



INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER ENDED 30 JUNE 2008

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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 JUNE 2008**

	← INDIVIDUAL QUARTER →		← CUMULATIVE PERIOD →	
	Current year	Preceding year comparative	Current year	Preceding year comparative
	3 months ended 30/06/2008 (RM'000)	3 months ended 30/06/2007 (RM'000)	6 months ended 30/06/2008 (RM'000)	6 months ended 30/06/2007 (RM'000)
Revenue	40,999	134,145	63,064	235,138
Operating expenses	(41,183)	(99,163)	(66,829)	(185,565)
Other income	1,118	1,792	2,627	2,984
Finance costs	(2,514)	(3,410)	(4,859)	(6,267)
Share of profit/(loss) of an associate	10	1	1	(10)
Share of profit/(loss) of jointly controlled entities	25	(29)	276	(29)
(Loss)/profit before tax	(1,545)	33,336	(5,720)	46,251
Tax	667	(6,172)	989	(9,887)
(Loss)/profit for the financial period	(878)	27,164	(4,731)	36,364
Attributable to :				
Equity holders of the Company	(770)	23,512	(4,728)	29,407
Minority interests	(108)	3,652	(3)	6,957
	(878)	27,164	(4,731)	36,364
Earnings per share (sen)				
- Basic	(0.32)	9.85	(1.96)	12.48
- Diluted	N.A.	9.82	N.A.	12.46

Note :

The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007.

UNITED MALAYAN LAND BHD(Company No. 4131-M)
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2008**

	As at 30/06/2008 (RM'000)	As at 31/12/2007 (RM'000)
<u>ASSETS</u>		
<u>Non-current assets</u>		
Property, plant and equipment	338,772	339,433
Investment in an associate	3,143	3,142
Investment in jointly controlled entities	20,293	20,115
Investment properties	6,789	6,843
Other investments	4,249	5,081
Land held for property development	163,079	163,974
Deferred tax assets	14,898	14,117
	<u>551,223</u>	<u>552,705</u>
<u>Current assets</u>		
Completed properties	93,806	114,226
Property development costs	338,891	320,902
Trade and other receivables	117,048	214,986
Bank and cash balances	116,413	78,011
	<u>666,158</u>	<u>728,125</u>
Total Assets	<u>1,217,381</u>	<u>1,280,830</u>
<u>EQUITY AND LIABILITIES</u>		
<u>Capital and reserves attributable to equity holders of the Company</u>		
Share capital	241,705	241,650
Other reserves	338,267	338,248
Retained earnings	234,750	252,933
	<u>814,722</u>	<u>832,831</u>
Minority interests	81,067	86,871
Total equity	<u>895,789</u>	<u>919,702</u>
<u>Non-current liabilities</u>		
Deferred tax liabilities	12,084	12,084
Borrowings	139,681	149,868
	<u>151,765</u>	<u>161,952</u>
<u>Current liabilities</u>		
Trade and other payables	76,423	91,763
Provision	2,578	2,578
Borrowings	77,084	100,004
Current tax liabilities	350	430
Dividend payable	13,392	4,401
	<u>169,827</u>	<u>199,176</u>
Total Liabilities	<u>321,592</u>	<u>361,128</u>
Total Equity and Liabilities	<u>1,217,381</u>	<u>1,280,830</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	3.38	3.45

Note :

The Condensed Consolidated Balance Sheets should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007.

The net assets per share attributable to ordinary equity holders of the Company is calculated by dividing the equity attributable to equity holders of the Company of RM814,721,527 [Year 2007: RM832,830,978] at the end of the financial period by the issued share capital of 241,303,433 shares, (which is net of 401,800 treasury shares) [Year 2007: 241,247,933 shares, (which is net of 401,800 treasury shares)], of the Company at the end of the financial period.

UNITED MALAYAN LAND BHD

 (Company No. 4131-M)
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008**

	← Attributable to equity holders of the Company →						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)			
6 months ended 30/06/2008									
Balance as at 1/1/2008	241,650	63,950	204,964	(463)	252,933	69,797	832,831	86,871	919,702
Loss for the financial period	-	-	-	-	(4,728)	-	(4,728)	(3)	(4,731)
Total recognised income and expense for the financial period	-	-	-	-	(4,728)	-	(4,728)	(3)	(4,731)
Employees' share option scheme: - shares issued	55	21	(2)	-	-	-	74	-	74
Interim dividend for the financial year ended 31 December 2007	-	-	-	-	(63)	-	(63)	-	(63)
Final dividend for the financial year ended 31 December 2007	-	-	-	-	(13,392)	-	(13,392)	(5,801)	(19,193)
Balance as at 30/06/2008	<u>241,705</u>	<u>63,971</u>	<u>204,962</u>	<u>(463)</u>	<u>234,750</u>	<u>69,797</u>	<u>814,722</u>	<u>81,067</u>	<u>895,789</u>
6 months ended 30/06/2007									
Balance as at 1/1/2007	232,347	60,428	195,319	(463)	222,166	62,591	772,388	74,653	847,041
Profit for the financial period	-	-	-	-	29,407	-	29,407	6,957	36,364
Total recognised income and expense for the financial period	-	-	-	-	29,407	-	29,407	6,957	36,364
Employees' share option scheme: - shares issued - options granted	8,289 -	3,100 -	(400) 638	- -	- -	- -	10,989 638	- -	10,989 638
Issuance of ordinary shares in a subsidiary to a minority interest	-	-	-	-	-	-	-	29	29
Final dividend for the financial year ended 31 December 2006	-	-	-	-	(11,408)	-	(11,408)	(1,194)	(12,602)
Balance as at 30/06/2007	<u>240,636</u>	<u>63,528</u>	<u>195,557</u>	<u>(463)</u>	<u>240,165</u>	<u>62,591</u>	<u>802,014</u>	<u>80,445</u>	<u>882,459</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 2007.

