



(Company No. 4131-M)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 31 MARCH 2006

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UNITED MALAYAN LAND BHD

(Company No. 4131-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEETS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2006**

	As at 31/03/2006 (RM'000)	As at 31/12/2005 (RM'000)
<u>ASSETS</u>		
<u>Non-current assets</u>		
Property, plant and equipment	344,195	344,388
Investment in associated companies	2,749	2,748
Other investments	2,009	2,009
Land held for property development	178,454	178,454
Long term trade receivables	3,881	4,004
Deferred tax assets	18,784	17,861
	<u>550,072</u>	<u>549,464</u>
<u>Current assets</u>		
Completed properties	85,010	79,291
Property development costs	421,555	431,848
Trade and other receivables	95,794	83,643
Bank and cash balances	40,801	47,585
	<u>643,160</u>	<u>642,367</u>
Total Assets	<u>1,193,232</u>	<u>1,191,831</u>
<u>EQUITY AND LIABILITIES</u>		
<u>Equity attributable to equity holders of the parent</u>		
Share capital	232,347	232,347
Other reserves	318,206	318,214
Retained earnings	199,772	195,841
	<u>750,325</u>	<u>746,402</u>
Minority interests	61,146	59,401
Total equity	<u>811,471</u>	<u>805,803</u>
<u>Non-current liabilities</u>		
Deferred tax liabilities	33,769	32,788
Long term borrowings	115,437	112,673
	<u>149,206</u>	<u>145,461</u>
<u>Current liabilities</u>		
Trade and other payables	56,218	79,741
Provision	950	950
Short term borrowings	168,275	149,947
Current tax liabilities	7,112	5,753
Dividend payable	0	4,176
	<u>232,555</u>	<u>240,567</u>
Total Liabilities	<u>381,761</u>	<u>386,028</u>
Total Equity and Liabilities	<u>1,193,232</u>	<u>1,191,831</u>
Net assets per share (RM)	3.50	3.47

Note :

The Condensed Consolidated Balance Sheets should be read in conjunction with the annual financial statements for the financial year ended 31 December 2005.

The net assets per share is calculated by dividing the total assets less total liabilities of RM811,471,508 [Year 2005 : RM805,803,063] at the end of the financial period by the issued share capital of 231,949,833 shares, (which is net of 396,800 treasury shares) [Year 2005 : 231,957,933 shares, (which is net of 388,700 treasury shares)], of the Company at the end of the financial period.

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**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2006**

	← INDIVIDUAL QUARTER →		← CUMULATIVE PERIOD →	
	Current year	Preceding year comparative	Current year	Preceding year comparative
	3 months ended 31/03/2006 (RM'000)	3 months ended 31/03/2005 (RM'000)	3 months ended 31/03/2006 (RM'000)	3 months ended 31/03/2005 (RM'000)
Revenue	64,817	45,625	64,817	45,625
Operating expenses	(57,159)	(39,039)	(57,159)	(39,039)
Other income	1,004	895	1,004	895
Finance cost	(692)	(332)	(692)	(332)
Share of profit of associate companies	1	1	1	1
Profit before tax	7,971	7,150	7,971	7,150
Tax expense	(2,295)	(2,603)	(2,295)	(2,603)
Profit for the financial period	5,676	4,547	5,676	4,547
Attributable to :				
Equity holders of the parent	3,931	4,278	3,931	4,278
Minority interests	1,745	269	1,745	269
	5,676	4,547	5,676	4,547
Earnings per share (sen)				
- Basic	1.69	1.84	1.69	1.84
- Diluted	N.A.	N.A.	N.A.	N.A.

