



UEM SUNRISE BERHAD
 (formerly known as UEM Land Holdings Berhad)
 (830144-W)
 Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

THE FIGURES HAVE NOT BEEN AUDITED

I (A) CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000 (Restated)	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000 (Restated)
1. (a) Revenue		573,113	682,609	2,425,289	1,919,378
(b) Cost of sales		(434,561)	(411,019)	(1,497,165)	(1,217,927)
(c) Gross profit		138,552	271,590	928,124	701,451
(d) Other income		17,730	13,369	48,775	53,342
(e) Expenses		(165,883)	(84,447)	(388,812)	(267,781)
(f) Finance costs		(8,009)	(10,675)	(29,386)	(41,372)
(g) Share of net results of associates		4,413	2,533	20,447	25,848
(h) Share of net results of joint ventures		51,491	32,172	107,117	63,256
(i) Profit before income tax		38,294	224,542	686,265	534,744
(j) Income tax and zakat	13	39,990	(23,344)	(107,156)	(86,462)
(k) Profit for the period/year		78,284	201,198	579,109	448,282
Attributable to:					
(l) Owners of the Parent		77,956	201,274	579,141	448,358
(m) Non-controlling Interests		328	(76)	(32)	(76)
		78,284	201,198	579,109	448,282
2. Earnings per share based on 1(l) above (Note 25):					
(a) Basic earnings per share:		1.79 sen	4.65 sen	13.27 sen	10.36 sen
(b) Diluted earnings per share:		1.67 sen	3.91 sen	11.96 sen	8.53 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this quarterly announcement.



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I (B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000 (Restated)	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000 (Restated)
Profit for the period/year	78,284	201,198	579,109	448,282
Other comprehensive income for the period/year, net of tax				
- Foreign currency translation differences for foreign operations	(2,891)	(4,720)	(7,243)	(1,495)
- (Loss)/profit on fair value changes	(1)	-	3	(3)
- Share of other comprehensive (expense)/ income of associates	(5)	24	(7)	(47)
Total comprehensive income for the period/year	75,387	196,502	571,862	446,737
Attributable to:				
Owners of the Parent	75,059	196,578	571,894	446,813
Non-controlling Interests	328	(76)	(32)	(76)
	75,387	196,502	571,862	446,737

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this quarterly announcement.



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I (C) REMARKS TO CONDENSED CONSOLIDATED INCOME STATEMENT:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000 (Restated)	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000 (Restated)
Profit before income tax is arrived at after charging / (crediting) :				
Interest income	(11,528)	(3,333)	(39,592)	(24,097)
Dividend income	(282)	(1,188)	(2,348)	(5,018)
Interest expense	8,009	10,675	29,386	41,372
Depreciation and amortization	5,676	4,446	20,200	17,471
Gain on disposal of quoted / unquoted investment or properties	-	(4,317)	-	(1,969)
Gain on disposal of an associate	-	(39)	-	(11,222)
Foreign exchange loss	5,256	2,484	5,256	2,646
Impairment for/(write-back of) receivables	1,971	155	(807)	177
Impairment for /(write-back) of assets	20	(11)	20	(26)

Other than the above, there was no provision for and write-off of inventories, gain or loss on derivatives, exceptional items, write down of inventories and reversal of any provisions for the costs of restructuring.



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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at current financial year end 31/12/2013 RM'000	Unaudited As at preceding financial year end 31/12/2012 RM'000 (Restated)
ASSETS		
1. Non-current assets		
Property, plant and equipment	189,947	182,876
Investment properties	555,623	519,246
Land held for property development	2,809,339	2,893,551
Interest in associates	126,190	117,294
Interest in joint ventures	691,409	395,294
Amount due from a joint venture	57,402	33,901
Long term receivables	-	64,375
Goodwill	621,409	621,409
Non-current deposits	1,418	1,418
Deferred tax assets	134,461	31,541
	5,187,198	4,860,905
2. Current assets		
Property development costs	1,109,437	953,846
Inventories	105,856	122,622
Receivables	1,806,441	1,735,412
Amount due from joint ventures	209,937	95,800
Amount due from associates	-	898
Other investments	28,491	144,905
Cash, bank balances and deposits	1,362,108	1,044,399
	4,622,270	4,097,882
Total assets	9,809,468	8,958,787



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

	Unaudited As at current financial year end 31/12/2013 RM'000	Unaudited As at preceding financial year end 31/12/2012 RM'000 (Restated)
EQUITY AND LIABILITIES		
3. Equity attributable to Owners of the Parent		
Share capital	2,268,718	2,165,558
Reserves		
Share premium	2,044,953	1,907,488
Merger relief reserve	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	-	119,068
Other reserves	72,742	51,370
Retained profits	1,598,269	1,038,154
	6,019,012	5,315,968
4. Non-controlling interests	450,604	450,636
Total equity	6,469,616	5,766,604
5. Non-current liabilities		
Borrowings	1,722,066	1,489,985
Deferred tax liabilities	262,242	249,895
	1,984,308	1,739,880
6. Current liabilities		
Provisions	450,818	131,026
Payables	622,892	648,560
Amount due to a joint venture	1,461	-
Borrowings	217,983	224,972
Liability component of RCPS	-	409,424
Tax payable	62,390	38,321
	1,355,544	1,452,303
Total liabilities	3,339,852	3,192,183
Total equity and liabilities	9,809,468	8,958,787
7. Net assets per share attributable to Owners of the Parent	RM1.33	RM1.23

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this quarterly announcement.



