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A member of **UEM Group**

**UEM SUNRISE BERHAD**

*(Company No.: 830144-W)*

*(Incorporated in Malaysia under the Companies Act, 1965)*

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED JOINT DEVELOPMENT BETWEEN UEM LAND BERHAD, A WHOLLY-OWNED SUBSIDIARY OF UEM SUNRISE BERHAD, AND KLK LAND SDN BHD (FORMERLY KNOWN AS KL-KEPONG PROPERTY HOLDINGS SDN BHD), A WHOLLY-OWNED SUBSIDIARY OF KUALA LUMPUR KEPONG BERHAD OF VARIOUS PARCELS OF FREEHOLD LAND MEASURING APPROXIMATELY 3,000 ACRES IN THE STATE OF JOHOR**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING ("EGM")**

*Adviser*



CIMB Investment Bank Berhad (18417-M)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of EGM and the Form of Proxy are set out in this Circular. Our EGM will be held as follows:

Date and time of EGM	:	Thursday, 24 July 2014 at 10.00 a.m.
Venue of EGM	:	Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan
Last date and time for lodging the Proxy Form	:	Tuesday, 22 July 2014 at 10.00 a.m.

This Circular is dated 9 July 2014

## DEFINITIONS

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The following definitions shall apply throughout this Circular unless the context requires otherwise:

Act	: Companies Act, 1965 and any amendments made thereto from time to time
AMSB	: Aura Muhibah Sdn Bhd, our 60%-owned subsidiary
AMSB SHA	: Shareholders' agreement dated 7 February 2014 entered into between UEML, KLK Land and AMSB to establish the shareholding structure of AMSB and to regulate the relationship of the parties
AMSB SPA	: Sale and purchase agreement dated 7 February 2014 entered into between AMSB and KLK to acquire the Fraser Land on an "as is where is" basis, free from encumbrances with vacant possession and subject to all conditions expressed or implied in the title, for a purchase consideration of RM871.2 million
BNDSB	: Bandar Nusajaya Development Sdn Bhd, a wholly-owned subsidiary of UEML
Board	: Board of Directors of UEMS
Bursa Securities	: Bursa Malaysia Securities Berhad
CIMB	: CIMB Investment Bank Berhad
DevCos	: Collectively, AMSB and SESB
DTZ	: DTZ Nawawi Tie Lung Property Consultants Sdn Bhd
EGM	: Extraordinary General Meeting
EPS	: Earnings per share
Fraser Land	: Various parcels of land measuring an aggregate of approximately 2,500 acres of freehold land currently 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
FSB	: Finwares Sdn Bhd, a wholly-owned subsidiary of UEML
FYE	: Financial year ended/ending
Gerbang Land	: Various parcels of land measuring an aggregate of approximately 500 acres of freehold land currently 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 Vendors	: Collectively, NRSB, FSB and SHSB
KLK	: Kuala Lumpur Kepong Berhad
KLK Land	: KLK Land Sdn Bhd (formerly known as KL-Kepong Property Holdings Sdn Bhd), a wholly-owned subsidiary of KLK
Lands	: Collectively, the Fraser Land and the Gerbang Land
LPD	: 13 June 2014, being the latest practicable date before the printing of this Circular
NA	: Net assets
NRSB	: Nusajaya Rise Sdn Bhd, a wholly-owned subsidiary of BNDSB
Ordinary Shares	: Ordinary shares of RM1.00 each

## DEFINITIONS *(cont'd)*

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Proposal	:	Proposed Acquisitions as well as the entry into the relevant SHAs and SPAs
Proposed Acquisitions	:	Acquisition of the Lands by the DevCos
Proposed Fraser Land Development	:	Proposed mixed residential, commercial and industrial development of the Fraser Land
Proposed Gerbang Land Development	:	Proposed mixed development of the Gerbang Land
Proposed Joint Development	:	Proposed joint development between UEML and KLK Land of the Fraser Land and the Gerbang Land
Psf	:	Per square foot
RM and sen	:	Ringgit Malaysia and sen, respectively
RPS	:	Redeemable preference shares of RM0.01 each at the issue price of RM1.00
SESB	:	Scope Energy Sdn Bhd, our 40%-owned associate
SESB SHA	:	Shareholders' agreement dated 7 February 2014 entered into between UEML, KLK Land and SESB to establish the shareholding structure of SESB and to regulate the relationship of the parties
SESB SPA	:	Sale and purchase agreement dated 7 February 2014 entered into between SESB and the Gerbang Land Vendors to acquire the Gerbang Land on an "as is where is" basis, free from encumbrances with vacant possession and subject to all conditions expressed or implied in the title and delivery of the master infrastructure by the Gerbang Land Vendors, for a purchase consideration of RM871.2 million
SHAs	:	Collectively, the AMSB SHA and the SESB SHA
SHSB	:	Symphony Hills Sdn Bhd, a wholly-owned subsidiary of BNDSB
SPAs	:	Collectively, the AMSB SPA and the SESB SPA
UEML	:	UEM Land Berhad, our wholly-owned subsidiary
UEMS or Company	:	UEM Sunrise Berhad
Vendors	:	Collectively, KLK and Gerbang Land Vendors

All references to "**our Company**" or "**UEMS**" in this Circular are to UEM Sunrise Berhad and references to "**our Group**" or "**UEMS Group**" are to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company and, where the context otherwise requires, our subsidiaries.

All references to "**you**" in this Circular are to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day and date in this Circular is a reference to Malaysian time and date, respectively.

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A member of UEM Group

**UEM SUNRISE BERHAD**  
(Company No.: 830144-W)  
(Incorporated in Malaysia under the Act)

**Registered office:**  
19-2, Mercu UEM  
Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

9 July 2014

**Directors:**

Tan Sri Dr Ahmad Tajuddin Ali (*Non-Independent Non-Executive Chairman*)  
Dato' Mohd Izzaddin Idris (*Executive Director*)  
Oh Kim Sun (*Senior Independent Non-Executive Director*)  
Sheranjiv Sammanthan (*Non-Independent Non-Executive Director*)  
Professor Philip Sutton Cox (*Independent Non-Executive Director*)  
Lim Tian Huat (*Independent Non-Executive Director*)  
Dato' Srikandan Kanagainthiram (*Independent Non-Executive Director*)  
YM Ungku Suseelawati Ungku Omar (*Independent Non-Executive Director*)

**To the Shareholders of UEMS**

Dear Sir/Madam

**PROPOSED JOINT DEVELOPMENT**

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**1. INTRODUCTION**

On 7 February 2014, CIMB announced on behalf of UEMS that its wholly-owned subsidiary, UEML and KLK Land have proposed to jointly develop the following:

- (i) 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, into a proposed mixed residential, commercial and industrial development; and
- (ii) 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, into a proposed mixed development.

The Proposed Fraser Land Development will be undertaken by AMSB while the Proposed Gerbang Land Development will be undertaken by SESB.

To give effect to the Proposed Joint Development:

- (i) UEML had on 7 February 2014 entered into 2 separate shareholders' agreements with KLK Land and the respective development companies to establish the shareholding structure of AMSB and SESB respectively and to regulate the relationship of the parties; and
- (ii) Concurrent with the execution of the SHAs, AMSB and SESB entered into 2 separate sale and purchase agreements for the acquisition of the Lands which will form part of the Proposed Joint Development:
  - (a) AMSB entered into a sale and purchase agreement with KLK to acquire the Fraser Land on an "as is where is" basis, free from encumbrances with vacant possession and subject to all conditions expressed or implied in the title, for a purchase consideration of RM871.2 million; and
  - (b) SESB entered into a sale and purchase agreement with NRSB, FSB and SHSB, all of which are wholly-owned subsidiaries of UEML to acquire the Gerbang Land on an "as is where is" basis, free from encumbrances with vacant possession and subject to all conditions expressed or implied in the title and delivery of the master infrastructure by the Gerbang Land Vendors, for a purchase consideration of RM871.2 million.

The purpose of this Circular is to provide you with the details of the Proposal, and to seek your approval for the resolutions pertaining to the Proposal which will be tabled at UEMS' forthcoming EGM. The Notice of EGM and the Form of Proxy are enclosed with this Circular.

**You are advised to read and consider carefully the contents of this Circular before voting on the resolutions pertaining to the Proposal to be tabled at UEMS' forthcoming EGM.**

## **2. DETAILS OF THE PROPOSED JOINT DEVELOPMENT**

### **2.1 Salient terms of the SHAs**

- 2.1.1 The objectives of the DevCos are to invest, fund and develop all aspects of the Proposed Joint Development, including to acquire the Lands and to sell the units constructed for the Proposed Joint Development.
- 2.1.2 Within 30 days from date of the SHAs, the parties to the agreements (being UEML, KLK Land and AMSB for the AMSB SHA; and UEML, KLK Land and SESB for the SESB SHA) had undertaken the following:
  - (i) the DevCos increased its authorised share capital to RM10,000,000 comprising the following:
    - 1. 500,000 Ordinary Shares; and
    - 2. 950,000,000 RPS; and

- (ii) the shareholders of the DevCos subscribed for Ordinary Shares and RPS based on the following proportion:

SHA	Type of securities	Party	Number of securities subscribed	Total issue price	Percentage of securities held after subscription ("Agreed Proportion")
AMSB SHA	Ordinary Shares in AMSB	UEML	149,998	RM149,998	60%
		KLK Land	100,000	RM100,000	40%
	RPS in AMSB	UEML	52,800,000	RM52,800,000	60%
		KLK Land	35,200,000	RM35,200,000	40%
SESB SHA	Ordinary Shares in SESB	UEML	100,000	RM100,000	40%
		KLK Land	149,998	RM149,998	60%
	RPS in SESB	UEML	35,200,000	RM35,200,000	40%
		KLK Land	52,800,000	RM52,800,000	60%

On 5 March 2014, UEML and KLK Land had subscribed for the above Ordinary Shares and RPS in the DevCos in cash with each DevCo raising RM88,249,998.

- 2.1.3 After the Unconditional Date (as defined hereinafter) and before the completion of the SPAs or such other date to be mutually agreed, the shareholders of the DevCos will further subscribe for RPS based on the Agreed Proportion as follows:

SHA	Type of securities	Party	Number of securities to be subscribed	Total issue price	Agreed Proportion
AMSB SHA	RPS in AMSB	UEML	487,200,000	RM487,200,000	60%
		KLK Land	324,800,000	RM324,800,000	40%
SESB SHA	RPS in SESB	UEML	324,800,000	RM324,800,000	40%
		KLK Land	487,200,000	RM487,200,000	60%

The amount raised by each DevCo from the above issuance of RPS after the Unconditional Date is RM812 million.

The subscription of the Ordinary Shares and RPS in Sections 2.1.2 and 2.1.3 above is to allow each DevCo to satisfy the purchase consideration for the acquisition of the Lands of RM871.2 million each. The subscription of the RPS allows for flexibility in the capital structure of the DevCos. The issued capital of the DevCos may be increased from time to time, including for working capital purposes by mutual agreement of UEML and KLK Land by way of issuance of Ordinary Shares and/or RPS provided that any Ordinary Shares and/or RPS shall only be issued to UEML and KLK Land in accordance with the Agreed Proportion. The indicative principal terms of the RPS are set out in Appendix III of this Circular.

2.1.4 The other salient terms of each of the SHAs include, amongst others, the following:

(i) Each DevCo will respectively undertake to perform the following:

- (a) Within 30 days of the date of the SHA to convene an extraordinary general meeting of its shareholders to amend its Memorandum and Articles of Association to provide for the subscription of securities in Section 2.1.2 of this Circular and to comply with all requirements and provisions of the Act;
- (b) Within 30 days of the date of the SHA to appoint the board members based on the following proportion:

<b>Company</b>	<b>No. of UEML representatives</b>	<b>No. of KLK Land representatives</b>	<b>Chairman of the board</b>
AMSB	3	2	Representative of UEML
SESB	2	3	Representative of KLK Land

- (c) To liaise with the appropriate authorities on any matter relating to the Proposed Joint Development including submitting the layout plan of the Proposed Joint Development ("**Development Layout Plan**") for approval within 12 months from the completion of the SPA (with an automatic extension of 6 months) and the conversion of the category of land use; and
- (d) To undertake the Proposed Joint Development within 3 years from the date of the approved Development Layout Plan, and solely for the SESB SHA, provided that the master infrastructure have been delivered by the Gerbang Land Vendors in accordance with the SESB SPA.

