



## **INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER ENDED 30 JUNE 2012**

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**UNITED MALAYAN LAND BHD**(Company No. 4131-M)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	← INDIVIDUAL QUARTER →		← CUMULATIVE PERIOD →	
	Current year	Preceding year comparative	Current year	Preceding year comparative
	3 months ended 30/06/2012 (RM'000)	3 months ended 30/06/2011 (RM'000)	6 months ended 30/06/2012 (RM'000)	6 months ended 30/06/2011 (RM'000)
Revenue	65,412	74,644	117,010	156,846
Finance income	709	593	1,168	801
Other operating income	2,331	535	2,583	1,134
Depreciation of property, plant and equipment and investment properties	(346)	(389)	(672)	(765)
Impairment of trade and other receivables	(33)	(16)	(75)	(179)
Reversal of impairment of trade and other receivables	(118)	375	184	765
Other operating expenses	(53,214)	(60,258)	(102,355)	(120,081)
Finance costs	(1,555)	(1,725)	(2,868)	(3,326)
Share of profit of jointly controlled entities	2,224	3	2,656	22
<b>Profit before tax</b>	<b>15,410</b>	<b>13,762</b>	<b>17,631</b>	<b>35,217</b>
Income tax expense	(4,970)	(2,518)	(6,427)	(7,954)
<b>Profit for the financial period</b>	<b>10,440</b>	<b>11,244</b>	<b>11,204</b>	<b>27,263</b>
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income for the financial period</b>	<b>10,440</b>	<b>11,244</b>	<b>11,204</b>	<b>27,263</b>
<b>Profit attributable to :</b>				
Owners of the Company	9,517	10,250	9,653	24,219
Non-controlling interests	923	994	1,551	3,044
	<b>10,440</b>	<b>11,244</b>	<b>11,204</b>	<b>27,263</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	9,517	10,250	9,653	24,219
Non-controlling interests	923	994	1,551	3,044
	<b>10,440</b>	<b>11,244</b>	<b>11,204</b>	<b>27,263</b>
<b>Earnings per share (sen) *</b>				
- Basic and diluted	<b>3.16</b>	<b>3.40</b>	<b>3.20</b>	<b>8.03</b>

\* Basic and diluted earnings per share for the comparative period have been restated to reflect the bonus issue completed on 25 August 2011.

## Note :

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the annual financial statements for the financial year ended 31 December 2011.

**UNITED MALAYAN LAND BHD**(Company No. 4131-M)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2012**

	As at 30/06/2012 (RM'000)	As at 31/12/2011 (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	268,154	267,884
Investment properties	75,986	75,943
Investments in jointly controlled entities	33,999	31,343
Land held for property development	172,575	174,482
Deferred tax assets	21,464	20,293
Trade and other receivables	36,213	28,995
	<u>608,391</u>	<u>598,940</u>
<b>Current assets</b>		
Completed properties	19,277	20,825
Property development costs	402,647	421,717
Trade and other receivables	167,896	156,855
Deposits, bank and cash balances	116,140	106,635
	<u>705,960</u>	<u>706,032</u>
<b>Total Assets</b>	<u>1,314,351</u>	<u>1,304,972</u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	302,031	302,031
Other reserves	277,406	277,406
Retained earnings	330,990	336,418
	<u>910,427</u>	<u>915,855</u>
<b>Non-controlling interests</b>	<u>53,396</u>	<u>53,195</u>
Total equity	<u>963,823</u>	<u>969,050</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	10,325	9,859
Trade and other payables	23,030	22,388
Loans and borrowings	57,058	66,288
Provisions	1,264	1,235
	<u>91,677</u>	<u>99,770</u>
<b>Current liabilities</b>		
Trade and other payables	83,395	136,848
Loans and borrowings	147,021	76,458
Provisions	11,744	14,355
Current tax liabilities	1,610	950
Dividend payable	15,081	7,541
	<u>258,851</u>	<u>236,152</u>
<b>Total Liabilities</b>	<u>350,528</u>	<u>335,922</u>
<b>Total Equity and Liabilities</b>	<u>1,314,351</u>	<u>1,304,972</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>3.02</b>	<b>3.04</b>

Note :

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual financial statements for the financial year ended 31 December 2011.

