



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

INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2006

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UNITED MALAYAN LAND BHD

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2006**

	← INDIVIDUAL QUARTER →		← CUMULATIVE PERIOD →	
	Current year	Preceding year comparative	Current year	Preceding year comparative
	3 months ended 30/09/2006 (RM'000)	3 months ended 30/09/2005 (RM'000)	9 months ended 30/09/2006 (RM'000)	9 months ended 30/09/2005 (RM'000)
Revenue	113,492	57,400	253,443	139,189
Operating expenses	(94,265)	(44,896)	(219,175)	(120,420)
Other income	551	986	2,742	3,697
Finance cost	(2,639)	(312)	(5,536)	(1,087)
Share of (loss)/profit of associate companies	4	2	(3)	5
Profit before tax	17,143	13,180	31,471	21,384
Tax expense	(4,442)	(2,850)	(7,499)	(5,702)
Profit for the financial period	12,701	10,330	23,972	15,682
Attributable to :				
Equity holders of the parent	9,672	7,845	17,136	13,098
Minority interests	3,029	2,485	6,836	2,584
	12,701	10,330	23,972	15,682
Earnings per share (sen)				
- Basic	4.17	3.38	7.39	5.65
- 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.

UNITED MALAYAN LAND BHD(Company No. 4131-M)
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2006**

	As at 30/09/2006 (RM'000)	As at 31/12/2005 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	344,600	344,388
Investment in associated companies	2,744	2,748
Other investments	2,009	2,009
Land held for property development	170,732	178,454
Long term trade receivables	3,977	4,004
Deferred tax assets	18,161	17,861
	<u>542,223</u>	<u>549,464</u>
Current assets		
Completed properties	98,410	79,291
Property development costs	401,454	431,848
Trade and other receivables	185,565	83,643
Bank and cash balances	23,946	47,585
	<u>709,375</u>	<u>642,367</u>
Total Assets	<u><u>1,251,598</u></u>	<u><u>1,191,831</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	232,347	232,347
Other reserves	318,201	318,214
Retained earnings	198,828	195,841
	<u>749,376</u>	<u>746,402</u>
Minority interests	<u>65,060</u>	<u>59,401</u>
Total equity	<u><u>814,436</u></u>	<u><u>805,803</u></u>
Non-current liabilities		
Deferred tax liabilities	32,781	32,788
Long term borrowings	133,954	112,673
	<u>166,735</u>	<u>145,461</u>
Current liabilities		
Trade and other payables	64,208	79,741
Provision	350	950
Short term borrowings	194,656	149,947
Current tax liabilities	5,414	5,753
Dividend payable	5,799	4,176
	<u>270,427</u>	<u>240,567</u>
Total Liabilities	<u><u>437,162</u></u>	<u><u>386,028</u></u>
Total Equity and Liabilities	<u><u>1,251,598</u></u>	<u><u>1,191,831</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	3.23	3.22

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 attributable to ordinary equity holders of the parent is calculated by dividing the equity attributable to equity holders of the parent of RM749,376,244 [Year 2005 : RM746,401,879] at the end of the financial period by the issued share capital of 231,944,833 shares, (which is net of 401,800 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 STATEMENTS OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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)			
9 months ended 30/09/2006									
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	-	-	-	-	17,136	-	17,136	6,836	23,972
Total recognised income and expense for the financial period	-	-	-	-	17,136	-	17,136	6,836	23,972
Treasury shares acquired (13,100 ordinary shares)	-	-	-	(13)	-	-	(13)	-	(13)
Final dividend for the financial year ended 31 December 2005	-	-	-	-	(8,350)	-	(8,350)	(1,177)	(9,527)
Interim dividend for the financial year ending 31 December 2006	-	-	-	-	(5,799)	-	(5,799)	-	(5,799)
Balance as at 30/09/2006	232,347	60,428	199,445	(462)	198,828	58,790	749,376	65,060	814,436

9 months ended 30/09/2005

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	-	-	-	-	13,098	-	13,098	2,584	15,682
Total recognised income and expense for the financial period	-	-	-	-	13,098	-	13,098	2,584	15,682
Treasury shares acquired (51,200 ordinary shares)	-	-	-	(51)	-	-	(51)	-	(51)
Issuance of redeemable preference shares in a subsidiary to a minority interest	-	-	-	-	-	-	-	2,100	2,100
Final dividend for the financial year ended 31 December 2004	-	-	-	-	(12,529)	-	(12,529)	(1,611)	(14,140)
Interim dividend for the financial year ending 31 December 2005	-	-	-	-	(4,176)	-	(4,176)	-	(4,176)
Balance as at 30/09/2005	232,347	60,428	203,669	(425)	179,727	54,566	730,312	57,468	787,780

* 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.