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Year ended 31/12/2013 RM'000	Unaudited Year ended 31/12/2012 RM'000 (Restated)
Operating activities		
Cash receipts from customers	2,437,719	1,438,967
Receipts from related parties	876	6,049
Cash payments to contractors	(1,240,350)	(1,007,566)
Cash payments for land and development related costs	(54,032)	(37,938)
Cash payments to related parties	(115,728)	(6,034)
Cash payments to employees and for expenses	(270,189)	(248,717)
Cash generated from operations	758,296	144,761
Net income tax and zakat paid	(176,267)	(82,372)
Interest received	18,617	11,012
Net cash generated from operating activities	600,646	73,401
Investing activities		
Dividend received from associates	9,100	6,601
Proceeds from disposal of		
- property, plant and equipment	1	93
- investment property	12,418	10,500
- associate	-	10,678
- short term investments	290,547	134,586
Net cash effect from deemed disposal of a subsidiary	(201)	-
Cash receipts from liquidator for liquidation of an associate	-	39
Refund of deposits arising from cancellation of sales for property, plant & equipment	-	(327)
Purchase of property, plant and equipment	(21,789)	(18,202)
Investment in joint venture	(16,125)	(54,552)
Investment in land held for property development	(212,166)	(125,207)
Investment in short term investments	(172,600)	(8,869)
Net cash used in investing activities	(110,815)	(44,660)



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

	Note	Unaudited Year ended 31/12/2013 RM'000	Unaudited Year ended 31/12/2012 RM'000 (Restated)
Financing activities			
Drawdown of Islamic Medium Term Notes		700,000	600,000
Drawdown of other borrowings		272,236	241,841
Proceeds from conversion of RCPS		-	5,120
Proceeds from employee share option scheme ("ESOS")		45,487	-
Receipt of a grant		25,000	-
Repayment from joint venture		6,687	3,664
Advance to joint venture		(48,752)	(70,818)
Repayment of borrowings		(569,726)	(316,436)
Repayment of hire purchase		-	(42)
Redemption of RCPS		(408,689)	-
Interest paid		(58,170)	(51,005)
Cash payment for credit facility commitment fees		-	(2,924)
Dividend paid		(132,952)	-
Net cash (used in)/generated from financing activities		(168,879)	409,400
Net change in cash and cash equivalents		320,952	438,141
Effects of foreign exchange rate changes		(271)	(355)
Cash and cash equivalents at beginning of financial year		1,041,427	603,641
Cash and cash equivalents at end of financial year	(a)	<u>1,362,108</u>	<u>1,041,427</u>
(a) Cash and cash equivalents comprise the following amounts:			
Current cash, bank balances and deposits			
Unrestricted		1,057,575	606,677
Restricted		304,533	437,722
		1,362,108	1,044,399
Bank overdrafts (included in short term borrowings)		-	(2,972)
Cash and cash equivalents		<u>1,362,108</u>	<u>1,041,427</u>

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this quarterly announcement.



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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	←————— Attributable to Owners of the Parent —————→ ←————— Non-distributable —————→						→	Non- controlling Interests #	Total Equity
	Share Capital RM'000	Share Premium RM'000	Merger Relief Reserve RM'000	Equity Component of RCPS RM'000	Other Reserves RM'000	Retained Profits RM'000			
Year ended 31 December 2013									
(Unaudited)									
At 1 January 2013 (as previously reported)	2,165,558	1,907,488	34,330	119,068	51,370	1,038,154	5,315,968	501,067	5,817,035
Effect of reclassification to jointly controlled entities (Note 1)	-	-	-	-	-	-	-	(50,431)	(50,431)
At 1 January 2013 (as restated)	2,165,558	1,907,488	34,330	119,068	51,370	1,038,154	5,315,968	450,636	5,766,604
Total comprehensive income for the year	-	-	-	-	(7,247)	579,141	571,894	(32)	571,862
Conversion of RCPS to ordinary shares	795	3,910	-	(1,055)	-	-	3,650	-	3,650
Redemption of RCPS	-	-	-	(118,013)	4,087	113,926	-	-	-
MCRPS conversion to ordinary shares	92,407	95,039	-	-	-	-	187,446	-	187,446
ESOS									
- issuance of new shares	9,958	35,529	-	-	-	-	45,487	-	45,487
- share option granted	-	-	-	-	27,519	-	27,519	-	27,519
- transferred from share based payment reserve upon exercise	-	2,987	-	-	(2,987)	-	-	-	-
Dividend	-	-	-	-	-	(132,952)	(132,952)	-	(132,952)
At 31 December 2013	2,268,718	2,044,953	34,330	-	72,742	1,598,269	6,019,012	450,604	6,469,616

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



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

	← Attributable to Owners of the Parent → ← Non-distributable →						→	Non- controlling Interests #	Total Equity
	Share Capital RM'000	Share Premium RM'000	Merger Relief Reserve RM'000	Equity component of RCPS RM'000	Other Reserves RM'000	Retained Profits RM'000			
Year ended 31 December 2012 (Unaudited)									
At 1 January 2012 (as previously reported)	2,163,358	1,898,306	34,330	120,521	30,116	589,796	4,836,427	460,186	5,296,613
Effect of reclassification to jointly controlled entities (Note 1)	-	-	-	-	-	-	-	(9,474)	(9,474)
At 1 January 2012 (as restated)	2,163,358	1,898,306	34,330	120,521	30,116	589,796	4,836,427	450,712	5,287,139
Total comprehensive income for the year	-	-	-	-	(1,545)	448,358	446,813	(76)	446,737
Conversion of RCPS to ordinary shares	2,200	9,182	-	(1,453)	-	-	9,929	-	9,929
Share options granted under Employee Share Option Scheme	-	-	-	-	22,799	-	22,799	-	22,799
At 31 December 2012	2,165,558	1,907,488	34,330	119,068	51,370	1,038,154	5,315,968	450,636	5,766,604

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

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this quarterly announcement.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), except for the adoption of the following new / revised / amendments to Financial Reporting Standards (“FRSs”) which are applicable to the Group with effect from 1 January 2013 as disclosed below:

	Effective for the financial period beginning on or after
FRS 101 Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosures of interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associates and Joint Ventures	1 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards - Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards (Improvements to FRSs(2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interest in Other Entities: Transition Guidance	1 January 2013

The adoption of the above pronouncements does not have any significant impact to the Group, except as disclosed below:

FRS 10: Consolidated Financial Statements & FRS 11: Joint Arrangements

There are three elements to the definition of control in FRS 10: (i) power by investor over an investee, (ii) exposure, or rights, to variable returns from investor’s involvement with the investee, and (iii) investor’s ability to affect those returns through its power over the investee.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, legal form and contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances.



