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. The Group ICT was awarded the ISO/IEC 20000-1:2011 Information Technology - Service Management in December 2017 to elevate the quality of the information and communication system throughout the Group.

Human Resources Policies and Procedures

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

Training needs analysis in the Group is facilitated through UEM Sunrise and UEM Group Berhad's Talent Management and Learning & Development. Courses and training requirements are prioritised according to the results of the analysis where employees are sent to the relevant courses to enhance their knowledge, skills and abilities.

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

Code of Conduct

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

Internal Audit

The Group's Internal Audit Department undertakes the internal audit function. Empowered by its audit charter, internal audit provides independent and objective assurance and consulting activity to add value and improve operations. Nonetheless, internal audit encourages a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

The key role of internal audit is to undertake regular and systematic reviews to provide reasonable assurance to the AC and Board regarding the adequacy and effectiveness of risk management, internal control and governance systems. This is done through ongoing reviews of risks and internal controls relating to operational, financial and management information systems, as well as reviews of the Group's compliance with the principles and best practices of the MCCG. The AC holds regular meetings to deliberate on internal audit findings and recommendations and reports 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 AC for approval.

Business Continuity Management

The Group is committed to safeguard the interests of all our stakeholders by ensuring that critical business processes are resilient and the effects of disruptions to business operations are minimised and recovered in a timely manner following a disruption.

Thus, the Group has implemented the backup strategy for critical data and system software for the ICT systems in which data integrity is restored at least 24-hours from the point of failure. In addition to that, the critical physical document is kept at dedicated department and centralised record management store. These initiatives will minimise the impact to business operations if unexpected events occur.

Joint Ventures and Associates

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

BOARD'S COMMITMENT

The Board recognises that the Group operates in a dynamic business environment in which the internal control and risk management system must be responsive to be able to support its business objectives. Hence, the Board remains committed towards operating a sound system of internal control and risk management and therefore recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board is striving for continuous improvement and to put in place appropriate action plans wherever necessary, to further enhance the Group's internal control and risk management system.

CONCLUSION

The Board has received written assurance from the MD/CEO and the Chief Financial Officer that the Group's internal control and risk management system are operating adequately and effectively in all material aspects, based on the existing internal control and risk management system. To keep pace with changes in the business environment, growth and complexity, the Group is committed to continuously review and strengthen the internal control and risk management system to ensure the adequacy and robustness of the system. The Board is pleased to report that the state of the Group's internal control and risk management system are generally adequate and effective for good corporate governance.

RISK MANAGEMENT REPORT



RISK MANAGEMENT OVERVIEW

UEM Sunrise Berhad (“UEM Sunrise” or the “Company”) and its group of companies (“the Group”) is currently undertaking various residential, commercial and mixed-use developments in the Southern and Central Region. The Group has presence at the international level primarily in Australia, Canada and South Africa. The Group business activities also extend to facility management as well as property investment.

Profitability and growth in shareholder’s value require a sturdy system which focuses on effective risk management to ensure that the Company embraces risk management as an integral component of our business, operations and decision-making processes.

The Risk Management Framework (“Framework”) entails the risk management policy, risk assessment methodology, lines of responsibility and accountability. The Framework also provides a structured risk management process that enables the identification, measurement and continuous monitoring of all relevant and material risks on a group-wide basis. The Framework is also kept in-pace with any changes in the risk profile (including business growth and complexity) and the external risk environment.

In ensuring that the day to day management of the Group’s activities are consistent with the Framework, the Board Risk Committee (“BRC”) was formed on 1 August 2017 to assist the Board of Directors (“Board”) in overseeing risk management matters in line with the step-up practice set out in the Malaysian Code on Corporate Governance. The BRC took over the risk oversight role previously undertaken by the Audit Committee

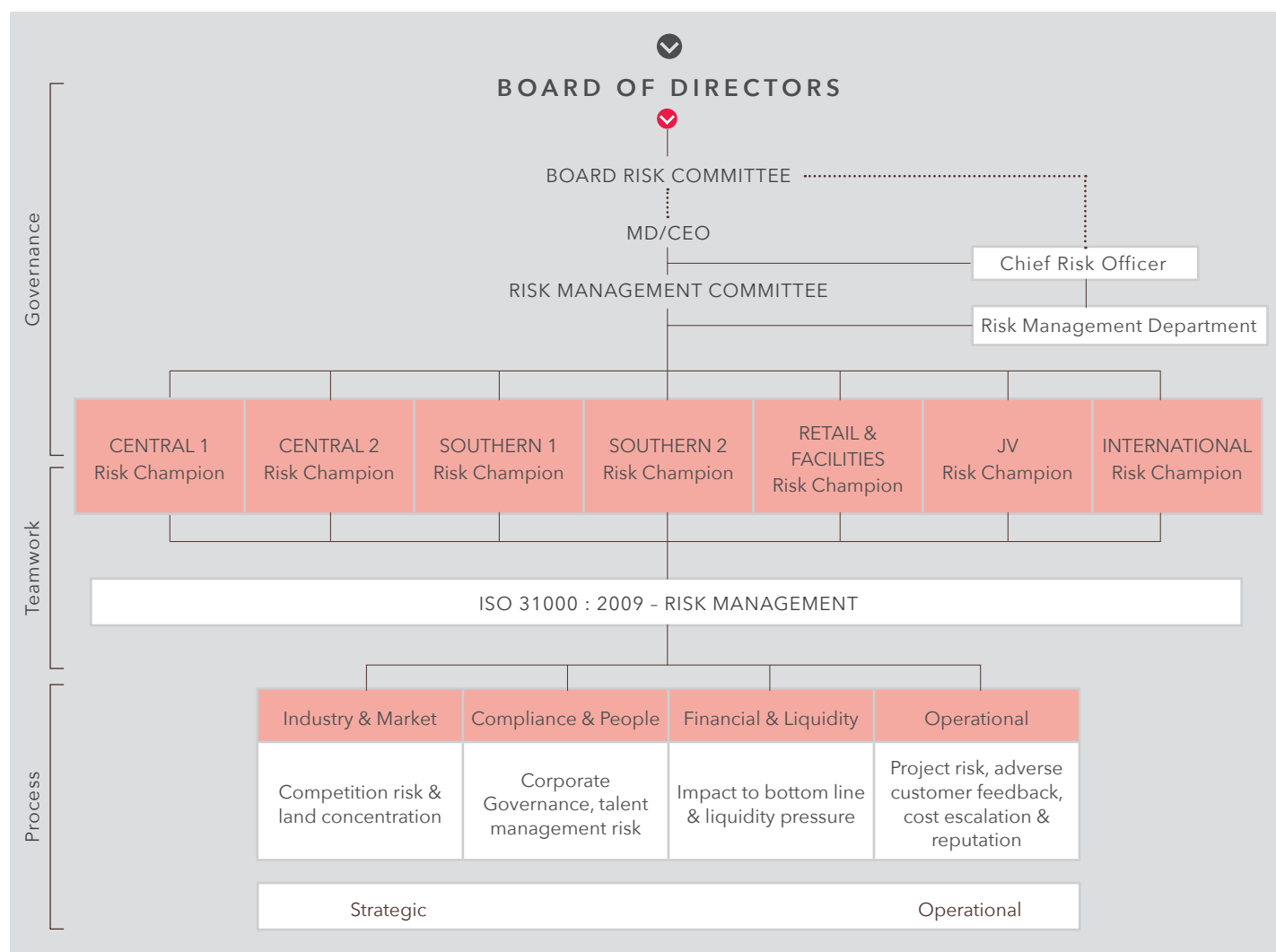
and reviews the effectiveness of the Framework in identifying, assessing and monitoring key business risks and internal processes to safeguard shareholders’ investments and the Group’s assets. The BRC endorses and recommends the risk management framework, policy and procedures for the approval and acknowledgement of the Board.

The Risk Management Committee (“RMC”) comprising the Managing Director/Chief Executive Officer (“MD/CEO”) (as its “Chairman”) and selected Senior Management members from various functional responsibilities assists the BRC in carrying out its responsibilities. Risk Champions are appointed to provide timely risk updates and reports. The RMC meets quarterly to discuss and deliberate on the significant risks identified by the respective departments, projects and subsidiaries, as well as on mitigation plans and implementation progress and subsequently provides an update to the BRC. The BRC meetings are scheduled twice yearly and additional meetings are convened as and when necessary.

RISK MANAGEMENT FRAMEWORK

The Board has approved a risk management framework to be adopted by the Group as a tool to anticipate and manage both existing and potential risks, taking into consideration the changing risk profiles as influenced by changes in business and market environment. The framework is consistent with the UEM Group Risk Management Framework and aligned with the ISO 31000 : 2009.

The diagram depicted below shows the overall structure of the Group's Risk Management System:



The key components of the Group's Framework are :

(a) Risk Management Policy

A defined risk policy to ensure adequate and effective process of managing risks to provide reasonable assurance to the Board and other stakeholders on the adequacy of risk management as part of the system of internal controls. The policy helps create a risk-attuned environment to safeguard the Group's business, maintain its reputation and facilitate continuous compliance with corporate governance best practices and relevant laws.

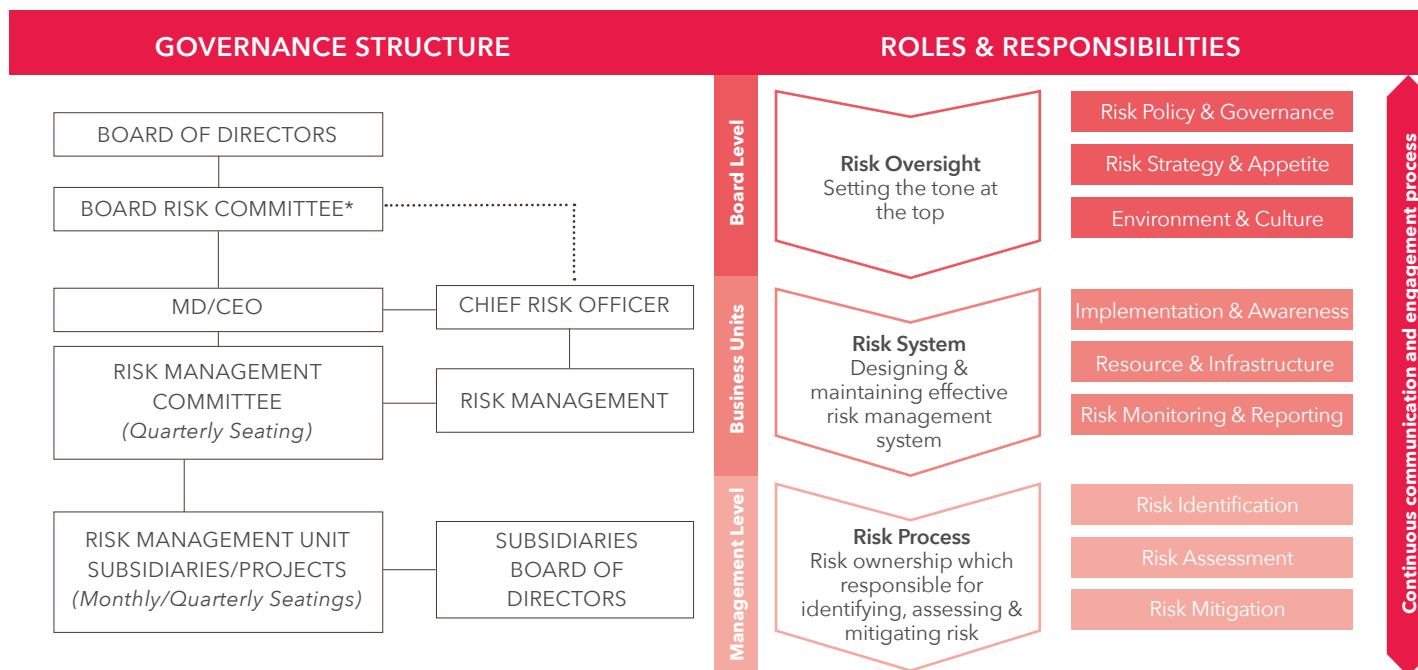
(b) Risk Appetite and Tolerance

It is defined as the amount and type of risks that the Group is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk.

(c) Risk Governance Structure and Responsibilities

A strong governance structure is important to ensure an effective and consistent implementation of the Framework. The Board is ultimately responsible for the Group's risk management activities and sets the strategic directions, risk appetite and relevant framework for the Group. The Board is assisted by the BRC, RMC and Risk Management Department in ensuring the Framework is carried out effectively. The risk governance structure defines the roles and responsibilities of the Board, the BRC, the RMC, the Risk Management Unit ("RMU") and the Secretariat.

The following outlines the risk governance structure of the Group and the respective roles and responsibilities :



* BRC meetings are scheduled twice yearly and additional meetings are convened as and when necessary.

The methodology comprises the sequential steps of risk management activities that are interrelated and iterative. The process may be applied to the whole or any part of the business.

- i. Establish Context (Objective & Scope)
- ii. Identify Risks
- iii. Assess & Evaluate Risks
- iv. Respond to Risk (Mitigation Plan)
- v. Monitor, Review & Report Risks
- vi. Communicate

GOVERNANCE STRUCTURE

Role Of The Board

The Board maintains a sound risk management, framework and internal control system through consistent implementation, review and testing of its effectiveness to ensure that the framework and system is viable and robust to safeguard shareholders’ investments and the Group’s assets. It also sets the acceptable risk appetite and provides stewardship by reviewing and acknowledging the principal risks identified by the BRC and ensuring that there is an appropriate system to manage these risks. The Board receives, deliberates and endorses BRC reports on risk governance. The Board considers the nature and extent to which risks are acceptable as well as evaluates its implications to the Group.

Role of the BRC

The BRC assists the Board in identifying, reviewing and assessing the principal risks in the achievement of the Group’s objectives and overseeing the implementation of appropriate systems/processes to manage these risks. The BRC endorses and recommends the risk management framework, policy and procedures for the approval and acknowledgement of the Board. BRC provides guidance on the overall risk management strategy and directives for implementation to ensure that the principles and requirements of managing risk are consistently adopted throughout the Group.

Role of the RMC

The RMC is chaired by the MD/CEO and the members are appointed from the Senior Management team. The RMC deliberates on organisational risks related to the achievement of the Group’s strategic objectives and decides on appropriate plans to mitigate and manage identified risks. It acts as a platform for the Committee to deliberate on the identification, analysis, assessment and treatment of the Company’s risks as well as an avenue to communicate, review and monitor risks.

The RMC is also responsible for the following activities :

- i. Agreeing on the procedures and reporting formats of the risk management processes;
- ii. Reviewing the adequacy and effectiveness of the Framework;

Role of the RMC (Cont'd.)

- iii. Ensuring that the Board and Management receive adequate and appropriate information for decision making and review purposes;
- iv. Communicating and providing a reference point for dissemination and feedback on the Group's risk management policies and procedures;
- v. Commissioning, where required, special task force to investigate, develop or report on special aspects of the risk management processes of the Group; and
- vi. Presenting periodic reports on risk management, i.e. any business risks that have impacted or are likely to impact the Group and its achievement of its objectives and strategies to the BRC and the Board.

Role of the Risk Management Unit

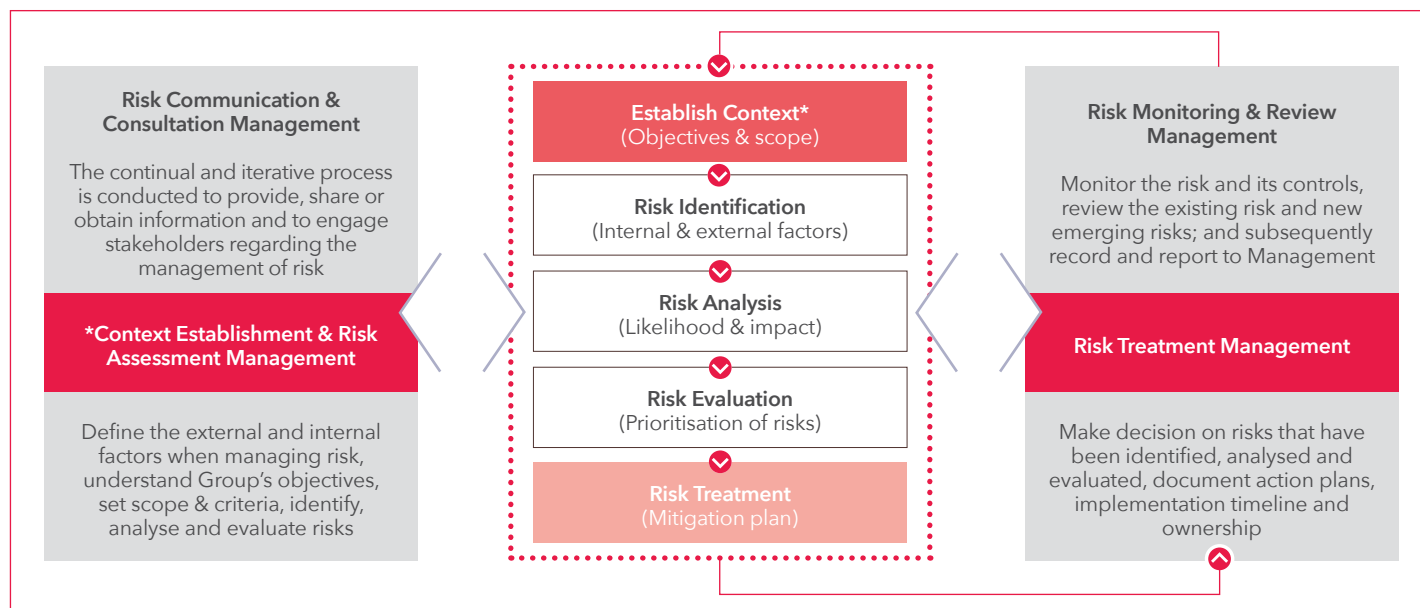
The RMU is chaired by the Head of Subsidiaries/Project Director of the respective operating units or projects. Its members include all the Heads of Division and Heads of Department. The RMU's key role is to review the validity of the identified risks and to ensure that action plans to mitigate such risks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

The RMU is also responsible for the following activities :

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

RISK MANAGEMENT PROCESS

The Group's risk assessment process is depicted in the following diagram :



The risk identification which is done on an on-going basis, entails reviewing and assessing all key factors within the Group's business context from an external perspective, i.e. from macro-environment to industry and internal risks. Risks are categorised as strategic or operational risk and further classified into distinct categories, i.e. financials, operations, market/industry, compliance and people.

Risk information and treatment plans are captured and updated into a risk register which is maintained by Risk Management Department. The information is consolidated to provide an enterprise overview of material risks faced by the Group and the associated risk mitigation plans, which are tracked and reviewed.

PRINCIPAL RISKS

The Group's financial performance and operations are influenced by a vast range of risk factors. These risks vary widely where some may be beyond the Group's control. There may also be risks that are either presently unknown or currently assessed as insignificant, which may later prove to be material. However, we aim to be able to quantify the downside risk and implement the required strategy in each of such risks along with the appropriate internal controls. Principally, the Group's key risks factors are as follows :

➤ Competition Risk

The property development market continues to be highly competitive. Any oversupply of properties due to a mismatch in supply and demand for types of residential and commercial properties will intensify competition, which may, amongst others, affect pricing. The Group is subjected to competition from various property developers, local as well as overseas, including but not limited to the availability of strategically located and reasonably priced landbanks, supply of raw materials and labour and selling prices of property. To sharpen our competitive edge, we undertake a comprehensive annual strategic plan to evaluate the Group's development plans, formulate our brand strategy and product value proposition, identify operational improvements, develop market need product portfolio and mix, enhance project delivery, formulate land banking strategy and customer experience program. A programme management office is established thereto to drive and monitor the implementation of the initiatives identified.

➤ Operational Risk

The Group invests in and delivers significant capital expenditure for projects to continually drive the business forward. The failure to deliver key projects effectively and efficiently could result in significant increase in project costs, adverse customer satisfaction and impede our ability to execute our strategic plans. In addition, the Group relies on third party contractors in many aspects of our development. As such, the Group's operations may be affected by non-performance of these contractors. Recognising these challenges, the Group continues to strengthen its project management capabilities via the engagement of experienced project manager, adoption of Project Delivery Lifecycle ("PDL") process, implementing value engineering to ensure projects are within budget and executing effective procurement and contract management strategy. In addition, the Group has embarked on Strategic Service Intent known as "PRInSip" (Personalised, Reliable, Innovative and Simple) in delivering impeccable service standards to the customers and to understand their preferences. The Group monitors operations through Key Performance Indicators ("KPIs") and continually update to the Board for oversight.

➤ Liquidity Risk

Liquidity risk is defined as the current and prospective risk to earnings, shareholders' funds or our reputation arising from our Group's inability to efficiently meet our present and future (both anticipated and unanticipated) funding obligations when they are due, which may adversely affect our daily operations and incur unacceptable losses. Liquidity risk can also be caused by mismatches in the timing of cash flows. To this end, the Group diligently monitors its sales, inventory levels and development plans to ensure adequate cash flow requirements and maintain adequate buffers of liquidity throughout the year. The Group continues to strengthen its treasury function to monitor its cash flow requirement and ensure there is adequate financial facilities to support the Group's current and future needs. The Group also monitors its borrowing repayment maturity profiles and financial covenants (i.e. gearing ratios) within the acceptable level.

PRINCIPAL RISKS (CONT'D.)

➤ Concentration Risks

The Group derives profits principally from sales of properties. This profit depends on the completion of, and our ability to sell properties. In order to maintain and grow our business in the future, we need to replenish our landbank with land of sufficient size in desirable locations and at a commercially acceptable cost. Presently, a large portion of our land banks are centred in the Southern Region and the existing Central Region land bank has been depleting over the years. The Group has made a concerted effort to diversify its landbanks via assessing various opportunities to acquire strategic land banks in the Central Region. We have also outlined our land bank strategy which entails assessing prospects with a focus on mid-market and new township with fast turnaround components. The Group is also looking at transit-oriented development and transit-adjacent development opportunities as well as divestment of non-strategic land plots.

➤ People Risk

One of the pillars of success is having the right talent and mindset within the organisation. The Group is currently re-organising its organisation structure to provide better clarity and performance through KPIs and business alignment. Programmes have been established to ensure our people are equipped with the right skills through learning and development initiatives. UEM Sunrise is committed in identifying future leaders to continue to drive the business via succession planning. Retention of key talent and hiring the right employee remain a challenge for the Group. Our Talent Management team is on a constant lookout for suitable talents. UEM Sunrise has established a talent brand and attraction strategy that is aligned with the overall desired culture of the organisation.

CONCLUSION

The Board has received assurance from the MD/CEO and the Chief Financial Officer that the updated Group's risk management framework and internal control systems are operating adequately and effectively, in all material aspects, during the financial year under review. Taking into consideration the assurance from the management team and input from the relevant assurance providers, the Board is of the view that the Framework and internal control systems are satisfactory and adequate to safeguard shareholder's investments, customer's interest and the Group's assets and have not resulted in any material loss, contingency or uncertainty.

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 2017, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable Financial Reporting Standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the then Companies Act 2016 and the applicable Financial Reporting Standards in Malaysia.

The Board is satisfied that it has met its obligation to present a balanced and fair assessment of the Company's position and prospects in the Directors' Report on pages 158 to 163 and the Financial Statements from pages 171 to 288 of this Annual Report.



FINANCIAL STATEMENTS

158	Directors' Report	
164	Statement by Directors	<hr/>
164	Statutory Declaration	<hr/>
165	Independent Auditors' Report	<hr/>
171	Income Statements	
172	Statements of Comprehensive Income	<hr/>
173	Statements of Financial Position	<hr/>
175	Statements of Changes in Equity	<hr/>
178	Statements of Cash Flows	<hr/>
181	Notes to the Financial Statements	<hr/>

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. In the current financial year, the Company has undertaken the provision of shared services for its subsidiaries.

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

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

Other information relating to the subsidiaries are disclosed in Note 44 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit, net of tax	281,608	51,494
Attributable to:		
Owners of the parent	280,085	51,494
Non-controlling interests	1,523	-
	281,608	51,494

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

Since the end of the previous financial year, no dividend has been paid or declared by the Company.

At the forthcoming Annual General Meeting, the Directors are proposing for a final single tier dividend payable of 1.0 sen per share on 4,537,436,037 ordinary shares amounting to RM45,374,360 in respect of the financial year ended 31 December 2017 for shareholders' approval.