UNITED MALAYAN LAND BHD(Company No. 4131-M)
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2006**

	9 months ended 30/09/2006 (RM'000)	9 months ended 30/09/2005 (RM'000)
Operating Activities		
Profit before tax	31,471	21,384
Adjustments for :-		
Allowance for doubtful debts	1,618	1,222
Write back of allowance for doubtful debts	(2,083)	(2,629)
Depreciation of property, plant and equipment	1,142	1,141
Gain on disposal of property, plant and equipment	(34)	(14)
Interest expense	5,535	1,087
Interest income	(1,345)	(1,362)
Share of results of associated companies	3	(5)
	<u>36,307</u>	<u>20,824</u>
Decrease in land held for property development, completed properties and property development costs	25,007	8,561
(Increase)/decrease in receivables	(100,545)	7,774
(Decrease)/increase in payables	(16,656)	16,255
Net cash flow from operations	<u>(55,887)</u>	<u>53,414</u>
Interest paid	(12,199)	(8,664)
Interest received	880	859
Tax paid	(8,566)	(7,342)
Net cash flow from operating activities	<u>(75,772)</u>	<u>38,267</u>
Investing Activities		
Proceeds from disposal of property, plant and equipment	34	228
Purchase of property, plant and equipment	(1,354)	(1,917)
Share buyback	(13)	(51)
Net cash flow from investing activities	<u>(1,333)</u>	<u>(3,740)</u>
Financing Activities		
Dividends paid	(12,525)	(12,529)
Proceeds from issuance of redeemable preference shares in a subsidiary company to a minority interest	0	2,100
Net drawdown/(repayment) of borrowings	47,037	4,780
Net cash flow from financing activities	<u>34,512</u>	<u>(5,649)</u>
Net change in Cash and Cash Equivalents	<u>(42,593)</u>	<u>28,878</u>
Cash and Cash Equivalents at beginning of the financial period	31,670	10,029
Cash and Cash Equivalents at end of the financial period	<u>(10,923)</u>	<u>38,907</u>
Cash and cash equivalents comprise :		
Bank and cash balances	7,805	24,023
Bank balances under Housing Development Accounts	16,141	23,009
Bank overdraft	(34,869)	(8,125)
	<u>(10,923)</u>	<u>38,907</u>

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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A. EXPLANATORY NOTES PURSUANT TO FRS 134 REQUIREMENTS

A1. **Basis of Preparation**

(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 Intangible 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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A. EXPLANATORY NOTES PURSUANT TO FRS 134 REQUIREMENTS (CONTINUED)

A1. Basis of Preparation (continued)

FRS 101 Presentation of Financial Statements (continued)

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.

A2. Auditor's Report on Preceding Annual Financial Statements

(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.

A3. Seasonal or Cyclical Factors

(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.

A4. Unusual items

(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.

A5. Changes in Estimates

(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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A. EXPLANATORY NOTES PURSUANT TO FRS 134 REQUIREMENTS (CONTINUED)

A6. Debt and Equity Securities

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

For the current financial year-to-date, the Company bought back 13,100 shares. The Company has since discontinued its share buy back scheme, as it did not seek to renew its shareholders' mandate at its last annual general meeting held on 20 June 2006. The cumulative number of shares bought back to-date, including those bought back from previous financial years, amounted to 401,800 shares.

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	401,800
Total investments at cost	RM463,068
Average buy-back cost per share	RM1.15
Total disposals of buy-back shares	Nil
Market price per share @ 28-11-06 (Tuesday)	RM1.29
Total market value of buy-back shares @ 28-11-06	RM518,322

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

There were no issuance, cancellations, resale and repayments of debt and equity securities for the financial year-to-date.

A7. Dividends Paid

(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.

A final dividend of 5.0 sen gross per ordinary share, less income tax of 28% in respect of the financial year ended 31 December 2005 was paid on 19 September 2006.

A8. Segmental Information

(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).

A9. Valuation of Property, Plant and Equipment

(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.