(ii) In accordance with the terms of the SHAs, an event of default will occur on any of the following events:

- (a) a shareholder committing a material breach of its obligations under the SHA and, in the case of a breach capable of remedy, failing to remedy the same within 14 days of being specifically required in writing so to do by the other shareholder;
- (b) the inability of a shareholder for a period of 21 days to pay its debts in the normal course of business;
- (c) any encumbrances taking possession of or a receiver or trustee being appointed over the whole or any part of the undertaking, property or assets of a shareholder; or
- (d) the making of an order or the passing of a resolution for the winding up of a shareholder (if applicable), otherwise than for the purpose of a reconstruction or amalgamation without insolvency previously approved by the other shareholder (such approval not to be unreasonably withheld).



Upon the occurrence of any event of default pertaining to a shareholder, such shareholder ("**Defaulting Shareholder**") shall be deemed on the date immediately before the occurrence of such an event, to have on its own volition given the other shareholder ("**Non-defaulting Shareholder**") the following options to be exercised within a period of 120 days of the occurrence of the relevant event:

- (a) the option to purchase all (and not part only) of the DevCo shares held by or beneficially owned by the Defaulting Shareholder at a sum which is 80% of the fair market value of the DevCo shares; or
- (b) the option to require the Defaulting Shareholder to purchase all (and not part only) of the DevCo shares held or beneficially owned by the Non-defaulting Shareholder at a sum which is 120% of the fair market value of the DevCo shares.

If the Non-defaulting Shareholder does not elect to exercise the option above within the said period of 120 days from the event of default, the Non-defaulting Shareholder shall be entitled by notice in writing to the other parties to the agreement to convene an extraordinary general meeting of the DevCo to consider the passing of a special resolution to place the DevCo in members' voluntary liquidation. At the extraordinary general meeting of the DevCo, the shareholders shall vote in favour of the special resolution for winding up the DevCo.

- (iii) Neither shareholder of the DevCo shall without the prior written consent of the other shareholder:
  - (a) pledge, mortgage, charge (whether by way of fixed or floating charge) or otherwise encumber its legal or beneficial interest in the shares of the DevCo;
  - (b) dispose of any or part of its DevCo shares (or any legal or beneficial interest therein) except in accordance with the provisions with regards to deadlock, event of default and pre-emptive rights;
  - (c) effect or permit any change in the substantial ownership or control of a shareholder of the DevCo; or
  - (d) enter into any agreement in respect of the votes attached to the DevCo shares.

The shareholders of the DevCo shall be entitled to transfer its shares in the DevCo to its wholly-owned subsidiaries or to wholly-owned subsidiaries of its holding company with prior written notification to each other.

If either of the shareholders of the DevCo ("**Transferor**") intends to dispose all of its shares in the DevCo ("**Relevant Shares**"), the Transferor shall first make an offer in writing to sell the same to the other shareholder of the DevCo ("**Transferee**") at a mutually agreed price or in default of such agreement, such price shall be determined by appraiser(s) to be appointed by the parties to the agreement ("**Offer Price**"). If the Transferee does not accept the offer within 60 days, the Transferor shall then be entitled to transfer or dispose the Relevant Shares to any third party at a price which is not lower than the Offer Price.

- (iv) In the event of the termination of the SHA and/or the corresponding SPA, the DevCo shall, within 14 days after it receives the refund (if any) of the monies paid pursuant to the SPA, pay all costs incurred by the DevCo in connection with the SHA and refund free from interest the balance of the monies based on the Agreed Proportion.

If the corresponding SPA is terminated, the parties to the SHA shall cause the DevCo to liquidate and dissolve and procure the directors to execute all the necessary documents to give effect to the said dissolution of the DevCo. All costs relating to the termination of the corresponding SPA and liquidation and dissolution shall be borne by the DevCo, unless the parties to the SHA mutually agree otherwise. In the event that the DevCo does not have adequate funds to cover the costs, such costs shall be borne by the shareholders in the Agreed Proportion, unless the parties to the SHA mutually agree otherwise.

## 2.2 Salient terms of the SPAs

- 2.2.1 Pursuant to the SPAs, the purchase consideration will be satisfied by the DevCos based on the following manner:

<u>Payment date</u>	<u>Fraser Land</u>	<u>Gerbang Land</u>
	RM million	RM million
Within 30 days of the date of the SPA	87.1	87.1
Within 3 months from the unconditional date	784.1	784.1
<b>Total</b>	<b>871.2</b>	<b>871.2</b>

- 2.2.2 The other salient terms of each of the SPAs include, amongst others, the following:

- (i) The SPAs are conditional upon the fulfilment of all of the following conditions precedent ("**Conditions**"):
- (a) shareholders' approval of the transacting parties (including the approval of the shareholders of their holding companies, if required);
  - (b) the Vendors obtaining the freehold title deed of the Lands from the relevant authorities pursuant to the subdivision and/or surrender and re-alienation of the master title of the land;
  - (c) the Vendors obtaining the approval of the Estate Land Board for the transfer of the land;
  - (d) the Vendors obtaining the approval of the State Authority of Johor (if applicable) for the transfer of the land;
  - (e) solely for the SESB SPA, SESB obtaining the approval of the Economic Planning Unit for the purchase of the land<sup>1</sup>; and
  - (f) any other authorities' approval which may be required and have been informed in writing.

<sup>1</sup> Due to a change in the composition of the equity interest in the Gerbang Land.

The SPAs shall become unconditional on the date that the last Condition is met ("**Unconditional Date**"), which should not exceed 15 months from the date of the SPAs ("**Approval Period**") (with an extension of 3 months) or such later period as may be mutually agreed, failing which the SPAs shall be deemed terminated and thereafter shall have no further effect, and all monies shall be returned by the Vendors, free of interest, to the DevCos and thereafter the Vendors shall be at liberty to sell or otherwise deal with the Lands in such manner and to such persons as the Vendors shall deem fit.

Completion shall take place within 3 months from the Unconditional Date. The applications to the relevant authorities, where applicable, are expected to be submitted within the Approval Period.

- (ii) In the event the difference between the size of the respective Lands shown in the land titles and that stated in the SPAs is more than 5%, the parties to the agreement shall negotiate in good faith and mutually agree on the mechanism for compensation, adjustment and/or realignment, which has not been determined at this juncture.
- (iii) Solely for the AMSB SPA, pending the transfer of the Fraser Land from KLK to AMSB, KLK has given the powers of attorney to AMSB so as to allow AMSB to carry out the relevant submissions to the appropriate authorities as required to carry out the Proposed Joint Development on the Fraser Land. The powers of attorney from SHSB and FSB in respect of the Gerbang Land had been granted to NRSB on 22 January 2013.
- (iv) In the event that the Lands cannot be registered in favour of the DevCos for any reason or defect not attributable to any act, omission, fault, neglect and/or blameworthy conduct on the part of the parties to the agreement and which cannot be rectified, the SPAs will be terminated whereupon the Vendors shall refund all monies paid by the DevCos towards the purchase consideration as detailed in Section 2.2.1 above, free of interest within 10 business days and the SPAs shall be terminated and shall have no further effect.
- (v) Solely for the AMSB SPA, if any time within 10 years from the date the planning permission (*Kebenaran Merancang*) is approved by the relevant authorities and KLK wishes to dispose of part of an additional 2,500 acres of land (forming part of an oil palm estate) which currently shares a master title with the Fraser Land ("**Additional KLK Land**") to a third party, AMSB is granted a right of first refusal to purchase the Additional KLK Land at a consideration and terms to be mutually agreed ("**AMSB ROFR**"). If AMSB does not exercise its right of first refusal within 2 months ("**ROFR Acceptance Period**"), KLK shall be entitled, in good faith, to dispose the Additional KLK Land, or any part thereof, to a third party upon the same material commercial terms and purchase consideration that have been previously offered to AMSB within 6 months from the ROFR Acceptance Period, failing which, the procedures under the AMSB ROFR will apply again.

In addition, KLK has granted AMSB a one-time option for 5 years commencing 5 years from the date of the AMSB SPA ("**Option Term**") to acquire a minimum of 500 acres of land in one contiguous parcel ("**Option Land**") with the final transacted size of the Option Land to be determined by KLK. The exact location of the Option Land, which will be mutually agreed, is within the Additional KLK Land with a shared boundary with the Fraser Land. The option is exercisable by AMSB over the Option Term. However, the option may be exercised earlier at the discretion of KLK, if AMSB is able to identify a third party partner to jointly develop the Option Land. The purchase consideration of the Option Land shall be the higher of the market value to be determined by 3 mutually agreed professional independent valuers or RM8.00 psf (being the current market value of the Fraser Land as appraised by DTZ, an independent firm of registered valuers) compounded annually at the latest available weighted average percentage of change of the Malaysian Consumer Price Index at the time of the exercise of the option.

### **2.3 Basis and justification in arriving at the consideration**

The purchase consideration for the Fraser Land and Gerbang Land was arrived at after taking into consideration the following:

- (i) the market valuation of the Fraser Land and Gerbang Land as appraised by DTZ on 22 January 2014 and 21 January 2014 respectively, as set out in its valuation reports dated 28 March 2014 which valued the Fraser Land and the Gerbang Land at RM871.2 million respectively using the comparison method of valuation, whereby a comparison is made of the land under valuation with other similar past property transactions, with appropriate adjustments for differences between the comparable lands and the subject property for size, location etc.

This comparison method of valuation was the most appropriate method of valuation given that there were adequate sales comparables in the vicinity of the respective Lands. For the Fraser Land, only one method of valuation was considered as the development order on the Fraser Land has not been granted. For the Gerbang Land, the residual method of valuation was deemed not feasible as there are no specific development details and the development time frame is considerably long, hence only one method of valuation was considered. Please refer to the valuation certificates in Appendix I of this Circular; and

- (ii) the development potential and prospects of the Proposed Joint Development as set out in Section 5 of this Circular.

### **2.4 Source of funding**

The DevCos will fund the purchase consideration for the Lands through the equity capital received from UEML and KLK Land, whilst future development costs and additional working capital may be funded via borrowings and/or proportionate shareholders' advance/equity capital. Please refer to Section 7.3 of this Circular for the financial effects.

### **2.5 Assumption of liabilities**

Save as disclosed in Section 2.1 of this Circular, UEMS Group, AMSB and SESB will not assume any liabilities (including contingent liabilities and/or guarantees) arising from the Proposal.

## **2.6 Information on the Gerbang Land disposal**

The Gerbang Land Vendors acquired 281 acres of the Gerbang Land in June 1995 and the remaining 219 acres in November 2008 for a total cost of approximately RM90.8 million. From the Gerbang Land transaction, UEMS Group will record an estimated gain of RM380 million (after taking into account relevant land and land related costs including infrastructure costs to be incurred), with at least 60% to be recognised upon the Conditions being met and the balance over a number of years, as and when the Gerbang Land is developed and sold.

UEML's portion of the subscription of securities in the DevCos as described in Sections 2.1.2 and 2.1.3 of this Circular and any future capital call will be funded via the consideration received by the Gerbang Land Vendors from the Gerbang Land transaction, internally generated funds and/or bank borrowings.

## **2.7 Information on the Fraser Land acquisition**

KLK acquired the Fraser Land for a total cost of approximately RM11.3 million.

## **2.8 Net book value of the Lands**

Based on the latest audited consolidated financial statements of KLK and UEMS respectively, the net book value of the Fraser Land is RM11.3 million as at 30 September 2013 while the net book value of the Gerbang Land is RM131.9 million as at 31 December 2013.

# **3. INFORMATION ON THE COMPANIES**

## **3.1 KLK**

KLK, a company incorporated in Malaysia on 6 July 1973, is listed on the Main Market of Bursa Securities.

KLK started as a plantation company more than 100 years ago, and plantations (oil palm and rubber) is still KLK's core business. The KLK group's plantation land bank now stands close to 250,000 hectares spreading across Malaysia (Peninsular Malaysia and Sabah) and Indonesia (Belitung Island, Sumatra, Central and East Kalimantan). The KLK group has also made inroads into Papua New Guinea and Liberia with plans to develop oil palm plantations.

Since the 1990s, the KLK group has diversified into resource-based manufacturing (oleochemicals, derivatives and specialty chemicals) and vertically integrated its upstream and downstream businesses. The 1990s also saw the KLK group capitalising on the strategic location of its land bank in Peninsular Malaysia by branching into property development.