The financial statements for the current financial 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 profits in the financial year ending 31 December 2018.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Sri Zamzamzairani Mohd Isa	(appointed on 18 May 2017)
Tan Sri Dr Azmil Khalili Dato' Khalid	(appointed on 13 December 2017)
Datin Teh Ija Mohd Jalil	(appointed on 1 March 2018)
Anwar Syahrin Abdul Ajib**	
Dato' Srikandan Kanagainthiram	
Dato' Mohd Izzaddin Idris	
Zaida Khalida Shaari	
Lim Tian Huat	
YM Ungku Suseelawati Ungku Omar	
Subimal Sen Gupta	
Tan Sri Dr Ir Ahmad Tajuddin Ali	(retired on 18 May 2017)
Professor Philip Sutton Cox**	(retired on 18 May 2017)

** These directors are also directors of certain subsidiaries of the Company.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Mohamed Rastam Shahrom	(appointed on 15 June 2017)
Hazurin Harun	(appointed on 15 June 2017)
Ong Chee Wei	(appointed on 15 September 2017)
Shamsudin Yusof	(appointed on 1 March 2018)
Paul Sandanasamy Richard	(appointed on 1 March 2018)
Devamanokaran Poonagasu	(appointed on 1 March 2018)
Dato' Roslan Ibrahim	
Dato' Tan Thean Thye	
Zadil Hanief Bin Mohamad Zaidi	
Azmy Mahbot	
Zamri Yusof	
Liong Kok Kit	
Mohamad Faizal Mohamad	
Nor Din Abdullah	
Raja Norasikin Tengku Aziz	
Pee Boon Hooi	
Martin Hubert	
Caroline Goergen	
Marouf Moutairou	
Lee Wen Ling	
Victor John Zacharias	
Dumisani Blessing Mnganga	
Tan Vi Lex	
Amalanathan Thomas	
Aminah Othman	
Chek Khai Juat	
Steward Tew Peng Eng	(resigned on 15 June 2017)
Azhar Othman	(resigned on 15 June 2017)
Cheah Ho Chee	(resigned on 28 February 2018)
Saw Seong Keat	(resigned on 1 March 2018)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares and debentures of the Company or any other body corporate, other than those arising from share options granted under Employee Share Option Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 5(i) to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 38 to the financial statements.

DIRECTORS' INTERESTS

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

	Number of ordinary shares			As at 31.12.2017
	As at 1.1.2017	During the year Acquired	Sold	
The Company				
Direct interest				
Anwar Syahrin Abdul Ajib	100,000	-	-	100,000

Employee share option scheme

	Number of ordinary shares each of the Company under the option pursuant to the ESOS				As at 31.12.2017
	As at 1.1.2017	Granted	Exercised	Lapsed	
The Company					
Direct interest					
Anwar Syahrin Abdul Ajib	3,580,000	-	-	(672,000)	2,908,000

DIRECTORS' INDEMNITY

During the financial year, the directors and officers of the Group are covered under the Directors' and Officers' Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Group subject to the terms of the D&O Insurance policy procured by UEM Group Berhad, its immediate holding company, for all its group companies. The apportioned insurance premium for the Company was RM39,600.

EMPLOYEE SHARE OPTION SCHEME

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

As at end of the financial year, the Company has outstanding 102,078,250 share options under the ESOS.

The salient features and other terms of the ESOS are disclosed in Note 31 to the financial statements.

Details of the share options granted as at 31 December 2017 are as follows:

Date of offer	Option price RM	Vesting Date	As at 1.1.2017	Granted RM	Exercised RM	Lapsed RM	As at 31.12.2017
9 April 2012	2.23	23 April 2012	3,919,900	-	-	(351,500)	3,568,400
9 April 2012	2.41	9 April 2013	8,769,500	-	-	(789,600)	7,979,900
9 April 2012	2.60	9 April 2014	10,297,100	-	-	(986,300)	9,310,800
9 April 2012	2.81	9 April 2015	11,490,050	-	-	(1,874,750)	9,615,300
9 April 2012	3.03	9 April 2016	12,985,000	-	-	(3,068,750)	9,916,250
9 October 2012	2.23	23 October 2012	262,500	-	-	(3,600)	258,900
9 October 2012	2.41	9 April 2013	888,800	-	-	(12,800)	876,000
9 October 2012	2.60	9 April 2014	1,194,700	-	-	(18,500)	1,176,200
9 October 2012	2.81	9 April 2015	1,404,500	-	-	(112,400)	1,292,100
9 October 2012	3.03	9 April 2016	1,576,000	-	-	(266,750)	1,309,250
9 April 2013	2.79	23 April 2013	2,268,300	-	-	(372,200)	1,896,100
9 April 2013	2.79	9 April 2014	2,240,400	-	-	(338,200)	1,902,200
9 April 2013	2.81	9 April 2015	2,532,000	-	-	(524,700)	2,007,300
9 April 2013	3.03	9 April 2016	2,928,000	-	-	(835,800)	2,092,200
9 October 2013	2.79	23 October 2013	2,655,900	-	-	(975,400)	1,680,500
9 October 2013	2.79	9 April 2014	3,135,700	-	-	(1,000,400)	2,135,300
9 October 2013	2.81	9 April 2015	3,507,450	-	-	(1,275,050)	2,232,400
9 October 2013	3.03	9 April 2016	4,062,000	-	-	(1,748,550)	2,313,450
9 April 2014	2.79	23 April 2014	4,021,600	-	-	(368,700)	3,652,900
9 April 2014	2.81	9 April 2015	4,555,100	-	-	(701,000)	3,854,100
9 April 2014	3.03	9 April 2016	5,166,000	-	-	(1,239,000)	3,927,000
9 October 2014	2.79	23 October 2014	1,946,100	-	-	(563,800)	1,382,300
9 October 2014	2.81	9 April 2015	3,108,600	-	-	(1,061,000)	2,047,600
9 October 2014	3.03	9 April 2016	3,542,000	-	-	(1,386,650)	2,155,350
9 April 2015	2.81	23 April 2015	5,974,000	-	-	(890,000)	5,084,000
9 April 2015	3.03	9 April 2016	6,818,000	-	-	(1,512,150)	5,305,850
9 October 2015	2.81	23 October 2015	3,738,800	-	-	(770,500)	2,968,300

EMPLOYEE SHARE OPTION SCHEME (CONT'D.)

Details of the share options granted as at 31 December 2017 are as follows: (cont'd.)

Date of offer	Option price RM	Vesting Date	As at 1.1.2017	Granted RM	Exercised RM	Lapsed RM	As at 31.12.2017
9 October 2015	3.03	9 April 2016	5,845,000	-	-	(1,402,100)	4,442,900
9 April 2016	3.03	23 April 2016	4,246,000	-	-	(844,600)	3,401,400
9 October 2016	3.03	23 October 2016	2,729,600	-	-	(435,600)	2,294,000
			127,808,600	-	-	(25,730,350)	102,078,250

Neither at the end of the financial year, nor at any time during that year, the Company granted any new share options and no options were exercised during the period.

OTHER STATUTORY INFORMATION

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that there were no known bad debts and that adequate allowance for impairment had been made for receivables; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the allowance for impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

There are no items, transactions or events of a material and unusual nature which have arisen during the financial year and since 31 December 2017 which would substantially affect the performance and financial position of the Group and the Company.

AUDITORS

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

Auditors' remuneration is disclosed in Note 5 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young during the financial year or since the end of financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 March 2018.

Tan Sri Dato' Sri Zamzamairani Mohd Isa

Anwar Syahrin Abdul Ajib

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Sri Zamzamzairani Mohd Isa and Anwar Syahrin Abdul Ajib, being two of the directors of UEM Sunrise Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 171 to 288 are drawn up in accordance with Financial Reporting Standards and the Companies Act 2016 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 2017 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 March 2018.

Tan Sri Dato' Sri Zamzamzairani Mohd Isa

Anwar Syahrin Abdul Ajib

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Mohamed Rastam Shahrom, being the officer primarily responsible for the financial management of UEM Sunrise Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 171 to 288 are, to the best of my knowledge and belief, 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 Mohamed Rastam Shahrom
at Kuala Lumpur in the Federal Territory
on 22 March 2018

Mohamed Rastam Shahrom

Before me,

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of UEM Sunrise Berhad, which comprise the statements of financial position as at 31 December 2017 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 flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 171 to 288.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and of their financial performance and their cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016, in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in *the Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

1. Impairment of goodwill

As at 31 December 2017, the carrying amount of goodwill recognised by the Group stood at RM621,409,000 which represents 8.8% and 4.3% of the Group's total non-current assets and total assets respectively. Management's annual impairment assessment of goodwill is considered to be an area of audit focus because the assessment process is complex, involves significant management judgement and is based on assumptions that are affected by expected future market and economic conditions.

The Group allocated goodwill to two separate cash-generating units ("CGUs"), namely the two subsidiary groups principally engaged in property development activities. The Group is required to perform annual impairment test of the CGUs or groups of CGUs to which this goodwill has been allocated. The Group estimated the recoverable amount of its CGUs or groups of CGUs to which the goodwill is allocated based on value-in-use ("VIU"). The Group uses assumptions such as expected take up rate, expected selling price and gross margin from development activities, to form its basis of impairment assessment.

Key audit matters (cont'd.)

1. Impairment of goodwill (cont'd.)

Our procedures include:

- (i) obtained an understanding of the relevant internal controls over estimating the recoverable amount of the CGU or groups of CGUs;
- (ii) assessed and tested the key assumptions to which the recoverable amount of the CGUs are most sensitive such as estimated selling price, budgeted gross margin, market value of identifiable assets, the weighted average cost of capital, by comparing them to external research analysts' reports, external valuers' report, transactions from National Property Information Centre and external market outlook report;
- (iii) evaluated the assumptions applied in estimating the expected take up rate for each development phase by comparing to the actual take up rate of similar completed development phases in previous years; and
- (iv) considered the historical accuracy of management's estimates of profits for similar completed property development activities; and also assessed whether the future cash flows used were based on the Annual Operating Plan 2018 - 2022 approved by the Board of Directors.

Given the complexity of judgement on which the key underlying assumptions are based, our internal valuation experts have assisted us in performing the review of management's assessment.

Further, we have reviewed management's analysis of the sensitivity of the goodwill balance to changes in the key assumptions.

For recoverable amounts of land properties that are based on "fair value less cost to sell", the Group benchmarked the carrying values of landed properties against recently transacted prices of properties at nearby locations. We have reviewed such comparison by making reference to property transactions registered with the local authorities.

We have also focused on the adequacy of the Group's disclosures in the audited financial statements concerning the key assumptions mentioned above. The disclosure on goodwill, key assumptions and sensitivities of these assumptions are included in Note 18 to the financial statements.

2. Revenue and cost of sales from property development activities

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 December 2017, property development revenue of RM2,249,393,000 and cost of sales of RM1,756,937,000 accounted for approximately 77% and 84% of the Group's revenue and cost of sales respectively. The Group uses the percentage-of-completion method in accounting for these property development contracts.

The amount of revenue and profit recognised from property development activities are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive the percentage-of-completion; the actual number of units sold and the estimated total revenue for each of the respective projects. We identified revenue and cost of sales from property development activities as area requiring audit focus as significant management judgement and estimates are involved in estimating the total property development costs which include the common infrastructure costs (which is used to determine gross profit margin of property development activities undertaken by the Group).

Key audit matters (cont'd.)

2. Revenue and cost of sales from property development activities (cont'd.)

In assessing the appropriateness of the extent of costs incurred, total estimated costs of construction and total estimated revenue collectively, we have:

- (i) obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost including the provisions and allocations of low cost housing and common infrastructure costs over the life of township development, profit margin and percentage-of-completion of property development activities;
- (ii) performed detailed procedures, for individually significant projects, on the contractual terms and conditions and their relationship to revenue and costs incurred. These procedures include, perusing the terms and conditions stipulated in the sale and purchase agreements entered into with customers to obtain an understanding of the specific terms and conditions. We also read the construction contracts including letters of award entered into with main and sub-contractors. We evaluated the determination of percentage-of-completion by examining supporting evidence such as contractors' progress claims and suppliers' invoices;
- (iii) observed the progress of the property development phases by performing site visit and examined physical progress reports. We have also discussed the status of on-going property development phases with management, finance personnel and project officials; and
- (iv) challenged the estimates used, which include both budgeted gross development value and budgeted gross development cost for significant on-going projects by comparing the selling price and development cost per gross floor area and gross margin of the past similar projects.

Our assessment was performed after taking into consideration the historical accuracy of management estimates, identification and analysis of changes in assumptions from prior periods, and an assessment of the consistency of assumptions across other projects. We have challenged the achievability of the forecasted results of the projects, including the effect of variation orders, contingencies and known technical issues. We have also assessed the mathematical accuracy of the revenue and profit based on the percentage-of-completion calculations and considered the implications of identified errors and changes in estimates.

The Group's disclosure on property development costs recognised is included in Note 21 to the financial statements.

3. Provision for litigations and claims

As disclosed in Note 23(iii)(a) and Note 39(a) to the financial statements, one of the subsidiaries of the Company is currently involved in a litigation with the Inland Revenue Board ("IRB"). The subsidiary is appealing against an additional tax assessment issued by the IRB for which payment has been made by the subsidiary in the previous financial year ended 31 December 2016. Such payment was recorded as tax recoverable. The outcome of this litigation can only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. This litigation may develop in ways not initially expected. Therefore, the Group continuously assesses the development of this litigation to determine whether outflows of resources embodying economic benefits could be probable. Such assessment involves significant judgement and estimates which are highly subjective. Accordingly, we consider this area to be an area of audit focus.

In assessing the recoverability of the above mentioned tax recoverable and the adequacy of disclosures in the financial statements, we have reviewed the Group's correspondence with legal counterparties, court rulings, minutes of meetings and correspondences from legal advisers. Our procedures also involved, amongst others, the assessment of the legal advice obtained by the Group, periodic meetings with the Group's legal advisers, and review of minutes of Board of Directors' meetings which involved discussion of developments pertaining to this legal proceedings. We have discussed the status of this litigation with management personnel responsible for managing the Group's legal matters and with those charged with governance. We also considered the objectivity, independence and expertise of the legal advisers and documentary evidence of any court ruling. Further, we assessed the basis adopted by the legal advisers in their evaluations of the possible outcome of the litigations and claims.

Key audit matters (cont'd.)

4. Net realisable value of completed property development units classified as inventories

As at 31 December 2017, the carrying amount of completed property units represents 7.9% and 4.0% of the Group's total current assets and total assets respectively. The current challenging property market environment has led to an increase in the number of completed property development units classified as inventories during the year. We consider the net realisable value of completed units to be an area of audit focus as such assessment includes estimates made by management and is influenced by assumptions concerning future market and economic conditions.

We obtained an understanding of the internal controls performed by management in estimating the net realisable value of these inventories.

We evaluated the management's assessment of the estimated selling price (less estimated cost necessary to make the sale) of these inventories by comparing to the recent transacted prices of similar completed property development units within the vicinity. Further, we performed physical sighting on selected completed property units and assessed the related cost of maintenance.

The Group's disclosure on completed property units is included in Note 22 to the financial statements.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016, in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016, in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 44 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016, 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

Ong Chee Wai
No. 2857/07/18(J)
Chartered Accountant

Kuala Lumpur, Malaysia
22 March 2018

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	3	2,903,442	1,841,479	152,016	40,000
Cost of sales	4	(2,082,730)	(1,330,998)	(39,825)	-
Gross profit		820,712	510,481	112,191	40,000
Other income		74,579	68,118	127,375	101,454
Selling and distribution expenses		(99,504)	(86,685)	-	-
Other expenses		(292,998)	(274,054)	(46,216)	(19,480)
Operating profit	5	502,789	217,860	193,350	121,974
Finance costs	6	(91,146)	(75,992)	(141,084)	(110,492)
Share of results of associates		5,834	14,576	-	-
Share of results of joint ventures		21,176	61,204	-	-
Profit before zakat and income tax		438,653	217,648	52,266	11,482
Zakat	7	(2,744)	(4,719)	-	-
Income tax (expense)/credit	8	(154,301)	(64,590)	(772)	45
Profit for the year		281,608	148,339	51,494	11,527
Attributable to:					
Owners of the parent		280,085	147,302	51,494	11,527
Non-controlling interests		1,523	1,037	-	-
		281,608	148,339	51,494	11,527

Earnings per share attributable to owners of the parent (sen):

Basic, for profit for the year	10	6.2	3.0
Diluted, for profit for the year	10	5.4	2.6

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 2017

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit for the year	281,608	148,339	51,494	11,527
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent period:				
- Foreign currency translation differences of foreign operations	(36,698)	42,381	-	-
- (Loss)/gain on fair value changes	(1)	1	-	-
- Transfer to profit or loss on disposal of an associate	(941)	-	-	-
- Loss on cash flow hedge	(4,428)	(223)	-	-
Total comprehensive income for the year	239,540	190,498	51,494	11,527
Total comprehensive income attributable to:				
Owners of the parent	237,969	189,508	51,494	11,527
Non-controlling interests	1,571	990	-	-
	239,540	190,498	51,494	11,527

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Assets					
Non-current assets					
Property, plant and equipment	11	377,136	300,036	5,257	-
Investment properties	12	649,670	647,525	-	-
Land held for property development	13	3,256,118	4,019,581	-	-
Investment in subsidiaries	14	-	-	4,526,998	4,531,247
Interests in associates	15(a)	500,385	492,391	1,170	1,170
Interests in joint ventures	16(a)	1,052,977	1,079,753	419,517	419,517
Amount due from joint ventures	16(b)	245,581	235,652	81,507	55,495
Amount due from subsidiaries	24	-	-	2,385,237	2,126,757
Other investments	17	-	-	-	-
Goodwill	18	621,409	621,409	-	-
Deferred tax assets	20	292,909	254,971	-	222
Long term receivables	23	42,855	43,491	-	-
		7,039,040	7,694,809	7,419,686	7,134,408
Current assets					
Property development costs	21	3,065,732	2,635,355	-	-
Inventories	22	609,690	585,244	-	-
Receivables	23	2,640,463	1,710,027	117,107	43,438
Amount due from subsidiaries	24	-	-	677,845	856,333
Amount due from an associate	15(b)	577	-	130	-
Amount due from joint ventures	16(b)	108,694	98,755	64,995	82,028
Short term investments	25	125,197	8	125,190	-
Cash, bank balances and deposits	19	808,004	788,542	6,523	79,696
		7,358,357	5,817,931	991,790	1,061,495
Asset held for sale	26	-	11,230	-	-
Total assets		14,397,397	13,523,970	8,411,476	8,195,903

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

(cont'd.)

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	27	5,110,276	2,276,643	5,110,276	2,276,643
Share premium	27	-	2,829,546	-	2,829,546
Merger relief reserves	27	34,330	34,330	34,330	34,330
Other reserves	28(a)	101,179	152,020	41,056	49,781
Retained profits	28(b)	1,823,248	1,539,257	101,235	45,835
		7,069,033	6,831,796	5,286,897	5,236,135
Non-controlling interests	32	363,127	361,556	-	-
Total equity		7,432,160	7,193,352	5,286,897	5,236,135
Non-current liabilities					
Borrowings	33	2,734,228	2,404,224	1,800,000	1,907,789
Payables	35	63,528	95,923	-	-
Deferred income	36	111,372	111,547	-	-
Derivative liabilities	37(c)	4,651	223	-	-
Provisions	34	911,220	930,222	-	-
Deferred tax liabilities	20	270,631	203,668	-	-
		4,095,630	3,745,807	1,800,000	1,907,789
Current liabilities					
Provisions	34	405,101	439,742	-	-
Payables	35	888,590	784,821	52,836	1,067
Amount due to subsidiaries	24	-	-	114,743	678
Borrowings	33	1,485,514	1,310,449	1,157,000	1,050,226
Tax payable		90,402	49,799	-	8
		2,869,607	2,584,811	1,324,579	1,051,979
Total liabilities		6,965,237	6,330,618	3,124,579	2,959,768
Total equity and liabilities		14,397,397	13,523,970	8,411,476	8,195,903

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 2017

Group	← Attributable to owners of the parent →							
	← Non-distributable →				Distributable			
	Share capital (Note 27) RM'000	Share premium (Note 27) RM'000	Merger relief reserves (Note 27) RM'000	Other reserves (Note 28) RM'000	Retained profits (Note 28) RM'000	Total RM'000	Non-controlling interests (Note 32) RM'000	Total equity RM'000
At 1 January 2017	2,276,643	2,829,546	34,330	152,020	1,539,257	6,831,796	361,556	7,193,352
Transfer pursuant to "no par value" regime (Note 27 (i)):								
- Transfer from share premium	2,829,546	(2,829,546)	-	-	-	-	-	-
- Transfer from capital redemption reserve	4,087	-	-	(4,087)	-	-	-	-
Total comprehensive income for the year	-	-	-	(42,116)	280,085	237,969	1,571	239,540
ESOS								
- remeasurement	-	-	-	(732)	-	(732)	-	(732)
- expiry of vested employee share options	-	-	-	(3,906)	3,906	-	-	-
At 31 December 2017	5,110,276	-	34,330	101,179	1,823,248	7,069,033	363,127	7,432,160

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

(cont'd.)

Group	← Attributable to owners of the parent →							Non-controlling interests (Note 32) RM'000	Total equity RM'000
	← Non-distributable →				Distributable				
	Share capital (Note 27) RM'000	Share premium (Note 27) RM'000	Merger relief reserves (Note 27) RM'000	Other reserves (Note 28) RM'000	Retained profits (Note 28) RM'000	Total RM'000			
At 1 January 2016	2,276,643	2,829,546	34,330	115,439	1,552,602	6,808,560	360,345	7,168,905	
Total comprehensive income for the year	-	-	-	42,206	147,302	189,508	990	190,498	
ESOS									
- remeasurement	-	-	-	(293)	-	(293)	-	(293)	
- expiry of vested employee share options	-	-	-	(5,332)	5,332	-	-	-	
Acquisition of non-controlling interests in a subsidiary	-	-	-	-	(80,700)	(80,700)	221	(80,479)	
Dividend paid (Note 9)	-	-	-	-	(85,279)	(85,279)	-	(85,279)	
At 31 December 2016	2,276,643	2,829,546	34,330	152,020	1,539,257	6,831,796	361,556	7,193,352	

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 2017

(cont'd.)