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A. EXPLANATORY NOTES PURSUANT TO FRS 134 REQUIREMENTS (CONTINUED)

A10. Subsequent Events

(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.

A11. Changes in the Composition of the Group

(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 B8.

A12. Changes in Contingent Liabilities and Contingent Assets

(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.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

(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 RM113.49 million and profit before tax ("PBT") of RM17.14 million for the current quarter. These represent an increase of 98% in revenue and 30% in PBT compared to revenue of RM57.40 million and PBT of RM13.18 million in the preceding year corresponding quarter.

For the financial year-to-date, revenue was RM253.44 million and PBT was RM31.47 million. These represent an increase of 82% in revenue and 47% in PBT compared to revenue of RM139.19 million and PBT of RM21.38 million in the preceding year corresponding period.

The increase in revenue and profit before tax of the Group were mainly contributed by the Suasana Sentral Loft project.

B2. Material Changes As Compared With Immediate Preceding Quarter

(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 RM17.14 million for the current quarter under review. This is an increase of RM10.79 million compared to that of the immediate preceding quarter (quarter ended 30 June 2006). The increase in profit in the current quarter compared to the immediate preceding quarter was mainly due to higher profit contribution from Suasana Sentral Loft condominiums in Kuala Lumpur.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B2. Material Changes As Compared With Immediate Preceding Quarter (continued)

	Quarter ended 30 Sep 2006 3 months' results (Jul'06–Sep'06) RM'000	Quarter ended 30 Jun 2006 3 months' results (Apr'06–Jun'06) RM' 000	Variance RM'000
Profit before tax	17,143	6,357	10,786

B3. Prospects

(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 the overhang of unsold units and softening of demand. The uncertainties in interest rate and oil prices and increased material cost may put further pressure on gross margin of developers. Nevertheless, the outlook for niche development in prime locations remains favourable.

The recent launching of the South Johor Economic Region ("SJER") by the Government will have a positive long term impact on the GDP, population and employment growth for the region. As the Group's two township projects in Johor, Bandar Seri Alam and Seri Austin are both within SJER, the Group is expected to benefit from an increase in economic activity.

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.

The Group will remain focused on its township projects whilst continuing to invest in niche development in prime locations. The Directors are confident that the Group will stay ahead of the competitive property market through introduction of innovative products, right products mix with affordable pricing and effective marketing strategies.

B4. Profit Forecast or Profit Guarantee

(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).*

The Group has not given any profit forecast or profit guarantee in respect of any corporate proposals.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B5. Income Tax Expense

(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 30 September 2006 RM '000	Cumulative Period 30 September 2006 RM '000
<u>Group</u>		
Current tax	6,367	10,809
Deferred tax	1,078	(307)
Overaccrual in prior financial years	(3,003)	(3,003)
	4,442	7,499

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 certain expenses which were not allowable as deduction for tax purposes.

B6. Sale of Unquoted Investments and Properties

(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.

B7. Quoted Securities

(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.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B8. Status of Corporate Proposals

- (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 30 November 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 10 March 2003, UM Land announced that its wholly-owned subsidiary, UM Residences Sdn Bhd (“UMR”), had on 7 March 2003 entered into a joint venture agreement with Liang Court (Malaysia) Sdn Bhd (“LCSB”) for the purpose of establishing a joint venture partnership for the operation of Somerset Seri Bukit Ceylon serviced apartments (“JV Partnership”).

On 31 July 2006, UM Land further announced that UMR had on even date entered into a shareholders’ agreement with LCSB for the purpose of regulating their relationship with one another as shareholders in a new joint venture company (“JV Company”) and to regulate and govern certain material aspects of the affairs and conduct of the business of the JV Company (“Proposed Somerset Seri Bukit Ceylon JV”). The JV Company will undertake the operations of Somerset Seri Bukit Ceylon serviced apartments originally envisaged under the JV Partnership.

The Proposed Somerset Seri Bukit Ceylon JV is subject to approval of the Foreign Investment Committee (“FIC”) which was obtained on 15 November 2006.

- (ii) 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 Mayang JV”). Pursuant to the Proposed Mayang JV, 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 Mayang JV is subject to approval of the FIC which was obtained on 13 April 2006.

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 Mayang Acquisition”).