*(Source: KLK's company website)*

## **3.2 KLK Land**

KLK Land was incorporated in Malaysia on 13 April 1991. The principal activity of KLK Land is investment holding. As at the LPD, the directors of KLK Land are Lim Peng Hong, Yap Miow Kien and Har Wai Ming.

## **3.3 NRSB**

NRSB was incorporated in Malaysia on 26 June 1995. The principal activities of NRSB are property development, land trading and investment holding. As at the LPD, the directors of NRSB are Dato' Mohd Izzaddin Idris, Azhar Othman and Cheah Ho Chee.

### **3.4 FSB**

FSB was incorporated in Malaysia on 20 April 1993. The principal activity of FSB is investment holding. As at the LPD, the directors of FSB are Siew Chee Seng, Azmy Mahbot and Yuhaimi Yahaya.

### **3.5 SHSB**

SHSB was incorporated in Malaysia on 22 June 1995. The principal activities of SHSB are property development, land trading and investment holding. As at the LPD, the directors of SHSB are Dato' Mohd Izzaddin Idris, Azhar Othman and Lum Tuck Ming.

### **3.6 AMSB**

AMSB was incorporated in Malaysia on 11 December 2013. The principal activity of AMSB is property development. As at the LPD, the directors of AMSB are Dato' Mohd Izzaddin Idris, Azhar Othman, Cheah Ho Chee, Dato' Tan Thean Thye and Lim Peng Hong.

### **3.7 SESB**

SESB was incorporated in Malaysia on 18 October 2013. The principal activity of SESB is property development. As at the LPD, the directors of SESB are Tan Sri Dato' Seri Lee Oi Hian, Dato' Tan Thean Thye, Lee Jia Zhang, Dato' Mohd Izzaddin Idris, Cheah Ho Chee and Azhar Othman (alternate to Dato' Mohd Izzaddin Idris).

## **4. RATIONALE FOR THE PROPOSED JOINT DEVELOPMENT**

The Proposed Joint Development is in line with UEMS Group's continuous effort in sourcing new land bank and undertaking strategic measures to further develop its presence in Johor, as well as to improve and sustain its long-term earnings growth.

UEMS Group's existing development portfolio in the southern region of Malaysia primarily consists of residential and commercial developments in Nusajaya. Given that the Proposed Fraser Land Development includes industrial components and is located outside of Nusajaya, the Proposed Joint Development would allow for further diversification of the UEMS Group's development portfolio and mitigation of market and geographical concentration risks.

Further, the Proposed Joint Development presents the opportunity to leverage on KLK's land bank to develop quality business and high-tech space and tap into the industrial space segment in Johor which has strong demand from Singapore and Chinese investors given the shortage of industrial space in Singapore.

The Proposed Joint Development with KLK is also expected to accelerate the development momentum in Gerbang Nusajaya, and the economic activities created are expected to result in spillover benefits for UEMS' remaining land bank in Nusajaya.

## **5. INDUSTRY OVERVIEW AND FUTURE PROSPECTS**

### **5.1 Overview of the Malaysian economy**

The Malaysian economy registered a strong growth of 6.2% in the first quarter of 2014 (fourth quarter 2013: 5.1%), driven by a stronger expansion in domestic demand and a turnaround in net exports. On the supply side, the major economic sectors grew further, supported by both domestic and trade activities. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.8% (fourth quarter 2013: 1.9%).

Private consumption growth remained strong at 7.1% (fourth quarter 2013: 7.4%) in the first quarter, supported by stable employment conditions and continued wage growth. Growth in public consumption increased to 11.2% (fourth quarter 2013: 5.2%), reflecting higher Government spending on supplies and services. Gross fixed capital formation grew by 6.3% (fourth quarter 2013: 6.5%), driven by robust private sector capital spending amidst a contraction in public investment growth. Growth in private investment remained strong at 14.1% (fourth quarter 2013: 16.6%), underpinned by capital spending in the manufacturing and services sectors. Public investment declined by 6.4% (fourth quarter 2013: -1.4%), reflecting the contraction in capital spending by both the Federal Government and the public enterprises.

On the supply side, growth was supported by the major economic sectors. The services sector expanded further, driven by the improvement in finance and insurance and sustained growth in consumption- and production-related services. Growth in the manufacturing sector was underpinned by the strong performance in the export-oriented industries. The construction sector recorded stronger growth, driven mainly by the residential sub-sector. Meanwhile, the agriculture sector registered higher growth, underpinned by the production of food crops while the mining sector registered a lower decline due to a smaller contraction in the output of crude oil.

Going forward, recovery in the global economy is expected to continue. International trade will be supported by the continued recovery in the advanced economies. In Asia, while domestic demand is expected to moderate, it will continue to underpin the overall performance of these economies, with additional support coming from the improving external conditions. Continued uncertainty over the monetary policy in key advanced economies, economic developments in both the advanced and emerging market economies, as well as geopolitical developments, are likely to generate continued volatility in the global financial markets.

For the Malaysian economy, growth will remain anchored by domestic demand, with additional support from the improvement in the external environment. Exports will continue to benefit from the recovery in the advanced economies while private domestic demand is expected to remain the key driver of the overall growth. Going forward, the Malaysian economy is therefore expected to remain on a steady growth path.

*(Source: Bank Negara Malaysia, Economic and Financial Developments in Malaysia in the First Quarter of 2014)*

## 5.2 Overview of the property sector in Iskandar Malaysia

### Kulaijaya

The following sets out the market supply of the respective property segments in Kulaijaya as at the fourth quarter 2013:

	Total number of units		
	Residential	Commercial	Industrial
Existing Supply	65,611	6,809	1,342
- Completed in 2013	1,988	170	2
Incoming Supply	1,952	420	192
- Under Construction	1,783	418	167
- New Start	169	2	25
Planned Supply	1,564	36	275

There is limited overhang of unsold units, and as at the first quarter 2013 there are 201, 593 and 72 units of unsold supply for residential, commercial and industrial respectively, comprising mainly of single and double storey terraced houses for residential, four storey shophouses/shop offices for commercial and terraced factory for industrial.

Overall, the market condition in the Kulai/Senai neighbourhood is relatively healthy, with an active market and limited unsold supply. The surrounding economic activities and growth potential provide support for continued growth in housing demand and selected segments in the commercial and industrial market.

Given the cheaper land price, local job opportunities and its strategic linkages as a gateway from the north, and to the rest of Iskandar Malaysia, the mid to long term outlook of the development potential of the Fraser Land is rated as favourable, and will continue to improve with time.

#### Johor Bahru

The following sets out the market supply of the respective property segments in Johor Bahru as at the fourth quarter 2013:

	<b>Total number of units</b>		
	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>
Existing Supply	353,563	29,367	9,048
- Completed in 2013	7,264	352	81
Incoming Supply	82,578	8,778	642
- Under Construction	78,784	8,109	564
- New Start	3,794	669	78
Planned Supply	117,177	7,924	973

There is limited overhang of unsold units, and as at the first quarter 2013 there are 2,295, 836 and 44 units of unsold supply for residential, commercial and industrial respectively, comprising mainly of double storey terraced houses for residential, four storey shophouses/shop offices for commercial and semi-detached factory for industrial.

Sales have been positive, with healthy demand from both locals as well as foreign buyers principally from Singapore and China. There is concern that there is pending oversupply, with real occupancy demand lagging when the units are completed. The surge in demand especially from investors and speculators could trigger a bubble, and as such the Government is imposing cooling measures in the Budget 2014 to control a potential property bubble, which bodes well for the property market in the longer term.

Overall, the market outlook is expected to be rather competitive in the short to medium term, with various existing projects and new planned launches. Buyers will have wide options of projects to choose from both in Nusajaya and Medini, and most of these will be targeted at the higher end of the market. In the long term, with the growth of Iskandar Malaysia on a sustainable trend, the Gerbang Land will benefit from this growth.

At the 7th Malaysian Property Summit 2013 as presented by Rahim & Co Chartered Surveyors, Malaysia on 25 February 2014, experts suggested overall outlook for Iskandar Malaysia will remain positive.

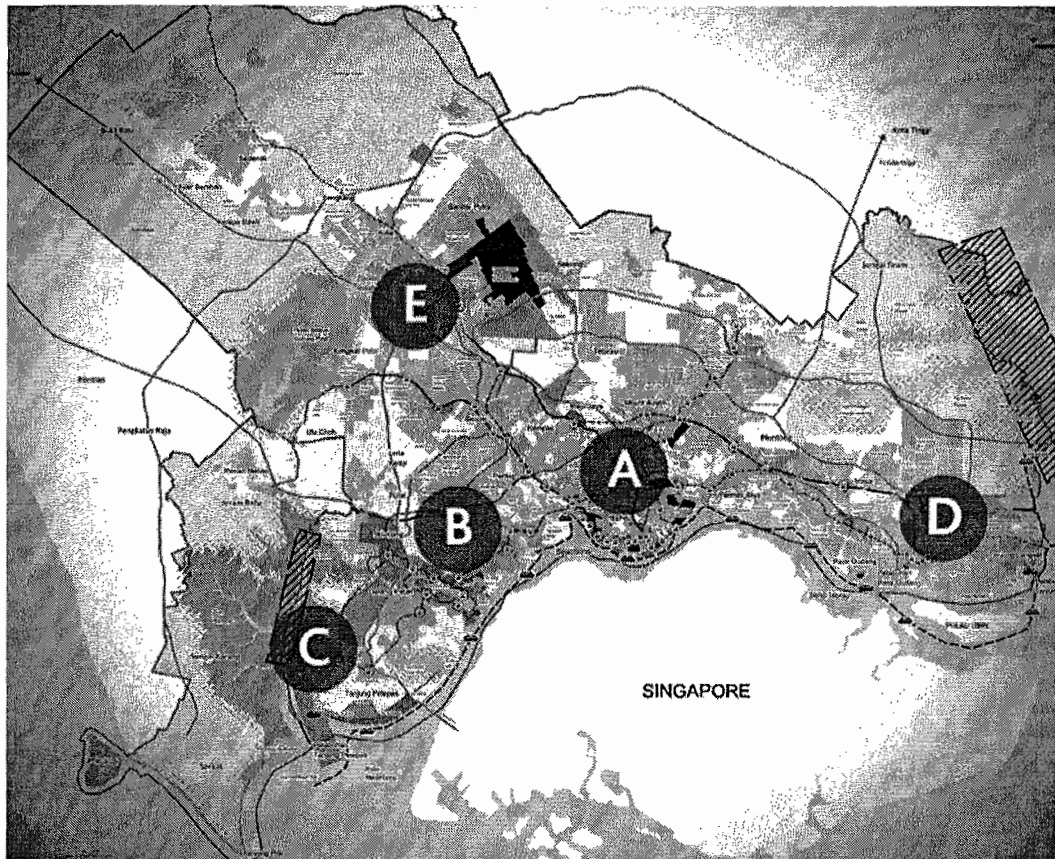
*(Source: Valuation reports for the Lands, as prepared by DTZ dated 28 March 2014)*



### 5.3 Prospects of the Lands

Iskandar Malaysia comprises the following 5 flagship zones:

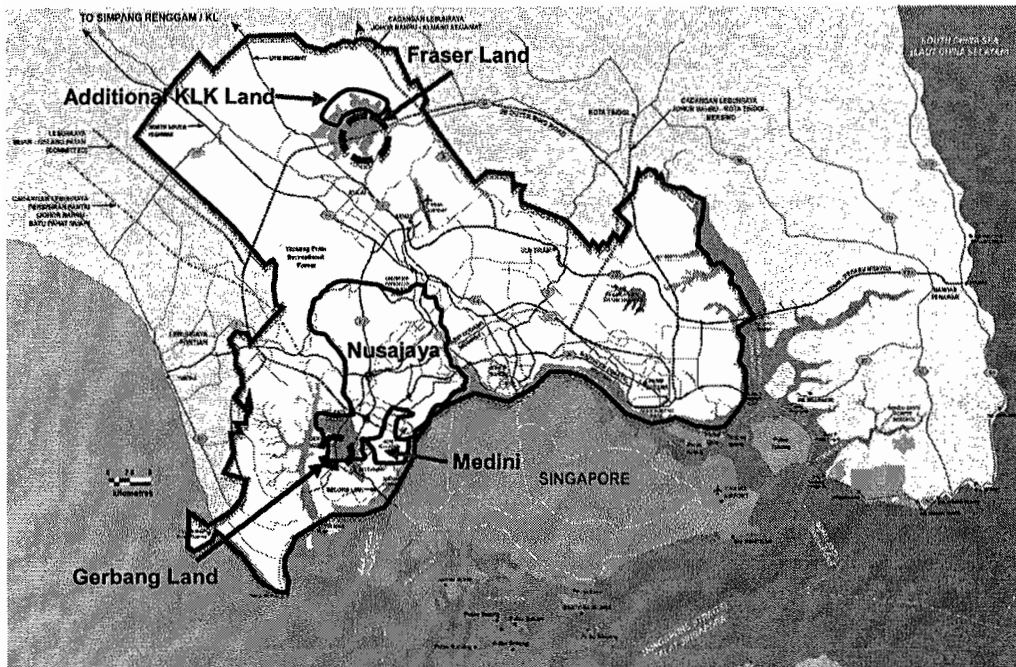
Flagship Zone	Key focus
Zone A: Johor Bahru	Financial advisory and consulting, cultural and urban tourism
Zone B: Nusajaya	Education and medical tourism, entertainment and recreation, state administration, financial advisory and consulting, biotechnology
Zone C: Western Gate Development	Logistics, regional distribution, international procurement, oil storage terminals
Zone D: Eastern Gate Development	Manufacturing, oil storage terminals, education
Zone E: Senai – Skudai	Logistics, manufacturing, tourism



(Source: Iskandar Malaysia's website at <http://www.iskandarmalaysia.com.my>)

The development of industries in Iskandar Malaysia has been strategically planned within the above 5 flagship zones.