Company	← Non-distributable →			Distributable		
	Share capital (Note 27) RM'000	Share premium (Note 27) RM'000	Merger relief reserves (Note 27) RM'000	Other reserves (Note 28) RM'000	Retained profits (Note 28) RM'000	Total equity RM'000
At 1 January 2017	2,276,643	2,829,546	34,330	49,781	45,835	5,236,135
Transfer pursuant to "no par value" regime (Note 27 (i)):						
- Transfer from share premium	2,829,546	(2,829,546)	-	-	-	-
- Transfer from capital redemption reserve	4,087	-	-	(4,087)	-	-
Total comprehensive income for the year	-	-	-	-	51,494	51,494
ESOS						
- remeasurement	-	-	-	(732)	-	(732)
- expiry of vested employee share options	-	-	-	(3,906)	3,906	-
At 31 December 2017	5,110,276	-	34,330	41,056	101,235	5,286,897
Company	← Non-distributable →			Distributable		
	Share capital (Note 27) RM'000	Share premium (Note 27) RM'000	Merger relief reserves (Note 27) RM'000	Other reserves (Note 28) RM'000	Retained profits (Note 28) RM'000	Total equity RM'000
At 1 January 2016	2,276,643	2,829,546	34,330	55,406	114,255	5,310,180
Total comprehensive income for the year	-	-	-	-	11,527	11,527
ESOS						
- remeasurement	-	-	-	(293)	-	(293)
- expiry of vested employee share options	-	-	-	(5,332)	5,332	-
Dividend paid (Note 9)	-	-	-	-	(85,279)	(85,279)
At 31 December 2016	2,276,643	2,829,546	34,330	49,781	45,835	5,236,135

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 2017

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash flows from operating activities				
Cash receipts from customers	2,057,001	1,555,657	-	-
Cash receipts from holding companies	-	5,311	-	-
Cash receipts from subsidiary companies	-	-	463	-
Receipts from other related parties	11,670	17	-	-
Receipts from joint ventures	-	1,684	-	-
Cash payments to suppliers	(480,068)	(542,597)	-	-
Cash payments to contractors	(1,246,817)	(1,116,723)	-	-
Cash payments for land and development related costs	(66,174)	(39,462)	-	-
Cash payments for land acquisition deposit	-	(15,000)	-	-
Cash payments to other related parties	(658)	(41,867)	-	-
Cash payments to employees, for selling and distribution and for general expenses	(371,255)	(381,239)	(57,104)	(10,381)
Cash used in operations	(96,301)	(574,219)	(56,641)	(10,381)
Zakat paid	(2,147)	(4,719)	-	-
Net income tax paid	(77,496)	(119,917)	(175)	(50)
Interest received	19,870	13,920	1,374	1,076
Net cash used in operating activities	(156,074)	(684,935)	(55,442)	(9,355)
Cash flows from investing activities				
Dividend received from an associate	-	2,100	-	-
Dividend received from a joint venture	50,000	165,000	-	-
Dividend received from a subsidiary	-	-	40,000	285,146
Proceeds from disposals of:				
- property, plant and equipment	-	3	-	-
- investment properties	-	62	-	-
- short term investments	-	286,025	-	85,110
- an associate	13,389	-	-	-
- an available-for-sale investment	2,400	-	-	-
Deposit refunded for subscription of shares	-	21,488	-	-
Acquisition of non-controlling interests in a subsidiary	-	(80,479)	-	-

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash flows from investing activities (cont'd.)				
Purchase of:				
- property, plant and equipment (Note (a))	(81,734)	(76,453)	(3,947)	-
- investment properties	(173)	-	-	-
Advances to subsidiaries	-	-	(105,261)	(1,363,652)
Advances to joint ventures	(8,500)	(42,760)	-	(10)
Deposit paid for land acquisition	(10,000)	-	-	-
Deposit paid for development rights of a land	(10,000)	-	-	-
Repayment from subsidiaries	-	-	301,966	512,918
Repayment from joint ventures	-	41	-	-
Investment in land held for property development	-	(222,652)	-	-
Investment in an associate	(2,320)	-	-	-
Investment in a joint venture	-	(4,250)	-	-
Investment in short term investments	(125,000)	(285,000)	(125,000)	(85,000)
Net cash (used in)/generated from investing activities	(171,938)	(236,875)	107,758	(565,488)
Cash flows from financing activities				
Drawdown of term loans	12,623	101,897	-	-
Drawdown of Commodity Murabahah Finance	571,988	219,003	-	-
Drawdown of Islamic Medium Term Notes ("IMTN")	700,000	607,888	700,000	607,888
Drawdown of revolving credit	10,000	249,450	10,000	247,000
Drawdown of structured commodity	-	200,000	-	200,000
Repayment of term loans	(51,174)	(21,748)	-	-
Repayment of Islamic Commercial Paper ("ICP")	(99,604)	(10,000)	(99,604)	(10,000)
Repayment of IMTN	(600,000)	(200,000)	(600,000)	-
Repayment of structured commodity	-	(200,000)	-	(200,000)
Repayment to immediate holding company	-	(7,503)	-	-
Interest paid	(177,155)	(143,951)	(135,885)	(111,640)
Dividend paid	-	(85,279)	-	(85,279)
Net cash generated from/(used in) financing activities	366,678	709,757	(125,489)	647,969

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

(cont'd.)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net increase/(decrease) in cash and cash equivalents	38,666	(212,053)	(73,173)	73,126
Effects of foreign exchange rate changes	(21,477)	539	-	-
Cash and cash equivalents at beginning of year	788,542	1,000,056	79,696	6,570
Cash and cash equivalents at end of year (Note 19)	805,731	788,542	6,523	79,696
Note (a):				
Additions of property, plant and equipment (Note 11)	88,025	80,248	3,947	-
Interest capitalised (Note 6)	(6,291)	(3,795)	-	-
Cash outflow for acquisition of property, plant and equipment	81,734	76,453	3,947	-

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 19-2 Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur and the principal place of business is at Level U2, Block C5, Solaris Dutamas, No 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

The principal activity of the Company is investment holding. In the current financial year, the Company has undertaken the provision of shared services for its subsidiaries.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 March 2018.

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 ("FRS") and the Companies Act 2016 in Malaysia.

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

2.2 Summary of significant accounting policies

(a) Basis of consolidation

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

Business combinations involving entities under common control are accounted for by applying the merger accounting method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The profit or loss 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated from the date on which control is obtained by the Group and are no longer consolidated from the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

(i) Subsidiaries (cont'd.)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income ("OCI"). If the contingent consideration is not within the scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Consistent accounting policies are applied to like transactions and events in similar circumstances.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

If the Group loses control of a subsidiary, any gain or loss is recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net fair value of the assets together with any balance of goodwill and exchange differences that were not previously recognised in profit or loss.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

(ii) Associates and joint ventures (cont'd.)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'share of profit of an associate and joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(b) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(n). Any impairment losses recognised for goodwill shall not be reversed in a subsequent year.

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company 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 profit or loss during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Building on freehold land	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 profit or loss in the year the asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

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 profit or loss.

(d) Investment properties

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

Depreciation of the completed investment properties is provided for at 2% to 10% per annum on a straight line basis to write off the building cost of each asset to its residual value over the estimated useful life. Investment properties under construction are not depreciated.

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the year in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the net carrying amount at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(f) Land held for property development and property development costs (cont'd.)

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

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost or net realisable value.

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

(g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Inventories

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(i) Income and indirect taxes

(i) Current tax

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI 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.)

(i) Income and indirect taxes (cont'd.)

(ii) Deferred tax (cont'd.)

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

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

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

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

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

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(i) Income and indirect taxes (cont'd.)

(iii) Malaysian Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(j) Zakat

The Group recognises its obligation towards the payment of zakat on business in profit or loss. Zakat is an obligation under the shariah principles and is computed based on a certain basis as approved by the Board of Directors.

(k) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

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

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(l) Foreign currencies

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in OCI 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.

On consolidation, the assets and liabilities of foreign operations are translated at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange difference arising on translation for consolidation are recognised in OCI. On disposal of foreign operation, the components of OCI relating to that particular foreign operation is reclassified in profit or loss.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

(i) Property development

(a) Sale of developed land and completed development properties

Such sale is recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group and upon the transfer of significant risk and rewards of ownership.

(b) Sale of development properties

Revenue from sale of development properties classified as property development costs is accounted for by the percentage of completion method. The percentage of completion is determined by reference to the costs incurred to date bear to the total estimated costs where the outcome of the projects can be reliably estimated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(m) Revenue recognition (cont'd.)

(ii) Strategic land sale

Contracts for strategic land sale are recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group and upon the transfer of significant risk and rewards of ownership.

(iii) Property investment

Rental and leasing income are accounted on a straight line basis over the period of tenancy and lease term.

(iv) Assets and facilities management

Assets and facilities management income are derived from managing the residential, commercial and retail properties. These income are recognised when such services are rendered.

(v) Project management

Revenue from provision of consultancy, advisory and technical services in relation to property development activities is recognised in the period in which the services are rendered, by reference to completion of the actual service provided as a proportion of the total services to be performed.

(vi) Management fees

Management fees on the provision of shared services to subsidiaries are accrued when such services are rendered.

(vii) Dividends

Dividends from subsidiaries, associates and other investments are included in profit or loss when the shareholders' right to receive payment has been established.

(n) Impairment of non-financial assets

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(n) Impairment of non-financial assets (cont'd.)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to OCI. In this case the impairment is also recognised in OCI 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.

The subsequent measurement of financial assets depends on their classification as described below:

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

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

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 profit or loss 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.

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

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 OCI, 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 OCI 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's and the Company's right to receive payment is established.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity.

Reclassification to the held to maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate ("EIR"). Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the profit or loss.

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (i) the Group and the Company have transferred substantially all the risks and rewards of the asset; or
 - (ii) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.2 Summary of significant accounting policies (cont'd.)****(o) Financial assets (cont'd.)**

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's and the Company's continuing involvement in the asset. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(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) Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss, is removed from OCI and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in their fair value after impairment loss are recognised directly in OCI.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(iii) Unquoted equity securities at cost

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

(q) Financial liabilities

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.2 Summary of significant accounting policies (cont'd.)****(q) Financial liabilities (cont'd.)**

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

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

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

(r) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

(s) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(s) Leases (cont'd.)

(i) As lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

(ii) As lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(t) Share capital and share issuance expenses

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

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

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

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

The redeemable convertible preference shares are regarded as compound instruments, consisting of a liability component and an equity component. The component of redeemable convertible preference shares that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. Upon issuance of the redeemable convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability in accordance with the accounting policy for other payables.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs. The dividends on these shares is recognised in equity in the period in which they are declared.

Transaction costs are apportioned between the liability and equity components of the redeemable convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(v) Contingencies

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

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

(w) Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classified all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(x) Statements of cash flows

The statements of cash flows classify movements in cash and cash equivalents according to operating, investing and financing activities.

The Group and the Company do not consider any of its assets other than deposits with maturity not more than 3 months with financial institutions, which are subject to an insignificant risk of changes in value, cash and bank balances reduced by bank overdraft as meeting the definition of cash and cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(y) Fair value measurements

The Group measures financial instruments, such as, financial assets at fair value through profit or loss at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured with the assumption that when pricing the asset or liability, the market participants would act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(z) Borrowing costs

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

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

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

(aa) Deferred income

In year 2014, the Group completed the sale of land to an associate. The profit recognised from the disposal of land by the Group to the associate is eliminated to the extent of the Group's interest in the associate. Accordingly, the Group recognised the excess of the unrealised profit over the carrying value of the associate as deferred income. The deferred income is realised to profit or loss over the period when the underlying asset of the associate is realised or disposed.

(ab) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

(ac) Asset held for sale

A component of the Group is classified as an "asset held for sale" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

(ad) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge are taken directly to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(ad) Derivative financial instruments and hedge accounting (cont'd.)

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk);
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to:
 - A particular risk associated with a recognised asset; or
 - Liability or a highly probable forecast transaction; or
 - The foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective of the hedge and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value of cash flows and are assessed on an ongoing basis to determine that they have actually been highly effective throughout the financial reporting years for which they are designated.

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2017, the Group and the Company adopted the following amended FRS mandatory for annual financial periods beginning on or after 1 January 2017:

	Effective for the financial period beginning on or after
Amendments to FRS 107 : Disclosure Initiative	1 January 2017
Amendments to FRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 12 : Disclosure of Interests in Other Entities (Annual improvements to FRSs 2014-2016 Cycle)	1 January 2017

The adoption of the above amendments does not have any significant impact on the financial performance or position of the Group and of the Company, except as disclosed below:

Amendments to FRS 107 : Disclosure Initiative

The amendments to FRS 107 : Statement of Cash Flows requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of these amendments, entities are not required to provide comparative information for preceding periods. Apart from the additional disclosures in Note 33(h), the application of these amendments has had no impact on the Group and on the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Malaysian Financial Reporting Standards ("MFRS Framework")

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

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

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 December 2018.

In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The consolidated financial statements for the financial years ended 31 December 2016 and 2017 are expected to be different if prepared under the MFRS Framework.

The Group has established a project team to plan and manage the adoption of the MFRS Framework. This project consists of the following phases:

(a) Assessment and planning phase

This phase involves the following:

- (i) High level identification of the key differences between FRS and accounting standards under the MFRS Framework and disclosures that are expected to arise from the adoption of MFRS Framework;
- (ii) Evaluation of any training requirements; and
- (iii) Preparation of a conversion plan.

The Group considers the assessment and planning phase to be completed as at the date of these financial statements.

(b) Implementation and review phase

This phase aims to:

- (i) Develop training programs for the staff;
- (ii) Formulate new and/or revised accounting policies and procedures for compliance with the MFRS Framework;
- (iii) Identify potential financial effects as at the date of transition, arising from the adoption of the MFRS Framework; and
- (iv) Develop disclosures required by the MFRS Framework.

The Group has performed preliminary assessment of the financial effects of the differences between FRS and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the financial year ended 31 December 2017 will be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Malaysian Financial Reporting Standards ("MFRS Framework")

The major differences between FRS and MFRS Framework are as follows:

MFRS 9 : Financial Instruments ("MFRS 9")

MFRS 9 introduce amongst others, a single forward looking "expected loss" impairment model which require entities to recognise loss allowance in anticipation of future losses rather than based on incurred basis.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption will not have any significant impact to the financial performance or position of the Group.

MFRS 15 : Revenue from Contracts with Customers ("MFRS 15")

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 : Revenue, MFRS 111 : Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue recognition is based on "when control is transferred"

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the the level of completion in proportion of cost incurred to date against the expected total construction costs.

The Group plans to adopt the new standards on the required effective date using the full retrospective method. The affected areas that have been identified due to the application of the new standards are as follows:

(i) Property development activities in Australia

Under the current standards, the Group recognises property development revenue from property development activities in Australia over time based on the enforceability of the sales contract with the customers. Under MFRS 15, the property development revenue from Australia will be recognised upon delivery of vacant possession, being the date at which control is transferred to customers.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Malaysian Financial Reporting Standards ("MFRS Framework") (cont'd.)

Revenue recognition is based on "when control is transferred" (cont'd.)

(ii) Sale of land

Under the current standards, the Group recognises revenue from land sale upon the completion of condition precedents as stipulated in the sale and purchase agreement with the customers. Under MFRS 15, revenue will be recognised when control is substantively transferred such as upon vacant possession date, full payment of sale consideration or transfer of land title to the customer.

(iii) Multiple promises from the sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. Currently, the Group accounts for the bundled sales as one deliverable and recognises revenue over time. Under MFRS 15, revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. The sale of development properties and the multiple promises are separate deliverables of bundled sales. The transaction price will be allocated to each performance obligation based on the standalone selling prices. If these are not directly observable, they are estimated based on expected cost plus margin.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(iv) Cost incurred in fulfilling a contract

Under the current standards, the Group expensed off sales commissions and free legal fees as these costs do not qualify for recognition as an asset under any of the other accounting standards. However, the sales commissions and free legal fees relate directly to contracts and are expected to be recovered through future fees for the services to be provided. Accordingly, under MFRS 15, these costs will be eligible for capitalisation and recognised as property development costs and contract assets respectively.

(v) Recognition of provision for foreseeable losses for low cost housing

Under the current standards, the Group recognised upfront the provision for foreseeable losses for anticipated losses to be incurred on the development of involuntary low cost housing as required by approving authorities. The application of the above is in accordance to FRSIC Consensus 17 : Development of Affordable Housing ("FRSIC 17") issued by Malaysian Institute of Accountants ("MIA").

MFRS 15 requires the accounting to be done on a contract basis. Pursuant to the clarification on the use to FRSIC 17 on 7 March 2018, it stated that FRSIC 17 is no longer relevant upon the adoption of MFRS framework. Hence, the Group's provision for foreseeable losses and the corresponding property development assets will be significantly reduced. The Group is required to reassess the recognition of foreseeable losses on the development of low cost housing in accordance to MFRS 15 requirement.

(vi) Presentation and disclosure requirements

The notes to the financial statements will be expanded to include additional disclosure on significant judgements and accounting estimates made. This amongst others, determining the transaction prices of those contracts that include variable consideration, transaction price allocation to each performance obligation, and the assumptions made to estimate the stand-alone selling prices of each performance obligation. MFRS 15 also requires revenue recognised to be disaggregated into categories that depict the nature, amount, timing and uncertainty of revenue and cash flows.

The Group has substantially completed its assessment on the adoption of MFRS 15 and is in the midst of assessing the impact of provision for foreseeable losses for low cost housing pursuant to the clarification issued by MIA on 7 March 2018. The Group expects to fully comply with the requirements of the MFRS framework for the financial year ending 31 December 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Tax recoverable for BND legal case

As disclosed in Note 39(a), Bandar Nusajaya Development Sdn. Bhd. ("BND") received an additional assessment from the Inland Revenue Board ("IRB") for additional tax payable and tax penalty in respect of year of assessment 2006 totalling to RM73.8 million which has been paid in full. As the Group is disputing the additional assessment, the amount paid is recorded as receivable instead of tax expense in the financial statement. The collectability of the receivable of RM73.8 million is dependent on the ultimate outcome of the legal proceedings.

(ii) Income tax and deferred tax assets

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain. 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.

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax as at reporting date is disclosed in Note 20.

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis and at other times when such indication exist. This requires an estimation of the fair value less cost to sell and value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2017 was RM621,409,000 (2016: RM621,409,000). Further details on goodwill are disclosed in Note 18.

(iv) Property development costs

The Group recognises property development revenue and expenses in the profit or loss 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 over the estimated total costs where the outcome of the projects can be reliably estimated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.5 Critical judgements and accounting estimates (cont'd.)****Key sources of estimation uncertainty (cont'd.)****(iv) Property development costs (cont'd.)**

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development projects. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

Details of the property development costs are disclosed in Note 21.

(v) Provision for construction costs

The Group recognises a provision for construction costs relating to estimated final claims by contractors which have not been finalised and provision for property development, infrastructure and land related costs relating to portions of land sold.

Significant judgement is required in determining the extent of the costs to be incurred and in making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

The carrying amount of the Group's provision for construction costs as at reporting date is disclosed in Note 34.

(vi) Provision for liquidated ascertained damages

Provision for liquidated ascertained damages is recognised for the expected liquidated ascertained damages based on the terms of the applicable sale and purchase agreements and is provided up to the actual or estimated completion date of development projects.

The carrying amount of the Group's provision for liquidated ascertained damages as at reporting date is disclosed in Note 34.

(vii) Provision for foreseeable losses for low cost housing

Provision for foreseeable losses for low cost housing is recognised for anticipated losses to be incurred for the development of low cost housing under the requirements of the State Government.

Significant judgement is required in determining the amount of the foreseeable losses for low cost housing, as the construction of low cost housing is typically over the life of township development of more than ten years. Regulatory, technological and economics changes may result in significant charges to the provision amount which will subsequently affect the profitability of premium housing.

The carrying amount of the Group's provision for foreseeable losses for low cost housing as at reporting date is disclosed in Note 34.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Critical judgements and accounting estimates (cont'd.)

Key sources of estimation uncertainty (cont'd.)

(viii) Net realisable value of completed property development units classified as inventories

Inventories are stated at the lower of cost or net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories are reviewed on a regular basis and the Group will make an allowance for impairment based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional allowances for slow moving inventories may be required.

The carrying amount of the Group's inventories as at 31 December 2017 is disclosed in Note 22 to the financial statements.

3. REVENUE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property development:				
- Sales of development properties	2,249,393	1,611,081	-	-
- Sales of developed lands	135,231	110,599	-	-
	2,384,624	1,721,680	-	-
Strategic land sales	407,031	6,597	-	-
Property investment	55,819	58,157	-	-
Assets and facilities management	27,392	23,374	-	-
Project management	12,229	14,853	-	-
Land leasing and other income	16,347	16,818	-	-
Management fees from subsidiaries	-	-	42,016	-
Dividend income from subsidiaries	-	-	110,000	40,000
	2,903,442	1,841,479	152,016	40,000

4. COST OF SALES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property development:				
- Sales of development properties	1,756,937	1,244,585	-	-
- Sales of developed lands	36,678	51,518	-	-
	1,793,615	1,296,103	-	-
Strategic land sales	256,708	3,918	-	-
Property investment	13,534	13,858	-	-
Land leasing and other costs	18,873	17,119	-	-
Costs of services rendered to subsidiaries	-	-	39,825	-
	2,082,730	1,330,998	39,825	-

5. OPERATING PROFIT

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Allowance for doubtful debts				
- receivables (Note 23(vii))	1,278	9,376	-	-
Rental expenses of:				
- land and building	10,655	10,969	4,563	-
- equipment	582	414	98	-
Auditors' remuneration:				
- statutory audit for the year	923	1,042	79	71
- overprovision in prior year	(143)	-	-	-
- non-statutory audit	282	72	282	72
Depreciation of property, plant and equipment (Note 11)	10,457	12,723	93	-
Depreciation of investment properties (Note 12)	14,770	13,677	-	-
Property, plant and equipment written off (Note 11)	431	176	-	-
Investment properties written off	-	515	-	-
Directors' remuneration (Note (i))	2,835	2,760	2,835	2,760
Staff costs (Note (ii))	146,432	116,572	53,431	2,245

5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in arriving at operating profit: (cont'd.)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Dividend distribution receivable from a subsidiary under liquidation	-	(783)	-	-
Provision for liquidated ascertained damages (Note 34)	22,161	42,189	-	-
Remeasurement on long term receivables (Note 23(v))	1,870	9,177	-	-
Write back of allowance for impairment:				
- receivables (Note 23(vii))	(1,438)	(1,062)	-	-
- inventories	-	(155)	-	-
Inventories written down	3,176	-	-	-
Liquidated ascertained damages receivable from contractors	(18,368)	(9,651)	-	-
(Gain)/loss on foreign exchange:				
- unrealised	(3,257)	(13,470)	-	-
- realised	1,394	10,965	-	-
Net gain on remeasurement of investment at fair value through profit or loss	-	(415)	-	-
Direct operating expenses arising from investment properties that are generating rental income	16,867	13,688	-	-
Direct operating expenses arising from investment properties that did not generate rental income	882	2,652	-	-
Dividend income from investment at fair value through profit or loss	(189)	(610)	(200)	(110)
Interest income:				
- deposits with licensed banks	(16,680)	(11,031)	(2,304)	(1,075)
- accretion of interest on long term receivables (Note 23(v))	(2,141)	(1,883)	-	-
- subsidiaries	-	-	(116,812)	(92,099)
- joint ventures	(8,410)	(12,298)	(6,989)	(7,154)
- investment in a joint venture	-	(943)	-	(943)
- others	(3,190)	(2,902)	-	-
Provision for impairment of investment in subsidiaries (Note 14)	-	-	6,750	9,025
Provision for impairment of amount due from subsidiaries (Note 24)	-	-	2,352	-
(Gain)/loss on disposal of:				
- property, plant and equipment	-	9	-	-
- investment properties	-	(521)	-	-
- an associate (Note 26)	(3,100)	-	-	-
- available-for-sale investment	(2,400)	-	-	-

5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in the other expenses in arriving at operating profit:

- (i) Directors' remuneration

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Executive:				
Salary and other emoluments*	1,502	1,576	1,502	1,576
Benefits-in-kind	87	108	87	108
	1,589	1,684	1,589	1,684
Non-executive:				
Fees	1,215	1,168	1,215	1,168
Other emoluments	118	16	118	16
	1,333	1,184	1,333	1,184
	2,922	2,868	2,922	2,868
Analysis of total directors' remuneration excluding benefits-in-kind:				
- executive	1,502	1,576	1,502	1,576
- non-executive	1,333	1,184	1,333	1,184
Total directors' remuneration excluding benefits-in-kind	2,835	2,760	2,835	2,760

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	
	2017	2016
Executive director:		
RM250,001 - RM300,000*	-	1
RM1,400,001 - RM1,450,000	-	1
RM1,550,001 - RM1,600,000	1	-

* In prior year, includes Special Recognition Award paid to a Director for assuming the role of Executive Director from 16 April 2016 to 31 August 2016 during the absence of the Managing Director/Chief Executive Officer.

5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in the other expenses in arriving at operating profit: (cont'd.)

(i) Directors' remuneration (cont'd.)

	Number of directors	
	2017	2016
Non-executive directors:		
RM50,000 and below	2	1
RM50,001 to RM100,000	-	2
RM100,001 to RM150,000	4	3
RM150,001 to RM200,000	3	2
RM200,001 to RM250,000	1	1

(ii) Staff costs

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Wages and salaries	91,209	88,181	24,510	1,798
Staff bonuses, benefits and welfare	52,446	29,351	24,353	477
Statutory contribution to EPF and social security costs	14,628	14,571	3,457	263
Employee share option scheme (Note 28(a)(iv))	(732)	(293)	(732)	(293)
Training expenses	4,186	2,050	1,843	-
	161,737	133,860	53,431	2,245
Capitalised to:				
Land held for property development (Note 13)	(2,884)	(5,077)	-	-
Property development costs (Note 21)	(12,421)	(12,211)	-	-
	146,432	116,572	53,431	2,245

6. Finance costs

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Finance costs incurred and accrued during the year on:				
- IMTN, term loans and structured commodity	167,864	136,785	129,045	110,492
- revolving credits and bank overdraft	17,295	5,849	12,039	-
- loan from immediate holding company	2,470	2,457	-	-
- accretion of interest on long term payables	1,671	1,968	-	-
- bank charges	616	728	-	-
	189,916	147,787	141,084	110,492
Capitalised in:				
- land held for property development (Note 13)	(2,944)	(3,239)	-	-
- property development costs (Note 21)	(89,535)	(64,761)	-	-
- property, plant, and equipment (Note 11)	(6,291)	(3,795)	-	-
	(98,770)	(71,795)	-	-
	91,146	75,992	141,084	110,492

The interest and profit rate for borrowing cost capitalised during the financial year range from 3.55% to 6.62% (2016: 3.80% to 5.70%) per annum.