UNITED MALAYAN LAND BHD(Company No. 4131-M)
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008**

	6 months ended 30/06/2008 (RM'000)	6 months ended 30/06/2007 (RM'000)
Operating Activities		
(Loss)/profit before tax	(5,720)	46,251
Adjustments for :-		
Allowance for doubtful debts	505	786
Depreciation	861	750
Gain on disposal of property, plant and equipment	(12)	-
Impairment loss of other investments	832	-
Interest expense	4,859	6,267
Interest income	(1,575)	(1,582)
Share of results of an associate	(1)	10
Share of results of jointly controlled entities	(276)	29
Write back of allowance for doubtful debts	(559)	(90)
	(1,086)	52,421
Decrease in land held for property development, completed properties & property development costs	4,975	52,079
Decrease/(increase) in receivables	97,824	(20,529)
Decrease in payables	(21,075)	(23,894)
Net cash flow from operations	80,638	60,077
Interest paid	(6,574)	(8,591)
Interest received	1,769	894
Tax (refund)/paid	200	(5,781)
Net cash flow from operating activities	76,033	46,599
Investing Activities		
Investment in jointly controlled entities	-	(20,039)
Proceeds from disposal of property, plant and equipment	12	-
Purchase of property, plant and equipment	(146)	(897)
Net cash flow from investing activities	(134)	(20,936)
Financing Activities		
Dividends paid to equity holders of the Company	(4,464)	(5,798)
Finance lease principal payments	(123)	(66)
Net (repayment)/drawdown of borrowings	(26,052)	2,933
Proceeds from issuance of ordinary shares on exercise of ESOS	74	11,626
Proceeds from issuance of shares in a subsidiary company to a minority interest	-	29
Net cash flow from financing activities	(30,565)	8,724
Net change in Cash and Cash Equivalents	45,334	34,387
Cash and Cash Equivalents at beginning of the financial period	63,655	17,596
Cash and Cash Equivalents at end of the financial period	108,989	51,983
Cash and cash equivalents comprise :		
Bank and cash balances	7,953	20,351
Bank balances under Housing Development Accounts	107,121	39,278
Bank balances under sinking fund	1,339	5,431
Bank overdraft	(7,424)	(13,077)
	108,989	51,983

Notes:

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007.

UNITED MALAYAN LAND BHD

(Company No. 4131-M)

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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 2007 (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 2007.

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 auditor’s report of the Group’s annual financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

(Explanatory comments about the seasonality or cyclicity 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 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).

There were no changes in estimates of amounts reported in prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years which have a material effect in the current quarter, as no such estimates have been provided.

UNITED MALAYAN LAND BHD
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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).

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

During the financial year-to-date, 55,500 new ordinary shares of RM1.00 each were issued by the Company at the exercise prices ranging from RM1.31 to RM1.61 per share for cash by virtue of the exercise of options over ordinary shares pursuant to the Company's Employees' Share Option Scheme.

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 @ 27-08-08 (Wednesday)	RM1.20
Total market value of buy-back shares @ 27-08-08	RM482,160

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

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 26% in respect of the financial year ended 31 December 2007 was paid on 26 February 2008.

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 FRS114, 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 2007.

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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 2007.

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).

For the current quarter under review, the Group recorded revenue of RM41.0 million and loss before tax of RM1.5 million. This represents a decrease of 69% and 105% respectively, compared to revenue of RM134.1 million and profit before tax ("PBT") of RM33.3 million recorded in the corresponding quarter of the preceding year.

For the current financial year-to-date, revenue was RM63.1 million and loss before tax was RM5.7 million. This represents a decrease of 73% and 112% respectively, compared to revenue of RM235.1 million and PBT of RM46.3 million recorded in the preceding financial year-to-date.

The significant decrease in revenue and PBT, both quarter-on-quarter and year-on-year was due to lower sales contribution from both the Township and Niche Development Divisions.

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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

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

	Quarter ended 30 Jun 2008 3 months' results (Apr'08–Jun'08) RM'000	Quarter ended 31 Mar 2008 3 months' results (Jan'08–Mar'08) RM' 000	Variance RM'000
Loss before tax ("LBT")	<u>(1,545)</u>	<u>(4,175)</u>	<u>2,630</u>

For the current quarter under review, the Group recorded a LBT of RM1.5 million compared to LBT of RM4.2 million registered in the first quarter. The improvement in performance was due to higher sales from the Township Division and contribution from the Group's new niche project, Suasana Bangsar, that was soft launched in the current quarter.