The Fraser Land is situated in the Senai-Skudai area where the key economic activities involve airport services, engineering, manufacturing and education. Meanwhile, the Gerbang Land is located in Nusajaya, which is slated to be a priority zone within Iskandar Malaysia given its designated key focus and state of development. The current economic activities in Nusajaya are focused around mixed property development and state and federal administration.



In addition, according to Iskandar Regional Development Authority, the population of Iskandar Malaysia of approximately 1.6 million as at end 2013 is expected to continue to grow and reach 3 million in 2025, with a workforce of over 1.43 million. As of April 2014, Iskandar Malaysia has recorded cumulative investments of RM139 billion and is on track to achieve the investment target of RM383 billion by 2025. The Proposed Joint Development will benefit from the positive macroeconomic trends in Iskandar Malaysia.

Rising land cost and manpower issues in Singapore has made Iskandar Malaysia more attractive to the small and medium enterprises (SMEs), creating a more robust demand for industrial properties. Interests from other foreign-owned industries have also increased due to lower cost differentials and investment-friendly policies and incentives by the Government. The shift of Singapore SMEs and foreign-owned industries and the new establishment of operations of international companies such as Pinewood Iskandar Malaysia Studios, Biocon Ltd's bio-pharmaceutical manufacturing and research facility, Frost & Sullivan's Global Innovation Centre of Excellence and Huawei's Regional Data and Regional Logistics Centre in Iskandar Malaysia augurs well, and is encouraging for the Proposed Joint Development.

The Fraser Land, which is situated in the Skudai-Senai area, the northern tip of Iskandar Malaysia, 30 minutes away from Johor Bahru and is easily accessible via several highways, railway and the Senai International Airport. The Proposed Fraser Land Development, called Fraser Metropolis is set to be the next modern city within Iskandar Malaysia, with enterprise zones integrated with industrial and manufacturing enterprises and a variety of service sector suppliers such as high-tech manufacturers, IT services and logistics as well as supporting residential and commercial developments.

The Fraser Land is currently part of an oil palm estate and has been designated for industrial, residential and commercial components under the Proposed Fraser Land Development. The number of units in respect of each type of development has not been determined at this juncture pending finalisation of the actual development plans. Subject to obtaining all the requisite approvals, the development is expected to commence by 2017 and will be developed over a 15-year period based on the current anticipated demand and requirements.

The Gerbang Land is situated in Gerbang Nusajaya, the gateway to Nusajaya and is strategically located with a 6.5 km frontage to Linkedua Expressway. Nusajaya is envisaged to be the hub for high-tech manufacturing and biotechnology as well as the creative, medical, education and tourism sectors. Nusajaya has seen tremendous development over the last few years and is now home to numerous high profile projects such as Kota Iskandar, the new administrative centre for the Johor State Government; industrial parks such as the Southern Industrial & Logistics Clusters and the Nusa Cemerlang Industrial Park; Bio-XCell, Malaysia's first biotechnology park and ecosystem; EduCity @ Iskandar, a fully integrated education hub comprising universities and institutes of higher education and world class tourist attractions such as LEGOLAND@ Malaysia and the Puteri Harbour Family Theme Park. Gerbang Nusajaya is set to spearhead the next wave of development for Nusajaya where the Nusajaya Tech Park, a 519-acre integrated eco-friendly tech park developed under a joint venture arrangement with Ascendas, is rapidly taking shape. Further, the development of FASTrack Iskandar, with a planned F1 compliant race track and other integrated automotive facilities paves the way for Gerbang Nusajaya to become a premier motorsport lifestyle and automotive hub for the ASEAN region.

The Gerbang Land is currently vacant and is designated for mixed development. The Proposed Gerbang Land Development entails the development of residential and commercial properties which comprise bungalows, semi-detached houses and terrace houses as well as shop lots. The number of units in respect of each type of development has not been determined at this juncture pending finalisation of the actual development plans. Subject to obtaining all required approvals, the development is expected to commence by 2017 and will be developed over an 8-year period.

Based on UEMS Group's preliminary feasibility and concept plan, the gross development value of the Proposed Fraser Land Development and the Proposed Gerbang Land Development is expected to be approximately RM15 billion and RM5 billion respectively. The total development cost of the Proposed Joint Development has not been determined at this juncture pending finalisation of the actual development plans. However, the Proposed Joint Development is expected to contribute positively to the UEMS Group's future earnings and further enhance its profile as a reputable township developer.

In view of the above, the Board is of the view that prospects for property development activities in Iskandar Malaysia will remain positive and is not aware of any risk factors arising from the Proposal other than the normal market, business, regulatory and global economic risks. Further, given the strategic location of the Lands and planned integrated development that meet the market trend and demand, the Board envisages that the prospects of the Proposed Joint Development will be positive. The Proposed Joint Development is also not expected to cannibalise any of UEMS' current developments in Iskandar Malaysia.

## **6. RISK FACTORS**

The Proposed Joint Development would subject the UEMS Group to risks inherent in the property development business in which the UEMS Group is already involved. Such risks may include competition from other property developers, changes in economic and political conditions and increases in construction costs. Any adverse change in these conditions may have a material adverse effect on the UEMS Group. These risks are addressed as part of the UEMS Group's ordinary course of business and are not expected to represent new risks to the UEMS Group's operations.

In addition to the above, the following are some of the other key risk factors:

- (i) Disagreement between the shareholders of the DevCos in key matters relating to the DevCos may trigger a deadlock situation which may lead to a disruption to the development and operations of the DevCos;

- (ii) There can be no assurance that the anticipated benefits of the Proposed Joint Development will be realised or that the UEMS Group will be able to generate sufficient returns from the Proposed Joint Development to offset the associated investment costs; and
- (iii) The Proposal is subject to the Conditions set out in Section 2.2.2 of this Circular being fulfilled. As such, the Proposal may not be completed if any of the Conditions is not fulfilled (some of which are beyond the UEMS Group's control).

While the UEMS Group will seek to limit the impact of such risks, there is no assurance that any change in the factors as described above will not have a material adverse effect on the business and operations of the UEMS Group.

## **7. EFFECTS OF THE PROPOSAL**

### **7.1 Issued and paid-up share capital and substantial shareholders' shareholding**

The Proposed Joint Development will not have any effect on the issued and paid-up share capital of UEMS and the substantial shareholders' shareholding in UEMS as the Proposal does not involve any issuance of UEMS shares.

### **7.2 Earnings and EPS**

The Proposal is not expected to have any material effect on UEMS' consolidated earnings and EPS for the FYE 31 December 2014. However, if the Conditions under Section 2.2.2 of this Circular for the SESB SPA are met within the FYE 31 December 2014, UEMS is expected to record at least 60% of the estimated gain of RM380 million (after taking into account the relevant land and land related costs including infrastructure costs to be incurred) from the SESB SPA, and the balance will be recognised over a number of years, as and when the Gerbang Land is developed and sold.

Nevertheless, the Proposed Joint Development is expected to contribute positively to the future earnings of the UEMS Group.

### **7.3 NA, NA per share and gearing**

The Proposal is not expected to have any material effect on the consolidated NA, NA per share and gearing of UEMS for the FYE 31 December 2014. However, if the Conditions under Section 2.2.2 of this Circular for the SESB SPA are met within the FYE 31 December 2014, UEMS is expected to record at least 60% of the estimated gain of RM380 million from the SESB SPA as disclosed in Section 7.2 above.

The effect of the Proposal on UEMS' consolidated gearing would be dependent on, amongst others, the amount of borrowings that UEML may obtain to fund the subscription of securities amounting to RM812 million under Section 2.1.3 of this Circular ("**Proposed Subscription of Securities**"). UEMS' consolidated gearing would also be affected by the amount of borrowings AMSB may obtain to fund the future development costs and working capital for the Proposed Joint Development, which cannot be determined at this juncture. Nonetheless, such borrowings will be obtained in the ordinary course of business and are expected to correspond with the stages of development for the Proposed Joint Development.

Purely for illustrative purposes, based on UEMS' latest audited consolidated statement of financial position as at 31 December 2013 and the assumption that the Proposed Subscription of Securities is entirely funded by borrowings and effected as at 31 December 2013, the proforma effects of the Proposed Subscription of Securities on the consolidated NA per share and consolidated gearing of UEMS are as follows:

	<b>Audited as at 31 December 2013</b>	<b>After the Proposed Subscription of Securities</b>
Share capital	2,268.7	2,268.7
Share premium	2,045.0	2,045.0
Merger relief reserves	34.3	34.3
Other reserves <sup>(1)</sup>	72.7	72.7
Retained earnings	1,598.3	1,598.3
Equity attributable to equity holders of UEMS / NA	6,019.0	6,019.0
Non-controlling interests	450.6	450.6
<b>Total equity</b>	<b>6,469.6</b>	<b>6,469.6</b>
Number of outstanding UEMS shares (million)	4,537.4	4,537.4
Total debt	1,940.0	2,752.0
NA per share <sup>(2)</sup> (RM)	1.33	1.33
Gross gearing <sup>(3)</sup> (%)	30.0%	42.5%

**Notes:**

<sup>(1)</sup> Comprises exchange fluctuation reserve, merger reserve, fair value adjustment reserve, share based payment reserve and capital redemption reserve.

<sup>(2)</sup> Calculated based on equity attributable to equity holders of UEMS divided by the total outstanding number of UEMS shares.

<sup>(3)</sup> Calculated based on total debt divided by total equity.

## 8. APPROVALS REQUIRED

The Proposal is subject to the following approvals being obtained:

- (i) shareholders of the transacting parties and shareholders of UEMS which will be obtained at the forthcoming EGM to be convened;
- (ii) the relevant authorities for the freehold title deed of the Lands;
- (iii) the Estate Land Board;
- (iv) the State Authority of Johor (if applicable);
- (v) solely for the SESB SPA, the Economic Planning Unit; and
- (vi) any other authorities' approval which may be required and have been informed in writing.

The approvals from the shareholders of the transacting parties for the Proposed Acquisitions have been obtained as follows:

- (i) SESB on 29 January 2014;
- (ii) NRSB on 6 February 2014;
- (iii) FSB on 6 February 2014; and
- (iv) AMSB on 7 February 2014.

The approval from the Estate Land Board in respect of the SESB SPA has been obtained on 11 June 2014.

Save for the above, the Proposal is not conditional upon any other corporate exercise/scheme of UEMS.

The Proposed Fraser Land Development and the Proposed Gerbang Land Development are not conditional upon each other.