The net assets per share attributable to owners of the Company is calculated by dividing the equity attributable to owners of the Company of RM910,426,688 [Year 2011: RM915,854,856] at the end of the financial period by the issued share capital of 301,629,214 shares, (which is net of 401,800 treasury shares) [Year 2011: 301,629,214 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)  
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	← Attributable to owners of the Company →						Total (RM'000)	Non- controlling 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)			
<b>6 months ended 30/06/2012</b>									
Balance as at 01/01/2012	302,031	3,645	161,964	(463)	336,418	112,260	915,855	53,195	969,050
Profit for the financial period	-	-	-	-	9,653	-	9,653	1,551	11,204
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	9,653	-	9,653	1,551	11,204
<b>Transactions with owners</b>									
- Final dividend for the financial year ended 31 December 2011	-	-	-	-	(15,081)	-	(15,081)	(1,350)	(16,431)
Balance as at 30/06/2012	<u>302,031</u>	<u>3,645</u>	<u>161,964</u>	<u>(463)</u>	<u>330,990</u>	<u>112,260</u>	<u>910,427</u>	<u>53,396</u>	<u>963,823</u>
<b>6 months ended 30/06/2011</b>									
Balance as at 01/01/2011	241,705	63,971	164,665	(463)	299,152	109,500	878,530	55,469	933,999
Profit for the financial period	-	-	-	-	24,219	-	24,219	3,044	27,263
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	24,219	-	24,219	3,044	27,263
<b>Transactions with owners</b>									
- Final dividend for the financial year ended 31 December 2010	-	-	-	-	(12,065)	-	(12,065)	(4,500)	(16,565)
Redemption of preference shares in a subsidiary company	-	-	60	-	(60)	-	-	-	-
Balance as at 30/06/2011	<u>241,705</u>	<u>63,971</u>	<u>164,725</u>	<u>(463)</u>	<u>311,246</u>	<u>109,500</u>	<u>890,684</u>	<u>54,013</u>	<u>944,697</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 2011.

**UNITED MALAYAN LAND BHD**(Company No. 4131-M)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	6 months ended 30/06/2012 (RM'000)	6 months ended 30/06/2011 (RM'000)
<b><u>Cash Flows from Operating Activities</u></b>		
Profit before tax	17,631	35,217
Adjustments for :-		
Depreciation	672	765
Finance costs	2,868	3,326
Finance income	(1,654)	(1,140)
Gain on disposal of investment properties	(711)	-
Gain on disposal of property, plant and equipment	-	(5)
Impairment of trade and other receivables	75	179
Loss on disposal of property, plant and equipment	221	-
Property, plant and equipment written off	-	5
Provision	51	127
Reversal of impairment of trade and other receivables	(184)	(765)
Share of results of jointly controlled entities	(2,656)	(22)
	<u>16,313</u>	<u>37,687</u>
Decrease in land held for property development, completed properties and property development costs	24,351	40,244
Increase in receivables	(14,450)	(10,606)
Decrease in payables	(55,072)	(18,271)
Net cash flow from operations	<u>(28,858)</u>	49,054
Interest paid	(4,536)	(3,784)
Interest received	1,182	999
Tax paid	(9,700)	(7,697)
Net cash flow from operating activities	<u>(41,912)</u>	<u>38,572</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Acquisition of non-controlling interest	(1,000)	(1,000)
Additions in investment properties	(24)	(51)
Proceeds from disposal of investment properties	1,161	-
Proceeds from disposal of property, plant and equipment	108	5
Purchase of property, plant and equipment	(445)	(672)
Net cash flow from investing activities	<u>(200)</u>	<u>(1,718)</u>
<b><u>Cash Flows from Financing Activities</u></b>		
Dividend paid to owners of the Company	(7,541)	(6,033)
Dividend paid to non-controlling interest	(1,575)	-
Finance lease principal payments	(126)	(163)
Net drawdown of borrowings	52,365	25,315
Net cash flow from financing activities	<u>43,123</u>	<u>19,119</u>
Net change in Cash and Cash Equivalents	1,011	55,973
Cash and Cash Equivalents at beginning of the financial period	100,314	65,023
Cash and Cash Equivalents at end of the financial period	<u>101,325</u>	<u>120,996</u>
Cash and cash equivalents comprise :		
Bank and cash balances	6,497	9,461
Bank balances under Housing Development Accounts	77,349	98,408
Bank balances under sinking funds	24,139	9,607
Fixed deposits	5,655	5,707
Short term money market deposits	2,500	-
Bank overdrafts	(14,815)	(2,187)
	<u>101,325</u>	<u>120,996</u>