7. ZAKAT

	Group	
	2017 RM'000	2016 RM'000
Expensed and paid in the financial year	2,744	4,719

8. INCOME TAX EXPENSE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Income tax:				
Malaysian income tax	81,096	73,572	-	-
Foreign tax	43,421	26,363	-	-
Under/(over) provision in prior years	313	(1,884)	550	8
	124,830	98,051	550	8
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	31,713	(37,250)	130	(53)
(Over)/under provision of deferred tax in prior years	(2,242)	3,789	92	-
	29,471	(33,461)	222	(53)
Total income tax expense/(credit)	154,301	64,590	772	(45)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable between profit before income tax and zakat at the statutory income tax rate and income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before tax and zakat	438,653	217,648	52,266	11,482
Taxation at Malaysian statutory tax rate of 24%	105,277	52,236	12,544	2,756
Effect of different tax rates in other countries	13,802	7,192	-	-
Income not subject to tax	(3,648)	(5,414)	(26,448)	(9,600)
Tax at reduced rate	(3,083)	-	-	-
Expenses not deductible for tax purposes	19,520	18,868	14,034	6,791
Deferred tax assets not recognised during the year	18,692	8,447	-	-

8. INCOME TAX EXPENSE (CONT'D.)

A reconciliation of income tax expense applicable between profit before income tax and zakat at the statutory income tax rate and income tax expense at the effective income tax rate of the Group and of the Company is as follows: (cont'd.)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Utilisation of previously unrecognised tax losses and other deductible temporary differences	(73)	(1)	-	-
Withholding tax payable	12,884	676	-	-
Tax effect on share of associates' and joint ventures' results	(6,482)	(18,187)	-	-
Under/(over) provision of income tax in prior years	313	(1,884)	550	8
(Over)/under provision of deferred tax in prior years	(2,242)	3,789	92	-
Zakat deduction	(659)	(1,132)	-	-
Tax expense/(credit) for the year	154,301	64,590	772	(45)

9. DIVIDENDS

	Company	
	2017 RM'000	2016 RM'000
In respect of financial year ended 31 December 2015:		
First and final single tier dividends of the following:		
1.6 sen per share on 4,537,436,037 ordinary shares of RM0.50 each, paid on 21 June 2016	-	72,599
1.6 sen per share on 792,515,753 RCPS of RM0.01 each, paid on 21 June 2016	-	12,680
	-	85,279

During the financial year, no dividend has been paid or declared by the Company.

At the forthcoming Annual General Meeting, the Directors are proposing for a final single tier dividend payable of 1.0 sen per share on 4,537,436,037 ordinary shares amounting to RM45,374,360 in respect of the financial year ended 31 December 2017 for shareholders' approval.

The financial statements for the current financial 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 profits in the financial year ending 31 December 2018.

10. EARNINGS PER SHARE**(a) Basic**

Basic earnings per share are calculated by dividing profit for the financial year, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2017	2016
Profit for the year attributable to owners of the parent (RM'000)	280,085	147,302
Dividend for RCPS (RM'000) (Note 9)	-	(12,680)
Profit for the year attributable to owners of the parent (net of dividend for RCPS) (RM'000)	280,085	134,622
Weighted average number of ordinary shares in issue ('000)	4,537,436	4,537,436
Basic earnings per share (sen)	6.2	3.0

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year has been adjusted for the dilutive effects of all potential ordinary shares.

	Group	
	2017	2016
Profit for the year attributable to owners of the parent (RM'000)	280,085	147,302
Dividend for RCPS (RM'000) (Note 9)	-	(12,680)
Profit for the year attributable to owners of the parent (net of dividend for RCPS) (RM'000)	280,085	134,622
Weighted average number of ordinary shares in issue ('000)	4,537,436	4,537,436
Effects of dilution from RCPS ('000)	622,538	622,538
	5,159,974	5,159,974
Diluted earnings per share (sen)	5.4	2.6

There have been no other transactions involving ordinary shares between the reporting date and the date of authorisation of these financial statements.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Building on freehold land RM'000	Capital work in progress RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Others RM'000	Total RM'000
At 31 December 2017								
Net carrying amount at 1 January 2017	11,693	67,705	165,906	37,286	2,404	1,068	13,974	300,036
Additions	-	-	76,852	46	-	354	10,773	88,025
Foreign currency translation	-	-	(36)	-	-	-	(1)	(37)
Write-off (Note 5)	-	-	(427)	-	-	-	(4)	(431)
Depreciation charge (Note 5)	-	(1,686)	-	(2,817)	(521)	(699)	(4,734)	(10,457)
Net carrying amount at 31 December 2017	11,693	66,019	242,295	34,515	1,883	723	20,008	377,136
At 31 December 2017								
Cost	11,693	78,131	242,295	53,410	6,476	10,060	61,414	463,479
Accumulated depreciation	-	(12,112)	-	(18,895)	(4,593)	(9,337)	(41,406)	(86,343)
Net carrying amount	11,693	66,019	242,295	34,515	1,883	723	20,008	377,136

Included in capital work-in-progress of the Group is construction costs of RM188,468,000 (2016: RM131,406,000).

Included in capital work-in-progress is the borrowing cost of RM6,291,000 (2016: RM3,795,000) for the construction of a freehold building.

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group (cont'd.)	Freehold land RM'000	Building on freehold land RM'000	Capital work in progress RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Others RM'000	Total RM'000
At 31 December 2016								
Net carrying amount at 1 January 2016	11,693	69,039	90,703	39,718	2,550	2,291	18,073	234,067
Additions	-	461	75,203	510	-	72	4,002	80,248
Disposal	-	-	-	-	-	(38)	-	(38)
Transfer to property development cost (Note 21)	-	-	-	-	-	-	(1,342)	(1,342)
Write-off (Note 5)	-	-	-	(25)	-	-	(151)	(176)
Depreciation charge (Note 5)	-	(1,795)	-	(2,917)	(146)	(1,257)	(6,608)	(12,723)
Net carrying amount at 31 December 2016	11,693	67,705	165,906	37,286	2,404	1,068	13,974	300,036
At 31 December 2016								
Cost	11,693	78,130	165,906	56,529	6,477	9,706	55,098	383,539
Accumulated depreciation	-	(10,425)	-	(19,243)	(4,073)	(8,638)	(41,124)	(83,503)
Net carrying amount	11,693	67,705	165,906	37,286	2,404	1,068	13,974	300,036

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Others RM'000	Total RM'000
At 31 December 2017		
Transfer from subsidiaries	1,403	1,403
Additions	3,947	3,947
Depreciation charge (Note 5)	(93)	(93)
Net carrying amount at 31 December 2017	5,257	5,257
At 31 December 2017		
Cost	5,350	5,350
Accumulated depreciation	(93)	(93)
Net carrying amount	5,257	5,257

12. INVESTMENT PROPERTIES

Group	Investment properties under construction RM'000	Completed investment properties RM'000	Total RM'000
Cost			
At 1 January 2017	91,106	608,442	699,548
Additions	13,981	2,934	16,915
Reclassification	(105,087)	105,087	-
At 31 December 2017	-	716,463	716,463
Accumulated depreciation			
At 1 January 2017	-	(52,023)	(52,023)
Depreciation charge (Note 5)	-	(14,770)	(14,770)
At 31 December 2017	-	(66,793)	(66,793)
Net carrying amount	-	649,670	649,670
Fair value of investment properties (Note 41)		919,110	919,110

12. INVESTMENT PROPERTIES (CONT'D.)

Group (cont'd.)	Investment properties under construction RM'000	Completed investment properties RM'000	Total RM'000
Cost			
At 1 January 2016	75,742	603,636	679,378
Additions	15,364	5,442	20,806
Write off	-	(562)	(562)
Disposal	-	(74)	(74)
At 31 December 2016	91,106	608,442	699,548
Accumulated depreciation			
At 1 January 2016	-	(38,403)	(38,403)
Depreciation charge (Note 5)	-	(13,677)	(13,677)
Write off	-	47	47
Disposal	-	10	10
At 31 December 2016	-	(52,023)	(52,023)
Net carrying amount	91,106	556,419	647,525
Fair value of investment properties (Note 41)	#	763,200	763,200

The Group has no restrictions on the realisability of its investment properties and no significant contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The fair value of the investment properties substantially has been arrived at via valuation performed by certified external valuer, in which categorised within the fair value hierarchy (Level 3), as the fair value is measured using inputs that are not based on observable market data.

As of end of prior year, the fair value of the investment properties under construction cannot be reliably determined and accordingly, no fair value information is being disclosed.

13. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2017 RM'000	2016 RM'000
Cost		
At 1 January	4,019,581	3,269,275
Additions	145,209	764,497
Disposal	(281,141)	(950)
Transfer to property development costs (Note 21)	(622,466)	(29,769)
Foreign currency translation	(5,065)	16,528
At 31 December	3,256,118	4,019,581

The Group originally had 23,875 acres of freehold land zoned for residential, commercial and industrial development known as Iskandar Puteri that is spearheaded by a subsidiary, UEM Land Berhad ("UEM Land"). Iskandar Puteri is located in the southern tip of Johor adjacent to the Malaysia-Singapore Second Crossing and is accessible to major expressways, airports and ports. As the master township developer, its development activities include, inter-alia, reviewing the development master plan to maximise land usage and securing strategic development partners to develop various land parcels for specific catalyst development and residential development, and provision of primary infrastructure for the township. Currently, certain subsidiaries are actively pursuing these activities to accelerate the township development.

The Group's available net land bank comprising Iskandar Puteri and others is approximately 10,462 acres (2016: 10,743 acres) of which approximately 1,169 acres (2016: 1,212 acres) are classified under property development costs that comprises parcels of land where active development activities have commenced as at the end of financial year.

As at the reporting date, freehold land and related development expenditure of RM289,120,000 (2016: RM576,844,000) are pledged as securities for the borrowing facilities granted to the Group.

Included in the addition to the land held for property development of the Group during the financial year are as follows:

	Group	
	2017 RM'000	2016 RM'000
Interest capitalised (Note 6)	2,944	3,239
Staff costs (Note 5(ii))	2,884	5,077

13. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)

Included in land held for property development of the Group are parcels of land committed through the agreement as follows:

Master Agreement between UEM Land Berhad ("UEM Land"), a wholly-owned subsidiary of the Company with Ascendas Land (Malaysia) Sdn. Bhd. ("Ascendas")

On 23 October 2012, UEM Land entered a Master Agreement ("MA") with Ascendas to undertake the development of an integrated tech park over approximately 519 acres of land in Gerbang Nusajaya, Iskandar Puteri, Johor Darul Takzim.

The development is to be undertaken on the lands consisting of the following:

- (i) Phase 1 lands measuring approximately 205 acres are further broken down into two plots identified as Plot A with an estimated area of 120 acres and Plot B with an estimated area of 85 acres;
- (ii) Phase 2 lands measuring approximately 166 acres; and
- (iii) Phase 3 lands measuring approximately 148 acres.

In year 2013, 120 acres of Plot A lands were purchased by Nusajaya Tech Park Sdn. Bhd. ("NTPSB"), a joint venture company which is carrying an equity ratio of 40% and 60% respectively between UEM Land and Ascendas.

Pursuant to the MA, UEM Land agrees to grant Ascendas the options to agree to NTPSB completing the purchase of Plot B lands and to purchase Phase 2 lands and Phase 3 lands, all are exercisable within the period of nine (9) years commencing from the date of the MA. None of these options were exercised by Ascendas in the current financial year. The options shall automatically lapse if not exercised within the option period.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2017 RM'000	2016 RM'000
Investments in subsidiaries, unquoted shares		
At 1 January/31 December	3,176,597	3,176,597
Additional investment (Note (i))	2,501	-
At 31 December	3,179,098	3,176,597
Investments in RCPS, issued by subsidiaries		
At 1 January	1,363,675	1,354,313
Additional investment	-	9,362
At 31 December	1,363,675	1,363,675
Impairment losses		
At 1 January	(9,025)	-
Impairment losses (Note (ii))	(6,750)	(9,025)
At 31 December	(15,775)	(9,025)
	4,526,998	4,531,247

Details of the subsidiaries are disclosed in Note 44.

14. INVESTMENT IN SUBSIDIARIES (CONT'D.)**Subscription of additional capital in existing subsidiaries**

- (i) In the current financial year, the Company subscribed additional shares of 2,500,996 ordinary shares in UEM Sunrise Properties Sdn. Bhd. fully paid-up in cash for a total consideration of RM2,500,996.
- (ii) Impairment losses in investment in subsidiaries

At the reporting date, the Company conducted an impairment review of its investments in certain subsidiaries, principally based on the Company's share of net assets in these subsidiaries, which represents the directors' estimation of fair value less costs to sell of these subsidiaries.

The review gave rise to the recognition of impairment losses in investments in subsidiaries of RM6,750,000 (2016: RM9,025,000) as disclosed in Notes 5 based on recoverable amount of RM18,911,000 (2016: RM19,781,000).

The shares of subsidiaries are pledged as a security for the banking facility obtained as disclosed in Note 33(a)(ii) and Note 33(b).

15a. INTERESTS IN ASSOCIATES

	Group	
	2017 RM'000	2016 RM'000
Investments in associates, unquoted shares		
At 1 January	54,246	55,279
Additional investment	2,320	-
Transfer to asset held for sale (Note 26)	-	(1,033)
At 31 December	56,566	54,246
Investments in Redeemable Preference Shares ("RPS"), issued by an associate		
At 1 January/31 December	360,000	360,000
Share of post-acquisition reserves		
At 1 January	99,883	97,931
Share of reserve during the year	5,659	12,149
Transfer to asset held for sale (Note 26)	-	(10,197)
At 31 December	105,542	99,883
Foreign currency translation	(21,723)	(21,738)
	500,385	492,391
Company		
	2017	2016
	RM'000	RM'000
Investments in associate, unquoted shares	1,170	1,170

15a. INTERESTS IN ASSOCIATES (CONT'D.)**Acquisition of investment in associates**

During the financial year, UEM Land Berhad ("UEM Land"), a wholly-owned subsidiary of the Company, subscribed in Sarandra Malaysia Sdn Bhd ("SMSB") for:

- (a) 398 ordinary shares on 11 July 2017; and
- (b) 2,320,000 ordinary shares on 9 October 2017.

The above subscriptions were fully paid-up in cash for a total consideration of RM2,320,398, represent 40% equity interest in SMSB.

Details of associates are disclosed in Note 45.

- (i) Summarised financial information in respect of Group's material associates are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

Summarised statement of financial position

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current assets	883,590	883,590	999,794	1,039,194
Current assets	18,092	17,541	1,839,354	1,923,923
Total assets	901,682	901,131	2,839,148	2,963,117
Non-current liabilities	-	-	1,918,913	2,076,658
Current liabilities	39	6	321,029	316,600
Total liabilities	39	6	2,239,942	2,393,258
Net assets	901,643	901,125	599,206	569,859

Summarised statement of comprehensive income

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	-	-	374,129	512,089
Profit before tax	643	828	36,698	83,644
Total comprehensive income	518	819	29,347	57,260

15a. INTERESTS IN ASSOCIATES (CONT'D.)

(i) (cont'd.)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associates

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net assets at 1 January	901,125	900,306	569,859	512,599
Profit for the year	518	819	29,347	57,260
Net assets at 31 December	901,643	901,125	599,206	569,859
Interest in associate	40%	40%	25%	25%
	360,657	360,450	149,802	142,465
Unrealised profit arising from land sales	(35,825)	(35,650)	-	-
Carrying value of Group's interest	324,832	324,800	149,802	142,465

Aggregate information of associates that are not individually material

	2017 RM'000	2016 RM'000
The Group's share of loss before tax	(1,710)	(67)
The Group's share of loss after tax	(1,710)	(67)

There is no material contingent liability and capital commitment relating to associates as at 31 December 2017 and 31 December 2016.

15b. AMOUNT DUE FROM AN ASSOCIATE

Amount due from an associate is unsecured, non-interest bearing and repayable on demand.

16a. INTERESTS IN JOINT VENTURES

	Group	
	2017 RM'000	2016 RM'000
Investments in joint ventures, unquoted shares		
At 1 January	33,754	29,504
Additional investment	-	4,250
At 31 December	33,754	33,754
Investments in Redeemable Convertible Loan Stocks ("RCULS"), RCPS and RPS, issued by joint ventures		
At 1 January	636,066	602,234
Additional investment	-	33,832
At 31 December	636,066	636,066
Share of post-acquisition reserves	215,268	242,044
Amount due from joint ventures (Note (i))	167,889	167,889
	1,052,977	1,079,753

	Company	
	2017 RM'000	2016 RM'000
Investments in joint ventures, unquoted shares		
At 1 January/31 December	23,580	23,580
Investments in RCULS, RCPS and RPS, issued by joint ventures		
At 1 January/31 December	441,707	441,707
Impairment losses	(45,770)	(45,770)
At 31 December	419,517	419,517

- (i) Amount due from joint ventures is unsecured and non-interest bearing. The Group views the non-trade amount due from joint ventures as part of the Group's investment in joint ventures.

There is no material contingent liability and capital commitment relating to joint ventures as at 31 December 2017 and 31 December 2016.

16a. INTERESTS IN JOINT VENTURES (CONT'D.)

- (ii) Summarised financial information in respect of Group's material joint ventures are set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

Summarised statements of financial position

	Malaysian Bio-XCell Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current assets	380,235	275,780	203,479	197,842	191,554	191,402	775,268	665,024
Cash and cash equivalents	7,138	22,431	211,185	363,063	428	298	218,751	385,792
Other current assets	16,966	16,628	850,682	712,590	15,507	15,516	883,155	744,734
Total current assets	24,104	39,059	1,061,867	1,075,653	15,935	15,814	1,101,906	1,130,526
Total assets	404,339	314,839	1,265,346	1,273,495	207,489	207,216	1,877,174	1,795,550
Current liabilities	19,599	19,874	45,450	39,785	17,415	16,634	82,464	76,293
Trade and other payables and provisions	32,859	7,089	127,613	139,298	163	161	160,635	146,548
Total current liabilities	52,458	26,963	173,063	179,083	17,578	16,795	243,099	222,841
Non-current liabilities	104,500	-	250,000	250,000	-	-	354,500	250,000
Trade and other payables and provisions	-	-	12,965	12,296	-	-	12,965	12,296
Total non-current liabilities	104,500	-	262,965	262,296	-	-	367,465	262,296
Total liabilities	156,958	26,963	436,028	441,379	17,578	16,795	610,564	485,137
Net assets	247,381	287,876	829,318	832,116	189,911	190,421	1,266,610	1,310,413

16a. INTERESTS IN JOINT VENTURES (CONT'D.)

- (ii) Summarised financial information in respect of Group's material joint ventures are set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts. (cont'd.)

Summarised statements of comprehensive income

	Malaysian Bio-XCell Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	11,626	12,137	357,531	410,529	-	-	369,157	422,666
Depreciation and amortisation	(12,181)	(11,039)	(1,633)	(1,406)	-	-	(13,814)	(12,445)
Interest income	1,072	1,616	15,993	13,866	485	5,826	17,550	21,308
Interest expenses	(8,737)	(8,361)	(6,755)	(2,689)	784	498	(14,708)	(10,552)
(Loss)/profit before tax	(40,495)	(37,075)	127,897	167,983	(510)	5,016	86,892	135,924
Income tax expenses	-	-	(30,695)	(40,232)	-	(133)	(30,695)	(40,365)
(Loss)/profit after tax	(40,495)	(37,075)	97,202	127,751	(510)	4,883	56,197	95,559
Total comprehensive (loss)/income	(40,495)	(37,075)	97,202	127,751	(510)	4,883	56,197	95,559

16a. INTERESTS IN JOINT VENTURES (CONT'D.)

- (ii) Summarised financial information in respect of Group's material joint ventures are set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts. (cont'd.)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the joint ventures

	Malaysian Bio-XCell Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net assets at 1 January	287,876	324,951	832,116	1,024,365	190,421	185,538	1,310,413	1,534,854
(Loss)/profit for the year	(40,495)	(37,075)	97,202	127,751	(510)	4,883	56,197	95,559
Dividend paid	-	-	(100,000)	(320,000)	-	-	(100,000)	(320,000)
Net assets at 31 December	247,381	287,876	829,318	832,116	189,911	190,421	1,266,610	1,310,413
Interest in joint venture	40%	40%	50%	50%	80%	80%		
Share of net assets of the Group	85,470*	101,668*	414,659	416,058	151,929	152,337	652,058	670,063
Unrealised profit arising from land sales	(10,966)	(11,066)	(49,363)	(51,311)	-	-	(60,329)	(62,377)
Carrying value of Group's interest	74,504	90,602	365,296	364,747	151,929	152,337	591,729	607,686

* Includes investment in RCULS which is not in proportionate to equity participation ratio.

Aggregate information of joint ventures that are not individually material

	2017 RM'000	2016 RM'000
The Group's share of (loss)/profit before tax	(12,422)	13,171
The Group's share of (loss)/profit after tax	(10,819)	8,252

Details of the joint venture entities are disclosed in Note 46.

16b. AMOUNT DUE FROM JOINT VENTURES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Amount due from joint ventures				
-Non-current (Note (i))	245,581	235,652	81,507	55,495
-Current (Note (ii))	108,694	98,755	64,995	82,028
	354,275	334,407	146,502	137,523

- (i) Amount due from joint ventures are unsecured, no fixed repayment term and bears interest at an average rate of 6.8% (2016: 6.8%) per annum.
- (ii) Amount due from joint ventures are unsecured, non-interest bearing and repayable on demand except for amount of RM19,980,000 (2016:RM18,947,000) which bears an average interest of 7.81% (2016: 7.82%) per annum.

17. OTHER INVESTMENTS

	Group	
	2017 RM'000	2016 RM'000
Available-for-sale investments		
At cost:		
Unquoted shares in Malaysia	22,525	22,525
Less: Accumulated impairment losses	(22,525)	(22,525)
	-	-

18. GOODWILL

Goodwill arising from business combinations has been allocated into two individual cash-generating units ("CGU"), namely two subsidiary groups principally engaged in property development for impairment testing. The carrying amount of goodwill allocated to CGU is as follows:

	Group	
	2017 RM'000	2016 RM'000
At 1 January/31 December	621,409	621,409

18. GOODWILL (CONT'D.)**Assumptions and approach used**

The recoverable amounts of the CGU have been determined based on fair value less cost to sell and 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% (2016: 13%).

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 CGU.
Market value of identifiable assets	-	Investment properties are valued by certified external valuers as at financial year end.

In determining fair value less cost to sell of the properties, the Group relies on the works performed by the accredited independent valuer. In the absence of such valuation, the Group applied the previous transacted price.

There remains a risk that, due to unforeseen changes in the economy in which the CGU operates and/or global economic conditions, the gross margins for property development may be adversely affected.

Impact of possible changes in key assumptions

The sensitivity tests indicated that with an increase in the discount rate by 2% or reduction in the market value of identifiable assets by 10%, there will be no impairment loss required where other realistic variations remained the same.

19. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deposits with licensed banks (Note (i))	267,674	147,946	-	76,500
Cash and bank balances (Note (ii))	540,330	640,596	6,523	3,196
	808,004	788,542	6,523	79,696
Bank overdraft (Note 33)	(2,273)	-	-	-
Cash and cash equivalents	805,731	788,542	6,523	79,696

(i) The average interest rates and maturity of deposits of the Group as at financial year end was at 1.25% (2016: 3.22%) per annum and 32 days (2016: 12 days) respectively.

The average interest rates and maturity of deposits of the Company as at financial year end was at Nil (2016: 3%) per annum and 0 day (2016: 6 days) respectively.