## 9. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

As at the LPD, save as disclosed below, there are no other corporate proposals which have been announced by the UEMS Group but have yet to be completed:

- (i) 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 UEML 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. The development of Horizon Hills is currently ongoing. As at the LPD, 1,050 acres out of the total of 1,227 acres of land have been purchased and paid for by HHDSB. HHDSB is expected to acquire the remaining 177 acres by September 2014.
- (ii) A development agreement and a supplemental development agreement dated 19 December 2007 and 4 November 2010, respectively, between UEML, BNDSB and Haute Property Sdn Bhd for the development of a high end residential enclave over 111 acres held under H.S.(D) 453895, PTD 154910, Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim. As at the LPD, the development of the residential enclave is currently ongoing.
- (iii) A Facilities Maintenance and Management Agreement dated 13 April 2011 between Cahaya Jauhar Sdn Bhd, a 60% owned jointly-controlled entity of UEML and State Secretary Johor (Incorporated) 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.
- (iv) 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 "**Desaru SSAs**") to establish the shareholding structure of 3 separate Development Companies ("**Deve Cos**") and to regulate the relationship amongst the Company and the DDC Cos for the development of land parcels to be acquired by the Deve 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 Takzim and a beach club to cater to the residents of the high-end residential resort development.

The issued and paid-up capital of the Deve 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 Desaru SSAs, the respective Deve Cos had entered into 3 separate Sale and Purchase Agreements (collectively referred to as the "**Desaru SPAs**") with the respective DDC Cos for the proposed acquisitions of the Desaru Lands for a total consideration of RM485.3 million.

The Desaru SSAs and the Desaru SPAs are not subject to any conditions precedent. On 18 June 2012, 10% of the purchase consideration for each of the Desaru Lands was paid by the Deve 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 Desaru SPAs.

As at the LPD, the development of the residential resort is currently ongoing.

- (v) On 23 October 2012, the Company announced that UEML 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, Nusajaya, Johor Darul Takzim, Malaysia broken down as follows:
- (a) 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**") to be held by Company A;
  - (b) Phase 2 Lands measuring approximately 166 acres to be held by Company B ("**Phase 2 Lands**"); and
  - (c) Phase 3 Lands measuring approximately 148 acres to be held by Company C ("**Phase 3 Lands**").

UEML and Ascendas shall enter into Subscription Agreements 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 UEML and are to be collectively referred to as the "**UEML-Ascendas Companies**") and Shareholders' Agreement ("**Ascendas SHA**") to govern the parties' relationship as shareholders of the UEML-Ascendas Companies. The equity ratio of the parties in the UEML-Ascendas Companies shall be 60%:40% (Ascendas:UEML) unless otherwise agreed by the parties in accordance with the terms of the Ascendas SHA. Company A has been incorporated on 28 September 2012 under the name of Suasana Prisma Sdn Bhd.

Pursuant to the MA, UEML also agrees to:

- (a) Cause the transfer of Plot A to Company A; and
- (b) Grant to Ascendas the options to:
  - 1. Agree to Company A completing the purchase of Plot B; and
  - 2. Purchase the Phase 2 Lands and Phase 3 Lands via Company B and Company C respectively, and for UEML 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 9 years from the date of the MA. The options shall automatically lapse if not exercised within the option period. The transactions are subject to various regulatory approvals and conditions precedent, including but not limited to the approval for the transfer of the lands into the companies, the planning approvals and the approval for the conversion of the lands for industrial use.

The sale of Plot A land was completed in the last financial year.

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

- (vi) On 4 December 2012, the Company announced that UEML 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 Takzim ("**Motorsports City Land**").

FAPL and UEML will purchase and jointly develop the Motorsports City Land which forms part of the Gerbang Nusajaya development in Nusajaya, through the participation of FAPL in the special purpose company established by UEML 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 UEML. Within 14 business days from the unconditional date of the JVA, UEML and FAPL will subscribe to FasTrack's shares in accordance to the agreed proportion of 30 : 70 (UEML : FAPL).

FasTrack entered into a Sale and Purchase Agreement ("**Motorsports City SPA**") on 4 December 2012 to purchase the Motorsports City Land from NRSB for a total consideration of RM223.5 million to be satisfied within 3 months from the unconditional date of the agreements.

The JVA and Motorsports City SPA are conditional upon, amongst others, the receipt of the relevant authorities' approval, the issuance, transfer and registration of the title for the Motorsports City Land and the satisfactory results of due diligence performed on FasTrack. On 5 June 2014, the Company announced that the parties to the agreements have mutually agreed to extend the period for the fulfilment of the conditions precedent of both the JVA and Motorsports City SPA until 30 September 2014.

## 10. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

None of the major shareholders and/or Directors of UEMS and/or persons connected to them have any interest, direct or indirect, in the Proposal.

## 11. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposal (including but not limited to the rationale and prospects as discussed in Sections 4 and 5 of this Circular), is of the opinion that the Proposal is in the best interest of UEMS and recommends that you vote in favour of the resolutions pertaining to the Proposal at UEMS' forthcoming EGM.



## 12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the tentative timeline for the implementation of the Proposal is set out below:

<b>Key Milestones</b>	<b>Tentative Timeline</b>
EGM	24 July 2014
Completion of the Proposal	Third quarter 2015

## 13. RESOLUTIONS ON THE PROPOSAL AND EGM

The resolutions on the Proposal will be tabled at UEMS' forthcoming EGM, which will be held on Thursday, 24 July 2014 at 10.00 a.m. or at any adjournment thereof at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan. The resolutions are set out in the Notice of EGM.

The Notice of EGM and Form of Proxy are enclosed with this Circular.

If you are unable to attend the EGM in person, please complete the enclosed Form of Proxy and forward it to 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 so as to arrive not later than 48 hours before the time for convening the forthcoming EGM.

The completion and return of the Form of Proxy will not preclude you from attending and voting at the EGM in person should you wish to do so. The Form of Proxy should be completed strictly in accordance with the instructions contained therein.

## 14. FURTHER INFORMATION

Shareholders of UEMS are requested to refer to the Appendices of this Circular for further information.

Yours faithfully  
For and on behalf of the Board of Directors of  
**UEM SUNRISE BERHAD**

**Dato' Mohd Izzaddin Idris**  
Executive Director

## VALUATION CERTIFICATE FOR THE FRASER LAND



DTZ Nawawi Tie Leung  
 Property Consultants Sdn Bhd (579074-V)  
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 165 Jalan Ampang 50450 Kuala Lumpur  
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[www.dtz.com/my](http://www.dtz.com/my)

Your Ref. : LOA/BD/KLK/DTZ/001/13  
 Our Ref. : DTZ14/JH/0100(1)/HAR/LHC

## PRIVATE AND CONFIDENTIAL

28 March 2014

The Board of Directors  
**UEM SUNRISE BERHAD**  
 16-1, Mercuri UEM  
 Jalan Stesen Sentral 5  
 Kuala Lumpur Sentral  
 50470 Kuala Lumpur

Dear Sirs,

## VALUATION CERTIFICATE

**A 2,500-ACRE LAND WHICH FORMS PART OF LOT 2956, LOT 1033 AND LOT 1080 HELD UNDER GRN 237459, GM 1408 AND GM 1410 RESPECTIVELY, ALL IN MUKIM OF SENAI, DISTRICT OF KULAIJAYA, STATE OF JOHOR (THE "SUBJECT PROPERTY")**

With reference to an instruction from UEM SUNRISE BERHAD ("UEMS") dated 25 September 2013, we were instructed to assess the Market Value of the abovementioned subject property with regard to the Proposed Joint Development (as defined hereunder) and the details of the valuation are in our formal Valuation Report bearing Reference No. DTZ14/JH/0100(1)/HAR/LHC dated 22 January 2014.

This Valuation Certificate is prepared for submission to Bursa Malaysia Securities Berhad ("Bursa Securities") and for inclusion of the Valuation Certificate in the Circular to shareholders of UEMS in relation to this proposed joint development between UEM Land Berhad, a wholly-owned subsidiary of UEMS, and KLK Land Sdn Bhd (formerly known as KL-Kepong Property Holdings Sdn Bhd), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad of various parcels of freehold land measuring approximately 3,000 acres in the state of Johor ("Proposed Joint Development").

We confirm that we have inspected the property, made relevant local searches and enquiries and obtained such information, as we consider necessary for providing you with our opinion of the Market Value of the subject property as at 22 January 2014.

Premised on the foregoing and having considered all other relevant factors in our valuation, we are of the opinion that the Market Value of the freehold interest in the subject property, free from all encumbrances and with the benefit of vacant possession is **RM871,200,000/-** (Ringgit Malaysia Eight Hundred Seventy One Million And Two Hundred Thousand Only).

The Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia ("SC") and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, and Estate Agents, Malaysia with the necessary professional care and due diligence.

The basis of valuation adopted is **Market Value** which is defined herein as "the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

### 1.0 Identification of Property

<b>Type of Property</b>	:	A 2,500-acre land
<b>Location of Property</b>	:	Referred as Fraser Estate, Kulaijaya, Johor
<b>Title Details</b>	:	Part of Lot 2956, Lot 1033 and Lot 1080 held under GRN 237459, GM 1408 and GM 1410 respectively, all in Mukim of Senai, District of Kulaijaya, State of Johor

### 2.0 Term of Reference

Our instruction from UEMS is to prepare a Report and Valuation of the freehold interest in a 2,500-acre land which forms part of Lot 2956, Lot 1033 and Lot 1080 held under GRN 237459, GM 1408 and GM 1410 respectively, all in Mukim of Senai, District of Kulaijaya, State of Johor for the purpose of Submission to Bursa Securities and for inclusion of the Valuation Certificate in the Circular to shareholders of UEMS in relation to the Proposed Joint Development.

The valuation is on gross 2,500-acre agriculture land basis. The buildings, structures and other land improvements erected thereon were excluded (not taken into consideration) as the valuation is for land value only. The subject property forms part of a larger Fraser Estate which covers a land area of approximately 7,358-acre.

In this connection, we are required to provide the Market Value of the subject property in its existing condition, free from all encumbrances and with the benefit of vacant possession.

### 3.0 General Description

#### Location and Neighbourhood

The subject property is located at Fraser Estate, Kulaijaya and geographically located approximately 36 kilometres to the north-west of the Johor Bahru city centre and approximately 6 kilometres to the north-west of the Kulai town centre. It is situated within the Flagship E of Iskandar Development Region.

Fraser Estate covers an area of approximately 7,358 acres (2,978 hectares) which is located along the trunk road connected between Kulai town at the south and Felda Inas at the north. The access is also connected directly to Kota Tinggi town.

The subject property which forms part of the Fraser Estate comprises land area of about 2500 acres (1,012 hectares).

It is easily accessible from Johor Bahru via Jalan Tun Abdul Razak, Jalan Skudai, Lebuhraya Senai, Jalan Besar, Jalan Sengkang and finally onto Jalan Sengkang-Felda Inas leading to the subject property. Alternatively, the subject property is also accessible from Johor Bahru City Centre via the north-south expressway by exiting at Kulai Toll Plaza.

#### 4.0 Summary of Title

Brief particulars of the titles of the land of which the subject property forms part of, as extracted from a private search are as follows:-

Title No.	Lot No.	Land Area (Hectare)	Quit Rent	Category of Land Use	Registered Proprietors
GRN 237459	Lot 2956	2890.2603	RM259,830.00	Tiada	Kuala Lumpur Kepong Berhad
GM 1408	Lot 1033	3.8673	RM140.00	Pertanian	Kuala Lumpur Kepong Berhad
GM 1410	Lot 1080	3.8217	RM140.00	Pertanian	Kuala Lumpur Kepong Berhad

Bandar/Pekan/Mukim : Mukim Senai  
 District : Kulaijaya  
 State : Johor  
 Tenure : Freehold  
 Express Conditions : Tiada  
 Restriction-in-interest : **Lot 2956**  
 Tiada

#### **Lot 1033 and Lot 1080**

- i) Tanah ini hendaklah ditanam dengan tanaman Kelapa Sawit
- ii) Pemilik tanah ini hendaklah sepanjang masa mengambil langkah-langkah menurut perintah yang dikehendaki oleh Pentadbir Tanah menjaga tanah ini daripada hakisan.

Other Endorsements :

#### **LOT 2956**

Total Proposed Land Acquisition-Acre (Form D)	Total Land Acquisition-Acre (Form K)	From/To (Date)
9.2098	99.4737	Between 22 October 1972 to 3 July 2013

The subject property is net of any land acquisition. Thus, the land acquisition exercises have no impact on the subject property and its valuation as of the date of valuation.