## Notes:

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the annual financial statements for the financial year ended 31 December 2011.

## **UNITED MALAYAN LAND BHD**

**(Company No. 4131-M)**

**(Incorporated in Malaysia)**

### **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 consolidated condensed 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 2011 (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 2011 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2012 as set out below:

- Amendments to FRS 7 “Financial Instruments: Disclosures on Transfers of Financial Assets”
- Amendments to FRS 112 “Income Taxes – Deferred Tax: Recovery of Underlying Assets”
- Revised FRS 124 “Related Party Disclosures”
- Amendments to IC Interpretation 14 “Prepayments of a Minimum Funding Requirement”
- IC Interpretation 19 “Extinguishing Financial Liabilities with Equity Instruments”

The adoption of these standards, amendments to standards and IC interpretations do not have a material impact on the interim financial information of the Group.

#### **A2. 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.

#### **A3. 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.

#### **A4. 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**

(Company No. 4131-M)

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**A. EXPLANATORY NOTES PURSUANT TO FRS 134 REQUIREMENTS (CONTINUED)**
**A5. Debt and Equity Securities**
*(Issuances, cancellations, repurchases, resale and repayments of debt and equity securities).*

There were no issuances, cancellations, repurchases, 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 number 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 @ 29-08-12 (Wednesday)	RM2.48
Total market value of buy-back shares @ 29-08-12	RM996,464

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

**A6. 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, tax-exempt in respect of the financial year ended 31 December 2011 was paid on 18 January 2012.

**A7. Segment 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 information is required in an entity's interim financial report only if FRS 8 Operating Segments, requires that entity to disclose segment information in its annual financial statements]).*

The Group is primarily engaged in the property development industry. For management purposes, the Group is organised into two reportable operating segments based on their types of developments, as follows:

- (i) Township Division involves development of residential and commercial properties in townships.
- (ii) Niche Division involves development of condominiums, serviced apartments and other types of developments not being part of the Township Division.

Management monitors the operating results of the two operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss for the financial period as included in the internal management reports.

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**A. EXPLANATORY NOTES PURSUANT TO FRS 134 REQUIREMENTS (CONTINUED)**
**A7. Segment Information (continued)**

The segment information for the current financial year-to-date was as follows:

	<b>Township Division RM'000</b>	<b>Niche Division RM'000</b>	<b>Total RM'000</b>
<u>Revenue:</u>			
External customers	97,763	15,953	113,716
<u>Results:</u>			
Segment profit	10,619	3,201	13,820
<u>Other information:</u>			
Finance income	2,382	568	2,950
Finance costs	4,654	96	4,750
Depreciation	574	5	579
Impairment of trade and other receivables	66	9	75
Reversal of impairment of trade and other receivables	165	19	184

The breakdown of segment revenue from all products and services and the reconciliation of segment revenue of the Group's total revenue are provided as follows:

	<b>RM'000</b>
Segment revenue	113,716
Interest income and management fees	726
Others	2,568
Total revenue	117,010

A reconciliation of segment profit to profit for the financial period of the Group as presented in the statements of comprehensive income is as follow:

	<b>RM'000</b>
Segment profit	13,820
Corporate and other expenses	(13,085)
Income tax expense	(2,207)
Eliminations	10,020
Share of results of jointly controlled entities not included in reportable segments	2,656
Profit for the financial period	11,204

**A8. 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 2011.



## **UNITED MALAYAN LAND BHD**

**(Company No. 4131-M)**

**(Incorporated in Malaysia)**

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

#### **A9. 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.

#### **A10. Changes in the Composition of the Group**

*(The effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring, and discontinued 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 discontinued operations during the current quarter except for the acquisition of 2 ordinary shares of RM1.00 each in UMLB Marketing Sdn Bhd (formerly known as Essential Utilities Trading Sdn Bhd) representing its entire issued and paid-up capital for a cash consideration of RM2.00.

#### **A11. Changes in Contingent Liabilities and Contingent Assets**

*(Changes in contingent liabilities or contingent assets since the end of the last annual reporting period).*

There were no changes in contingent liabilities or contingent assets since 31 December 2011.

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

#### **B1. Performance Review**

*(A detailed analysis of the performance of all operating segments of the Group, setting out material factors affecting the earnings and/or revenue of each segment for the current quarter and financial year-to-date).*

For the current quarter under review, the Group recorded revenue of RM65.4 million and profit before tax ("PBT") of RM15.4 million. This represents a decrease of 12% and an increase of 12% respectively, compared to revenue of RM74.6 million and PBT of RM13.8 million recorded in the corresponding quarter of the preceding year.

The decrease in revenue for the current quarter was mainly due to lower contribution from the Niche Division. The increase in PBT was mainly due to contribution from a jointly controlled entity.

For the current financial year-to-date under review, revenue was RM117.0 million and PBT was RM17.6 million. This represents a decrease of 25% and 50% respectively, compared to revenue of RM156.8 million and PBT of RM35.2 million recorded in the preceding financial year-to-date.

The decrease in revenue and PBT for the current financial year-to-date was mainly due to lower contribution in the first quarter attributed to lower progress recognition from the Suasana Bukit Ceylon project.

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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).*

	<b>Current Quarter's results (Apr'12–Jun'12) RM'000</b>	<b>Immediate Preceding Quarter's results (Jan'12–Mar'12) RM'000</b>	<b>Variance RM'000</b>
Profit before tax	<u>15,410</u>	<u>2,221</u>	<u>13,189</u>

For the current quarter under review, the Group recorded a PBT of RM15.4 million compared to PBT of RM2.2 million registered in the immediate preceding quarter. Both the Township and Niche Divisions had improved in progress recognition and contributed to the significant improvement in performance this 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).*

For the current financial year ending 31 December 2012 ("FY2012"), Township Division comprising the three townships of Seri Alam, Seri Austin (both in Iskandar Malaysia), and Seri Putra (in Bangi), is expected to continue to be the main contributor to the Group's earnings. In the Niche Division, both the serviced residence, Suasana Bukit Ceylon in Kuala Lumpur and the water front serviced residence Somerset Puteri Harbour in Iskandar Malaysia, are also expected to contribute to the Group's earnings during the year.

The proposed take over of the Group by Seleksi Juang Sdn Bhd ("SJSB") pursuant to SJSB's unconditional take over offer as noted in Note B6 is not expected to have any significant impact to the Group's operations and financial results.

**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 statements of comprehensive income represent the following:

	<b>Current Quarter</b>	<b>Cumulative Period</b>
	<b>30 Jun 2012</b>	<b>30 Jun 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Group</u>		
Current tax	5,398	7,133
Deferred tax	(428)	(706)
	<u>4,970</u>	<u>6,427</u>

The effective tax rates of the Group for the current quarter and financial year-to-date were higher than the statutory tax rate mainly due to certain expenses which were not allowable as deduction for tax purposes.