(ii) Included in cash and bank balances of the Group is an amount of RM404,911,000 (2016: RM316,164,000) held in Housing Development Accounts as required by Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

20. DEFERRED TAXATION

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At 1 January	(51,303)	(16,986)	(222)	(169)
Recognised in income statements (Note 8)	29,471	(33,461)	222	(53)
Foreign currency translation	(446)	(856)	-	-
At 31 December	(22,278)	(51,303)	-	(222)
Presented as follows:				
Deferred tax liabilities	270,631	203,668	-	-
Deferred tax assets	(292,909)	(254,971)	-	(222)
	(22,278)	(51,303)	-	(222)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Fair value adjustment of land and building RM'000	Interest capitalised RM'000	Others RM'000	Total RM'000
At 1 January 2017	161,731	110,704	12,750	285,185
Recognised in the income statement	(2,130)	(700)	57,092	54,262
At 31 December 2017	159,601	110,004	69,842	339,447
At 1 January 2016	161,732	108,413	13,176	283,321
Recognised in the income statement	(1)	2,291	(426)	1,864
At 31 December 2016	161,731	110,704	12,750	285,185

20. DEFERRED TAXATION (CONT'D.)**Deferred tax assets of the Group:**

	Provisions RM'000	Tax losses and capital allowances RM'000	Others RM'000	Total RM'000
At 1 January 2017	(186,828)	(114,024)	(35,636)	(336,488)
Recognised in the income statement	(2,339)	(22,314)	(138)	(24,791)
Foreign currency translation	20	(466)	-	(446)
At 31 December 2017	(189,147)	(136,804)	(35,774)	(361,725)
At 1 January 2016	(180,410)	(86,119)	(33,778)	(300,307)
Recognised in the income statement	(6,430)	(27,037)	(1,858)	(35,325)
Foreign currency translation	12	(868)	-	(856)
At 31 December 2016	(186,828)	(114,024)	(35,636)	(336,488)

Deferred tax liabilities of the Company:

	Provisions	
	2017 RM'000	2016 RM'000
At 1 January	(222)	(169)
Recognised in the income statement	222	(53)
At 31 December	-	(222)

Deferred tax assets are not recognised in respect of the following items:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unused tax losses	96,440	37,327	-	-
Others	57,596	39,131	-	-
	154,036	76,458	-	-
Deferred tax benefit at 24%, if recognised	36,969	18,350	-	-

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 the Company and certain subsidiaries against which the Group can utilise the benefits.

21. PROPERTY DEVELOPMENT COSTS

	Group	
	2017 RM'000	2016 RM'000
At 1 January	6,351,640	5,728,666
Development costs incurred during the year	1,608,751	1,704,131
Transfer from/(to):		
- land held for property development (Note 13)	622,466	29,769
- property, plant and equipment (Note 11)	-	1,342
- inventories	(141,780)	(205,256)
Reversal of cost arising from completed projects	(1,876,370)	(921,008)
Foreign currency translation	(14,972)	13,996
	198,095	622,974
At 31 December	6,549,735	6,351,640
Costs recognised in income statement		
At 1 January	(3,716,285)	(3,447,032)
Recognised during the year	(1,681,481)	(1,168,468)
Reversal of cost arising from completed projects	1,876,370	921,008
Foreign currency translation	37,393	(21,793)
At 31 December	(3,484,003)	(3,716,285)
Property development costs as at 31 December	3,065,732	2,635,355

Included in costs incurred during the financial year are:

	Group	
	2017 RM'000	2016 RM'000
Interest expense (Note 6)	89,535	64,761
Staff costs (Note 5(ii))	12,421	12,211

As at the reporting date, freehold land and related development expenditure of RM509,580,000 (2016 : RM25,569,000) are pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 33(a)(i).

22. INVENTORIES

	Group	
	2017 RM'000	2016 RM'000
At cost		
Completed properties	558,115	554,441
Consumables	478	472
	558,593	554,913
At net realisable value		
Completed properties	21,855	665
Golf memberships*	29,242	29,666
	609,690	585,244

The cost of inventories recognised as cost of sales during the financial year amounted to RM113,458,000 (2016: RM42,348,000).

* Under the terms of the Development Agreement dated 16 June 2005 between Horizon Hills Development Sdn. Bhd. ("HHDSB") and Nusajaya Greens Sdn. Bhd., HHDSB shall settle part of the purchase consideration in the form of rights to club membership (golf and non-golf) which is to be issued by the Horizon Hills Resort Bhd., a wholly-owned subsidiary of HHDSB.

23. RECEIVABLES

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade receivables	(i)	642,282	395,069	-	-
Accrued billings in respect of property development costs		1,668,608	1,002,853	-	-
Amounts due from related parties	(ii)	1,035	872	-	-
Other receivables	(iii)	388,727	372,218	117,107	43,438
		2,700,652	1,771,012	117,107	43,438
Less: Allowance for impairment	(iv)	(17,334)	(17,494)	-	-
		2,683,318	1,753,518	117,107	43,438
Analysed into:					
Non-current	(v)	42,855	43,491	-	-
Current		2,640,463	1,710,027	117,107	43,438
		2,683,318	1,753,518	117,107	43,438

23. RECEIVABLES (CONT'D.)

- (i) Included in the trade receivables is an amount of RM36,135,000 (2016: RM36,135,000) owing from a joint venture entity arising from sale of land in the prior year which bears interest at 6% (2016: 6%) per annum.
- (ii) Related parties refer to those as specified in Note 38. Amount due from related parties is unsecured, non-interest bearing and repayable on demand.
- (iii) Other receivables

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Dividend receivable	-	-	110,000	40,000
Sundry debtors and prepayments (Note (a))	158,236	155,616	4,658	956
Tax recoverable (Note (a))	174,975	176,721	2,449	2,482
Deposits (Note (b))	55,516	39,881	-	-
	388,727	372,218	117,107	43,438

- (a) Included in the tax recoverable and sundry debtors are amounts of RM50.9 million and RM22.9 million respectively representing additional tax and penalty paid to Inland Revenue Board as further disclosed in Note 39(a).
- (b) Included in the deposits are:
- (i) an amount of RM7.0 million (2016: RM7.0 million) representing a deposit paid by a subsidiary for the acquisition of one parcel of freehold land held under Lot 2581, at Mukim Batu, Kuala Lumpur.
- (ii) an amount of RM15.0 million (2016: RM 15.0 million) representing a deposit paid by a subsidiary for the joint development of two parcel of freehold lands held under Lot 461 and Lot 493, Section 19, Bandar of Kuala Lumpur, Kuala Lumpur.
- (iii) an amount of RM10.0 million (2016: RM Nil) representing a deposit paid by a subsidiary for the acquisition of 19.24 acres of land at Taman Equine, Seri Kembangan, Selangor.
- (iv) an amount of RM10.0 million (2016: RM Nil) representing a deposit paid by a subsidiary for the acquisition of development rights for 2.65 acres of land at Jalan Syed Putra, Seputeh, Kuala Lumpur.

- (iv) Allowance for impairment

	Group	
	2017 RM'000	2016 RM'000
Trade receivables	2,532	2,670
Amount due from related parties	628	628
Sundry debtors	14,174	14,196
	17,334	17,494

23. RECEIVABLES (CONT'D.)

- (v) Long term receivables relate to the amount rechargeable to land purchasers for the sum paid by UEM Land, as a master developer of Puteri Harbour to Johor State Government.

Pursuant to the measurement and recognition requirement of FRS 139, the amounts due from the land purchasers are measured at fair value which are computed based on estimated future cash flows discounted at the debtors' cost of borrowing as follows:

	Group	
	2017 RM'000	2016 RM'000
At 1 January	43,491	54,849
Settlement	(907)	(4,064)
Remeasurement (Note 5)	(1,870)	(9,177)
Accretion of interest (Note 5)	2,141	1,883
At 31 December	42,855	43,491

- (vi) The Group's normal trade credit terms range from 30 to 90 days (2016: 30 to 90 days). For strategic land sales and sale of developed land, credit terms are negotiated and approved on a case by case basis.

- (vii) Ageing analysis

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2017 RM'000	2016 RM'000
Neither past due nor impaired	501,509	245,419
1 to 30 days past due not impaired	32,132	52,258
31 to 60 days past due not impaired	34,945	28,177
61 to 90 days past due not impaired	12,828	18,479
More than 90 days past due not impaired	58,336	34,861
Past due but not impaired	138,241	133,775
Impaired	2,532	15,875
	642,282	395,069
<u>Individually impaired</u>		
Nominal amount	2,532	15,875
Allowance for impairment	(2,532)	(2,670)
	-	13,205

23. RECEIVABLES (CONT'D.)

(vii) Ageing analysis (cont'd.)

Receivables that are neither past due nor impaired

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Based on past experience, the Board believes that no allowance for impairment is necessary in respect of those balances.

Receivables that are past due but not impaired

The Group has trade receivables that are related to customers with good track records with the Group or those with on-going transactions and/or progressive payments. Based on past experience, the Board believes that no allowance for impairment is necessary as the directors are of the opinion that this debt should be realised in full without making losses in the ordinary course of business.

Receivables that are impaired

The movement in allowance account for receivables is as follows:

	Group	
	2017 RM'000	2016 RM'000
At 1 January	17,494	12,029
Charge for the year (Note 5)	1,278	9,376
Reversal of impairment loss (Note 5)	(1,438)	(1,062)
Write off	-	(2,849)
At 31 December	17,334	17,494

24. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2017 RM'000	2016 RM'000
Amount due from subsidiaries		
-Non-current (Note (i))	2,385,237	2,126,757
-Current (Note (ii))	677,845	856,333
	3,063,082	2,983,090
Amount due to subsidiaries	114,743	678

During the financial year, the Company has made a provision for impairment on the amount due from a subsidiaries of RM2,352,000.

24. AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONT'D.)

- (i) Amount due from subsidiaries is unsecured, not expected to be repayable in the next 12 months and bear interest at rates ranging from 4.47% to 6.62% (2016 : 3.8% to 5.7%) per annum as at the financial year end.
- (ii) Amount due from subsidiaries mainly comprised of advances, interest receivable and payment on behalf which are unsecured, repayable on demand and non-interest bearing except for amount totalling of RM452,891,660 (2016: RM631,451,000) which bear interest rates ranging from 4.47% to 6.62% (2016: 3.8% to 5.7%) per annum as at the financial year end.

25. SHORT TERM INVESTMENTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
In Malaysia:				
Available-for-sale investments				
- Quoted shares	7	8	-	-
Financial assets at fair value through profit or loss				
- Unquoted unit trust [#]	125,190	-	125,190	-
	125,197	8	125,190	-

[#] Unquoted unit trusts represent surplus funds that are invested through tax exempted funds with licensed fund managers in the funds approved by the Securities Commission. The portfolio of investment authorised by the Board of Directors comprises only deposits in Islamic instruments with financial institutions, hence are capital preserved. The investments can be uplifted at any point in time.

26. ASSET HELD FOR SALE

The Group's investment in BIB Insurance Brokers Sdn. Bhd., an associate company, was reclassified as asset held for sale following an approval to dispose its entire 30% equity interest, comprising 450,000 ordinary shares, by the Board on 17 June 2016.

	Group 2016 RM'000
Investment in associate:	
Unquoted shares at cost - in Malaysia (Note 15a)	1,033
Share of post-acquisition reserves (Note 15a)	10,197
	11,230
Reserves relating to asset held for sale recognised directly in equity:	
- Foreign exchange translation reserves	1,182
- Available-for-sale reserves	(241)
	941

26. ASSET HELD FOR SALE (CONT'D.)

On 14 February 2017, the disposal was completed with a cash consideration received amounting to RM13,389,000. The impact arising from the disposal is as follows:

	RM'000
Cash consideration	13,389
Carrying value	(11,230)
Realisation of other reserves to retained profits	941
Gain on disposal (Note 5)	3,100

27. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVES**(i) Share capital****Authorised**

	← Group/Company →			
	Number of ordinary shares of RM0.50 each			
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
At 1 January/31 December:				
Ordinary shares	-	7,004,000	-	3,502,000

	Number of preference shares of RM0.01 each			
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
	At 1 January/31 December:			
RCPS	-	1,500,000	-	15,000

27. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVES (CONT'D.)**(i) Share capital (cont'd.)****Issued and fully paid up**

	← Group/Company →			
	Number of ordinary shares of RM0.50 each			
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
Ordinary shares				
At 1 January	4,537,436	4,537,436	2,268,718	2,268,718
Transfer pursuant to "no par value" regime:				
- Transfer from share premium	-	-	2,044,955	-
- Transfer from capital redemption reserve	-	-	4,087	-
At 31 December	4,537,436	4,537,436	4,317,760	2,268,718
	Number of preference shares of RM0.01 each			
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
RCPS (Note 29)				
At 1 January	792,516	792,516	7,925	7,925
Transfer pursuant to "no par value" regime:				
- Transfer from share premium	-	-	784,591	-
At 31 December	792,516	792,516	792,516	7,925
Total share capital			5,110,276	2,276,643

The Companies Act 2016 ("the Act"), which came into effect on 31 January 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital", "par value", "share premium" and "capital redemption reserve" have been abolished.

The amount standing to the credit of the Company's share premium and capital redemption reserve accounts of RM2,829,546,000 and RM4,087,000 respectively became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act.

Notwithstanding this provision, the Company may within 24 months from the effective date of the Act, use the amount standing to the credit of its share premium and capital redemption reserve accounts of RM2,829,546,000 and RM4,087,000 respectively for purposes as set out in Section 618(3) of the Act.

There is no impact on the number of shares in issue or the relative entitlement of any of the shareholders as a result of this transition.

27. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVES (CONT'D.)**(ii) Share premium**

	← Group/Company →			
	Number of ordinary shares of RM0.50 each			
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
Ordinary shares				
At 1 January	2,109,258	2,109,258	2,044,955	2,044,955
Transfer pursuant to "no par value" regime (Note 27(i)):				
- Transfer to share capital	-	-	(2,044,955)	-
At 31 December	2,109,258	2,109,258	-	2,044,955
	Number of preference shares of RM0.01 each			
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
RCPS				
At 1 January	792,516	792,516	784,591	784,591
Transfer pursuant to "no par value" regime (Note 27(i)):				
- Transfer to share capital	-	-	(784,591)	-
At 31 December	792,516	792,516	-	784,591
Total share premium			-	2,829,546

(iii) Merger relief reserves

The merger relief reserves represent 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.

28. OTHER RESERVES AND RETAINED PROFITS

(a) Other reserves

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
(i) Exchange fluctuation reserve				
At 1 January	70,797	28,369	-	-
Transfer to profit or loss upon disposal of an associate	(1,182)	-	-	-
Foreign currency translation	(36,746)	42,428	-	-
At 31 December	32,869	70,797	-	-
(ii) Merger reserve				
At 1 January/31 December	32,112	32,112	-	-
(iii) Fair value adjustments reserve				
At 1 January	(447)	(448)	-	-
(Loss)/gain on fair value changes	(1)	1	-	-
Transfer to profit or loss upon disposal of an associate	241	-	-	-
At 31 December	(207)	(447)	-	-
(iv) Share based payment reserve				
At 1 January	45,694	51,319	45,694	51,319
Remeasurement (Note 5(ii))	(732)	(293)	(732)	(293)
Expiry of vested employee share options	(3,906)	(5,332)	(3,906)	(5,332)
At 31 December	41,056	45,694	41,056	45,694
(v) Capital redemption reserve				
At 1 January	4,087	4,087	4,087	4,087
Transfer pursuant to "no par value" regime (Note 27(i)):				
- Transfer to share capital	(4,087)	-	(4,087)	-
At 31 December	-	4,087	-	4,087

28. OTHER RESERVES AND RETAINED PROFITS (CONT'D.)

- (a) Other reserves (cont'd.)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
(vi) Cash flow hedge reserve				
At 1 January	(223)	-	-	-
Loss on cash flow hedge	(4,428)	(223)	-	-
At 31 December	(4,651)	(223)	-	-
Total	101,179	152,020	41,056	49,781

- (b) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2017 under the single tier system.

29. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

As part settlement of the redemption of Bandar Nusajaya Development Sdn. Bhd. ("BND"), a wholly owned subsidiary of the Company, RCPS held by UEM in BND, the Company had on 30 October 2015 issued 792,515,753 RCPS of RM0.01 per RCPS at an issue price of RM1.00 per RCPS.

The salient terms of the RCPS are as follows:

- Conversion price of RM1.60 per RCPS.
- The RCPS matures on 29 October 2020.
- The RCPS can be converted at any time after the 54th month from the Issuance Date at the option of the Subscriber at the Conversion Price into Conversion Shares. Any remaining RCPS that are not converted or redeemed by the expiry of the tenure of the RCPS shall be automatically converted into Conversion Shares at the Conversion Price.
- The RCPS can be redeemed at the option of the issuer at the Redemption Price at any time after the 48th month from the Issuance Date for a period of 6 months (up to the 54th month from the Issuance Date).
- The Redemption Price is equivalent to the Redemption Value in respect of each RCPS to be redeemed.

29. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (“RCPS”) (CONT’D.)

- (f) The RCPS shall be converted or redeemed, at the value of each outstanding RCPS on the Conversion Date (as defined below) or Redemption Date (as defined below) (as the case may be) based on the following calculation:

Redemption Value = [Carrying Value 4 x 1.05 x (number of months from the 49th month from the Issuance Date to the Redemption Date / 12)] - any dividends declared for the period from the 49th month from the Issuance Date to the Redemption Date (as defined below).

Conversion Value = [Carrying Value 4 x 1.05 x (number of months from the 49th month from the Issuance Date to the Conversion Date / 12)] - any dividends declared for the period from the 49th month from the Issuance Date to the Conversion Date (as defined below).

Where:

Carrying value 4 = (Carrying Value 3 x 1.05) - any dividends declared for the period from the 37th to the 48th month from the Issuance Date.

Carrying value 3 = (Carrying Value 2 x 1.05) - any dividends declared for the period from the 25th to the 36th month from the Issuance Date.

Carrying value 2 = (Carrying Value 1 x 1.05) - any dividends declared for the period from the 13th to the 24th month from the Issuance Date.

Carrying value 1 = (Issue Price x 1.05) - any dividends declared for the period from the Issuance Date to the 12th month from the Issuance Date.

- (g) The number of Conversion Shares to be issued to the Subscriber shall be calculated in accordance with the following formula:

$$\text{Number of Conversion Share} = \frac{\text{Conversion Value}}{\text{Conversion Price}}$$

- (h) Any dividends to be declared to the holders of the RCPS must be decided at the sole discretion of the Issuer whether to annually declare, any non-cumulative dividend and the quantum of such dividend to the Subscriber, provided always that:

- (i) Such dividend shall not be more than 4.75 sen per RCPS; and
- (ii) If dividends are declared to its ordinary shareholders, then dividends in respect of the RCPS shall be paid to the Subscriber in preference.

- (i) The RCPS shall rank pari passu among themselves in respect of the right to receive dividends out of distributable profit. The Conversion Share to be issued upon conversion of the RCPS shall upon allotment and issue rank equal in all respects with the then existing shares of the Company.

30. EMPLOYEE SHARE OPTION RESERVE

Employee share option reserve represents the equity-settled share options granted to employees (Note 31). 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.

31. 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 in the Company ("ESOS shares").

The salient features of the ESOS are as follows:

- (i) The scheme shall be in force for a period of 7 years from 9 April 2012 being the date of implementation.
- (ii) The total number of ESOS shares which may be offered and issued under the ESOS shall not exceed 7.5% of the issued and paid-up ordinary share capital of the Company at any time during the duration of the ESOS.
- (iii) If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of ESOS shares made available under the ESOS to exceed 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares), no further options shall be offered until the total number of ESOS shares to be made available under the ESOS falls below 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares). Any option granted prior to the adjustments of the Company's issued and paid-up ordinary share capital (excluding treasury shares) shall remain valid and exercisable (if applicable) in accordance with the provisions of the by-laws.
- (iv) Even if the maximum number of ESOS shares stipulated is allocated to Eligible Employees, the actual number of ESOS shares to be issued will be lesser in view of the Company's adoption of Performance Vesting Criteria, whereby only Eligible Employees who are consistently "Excellent" performers for the whole duration of the ESOS would be entitled to the full vesting of their ESOS share allocation.
- (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.

31. EMPLOYEE BENEFITS (CONT'D.)**Employee share option scheme ("ESOS") (cont'd.)**

(viii) The Option Price shall be at the higher of the equivalent option tranche for the previous offers and the 5-day volume weighted average market price immediately preceding the date of offer. The exercise price for the subsequent option tranches is fixed by applying an annual escalation factor corresponding to the scheduled vesting.

Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	2017		2016	
	No. '000	WAEP RM	No. '000	WAEP RM
Outstanding at 1 January	127,808	2.83	145,849	2.81
- Granted	-	-	7,344	3.03
- Lapsed	(25,730)	2.89	(25,385)	2.79
Outstanding at 31 December	102,078	2.81	127,808	2.83
Exercisable at 31 December	96,551	2.80	91,057	2.76

Neither at the end of the financial year, nor at any time during that year, the Company granted any new share options and no options were exercised during the period.

For share options granted in 2016, weighted average fair value of options granted was RM0.02.

The exercise price for exercisable options outstanding at the end of the year ranged from RM2.23 to RM3.03. The weighted average of the remaining contractual life for these options is 2 years.

Fair value of share options granted

There were no shares options granted in the current financial year.

The details of the inputs to the option pricing model for previous financial year are as follows:

	2016
Dividend yield (%)	1.77% to 2.0%
Expected volatility (%)	34.8% to 36.0%
Risk-free interest rate (%p.a)	2.79% to 3.21%
Expected life of option (years)	1.1 to 1.6
Weighted average share price (RM)	1.11

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.

32. NON-CONTROLLING INTERESTS

The financial information of a subsidiary that has a material non-controlling interest is as follows:

- (i) Summarised statement of financial position

	Aura Muhibah Sdn. Bhd.	
	2017	2016
	RM'000	RM'000
Non-current assets	899,191	899,069
Current assets	10,548	4,547
Total assets	909,739	903,616
Current liabilities	2,204	351
Total liabilities	2,204	351
Net assets	907,535	903,265
Net assets attributable to:		
Owner of the parent	544,521	541,959
Non-controlling interest	363,014	361,306
	907,535	903,265

- (ii) Summarised statement of comprehensive income

	Aura Muhibah Sdn. Bhd.	
	2017	2016
	RM'000	RM'000
Profit for the year	4,270	3,103
Profit attributable to owners of the Company	2,562	1,862
Profit attributable to non-controlling interest	1,708	1,241
Total comprehensive income	4,270	3,103

- (iii) Summarised statement of cash flows:

	Aura Muhibah Sdn. Bhd.	
	2017	2016
	RM'000	RM'000
Net cash generated from/(used in) operating activities	5,069	(25,784)
Net cash used in investing activity	(4)	-
Net cash (used in)/generated from financing activities	(702)	681
Net change in cash and cash equivalents	4,363	(25,103)
Cash and cash equivalents at the beginning of the year	3,956	29,059
Cash and cash equivalents at the end of the year	8,319	3,956

33. BORROWINGS

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Long term borrowings					
Secured					
Term loans	(a)	122,753	156,248	-	-
Commodity Murabahah Finance	(b)	91,810	-	-	-
Unsecured					
IMTN	(c)	1,800,000	1,907,789	1,800,000	1,907,789
Commodity Murabahah Finance	(d)	719,665	340,187	-	-
		2,734,228	2,404,224	1,800,000	1,907,789
Short term borrowings					
Secured					
Loan from immediate holding company	(e)	75,065	75,223	-	-
Revolving credits	(a)	11,000	11,000	-	-
Term loans	(a)	56,000	61,000	-	-
Unsecured					
Revolving credits	(a)	370,000	361,814	257,000	248,814
IMTN	(c)	800,000	700,373	800,000	700,373
Bank overdraft	(f)	2,273	-	-	-
Commodity Murabahah Finance	(d)	71,176	-	-	-
Structured commodity	(g)	100,000	101,039	100,000	101,039
		1,485,514	1,310,449	1,157,000	1,050,226
Total borrowings		4,219,742	3,714,673	2,957,000	2,958,015
Maturities of borrowings:					
Not later than one year		1,485,514	1,310,449	1,157,000	1,050,226
Later than 1 year and not later in 5 years		2,134,228	1,754,224	1,200,000	1,257,789
More than 5 years		600,000	650,000	600,000	650,000
		4,219,742	3,714,673	2,957,000	2,958,015

33. BORROWINGS (CONT'D.)

- (a) (i) The term loans and revolving credits facilities obtained from various banks, by certain subsidiaries, which bear interest rate of 3.60% to 5.33% (2016: 4.36% to 5.30%) per annum, are secured by certain land held for property development and property development cost as disclosed in Notes 13 and Note 21.

During the financial year, the Group utilised RM10.0 million of its revolving credits, which bear an average interest of 4.56% per annum.

- (ii) During the financial year, UEM Sunrise (La Trobe Street Development) Pty Ltd, a wholly owned subsidiary of the Company via UEM Sunrise (Australia) Sdn Bhd ("AUSSB"), entered into new term loan ("the Construction Facility") with a limit of up to AUD278.0 million to part finance the development cost of Aurora Melbourne Central project, in Australia ("Aurora project") where AUD4.0 million was utilised at an interest rate of 3.60% per annum.