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1. **Accounting policies and methods of computation (cont'd)**

In the course of its business, the Group has entered into various shareholder's agreements with joint venture partners with the Group's share of equity interest ranging from 51% to 80%. Based on the guiding principles found under both FRS 10 & 11, the Group has revisited the terms as set out in the shareholders' agreement. Resulting therefrom, certain entities previously accounted for as subsidiaries have now being reclassified as jointly controlled entities as the Group concluded that it does not control those entities due to joint approval requirement over key decisions affecting the strategic decisions and dividend/distributions of those entities. The effect of the reclassification has been adjusted for retrospectively.

The reclassification to jointly controlled entities has the following effects:

Income Statements

Group	Year ended	
	31/12/2012	31/12/2012
	As restated	As previously reported
	RM'000	RM'000
Revenue	1,919,378	1,939,676
Profit after taxation	448,282	447,863
Profit attributable to owners of the Parent	448,358	448,358
Earnings per share:-		
- Basic	10.36 sen	10.36 sen
- Diluted	8.53 sen	8.53 sen

Statements of Financial Position

Group	As at	As at
	31/12/2012	31/12/2012
	As restated	As previously reported
	RM'000	RM'000
<u>Assets</u>		
Property, plant and equipment	182,876	184,141
Investment properties	519,246	674,337
Land held for property development	2,893,551	2,942,084
Interest in joint ventures	395,294	332,007
Property development costs	953,846	954,107
Receivables	1,735,412	1,791,635
Amount due from joint ventures - current	95,800	9,726
Cash, bank balances and deposits	1,044,399	1,060,085
<u>Liabilities</u>		
Provisions	(131,026)	(144,167)
Payables	(648,560)	(712,587)
Tax payable	(38,321)	(38,322)
Non-controlling interest	450,636	501,067
Net assets per share attributable to owners of the Parent	RM1.23	RM1.23



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1. Accounting policies and methods of computation (cont'd)

Statements of Cash flows

Group	Year ended	
	31/12/2012 As restated	31/12/2012 As previously reported
	RM'000	RM'000
Net cash generated from/(used in) operating activities	73,401	(12,274)
Net cash used in investing activities	(44,660)	(43,247)
Net cash generated from financing activities	409,400	482,991
Net cash increase in cash and cash equivalent	438,141	427,470

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the MFRS Framework. The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

Transitioning Entities are allowed to defer adoption of the new MFRS Framework for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

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 year ending 31 December 2015.

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

2. Audit report in respect of the 2012 financial statements

The audit report on the Group’s financial statements for the financial year ended 31 December 2012 was not qualified.

3. Seasonal or cyclical factors

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

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

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

5. Material changes in estimates used

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



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6. Debt and equity securities

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year ended 31 December 2013 except as follows:-

- i) The balance of 412,343,562 redeemable convertible preference shares (“RCPS”) as at 31 December 2012 which was issued in respect of the conditional take-over of Sunrise Berhad on 6 January 2011 was converted for 3,654,179 RCPS at 2.3 RCPS for 1 ordinary share and 408,689,383 RCPS was redeemed by cash at RM1.00 per RCPS.
- ii) The Group’s issued and paid-up ordinary share capital increased from RM2,164,009,986 to RM2,268,717,518 during the current year from the new issuance as follows:

	Number of ordinary shares of RM0.50 each
a) Non-cash conversion of 3,654,179 RCPS at 2.3 RCPS for 1 ordinary share	1,588,753
b) Issuance of new ordinary shares pursuant to the Employee Share Option Scheme at the following exercise price:	
-RM2.23 per ordinary share	14,704,700
-RM2.41 per ordinary share	4,857,900
-RM2.79 per ordinary share	352,500
c) Conversion of 154,914,002 of MCRPS at 0.82 MCRPS for 1 ordinary share	187,911,211
	209,415,064

- iii) Pursuant to its Islamic Commercial Paper Programme (“ICP Programme”) and Islamic Medium Term Notes 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 2012, the Company had on 13 December 2013 completed its second issuance of RM700.0 million of IMTNs from its IMTN Programme with a tenure of five (5) years and profit rate of 4.60% per annum.

The proceeds from the IMTNs will be utilized for the Group’s Shariah-compliant general corporate purposes.

7. Dividend

The first and final single tier dividend of 3.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2012 was approved by the shareholders during the Annual General Meeting on 12 June 2013. The dividend was paid on 31 July 2013 to shareholders on the Register of Members and Record of Depositors at the close of business on 2 July 2013.

The Directors proposed a first and final dividend of 4.0 sen per ordinary share of RM0.50 each for the current financial year ended 31 December 2013 (2012 : 3.0 sen).

8. Segment information for the current financial year

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



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

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2013 to the date of this announcement which would substantially affect the financial results of the Group for the financial year ended 31 December 2013 that have not been reflected in the condensed financial statements.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current year including business combinations, acquisitions or disposal of subsidiaries and long term investments, restructuring or discontinued operations as at the date of this announcement since the preceding year ended 31 December 2012 except the following:

- a) On 10 April 2013, the following wholly-owned subsidiaries of the Company, which were held through its wholly-owned subsidiary, Sunrise Berhad, have commenced the dissolution pursuant to Section 197 of the British Virgin Islands Business Companies Act, 2004.

- i) Crescent Phase I Ltd
- ii) Crescent Phase II Ltd
- iii) Global Associates International Ltd

On 22 July 2013, the dissolution of Crescent Phase II Ltd and Global Associates International Ltd were completed while on 26 July 2013, the dissolution of Crescent Phase I Ltd was completed.