Note :

The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the financial year ended 31 December 2005.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2006**

	← Attributable to equity holders of the parent →						Total (RM'000)	Minority interests (RM'000)	Total equity (RM'000)
	Share capital (RM'000)	Share premium (RM'000)	Revaluation and other reserves (RM'000)	Treasury shares (RM'000)	Retained earnings (RM'000)	Revaluation reserves * (RM'000)			
3 months ended 31/03/2006									
Balance as at 1/1/2006	232,347	60,428	199,445	(449)	195,841	58,790	746,402	59,401	805,803
Profit for the financial period	-	-	-	-	3,931	-	3,931	1,745	5,676
Total recognised income and expense for the financial period	-	-	-	-	3,931	-	3,931	1,745	5,676
Treasury shares acquired (8,100 ordinary shares)	-	-	-	(8)	-	-	(8)	-	(8)
Balance as at 31/03/2006	<u>232,347</u>	<u>60,428</u>	<u>199,445</u>	<u>(457)</u>	<u>199,772</u>	<u>58,790</u>	<u>750,325</u>	<u>61,146</u>	<u>811,471</u>

3 months ended 31/03/2005

Balance as at 1/1/2005	232,347	60,428	203,669	(374)	183,334	54,566	733,970	54,395	788,365
Profit for the financial period	-	-	-	-	4,278	-	4,278	269	4,547
Total recognised income and expense for the financial period	-	-	-	-	4,278	-	4,278	269	4,547
Treasury shares acquired (4,300 ordinary shares)	-	-	-	(5)	-	-	(5)	-	(5)
Issuance of redeemable preference shares in a subsidiary to a minority interest	-	-	-	-	-	-	-	2,100	2,100
Balance as at 31/03/2005	<u>232,347</u>	<u>60,428</u>	<u>203,669</u>	<u>(379)</u>	<u>187,612</u>	<u>54,566</u>	<u>738,243</u>	<u>56,764</u>	<u>795,007</u>

* This represents the accumulated revaluation reserves which have already been realised.

Note:

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual financial statements for the financial year ended 31 December 2005.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2006**

	3 months ended 31/03/2006 (RM'000)	3 months ended 31/03/2005 (RM'000)
<u>Operating Activities</u>		
Profit before tax	7,971	7,150
Adjustment for :-		
Allowance for doubtful debts	456	478
Write back of allowance for doubtful debts	(302)	(223)
Depreciation of property, plant and equipment	366	324
Interest expense	692	332
Interest income	(677)	(725)
Share of results of an associated company	(1)	(1)
	8,505	7,335
Decrease in land held for property development, completed properties and property development costs	7,170	11,229
Increase in receivables	(11,596)	(4,611)
(Decrease)/increase in payables	(23,106)	6,049
Net cash flow from operations	(19,027)	20,002
Interest paid	(3,702)	(2,875)
Interest received	338	203
Tax paid	(1,127)	(4,569)
Net cash flow from operating activities	(23,518)	12,761
<u>Investing Activities</u>		
Proceeds from disposal of property, plant and equipment	0	206
Purchase of property, plant and equipment	(174)	(856)
Share buyback	(8)	(5)
Net cash flow from investing activities	(182)	(655)
<u>Financing Activities</u>		
Dividends paid	(4,175)	0
Proceeds from issuance of redeemable preference shares in a subsidiary company to a minority interest	0	2,100
Net drawdown of borrowings	13,060	3,000
Net cash flow from financing activities	8,885	5,100
Net change in Cash and Cash Equivalents	(14,815)	17,206
Cash and Cash Equivalents at beginning of the financial period	31,670	10,029
Cash and Cash Equivalents at end of the financial period	16,855	27,235
Cash and cash equivalents comprise :		
Bank and cash balances	5,050	3,470
Bank balances under Housing Development Accounts	35,751	28,222
Bank overdraft	(23,946)	(4,457)
	16,855	27,235

Notes:

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual financial statements for the financial year ended 31 December 2005.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. *(A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change).*

The interim financial report has been prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group’s annual financial statements for the financial year ended 31 December 2005 (the most recent annual financial statements).