The Construction Facility is secured by the followings:

- First registered real property mortgage disclosed in Notes 21;
- General security agreement over all the assets and undertakings of the Borrower;
- Mortgage over the shares of the Borrower;
- General security agreement over all the assets and undertakings of UEM Sunrise (La Trobe Street) Pty Ltd;
- Mortgage over the shares and units in UEM Sunrise (La Trobe Street) Unit Trust;
- Priority and Subordination Deed pursuant to which shareholder loans and security is deeply subordinated to the Lender's satisfaction;
- Various side deeds;
- International Swaps and Derivatives Association Master Agreement acceptable to the Financiers; and
- Undertaking from the Company to provide equity contributions in and to the Borrower (in the form of redeemable preference and/or ordinary shares and/or shareholder's subordinated loans and/or subordinated advances, as the case may be) to ensure that sufficient funds and cash flow will be channelled to the Borrower for the following purposes:
 - to meet any cost overruns/shortfall in cash flow in respect of the development of the Project;
 - to ensure the performance by the Borrower of its obligations under the relevant documents which include repayment of all Loans and interest servicing payments; and
 - to ensure the timely completion of the Aurora project.

33. BORROWINGS (CONT'D.)

- (b) During the financial year, UEM Sunrise (Mackenzie Street Development) Pty Ltd (“UEMS MSD”), a wholly owned subsidiary of the Company via AUSSB, obtained a Commodity Murabahah Term Financing-i (“CMTF-i”) of up to AUD139.0 million, bearing an average interest of 4.15% per annum to part finance the development of Conservatory project in Melbourne, Australia (“Conservatory project”).

CMTF-i is secured by the followings:

- (i) Registered third party first legal mortgage over the land disclosed in Notes 21;
 - (ii) Legal assignment of all takaful/insurance taken in respect of the project with the Bank named as Loss Payee;
 - (iii) Legal assignment on the rights, benefits, interest and title over the Construction Agreement including performance guarantee/bank guarantee/retention sum for an aggregate amount of not less than 5% of contract sum shall be available upon confirmation of the contract awarded to the Main Contractor/Builder;
 - (iv) Legal assignment on the rights, benefits, interest and title over the Development Agreement (executed between UEM MSD and UEM Sunrise (Mackenzie Street) Pty Ltd (“UEMS MS”) and UEM Sunrise (Mackenzie Street) Unit Trust (“the Trust”), pursuant to an arrangement acceptable to the Banks in connection with any sales agreement(s) and sale proceeds (deposits, payments or otherwise) in respect of the Project;
 - (v) Legal charge over the Revenue Account and Finance Service Reserve Account for the tenure of the CMTF-i;
 - (vi) Third party legal charge/assignment over the Trust’s account or any Australian Equivalent Housing Development Trust Account;
 - (vii) Letter of Undertaking from UEMS MS to channel sales proceeds/100% of Total Project Cost to Designated Account; and
 - (viii) Corporate Guarantee cum undertaking by the Company.
- (c) (i) In year 2012, the Company established its Islamic Commercial Paper Programme (“ICP Programme”) and Islamic Medium Term Notes Programme (“IMTN Programme”) with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. Malaysian Rating Corporation Berhad (“MARC”) has assigned a rating of MARC-1is/AA-is for the ICP and IMTN Programme respectively.

The details of the IMTN issuances are as follows:

Issuance date	Tenures (Years)	Profit rate	At 1 January RM'million	Issuance RM'million	Repayment RM'million	At 31 December RM'million
21 December 2012	5	4.25%	600	-	(600)	-
13 December 2013	5	4.60%	700	-	-	700
30 June 2014	5	4.72%	200	-	-	200
30 June 2014	7	4.90%	200	-	-	200
10 April 2015	5	4.58%	150	-	-	150
10 April 2015	7	4.80%	150	-	-	150
			2,000			1,400

33. BORROWINGS (CONT'D.)

- (c) (ii) In year 2016, the Company established its second programme: ICP Programme and IMTN Programme with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. MARC has assigned a rating of MARC-1is/AA-is for the ICP and IMTN Programmes respectively.

The details of the ICP/IMTN issuances are as follows:

Issuance date	Tenures (Years)	Profit rate	At 1 January RM'million	Issuance RM'million	Repayment RM'million	At 31 December RM'million
20 May 2016	7 years	5.00%	500	-	-	500
9 August 2016	6 months	3.80%	100	-	(100)	-
8 February 2017	3 months	4.35%	-	100	(100)	-
8 May 2017	3 months	4.30%	-	100	(100)	-
8 August 2017	1 year	4.47%	-	100	-	100
11 December 2017	3 years	4.80%	-	200	-	200
11 December 2017	4 years	5.06%	-	300	-	300
11 December 2017	7 years	5.32%	-	100	-	100
			600			1,200

- (d) (i) On 14 September 2015, AUSSB, a wholly-owned subsidiary of the Company entered into a Commodity Murabahah Financing-i facility ("CMF-1") of up to AUD150 million to part finance the development cost of Aurora project. AUSSB entered into profit rate swap-i, a shariah compliant hedging arrangement with notional value of AUD150 million to hedge the floating interest rate risk.

During the financial year, the facility balance of AUD45 million was utilised at a profit rate of 4.36% (2016: 4.36%) per annum.

- (ii) On 11 January 2017, AUSSB entered into a Commodity Murabahah Financing-i facility ("CMF-2") of up to AUD45 million to part finance the development cost of Conservatory project.

During the financial year, CMF-2 was fully utilised which bears an average profit rate of 3.55% per annum.

- (iii) On 24 October 2017, AUSSB entered into another Commodity Murabahah Term Financing-i facility ("CMF-3") of up to USD45 million and Cross Currency Swap-i, a shariah compliant hedging arrangement to convert the entire USD notional amount into Australia Dollars, which shall not exceed AUD55 million. CMF-3 is used to part finance the development cost of Aurora project.

During the financial year, AUSSB fully utilised AUD55 million which bears profit rate at average of 3.55% per annum.

- (iv) CMF-1, CMF-2 and CMF-3 are secured by corporate guarantees issued by the Company as disclosed in Note 39.

- (e) The loan from immediate holding company bears interest at 4.75% (2016: 4.70%) per annum and is secured by land titles of approximately 114 acres (2016: 114 acres) of freehold land which are deposited with the immediate holding company.

- (f) The bank overdraft taken by Sunrise Berhad, a wholly-owned subsidiary of the Company, bears an average interest rate of 7.49% (2016: 7.73%) per annum.

33. BORROWINGS (CONT'D.)

- (g) The Structured Commodity Financing-i facility ("SCF-i") of RM50 million was obtained by the Company in year 2013. In 2015, the Company entered into an additional SCF-i Facility of RM50 million. Both the facilities were utilised for projects and working capital purposes, which bear an average profit rate of 6.37% (2016: 5.08%) per annum.
- (h) Reconciliation of liabilities arising from financing activities:

Group	← Movement →					
			Cash flows		Non-cash changes	
	2017 RM'000	2016 RM'000	Principal movement RM'000	Interest paid RM'000	Interest cost and fair value movements RM'000	Foreign exchange movement RM'000
Loan from immediate holding company	75,065	75,223	-	(2,375)	2,217	-
IMTN	2,600,000	2,608,162	396	(117,836)	109,278	-
Term loans	178,753	217,248	(38,551)	(9,560)	9,616	-
Commodity Murabahah Finance (including derivative liabilities)	887,302	340,410	571,988	(23,286)	27,714	(29,524)
Revolving credits	381,000	372,814	10,000	(19,535)	17,721	-
Bank overdraft	2,273	-	-	-	2,273 [^]	-
Structure commodity	100,000	101,039	-	(4,563)	3,524	-
	4,224,393	3,714,896	543,833	(177,155)	172,343	(29,524)

Presented in Statement of Financial Position

	2017 RM'000	2016 RM'000
Long term	2,734,228	2,404,224
Short term	1,485,514	1,310,449
Derivative liabilities	4,651	223
	4,224,393	3,714,896

[^] Where the movement is excluded in cash flows other than financing activities.

33. BORROWINGS (CONT'D.)

(h) Reconciliation of liabilities arising from financing activities:

Company	2017 RM'000	2016 RM'000	Movement		Interest cost and others RM'000
			Principal movement RM'000	Interest paid RM'000	
IMTN	2,600,000	2,608,162	396	(117,836)	109,278
Revolving credits	257,000	248,814	10,000	(13,485)	11,671
Structure commodity	100,000	101,039	-	(4,564)	3,525
	2,957,000	2,958,015	10,396	(135,885)	124,474

Presented in Statement of Financial Position

	2017 RM'000	2016 RM'000
Long term	1,800,000	1,907,789
Short term	1,157,000	1,050,226
	2,957,000	2,958,015

34. PROVISIONS

	Provision for customer rebates and free maintenance RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Provision for foreseeable losses RM'000 (Note c)	Provision for liquidated ascertained damages RM'000 (Note d)	Total RM'000
2017					
Non-Current					
At 1 January	-	380,547	549,675	-	930,222
Additions	-	-	31	-	31
Reclassification	-	(16,431)	(2,602)	-	(19,033)
At 31 December	-	364,116	547,104	-	911,220

34. PROVISIONS (CONT'D.)

	Provision for customer rebates and free maintenance RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Provision for foreseeable losses RM'000 (Note c)	Provision for liquidated ascertained damages RM'000 (Note d)	Total RM'000
2017					
Current					
At 1 January	34,027	239,220	116,679	49,816	439,742
Additions	23,003	162,518	890	23,043	209,454
Utilised	(27,855)	(97,333)	(28,593)	(65,469)	(219,250)
Reversal	(4,951)	(38,045)	-	(882)	(43,878)
Reclassification	-	16,431	2,602	-	19,033
At 31 December	24,224	282,791	91,578	6,508	405,101
2016					
Non-Current					
At 1 January	-	411,436	-	-	411,436
Additions	-	-	549,675	-	549,675
Utilised	-	(1,438)	-	-	(1,438)
Reclassification	-	(29,451)	-	-	(29,451)
At 31 December	-	380,547	549,675	-	930,222
Current					
At 1 January	31,940	276,041	133,973	14,552	456,506
Additions	14,822	43,758	24,856	42,189	125,625
Utilised	(10,742)	(102,594)	(37,974)	(6,925)	(158,235)
Reversal	(1,993)	(7,436)	(4,176)	-	(13,605)
Reclassification	-	29,451	-	-	29,451
At 31 December	34,027	239,220	116,679	49,816	439,742

(a) Provision for customer rebates and free maintenance

Provision for customer rebates refers to cash given to customers for purchases of properties developed by the Group.

Provision for free maintenance refers to maintenance costs borne by the developer for the benefit of property purchasers.

(b) Provision for construction costs

Provision for construction costs comprises of estimated final claims by contractors which have not been finalised and provision for property development, infrastructure and land related cost relating to portions of land sold.

34. PROVISIONS (CONT'D.)**(c) Provision for foreseeable losses**

This relates to anticipated losses to be incurred for the development of low cost housing under the requirement of the State Government.

(d) Provision for liquidated ascertained damages

Provision for liquidated ascertained damages refers to liquidated ascertained damages expected to be claimed by the customers based on the terms of the applicable sale and purchase agreements.

35. PAYABLES

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade payables and accruals	(i)	691,494	741,276	-	-
Amounts due to immediate holding company	(ii)	29,897	-	9,915	-
Amounts due to related parties	(ii)	5,105	685	-	-
Other payables and accruals	(iii)	225,622	138,783	42,921	1,067
		952,118	880,744	52,836	1,067
Analysed into:					
Non-current		63,528	95,923	-	-
Current		888,590	784,821	52,836	1,067
		952,118	880,744	52,836	1,067

The normal trade credit terms granted to the Group range from 30 to 60 days (2016: 30 to 60 days).

- (i) Included in trade payables and accruals is an amount of RM166.2 million (2016: RM151.8 million) representing accrued project development cost.
- (ii) Amounts due to immediate holding company and related parties are unsecured, non-interest bearing and credit terms of 30 days.
- (iii) Other payables and accruals

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Sundry creditors	86,937	50,975	3,809	111
Deposits received*	50,721	22,436	84	-
Accruals	54,949	56,953	20,893	956
Employee benefits	33,015	8,419	18,135	-
	225,622	138,783	42,921	1,067

- * Included in deposits of the Group in the current financial year, an amount of RM31.0 million representing deposits paid by a land purchaser.

36. DEFERRED INCOME**Unrealised profit**

In year 2014, the Group completed the sale of land to an associate. The profit recognised from the disposal of land by the subsidiaries to the associate is eliminated to the extent of the Group's interest in the associate.

Accordingly, the Group recognised the excess of the unrealised profit over the carrying value of the associate as deferred income. The deferred income is amortised or realised to profit or loss over the period when the underlying asset of the associate is realised or disposed.

37. 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.

To ensure a sound system of internal controls, the Board Risk Committee ("the BRC") 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
- The roles of the Board, the BRC, the Management, the Risk Management Committee ("the 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 BRC in carrying out its responsibilities. The BRC is established by the Board to assist the Board in ensuring a sound and robust Risk Management Framework and its implementation to enhance the Group's corporate governance practices with focus on risk issues and its mitigations. The Group Managing Director/Chief Executive Officer is the Chairman of the RMC. The RMC will deliberate on significant risks faced by the Group and reports the results of these to the BRC which assist the Board of Directors in deliberating on the identified risks and ensuring the implementation of appropriate systems and controls to manage these risks.

The policies for controlling these risks where applicable are set out below:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Generally, the Group does not require collateral in respect of its financial assets. The Group is not duly exposed to any individual customer or counter party nor does it have any major concentration of credit risk related to any financial instrument except as disclosed in Note 23.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(a) Credit risk (cont'd.)**

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statements of financial position. The Group's main financial assets are its receivables. Ageing analysis is disclosed in Note 23(vii).

The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or group of receivables except for the dividend receivable from a subsidiary representing 94% (2016: 92%) of the total gross receivables and amount owing by a subsidiary representing 59% (2016: 62%) of the total gross amount due from subsidiaries as disclosed in Note 23 and Note 24 respectively.

The following are the carrying amounts of the financial instruments of the Group and the Company at reporting date:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<u>Available-for-sale</u>				
Interests in subsidiaries:				
- Unquoted RCPS (Note 14)	-	-	1,363,675	1,363,675
Interests in an associate:				
- Unquoted RPS (Note 15(a))	360,000	360,000	-	-
Interests in joint ventures:				
- Unquoted RCULS, RCPS and RPS (Note 16(a))	636,066	636,066	441,707	441,707
	996,066	996,066	1,805,382	1,805,382
<u>Loans and receivables</u>				
Receivables				
- Non-current (Note 23)	42,855	43,491	-	-
- Current*	789,289	515,303	114,658	40,956
Amount due from subsidiaries				
- Non-current (Note 24)	-	-	2,385,237	2,126,757
- Current (Note 24)	-	-	677,845	856,333
Amount due from associates (Note 15(b))	577	-	130	-
Interest in joint ventures				
- Amount due from joint ventures (Note 16(a))	167,889	167,889	-	-
Amount due from joint ventures				
- Non-current (Note 16(b))	245,581	235,652	81,507	55,495
- Current (Note 16(b))	108,694	98,755	64,995	82,028
Short term investment (Note 25)	125,197	8	125,190	-
Cash and bank balances (Note 19)	808,004	788,542	6,523	79,696
	2,288,086	1,849,640	3,456,085	3,241,265

* Trade and other receivables exclude prepayments, tax recoverable and accrued billings in respect of property development costs.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and short-term imbalances are addressed by buying or selling foreign currencies at spot rates.

The table below shows the Group's currency exposures, i.e. those transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the income statement. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating currency of the operating units involved.

	Functional currency of Group	
	2017 RM'000	2016 RM'000
Canadian Dollar ("CAD")	31,880	76,280
Singapore Dollar ("SGD")	58	917
South Africa Rand ("ZAR")	27,868	27,742
Australian Dollar ("AUD")	(790,841)	(340,187)
United States Dollar ("USD")	16,121	17,841
	(714,914)	(217,407)

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the CAD, SGD, ZAR, AUD and USD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant.

	Group	
	2017 RM'000	2016 RM'000
CAD/ RM (strengthened 5%)	1,693	2,898
SGD/ RM (strengthened 5%)	2	35
ZAR / RM (strengthened 5%)	1,059	1,054
AUD/ RM (strengthened 5%)	(30,052)	(12,927)
USD / RM (strengthened 5%)	613	678

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(c) Liquidity and cash flow risk**

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group's objective is to maintain a balance of cost of funding and flexibility through the use of credit facilities, short and long term borrowings. Short-term flexibility is achieved through credit facilities and short-term borrowings. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve the Group's objective.

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade and other payables	952,118	880,744	52,836	1,067
Borrowings	4,219,742	3,714,673	2,957,000	2,958,015
Amount due to subsidiaries	-	-	114,743	678
	5,171,860	4,595,417	3,124,579	2,959,760

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts are disclosed as follows:

	2017			
	Within 1 year RM'000	2 to 5 years RM'000	5 years and above RM'000	Total RM'000
Group				
Trade and other payables	888,590	63,528	-	952,118
Loans and borrowings	1,652,872	2,365,521	680,607	4,699,000
	2,541,462	2,429,049	680,607	5,651,118
Company				
Trade and other payables	52,836	-	-	52,836
Loans and borrowings	1,280,395	1,400,626	680,607	3,361,628
Corporate guarantee**	107,316	744,891	104,615	956,822
Amount due to subsidiaries	114,743	-	-	114,743
	1,555,290	2,145,517	785,222	4,486,029

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(c) Liquidity and cash flow risk (cont'd.)**

	2016			Total RM'000
	Within 1 year RM'000	2 to 5 years RM'000	5 years and above RM'000	
Group				
Trade and other payables	784,821	95,923	-	880,744
Loans and borrowings	1,481,514	2,048,630	686,542	4,216,686
	2,266,335	2,144,553	686,542	5,097,430
Company				
Trade and other payables	1,067	-	-	1,067
Loans and borrowings	1,164,546	1,473,409	686,542	3,324,497
Corporate guarantee**	14,832	14,832	345,023	374,687
Amount due to subsidiaries	678	-	-	678
	1,181,123	1,488,241	1,031,565	3,700,929

** Based on the maximum amount that can be called for under the corporate guarantees. No default has occurred at the end of the financial year.

Hedging activities

The Group had entered into hedging activities as follows:

- (i) The Group had entered into an interest rate swap to hedge the cash flow risk in relation to the floating interest rate of a borrowing denominated in AUD as disclosed in Note 33(d)(i). The interest rate swap has the same nominal value of RM474,504,000 (2016: RM340,187,000) and is settled every quarterly, consistent with the interest repayment schedule of the borrowings.
- (ii) During the financial year, the Group had entered into Cross Currency Swap-i, a currency rate swap contract together with CMF-3 to hedge the foreign currency risk in relation to the drawdown of USD45 million, which shall not exceed cash received from drawdown of AUD55 million. Details of CMF-3 as disclosed in Note 33(d)(iii).

Details of derivative financial instruments outstanding are as follows:

	Contractual amount RM'000	Fair value RM'000
At 31 December 2017		
Interest rate swap	474,504	(3,037)
Currency swap	173,985	(1,614)
	648,489	(4,651)
At 31 December 2016		
Interest rate swap	340,187	(223)

The fair value loss of RM4,428,000 (2016: RM223,000) was recognised in OCI.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(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	
	2017 %	2016 %
Financial assets		
Floating rate	1.25%	3.22%
Financial liabilities		
Fixed rate	4.74%	4.54%
Floating rate	4.42%	4.96%

The average interest rates per annum on the financial liabilities can be further analysed as follows:

	Group	
	2017 %	2016 %
Financial liabilities		
Loan from immediate holding company	4.75%	4.70%
Commodity Murabahah Finance	4.04%	4.36%
Term loans	4.55%	5.00%
Revolving credits	4.63%	4.94%
Bank overdraft	7.49%	7.73%
IMTN	4.81%	4.64%
Structured commodity	6.37%	5.08%

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 RM818,000 (2016: RM224,000) as a result of lower/higher interest expense on borrowings.

(e) Market risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate as a result of changes in market prices (other than interest or exchange rates). The Group's exposure to market price risk is minimal as the Group's investment in quoted equity instruments are small compared to its total assets.

38. 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	
	2017 RM'000	2016 RM'000
Paid/payable to UEM:		
- Facility and maintenance fees	(7,042)	-
- Rental	(5,851)	(5,512)
- Management fees payable	(4,028)	(146)
- Information technology shared services	(3,317)	(163)
- Interest on loan	(2,470)	(2,457)
- Training fees	(237)	(368)
Paid/payable to UEM Sunrise Edgenta TMS Sdn. Bhd., an associate:		
- Facility and maintenance fees	(11,168)	(2,751)
- Management fees	(5,832)	(2,300)
Rental paid/payable to a subsidiary of UEM		
- First Impact Sdn. Bhd.	(768)	(506)
Realisation of land sale to joint ventures:		
- Horizon Hills Development Sdn. Bhd.	4,656	6,597
- Malaysian Bio-XCell Sdn. Bhd.	319	319
- Haute Property Sdn. Bhd.	-	2,038
- Nusajaya Consolidated Sdn. Bhd.	-	236
Interest income from joint ventures:		
- Desaru South Course Residences Sdn. Bhd.	3,061	4,180
- Desaru North Course Residences Sdn. Bhd.	2,116	2,889
- Sime Darby Sunrise Development Sdn. Bhd.	1,428	408
- Nusajaya Lifestyle Sdn. Bhd.	1,157	1,021
- Nusajaya Consolidated Sdn. Bhd.	586	491
- Desaru South Course Land Sdn. Bhd.	62	85
- Haute Property Sdn. Bhd.	-	3,224
Interest income from interest in a joint venture		
- Malaysian Bio-XCell Sdn. Bhd.	-	943

38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd.)

	Group	
	2017 RM'000	2016 RM'000
Management fee received/receivable from joint ventures:		
- Nusajaya Tech Park Sdn. Bhd.	916	517
- Cahaya Jauhar Sdn. Bhd.	420	420
Management fees received/receivable from a Khazanah Group's joint venture company		
- M+S Pte. Ltd.	12,228	13,018
Professional services rendered by a firm related to directors of the Company:		
- Nawawi Tie Leung group of companies	(437)	(369)
- KPK Quantity Surveyors (Semenanjung) Sdn. Bhd.	(120)	(195)
Sale of property to:		
- Director of UEM	4,727	-
- Key management personnel of UEM	1,267	-
- Directors of the Company	6,541	77
- Key management personnel of the Company*	2,486	-
- Directors of subsidiaries of the Company	5,206	-
- Director of UEM Sunrise Edgenta TMS Sdn. Bhd.	1,244	-
Government related financial institution:		
- Repayment of borrowings	-	(200,000)

- * Excluding transactions with key management personnel who is also a director of the Company and directors of subsidiaries.

38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd.)

	Company	
	2017 RM'000	2016 RM'000
Dividend from a subsidiary	110,000	40,000
Management fee from subsidiaries	42,016	-
Interest income from subsidiaries	116,812	92,099
Interest income from joint ventures	6,989	7,154
Paid/payable to UEM:		
- Information technology shared services	(3,317)	-
- Training fees	(75)	-
Paid/payable to subsidiary:		
- Rental	(2,756)	-
- Facility and maintenance fees	(1,630)	-
Rental paid/payable to a subsidiary of UEM:		
- First Impact Sdn. Bhd.	(2)	-

Related parties refer to:

- subsidiaries, associates and joint ventures of the Company and their subsidiaries;
- Khazanah Nasional Berhad, the ultimate holding company, its subsidiaries and associates excluding subsidiaries of the Company;
- those companies controlled, jointly controlled and significantly influenced by the Government of Malaysia, other than those mentioned above;
- Directors and key management personnel having authority and representation for planning, directing and controlling the activities of the Company and their close family members;
- Enterprises owned by directors and key management personnel; and
- Enterprises that have a member of key management in common with the Company.

The directors are of the opinion that all the transactions above have been entered into in the normal course of the business and have been established on mutually agreed terms and conditions.