- b) On 1 July 2013, the following dormant subsidiaries of the Company which were held through its wholly-owned subsidiary, Sunrise Berhad have been struck-off pursuant to Section 308(4) of the Companies Act, 1965:-

- i) Cekap Kawal Sdn Bhd
- ii) Sunrise Assets Sdn Bhd
- iii) Sunrise Incubation Sdn Bhd

- c) On 9 July 2013, Sunrise REIT Management Sdn Bhd, a dormant subsidiary of the Company held through its wholly-owned subsidiary, Sunrise Berhad has been struck off pursuant to Section 308(4) of the Companies Act, 1965.

- d) On 1 August 2013, following the completion of the terms and conditions to the Subscription Agreement between UEM Land Berhad ("UEM Land"), Ascendas Land (Malaysia) Sdn Bhd (formerly known as Sekala Mega Sdn Bhd) ("Ascendas") and Suasana Prisma Sdn Bhd (now known as Nusajaya Tech Park Sdn Bhd) ("NTPSB") and Shareholders Agreement between UEM Land, Ascendas and NTPSB both dated 26 December 2012, NTPSB ceased to be a subsidiary of the Company and became a 40% owned entity of the Company.

- e) On 23 July 2013, Sunrise Millenium Sdn Bhd, a subsidiary of the Company held through its wholly-owned subsidiary, Sunrise Berhad has been struck off pursuant to Section 308(4) of the Companies Act, 1965.



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10. **Changes in the composition of the Group (cont'd)**

f) Following the intention of the Company to venture in Australia, the following companies were acquired/formed:-

i) On 23 September 2013, the Company acquired 2 ordinary shares of RM1.00 each in UEM Sunrise (Australia) Sdn Bhd for a cash consideration of RM2.00 and became a wholly-owned subsidiary of the Company. On 25 September 2013, the Company announced that the following Australian wholly-owned subsidiaries of UEM Sunrise (Australia) Sdn Bhd formation were completed.

	Company	Paid-up Ordinary Share Capital	Shareholder
1.	UEM Sunrise (Land) Pty Ltd	AUD 2	UEM Sunrise (Australia) Sdn Bhd
2.	UEM Sunrise (La Trobe Street) Pty Ltd	AUD 2	UEM Sunrise (Land) Pty Ltd
3.	UEM Sunrise (Mackenzie Street) Pty Ltd	AUD 2	UEM Sunrise (Land) Pty Ltd

ii) On 3 October 2013, the Company announced that the following Australian wholly-owned subsidiaries of UEM Sunrise (Australia) Sdn Bhd formation were completed.

	Company	Paid-up Ordinary Share Capital	Shareholder
1.	UEM Sunrise (Developments) Pty Ltd	AUD 2	UEM Sunrise (Australia) Sdn Bhd
2.	UEM Sunrise (La Trobe Street Development) Pty Ltd	AUD 2	UEM Sunrise (Developments) Pty Ltd
3.	UEM Sunrise (Mackenzie Street Development) Pty Ltd	AUD 2	UEM Sunrise (Developments) Pty Ltd

iii) In addition, the following unit trust companies were established on 23 September 2013:

	Trust Company	Paid-up Ordinary Units of AUD1.00 each	Trustee	Unit Holder
1.	UEM Sunrise (La Trobe Street) Unit Trust	10	UEM Sunrise (La Trobe Street) Pty Ltd	UEM Sunrise (Land) Pty Ltd
2.	UEM Sunrise (Mackenzie Street) Unit Trust	10	UEM Sunrise (Mackenzie Street) Pty Ltd	UEM Sunrise (Land) Pty Ltd

g) On 6 November 2013, the Company announced that the following dormant subsidiaries of the Company have been struck-off pursuant to Section 308(4) of the Companies Act, 1965:-

- i) UEML-ZRE Reit Management Sdn Bhd
- ii) Sunrise DotCom Sdn Bhd.



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10. Changes in the composition of the Group (cont'd)

- h) On 28 January 2014, UEM Land Berhad, a wholly-owned subsidiary of the Company, acquired two (2) ordinary shares of RM1.00 each in Aura Muhibah Sdn Bhd ("AMSB") representing 100% of the total issued and paid-up share capital of AMSB for a cash consideration of RM2.00 only, resulting in AMSB becoming an indirect wholly-owned subsidiary of the Company.
- i) On 7 February 2014, the Company announced that Interior Design One Sdn Bhd, a dormant subsidiary of Sunrise Berhad, which in turn is a wholly-owned subsidiary of the Company has been struck-off pursuant to Section 308(4) of the Companies Act, 1965.

11. Contingent liabilities

Potential compensation payable to Felcra settlers

A group of thirty eight (38) Felcra settlers ("the Plaintiffs") had collectively served an originating summons against Felcra Berhad ("Felcra"), District Land Administrator ("DLA") and the Johor State Government ("State Government") (collectively the "Defendants"). The Summons pertain to 198 acres of land previously owned by the State Government, developed by Felcra and subsequently alienated to BND, for the development of Nusajaya.

The Plaintiffs sought, inter-alia, for the Defendants to pay an additional total sum of RM54.0 million for the 198 acres and an acre of land to each Plaintiff.

On 12 January 2010, the High Court of Malaya made a decision against Felcra for breach of contract and dismissed the Plaintiffs' action against the DLA and State Government. However, the Plaintiffs had on 8 February 2010 filed a notice of appeal to the Court of Appeal to appeal against the decision of the High Court on the quantum against Felcra and the dismissal of the action against the DLA and the State Government. The Court of Appeal dismissed the appeal on 28 June 2011. The Plaintiffs' further appealed to the Federal Court against the decision of the Court of Appeal and the appeal was allowed on 15 October 2012.

On 14 May 2013, the Federal Court decided in favour of the Plaintiffs where it stated, among others, that the Plaintiffs are entitled to approximately RM26.9 million with payments previously received by the Plaintiffs to be taken into account and deducted from this total amount. At present, the balance amount payable is uncertain as there are certain disputes between the parties on the items to be deducted and both parties have written to the Federal Court for clarification on this matter. As at the date of this announcement, the sealed Order has yet to be issued by the Federal Court.