The same accounting policies and methods of computation have been followed in the interim financial statements as compared with the Group’s annual financial statements for the financial year ended 31 December 2005 except for the adoption of the following new and revised FRS issued by Malaysian Accounting Standards Board (“MASB”) which became operative for financial statements beginning on or after 1 January 2006:

- | | | |
|----|---------|--|
| a) | FRS 2 | Share-based Payment |
| b) | FRS 3 | Business Combinations |
| c) | FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| d) | FRS 101 | Presentation of Financial Statements |
| e) | FRS 102 | Inventories |
| f) | FRS 108 | Accounting Policies, Changes in Estimates and Errors |
| g) | FRS 110 | Events after the Balance Sheet Date |
| h) | FRS 116 | Property, Plant and Equipment |
| i) | FRS 121 | The Effects of Changes in Foreign Exchange Rates |
| j) | FRS 127 | Consolidated and Separate Financial Statements |
| k) | FRS 128 | Investments in Associates |
| l) | FRS 131 | Interests in Joint Ventures |
| m) | FRS 132 | Financial Instruments : Disclosure and Presentation |
| n) | FRS 133 | Earnings Per Share |
| o) | FRS 136 | Impairment of Assets |
| p) | FRS 138 | Intangibles Assets |
| q) | FRS 140 | Investment Property |

The adoption of the above new and revised FRS does not have significant impact on the Group except for FRS 101. The principal effects of the changes in accounting policies resulting from the adoption of FRS 101 are as follow:

FRS 101 Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after tax results of associates and other disclosures.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

In the condensed consolidated balance sheet, minority interests are now presented within total equity. In the condensed income statement, minority interests are presented as an allocation of the total profit or loss for the financial period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the financial period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

The current quarter's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current quarter's presentation.

2. *(Where the audit report of the enterprise's preceding annual financial statements was qualified, disclosure of the qualification and the current status of the matter(s) giving rise to the qualification).*

The audit report of the Group's annual financial statements for the financial year ended 31 December 2005 was not subject to any qualification.

3. *(Explanatory comments about the seasonality or cyclical nature of interim operations).*

The Group's operations are not subject to any seasonality of operations. To the extent that property development is affected by the so-called "property cycle" over a longer time period, the Group's operations are, in the main, similarly affected.

4. *(The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence).*

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial year-to-date.

5. *(The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period).*

The revised FRS 116 Property, Plant and Equipment requires the review of residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group revised the estimated useful life of computers from three years to five years and the residual value of motor vehicles with effect from 1 January 2006. The revisions were accounted for as change in accounting estimates and the financial impact on current quarter results is immaterial.

There were no other changes in estimates that have material effect in the current quarter results.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

6. *(Issuance, cancellations, repurchases, resale and repayments of debt and equity securities).*

For the current financial year to-date, the Company bought back 8,100 shares. The cumulative number of shares bought back to-date, including those bought back from previous financial years, amounted to 396,800 shares. There were no issuance, cancellations, resale and repayments of debt and equity securities for the financial year-to-date.

The details of shares held as treasury shares as at the end of the current financial year-to-date are as follows:

Cumulative no. of shares bought back	396,800
Total investments at cost	RM458,050
Average buy-back cost per share	RM1.15
Total disposals of buy-back shares	Nil
Market price per share @ 24-05-06 (Wednesday)	RM1.22
Total market value of buy-back shares @ 24-05-06	RM484,096

The shares are all held as treasury shares. None of the shares bought-back has been resold in the market.

7. *(Dividends paid (aggregate or per share) separately for ordinary shares and other shares).*

An interim dividend of 2.5 sen gross per ordinary share, less income tax of 28% in respect of the financial year ended 31 December 2005 was paid on 22 February 2006.

8. *(Segment revenue and segment result for business segments or geographical segments, whichever is the enterprise's primary basis of segment reporting [disclosure of segment data is required in an enterprise's interim financial report only if MASB 22, Segment Reporting, requires that enterprise to disclose segment data in its annual financial statements]).*

The Group is primarily engaged in the property development industry (Primary segment). All activities of the Group are conducted within Malaysia (Secondary segment).