38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) The remuneration of members of key management personnel during the financial year is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Salaries and other emoluments	7,339	5,689	3,618	1,267
Employee share option scheme	(69)	(24)	(63)	-
Bonus	729	924	351	161
Defined contribution plan	1,153	929	563	148
Benefits-in-kind	669	585	356	108
Ex-gratia	-	56	-	-
Other benefits	187	67	187	-
	10,008	8,226	5,012	1,684
Included in compensation of key management personnel are directors' remuneration (Note 5(i))	1,589	1,684	1,589	1,684

39. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

	Company	
	2017 RM'000	2016 RM'000
Corporate guarantees given to bank for credit facilities granted to subsidiaries	891,974	344,119
Undertaking given to bank for credit facilities granted to a subsidiaries	12,680	-
	904,654	344,119

39. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES (CONT'D.)**(a) Income tax assessment**

On 3 October 2011, BND, a subsidiary of the Company which was held through its wholly owned subsidiary, UEM Land, received a notice of additional assessment from the Inland Revenue Board ("IRB") for additional tax and penalty of RM50.9 million and RM22.9 million respectively in respect of the year of assessment 2006.

On 4 September 2012, the Kuala Lumpur High Court ("KLHC") ruled in favour of BND and declared that IRB had no legal basis to raise the additional assessment. Following the decision held by the KLHC, IRB had filed an appeal to the Court of Appeal ("CoA") against the decision made.

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

On 18 October 2016, the FC reversed the decisions of the CoA and the KLHC and ordered that BND should have appealed by way of filing a notice of appeal to the Special Commissioners of Income Tax. The FC's decision has resulted in the Form JA issued by the IRB dated 22 September 2011 totalling RM73.8 million to become due and payable within 30 days of which was paid in full on 5 December 2016.

On 25 October 2016 and 26 October 2016, BND filed in a notice of appeal ("Form Q") and the notice was rejected by IRB on 25 October 2016 and 26 October 2016 respectively. On 10 November 2016, BND filed a notice for extension of time to make an appeal to the Special Commissioners of Income Tax (Form N) for which was rejected by the IRB on 8 February 2017, as well a judicial review application against the rejection of the Form Q on 17 January 2017. The judicial review application case management was heard on 7 February 2017 and 24 April 2017 was set as the hearing date.

In addition to the judicial review, the Company's solicitors filed a written representation directly to the Special Commissioners of Income Tax ("SCIT") requesting for approval to file the Form Q. The SCIT granted their approval and BND filed the Form Q on 20 March 2017. The IRB via their letter dated 21 March 2017 informed that they will within 30 days from 20 March 2017 present the Form Q to their Dispute Resolution Department for their consideration. If the IRB cannot reach a decision internally on the issue, the Form Q will then be presented to SCIT on or before 19 January 2018. With this, the judicial review (which was lodged at the High Court concurrently) had been withdrawn.

On 23 January 2018, the Company's solicitors, after making due enquiry with IRB, informed that IRB had until 19 March 2018 to present the case to SCIT as allowed by the law. The Form Q was subsequently forwarded to SCIT on 14 March 2018. Upon receipt of the court date from the SCIT, the Company's solicitors can then proceed to present the merits of the case to the SCIT of which the Company's solicitors are of the view that BND has a strong case to argue that IRB has no legal or factual basis to issue the notice of additional assessment nor there is legal or factual basis for IRB to impose the penalty.

(b) On 25 July 2017, UEM Land was served with the Claim filed by the Plaintiffs in relation to shares held in Setia Haruman ("the 1st Defendant"). UEM Land is cited as the 9th Defendant in the Claim.

The Claim seeks, amongst others, for:

- (i) a declaration that the 2nd to 9th Defendants respectively had managed and conducted the affairs of the 1st Defendant and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfairly prejudicial to the interest of the Plaintiffs as members of Setia Haruman pursuant to Section 346 of the Companies Act 2016; and
- (ii) an order that the 2nd to the 9th Defendants do jointly and/or severally purchase the 750,000 ordinary shares of Setia Haruman owned or held by Impresive Circuit at such price and on such terms as shall be determined by the Honourable Court.

UEM Land denies allegations made by the Plaintiffs and will be vigorously defending the Claim and is seeking advice from its solicitors to that end. Based on the foregoing, at this juncture, the Claim has no material financial and operational impact to the Group and the Company. The Company's solicitor is of the view that UEM Land has a reasonably good chance of success in defending the Plaintiffs' case against UEM Land.

40. CAPITAL COMMITMENTS

	Group	
	2017 RM'000	2016 RM'000
In respect of purchase of property, plant and machinery, and investment property		
Approved and contracted for	35,389	4,655
Approved but not contracted for	399,110	469,300
	434,499	473,955

41. FAIR VALUES

The following are fair value of financial instruments by classes:

	2017		2016	
	Carrying amount RM'000	Fair values (Level 3) RM'000	Carrying amount RM'000	Fair values (Level 3) RM'000
Group				
Borrowings (non-current portion)	2,734,228	2,728,520	2,404,224	2,400,545
Company				
Borrowings (non-current portion)	1,800,000	1,794,292	1,907,789	1,904,111

As stipulated in Amendments to FRS 7 : Improving Disclosure about Financial Instruments, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

- Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

41. FAIR VALUES (CONT'D.)

The following table presents the Group's other financial assets and financial liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2017:				
Assets				
Group				
Short term investments:				
Financial asset available for sale	7	-	-	7
Financial asset at fair value through profit or loss	-	125,190	-	125,190
	7	125,190	-	125,197
Company				
Short term investments:				
Financial asset at fair value through profit or loss	-	125,190	-	125,190
Liabilities				
Group				
Derivative liability:				
Profit rate swap	-	3,037	-	3,037
Interest rate swap	-	1,614	-	1,614
	-	4,651	-	4,651
At 31 December 2016:				
Group				
Assets				
Short term investments:				
Financial asset available for sale	8	-	-	8
Liabilities				
Derivative liability:				
Interest rate swap	-	223	-	223

41. FAIR VALUES (CONT'D.)Determination of fair values

The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

Receivables (Note 23)

Payables (Note 35)

The carrying amounts of the financial assets and financial liabilities are reasonable approximations of fair values due to their short term nature.

(a) Borrowings (current)

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.

(d) Corporate guarantees

Fair value of all unexpired corporate guarantees given to bank for credit facilities granted to subsidiaries were assessed to be Nil at the inception of issuance of the guarantees.

Non financial instruments

The following table provides the fair value measurement hierarchy of the Group's assets.

Quantitative disclosures fair value measurement hierarchy for asset:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2017:				
Assets for which fair value are disclosed:				
Investment properties (Note 12)	-	-	919,110	919,110

41. FAIR VALUES (CONT'D.)

(d) Financial guarantees (cont'd.)

Non financial instruments (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2016:				
Assets for which fair value are disclosed:				
Investment properties (Note 12)	-	-	763,200	763,200

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

As at 31 December 2017, accredited independent valuers had been engaged to perform a valuation of the Group's properties. Depending on the types of properties, the independent valuers applied various valuation techniques.

Description of valuation techniques used and key inputs:

Properties	Valuation technique
Offices	Income approach
Car parks	Comparison and income approaches
Retail	Comparison approach
Ferry terminal	Comparison and cost approaches

The income approach uses valuation techniques to convert estimated future amounts of cash flows or income to a single present value (discounted) amount. To this estimated future amounts of cash flows or income, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

The comparison method seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Due considerations, are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of its depreciation and obsolescence to arrive at the depreciated building value.

42. 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.

43. SEGMENT INFORMATION

(a) Business unit segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

- (i) Property development - development and sales of residential and commercial properties
- (ii) Property investment - holds to earn rental income and/or capital appreciation
- (iii) Others - investment holding, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments have been entered into a normal course of business and have been established on mutually agreed terms and conditions.

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in five geographical areas:

- (i) Malaysia - the operations in this area are principally development and sales of residential and commercial properties, development of investment properties, holds to earn rental income and/or capital appreciation, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies
- (ii) Canada - the operations in this area are principally development and sales of residential and commercial properties
- (iii) Australia - the operations in this area are principally development and sales of residential and commercial properties
- (iv) Singapore - the operation in this area is principally project management
- (v) South Africa - the operations in this area are principally development and sales of residential and commercial properties

43. SEGMENT INFORMATION (CONT'D.)**Business segment information**

At 31 December 2017	Property development RM'000	Property investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External revenue	2,791,655	55,819	55,968	-	2,903,442
Inter-segment revenue	-	827	10,264	(11,091)	-
Total revenue	2,791,655	56,646	66,232	(11,091)	2,903,442
Results					
Segment results	517,956	1,828	8,077	(25,072)	502,789
Finance costs	(82,772)	(16,709)	(16,737)	25,072	(91,146)
Share of results of associates	6,693	-	(859)	-	5,834
Share of results of joint ventures	40,152	(2,778)	(16,198)	-	21,176
Profit/(loss) before zakat and income tax	482,029	(17,659)	(25,717)	-	438,653
Zakat	(2,744)	-	-	-	(2,744)
Tax expense	(155,055)	50	704	-	(154,301)
Profit/(loss) for the year	324,230	(17,609)	(25,013)	-	281,608
Attributable to:					
Owners of the parent	324,230	(17,609)	(26,536)	-	280,085
Non-controlling interests	-	-	1,523	-	1,523
Profit/(loss) for the year	324,230	(17,609)	(25,013)	-	281,608

43. SEGMENT INFORMATION (CONT'D.)**Business segment information (cont'd.)**

At 31 December 2017	Property development RM'000	Property investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Assets					
Segment assets	12,340,284	796,495	208,149	(675,868)	12,669,060
Interest in:					
- associates	495,234	-	5,151	-	500,385
- joint ventures	888,301	90,172	74,504	-	1,052,977
Income tax assets	169,083	1,674	4,218	-	174,975
Total assets	13,892,902	888,341	292,022	(675,868)	14,397,397
Liabilities					
Segment liabilities	6,748,980	652,836	148,887	(675,868)	6,874,835
Income tax liabilities	89,832	-	570	-	90,402
Total liabilities	6,838,812	652,836	149,457	(675,868)	6,965,237
Other information					
Additions to non-current assets	165,201	80,704	4,244	-	250,149
Depreciation and amortisation	(7,978)	(15,859)	(1,390)	-	(25,227)

43. SEGMENT INFORMATION (CONT'D.)**Business segment information (cont'd.)**

At 31 December 2016	Property development RM'000	Property investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External revenue	1,728,277	58,157	55,045	-	1,841,479
Inter-segment revenue	-	1,085	12,643	(13,728)	-
Total revenue	1,728,277	59,242	67,688	(13,728)	1,841,479
Results					
Segment results	200,237	7,753	29,067	(19,197)	217,860
Finance costs	(62,509)	(13,667)	(19,013)	19,197	(75,992)
Share of results of associates	15,190	-	(614)	-	14,576
Share of results of joint ventures	77,916	(1,882)	(14,830)	-	61,204
Profit/(loss) before zakat and income tax	230,834	(7,796)	(5,390)	-	217,648
Zakat	(4,719)	-	-	-	(4,719)
Tax expense	(63,713)	(120)	(757)	-	(64,590)
Profit/(loss) for the year	162,402	(7,916)	(6,147)	-	148,339
Attributable to:					
Owners of the parent	162,402	(7,916)	(7,184)	-	147,302
Non-controlling interests	-	-	1,037	-	1,037
Profit/(loss) for the year	162,402	(7,916)	(6,147)	-	148,339

43. SEGMENT INFORMATION (CONT'D.)**Business segment information (cont'd.)**

At 31 December 2016	Property development RM'000	Property investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Assets					
Segment assets	11,465,198	733,207	168,981	(592,281)	11,775,105
Interest in:					
- associates	486,384	-	6,007	-	492,391
- joint ventures	896,201	92,950	90,602	-	1,079,753
Income tax assets	172,319	1,533	2,869	-	176,721
Total assets	13,020,102	827,690	268,459	(592,281)	13,523,970
Liabilities					
Segment liabilities	6,214,205	576,621	82,272	(592,279)	6,280,819
Income tax liabilities	49,044	-	755	-	49,799
Total liabilities	6,263,249	576,621	83,027	(592,279)	6,330,618
Other information					
Additions to non-current assets	767,458	69,810	28,283	-	865,551
Depreciation and amortisation	(9,216)	(13,077)	(4,107)	-	(26,400)

43. SEGMENT INFORMATION (CONT'D.)**Geographical information**

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2017 RM'000	2016 RM'000
Malaysia	1,551,872	1,483,699
Canada	375,331	18,385
Australia	963,889	325,462
Singapore	12,350	13,933
	2,903,442	1,841,479

	Non-current assets	
	2017 RM'000	2016 RM'000
Malaysia	6,959,784	7,170,735
Canada	-	251,701
Australia	57,186	249,466
South Africa	22,049	22,885
Singapore	21	22
	7,039,040	7,694,809

44. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Nusajaya Five O Sdn. Bhd.	Provision of security services	Malaysia	100	100
Nusajaya Resort Sdn. Bhd.	Operator of the East Ledang Clubhouse	Malaysia	100	100
Sunrise Berhad	Property development and investment holding	Malaysia	100	100

44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
UEM Land Berhad	Property development, property investment, project procurement and management, and strategic investment holding	Malaysia	100	100
UEM Sunrise (Australia) Sdn. Bhd.	Investment holding	Malaysia	100	100
UEM Sunrise (Canada) Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	100	100
UEM Sunrise Management Services Sdn. Bhd.	Investment holding	Malaysia	100	100
UEM Sunrise Properties Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	100	100
Subsidiaries of Sunrise Berhad				
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
Ibarat Duta Sdn. Bhd.	Property development	Malaysia	100	100
Laser Tower Sdn. Bhd.	Property development	Malaysia	100	100
Lembah Suria Sdn. Bhd.	Property development	Malaysia	100	100
Lucky Bright Star Sdn. Bhd.	Property investment and development	Malaysia	100	100
Milik Harta Sdn. Bhd.	Property development	Malaysia	100	100
New Planet Trading Sdn. Bhd.	Property investment and development	Malaysia	100	100
Prinsip Eramaju Sdn. Bhd.	Property development	Malaysia	100	100
Saga Centennial Sdn. Bhd.	Ceased operations	Malaysia	100	100

44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Subsidiaries of Sunrise Berhad (cont'd.)				
SCM Property Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100
Solid Performance Sdn. Bhd.	Property development	Malaysia	100	100
Summer Suites Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Alliance Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Benchmark Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Century Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Hospitality and Leisure Sdn. Bhd.	Provision of ancillary services to property related projects	Malaysia	100	100
Sunrise Innovations Sdn. Bhd.	Property development	Malaysia	100	100
# Sunrise International Development Ltd.	Investment holding	The Cayman Islands	100	100
Sunrise Landmark Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Mersing Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Oscar Sdn. Bhd.	Investment holding	Malaysia	100	100
Sunrise Overseas Corporation Sdn. Bhd.	Investment holding and provision of management services	Malaysia	100	100
Sunrise Paradigm Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Pioneer Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Project Services Sdn. Bhd.	Property development and project management for property development	Malaysia	100	100
Sunrise Quality Sdn. Bhd.	Property development	Malaysia	100	100

44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Subsidiaries of Sunrise Berhad (cont'd.)				
Sunrise Region Sdn. Bhd.	Property development	Malaysia	100	100
Sunrise Sovereign Sdn. Bhd.	Investment holding	Malaysia	100	100
Sun Victory Sdn. Bhd.	Property investment and development	Malaysia	100	100
Sunrise MS Pte. Ltd.	Provision of consultancy, advisory and technical services in relation to project development	Republic of Singapore	100	100
Sunrise Overseas (S) Pte. Ltd.	Promotion and management services relating to the Group's properties	Republic of Singapore	100	100
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
Subsidiaries of Sunrise Holdings S.à.r.l.				
** Canada Sunrise Development Corp.	Property investment and development	Canada	100	100
Subsidiaries 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	100

44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
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 developer and undertaking construction and turnkey development contracts	Malaysia	100	100
Marina Management Sdn. Bhd.	Marina management and property management	Malaysia	100	100
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 specialised buildings for long term lease and property development	Malaysia	100	100
Projek Usahasama Transit Ringan Automatik Sdn. Bhd.	In creditors' voluntary liquidation	Malaysia	100	100
UEM Sunrise Nusantara Sdn. Bhd.	Investment holding	Malaysia	100	100
UEM Sunrise Overseas Corportion Sdn. Bhd.	Investment holding	Malaysia	100	100
UEM Sunrise Pacific Sdn. Bhd.	Investment holding	Malaysia	100	100
UEM Sunrise Ventures Sdn. Bhd.	Investment holding	Malaysia	100	100

44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Subsidiaries of UEM Land Berhad (cont'd.)				
Aura Muhibah Sdn. Bhd.	Property development	Malaysia	60	60
Marak Unggul Sdn. Bhd.	Dormant	Malaysia	50	50
® Sarandra Malaysia Sdn. Bhd.	Dormant	Malaysia	-	100
Subsidiaries of Bandar Nusajaya Development Sdn. Bhd.				
Nusajaya Gardens Sdn. Bhd.	Land trading and investment holding	Malaysia	100	100
Nusajaya Greens Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	100	100
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
Subsidiary of UEM Sunrise Nusantara Sdn. Bhd.				
P.T. Bias Permata	Investment holding	Indonesia	100	100

44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Subsidiary of UEM Sunrise Overseas Corporation Sdn. Bhd.				
* UEM Sunrise South Africa (Pty) Ltd.	Investment holding	South Africa	100	100
Subsidiary of UEM Sunrise South Africa (Pty) Ltd.				
*^ R.O.C Management Services (Proprietary) Ltd.	Representation of holding company in South Africa	South Africa	-	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
Subsidiary of UEM Sunrise (Australia) Sdn. Bhd				
# UEM Sunrise (Land) Pty. Ltd.	Holding and financing company	Australia	100	100
# UEM Sunrise (Developments) Pty. Ltd.	Holding and financing company	Australia	100	100
Subsidiaries of UEM Sunrise (Land) Pty. Ltd.				
# UEM Sunrise (La Trobe Street) Pty. Ltd.	Trustee company	Australia	100	100
# UEM Sunrise (Mackenzie Street) Pty. Ltd.	Trustee company	Australia	100	100
# UEM Sunrise (St Kilda Road) Pty. Ltd.	Trustee company	Australia	100	100
# UEM Sunrise (La Trobe Street) Unit Trust	Landowning entity	Australia	100	100

44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Subsidiaries of UEM Sunrise (Land) Pty. Ltd. (cont'd.)				
# UEM Sunrise (Mackenzie Street) Unit Trust	Landowning entity	Australia	100	100
# UEM Sunrise (St Kilda Road) Unit Trust	Landowning entity	Australia	100	100
Subsidiaries of UEM Sunrise (Developments) Pty Ltd				
# UEM Sunrise (La Trobe Street Development) Pty. Ltd.	Development company	Australia	100	100
# UEM Sunrise (Mackenzie Street Development) Pty. Ltd.	Development company	Australia	100	100
# UEM Sunrise (St Kilda Road Development) Pty. Ltd.	Development company	Australia	100	100
Subsidiary of UEM Sunrise (Canada) Sdn. Bhd.				
# UEM Sunrise (Canada) Development Ltd.	Real estate acquisition and development	Canada	100	100
Subsidiary of UEM Sunrise (Canada) Development Ltd				
^^# UEM Sunrise (Canada) Alderbridge Ltd.	Real estate acquisition and development	Canada	-	100
Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.				
UEM Sunrise Project Services Sdn. Bhd.	Project management for property development	Malaysia	100	100
UEM Sunrise Nusajaya Property Services Sdn. Bhd.	Provision of property management services	Malaysia	100	100

44. SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Subsidiaries of UEM Sunrise Properties Sdn. Bhd.				
UEM Sunrise Nusajaya Properties Sdn. Bhd.	Property investment	Malaysia	100	100
Nusajaya DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	100	100
Opera Retreat Sdn. Bhd.	Property investment	Malaysia	100	100
Puteri Harbour Convention Centre Sdn. Bhd.	Own and operate a convention centre	Malaysia	100	100

Note:

* Subsidiaries not audited by Ernst & Young.

The financial statements of these subsidiary companies are audited for consolidation purposes.

@ The subsidiary becomes an associate company following the dilution in the Group's share of investment.

^ The subsidiary's deregistration was announced to Bursa Malaysia Securities Berhad on 26 October 2017 pursuant to Certificate from the Commissioner of Companies & Intellectual Property Commission in South Africa dated 25 October 2017.

^^ The subsidiary was disposed on 30 September 2017.

45. ASSOCIATES

Name of associates	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
UEM Sunrise Edgenta TMS Sdn. Bhd.	Investment holding and management of real estate	Malaysia	30	30
Associates of UEM Land Berhad				
*** Ekuiti Mahir Sdn. Bhd.	Temporarily ceased operations	Malaysia	-	25
* Inneonusa Sdn. Bhd.	Provision of information communication technology (ICT) system security and smart building services including smart tenant services for building owners, operators, residents and visitors	Malaysia	39	39
* Setia Haruman Sdn. Bhd.	Township development, property development, project development and sale of land	Malaysia	25	25
* Scope Energy Sdn. Bhd.	Property development	Malaysia	40	40
@ Sarandra Malaysia Sdn. Bhd.	Dormant	Malaysia	40	-
Associate of Hatibudi Nominees (Tempatan) Sdn. Bhd.				
** BIB Insurance Brokers Sdn. Bhd.	Insurance brokers insurance consultants, commission agents and investment holding	Malaysia	-	30
Associate of Rocpoint (Proprietary) Ltd.				
Durban Point Development Company (Proprietary) Ltd.	Property development	South Africa	40.2	40.2

Note:

* Associates not audited by Ernst & Young.

@ The subsidiary becomes an associate company following the dilution in the Group's share of investment.

Disposed on 14 February 2017.