**B6. 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 August 2012 (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) Pulai Jaya Proposals

On 12 February 2009, UMLand entered into the following agreements with Tradewinds Johor Sdn Bhd (“TJSB”), an indirect wholly-owned subsidiary of Tradewinds Corporation Berhad:

- Conditional Subscription and Joint Venture Agreement (“JVA”), to govern a joint venture company, Extreme Consolidated Sdn Bhd (“ECSB”), and together to participate in the development of Pulai Land (as defined below);
- Call Option Agreement granting UMLand the option to purchase the remaining 49% of the total issued and paid-up share capital of ECSB (“Option”); and
- Conditional Sale and Purchase Agreement (“SPA”) with Ambang Budi Sdn Bhd (“ABSB”) and Hartaplus Realty Sdn Bhd (“HRSB”) (collectively known as Vendors) for the proposed acquisition of a piece of freehold land measuring 629.25 acres held under title HS(D) 33911, PTD 47441, Mukim of Kulai, Daerah Kulaijaya, State of Johor (“Pulai Land”) for a total cash consideration of RM233.0 million.

## **UNITED MALAYAN LAND BHD**

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

#### **B6. Status of Corporate Proposals (continued)**

(i) Pulai Jaya Proposals (continued)

The JVA was completed upon the subscription for 49 new shares of RM1.00 each in ECSB by UMLand and TJSB respectively on 21 October 2009, resulting in the shareholding proportion of UMLand and TJSB in ECSB at 51:49.

The Option shall be exercised at any time during the period before the expiry of the completion period as defined in the SPA, subject to the conditions precedent in the SPA being met and the completion of the Interchange (as defined below) within a period of fifteen (15) months from the SPA (“Tenor”). If the completion of the Interchange is delayed, the Tenor will be correspondingly extended. The Call Option Agreement is not subject to any conditions precedent. Upon the request of TJSB, the 49% shareholder of ECSB, UMLand, vide a letter dated 5 August 2011 to TJSB has agreed not to exercise the Option in the best interest of the joint venture so that the parties may continue to jointly share the risks and rewards of the project.

The SPA is subject to the following conditions precedent being fulfilled within fifteen (15) months from the date of the SPA (“Prescribed Period”) with an extended period of two (2) months (“Extended Prescribed Period”):

- a) approval of FIC for the acquisition of Pulai Land by ECSB which was obtained on 27 May 2009;
- b) approval by shareholders of ECSB which was obtained on 25 February 2009;
- c) approval by shareholders of UMLand which was obtained at an EGM on 1 October 2009;
- d) approval of the chargee (AmTrustee Berhad) of Pulai Land which was obtained on 22 March 2010;
- e) approval of the relevant authorities for:
  - i) the revised master layout plan for the proposed development on Pulai Land which comprises commercial/logistics/transportation hub, industrial park and residential development (“Proposed Project”);
  - ii) Pulai Land having been approved for conversion for use for the Proposed Project;
  - iii) the access road from the proposed “Bandar Pulai Jaya” interchange through Johor Technology Park to Skudai Highway to be obtained by the Vendors; and
- f) a written confirmation from Renewed Global Sdn Bhd (a joint venture partner with the Vendors to develop Pulai Land previously) that they have no claims whatsoever against Pulai Land and/or against ECSB in respect of ECSB’s purchase of Pulai Land and a written indemnity by HRSB to ECSB indemnifying ECSB of any claim by Renewed Global Sdn Bhd against Pulai Land and/or against ECSB in respect of ECSB’s purchase of Pulai Land. The written confirmation from Renewed Global Sdn Bhd and the written indemnity by HRSB to ECSB were both obtained on 26 February 2009.

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

**B6. Status of Corporate Proposals (continued)**

(i) Pulai Jaya Proposals (continued)

On 11 May 2010, the Extended Prescribed Period to fulfil the conditions precedent in the SPA was amended to expire on 12 January 2011. On 12 January 2011, the Extended Prescribed Period was further extended to 12 July 2011. On 11 July 2011, ECSB has waived the outstanding unfulfilled conditions precedent in the SPA and accordingly, the SPA has become unconditional.