9. *(Where valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements, a statement to that effect should be given).*

The carrying value of property, plant and equipment is based on the valuation incorporated in the annual financial statements for the financial year ended 31 December 2005.

10. *(Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period).*

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements for the current quarter.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

11. *(The effect of changes in the composition of the enterprise during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations).*

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the current quarter except for the corporate proposals mentioned in Note 20.

12. *(Changes in contingent liabilities or contingent assets since the last annual balance sheet date).*

There were no changes in contingent liabilities or contingent assets since 31 December 2005.

13. *(A review of the performance of the company and its principal subsidiaries, setting out material factors affecting the earnings and/or revenue of the company and the group for the current quarter and financial year-to-date).*

The Group recorded a revenue of RM64.82 million and a profit before tax of RM7.97 million for the current quarter under review.

Revenue and profit of the Group were mainly contributed by new sales and existing billings from developments in Bandar Seri Alam in Johor, Bandar Seri Austin in Johor, Bandar Seri Putra in Bangi, Selangor and the Group's niche developments, Suasana Sentral Loft condominiums in Kuala Lumpur.

14. *(An explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter).*

The Group achieved a profit before tax of RM7.97 million for the current quarter under review. This is a decrease of RM7.50 million compared to that of the immediate preceding quarter (quarter ended 31 December 2005). The decrease in profit was mainly due to lower profit contribution from Bandar Seri Alam in the current quarter compared to the previous quarter and also saving in development costs recognised which increased the profit in the previous quarter.

	Quarter ended 31 Mar 2006 3 months' results (Jan'06-Mar'06) RM'000	Quarter ended 31 Dec 2005 3 months' results (Oct'05-Dec'05) RM' 000	Variance RM'000
Profit before tax	<u>7,971</u>	<u>15,475</u>	<u>7,504</u>

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

15. *(A commentary on the prospects, including the factors that are likely to influence the company's prospects for the remaining period to the end of the financial year or the next financial year if the reporting period is the last quarter).*

The general property market outlook is challenging due to growing overhang of unsold units and softening of demand. The current increase in interest rate, high oil prices and increased material cost may put some pressure on gross margin of developers. Nevertheless, the outlook for niche development in prime location remains favourable.

Whilst the Directors expect the prospects of the remaining financial year to be challenging, the financial performance for the year 2006 is expected to be better than 2005 due to revenue recognition from confirmed sales. The Group will remain focused to stay ahead of the competitive property market through introduction of innovative products, right products mix with affordable pricing and effective marketing strategies.

16. *(An explanatory note for any (only applicable to the final quarter for companies which have provided a profit forecast or profit guarantee in a public document):-*

(a) *Variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%);*

(b) *Shortfall in profit guarantee).*

Explanatory notes for any variances of actual profit from forecast profit and for any shortfall in the profit guarantee are not applicable as the Group has not given any profit forecast and profit guarantee in respect of any corporate proposals.

17. *(A breakdown of the tax charge and an explanation of the variance between the effective and statutory tax rate for the current quarter and financial year-to-date).*

The tax figures in the condensed consolidated income statements represent the following:

	Current Quarter 31 March 2006 RM '000	Cumulative Period 31 March 2006 RM '000
<u>Group</u>		
Current tax	3,870	3,870
Deferred tax	(1,575)	(1,575)
	<u>2,295</u>	<u>2,295</u>

The effective tax rate of the Group for the current quarter and financial year-to-date was higher than the statutory tax rate mainly due to losses of subsidiary companies that are not available for set off against taxable profits of other subsidiary companies and certain expenses which were not allowable as deduction for tax purposes.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

18. *(The amount of profits/(losses) on any sale of unquoted investments and/or properties respectively for the current quarter and financial year-to-date).*

There was no sale of unquoted investments or properties for the current quarter and financial year-to-date.