Notwithstanding this, the total amount of balance compensation payable is not expected to have a material impact on the Company.

BND is not directly involved in these litigations, but by virtue of the Novation Agreement, is responsible for the additional land cost of land alienated to it, which includes the amount payable to the Plaintiffs.

Save for the above, there are no other changes in the contingent liabilities as at the date of this announcement since financial year ended 31 December 2012.

12. Capital commitments

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

	RM'mil
Approved and contracted	2.6
Approved but not contracted for	25.0
Total	27.6



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13. **Income tax and zakat**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000 (Restated)	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000 (Restated)
Malaysian & foreign income tax				
- Current tax	(79,313)	(34,920)	(181,972)	(103,233)
- (Under)/ over provision in prior years	(1,035)	1,816	(8,248)	1,343
Deferred tax	120,338	9,760	90,398	15,428
Tax expense for the period/year	<u>39,990</u>	<u>(23,344)</u>	<u>(99,822)</u>	<u>(86,462)</u>
Zakat	-	-	(7,334)	-
	<u>39,990</u>	<u>(23,344)</u>	<u>107,156</u>	<u>(86,462)</u>

The current quarter and cumulative quarter effective tax rate is lower than the statutory tax rate due to recognition of deferred tax assets.

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

All corporate proposals announced are completed as at the date of this announcement, except as disclosed below:

- a) A development agreement dated 16 June 2005 (“HHDSB Development Agreement”) between Nusajaya Greens Sdn Bhd (“NGSB”) and Horizon Hills Development Sdn Bhd (“HHDSB”), a 50:50 joint venture company between UEM Land Berhad (“UEM Land”) and Gamuda Berhad, for the development of approximately 1,227 acres of land in Nusajaya into a mixed development and 18-hole golf course, clubhouse and facilities together with the appropriate primary and secondary infrastructure, and other types of complementary developments, which was announced on 16 June 2005 by UEM World Berhad (now known as Global Converge Sdn Bhd). As part of the HHDSB Development Agreement, the said land will be acquired by HHDSB for the development known as Horizon Hills, which is currently ongoing. As at 19 February 2014, 1,048.8 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB.
- b) A development agreement and a supplemental development agreement dated 19 December 2007 and 4 November 2010, respectively, between UEM Land, Bandar Nusajaya Development Sdn Bhd (“BND”) and Haute Property Sdn Bhd (“HPSB”) for the development of a high end residential enclave over 111 acres held under H.S.(D) 453895, PTD 154910, Mukim Pulau, Daerah Johor Bahru, Johor Darul Ta’zim.
- c) A Facilities Maintenance and Management Agreement dated 13 April 2011 between Cahaya Jauhar Sdn Bhd, a 60% owned Jointly Controlled entity of UEM Land and State Secretary Johor (Incorporated) (“JSSI”) for the provision of management and maintenance services for Phase 1 of Kota Iskandar (“FMMA”). The annual fee under the FMMA for the first year is RM10.47 million and will be increased in the third year to RM15.8 million. The FMMA covers a period of 30 years with a review every 3 years.



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

- d) A Shareholders' Agreement dated 9 June 2011 between the Company and Iskandar Harta Holdings Sdn Bhd ("IHH"), a wholly-owned subsidiary of Iskandar Investment Berhad ("IIB") for the development of 2 parcels of land measuring an aggregate of approximately 35 acres held under H. S. (D) 478904, PTD 170657 ("Lot A3A") and H. S. (D) 478905, PTD 170658 ("Lot A3B"), both situated in Mukim of Pulai, Johor Darul Ta'zim into a mixed development predominantly in the retail segment ("Retail Mall"). The Retail Mall is to be developed by Nusajaya Lifestyle Sdn Bhd ("NLSB"), held by the Company and IHH in the proportion of 55% and 45% respectively.

On the same date, NLSB had entered into the Agreements to Lease with IHH, being the registered owner of Lot A3A and Lot A3B, for the 99-year lease of Lot A3A and Lot A3B for an aggregate consideration of RM100.0 million ("Lease Consideration").

The Agreement to Lease for Lot A3B was completed on 8 March 2012 while the Agreement to Lease for Lot A3A is expected to be completed by 8 March 2014.

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

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

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

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

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



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

- f) On 23 October 2012, the Company announced that its wholly-owned subsidiary, UEM Land, had entered into a Master Agreement (“MA”) with Ascendas Land (Malaysia) Sdn Bhd (“Ascendas”) to undertake the development of an integrated tech park over approximately 519 acres of land in Gerbang Nusajaya (“Lands”), Nusajaya, Johor Darul Ta’ zim, Malaysia (“Proposed Development”) broken down as follows:
- (i) Phase 1 Lands measuring approximately 205 acres and further broken down into two plots identified as Plot A with an estimated area of 120 acres (“Plot A”) and Plot B with an estimated area of 85 acres (“Plot B”) (collectively “Phase 1 Lands”) to be held by Company A;
 - (ii) Phase 2 Lands measuring approximately 166 acres to be held by Company B (“Phase 2 Lands”); and
 - (iii) Phase 3 Lands measuring approximately 148 acres to be held by Company C (“Phase 3 Lands”).

UEM Land and Ascendas shall enter into Subscription Agreements (“SA”) to regulate their initial share subscription into Company A, Company B and Company C (all of which are special purpose companies that have been or are to be established by UEM Land and are to be collectively referred to as the “Companies”) and Shareholders’ Agreement (“SHA”) to govern the parties’ relationship as shareholders of the Companies. The equity ratio of the parties in the companies shall be 60% : 40% (Ascendas : UEM Land) unless otherwise agreed by the parties in accordance with the terms of the Shareholders’ Agreement. Company A has been incorporated on 28 September 2012 under the name of Suasana Prisma Sdn Bhd (“SPSB”).