Pursuant to the SPA, HRSB shall construct the proposed “Bandar Pulai Jaya” interchange at Kilometre 27.00 of the Second Link Highway and the access road to Pulai Land (collectively known as the Interchange) and complete and open the Interchange for vehicular use by general public within the Prescribed Period. Any delay in the completion of the Interchange will automatically extend the completion period of the SPA by a corresponding period of such delay.

On 9 July 2012, ECSB, ABSB and HRSB (In Receivership) entered into a Supplemental Agreement (“SA”) to vary certain terms and conditions of the SPA as follows:

- a) Balance Deposit amounting to RM22.8 million (equivalent to 10% on total consideration of RM233.0 million less RM500,000 previously paid upon the execution of the SPA) shall be payable by ECSB on or before 11 July 2012. The payment was made on even date.
- b) ECSB will undertake the construction of the Interchange at its cost and expense provided that it is entitled to deduct the costs of construction, contribution costs to highway authorities and funding costs incurred to construct the Interchange from the balance purchase price of RM209.7 million (“Balance Purchase Price”). A tender exercise will be carried out by ECSB for the construction of the Interchange and this exercise is to be completed on or before 2 November 2012 (“Tender Exercise Period”). However, the award of the contract for the Interchange, timing of commencement and completion of construction is entirely at the discretion of ECSB.
- c) The Balance Purchase Price less the Interchange cost, contribution costs and funding costs (“Deductions”) will be paid by ECSB within 24 months from the expiry of the Tender Exercise Period on 2 November 2014. The date when the Balance Purchase Price (less the Deductions) is paid in full by ECSB shall be deemed as the completion of the SPA.

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

#### **B6. Status of Corporate Proposals (continued)**

##### **(ii) Proposed Joint Venture with Raffles International Pte Ltd**

Subsequent to the Memorandum Of Understanding signed between Seri Alam Properties Sdn Bhd (“Seri Alam”) and Raffles Campus Pte Ltd (“Raffles”) dated 18 April 2011, Seri Alam had on 11 December 2011, entered into the following agreements with Raffles:

- a) Shareholders Agreement (“SA”) to govern a joint venture company, Raffles Campus Seri Alam Sdn Bhd (“RCSA”), for the proposed development of Excelsior International School, an international school for use by Raffles as its Johor campus. The SA is not subject to any condition precedent and the shareholdings of RCSA shall be held in the proportion of 51:49 by Seri Alam and Raffles respectively at any time; and
- b) Option to Purchase Shares Agreement (“OPSA”) granting Raffles the option to purchase the remaining 51% of the total issued and paid up share capital of RCSA from Seri Alam (“Option”). The Option shall be exercised at any time within 3 years from the commencement of a lease agreement to be entered into at a later date upon completion of the campus. Pursuant to the OPSA, Seri Alam has the right to retain 30% of shares in RCSA which shall be exercised by Seri Alam prior to exercise of the Option by Raffles. The OPSA is not subject to any condition precedent.

On even date, RCSA also entered into a Sale and Purchase Agreement (“SPA”) with Seri Alam for the proposed acquisition of a parcel of freehold land measuring approximately 19.71 acres held under the master title HS(D) No. 310781 PTD No. 158257, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Ta’zim for a total consideration of RM10.83 million. The SPA is conditional upon the relevant approval of the Land Administrator for the subdivision of the Master Land within 6 months from the SPA or such extended period as may be mutually agreed to by the parties (“Conditional Period”). On 2 July 2012, both parties have agreed to extend the Conditional Period to 30 November 2012.

On 3 May 2012, RCSA entered into an Agreement for Lease with Excelsior Education Management Sdn Bhd (“Excelsior”) to lease an international school premised on the Master Land. RCSA shall construct the international school while the costs of fitting, furnishing and equipping to render the buildings suitable for use as an international school shall be by Excelsior.

##### **(iii) Proposed Development of International School in Bandar Seri Alam**

On 3 May 2012, Seri Alam entered into a Land Lease Agreement with Pegasus Education Group (Malaysia) Sdn Bhd (“Pegasus”) to lease a 10.35-acre parcel of freehold commercial land in Bandar Seri Alam for 15 years for the proposed development of an international school for the use by Pegasus as its Johor Campus at a rental rate of RM1.1 million per annum for the first three years and thereafter reviewed for increase every three years.