19. *(The following particulars of any purchase or disposal of quoted securities other than securities in existing subsidiaries and associated companies by all companies except closed-end funds, a company whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia, Member Companies and such other companies as may be exempted by the Exchange:*

(a) *Total purchase consideration and sale proceeds of quoted securities for the current quarter and financial year-to-date and profit/loss arising therefrom;*

(b) *Investments in quoted securities as at the reporting period:-*

(i) *at cost;*

(ii) *at carrying value/book value; and*

(iii) *at market value).*

There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date.

20. (a) *The status of corporate proposals announced but not completed at the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.*

(b) *Where applicable, a brief explanation of the status of utilisation of proceeds raised from any corporate proposal).*

There were no corporate proposals announced but not completed as at 25 May 2006 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report) except for the following:

- i. On 18 January 2006, UM Land announced that it had entered into a shareholders' agreement with Bolton Berhad and Acegoal Pte Ltd to govern Alpine Return Sdn Bhd ("AR"), a joint venture company, for the development of a condominium project ("Proposed Joint Venture"). Pursuant to the Proposed Joint Venture, the issued and paid-up share capital of AR shall be increased to RM40 million and will be subscribed by UM Land, Bolton Berhad and Acegoal Pte Ltd in the proportion of 35%, 35% and 30% respectively.

The Proposed Joint Venture is subject to approval of the Foreign Investment Committee ("FIC") which was obtained on 13 April 2006.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

On 18 January 2006, UM Land also announced that AR had on even date entered into a conditional sale and purchase agreement with Bolton Berhad to acquire eleven (11) contiguous parcels of freehold land measuring approximately 17,383.207 square metres located along Jalan Mayang, Off Jalan Yap Kwan Seng, Kuala Lumpur for a total cash consideration of RM112.287 million for the development to be undertaken by AR (“Proposed Acquisition”).

The Proposed Acquisition is subject to the following conditions precedent:

- a) approval of FIC which was obtained on 13 April 2006; and
 - b) procurement of development order from Dewan Bandaraya Kuala Lumpur.
- ii. On 28 March 2006, UM Land announced that it proposes to amend the by-laws of the Company's existing employees' share option scheme (“Proposed By-Laws Amendments”).

On 4 May 2006, UM Land further announced that it proposes to grant options to non-executive directors of UM Land subject to their eligibility pursuant to the by-laws as amended by the Proposed By-Laws Amendments (“Proposed Options”).

The Proposed By-Laws Amendments and Proposed Options are subject to the following conditions precedent:

- a) approval of UM Land's shareholders; and,
 - b) approval in-principle of Bursa Malaysia Securities Berhad for the listing of and quotation for such number of new UM Land shares that may be issued pursuant to the Proposed By-Laws Amendments.
- iii. On 18 April 2006, UM Land announced that UM Development Sdn Bhd, a wholly-owned subsidiary of UM Land, had on even date entered into a conditional sale and purchase agreement with Akademi Pendidikan Pemandu (Malaysia) Sdn Bhd (“APP”) to acquire a piece of leasehold land measuring approximately 30,490 square metres located in Mukim of Setapak, District of Kuala Lumpur (“Setapak Land”) for a cash consideration of RM30 million (“Proposed Land Acquisition”).

The Proposed Land Acquisition is subject to the approvals of the following:

- a) approval of FIC which was obtained on 11 May 2006;
- b) approval of the shareholders of APP, if required;
- c) consent of Federal Lands Commissioner for the transfer of title to and creation of charge over Setapak Land; and
- d) any other relevant governmental authority's approval as required by law.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

21. *(The group borrowings and debt securities as at the end of the reporting period:-*

- (a) Whether secured or unsecured, and a breakdown between secured and unsecured, if applicable;*
- (b) Breakdown between short term and long term borrowings; and*
- (c) Whether denominated in foreign currency, and a breakdown of the debt/borrowings in each currency, if applicable).*

As at 31 March 2006, the Group borrowings were as follows:

Type of loans	Total RM'000
Short Term Loan (Secured)	
Revolving Credit	119,607
Overdraft	23,947
Term loan	24,721
Sub-total	168,275
Long Term Loan	
Term loan (Secured)	89,600
Term loan (Unsecured)	20,000
Bridging loan	5,837
Sub-total	115,437
Total	283,712

All borrowings are denominated in Ringgit Malaysia.