The Proposed Mayang Acquisition is subject to the following conditions precedent:

- approval of FIC which was obtained on 13 April 2006; and
- procurement of development order from Dewan Bandaraya Kuala Lumpur.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B8. Status of Corporate Proposals (continued)

- (iii) 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:

- approval of the shareholders of the Company which was obtained at the Extraordinary General Meeting held on 20 June 2006; and
- 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 which was obtained on 14 August 2006.

- (iv) 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 Setapak Acquisition").

The Proposed Setapak Acquisition is subject to the following conditions precedent:

- approval of FIC which was obtained on 11 May 2006;
- approval of the shareholders of APP which was obtained on 18 January 2006;
- consent of Federal Lands Commissioner for the transfer of title to and creation of charge over Setapak Land; and
- any other relevant governmental authority's approval as required by law.

On 20 October 2006, UM Land announced that the requisite consent from Federal Lands Commissioner to transfer the title to and creation of charge over Setapak Land has not been obtained by APP within the prescribed conditional period in the sale and purchase agreement. Due to non-fulfillment of this condition precedent, both parties to the Proposed Setapak Acquisition have decided to proceed with the termination of the sale and purchase agreement after due consideration and efforts to mutually extend the duration of the conditional period.

- (v) On 25 August 2006, UM Land announced that on 24 August 2006, it had entered into a joint venture and shareholders' agreement with Impian Pasti Sdn Bhd ("IPSB") to govern Exquisite Skyline Sdn Bhd ("ESSB"), a joint venture company, for the development of serviced residences ("Proposed Raja Chulan Joint Venture"). Pursuant to the Proposed Raja Chulan Joint Venture, UM Land and IPSB will hold 71% and 29% equity interest in ESSB respectively.

The Proposed Raja Chulan Joint Venture is subject to the approval of FIC which was obtained on 14 November 2006.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B8. Status of Corporate Proposals (continued)

On 25 August 2006, UM Land also announced that ESSB had on even date entered into a joint land development agreement with MMC Frigstad Offshore Sdn Bhd (“MMCFO”) to jointly develop a piece of freehold land measuring approximately 6,070 square metres and held under H.S.(D) 98859 PT 21 Town and District of Kuala Lumpur (“Raja Chulan Land”) (“Proposed Joint Land Development”).

The Proposed Joint Land Development is subject to the following conditions precedent:

- receipt by ESSB of a written confirmation from Anglo-Oriental (Malaya) Sdn Bhd that the sale of Raja Chulan Land to MMCFO has been completed and that Raja Chulan Land has been registered in favour of MMCFO; and
- procurement of development order by ESSB.

B9. Borrowings and Debt Securities

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

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

As at 30 September 2006, the Group borrowings were as follows:

Type of loans	Total RM'000
Short Term Loan	
Revolving Credit (Secured)	131,667
Revolving Credit (Unsecured)	10,500
Overdraft (Secured)	34,869
Term loan (Secured)	17,486
Finance lease liabilities (Secured)	134
Sub-total	194,656
Long Term Loan	
Term loan (Secured)	88,014
Term loan (Unsecured)	20,000
Bridging loan (Secured)	25,353
Finance lease liabilities (Secured)	587
Sub-total	133,954
Total	328,610

All borrowings are denominated in Ringgit Malaysia.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B10. Off Balance Sheet Financial Instruments

(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 30 November 2006 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

B11. Material Litigation

(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 30 November 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 has filed 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 30 September 2006.

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

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B12. Dividend

(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.*
- (a) (i) *an interim ordinary dividend has been declared;*
(ii) *2.5 sen gross per ordinary share, tax-exempt;*
(iii) *an interim dividend of 2.5 sen gross per ordinary share, less income tax of 28% was declared in the previous corresponding period;*
(iv) *the interim dividend will be payable at a date to be announced later; and*
(v) *in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be announced later.*
- (b) *the total dividend for the current financial year is 2.5 sen gross per ordinary share, tax exempt.*

B13. Earnings Per Share (“EPS”)

(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 EPS

Basic EPS 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 30 September 2006	Cumulative Period 30 September 2006
Profit for the financial period attributable to equity holders of the parent (RM'000)	9,672	17,136
Weighted average number of ordinary shares in issue ('000)	231,945	231,948
Basic EPS (sen)	4.17	7.39

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B13. Earnings Per Share (“EPS”) (continued)

Diluted EPS

For the diluted EPS 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.