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 Group will remain focused on its twin strategic directions which are the developments of:

- (a) its Township Division (ie. Bandar Seri Alam & Seri Austin in Johor and Bandar Seri Putra in Bangi); and
- (b) its niche developments in prime locations.

The Group's three township projects will continue to provide the base contribution both in terms of development sales and sale of non-core development lands to strategic partners. For the Niche Developments, the Group officially launched Suasana Bangsar in July 2008 and is expected to launch Raja Chulan project by first quarter of 2009. Only Suasana Bangsar is expected to contribute positively in 2008 with the full impact of both the Suasana Bangsar and the Raja Chulan project coming on stream in 2009 and 2010.

The Board expects the second half year of 2008 to be challenging. Notwithstanding this, with the expected new product launches in Township Division and contribution from Suasana Bangsar, the Board expects the Group to recover from its first half year's loss in the second half of 2008.

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

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	Cumulative Period
	30 Jun 2008	30 Jun 2008
	RM '000	RM '000
<u>Group</u>		
Current tax	(461)	(208)
Deferred tax	(206)	(781)
	<u>(667)</u>	<u>(989)</u>

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate mainly due to restatement of land cost of a subsidiary company for tax purposes and utilisation of group relief on tax losses.

The effective tax rate of the Group for the financial year-to-date was lower 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.

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

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.

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 28 August 2008 (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 3 June 2008, UMLand announced that UM Land Assets Sdn Bhd (“UMLand Assets”), a wholly-owned subsidiary of UMLand, had on even date entered into a conditional sale and purchase agreement with Ipjora (S) Pte. Ltd. (“ISPL”) to acquire 3,600,000 ordinary shares of RM1.00 each and 36,000 cumulative redeemable preference shares of RM1.00 each representing sixty per centum (60%) of the entire issued and paid up capital of Ipjora Holdings Sdn Bhd (“Ipjora”) for a cash consideration of RM5.3 million (“Proposed Share Acquisition”).*

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

- a) approval of Foreign Investment Committee (“FIC”);
- b) approval by shareholder of UMLand Assets which was obtained on 17 June 2008;
- c) approval by shareholders of ISPL which was obtained on 10 June 2008; and
- d) approval by shareholders of Ipjora which is not required.

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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)

- (ii) On 3 June 2008, UMLand announced that Exquisite Mode Sdn Bhd (“EMS B”), a wholly-owned subsidiary of UMLand, had on even date entered into a conditional sale and purchase agreement with Wisma Matex Sdn Bhd (“Matex”) to acquire three (3) pieces of freehold commercial land measuring in aggregate approximately 6,026.41 square metres located in Bandar Johor Bahru and District of Johor Bahru (“Matex Lands”) for a cash consideration of RM27 million (“Proposed Land Acquisition”).

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

- a) approval of FIC which was obtained in a letter dated 11 August 2008;
- b) approval by shareholders of Matex which was obtained on 10 June 2008;
- c) approval by shareholder of EMSB which was obtained on 17 June 2008; and
- d) procurement by Matex of release letters from all previous consultants and/or contractors engaged by Matex in connection with the Matex Lands, confirming that they have no claims whatsoever against Matex and Matex Lands.

B9. Borrowings and Debt Securities

(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 30 June 2008, the Group borrowings were as follows:

Type of loans	Total RM'000
Short Term Loan	
Revolving credit (Secured)	26,000
Revolving credit (Unsecured)	6,000
Overdrafts (Secured)	7,424
Term loan (Secured)	22,400
Bridging loan (Secured)	15,000
Finance lease liabilities (Secured)	260
Sub-total	77,084
Long Term Loan	
Term loan (Secured)	52,800
Term loan (Unsecured)	60,000
Bridging loan (Secured)	26,191
Finance lease liabilities (Secured)	690
Sub-total	139,681
Total	216,765

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 28 August 2008 (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 28 August 2008 (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 taxes 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 has provisionally paid to-date an amount of RM2.1 million as at 30 June 2008.

The Group had earlier filed an appeal to the High Court to defend its position. However, due to the recent guidelines issued by Inland Revenue Board on the tax treatment of capitalised interest expenses, it is no longer necessary for the Group to pursue the tax appeal. The Inland Revenue Board has agreed to the withdrawal of this appeal at the High Court without costs.

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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.*

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

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 loss for the financial period attributable to equity holders of the Company 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 June 2008	Cumulative Period 30 June 2008
Loss for the financial period attributable to equity holders of the Company (RM'000)	(770)	(4,728)
Weighted average number of ordinary shares in issue ('000)	241,303	241,296
Basic EPS (sen)	(0.32)	(1.96)

UNITED MALAYAN LAND BHD

(Company No. 4131-M)

(Incorporated in Malaysia)

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 the loss for the financial period attributable to equity holders of the Company for the options over ordinary shares calculation.

Since the exercise prices 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.