Referring to Clause 2.3 SPA that states the final area of the Said Land shall be 2,500 acres, subject to a tolerance factor of five per centum (5%) only provided that the Vendor shall use its best endeavours to adjust the final area of the Said Land to at least 2,500 acres. If the final area of the Said Land differs from 2,500 acres by more than the tolerance rate of five per centum (5%), the Parties shall negotiate in good faith and mutually agree on the mechanism for computation, adjustment and/or re-alignment of the Said Land or such other terms as may be necessary.

## 5.0 Description of Property

The subject property is a 2,500-acre land which forms part of Lot 2956, Lot 1033 and Lot 1080 held under GRN 237459, GM 1408 and GM 1410 respectively, all in Mukim of Senai, District of Kulaijaya, State of Johor.

Vide a Pre-computation Plan bearing Reference No. SSS/2012/J16/2500/H prepared by the Land Surveyor So Sun Sing provided to us by the client, the subject property covers an area of 2,500 acres forming part of Parent Lot 2956, Lot 1033 and Lot 1080 as follows:-

Title No.	Lot No.	Subject Land Area (Hectare)	Title Land Area (Hectare)
GRN 237459	Lot 2956	1,004.0267	2890.2603
GM 1408	Lot 1033	3.8673	3.8673
GM 1410	Lot 1080	3.8217	3.8217

The subject property is irregular in shape and fronting onto an unknown metalled road branching out from the main access road of Jalan Besar. The subject site is undulating in terrain and generally planted with oil palm trees approximately two to twenty years old.

The north-eastern portion of the subject site is erected upon with several permanent and temporary buildings and structures such as office buildings, school and quarters.

At the time of our inspection, we also noted that a TNB transmission line traverses along the edge of the south-eastern boundary towards the north-western boundary of the subject site.

## 6.0 Town Planning

The subject property is zoned for agricultural use based on our verbal enquiries with the Planning Department of Majlis Perbandaran Kulaijaya.

## 7.0 Method of Valuation

We have considered the requirement of the SC on the need for a minimum of 2 approaches of valuation. However, there is no Development Order Approval granted on the subject property. Therefore in arriving at the Market Value of the subject property, we have principally adopted the **Comparison Method of Valuation** as the basis of our valuation.

## 8.0 Comparison Method of Valuation

We have adopted the Comparison Method of Valuation.

EVIDENCES:	1	2	3
Type of property	Agriculture Land	Agriculture Land	Agriculture Land
Source	Bursa Announcement	Bursa Announcement	Bursa Announcement
Title Particulars	HSD 33911, PTD 47422, Mukim Kulai, District Kulajaya	PTD 99396 (HSD 329948) and PTD 68903 (HSD 290184), Mukim Tebrau, District Johor Bahru	PTD 171004 and others, Mukim Plentong, District Johor Bahru.
Tenure	Freehold	Freehold	Freehold
Land Area (ha)	254.65	248	547
Land Area (acre)	629.25	613.79	1,351.84
Consideration	RM233,000,000	RM534,730,000	RM411,163,938
Date of transaction/ announcement	12-Feb-09	8-Apr-13	1-Oct-13
Remarks	Vacant Land. However, Purchase Consideration is on Gross total land area of approximately 629.25-acre	With Kebenaran Merancang; with residential and commercial development potential. However, Purchase Consideration is on Gross total land area of approximately 613.79-acre	With residential and commercial development potential; Price revised from RM429,868,897.92 to RM411,163,937.85 on Bursa Announcement dated 4 March 2014; further revised to RM401,163,937.85 on 28 March 2014 (Bursa). However, Purchase Consideration is on Gross total land area of approximately 1,351.84-acre
Vendor	Ambang Budi Sdn Bhd (Tradewinds Corporation Bhd) and Hartaplus Realty Sdn Bhd	Neraca Prisma Sdn Bhd (PTD 99396) and Benua Kurnia Sdn Bhd (PTD 68903) - DRB Hicom Berhad	Bistari Land Sdn Bhd
Purchaser	Extreme Consolidated Sdn Bhd - United Malayan Land Bhd	Promosi Etika Sdn Bhd - Eco World Development Sdn Bhd	Sanjung Tropika Development Sdn Bhd - Mah Sing Group Berhad
Analysed Price psf	RM8.50	RM20.00	RM6.81
Positive Adjustment	Time Factor	Time Factor	Time Factor Location/Accessibility
Negative Adjustment	Location/Accessibility  Size	Location/Accessibility  Zoning  Size	Zoning  Size
Value psf after adjustment	RM8.08	RM9.00	RM7.15

The adjusted value from the above analysis is between RM7.15 per square foot to RM9.00 per square foot. And therefore, in arriving at the market value of the subject, we have adopted an average value per square foot of the 3 comparables, being closest to the subject property (Mukim Kulaijaya & Tebrau) for Comparables 1 & 2 and being closest to the size for Comparable 3 to arrive at a market rate of **RM8.00/-** per square foot which will give a Market Value of **RM871,200,000/-**.

It is pertinent to note that vide the subsequent sale and purchase agreement (SSPA) dated 7 February 2014, the subject property was transacted from Kuala Lumpur Kepong Berhad (the Vendor) to Aura Muhibah Sdn Bhd (the Purchaser) for a purchase consideration of **RM871,200,000/-**.

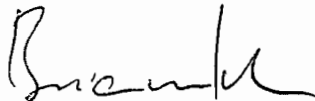
#### 9.0 Opinion of Value

Premised on the foregoing and having considered all other relevant factors in our valuation, we are of the opinion that the Market Value of the freehold interest in the subject property, free from all encumbrances and with the benefit of vacant possession is **RM871,200,000/- (Ringgit Malaysia Eight Hundred Seventy One Million And Two Hundred Thousand Only)**.

Yours faithfully,

For and on behalf of

**DTZ NAWAWI TIE LEUNG**  
**PROPERTY CONSULTANTS SDN BHD**



**BRIAN KOH WENG CHUAN**  
Registered Valuer (V695)

**VALUATION CERTIFICATE FOR THE GERBANG LAND**

Your Ref. : LOA/BD/KLK/DTZ/001/13  
Our Ref. : DTZ14/JH/0100(2)/HAR/LHC

**PRIVATE AND CONFIDENTIAL**

28 March 2014

**The Board of Directors**  
**UEM SUNRISE BERHAD**  
16-1, Mercur UEM  
Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Dear Sirs,

**VALUATION CERTIFICATE**

**A 500-ACRE DEVELOPMENT LAND WITH THE BENEFIT OF PLANNING APPROVAL ("KEBENARAN MERANCANG") WHICH FORMS PART OF PTD 2379, PTD 2380, PTD 2387 AND PTD 2987 HELD UNDER HSD 268610, HSD 268611, HSD 309471 AND HSD 297739 RESPECTIVELY, ALL IN MUKIM OF TANJUNG KUPANG, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR (THE "SUBJECT PROPERTY")**

With reference to an instruction from UEM SUNRISE BERHAD ("UEMS") dated 25 September 2013, we were instructed to assess the Market Value of the abovementioned subject property with regard to the Proposed Joint Development (as defined hereunder) and the details of the valuation are in our formal Valuation Report bearing Reference No. DTZ14/JH/0100(2)/HAR/LHC dated 21 January 2014.

This Valuation Certificate is prepared for submission to Bursa Malaysia Securities Berhad ("Bursa Securities") and for inclusion of the Valuation Certificate in the Circular to shareholders of UEMS in relation to the proposed joint development between UEM Land Berhad, a wholly-owned subsidiary of UEMS, and KLK Land Sdn Bhd (formerly known as KL-Kepong Property Holdings Sdn Bhd), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad of various parcels of freehold land measuring approximately 3,000 acres in the state of Johor ("Proposed Joint Development").

We confirm that we have inspected the property, made relevant local searches and enquiries and obtained such information, as we consider necessary for providing you with our opinion of the Market Value of the subject property as at **21 January 2014**.

Premised on the foregoing and having considered all other relevant factors in our valuation, we are of the opinion that the Market Value of the freehold interest in the subject property, free from all

- 1 -



encumbrances and with the benefit of “Kebenaran Merancang” is **RM871,200,000/- (Ringgit Malaysia Eight Hundred Seventy One Million And Two Hundred Thousand Only).**



The Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia (“SC”) and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, and Estate Agents, Malaysia with the necessary professional care and due diligence.

The basis of valuation adopted is **Market Value** which is defined herein as “the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

### 1.0 Identification of Property

Type of Property	:	A 500-acre development land with the benefit of “Kebenaran Merancang”
Location of Property	:	Referred as Gerbang Nusajaya, Iskandar Malaysia within flagship B of Iskandar Development Region
Title Details	:	Part of PTD 2379, PTD 2380, PTD 2387 and PTD 2987 held under HSD 268610, HSD 268611, HSD 309471 and HSD 297739 respectively, all in Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor

### 2.0 Term of Reference

Our instruction from UEMS is to prepare a Report and Valuation of the freehold interest in a 500-acre development land with the benefit of “Kebenaran Merancang” which forms part of PTD 2379, PTD 2380, PTD 2387 and PTD 2987 held under HSD 268610, HSD 268611, HSD 309471 and HSD 297739 respectively, all in Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor for the purpose of submission to Bursa Securities and for inclusion of the Valuation Certificate in the Circular to shareholders of UEMS in relation to the Proposed Joint Development.

The valuation is on a basis of 500-acre development land with the benefit of “Kebenaran Merancang”. The subject property forms part of a larger proposed township, Gerbang Nusajaya which covers a land area of approximately 4,010-acre. The land area as designated in the SPA exhibit 2, comprises 500-acre is essentially “gross area” but net of the master infrastructure i.e. a proposed substation, temporary sewage treatment plant, and a small portion of road running into the land from the main proposed central arterial road. However, it includes local infrastructure such as internal roads, water retention ponds, community halls, and etc.

We have termed this as ‘semi-gross’ development land.

The subject property has been issued with “Kebenaran Merancang” by the Planning Department of Majlis Perbandaran Johor Bahru Tengah vide reference No. MPJBT(PB/SWT)2/9(57) dated 19 November 2013 proposed for mix development use.

In this connection, we are required to provide the Market Value of the subject property in its existing condition, free from all encumbrances and with the benefit of “Kebenaran Merancang”.

### **3.0 General Description**

#### **Location and Neighbourhood**

The subject property is located on part of the new development known as Gerbang Nusajaya, Iskandar Malaysia which is situated within the flagship B of the Iskandar Development Region. Geographically, it is located approximately 32 kilometres to the south-west of the Johor Bahru city centre and approximately 8 kilometres to the south-west of the Kota Iskandar.

Gerbang Nusajaya is easily connected to various places of Iskandar Malaysia and Singapore via the Second Link Express Malaysia-Singapore by exiting at the Tanjung Pelepas intersection.

Iskandar Malaysia spans across 2,217 square kilometres, approximately three times the size of Singapore, offers a significant supply of land which is competitively priced. Consisting of 5 flagships i.e. A, B, C, D and E the region has ready infrastructure such as power utility, transportation networks and services, and board based telecommunication. Furthermore, Iskandar Malaysia also offers affordable quality housing, excellent education and healthcare infrastructure within safe, liveable communities.

The subject property forms part of the Gerbang Nusajaya comprising a land area of about 500 acres (202.343 hectares). It is situated at the western part of the Gerbang Nusajaya and split into two portions by the railway line which is connected to Tanjung Pelepas Port at the south and Pasir Gudang Port at the north-west.

#### 4.0 Summary of Title

Brief particulars of the titles of the land of which the subject property forms part of as extracted from a private search are as follows:-

Title No.	Lot No.	Land Area (Hectare)	Quit Rent	Category of Land Use	Registered Proprietors
HSD 268610	PTD 2379	45.793	RM2,580.00	Pertanian	Nusajaya Rise Sdn Bhd
HSD 268611	PTD 2380	436.3966	RM39,150.00	Pertanian	Nusajaya Rise Sdn Bhd
HSD 309471	PTD 2387	1.419	RM70.00	Tiada	Nusajaya Rise Sdn Bhd
HSD 297739	PTD 2987	152.639	RM13,050.00	Tiada	Finwares Sdn Bhd and Symphony Hills Sdn Bhd

Bandar/Pekan/Mukim	:	Mukim Tanjung Kupang
District	:	Johor Bahru
State	:	Johor
Tenure	:	Freehold
Express Conditions	:	Tiada
Restriction-in-interest	:	<i>Tanah yang dikurniakan ini tidak boleh dijual, dicagar, digadai, atau dipindah milik dengan apa cara sekalipun, termasuk dengan cara menggunakan segala surat perjanjian yang bertujuan untuk melepaskan/menjual tanah ini, tanpa kebenaran Penguasa Negeri.</i>
Other Endorsements	:	

##### PTD 2379

Total Proposed Land Acquisition-Acre (Form D)	Total Land Acquisition-Acre (Form K)	From/To (Date)
5.4261	5.4261	Between 12 November 1999 to 25 March 2000

##### PTD 2380

Total Proposed Land Acquisition-Acre (Form D)	Total Land Acquisition-Acre (Form K)	From/To (Date)
58.1819	58.1819	Between 16 June 1998 to 9 January 2002

**PTD 2987**

Total Proposed Land Acquisition-Acre (Form D)	Total Land Acquisition-Acre (Form K)	From/To (Date)
4.6480	15.8031	Between 21 March 2001 to 21 March 2013

The subject property is net of any land acquisition. Thus, the land acquisition exercises have no impact on the subject property and its valuation as of the date of valuation.