Pursuant to the MA, UEM Land also agrees to:

- (i) Cause the transfer of Plot A to Company A; and
- (ii) Grant to Ascendas the options to:
 - Agree to Company A completing the purchase of Plot B; and
 - Purchase the Phase 2 Lands and Phase 3 Lands via Company B and Company C respectively, and for UEM Land and Ascendas to subscribe for the shares for Company B and/or Company C as per the terms provided in the MA.

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

On 26 December 2012, the following agreements have been signed in accordance with the MA to effect the Proposed Development of the Phase 1 Lands:

- (i) SA between UEM Land, Ascendas and SPSB;
- (ii) SHA between UEM Land, Ascendas and SPSB; and
- (iii) Sale & Purchase Agreement (“SPA”) between SPSB and Nusajaya Rise Sdn Bhd, the registered proprietor of Phase 1 Lands.

On 8 March 2013, SPSB changed its name to Nusajaya Tech Park Sdn Bhd (“NTPSB”).

As at 22 May 2013, the conditions precedent for the SPA has been fulfilled while the conditions precedent for the SA and SHA in relation to the Proposed Development of the Phase 1 Lands has been fulfilled on 1 August 2013. Accordingly, NTPSB (formerly known as SPSB) has ceased to be a subsidiary of the Company on 1 August 2013.



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

- g) On 4 December 2012, the Company announced that its wholly-owned subsidiary, UEM Land, had signed a Joint Venture Agreement (“JVA”) with Fastrack Autosports Pte Ltd (“FAPL”) to jointly develop a Motorsports City over approximately 270 acres of land in Gerbang Nusajaya, Nusajaya, Johor Darul Ta’zim (“Land”) (“Proposed Development”).

FAPL and UEM Land will purchase and jointly develop the Land which forms part of the Gerbang Nusajaya development in Nusajaya, through the participation of FAPL in the special purpose company established by UEM Land called Crimson Carnival Sdn Bhd (“CCSB”). On 18 February 2013, CCSB changed its name to Fastrack Iskandar Sdn Bhd (“FasTrack”).

FasTrack is presently a wholly-owned subsidiary of UEM Land. Within 14 business days from the unconditional date of the JVA, UEM Land and FAPL will subscribe to FasTrack’s shares in accordance to the agreed proportion of 30 : 70 (UEM Land : FAPL).

FasTrack entered into a Sale and Purchase Agreement (“SPA”) on 4 December 2012 to purchase the Land from Nusajaya Rise Sdn Bhd, a wholly-owned subsidiary of UEM Land, for a total consideration of RM223.5 million to be satisfied within 3 months from the unconditional date of the agreements.

The JVA and SPA are conditional upon, amongst others, the receipt of the relevant authorities’ approval, the issuance, transfer and registration of the title for the Land and the satisfactory results of due diligence performed on FasTrack. As at 19 February 2014, the conditions precedent to the JVA and SPA are still outstanding.

- h) A conditional shareholders’ agreement dated 16 April 2013 between the Company, Iskandar Coast Sdn Bhd (“ICSB”) and Nusajaya Premier Sdn Bhd (“NPSB”) to regulate the relationship between the Company and ICSB as shareholders of NPSB to undertake their proposed collaboration to develop a residential development in Puteri Harbour Nusajaya, Iskandar Malaysia, Johor Darul Ta’zim (“Proposed Development”). Upon the fulfillment and satisfaction of the conditions precedent of the shareholders’ agreement in accordance with its terms, the Company shall transfer 50,000 ordinary shares of RM1.00 each in NPSB representing 20% of its equity interest in NPSB to ICSB and 182,375,090 new redeemable preference shares of RM0.01 each (“RPS”) shall be issued in which the Company and ICSB will subscribe 80% and 20% of the RPS respectively.

On the same date, NPSB, had entered into two (2) separate sale and purchase agreements for the acquisition of the following lands which will form part of the Proposed Development:

- (i) A sale and purchase agreement dated 16 April 2013 with ICSB for the acquisition of a parcel of freehold land measuring approximately 63.047 acres held under H.S.(D) 306819, PTD 71102 in Mukim Pulau, District of Johor Bahru, Johor Darul Takzim for a cash consideration of RM48.1 million; and
- (ii) A sale and purchase agreement dated 16 April 2013 with BND for the acquisition of two parcels of freehold land measuring approximately 7.072 acres and 15.323 acres held under H.S.(D) 458100, PTD 166925 and GRN 436691, Lot 139980 respectively in Mukim Pulau, District of Johor Bahru, Johor Darul Takzim for an aggregate cash consideration of RM17.1 million.

The conditions precedent for the land sale and purchase agreements has been fulfilled on 31 July 2013. Subsequently, the Shareholders’ Agreement have been completed on 12 December 2013.

- i) On 22 April 2013, the Company announced that its wholly-owned subsidiaries, UEM Land and BND had entered into a Sale and Purchase Agreement (“SPA”) with Southern Marina Development Sdn Bhd for the disposal of approximately 12.518 acres of land in Puteri Harbour, Nusajaya, Johor Darul Takzim for a total cash consideration of approximately RM182.0 million.

The SPA is unconditional subject to the following:

- (i) The approval from the Economic Planning Unit
- (ii) Issuance of converted new land titles free from encumbrances

The SPA became unconditional on 22 August 2013.