22. *(A summary of off balance sheet financial instruments by type and maturity profile at the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report, including the following information:-*

- (a) the face or contract amount (or notional principal amount if there is no face or contract amount); and*
- (b) the nature and terms, including at a minimum, a discussion of:*
 - (i) the credit and market risk of those instruments;*
 - (ii) the cash requirement of those instruments; and*
 - (iii) the related accounting policies).*

There were no off balance sheet financial instruments as at 25 May 2006 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

23. *(Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date which shall be made up to a date not earlier than 7 days from the date of issue of the quarterly report).*

There were no pending material litigation as at 25 May 2006 (a date not earlier than 7 days from the date of issue of this quarterly report) since the last annual balance sheet date except for the following:

The Inland Revenue Board has raised notices of assessment and additional assessments in respect of prior years' income tax of a subsidiary company, Bangi Heights Development Sdn Bhd ("BHD"). The assessments are mainly due to a different tax treatment accorded by Inland Revenue Board on the deduction of capitalised interest expense.

The Group does not agree with the assessments and additional assessments and has filed appeals to the Special Commissioner of Income Tax. A deciding order was issued by the Special Commissioner of Income Tax on 22 November 2005 which disallowed the deduction of capitalised interest expense. The Group will continue to defend its position against these assessments and additional assessments and will file an appeal to the High Court.

Pending the resolution of the above matters, the Group has provisionally paid to-date an amount of RM2.1 million as at 31 March 2006.

In the opinion of the solicitors representing BHD in the tax appeal, the company has a good case in its pending appeal to the High Court.

The Directors are of the opinion that in the event that the High Court upholds the decision of the Special Commissioner of Income Tax, the Group's financial position will not be adversely affected as all additional income taxes arising from disallowance of capitalised interest expense in respect of its prior years of assessment have been paid in full.

24. *(Dividend: To be completed if a decision regarding dividend has been made. (State whether dividend amount is before tax, net of tax or tax exempt and if before tax or net of tax, state the tax rate):*

- (a) (i) *an interim/final ordinary dividend has/has not been declared/recommended;*
(ii) *the amount per share ... sen;*
(iii) *the previous corresponding period ... sen;*
(iv) *the date payable ...; and*
(v) *in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at ... dd/mm/yyyy; and*

- (b) *the total dividend for the current financial year ... sen.*

The Board of Directors is not recommending any interim dividend for the current quarter and financial year-to-date.

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(Company No. 4131-M)

(Incorporated in Malaysia)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

25. (To disclose the following in respect of earnings per share:-

- (a) the amount used as the numerator in calculating basic and diluted earnings per share and a reconciliation of those amounts to the net profit or loss for the reporting period; and
- (b) the weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, and a reconciliation of these denominators to each other).

Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit for the financial period attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares acquired by the Company and held as treasury shares.

	Current Quarter 31 March 2006	Cumulative period 31 March 2006
Profit for the financial period attributable to equity holders of the parent (RM'000)	3,931	3,931
Weighted average number of ordinary shares in issue ('000)	231,956	231,956
Basic earnings per share (sen)	1.69	1.69

Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares are in respect of options over ordinary shares granted to employees.

In respect of options over ordinary shares granted to employees, a calculation is done to determine the number of ordinary shares that could have been acquired at fair value (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding options over ordinary shares. The number of ordinary shares calculated is compared with the number of shares that would have been issued assuming the exercise of the options over ordinary shares. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the "bonus" element in the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to profit for the financial period attributable to equity holders of the parent for the options over ordinary shares calculation.

Since the exercise price of options over ordinary shares are above the fair value of the Company's ordinary shares as at the end of the financial year-to-date, the options over ordinary shares are non-dilutive. Accordingly, diluted earnings per share information is not presented in the financial statements.