** Struck off with effect from 14 July 2017.

46. JOINT VENTURES

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Desaru North Course Residences Sdn. Bhd.	Property development	Malaysia	51	51
Desaru South Course Land Sdn. Bhd.	Property development	Malaysia	51	51
Desaru South Course Residences Sdn. Bhd.	Property development	Malaysia	51	51
Nusajaya Premier Sdn. Bhd.	Property development and investment holding	Malaysia	80	80
Nusajaya Lifestyle Sdn. Bhd.	Property and real estate development, management and property management	Malaysia	55	55
* Malaysian Bio-XCell Sdn. Bhd.	Development and operation of a biotechnology park in the Southern Industrial Logistics Cluster in Iskandar Puteri, Iskandar Malaysia	Malaysia	40	40
Joint ventures of UEM Land Berhad				
Cahaya Jauhar Sdn. Bhd.	Undertake the Turnkey Design and Build contract for the development of the Johor State New Administrative Centre now known as Kota Iskandar and State Government staff housing in Iskandar Puteri, Johor and provision of facilities maintenance and management services	Malaysia	60	60
* Gerbang Leisure Park Sdn. Bhd.	Property development	Malaysia	50	50
Horizon Hills Development Sdn. Bhd.	Property development	Malaysia	50	50
Nusajaya Tech Park Sdn. Bhd.	Property development	Malaysia	40	40
* Nusajaya Consolidated Sdn. Bhd.	Property development and related activities	Malaysia	50	50
* Haute Property Sdn. Bhd.	Property development and property marketing	Malaysia	40	40

46. JOINT VENTURES (CONT'D.)

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Joint ventures of UEM Land Berhad (cont'd.)				
FASTrack Iskandar Sdn. Bhd.	Property development and to develop, construct, operate and manage motorsport city with related facilities and services	Malaysia	30	30
Joint ventures of Sunrise Berhad				
* Sime Darby Sunrise Development Sdn. Bhd.	Property development	Malaysia	50	50
* Sunrise MCL Land Sdn. Bhd.	Property development and property investment	Malaysia	50	50
Subsidiaries of Horizon Hills Development Sdn. Bhd.				
Horizon Hills Property Services Sdn. Bhd.	Property management and maintenance services	Malaysia	50	50
Horizon Hills Resort Berhad	Proprietor of a club and management of a golf course	Malaysia	50	50
Subsidiary of Nusajaya Consolidated Sdn. Bhd.				
* Clear Dynamic Sdn. Bhd.	Hospitality and related activities	Malaysia	50	50
Subsidiaries of Cahaya Jauhar Sdn. Bhd.				
CJ Capital Sdn. Bhd.	Special purpose vehicle solely to undertake the issue of Sukuk Murabahah and any other activities incidental to its function as a special purpose vehicle in relation to the Sukuk Murabahah	Malaysia	60	60
CJ Bina Maju Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	60
CJ Residentials Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	60

46. JOINT VENTURES (CONT'D.)

Name of joint ventures	Principal activities	Country of incorporation	Effective interest	
			2017 %	2016 %
Subsidiaries of Cahaya Jauhar Sdn. Bhd. (cont'd.)				
CJ Developments Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	60
CJ Ledang Development Sdn. Bhd.	Development of government projects and provision of facilities maintenance and management	Malaysia	60	60

Note:

* Joint ventures not audited by Ernst & Young.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2018

SHARE CAPITAL

- Total number of Issued and Paid-up Shares : 5,329,951,790 shares comprising
1. 4,537,436,037 ordinary shares
 2. 792,515,753 redeemable convertible preference shares ("RCPS")
- Voting Rights :
1. One vote per ordinary share held
 2. RCPS have no voting rights other than those provided in the Constitution of UEM Sunrise Berhad

DISTRIBUTION SCHEDULE FOR ORDINARY SHARES

As at 31 March 2018

Size of Holdings	No. of shareholders	%	Total shareholdings	%
Less than 100	2,907	8.91	99,964	0.00
100 to 1,000	9,594	29.41	5,113,433	0.11
1,001 to 10,000	14,672	44.97	63,811,701	1.41
10,001 to 100,000	4,677	14.33	142,225,756	3.13
100,001 to 226,871,800 (less than 5% of issued shares)	773	2.37	994,129,604	21.91
226,871,801 (5% of issued shares) and above	2	0.01	3,332,055,579	73.44
Total	32,625	100.00	4,537,436,037	100.00

30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

As at 31 March 2018

No.	Name of Shareholder	No. of Shares held	% of Issued Shares
1.	UEM Group Berhad	2,997,491,779	66.06
2.	Lembaga Tabung Haji	334,563,800	7.37
3.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	157,358,437	3.47
4.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	58,395,500	1.29
5.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for The National Farmers Union Mutual Insurance Society Ltd	42,517,600	0.94
6.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	29,884,800	0.66
7.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	24,104,100	0.53
8.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	20,885,925	0.46

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2018

30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)

As at 31 March 2018

No.	Name of Shareholder	No. of Shares held	% of Issued Shares
9.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	20,397,045	0.45
10.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Malaysian ESG Opportunity Fund	19,244,600	0.42
11.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Vcam Equity Fd)	19,021,800	0.42
12.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	18,389,145	0.41
13.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	18,262,003	0.40
14.	Liew Swee Mio @ Liew Hoi Foo	17,300,000	0.38
15.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Delaware Group Global & International Funds Delaware Emerging Markets Fund	17,000,000	0.38
16.	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	13,777,700	0.30
17.	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	12,835,400	0.28
18.	Amanahraya Trustees Berhad Public Savings Fund	12,771,400	0.28
19.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT OD67)	12,249,900	0.27
20.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	11,687,800	0.26
21.	Amanahraya Trustees Berhad Public Islamic Dividend Fund	10,376,500	0.23
22.	Citigroup Nominees (Asing) Sdn Bhd CBLDN for Polunin Emerging Markets Small Cap Fund, LLC	10,169,700	0.22
23.	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Participating Fund	9,548,300	0.21
24.	DB (Malaysia) Nominee (Asing) Sdn Bhd BNYM SA/NV for NFU Mutual Global Growth Fund	9,500,000	0.21
25.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LSF)	9,315,200	0.21
26.	Amanahraya Trustees Berhad Public Islamic Select Enterprises Fund	9,228,900	0.20

30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)

As at 31 March 2018

No.	Name of Shareholder	No. of Shares held	% of Issued Shares
27.	DB (Malaysia) Nominee (Asing) Sdn Bhd BNYM SA/NV for NFU Mutual Global Developing Markets Fund	8,500,000	0.19
28.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)	8,280,890	0.18
29.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (RHBIslamic)	7,900,000	0.17
30.	Amanahraya Trustees Berhad Public Islamic Equity Fund	7,639,600	0.17
Total		3,948,597,824	87.02

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders

As at 31 March 2018

No.	Name	No. of shares			
		Direct	%	Indirect	%
1.	UEM Group Berhad	2,997,491,779	66.06	-	-
2.	Khazanah Nasional Berhad*	-	-	2,997,491,779	66.06
3.	Lembaga Tabung Haji	341,579,900	7.53	-	-

Note:

* Deemed interested by virtue of being the holding company of UEM Group Berhad

LIST OF RCPS HOLDER

As at 31 March 2018

No.	Name	No. of preference shares	%
1.	UEM Group Berhad	792,515,753	100.00

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2018

STATEMENT OF DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 31 March 2018

Directors' interests in the securities of UEM Sunrise Berhad

No. Name	No. of ordinary shares				No. of options*
	Direct	%	Indirect	%	
1. Tan Sri Dato' Sri Zamzamzairani Mohd Isa	-	-	-	-	-
2. Anwar Syahrin Abdul Ajib	100,000	@	-	-	2,908,000
3. Dato' Srikandan Kanagaintiram	-	-	-	-	-
4. Dato' Izzaddin Idris	-	-	-	-	-
5. Zaida Khalida Shaari	-	-	-	-	-
6. Lim Tian Huat	-	-	-	-	-
7. Ungku Suseelawati Ungku Omar	-	-	-	-	-
8. Subimal Sen Gupta	-	-	-	-	-
9. Tan Sri Dr Azmil Khalili Dato' Khalid	-	-	-	-	-
10. Datin Teh Ija Mohd Jalil	-	-	-	-	-

Note:

@ Less than 0.01%

* Options granted under the Employee Share Option Scheme ("ESOS") as approved by the shareholders at the Extraordinary General Meeting held on 7 March 2012

MATERIAL PROPERTIES OF UEM SUNRISE BERHAD GROUP

AS AT 31 DECEMBER 2017

Location and address of property	Brief description and existing use	Area (sq meters)	Tenure and year of expiry	Age of building (years)	Net book value as at 31/12/2017 RM'000	Date of revaluation/ acquisition
Iskandar Puteri (fka Bandar Nusajaya) Iskandar Development Region Johor Darul Takzim	Land held for property development and development in progress	16,949,265	Freehold	-	1,503,289	1995
HSD 64677 PTD 108319 & HSD 64682 PTD 108325 GM1408 Lot 1033 GM 1410 Lot 1080 Mukim Senai District of Kulai Johor Darul Takzim	Land held for property development	10,116,200	Freehold	-	899,188	6-Oct-15
PTD 2994, 2995, 2999, 3001-4, 3006-15, 3050, 3053 Taman Industri Perintis Mukim of Tanjung Kupang Iskandar Puteri Johor Darul Takzim	Industrial and agriculture land	231,446	Freehold	-	48,485	17-Nov-08
Solaris Dutamas 1, Jalan Dutamas 1 50480 Kuala Lumpur	Building - Retail and Carpark	150,187	Freehold	7	410,550	25-Jul-11*
GM 4733 Lot 149 Seksyen 58 Bandar of Kuala Lumpur Daerah Kuala Lumpur	Land held for property development	6,434	Freehold	-	323,926	4-Jun-11*
Arcoris GM 9305 Lot 80199 Mukim Batu Daerah Kuala Lumpur	Work in progress (Hotel), Retail and Carpark	66,397	Freehold	1 (Retail and Carpark)	284,111	20-Mar-12
Solaris Mont'Kiara Jalan Solaris 50480 Kuala Lumpur	Building - Carpark	63,302	Freehold	10	47,203	29-Jun-11*
Summer Suites PN No. 48654 Lot 196 Seksyen 44 Bandar of Kuala Lumpur Daerah Kuala Lumpur	Building - Retail and Carpark	26,605	99 years lease expiring on 22-Jan-2108	3	37,954	20-Mar-12
PN 9988 Lot 1108 Pekan Kajang Daerah Ulu Langat Selangor Darul Ehsan	Land held for property development	136,204	99 years lease expiring on 22-Oct-2090	-	99,394	14-Jun-11*
PN 9989 Lot 1109 Pekan Kajang Daerah Ulu Langat Selangor Darul Ehsan	Land held for property development	98,329	99 years lease expiring on 22-Oct-2090	-	63,041	14-Jun-11*
PTD 4936-4955 and 7905 Mukim of Batang Padang Daerah Batang Padang Perak Darul Ridzuan	Agriculture land	9,710,241	Leasehold expiring on 18-Aug-2109	-	76,192	19-Aug-10

* Revaluation date

RECURRENT RELATED PARTY TRANSACTIONS

Each year during UEM Sunrise Berhad's ("UEM Sunrise" or the "Company") Annual General Meeting ("AGM"), the Company will obtain the approval of its shareholders for UEM Sunrise and/or its subsidiaries ("UEM Sunrise Group") to enter into recurrent related party transactions ("Recurrent Transactions") in their ordinary course of business, with certain related parties in order to comply with Chapter 10, paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Shareholders' Mandates").

The Shareholders' Mandates are for the period from the date of the AGM until the date of the next AGM.

The following is the breakdown of the aggregate value of the Recurrent Transactions that UEM Sunrise Group entered into with related parties during the financial year ended 31 December 2017 ("FY 2017"):

(A) UEM Sunrise Group receiving services and/or renting and/or acquiring land and/or land-based property from related parties.

No.	Company in UEM Sunrise Group	Related Party	Interested Major Shareholders, Directors and Persons Connected with Them*	Nature of Relationship as at FY 2017*	Nature of Transaction	Value (RM)
1.	UEM Sunrise Group	UEM Group Berhad ("UEM Group") and/or its subsidiaries ("UEMG Group")	Khazanah Nasional Berhad ("Khazanah"), UEM Group, Tan Sri Dr Ir Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Zaida Khalida Shaari	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Receipt of group wide ICT shared services	3,316,450
					Receipt of training and corporate advisory services	4,264,794
					Renting of office space, meeting rooms and other facilities	6,619,000
					Renting of parking space	32,446
					Receipt of electricity and air-conditioning facilities	52,770
					Total	14,285,460

* Disclosed as per Circular to Shareholders dated 26 April 2017.

(A) UEM Sunrise Group receiving services and/or renting and/or acquiring land and/or land-based property from related parties.
 (Cont'd.)

No.	Company in UEM Sunrise Group	Related Party	Interested Major Shareholders, Directors and Persons Connected with Them*	Nature of Relationship as at FY 2017*	Nature of Transaction	Value (RM)
2.	UEM Sunrise Group	UEM Edgenta Berhad ("UEM Edgenta") and/or its subsidiaries ("UEM Edgenta Group")	Khazanah, UEM Group, Tan Sri Dr Ir Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Zaida Khalida Shaari	UEM Edgenta is a 69.14% subsidiary of UEM Group. UEM Sunrise is a 66.06% subsidiary of UEM Group	Receipt of consultation, facilities management and maintenance services	17,000,000
					Receipt of office cleaning, pest control services and rental of plotted plants	100,367
Total						17,100,367
3.	UEM Sunrise Group	Khazanah and/or its subsidiaries ("Khazanah Group")	UEMG Group, Tan Sri Dr Ir Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Zaida Khalida Shaari	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Acquisition of land or land based properties in the ordinary course of business	-
Total						-
4.	UEM Sunrise Group	Khazanah Group Joint Venture Companies	UEMG Group, Tan Sri Dr Ir Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Zaida Khalida Shaari	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Renting of flagship property gallery	-
					Renting of space for events	53,936
Total						53,936
5.	UEM Sunrise Group	Telekom Malaysia Berhad ("TM") and/or its subsidiaries ("TM Group")	Khazanah and Zaida Khalida Shaari	TM is a 26.21% associate company of Khazanah which in turn is a holding company of UEM Group. UEM Sunrise is a 66.06% subsidiary of UEM Group	Receipt of UniFi bundling services	4,094,964
					Receipt of smart building services	3,039,084
					Receipt of ICT support services	195,064
Total						7,329,112

* Disclosed as per Circular to Shareholders dated 26 April 2017.

RECURRENT RELATED PARTY TRANSACTIONS

(A) UEM Sunrise Group receiving services and/or renting and/or acquiring land and/or land-based property from related parties. (Cont'd.)

No.	Company in UEM Sunrise Group	Related Party	Interested Major Shareholders, Directors and Persons Connected with Them*	Nature of Relationship as at FY 2017*	Nature of Transaction	Value (RM)
6.	UEM Sunrise Group	KPK Quantity Surveyors (Semenanjung) Sdn Bhd ("KPK")	Dato' Srikandan Kanagainthiram	Dato' Srikandan Kanagainthiram is the Managing Director and a substantial shareholder of KPK and also a Director of UEM Sunrise	Receipt of consulting services	119,564
Total						119,564
7.	UEM Sunrise Group	Nawawi Tie Leung Group ("NTL Group")	YM Ungku Suseelawati Ungku Umar	YM Ungku Suseelawati Ungku Umar is a substantial shareholder Director and/or has other interest in NTL Group and also a Director of UEM Sunrise	Receipt of consulting services	436,737
Total						436,737

* Disclosed as per Circular to Shareholders dated 26 April 2017.

(B) UEM Sunrise and its subsidiaries providing services and/or renting and/or disposing land and/or land-based property to related parties

No.	Company in UEM Sunrise Group	Related Party	Interested Major Shareholders, Directors and Persons Connected with Them*	Nature of Relationship as at FY 2017*	Nature of Transaction	Value (RM)
1.	UEM Sunrise Group	UEMG Group	Khazanah, UEM Group, Tan Sri Dr Ir Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Zaida Khalida Shaari	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Provision for tenancy of land for batching plant, casting yard and workers' quarters	369,940
Total						369,940
2.	UEM Sunrise Group	Khazanah Group Joint Venture Companies	UEMG Group, Tan Sri Dr Ir Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Zaida Khalida Shaari	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Provision of development and management services	12,228,396
Total						12,228,396

* Disclosed as per Circular to Shareholders dated 26 April 2017.

(B) UEM Sunrise and its subsidiaries providing services and/or renting and/or disposing land and/or land-based property to related parties (Cont'd.)

No.	Company in UEM Sunrise Group	Related Party	Interested Major Shareholders, Directors and Persons Connected with Them*	Nature of Relationship as at FY 2017*	Nature of Transaction	Value (RM)
3	UEM Sunrise Group	Khazanah Group	UEMG Group, Tan Sri Dr Ir Ahmad Tajuddin Ali, Dato' Izzaddin Idris and Zaida Khalida Shaari	UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Disposal of land or land based properties in the ordinary course of business	-
Total						-
4.	UEM Sunrise Group	Directors and/or major shareholders of UEM Sunrise and persons connected with them	Directors and/or major shareholders of UEM Sunrise and persons connected with them	n/a	Sale of land and/or land based properties by UEM Sunrise Group	21,471,310
Total						21,471,310
5.	UEM Sunrise Group	edotco Malaysia Sdn. Bhd. ("edotco")	Khazanah and Zaida Khalida Shaari	edotco is a wholly-owned subsidiary of edotco Group Sdn Bhd, which in turn is a 69.88% subsidiary of Axiata. Khazanah also holds directly a minority equity stake in edotco Group Sdn Bhd	Provision of land tenancy for mobile network infrastructure	86,920
Total						86,920
6.	UEM Sunrise Group	Southern Marina Development Sdn. Bhd. ("Southern Marina")	Khazanah and Zaida Khalida Shaari	Southern Marina is a 30.00% associate company of Tanjung Bidara Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah. UEM Sunrise is a 66.06% subsidiary of UEM Group which in turn is a wholly-owned subsidiary of Khazanah	Provision of land tenancy for show gallery/site-office	185,991
Total						185,991

* Disclosed as per Circular to Shareholders dated 26 April 2017.

CORPORATE DIRECTORY

CORPORATE HEADQUARTERS

UEM Sunrise Berhad (830144-W)
Level U2, Block C5
Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur, Malaysia

Telephone : +603 2718 7788
Customer Care : 1800-888-008 (within Malaysia only)
Facsimile : +603-6207 9330

E-mail : **Corporate Communication**
corpcomm@uemsunrise.uemnet.com

Customer Care

customercare@uemsunrise.uemnet.com

Investor Relations

ir@uemsunrise.uemnet.com

Website : www.uemsunrise.com

BUSINESS OFFICES, SALES & MARKETING OPERATIONS

NUSAJAYA CENTRE

No. 8, Persiaran Ledang Heights
79250 Iskandar Puteri
Johor Darul Ta'zim, Malaysia
Telephone : +607 277 3700
Facsimile : +607 277 3701
Website : www.nusajayacity.com

HORIZON HILLS GOLF & COUNTRY CLUB

No. 1, Jalan Eka, Horizon Hills
79100 Iskandar Puteri
Johor Darul Ta'zim, Malaysia
Telephone : +607 232 3166
Facsimile : +607 232 3919
E-mail : general@hhgcc.com.my
Website : www.hhgcc.com.my

PUTERI HARBOUR MARINA

Satellite Clubhouse
Lot PTD 141090
79000 Iskandar Puteri
Johor Darul Ta'zim, Malaysia
Telephone : +607 530 2122
Facsimile : +607 530 2125 (Marina Office)
 : +607 530 2126 (Project Office)
E-mail : puteriharbour@uemsunrise.uemnet.com
Website : www.puteriharbourmarina.com

NUSA BAYU SALES GALLERY

No. 1, Lingkaran Bayu, Nusa Bayu
79250 Iskandar Puteri
Johor Darul Ta'zim, Malaysia
Telephone : +607 509 6711
Website : www.nusabayu.com

KOTA ISKANDAR

Kota Iskandar Visitor Information Centre
Dataran Mahkota
Pusat Pentadbiran Kerajaan Negeri Johor
Kota Iskandar
79000 Iskandar Puteri
Johor Darul Ta'zim, Malaysia
Telephone : +607 290 9080
Facsimile : +607 290 9081/+607 237 4100
E-mail : enquiries@kotaiskandar.com
Website : www.kotaiskandar.com

NUSA IDAMAN SALES GALLERY

Jalan Idaman 1, Nusa Idaman
79100 Iskandar Puteri
Johor Darul Ta'zim, Malaysia
Telephone : +607 232 6191/6187
Website : www.nusaidaman.com

MALL OF MEDINI

No. 4, Lebuhraya Medini Utara
 Medini Iskandar Malaysia
 79200 Iskandar Puteri
 Johor Darul Ta'zim, Malaysia
 Telephone : +607 509 9498
 E-mail : enquiries@kotaiskandar.com
 Website : www.facebook.com/MediniMall

ANJUNG MANAGEMENT OFFICE

Lot 25, Ground Floor
 Anjung Neighbourhood Centre
 No. 5, Persiaran Ledang Heights
 79250 Iskandar Puteri
 Johor Darul Ta'zim, Malaysia
 Telephone : +607 510 3137

LEDANG URBAN RETREAT

No. 2, Jalan Bendahara
 79250 Iskandar Puteri
 Johor Darul Ta'zim, Malaysia
 Telephone : +607 510 2020

CAHAYA JAUHAR SDN. BHD.

27 & 29, Jalan Indah 15/3
 Bukit Indah
 79100 Iskandar Puteri
 Johor Darul Ta'zim, Malaysia
 Telephone : +607 235 0800
 Facsimile : +607 235 0890
 E-mail : enquiries@cahayajauhar.com
 Website : www.cahayajauhar.com

SYMPHONY HILLS SDN. BHD.

Persiaran Simfoni, Cyber 9
 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia
 Telephone : +603 8312 7800
 Facsimile : +603 8318 3446
 E-mail : symphonyhills@uemsunrise.uemnet.com
 Website : www.symphonyhills.com.my

SERENE HEIGHTS SALES GALLERY/**SERENE HEIGHTS PROJECT OFFICE**

Persiaran Serene, Serene Heights
 43500 Semenyih, Selangor Darul Ehsan, Malaysia
 Telephone : +603 8723 2461/1687 (Sales Gallery)
 +603 8723 1420/1931/2196 (Project Office)
 Facsimile : +603 8723 1597 (Sales Gallery)
 +603 8723 1528 (Project Office)
 Website : www.sereneheights.com.my

RADIA BUKIT JELUTONG SALES GALLERY

No.2A (Lot 64406), Persiaran Tebar Layar
 Seksyen U8, Bukit Jelutong
 40150 Shah Alam, Selangor Darul Ehsan, Malaysia
 Telephone : +603 7859 9801/6207 9471
 Website : www.radia.com.my

SUNRISE MCL LAND SDN. BHD.

23 & 24-G, Jalan Forest Heights 8
 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia
 Telephone : +606 761 8133/8135
 Fax : +606 761 0339
 E-mail : marketing@sunrisemcl.com.my
 Website : www.sunrisemcl.com.my

UEM SUNRISE SHOWCASE

21 Jalan Kiara, Mont'Kiara
 50480 Kuala Lumpur, Malaysia
 Telephone : +603-6207 9471/6201 0657
 Facsimile : +603-6201 0625

UEM SUNRISE PROPERTY SHOWCASE @PUBLIKA

Lot 19 & 20, Level G2, Publika Shopping Gallery
 Solaris Dutamas
 No 1, Jalan Dutamas 1
 50480 Kuala Lumpur, Malaysia
 Telephone : +603 6207 9471/6201 0657
 Facsimile : +603 6201 0625

PUBLIKA SHOPPING GALLERY

Solaris Dutamas
No 1, Jalan Dutamas 1
50480 Kuala Lumpur, Malaysia
Telephone : +603 2718 7788
Facsimile : +603 2714 2111
E-mail : promo.publika@uemsunrise.uemnet.com
Website : www.facebook.com/PublikaGallery

mapKL

Level G2-01, Block A5, Solaris Dutamas
No 1, Jalan Dutamas 1
50480 Kuala Lumpur, Malaysia
Telephone : +603 6207 9732
Facsimile : +603 6207 9729

M+S PTE. LTD.

3 Fraser Street
#04-26 Duo Tower
Singapore 189352
Telephone : +65 6329 1288
Facsimile : +65 6329 1299

UEM SUNRISE SOUTH AFRICA (PTY.) LTD.

15, Timeball Boulevard
Point Waterfront
Durban 4001, KZN
South Africa
Telephone : +27 31 337 3460

UEM SUNRISE AUSTRALIA CORPORATE OFFICE

Level 3
160 Queen Street
Melbourne 3000 VIC
Australia
Telephone : +61 9088 6268
E-mail : australia@uemsunrise.uemnet.com

This page has been intentionally left blank.

This page has been intentionally left blank.

FORM OF PROXY



A member of UEM Group

I/We _____ NRIC/Company No. _____

of _____

being a member of UEM Sunrise Berhad ("the Company") hereby appoint _____

_____ NRIC/Passport No. _____

of _____

and/or failing him/her, _____ NRIC/Passport No. _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Tenth Annual General Meeting ("AGM") of the Company to be held at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM 15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 31 May 2018 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/her discretion.)

ORDINARY RESOLUTIONS	No.	For	Against
To approve the payment of a final single tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2017.	1		
To re-elect Lim Tian Huat who is retiring in accordance with Article 85 of the Company's Constitution.	2		
To re-elect Tan Sri Dato' Sri Zamzamairani Mohd Isa who is retiring in accordance with Article 92 of the Company's Constitution.	3		
To re-elect Tan Sri Dr Azmil Khalili Dato' Khalid who is retiring in accordance with Article 92 of the Company's Constitution.	4		
To re-elect Datin Teh Ija Mohd Jalil who is retiring in accordance with Article 92 of the Company's Constitution.	5		
To approve the payment of Directors' fees for the period from 1 January 2018 until the next AGM of the Company on a quarterly basis.	6		
To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors for the period from 1 June 2018 until the next AGM of the Company.	7		
To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman for the period from 1 June 2018 until the next AGM of the Company.	8		
To appoint Messrs Ernst & Young as Auditors and to authorise Directors to fix their remuneration.	9		
To empower Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares.	10		
To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	11		

SPECIAL RESOLUTION	For	Against
To approve the Proposed Alteration or Amendment of the Constitution of the Company.		

Signature or Common Seal of Member

Signed this _____ day of _____ 2018.

No. of shares		
CDS Account No.		
Telephone No.		
Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %

NOTES

1. Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend, speak and vote in his/her place. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. All resolutions set out in the Notice of the Meeting are to be voted by poll.
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 24 hours before the time of holding the Meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.
5. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.
7. A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend, speak and vote at a general meeting who shall represent all the shares held by such member. A member holding more than one thousand (1,000) ordinary shares may appoint up to ten (10) proxies to attend, speak and vote at the same meeting and each proxy appointed shall represent a minimum of one thousand (1,000) ordinary shares. Where a member appoints one (1) or more proxies to attend, speak and vote at the same meeting, such appointments shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 April 2018.

Fold Here

STAMP

The Share Registrar's Office
Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Fold Here

www.uemsunrise.com

UEM SUNRISE BERHAD (830144-W)

LEVEL U2, BLOCK C5, SOLARIS DUTAMAS, NO. 1, JALAN DUTAMAS 1, 50480 KUALA LUMPUR, MALAYSIA

Tel: +603 2718 7788 Email: corpcomm@uemsunrise.uemnet.com