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

- j) On 26 April 2013, the Company announced that its wholly-owned subsidiary, UEM Land had signed a definitive agreement with Telekom Malaysia Berhad (“TM”) for the cooperation in the area of internet connected home concept in which TM shall provide the necessary infrastructure to enable the provision of high speed broadband service packages (“TM UniFi Bundling Service”) to UEM Land’s selected developments in Nusajaya. The selected developments include 4,013 new residential units within Nusa Bayu, Nusa Idaman, East Ledang and Puteri Harbour (“New Developments”), as well as other areas within Nusajaya such as Ledang Heights, Ujana Apartment, Port of Puteri Harbour Ferry Terminal and Southern Industrial and Logistics Clusters. TM will also provide free subscription of the TM Unifi Bundling Service for up to 24 months to property owners within the New Developments. The costs for this subscription is RM13.5 million payable by UEM Land to TM on a progress basis. The duration for the definitive agreement will be up until the completion of the final phase of the New Developments which is targeted by 31 December 2016
- k) On 7 February 2014, UEM Land Berhad (“UEML”), a wholly owned subsidiary of the Company and KLK Land Sdn Bhd (“KLKL”), a wholly owned subsidiary of Kuala Lumpur Kepong Berhad (“KLK”) entered into 2 separate shareholders’ agreements (“SHA”) to give effect to the Proposed Joint Development of the following:
- (i) proposed development of various parcels of land measuring an aggregate of approximately 2,500 acres of freehold land held under GRN 237459, Lot 2956; GM 1408, Lot 1033; GM 1410, Lot 1080; all situated in Mukim Senai, District of Kulai Jaya, State of Johor (“Fraser Land”), into a proposed mixed residential, commercial and industrial development (“Proposed Fraser Land Development”); and
 - (ii) proposed development of various parcels of land measuring an aggregate of approximately 500 acres of freehold land held under HSD 268610, PTD 2379; HSD 268611, PTD 2380; HSD 309471, PTD 2387; HSD 297739, PTD 2987; all situated in Mukim Tanjung Kupang, District of Johor Bahru, State of Johor (“Gerbang Land”), into a proposed mixed development (“Proposed Gerbang Land Development”).

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

The objectives of the AMSB and SESB are to conceptualise, commence, manage, implement and develop all aspects of the Proposed Joint Development, including to acquire the Lands and to ensure the success of the Proposed Joint Development.

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

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



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15. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 December 2013 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Domestic						
- Loan from immediate holding company	-	-	-	74,983	-	74,983
- Islamic Medium Term Notes	-	1,400,628	1,400,628	-	100,000	100,000
- Term loan	311,723	-	311,723	-	25,000	25,000
- Revolving credits	-	-	-	7,000	11,000	18,000
- Bank overdrafts	9,715	-	9,715	-	-	-
TOTAL	321,438	1,400,628	1,722,066	81,983	136,000	217,983

16. **Derivatives**

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

17. **Fair value hierarchy**

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

18. **Realised and unrealised profits/(losses)**

	As at current financial year end 31/12/2013 (RM'000)	As at preceding financial year end 31/12/2012 (Restated) (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	1,360,117	1,032,897
- Unrealised	53,358	47,790
	1,413,475	1,080,687
Total share of retained profits/(accumulated losses) of associates:		
- Realised	65,909	47,041
- Unrealised	1,446	(132)
Total shares of retained profits of joint ventures:		
- Realised	213,111	106,311
- Unrealised	2,459	1,670
	1,696,400	1,235,577
Less : Consolidation adjustments	(98,131)	(197,423)
Total group retained profits as per consolidated statement of financial position	1,598,269	1,038,154



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19. **Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement except as disclosed below:

(i) Vulindlela Holdings (Pty) Limited and Vulindlela Investments (Pty) Limited against Renong Overseas Corporation Sdn Bhd

Renong Overseas Corporation Sdn Bhd (“ROC”), a wholly-owned subsidiary of UEM Land, entered into an agreement to dispose its entire interests in Renong Overseas Corporation S.A. (Proprietary) Limited (“ROCSA”), a wholly-owned foreign subsidiary of ROC, on 8 January 2007 with Bonatla Property Holdings Limited (“Bonatla”) (“Agreement”). The Agreement was later novated to VLC Commercial & Industrial (Pty) Ltd (“VLC”).

In March 2007, Vulindlela Holdings (Pty) Limited has jointly with Vulindlela Investments (Pty) Limited (“Applicants”) filed an action proceedings in the High Court of South Africa, Durban and Coast Local Division against ROC seeking an order to declare the Agreement invalid under KND case number 2722/07 (“the 2007 action proceedings”). The Applicants’ main contention is that they have a tacit pre-emptive right at ROCSA level which they claimed was not granted to them. The Applicants are companies incorporated in South Africa and hold direct and indirect interest in ROC-Union (Proprietary) Limited, a subsidiary of ROCSA. ROCSA and Vulindlela Investments (Pty) Limited respectively hold 80.4% and 19.6% equity interest in ROC-Union (Proprietary) Limited.

On 4 August 2008, the Applicants applied for a relief to injunct ROC from completing its sale of shares in ROCSA to Bonatla and/or its nominee, VLC, pending the determination of the 2007 action proceedings by the court (“the 2008 interim application”). In August and October 2008, ROC had agreed to consent orders which, primarily, prevents ROC from disposing of its shares in ROCSA until the finalisation of the 2008 interim application.

The Agreement for the sale of shares by ROC to Bonatla and/or VLC has been terminated by ROC on 16 November 2010 due to non-performance by VLC. In view thereof, applications to set aside the consent orders had been filed by ROC on 1 October 2012.

On 31 May 2013, in relation to the 2008 interim application, the High Court of South Africa, Durban and Coast Local Division had set aside the consent orders and directed that pending determination of the 2007 action proceedings, ROC undertakes to the Applicants to provide a 20 court days notice prior to any transfer of its shares in ROCSA.

On 12 February 2014, following the filing of the Notice of Withdrawal by the Applicants with the High Court of South Africa, Durban, the case is now deemed to be closed.

(ii) Rakyat Holdings Sdn Bhd (“Rakyat Holdings”) against Aurora Tower @KLCC Sdn Bhd (“Aurora Tower”) under Writ of Summons and Statement of Claim in High Court Suit No. 22 NCVC-297-04/2013

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

Aurora Tower’s solicitors believe that Aurora Tower has a good defence to the Claim and will be defending it. The Court fixed the matter for final case management on 6 June 2014 and trial on 7 July 2014 to 10 July 2014.