Referring to Clause 2.3 SPA that states the final area of the Said Land [being the final area in the Title Deed less total acreage of Master Infrastructure and the regional mosque (if any)] shall be at least 500 acres, subject to a tolerance factor of five per centum (5%) only provided that the Vendors shall use its best endeavours to adjust the final area of the Said Land to at least 500 acres. If the final area of the Said Land differs from 500 acres by more than the tolerance rate of five per centum (5%), the Parties shall negotiate in good faith and mutually agree on the mechanism for compensation, adjustment and/or re-alignment of the Said Land for such other terms as may be necessary.

**5.0 Description of Property**

Gerbang Nusajaya covers an area of approximately 4,010.210 acres (1,623 hectares) and has been issued with "Kebenaran Merancang" by the Planning Department of Majlis Perbandaran Johor Bahru Tengah vide reference No. MPJBT(PB/SWT)2/9(57) dated 19 November 2013 proposed for mix development use.

The subject property which forms part of Gerbang Nusajaya comprises a land area of about 500 acres (202.343 hectares). It is situated at the western part of the Gerbang Nusajaya and split into two portions by the railway line which is connected to Tanjung Pelepas Port at the south and Pasir Gudang Port at the north-west.

The subject property comprises of six parcels of proposed subdivided blocks forming part of PTD 2379, PTD 2380, PTD 2387 and PTD 2987 with the following breakdown in acreage:-

Block No.	Subject Land Area (Acre)	Part of Master Title
12	258.491	PTD 2380 & PTD 2379
13	13.208	PTD 2987
14	6.451	PTD 2987
15	176.191	PTD 2987
16	22.709	PTD 2379 & PTD 2387
17	23.451	PTD 2987
<b>Total</b>	<b>500.5010</b>	

The subject site in general is irregular in shape fronting unknown metalled road branching out from main access roads, Lebuhraya Tanjung Pelepas and Lebuhraya Hubungan Kedua Malaysia-

Singapura. The site is a 500-acre development land which forms part of the Master Titles with a total land area of about 634.248 hectares (about 1,567.258 acres).

The subject property is undulating in terrain and planted with oil palm trees, light farming nurseries whilst some of the other areas are covered with shrubs and bushes.

## 6.0 Town Planning

The subject property has been issued with “Kebenaran Merancang” by the Planning Department of Majlis Perbandaran Johor Bahru Tengah vide reference No. MPJBT(PB/SWT)2/9(57) dated 19 November 2013 proposed for mixed development use as part of a larger township project of the proposed Gerbang Nusajaya.

The subject property is zoned for mixed development use.

## 7.0 Method of Valuation

We have considered the requirement of the SC on the need for a minimum of 2 approaches of valuation. Given the size of the land and the potential development time frame with a considerable period, Residual Method of Valuation is deemed as not feasible as it involves assumption over long time span and without specific development details on the subject property. Therefore in arriving at the Market Value of the subject property, we have principally adopted the **Comparison Method of Valuation** as the basis of our valuation.

## 8.0 Comparison Method of Valuation

We have adopted the Comparison Method of Valuation.

EVIDENCES	1	2	3
Type of prop	Residential and Commercial Land	Agriculture and Industrial Land	Agriculture Land
Source	Bursa Announcement	Bursa Announcement	Bursa Announcement
Title Particulars	PTD 26269 & others, Mukim Plentong, District Johor Bahru	Lot 313, 321, 324 - 328, 337, 339, 340, 342, 343, 795, 797, 65678 - 65681, Mukim Pulau, District Johor Bahru	Lot 3432 & others (11 parcels) Mukim Pulau, District Johor Bahru
Tenure	Freehold	Freehold	Freehold
Land Area (ha)	91.86	103.8222	22.29
Land Area (acre)	226.99	256.55	55.07
Consideration	RM220,000,00	RM366,550,573.30	RM105,069,017
Date of transactions and announcement	15-Aug-11	13-Sep-13	22-Jun-12
Remarks	Abandoned project with subdivided titles but to be amalgamated, with KM obsolete thus no premium is given to the existing KM. However, Purchase Consideration is on Gross total land area of approximately 227-acre	Lot 65678 - 65681 - Industrial; Lot 795 & 797 - Nil; Lot 313,321,324 - 328, 337, 339, 340, 342 & 343 - Agricultural; North of Flagship B, Nusajaya. However, Purchase Consideration is on Gross total land area of approximately 256.55-acre	Unconverted Vacant Land - 11 Parcels. However, Purchase Consideration is on 'as-is-where-is' basis with Gross total land area of approximately 55.07-acre
Vendor	Trident World Sdn Bhd	Lee Pineapple Company Sdn Bhd	Chua Joo Cheng @ Chua Su Yin
Purchaser	Magical Heights Sdn Bhd - Dijaya Corp Bhd	Tropicana Desa Mentari Sdn Bhd - Tropicana Corporation Bhd	Aliran Peluang Sdn Bhd - Dijaya Corporation Bhd
Analysed Price psf	RM22.25	RM32.80	RM43.80
<b>Adjustment</b>			
Positive Adjustment	Time Factor  Location/Accessibility  Master Infra Ready/Semi Gross Area  With "Kebenaran Merancang"	Time Factor  Location/Accessibility  Master Infra Ready/Semi Gross Area  With "Kebenaran Merancang"	Time Factor  Master Infra Ready/Semi Gross Area  With "Kebenaran Merancang"
Negative Adjustment	Land Use/Zoning  Size	Land Use/Zoning  Size	Location/Accessibility  Size
<b>Value psf after adjustment</b>	<b>RM33.37</b>	<b>RM41.00</b>	<b>RM45.99</b>

The adjusted value from the above analysis is between RM33.37 per square foot to RM45.99 per square foot. And therefore, in arriving at the market value of the subject, we have adopted an average value per square foot of the 3 comparables, being closest to the size for Comparables 1 & 2 and being within the same location (Mukim of Pulau) for Comparables 2 & 3 to arrive at a market value of RM40/- per square foot which will give a market value of RM871,200,000/-.

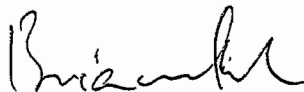
*[Handwritten Signature]* - 7 -

It is pertinent to note that vide the subsequent sale and purchase agreement (SSPA) dated 7 February 2014, the subject property was transacted from Nusajaya Rise Sdn Bhd, Finwares Sdn Bhd & Symphony Hills Sdn Bhd (the Vendors) to Scope Energy Sdn Bhd (the Purchaser) for a purchase consideration of RM871,200,000/-.

#### 9.0 Opinion of Value

Premised on the foregoing and having considered all other relevant factors in our valuation, we are of the opinion that the Market Value of the freehold interest in the subject property, free from all encumbrances and with the benefit of "Kebenaran Merancang" is **RM871,200,000/-** (Ringgit Malaysia: Eight Hundred Seventy One Million And Two Hundred Thousand Only).

Yours faithfully,  
For and on behalf of  
**DTZ NAWAWI TIE LEUNG**  
**PROPERTY CONSULTANTS SDN BHD**



**BRIAN KOH WENG CHUAN**  
Registered Valuer (V695)

## INFORMATION ON THE LANDS

	<b>Fraser Land</b>	<b>Gerbang Land</b>
Postal address	: GRN 237459, Lot 2956; GM 1408, Lot 1033; GM 1410, Lot 1080; all situated in Mukim Senai, District of Kulai Jaya, State of Johor	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
Area	: 2,500 acres	500 acres
Location	: Skudai-Senai area, the northern tip of Iskandar Malaysia	Gerbang Nusajaya, the gateway to Nusajaya
Existing use	: Part of an oil palm estate	Vacant
Proposed use	: Designated for industrial, residential and commercial development	Designated for mixed development
Tenure	: Freehold	Freehold
Date of valuation	22 January 2014	21 January 2014
Market value	: RM871,200,000 or RM8.00 psf	RM871,200,000 or RM40.00 psf
Net book value	: RM11.3 million (based on the latest audited consolidated financial statements of KLK as at 30 September 2013)	RM131.9 million (based on the latest audited consolidated financial statements of UEMS as at 31 December 2013)
Encumbrances	: None	None



**PRINCIPAL TERMS OF THE RPS**

- Value** : The par value of the RPS shall be RM0.01 each, and issue price of RM1.00.
- Rights to dividends** : The holders of the RPS shall not be entitled to any dividends.
- Entitlement to receive notice** : The holders of the RPS shall have no right to receive notice of or to attend at any general meeting of the DevCo, other than in respect of any of the following resolutions:
- (i) any resolution which varies or is deemed to vary the rights attached to the RPS (including the amendment or repeal of any provision of, or the addition of any provision to, the Articles of Association of the DevCo to change the rights of the holder of the RPS, the creation of any new series or class or shares or securities having a preference or priority as to dividends over the holder of the RPS); or
  - (ii) any resolution for the winding-up of the DevCo; or
  - (iii) a meeting convened for the purpose of considering the reduction of capital of the DevCo.
- Redemption** : The RPS issued shall carry a right to redemption at the option of the DevCo based on the provisions of the Act (and in this respect the directors may exercise such power in such manner they in their absolute discretion deem fit without having to give any reason whatsoever therefore), and may be redeemed from time to time or at any time upon prior notice having been given by the DevCo to the holders of RPS, at a premium or otherwise and in multiples of 100 shares. Only fully paid RPS are entitled to be redeemed.
- Issuance** : The RPS shall be issued free from all charges, liens or other encumbrances whatsoever.
- Holder** : The holders of the RPS shall be restricted to UEML and KLK Land only and shall sell and transfer the RPS to other shareholders in accordance with the provisions with regards to deadlock, event of default and pre-emptive rights.
- Rights upon winding-up, dissolution or liquidation** : In the event of liquidation, dissolution or winding-up (other than for reasons due to insolvency) of the DevCo, the holders of the RPS shall be entitled to have assets of the DevCo available for distribution among the members and/or receive cash repayment in full of the subscription price paid up on the RPS, prior to any distribution to the holders of the Ordinary Shares.
- Voting rights** : The voting rights of the holders of RPS shall be restricted to any resolution on winding up and/or any resolution directly affecting the rights of the holders of RPS.
- Conversion** : The holders of RPS shall not have the right to convert any of their RPS into Ordinary Shares under any circumstances whatsoever.
- Variation of rights** : There shall be no variation/abrogation of any of the rights set out in this article unless approved by a special resolution of the holders of RPS.

**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

UEMS' Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

**2. WRITTEN CONSENT AND CONFLICT OF INTEREST****CIMB**

CIMB has given and has not subsequently withdrawn its written consent to include its name and all references thereto in this Circular in the form and context in which they appear.

CIMB has been appointed as Adviser for the Proposal. CIMB is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Adviser to UEMS for the Proposal.

CIMB and its related and associated companies ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. CIMB Group engages in transactions with and performs services for the UEMS Group and/or affiliates of the UEMS Group in the ordinary course of business, have extended credit facilities, and/or have engaged, and in the future may engage, in private banking, commercial banking and investment banking and other services in the ordinary course of business with the UEMS Group.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to engage in any transactions (on its own account or otherwise) with any member of the UEMS Group and/or affiliates of the UEMS Group, hold long or short positions, and may trade or otherwise effect transactions on its own account or the account of its customers in debt or equity securities of the UEMS Group. This is a result of the businesses of the CIMB Group generally acting independent of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers in the future, may have interest or take actions that may conflict with the interest of the UEMS Group.