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

#### **B6. Status of Corporate Proposals (continued)**

(iii) Proposed Development of International School in Bandar Seri Alam (continued)

The proposed development of international school will be constructed over five phases in the period of eight years. The buildings will be leased from Seri Alam to Pegasus upon completion of each building. The parties have up to 2 months or such extended period to enter into an Agreement for Lease for the 5 phases of proposed developments. The buildings shall be built upon the signing of the Agreement for Lease between the parties.

On even date, Seri Alam also entered into an Option to Purchase Property Agreement with Pegasus whereby Pegasus was granted an option to purchase the land and all the buildings that have been erected thereon up to the date of exercise. The option is exercisable from the completion of the first building until 31 December 2017, or such extended date to be determined by Seri Alam.

(iv) Notice of Unconditional Take Over Offer from Seleksi Juang Sdn Bhd

On 12 July 2012, UMLand received a notice of unconditional take-over offer from Seleksi Juang Sdn Bhd (“Offeror”) through Public Investment Bank Berhad (“PIVB”) to acquire all the remaining ordinary shares of RM1.00 each in UMLand (excluding treasury shares) not already owned by the Offeror and Persons Acting in Concert (“PAC”) with it (“Offer Share”) for a cash consideration of RM2.50 per Offer Share (“Offer”).

On 16 July 2012, the Non-Interested Directors of UMLand, upon deliberation announced that it does not intend to seek an alternative person to make a take-over offer for the Offer Shares.

In accordance with the Malaysian Code on Take-Overs and Mergers 2010, the Non-Interested Directors had on 17 July 2012 appointed Affin Investment Bank Berhad as the independent adviser for the Offer to advise the Non-Interested Directors and holders of the Offer Shares on the reasonableness and fairness of the Offer. The Independent Advice Circular to advise the holders of the Offer Shares on whether the Offer is fair and reasonable and to provide their recommendation on whether to accept or reject the Offer was issued and despatched to UMLand shareholders on 13 August 2012.

The Offer Document from the Offeror was issued and despatched on 2 August 2012 and the Offer closed on 23 August 2012.

On 16 August 2012, the Offeror through PIVB announced that the closing date for the acceptance of the Offer was extended to 6 September 2012.

Based on valid acceptances as at 27 August 2012, the Offeror through PIVB informed that the Offeror and PAC hold approximately 94.04% of UMLand’s total issued and paid-up share capital (excluding treasury shares) and pursuant to Paragraph 16.02(3) of the Main Market Listing Requirement, the UMLand shares would be suspended from trading upon the expiry of five (5) market days from 27 August 2012, ie with effect from 9.00am, 5 September 2012.

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

**B7. 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 2012, the Group's borrowings were as follows:

Type of loans	Total RM'000
<b>Short Term Loan</b>	
Revolving credit (Secured)	33,500
Revolving credit (Unsecured)	53,000
Overdrafts (Secured)	14,815
Term loan (Secured)	11,700
Term loan (Unsecured)	3,000
Bridging loan (Secured)	30,795
Finance lease liabilities (Secured)	211
<b>Sub-total</b>	<b>147,021</b>
<b>Long Term Loan</b>	
Term loan (Secured)	31,300
Term loan (Unsecured)	25,000
Finance lease liabilities (Secured)	758
<b>Sub-total</b>	<b>57,058</b>
<b>Total</b>	<b>204,079</b>

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)**

#### **B8. Material Litigation**

*(Changes in material litigation (including status of any pending material litigation) since the date of the last annual statement of financial position 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 August 2012 (a date not earlier than 7 days from the date of issue of this quarterly report) since the date of the last annual statement of financial position except for the following:

(i) Pulai Jaya Proposals

On 8 June 2012, Hartaplus Realty Sdn Bhd (In Receivership) (“HRSB”) filed an originating summons (“OS”) at the High Court of Malaya at Kuala Lumpur (“Court”) seeking for a declaration that the SPA dated 12 February 2009 (Existing SPA) entered into between HRSB, ABSB and ECSB shall remain valid and binding on the parties and may be varied by a proposed supplemental agreement.