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

	Current quarter 31/12/2013 RM'000	Immediate preceding quarter 30/09/2013 RM'000 (Restated)
Revenue	573,113	678,510
(Loss)/Profit from operations	(9,601)	195,283
Finance costs	(8,009)	(5,818)
Share of results of associates/joint ventures	55,904	37,940
Profit before income tax	38,294	227,405

The Group recorded a lower revenue for the current quarter as compared to the immediate preceding quarter mainly due to the completion of the land sales to Southern Marina Development Sdn Bhd and Nusajaya Tech Park Sdn Bhd, a joint venture with Ascendas in the last quarter.

The lower profit from operations for the current quarter as compared to the immediate preceding quarter is mainly due to fewer land sales as well as to account for higher development costs ahead following an overall review of our project cost estimates.

21. **Detail analysis of the performance for the current quarter and year**

	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000 (Restated)	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000 (Restated)
Revenue	573,113	682,609	2,425,289	1,919,378
(Loss)/ Profit from operations	(9,601)	200,512	588,087	487,013
Finance costs	(8,009)	(10,675)	(29,386)	(41,372)
Share of results of associates/joint ventures	55,904	34,705	127,564	89,104
Profit before income tax	38,294	224,542	686,265	534,745

The Group's higher revenue for the year as compared to the previous year is primarily due to land sales in Puteri Harbour to Liberty Bridge Sdn Bhd for RM400 million and Southern Marina Development Sdn Bhd for RM182 million. Excluding these land sales, property development revenue for both financial years remains substantially similar. The Group's lower revenue for the current quarter as compared to preceding year's corresponding quarter is mainly due to completion of MK28 in December 2012.

Sales generated from property development for the year was RM2.7 billion of which, RM1.7 billion was contributed from its sales in Nusajaya. The projects contributing to these sales include Teega, Arcoris, East Ledang, Nusa Idaman, Nusa Bayu and Symphony Hills.

The higher profit before tax for financial year 31 December 2013 is in line with the higher revenue as mentioned above. Likewise the lower profit before tax for the current quarter is due to reasons outlined above.



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22. **Economic profit (“EP”) statement**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter 31/12/2013 RM’000	Preceding year corresponding quarter 31/12/2012 RM’000 (Restated)	Year ended 31/12/2013 RM’000	Year ended 31/12/2012 RM’000 (Restated)
<u>Net operating (loss)/ profit after tax (“NOLAT)/NOPAT” computation:</u>					
Earnings before interest and tax (“EBIT”)		(27,330)	186,908	531,979	432,497
Adjusted tax		6,833	(46,727)	(132,995)	(108,124)
(NOLAT)/NOPAT		(20,497)	140,181	398,984	324,373
<u>Economic charge computation:</u>					
Average invested capital	1	6,820,596	6,489,341	6,820,596	6,489,341
Weighted average cost of capital (“WACC”) (%)	2	14.79%	12.40%	14.79%	12.40%
Economic charge		(252,148)	(201,170)	(1,008,592)	(804,678)
Economic loss		(272,645)	(60,989)	(609,608)	(480,305)

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

The Group recorded higher economic loss for the current quarter as compared to the preceding year corresponding quarter mainly due to lower profit from operations as explained in Note 21 above. The higher economic loss for the year ended 31 December 2013 was mainly due higher average working capital for the year.

Note 1: Average invested capital consists of average operating working capital, average net property, plant and equipment and average net other operating assets.

Note 2: WACC is calculated as weighted average cost of debts and equity taking into account the market capitalisation of the Company as at end of the period.



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23. **Prospects for the next financial year**

The Malaysian property market for 2014 will be challenging following the introduction of the cooling measures. However, the Group remains optimistic that its financial performance for 2014 will surpass that of 2013.

The catalytic projects in Nusajaya together with our planned developments in Gerbang Nusajaya will continue to drive demand for our properties in Nusajaya. Towards this end, several phases of landed properties in East Ledang and as well as in D'Estuary will be launched. In the Central region, the Group will continue to sell the remaining units in Residensi 22, Mont'Kiara following its successful sales launch in December 2013. Other landed developments that will be launched are Serene Heights in Bangi and Sinaran Hills in Kajang. The Group is confident that these products will be well received.

The Group has on 7 February 2014 announced a joint development with KLK Land Sdn Bhd (KLK) to jointly develop two parcels of land. The Group is expected to complete its land transaction with KLK this year.

The Group's on-going projects have a total unrecognized revenue of RM3.4 billion as at 31 December 2013.

24. **Profit forecast**

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



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25. **Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000 (Restated)	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000 (Restated)
(a) Basic earnings per share				
Profit for the period/year attributable to Owners of the Parent (net of dividend for MCRPS)	77,956	201,274	576,585	448,358
Weighted average number of ordinary shares in issue ('000)	4,361,776	4,327,900	4,344,130	4,327,086
Basic earnings per share	<u>1.79 sen</u>	<u>4.65sen</u>	<u>13.27 sen</u>	<u>10.36 sen</u>
(b) Diluted earnings per share				
Profit for the period/year attributable to Owners of the Parent (net of dividend for MCRPS)	77,956	201,274	576,585	448,358
Profit of subsidiaries attributable to non-controlling interests arising from dilutive impact of convertible securities issued by a subsidiary	<u>(3,483)</u>	<u>(12,558)</u>	<u>(46,853)</u>	<u>(37,058)</u>
Diluted profit attributable to Owners of the Parent	<u>74,473</u>	<u>188,716</u>	<u>529,732</u>	<u>411,300</u>
Diluted weighted average number of ordinary shares in issue ('000)	<u>4,446,893</u>	<u>4,825,361</u>	<u>4,429,247</u>	<u>4,824,548</u>
Diluted earnings per share	<u>1.67 sen</u>	<u>3.91 sen</u>	<u>11.96 sen</u>	<u>8.53 sen</u>

Kuala Lumpur
25 February 2014

By Order of the Board
SHARIFAH SHAFIQA SALIM (LS No. 0008928)
LIEW IRENE (MAICSA 7022609)
 Joint Company Secretaries