**DTZ**

DTZ has given and has not subsequently withdrawn its written consent to include its name and the valuation certificates and all references thereto in this Circular in the form and context in which they appear.

DTZ has been appointed as the independent valuer for the Proposal. DTZ is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the independent valuer to UEMS for the Proposal.

### 3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

#### 3.1 Material commitments

As at the LPD, the following table sets out the material commitments incurred or known to be incurred by the UEMS Group in relation to its authorised capital expenditure:

	RM million
- Approved and contracted for	2.9
- Approved but not contracted for	22.3
	<hr/> <b>25.2</b> <hr/>

#### 3.2 Contingent liabilities

As at the LPD, save as disclosed below, there are no material contingent liabilities, which may, upon being enforceable, have a material adverse effect on the UEMS Group's financial position or business.

##### (i) Potential compensation payable to Felcra Berhad ("Felcra") settlers

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

The Plaintiffs seek, inter-alia, an additional total sum of RM54.0 million and an acre of land to each Plaintiff from the Defendants.

On 12 January 2010, the High Court of Malaya ("**High Court**") made a decision against Felcra for breach of contract and dismissed the Plaintiffs action against the DLA and the Johor State Government. On 8 February 2010, the Plaintiffs 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 Johor State Government. The Court of Appeal dismissed the appeal on 28 June 2011. The Plaintiffs' appeal to the Federal Court against the decision of the Court of Appeal was allowed on 15 October 2012. The notice of appeal to the Federal Court was filed by the Plaintiffs on 22 October 2012. The Federal Court fixed 14 May 2013 for hearing of the appeal.

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 LPD, the sealed Order has yet to be issued by the Federal Court.

BNDSB is not directly involved in this litigation, but by virtue of a novation agreement dated 2 December 1994 entered into between BNDSB, UEM Group Berhad and the Johor State Authority ("**1994 Novation Agreement**"), BNDSB is responsible for the additional costs relating to the lands alienated to it, which include the amount awarded to the Plaintiffs.

**(ii) Potential compensation payable to the previous landowners**

There are altogether 50 cases referred to the High Court involving claims against the Johor State Government for additional compensation amounting to RM634.8 million by the previous landowners of lands acquired for the Malaysia-Singapore Second Crossing Project.

When these 50 cases were heard at the High Court, the High Court maintained the amount of compensation awarded by the DLA in 15 cases, whilst increasing the amount of compensation in 35 others. The parties involved have made further appeals to the Court of Appeal for higher compensation. However, the Court of Appeal ordered that all land acquisition appeals to be transferred to the Federal Court.

Of these 50 cases:

- (a) 1 had been heard and dismissed by the Court of Appeal;
- (b) 4 had been heard and dismissed by the Federal Court;
- (c) 2 had accepted an out-of-court settlement proposed by the Johor State Legal Advisor;
- (d) 4 had withdrawn their cases against the DLA;
- (e) 2 had been granted additional compensation amounting to RM19.5 million by the Federal Court; and
- (f) 1 had discontinued the appeal at the Court of Appeal.

The total land appeal cases pending are 36 and the contingent liability is RM68.3 million.

BNDSB is not directly involved in this litigation, but by virtue of the 1994 Novation Agreement, BNDSB is responsible for the additional costs relating to the lands alienated to it, which include the amounts claimed by the landowners in the event their respective claims are successful.

To date, no date has been fixed for hearing.

**(iii) Income tax assessment**

On 3 October 2011, BNDSB received a notice of additional assessment from Inland Revenue Board ("IRB") for additional tax and penalty of RM50.9 million and RM22.9 million respectively in respect of year assessment 2006.

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

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

**(iv) Third party charge**

On 18 May 2007, HHDSB entered into the following:

- (a) an agreement for the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic Securities of up to RM270 million nominal value by HHDSB, comprising:
  - (aa) up to 12-year Islamic Bank Guarantee Medium-Term Notes Programme of up to RM200 million nominal value under the principles of Murabahah (“**IMTN Programme**”); and
  - (bb) up to 7-year Islamic Commercial Papers Programme of up to RM70 million nominal value under the principles of Murabahah; and
- (b) a Kafalah (bank guarantee) facility of up to RM205 million to guarantee the nominal value of the IMTN Programme of up to RM200 million and one profit payment in respect of the IMTN Programme of up to RM5 million,

(collectively referred to as the “**Facilities**”).

In this respect, NGSB, a wholly owned subsidiary of BNDSB, had provided a third party charge over approximately 1,227 acres of land in favour of the security trustee for the Facilities. As at the LPD, 1,050 acres out of the total of 1,227 acres of land have been purchased and paid for by HHDSB.

**4. MATERIAL LITIGATION**

As at the LPD, based on the representations from the respective Vendors, there is no material litigation or arbitration involving the Fraser Land and the Gerbang Land.

**5. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at UEMS’s registered office at 19-2, Mercuri UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) Memorandum and Articles of Association of UEMS;
- (ii) audited consolidated financial statements of UEMS for the FYE 31 December 2012 and 2013 and the unaudited financial statements of UEMS for the financial period ended 31 March 2014;
- (iii) valuation certificates and valuation reports dated 28 March 2014 in relation to the Lands issued by DTZ; and
- (iv) letters of consent referred to in Section 2 above.



A member of UEM Group

**UEM SUNRISE BERHAD**  
(Company No.: 830144-W)  
(Incorporated in Malaysia under the Act)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of UEM Sunrise Berhad (“**UEMS**” or “**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, 24 July 2014 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolutions, with or without modifications:

### **ORDINARY RESOLUTION 1**

**PROPOSED ACQUISITION OF VARIOUS PARCELS OF LAND MEASURING AN AGGREGATE OF APPROXIMATELY 2,500 ACRES OF FREEHOLD LAND HELD UNDER (I) GRN 237459, LOT 2956; (II) GM 1408, LOT 1033; AND (III) GM 1410, LOT 1080; ALL SITUATED IN MUKIM SENAI, DISTRICT OF KULAI JAYA, STATE OF JOHOR (“FRASER LAND”) BY AURA MUHIBAH SDN BHD (“AMSB”), A SUBSIDIARY OF UEM LAND BERHAD (“UEML”), WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF UEMS, FROM KUALA LUMPUR KEPONG BERHAD (“KLK”) FOR A TOTAL CONSIDERATION OF RM871.2 MILLION (“PROPOSED ACQUISITION OF FRASER LAND”)**

“**THAT** in conjunction with the execution of the Shareholders’ Agreement dated 7 February 2014 entered into by and between UEML and KLK Land Sdn Bhd (“**KLK Land**”) as the shareholders and AMSB as the joint venture company, for AMSB to undertake the proposed mixed residential, commercial and industrial development of Fraser Land and subject to the requisite approvals and/or consents being obtained from all the relevant regulatory authorities and/or parties as set out in Section 8 of the Circular to the shareholders of UEMS dated 9 July 2014 (“**Circular**”), approval be and is hereby given for AMSB to enter into, carry out and undertake the Proposed Acquisition of Fraser Land and that the execution of the Sale and Purchase Agreement dated 7 February 2014 entered into between AMSB and KLK for AMSB to acquire the Fraser Land from KLK for a total consideration of RM871.2 million, the salient terms of which are set out in Section 2.2 of the Circular, is hereby approved and confirmed;

**AND THAT** the board of Directors of UEMS (“**Board**”) be and is hereby authorised to do all acts, deeds and things as may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Acquisition of Fraser Land with full power to assent to any conditions, modifications, variations and/or amendments as may be required, at their discretion and/or imposed or required by the relevant authorities and/or parties and to execute, sign and deliver all such documents and/or agreements with any party or parties, and to take all such steps for and on behalf of the Company and/or any of its subsidiaries as it may be deemed fit, necessary, expedient and/or appropriate in order to implement, finalise, complete and give full effect to the Proposed Acquisition of Fraser Land.”

### **ORDINARY RESOLUTION 2**

**PROPOSED DISPOSAL OF VARIOUS PARCELS OF LAND MEASURING AN AGGREGATE OF APPROXIMATELY 500 ACRES OF FREEHOLD LAND HELD UNDER (I) HSD 268610, PTD 2379; (II) HSD 268611, PTD 2380; (III) HSD 309471, PTD 2387; AND (IV) HSD 297739, PTD 2987; ALL SITUATED IN MUKIM TANJUNG KUPANG, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR (“GERBANG LAND”) BY NUSAJAYA RISE SDN BHD, FINWARES SDN BHD AND SYMPHONY HILLS SDN BHD (COLLECTIVELY REFERRED TO AS THE “GERBANG LAND VENDORS”), ALL OF WHICH ARE WHOLLY-OWNED SUBSIDIARIES OF UEML, TO SCOPE ENERGY SDN BHD (“SES”) FOR A TOTAL CONSIDERATION OF RM871.2 MILLION (“PROPOSED DISPOSAL OF GERBANG LAND”)**

"**THAT** in conjunction with the execution of the Shareholders' Agreement dated 7 February 2014 entered into by and between UEML and KLK Land as the shareholders and SESB as the joint venture company, for SESB to undertake the proposed mixed development of Gerbang Land and subject to the requisite approvals and/or consents being obtained from all the relevant regulatory authorities and/or parties as set out in Section 8 of the Circular, approval be and is hereby given for the Gerbang Land Vendors to enter into, carry out and undertake the Proposed Disposal of Gerbang Land and that the execution of the Sale and Purchase Agreement dated 7 February 2014 entered into between SESB and the Gerbang Land Vendors for the Gerbang Land Vendors to dispose the Gerbang Land to SESB for a total consideration of RM871.2 million, the salient terms of which are set out in Section 2.2 of the Circular, is hereby approved and confirmed;

**AND THAT** the Board be and is hereby authorised to do all acts, deeds and things as may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Disposal of Gerbang Land with full power to assent to any conditions, modifications, variations and/or amendments as may be required, at their discretion and/or imposed or required by the relevant authorities and/or parties and to execute, sign and deliver all such documents and/or agreements with any party or parties, and to take all such steps for and on behalf of the Company and/or any of its subsidiaries as it may be deemed fit, necessary, expedient and/or appropriate in order to implement, finalise, complete and give full effect to the Proposed Disposal of Gerbang Land."

#### **BY ORDER OF THE BOARD**

Sharifah Shafiqah Salim (LS No. 0008928)  
Liew Irene (MAICSA 7022609)  
Company Secretaries

Kuala Lumpur, Malaysia  
9 July 2014

#### **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 place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.*
2. *To be valid, the **original** form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time of holding the meeting.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.*
4. *If the proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.*
5. *If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the 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 the 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 appointment(s) shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.*
8. *For purposes of determining a member who shall be entitled to attend the Extraordinary General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 58 and 59 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 17 July 2014. Only a depositor whose name appears on the ROD as at 17 July 2014 shall be entitled to attend the Extraordinary General Meeting or appoint a proxy(ies) to attend, speak and vote on his/her behalf.*

**FORM OF PROXY**



A member of UEM Group

I/We, .....  
of .....  
being a member/members of **UEM SUNRISE BERHAD** ("Company"), hereby appoint .....  
..... NRIC/Passport No. ....  
of .....

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to 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, 24 July 2014 at 10.00 a.m., or at any adjournment thereof.

My/Our proxy is to vote as indicated below:

<b>ORDINARY RESOLUTIONS</b>	<b>FOR</b>	<b>AGAINST</b>
<b>Ordinary Resolution 1 – Proposed Acquisition of Fraser Land</b>		
<b>Ordinary Resolution 2 – Proposed Disposal of Gerbang Land</b>		

(Please indicate with a "✓" or "X" in the boxes provided above how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

.....  
Signature  
(If shareholder is a corporation, this part should be executed under seal)

No. of shares:	
CDS Account No.:	
Telephone No.:	

Signed this ..... day of ..... 2014

**Notes:**

- 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 place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.
- To be valid, the **original** form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time of holding the meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.
- If the proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the 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.
- A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend, speak and vote at the 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 appointment(s) shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- For purposes of determining a member who shall be entitled to attend the Extraordinary General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 58 and 59 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 17 July 2014. Only a depositor whose name appears on the ROD as at 17 July 2014 shall be entitled to attend the Extraordinary General Meeting or appoint a proxy(ies) to attend, speak and vote on his/her behalf.





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AFFIX  
STAMP

**UEM SUNRISE BERHAD**

**THE SHARE REGISTRAR'S OFFICE**

Symphony Share Registrars Sdn Bhd (378993-D)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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