Under the Existing SPA, HRSB and ABSB as joint vendors, agreed to sell the Pulai Land to ECSB for the purchase price of RM233.0 million subject to the satisfaction of the conditions precedent on or before the extended prescribed period on 12 July 2011. On 11 July 2011, ECSB’s solicitors had issued a letter to HRSB stating that ECSB had waived the conditions precedent to the Existing SPA and the Existing SPA thereby became unconditional. However, HRSB had issued a letter dated 13 July 2011 to rescind the Existing SPA on the basis that there was no waiver of the conditions precedent of the Existing SPA issued by ECSB. On 3 October 2011, the receivers and managers were appointed over all the properties and assets of HRSB.

The previous board of directors of HRSB had on 25 June 2012 filed an application to intervene and be made a party to the OS (“Intervener Application”) as they opposed the reliefs sought under the OS.

The Court had dismissed the Intervener Application on 2 July 2012 and granted the reliefs sought by HRSB by declaring that the Existing SPA remains valid and binding and may be varied by a proposed supplemental agreement or by an agreement of the parties from time to time. On 9 July 2012, the parties entered into a supplemental agreement to vary the terms of the Existing SPA.

Following the dismissal by the Court of the Intervener Application, the previous board of directors of HRSB had on 20 July 2012 filed an application to the Court of Appeal to appeal against the said dismissal and the OS (“Appeal”). No date has been fixed for the hearing of the Appeal as at 30 August 2012.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**
**B9. 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.

**B10. 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 owners of the Company by the weighted average number of ordinary shares in issue during the financial period, excluding ordinary shares acquired by the Company and held as treasury shares.

	<b>Current Quarter 30 June 2012</b>	<b>Cumulative Period 30 June 2012</b>
Profit for the financial period attributable to owners of the Company (RM'000)	9,517	9,653
Weighted average number of ordinary shares in issue ('000)	301,629	301,629
Basic EPS (sen)	3.16	3.20

**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 does not have any dilutive potential ordinary shares.

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

#### **B11. Auditor's Report on Preceding Annual Financial Statements**

*(Where the audit report of the corporation's preceding annual financial statements was qualified, disclosure of the qualification and the current status of the matter(s) giving rise to the qualification for the current quarter and financial year-to-date).*

The auditor's report of the Group's annual financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

#### **B12. Disclosure of Derivatives**

*(A description of the nature of all outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the relevant reporting period).*

There were no outstanding financial derivatives at the date of issue of this report except for the call option as disclosed in Note B6(ii)b. The exercise of this call option shall be at any time within 3 years from the commencement of a lease agreement to be entered into at a later date upon completion of the campus. As such, the future cash flows of the joint venture company cannot be estimated with certainty before the lease agreement is entered into. Thus, the fair value of the call option is not recognised.

#### **B13. Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities**

*(To disclose the amount of gains/losses arising from fair value changes of its financial liabilities for the current and cumulative quarter(s) including the following:-*

*(a) the type of financial liabilities from which the gains/losses arose;*

*(b) an explanation on the reasons for the gains/losses; and*

*(c) the basis in arriving at the fair value changes.*

There were no gains/losses arising from fair value changes of the financial liabilities 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)**
**B14. Disclosure of Breakdown of Realised and Unrealised Profits or Losses**

*(To disclose a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period and previous financial year, on a group basis, into realised and unrealised profits or losses).*

The following analysis is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

	As at 30 June 2012 RM'000	As at 31 December 2011 RM'000
Total retained earnings of the Group:		
- Realised	396,956	402,567
- Unrealised	3,266	418
	400,222	402,985
Total share of retained earnings from jointly controlled entities		
- Realised	3,861	1,204
- Unrealised	12	12
	404,095	404,201
Less: Consolidation adjustments	(73,105)	(67,783)
	330,990	336,418